

# MESCO PHARMACEUTICALS LIMITED

Corporate Identity No. L24111UR1986PLC015895  
Regd. Office: Upper Kesalton, Tallital, Nainital-263 001, Uttarakhand,  
W: www.mescopharma.com E-mail: nsparameswaran@mescosteel.com, Tel: 9871862796

Date: 07<sup>th</sup> September, 2020

To,  
The General Manager,  
Listing Operation,  
BSE Limited, P.J. Towers,  
Dalal Street, Mumbai - 400 001


**Sub.: Regulation 34 (1) -Submission of Annual Report including Notice of AGM for the Financial Year 2019-2020**

Dear Sir,

With reference to the above captioned matter and pursuant to clause 34(1) of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 we are submitting herewith with this letter, soft copy of Annual Report 2019-2020 containing Notice & Annual Accounts for the financial year ended on 31<sup>st</sup> March 2020.

This is for your information and records.

Thanking you,  
Thanking you,  
**For Mesco Pharmaceuticals Limited**

  
N.S. Parameswaran  
Company Secretary  
Encl:AA

**34<sup>TH</sup> ANNUAL REPORT**  
**2019-20**

**MESCO PHARMACEUTICALS**  
**LIMITED**

## CORPORATE INFORMATION

<b>BOARD OF DIRECTORS</b>		<b>REGISTRAR AND SHARE TRANSFER AGENT</b>
Mr. Sameer Singh <sup>1</sup> Mr. Dhruv Singh <sup>2</sup>	Managing Director Add. Director and Chief Executive Officer	Skyline Financial Services Private Limited Address: D-153A, Okhla Industrial Area, Phase-I New Delhi- 110 020 Tel: 011-26812682 E-mail: <a href="mailto:admin@skylinerta.com">admin@skylinerta.com</a>
Mr. Dushyant Kumar Singh Mr. Hawa Singh Chahar Mrs. Savita Sethi Mr. Varinder Prakash <sup>3</sup> Mr. Jitendra Kumar Singh <sup>4</sup> Mr. N S Parameswaran Mr. Santosh Kumar Jha	Director Independent Director Independent Director Independent Director Director Company Secretary Chief Financial Officer	
*1: Ceased w.e.f 31.07.2020 *2 Appointed w.e.f. 31.07.2020 *3 Ceased w.e.f 31.07.2020 *4 Ceased w.e.f 05.09.2019		<b>INTERNAL AUDITOR</b> M/s BAAJ & Associates Chartered Accountant 21-B, Ground Floor J&K Block Laxmi Nagar Delhi-110092
<b>REGISTERED OFFICE</b>  CIN: L24111UR1986PLC015895 Upper Kesalton, Tallital, Nainital-263001, Uttarakhand Tel: 9871862796 Website: <a href="http://www.mescopharma.com">www.mescopharma.com</a>		<b>CORPORATE OFFICE</b>  H-1, Zamrudpur Community Centre, Kailash Colony, New Delhi-110 048 Tel: 011-40587085 E-mail: <a href="mailto:nsparameswaran@mescosteel.com">nsparameswaran@mescosteel.com</a> Website: <a href="http://www.mescopharma.com">www.mescopharma.com</a>
<b>STATUTORY AUDITOR</b>		<b>SECRETARIAL AUDITOR</b>
M/s Sangram Paul & Co. Chartered Accountants 754-15 JayadevVihar. Bhubaneswar - 75 1 013 Ph.: 0674-2360863.		M/s R S B & Associates Company Secretaries Inder Bhawan, Near TV Centre, Tulsipur, Cuttack-753 008, Odisha

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

CIN: L24111UR1986PLC015895

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

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

Notice is hereby given that the 34<sup>th</sup> Annual General Meeting of the Shareholders of Mesco Pharmaceuticals Limited will be held on Tuesday, 29<sup>th</sup> September, 2020 at 09:00 A.M. at Upper Kesalton, Tallital, Nainital-263 001, Uttarakhand to transact the following businesses:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the audited financial statements for the Financial Year ended on 31<sup>st</sup> March, 2020 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.

**SPECIAL BUSINESS****3. Appointment of Mr. Dhruv Singh as a Director:**

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

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and 161 and any 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) Mr. Dhruv Singh (DIN: 02983286), who was appointed as Additional Director on 31<sup>st</sup> July, 2020, be and is hereby appointed as Executive Director of the Company liable to retire by rotation.

**RESOLVED FURTHER THAT** any Director/Company Secretary of the Company, be and is hereby severally authorized to file necessary returns/forms to the Registrar of Companies and to do all such acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid resolution.”

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

**Date: 03.09.2020**

**Place: New Delhi**

**Nurani Shankar Parameswaran**  
**Company Secretary & Compliance Officer**

**NOTES**

1. An Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013 relating to the Special Business to be transacted at the ensuing Annual General Meeting is appended hereto.
2. **A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member of the company. A blank form of proxy is enclosed herewith and, if intended to be used, it should be returned duly completed at the registered office of the company or at Skyline Financial Services Private Limited, at D-153A, 1<sup>st</sup> floor, Okhla Industrial Area, Phase-1, New Delhi-110020 not less than forty eight hours before the scheduled time of the commencement of Annual General Meeting.**
3. The route map showing directions to reach the venue of the Annual General Meeting is annexed.
4. 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.
5. 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.
6. Corporate Members intending to send their authorised representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.
7. **The Share Transfer Books and Register of Members of the Company will remain closed from Wednesday, 23<sup>rd</sup> September, 2020 to Monday, 27<sup>th</sup> September, 2020 (both days inclusive).**
8. The Shareholders/Proxies are requested to produce at the Registration Counter(s) the attendance slip duly completed and signed, for admission to the meeting hall. However, in case of non-receipt of Notice of Annual General Meeting, members are requested to write to the Company at its registered office for issuing the duplicate of the same or download the same from Company's website [www.mescopharma.com](http://www.mescopharma.com)
9. The statement as per Section 102(1) of the Companies Act, 2013 with respect to the special businesses in this Notice is annexed herein-below.
10. The Securities and Exchange Board of India ('SEBI') has mandated the transfer of securities to be carried out only in dematerialised form (except in case of transmission or transposition of securities) effective from 1st April, 2019. Accordingly, requests for physical transfer of securities of listed entities shall not be processed from 1st April, 2019 onwards. In view of such amendment and in order to eliminate the risks associated with physical holding of shares, Members who are holding shares in physical form are hereby requested to dematerialise their holdings.
11. **Members who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars etc. from the Company electronically.**
12. 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.
13. 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.
14. **The Board of Directors has appointed Ms. Tripti Shakya & Company, Practicing Company Secretary (Certificate of Practice No. 23251), as the Scrutinizer for conducting poll in a fair and transparent manner.**

15. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the AGM by Ballot papers and thereafter unlock the votes casted through remote e-voting in the presence of at least two witnesses not in the employment of the Company. The Scrutinizer shall, within 24 hours from the conclusion of the AGM, prepare and present a consolidated report of the total votes cast in favour or against, if any, to the Chairman or any other Key Managerial Personnel who shall countersign the same and declare the results of the voting within 48 hours of conclusion of Annual General Meeting.
16. The results declared along with the report of Scrutinizer shall be placed on the website of the Company i.e. [www.mescopharma.com](http://www.mescopharma.com) and on the website of CDSL immediately after the declaration of results by the Chairman or any other Key Managerial Personnel. The results shall also be forwarded to the Stock Exchange within 48 hours of the conclusion of Annual General Meeting.

#### **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF COMPANIES ACT, 2013**

##### **Item No. 3**

Mr. Dhruv Singh (DIN:02983286) on the recommendation of Nomination and Remuneration Committee was appointed as an Additional Director of the Company w.e.f 31<sup>st</sup> July, 2020 by the Board in accordance with the applicable provisions of the Companies Act, 2013.

Accordingly, in terms of the requirements of the provisions of Companies Act, 2013 approval of the members of the Company is required for regularization of Mr. Dhruv Singh as Director of the Company

Mr. Dhruv Singh possesses the requisite knowledge, experience and skills for the position of the Director. The Board is of the view that his presence in the Board will be beneficial for the Company

None of the Directors and Key Managerial Personnel of the Company and their relatives except Mr. Dushyant Kumar Singh and Mr. Dhruv Singh is concerned or interested, financial or otherwise, in the resolution.

The Board recommends the resolution set forth in Item no. 3 for the approval of the members.

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

**Date: 03.09.2020**  
**Place: New Delhi**

**Nurani Shankar Parameswaran**  
**Company Secretary & Compliance Officer**

**Details of the Director seeking appointment/re-appointment at Thirty Fourth Annual General Meeting (pursuant to Regulation 36 of the Listing Regulations and Clause 1.2.5 of Secretarial Standard on General Meetings).**

Particulars	Dushyant Kumar Singh	Dhruv Singh
DIN	00091193	02983286
Age	68 Year	40 Years
Date of appointment	12th August, 1986	31 <sup>st</sup> July, 2020
Qualifications	Law Graduate	Graduate
Expertise in specific functional areas	Mr. D.K. Singh aged 68 years is a law graduate and possesses nearly a decade's experience in the Leather and Pharmaceutical Industry.	Mr. Dhruv Singh aged 40 years is a commerce graduate and possesses nearly a decade's experience in the Leather and Steel Industry
Directorships in other Companies	<ul style="list-style-type: none"> <li>• Forrester Foods Private Limited</li> <li>• Mesco India Limited</li> <li>• Mesco Steels Limited</li> <li>• Mesco Laboratories Limited</li> <li>• Chhindwara Energy Limited</li> <li>• Mesco Hotels Limited</li> <li>• Mesco Logistics Limited</li> <li>• Mesco Aerospace Limited</li> <li>• Twenty First Century Finance Ltd</li> </ul>	<ul style="list-style-type: none"> <li>• Pahardia Gold Mining Limited</li> <li>• Mescos Shoes Limited</li> <li>• Mesco Magic Cement Limited</li> <li>• Chhindwara Power Limited</li> <li>• Chhindwara Energy Limited</li> <li>• Gondwana Energy Limited</li> <li>• Mesco Hotels Limited</li> </ul>
Memberships / Chairmanships of committees of other public companies (includes only Audit Committee and Stakeholders' Relationship Committee.)	Mesco Aerospace Ltd - Member in Audit Committee	NIL
Number of shares held in the Company	87,100 Shares	Nil
Relationship with any Director(s) of the Company	Father of Mr. Dhruv Singh, Director and CEO of the Company	Son of Mr. Dushyant Kumar Singh, Director
Terms & Conditions of Appointment/Re-appointment	Re-appointment pursuant to Section 152 of Companies Act, 2013	Appointment as an Executive Director liable to retire by rotation
Remuneration Details	NIL	Nil
No. of Board meetings attended out of 5 meetings held during the year	5	-

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

**Nurani Shankar Parameswaran  
Company Secretary & Compliance Officer**

**Date: 03.09.2020  
Place: New Delhi**



**DIRECTORS' REPORT**

**To The Members**  
**Mesco Pharmaceuticals Ltd**

Your Directors are pleased to present 34<sup>th</sup> Annual Report and the Statement of Accounts for the financial year ended on March 31, 2020

**1. FINANCIAL HIGHLIGHTS**

(Amount in Rs.)

Particulars	2019-20	2018-19
Revenue from operations	-	-
Other Income	-	-
Profit/(Loss) before Tax	(983,321)	(4,098,033)
Tax Expenses:		
Current Tax	-	-
Earlier Years	-	-
Profit/(Loss) after Tax	(983,321)	(4,098,033)
Transfer to General Reserve	-	-
Reserves and surpluses	(307,513,347)	(306,530,025)
Earnings per share	(0.05)	(0.20)

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

During the year under review there was no operation of business in the Company.

**3. DIVIDEND**

Directors have not recommended any dividend for the financial year ended on 31<sup>st</sup> March, 2020.

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

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

**5. REPORT ON SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES**

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

**6. SHARE CAPITAL**

During the year under review the paid up Equity Share Capital as on 31<sup>st</sup> March, 2020 is Rs.19,73,81,000 divided into 1,91,55,600 equity shares of Rs 10 each fully paid up and 11,65,000 equity shares of Rs 5 each partly paid up. During the year under review, the Company 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.

**7. CHANGES IN DIRECTORS AND KEY MANAGERIAL PERSONNEL**

During the year under review, Mr. Hawa Singh Chahar was appointed at the post of Director by the Circular Resolution dated 21.06.2019, passed by the majority of Board of Directors. The office of Mr. Hawa Singh Chahar was also regularized in the previous Annual General Meeting for the year 2018-19.

Further Mr. S C Seth had resigned from the post of director w.e.f. 01.04.2019 due the SEBI Circular pursuant to which any director who is more than an age of 75 years would not be appointed as well as cannot continue to act as a director unless a prior Special Resolution has been passed.

Mr. Rajeev Moudgil due to his personal reasons had also tendered his resignation from the post of Director of the company w.e.f. 27.04. 2019, which was duly noted in the Board Meeting held on same date.

Board Members in their meeting held on 27<sup>th</sup> April, 2019, had appointed Mr. Sameer Singh as Managing Director of the company w.e.f 27.04. 2019, subject to shareholders approval in the Annual General Meeting, which was duly passed by the shareholders. Further in the Board meeting held on 28<sup>th</sup> May, 2020, Mr. Varinder Prakash was appointed as Additional Director (Independent, Non-Executive), subject to approval of shareholder in the ensuing Annual General Meeting.

In the Board Meeting held on 31<sup>st</sup> July, 2020, Mr. Sameer Singh- Managing Director and Mr. Varinder Prakash-Independent Director had resigned from their respective posts with closure of business hours of 31<sup>st</sup> July, 2020. In the same meeting Mr. Dhruv Singh was appointed as a Chief Executive Officer of the Company as well as Additional Director of the Company upto the date of Annual General Meeting, subject to regularization by Board of Directors.

#### **8. FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS**

The Directors are regularly informed during meetings of the Board and Committees on the activities of the Company, its operations and issues faced by the pharmaceutical industry.

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

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

#### **10. REMUNERATION POLICY**

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

#### **11. NUMBER OF MEETINGS OF THE BOARD**

During the Financial Year 2019-20, the board of Directors of the Company met 5 (Five) times i.e. 27<sup>th</sup> April, 2019, 28<sup>th</sup> May, 2019, 12<sup>th</sup> August, 2019, 14<sup>th</sup> November, 2019 and on 13<sup>th</sup> February, 2020. The gap between two consecutive meetings did not exceed 120 (One hundred Twenty) days. Further, a separate Meeting of the Independent Directors of the Company was also held on 13<sup>th</sup> February, 2020.

#### **12. 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.

#### **13. 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.

#### **14. 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.

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

With reference to Section 134(3)(h) of the Companies Act, 2013, no contracts and arrangements with related parties under Section 188(1) of the Act, entered by the Company during the financial year. Accordingly, there are no

transactions that are required to be reported in form AOC-2. Your attention is drawn to the Related Party disclosures set out in the Notes to the Financial Statements.

#### **16. 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.

#### **17. 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").

#### **18. EXTRACT OF ANNUAL RETURN**

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

#### **19. STATUTORY AUDITORS AND THEIR REPORT**

M/s Sangram Paul & Co., Chartered Accountants, Bhubaneswar (Registration No. 308001E), were appointed as Statutory Auditors by the members of the company for Five Years in the 31<sup>st</sup> AGM held on 30th September, 2017.

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.

#### **20. COST AUDITORS AND THEIR REPORT**

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

#### **21. 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, 2020. The Report of Mr. Robinderpal Singh Batth in terms of Section 204 of the Act is provided in the **Annexure-2** forming part of this Report. Given below is the management reply on the observations made by the Secretarial Auditor in their report.

**Observation:**

- i. The company did not provided the e-voting facility to its shareholders in the General Meeting held by the company during the Audit Period as required under Section 108 of the Companies Act, 2013 read with rule 20 of the Companies (Management and Administration) Rules, 2014.
- ii. The promoter's shareholding of the Company is not in 100% Demat form.

**Management's Reply:**

- i. Due to Financial constraints in the company, the company is not in the position of providing e-voting facility to its members.
- ii. The Management of the Company will take steps to de-mat the promoters shareholding in the Company.

*Annual Secretarial Compliance Report was also issued by Mr. Robinderpall Singh Batth., Practicing Company Secretary, for the year ended 31 March 2020 which was duly filed with BSE Limited, and a copy of same is available at BSE.*

**22. REPORTING OF FRAUD BY AUDITORS**

During the year under review, the Statutory Auditors, Cost Auditors and Secretarial Auditor have not reported any instances of frauds committed in the Company by its Officers or Employees to the Audit Committee under section 143(12) of the Act, details of which needs to be mentioned in this Report.

**23. INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS**

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

**24. 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.

**25. PARTICULARS OF REMUNERATION OF DIRECTORS/ KMP/EMPLOYEES**

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

**26. 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.

**27. DISCLOSURE ON DEPOSITS**

The Company has neither accepted nor renewed any deposits during the Financial Year 2019-20 in terms of Chapter V of the Companies Act, 2013.

**28. 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)

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

Save as mentioned elsewhere in this Report, no material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year of the Company-31<sup>st</sup> March, 2020 and the date of this Report.

**30. TRANSFER TO RESERVES**

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

**31. CASH FLOW AND CONSOLIDATED FINANCIAL STATEMENTS**

As required under Regulation 34 of the Listing Regulations, a Cash Flow Statement is part of the Annual Report. The Company does not have any subsidiaries and hence not required to publish Consolidated Financial Statements.

**32. RETIRE BY ROTATION OF DIRECTOR**

Pursuant to Sections 149, 152 of the Companies Act, 2013 Mr. Dushyant Kumar Singh, (DIN: 00091193), Director of the Company will retire by rotation at the ensuing AGM, and being eligible, offer himself for re-appointment in accordance with the provisions of the Companies Act, 2013. The information on the particulars of Director eligible for appointment in terms of Regulation 36 of SEBI (LODR) Regulations, 2015 and Secretarial Standard-2 issued by ICSI has been provided in the notes to the notice convening the Annual General Meeting. Your Directors recommend his re-appointment.

**33. DECLARATION OF INDEPENDENCE**

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

**34. CORPORATE SOCIAL RESPONSIBILITY (CSR)**

The Company doesn't fall under the preview of Section 135 of the Companies Act, 2013 in relation to Corporate Social Responsibility for the financial year 2019-20.

**35. RISK MANAGEMENT POLICY**

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

**36. PREVENTION OF SEXUAL HARASSMENT**

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

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

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

**37. 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.

**38. 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. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b. the directors had selected such accounting policies and applied them consistently and made judgments 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. the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d. the directors had prepared the annual accounts on a going concern basis; and
- e. the directors, in the case of a listed company, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

**39. COMPLIANCES WITH SECRETARIAL STANDARDS**

The Directors state that applicable Secretarial Standards, i.e. SS-1 (Meetings of the Board of Directors), SS-2 (General Meetings), and SS-4 (Report of the Board of Directors) respectively, have been duly followed by the Company.

**40. 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**

**Date: 31.07.2020**

**Place: New Delhi**

**Dhruv Singh**  
**DIN: [02983286](#)**  
**Director & CEO**

**-Encl:**

1. Particulars of Remuneration of Directors/ KMP/Employees- **Annexure-1**
2. Secretarial Audit Report-**Annexure-2**
3. Management Discussion and Analysis - **Annexure-3**
4. Corporate Governance Report - **Annexure – 4**
5. Certificate By Chief Executive Officer And Chief Financial Officer (CFO) **Annexure – 5**
6. Corporate Governance Certificate **Annexure – 6**
7. Certificate Of Non-Disqualification Of Directors **Annexure – 7**

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

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

Name of Director	Ratio of the remuneration of Whole-time Director to the median remuneration of the employees
Mr. Sameer Singh* *Resigned w.e.f 31.07.2020	Nil

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

Directors/KMP	%Increase
<b>Directors</b>	Nil
<b>KMP</b>	
Mr. N S Parameswaran-CS	Nil
Mr. Santosh Kumar Jha-CFO	Nil

3. Percentage increase in median remuneration of employees, if any, in the financial year: Nil  
 4. Number of permanent employees on the rolls of Company- 2  
 5. Average percentile Increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: Nil  
 6. Key parameters for any variable component of remuneration availed by the directors;  
 7. Affirmation that the remuneration is as per the remuneration policy of the Company. **This is to affirm that remuneration is per the remuneration policy of the Company.**

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

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

Form No. MR-3

**SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2020**

*[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. The verification of the records has been done and the information has been obtained with limited available resources due to COVID 19.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on March 31, 2020, generally 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, 2020 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. The Securities and Exchange Board of India ( Depositories and Participants) Regulations, 2018
5. 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;
6. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - ii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
7. Other Laws specifically applicable to the Company as per the representation made by the Company.

I have also examined Compliance with the following:

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

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

- i. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time;
- ii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- iii. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- iv. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- v. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- vi. 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;



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

- a. *The company did not provided the e-voting facility to its shareholders in the General Meeting held by the company during the Audit Period as required under Section 108 of the Companies Act, 2013 read with rule 20 of the Companies (Management and Administration) Rules, 2014.*
- b. *The promoter's shareholding of the Company is not in 100% Demat form.*

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

Majority decision is carried through while the dissenting members views are captured and recorded as part of the minutes. I, further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For R.S.B. & Associates  
Company Secretaries

Robinderpal Singh Bathh  
Practicing Company Secretary  
(Proprietor)  
FCS: 6586  
CP No.: 3836  
UDIN: F006586B000543421

Date: 31.07.2020  
Place: Bhubaneswar

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

To,  
The Members,  
Mesco Pharmaceuticals Limited  
Upper Kesalton Tallital  
Nainital UR 263001

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and process as are appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. I believe that the process and practices, I followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. The verification of the records has been done and the information has been obtained with limited available resources due to COVID 19.

For R.S.B. & Associates  
Company Secretaries

Robinderpal Singh Bath  
Practicing Company Secretary  
(Proprietor)  
FCS: 6586  
CP No.: 3836  
UDIN: F006586B000543421

Date: 31.07.2020  
Place: Bhubaneswar

**MANAGEMENT DISCUSSION AND ANALYSIS****A. INDUSTRY STRUCTURE AND DEVELOPMENTS****Global Pharmaceutical Market**

The global pharmaceutical market is now estimated to be over USD 1.3 trillion and expected to grow at CAGR of about 4% to 5%. Though the pharmaceutical industry is developing at rapid pace, the pharmaceutical manufacturing companies are confronted with enormous challenges such as: Cost & Pricing, New Medicines & Therapy dosages, changing regulatory landscape & growing digitization.

Indian pharma market is expected to grow to USD 55 Billion by 2021 thereby emerging as the 6th largest pharmaceutical market globally by absolute size.

**Indian Bulk Drug Market**

India is expected to be the 3rd largest global markets for Bulk Drugs with a 7.5% increase in market share. There are 1150 bulk drug units producing about 350 important Bulk Drugs. The market analyst forecast the API markets in India to grow at a CAGR of 11% over the period of 2016-2021.

**B. THREATS & CONCERNS**

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

**C. SEGMENT WISE OR PRODUCT WISE PERFORMANCE**

Business activity of the company was closed since many years; and therefore, no product was sold during the year.

**D. REVIEW OF OPERATIONS AND FUTURE PROSPECT**

Company at present is not carrying any activity/business.

**E. OUTLOOK**

The management continues to be positive on the revival of the Company and is trying their level best for the same. Due to 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.

**F. MANAGING RISK AND TRANSFORMATION INTERNAL CONTROL**

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

**G. SYSTEMS AND ADEQUACY**

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

**H. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE**

Company at present is not carrying any activity.

**I. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED.**

Your Company has cordial relations with its employees. The company commends the commitment, dedication and competence shown by its employees in all aspects of business. The management has always remained conscious of these inter-related factors and maintained a favourable climate during the year to suit the growth and excellence in the Company. The management has always strived to maintain cordial relationship between the staff, workers and management.

**J. DETAILS OF SIGNIFICANT CHANGES IN KEY FINANCIAL RATIO, ALONGWITH DETAILED EXPLANATIONS THEREOF, INCLUDING:**

I.	Debtor's Turnover Ratio	: 0
II.	Inventory Turnover	: 0
III.	Interest Coverage Ratio	: 0
IV.	Current Ratio	: 2.69/1.73
V.	Debt Equity Ratio	: 1.01/-1.02
VI.	Operating Profit Margins	: 0
VII.	Net Profit Margins	: 0
VIII.	Details Of Any Change In Return On Net Worth As Compared To The Immediately Previous Financial Year With A Detailed Explanation Thereof: <b>There were no operations carried out by the Company and company is bearing Losses only.</b>	

**K. CAUTIONARY STATEMENT**

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

**REPORT ON CORPORATE GOVERNANCE  
PURSUANT TO REGULATION 34(3) READ WITH SECTION C OF SCHEDULE V TO SEBI  
(LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

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

The Company strongly believes that the spirit of Corporate Governance stretches beyond statutory acquiescence. The Company's Code of Business Conduct is an inclusive set of values fostering a strong sense of ownership, ethics and transparency, reinforcing the integrity of the management, redressal against fraud and fairness in dealing with the Company's stakeholders. The Company's values and ethics, meaningful Corporate Social Responsibility activities and sustainability initiatives are the embodiment of Corporate Governance.

Mesco Pharmaceuticals Limited believes that Corporate Governance is about best practices of business to be imbibed into the culture of the organization and complying with value systems, ethical business practices, laws and regulations to achieve the main objectives of the Company.

The Company has complied with the governance requirements under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and hereby presents the Corporate Governance Report for the financial year ended 31 March 2020:

**2. BOARD OF DIRECTORS**

**A. Composition of the Board**

The Company maintains an optimum combination of Executive, Non-Executive and Independent Directors. As on 31.03.2020 the Board consist of 5 directors who were Mr. Sameer Singh (DIN: 06862254), Mr. Dushyant Kumar Singh (DIN: 00091193) are two non-executive Promoter Director and Mr. Hawa Singh Chahar (DIN: 01691383), Mr. Varinder Prakash (DIN: 08462519) and Mrs. SavitaSethi (DIN: 07558948) are three Independent Directors including one Woman Director.

During the year under review,

Mr. S C Seth had resigned from the post of director w.e.f. 01.04.2019 due the SEBI Circular pursuant to which any director who is more than an age of 75 years would not be appointed as well as cannot continue to act as a director unless a prior Special Resolution has been passed.

Mr. Rajeev Moudgil due to his personal reasons, had also tendered his resignation from the post of Director of the company w.e.f. 27.04.2019, which was duly noted in the Board Meeting held on same date. In the same Board Meeting, Board had appointed Mr. Sameer Singh as Managing Director of the company w.e.f. 27.04.2019, which was also subsequently passed by the shareholders in their General Meeting.

Board has appointed Mr. Varinder Prakash as Additional, Non-Executive Independent Director of the Company w.e.f 28.05.2019 subject to regularization by the members in the general meeting of the company. Further Mr. Hawa Singh Chahar was also appointed by Board as Additional, Non-Executive Independent Director of the Company w.e.f 21<sup>st</sup> June, 2019.

In the Board Meeting held on 31<sup>st</sup> July, 2020, Mr. Sameer Singh- Managing Director and Mr. Varinder Prakash- Independent Director had resigned from their respective posts with closure of business hours of 31<sup>st</sup> July, 2020. In the same meeting Mr. Dhruv Singh was appointed as a Chief Executive Officer of the Company as well as Additional Director of the Company upto the date of Annual General Meeting, subject to regularization by Board of Directors.

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

Structure of Board of Directors during the financial year 2019-20, the number of Directorship and chairmanships/memberships of committee of each Director held in other public companies and relationship inter-se along with requisite information in respect of Directors as per Regulation 34 of SEBI (LODR) Regulations, 2015 is provided below:

Name of Director	Category	Relationship with other Directors	No. of positions held in other public Companies	Directorship in other listed entity (Category of Directorship)

			Board	Committee		
				Membership	Chairmanship	
Mr. Sameer Singh <sup>1</sup> (DIN: 06862254) 1 Appointed w.e.f 27.04.2019 and ceased w.e.f 31.07.2020	Managing Director	Son of Mr. Dushyant Kumar Singh	7	1	-	-
Mr. Jitendra Kumar Singh <sup>2</sup> Ceased w.e.f 05.09.2019	Director	Brother of Mr. Dushyant Kumar Singh	-	-	-	-
Mr. Dushyant Kumar Singh (DIN: 00091193)	Promoter Non- Executive	Brother of Mr. Jitendra Kumar Singh	9	1	-	1. Mideast (India) Limited_ Chief Executive Office
Mrs. SavitaSethi (DIN: 07558948)	Independent Non- Executive	None	-	-	-	-
Mr. Hawa Singh Chahar <sup>2</sup> (DIN: 01691383) 2 Appointed w.e.f 21.06.2019	Independent Non- Executive	None	3	5	4	1. Mideast Integrated Steels Limited Independent Director 2. Mideast (India) Limited Independent Director
Mr. Varinder Prakash <sup>3</sup> (DIN: 08462519) 3 appointed w.e.f 28.05.2019 ceased w.e.f 31.07.2020	Independent Non- Executive	None	1	1	1	-

During the year 2019-20, information as mentioned in Part A of Schedule II of the SEBI (LODR) Regulations, 2015 has been placed before the Board for its consideration. The terms and conditions of appointment of the Independent Directors are disclosed on the website of the Company.

#### B. Meeting of the Board Directors' Attendance Record

During the Financial Year 2019-20, the Board of Directors of the Company met 5 times i.e. 27<sup>th</sup> April, 2019, 28<sup>th</sup> May, 2019, 12<sup>th</sup> August, 2019, 14<sup>th</sup> November, 2019 and on 13<sup>th</sup> February, 2020. The Board was duly supplied with the agenda of the meetings incorporating all material information for facilitating meaningful and focused discussions at the meeting. The intervening period between the Board Meetings was well within the maximum time gap of one hundred and twenty days as stipulated under Companies Act, 2013, Regulation 17 of SEBI (LODR) Regulations, 2015 and Secretarial Standard. The necessary quorum was present for all the meetings.

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

Name of the Director	No. of Board Meeting Held	No. of Board Meeting Attended	Whether attended Last AGM	Number of shares held
Mr. Dushyant Kumar Singh	5	5	Yes	87,100
Mr. Sameer Singh <sup>1</sup>	5	4	Yes	
Mr. Hawa Singh Chahar <sup>2</sup>	5	3	Yes	
Mr. Varinder Prakash <sup>3</sup>	5	3	Yes	
Mr. Jitendra Kumar Singh <sup>4</sup>	5	1	No	192,000
Mrs. SavitaSethi	5	5	Yes	-

<sup>1</sup> Appointed w.e.f 27.04.2019 and ceased w.e.f 31.07.2020

<sup>2</sup> Appointed w.e.f 21.06.2019

<sup>3</sup> Appointed w.e.f 28.05.2019 ceased w.e.f 31.07.2020

<sup>4</sup> Ceased w.e.f 05.09.2019

#### Relation between directors inter-se

Mr. Sameer Singh is son of Mr. Dushyant Kumar Singh, Non-Executive Director of the Company.

#### Shares held by non-executive directors

Mr. Dushyant Kumar Singh holds 87,100 shares in the company as at March 31, 2020. No other directors hold any shares/ convertible instruments in the Company.

#### Familiarization Program

In compliance with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has put in place a familiarization programme for the Independent Directors to familiarize them with their roles, rights and responsibility as Directors, the working of the Company, nature of the industry in which the Company operates, business

model etc. The details of familiarization programmes arranged for the Independent Directors have been disclosed on the website of the company and are available at the following link [www.mescopharma.com](http://www.mescopharma.com).

**The Board has identified the following skills/expertise/ competencies fundamental for the effective functioning of the Company which are currently available with the Board:**

A chart or matrix setting out the list of core skills / expertise / competencies identified by the Board of Directors as required in the context of its business(es) and sector(s) for it to function effectively are as under

:-

Sl. No.			Name of Director who have such skills
1.	Industry	(a) Experience in and knowledge of the industry in which the Company operates (b) Experience and knowledge of broader industry environment and business planning	Mr. Sameer Singh Mr. Dushyant Kumar Singh Mr. Hawa Singh Chahar Mr. Varinder Prakash Mrs. Savita Sethi
2.	Professional	Expertise in professional areas such as Technical, Accounting, Finance, Legal, Human Resources, Marketing, etc.	Mr. Hawa Singh Chahar Mr. Varinder Prakash Mrs. Savita Sethi
3.	Governance	Experience as director of other companies, Awareness of their legal, ethical, fiduciary and financial responsibilities, Risk Assessment, Corporate Governance.	Mr. Sameer Singh Mr. Dushyant Kumar Singh Mr. Hawa Singh Chahar Mr. Varinder Prakash
4.	Behavioural	Knowledge and skills to function well as team members, effective decision making processes, integrity, effective communication, innovative thinking.	Mr. Sameer Singh Mr. Dushyant Kumar Singh Mr. Hawa Singh Chahar Mr. Varinder Prakash Mrs. Savita Sethi

The aforesaid core skills/ expertise / competencies are available with the Board of the Company.

**a) Board Independence**

Pursuant to Schedule IV of the Companies Act, 2013, the Independent Directors met on February, 13, 2020 without the presence of Non-Independent Directors and Members of the Management. The Independent Directors inter alia evaluated the performance of the Non-Independent Directors and the Board of Directors as a whole, evaluated the performance of the Chairman of the Board taking into account the views of Executive and Non-Executive Directors and discussed aspects relating to the quality, quantity and timeliness of the flow of information between the Company, the Management and the Board. Based on the confirmation /disclosures received from the Independent Directors and on evaluation of their relationships disclosed, they are Independent in terms of Section 149(6) of the Companies Act, 2013 and the rules made thereunder, and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**b) Resignation of an Independent Director**

No Independent Director has been resigned from the company during the financial Year ended 31st March, 2020, other than as specifically mentioned in the Director Report and in Board Composition note under Corporate Governance Report.

**3. COMMITTEES OF BOARD OF DIRECTORS**

**Mesco Pharmaceuticals Ltd has three board level Committees as on 31<sup>st</sup> March, 2020:**

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

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

**A. AUDIT COMMITTEE**

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

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

#### Composition

As on 31<sup>st</sup> March, 2020 the Audit Committee of the Company comprises of two Non-Executive Independent Directors and one Promoter non-executive Director i.e. Mr. Varinder Prakash – as Chairman; Mr. Hawa Singh Chahar and Mr. Dushyant Kumar Singh are Members of the Committee. The Company Secretary, if any of the Company acts as a Secretary of the Committee.

#### Meetings & Attendance

The Committee met four (4) times during the Financial Year 2019-2020 on the following dates: 28<sup>th</sup> May, 2019, 12<sup>th</sup> August, 2019, 14<sup>th</sup> November, 2019 and on 13<sup>th</sup> February, 2020. Details of attendance of Directors in the Audit Committee meeting are as under:

Name of the Director	Category	Number of Meetings held	No. of Meetings Attended
Mr. Rajeev Moudgil*	Non-Executive Independent Director	4	-
Mr. Jitendra Kumar Singh* <sup>2</sup>	Non-Executive Promoter Director	4	2
Mr. Varinder Prakash* <sup>3</sup>	Non-Executive Independent Director	4	4
Mr. Hawa Singh Chahar* <sup>4</sup>	Non-Executive Independent Director	4	3

\*1: ceased to act as a Director wef 27.04.2019

\*2 Ceased to act as a Director wef 05.09.2019

\*3 Appointed w.e.f 28.05.2019, ceased w.e.f 31.07.2020

\*4 Appointed w.e.f 21.06.2019

## 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, 2020, it comprises of two Non-Executive Independent Director and One Promoter Director i.e. Mr. Varinder Prakash – as Chairman; Mr. Hawa Singh Chahar and Mr. Dushyant Kumar Singh as the Members of the Committee.

#### Meetings & Attendance

The Committee met two (2) times during the Financial Year 2019-2020 on the following dates: 27<sup>th</sup> April, 2019 and on 13<sup>th</sup> February, 2020. Details of attendance of Directors in the Nomination and Remuneration Committee meeting are as under:

Name of the Director	Category	Number of Meetings held	No. of Meetings Attended
Mr. Rajeev Moudgil Chairman* <sup>1</sup>	Non-Executive Independent Director	2	1
Mr. Jitendra Kumar Singh Member* <sup>2</sup>	Non-Executive Promoter Director	2	1
Mr. Varinder Prakash* <sup>3</sup>		2	1



Mr. Dushyant Kumar Singh		2	1
Mr. Hawa Singh Chahar <sup>*4</sup>		2	1

\*1: ceased to act as a Director w.e.f 27.04.2019

\*2 Ceased to act as a Director w.e.f 05.09.2019

\*3 Appointed w.e.f 28.05.2019 and ceased w.e.f 31.07.2020

\*4 Appointed w.e.f 21.06.2019

#### Performance Evaluation Criteria for Independent Directors:

The performance evaluation criteria for independent directors are determined by the Nomination and Remuneration Committee. An indicative list of factors on which evaluation was carried out includes participation and contribution by a director, commitment, effective deployment of knowledge and expertise, integrity and maintenance of confidentiality and independence of behavior and judgment.

#### Remuneration Policy:

The remuneration policy of the Directors is aligned towards rewarding participation in meetings and is in consonance with industry benchmarks and provisions of the law. The objective of the policy is to attract and retain excellent talent while delivering optimal value to the business. The executive remuneration policy is aligned with an objective to recognize the need to be competitive in the industry by ensuring fair and reasonable rewards for high levels of performance. The remuneration policy is uploaded on the website of the Company [www.mphasis.com](http://www.mphasis.com) in the investors section under the Corporate Governance page. The highlights of the remuneration policy for the directors and executives are given below:

#### Details of the Directors' Remuneration for the financial year ended 31<sup>st</sup> March, 2020

Name of Director	Sitting fees	Salaries & Perquisites (In Rs.)	Commission, Bonus Ex-gratia	Total Amount (In Rs.)	No. of Shares held & %
Mr. Sameer Singh <sup>*1</sup>	-	-	-	-	-
Mr. Jitendra Kumar Singh <sup>*2</sup>	-	-	-	-	192,000 (0.94)
Mr. Dushyant Kumar Singh	-	-	-	-	87,100 (0.43)
Mr. Rajeev Moudgil <sup>*3</sup>	-	-	-	-	-
Mr. Varinder Prakash <sup>*4</sup>	-	-	-	-	-
Mrs. Savita Sethi	-	-	-	-	-
Mr. Hawa Singh Chahar <sup>*5</sup>	-	-	-	-	-

\*1: Appointed w.e.f 27.04.2019, ceased w.e.f 31.07.2020

\*2 Ceased to act as a Director w.e.f 05.09.2019

\*3 Ceased to act as a Director w.e.f 27.04.2019

\*4 Appointed w.e.f 28.05.2019, ceased 31.07.2020

\*5 Appointed w.e.f 21.06.2019

### 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, 2020, Committee comprises of three Non-Executive Independent Director and one Executive Director i.e. Mr. Dushyant Kumar Singh – as Chairman; Mr. Hawa Singh Chahar, Mr. Varinder Prakash and Mr. Sameer Singh as the Members of the Committee.

The Committee met three(3) times during the Financial Year 2019-2020 on the following dates: 12<sup>th</sup> August, 2019, 14<sup>th</sup> November, 2019 and on 13<sup>th</sup> February, 2020.

Name of the Director	Category	Number of Meetings held	No. of Meetings Attended
Mr. Jitendra Kumar Singh <sup>*1</sup>	Non-Executive Director Promoter	3	1
Mr. Varinder Prakash <sup>*2</sup>	Non-Executive Director Independent	3	3

Mr. Hawa Singh Chahar <sup>*3</sup>	Non-Executive Independent Director	3	3
Mr. Sameer Singh <sup>*4</sup>	Executive Promoter Director	3	3
Mr. Dushyant Kumar Singh	Non Executive- Promoter Director	3	1

<sup>\*1</sup>Ceased to act as Director wef 05.09.2019

<sup>\*2</sup>Appointed wef 28.05.2019, ceased w.e.f 31.07.2020

<sup>\*3</sup>Appointed wef 21.06.2019

<sup>\*4</sup>Appointed wef 27.04.2019,ceased w.e.f 31.07.2020

#### Investor Grievance Redressal

During the year, the complaints received from the shareholders were duly addressed in a timely manner and all the complaints were resolved. There were no pending complaints from any shareholder as on 31<sup>st</sup> March 2020.

Particulars	Status
Complaints outstanding as on April 1, 2019	-
Complaints received during the year ended March 31, 2020	6
Complaints resolved during the year ended March 31, 2020	6
Complaints not solved to the satisfaction of Shareholders as on March 31, 2020	-
Complaints Pending as on March 31, 2020	-

#### 4. GENERAL BODY MEETINGS

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

Year	Venue	Date	Time	Special Resolution
2018-19	Upper Kesalton, Tallital, Nainital-263 001, Uttarakhand	28 <sup>th</sup> September, 2019	09:30 AM	<ul style="list-style-type: none"> <li>To appoint Mr. Sameer Singh (DIN: 06862254) as Managing Director of the Company</li> </ul>
2017-18	Upper Kesalton, Tallital, Nainital-263 001, Uttarakhand	29 <sup>th</sup> September, 2018	11:00 AM	<ul style="list-style-type: none"> <li>Appointment of Mr. N.S. Parameswaran as Managing Director of the Company</li> </ul>
2016-17	Upper Kesalton, Tallital, Nainital-263 001, Uttarakhand	30 <sup>th</sup> September, 2017	10.A.M.	<ul style="list-style-type: none"> <li>To Keep Register of Members and other Statutory Registers at a place other than the Registered Office of the Company</li> <li>Adoption of New Articles of Association as per Companies Act, 2013</li> </ul>

b) During Financial Year ended March 31, 2020, no resolution was passed through Postal Ballot. No resolution is proposed to be passed as Postal Ballot in the upcoming AGM

#### 5. MEANS OF COMMUNICATION

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

#### 6. GENERAL SHAREHOLDERS INFORMATION

<b>AGM: Day, Date, time and venue</b>	29 <sup>th</sup> September, 2020
<b>Financial year</b>	April 1,2019to March 31, 2020
<b>Dividend Payment Date</b>	The Company has not declared any dividend for the Financial Year 2019-20
<b>Listing of shares</b>	BSE Ltd., PhirozeJeejeebhoy Towers, Dalal Street, Mumbai-400001

	The Calcutta Stock Exchange Limited 7, Lyons Range, Kolkata-700
<b>Listing Fees</b>	Listing fees as prescribed has been paid to the stock exchange up to March 31, 2020
<b>Stock Code</b>	500274
<b>Performance in comparison to broad based indices</b>	The Company shares are not frequently traded on BSE.
<b>Outstanding GDRs/ ADRs/ Warrants Or Any Convertible Instruments</b>	There were no outstanding GDRs/ ADRs/ Warrants or any convertible instruments as at March 31, 2020
<b>Registrar &amp; Share Transfer Agents of the Company for both physical and electronic mode of share transfer</b>	Skyline Financial Services Private Ltd D-153A, 1 <sup>st</sup> Floor, Okhla Industrial Area, Phase-I, New Delhi-110020 Contact Person: Mr. Parveen Sharma Phones : 011-40450195 Email : <a href="mailto:parveen@skylinerta.com">parveen@skylinerta.com</a> Website : <a href="http://www.mescopharma.com">www.mescopharma.com</a>
<b>Dematerialization of Shares and Liquidity</b>	1.10% of the paid up Equity Share Capital is held in Dematerialized form with National Securities Depository Limited.
<b>Financial Calendar:</b>	Quarterly results will be declared normally in 4th week of following month or in the 1st week of the next succeeding month after the end of financial quarter.
<b>ISIN No</b>	INE839X01015
<b>Registered office</b>	Mesco Pharmaceuticals Ltd Upper Kesalton, Tallital, Nainital-263001, Uttarakhan e-mail: <a href="mailto:nsparameswaran@mescosteel.com">nsparameswaran@mescosteel.com</a>
<b>Address for correspondence</b>	Mesco Tower H -1, Zamrudpur Community Centre, Kailash Colony, New Delhi – 110 048. Ph. No.- 011- 40587085
<b>List of all credit rating</b>	<b>NIL</b>

i) **Market Price Data:**

Month	High	Low	BSE Limited Volume
December 19	11.78	11.20	200
January 20	10.64	9.13	800

ii) **Distribution of Shareholding as on 31<sup>st</sup> March 2020:**

No. of Equity Share held	No. of Equity Shareholders	% of Equity Shareholders	Total No. of Equity Shares held	% of Equity Shareholding
1	2	3	4	5
Up To 5,000	37944	93.14	90533560	44.55
5001 To 10,000	2222	5.45	15726160	7.74
10001 To 20,000	407	1	5826320	2.87
20001 To 30,000	83	0.2	2090360	1.03
30001 To 40,000	26	0.06	920000	0.45
40001 To 50,000	15	0.04	710100	0.35
50001 To 1,00,000	22	0.05	1553500	0.76

1,00,000 and Above	20	0.05	85846000	42.25
<b>Total</b>	<b>40739</b>	<b>100</b>	<b>203206000</b>	<b>100</b>

iii) **Category-Wise Summary Of Shareholding As On 31<sup>st</sup>march, 2020**

Category	No of Shares	% of Holding
<b>Promoters Shareholding</b>	7986100	39.30
<b>Non-promoters holding</b>		
Mutual funds and UTI	0	0
Banks, Financial Institutions, Insurance Companies, Clearing Member	500	0
Overseas Corporate Bodies	0	0
Foreign Venture Capital Investor/FII	0	0
Bodies Corporate	514782	2.53
India Public	10378999	51.09
Non-resident Indians	1436919	7.07
Clearing Member	800	0
Others	2500	0.01
<b>Grand Total</b>	<b>203206000</b>	<b>100</b>

iv) **Commodity price risk or Foreign exchange risk and hedging activities:** The Company does not deal in commodities and hence the disclosure pursuant to SEBI Circular dated November 15, 2018 is not required to be given. For a detailed discussion on foreign exchange risk and hedging activities, please refer to Management Discussion and Analysis Report.

v) **SHARE TRANSFER SYSTEM**

As per SEBI notification effective from April 01, 2019 requests for Transfer of Securities held in physical form would be carried out in dematerialized form only except in case of transmission or transposition of securities. Therefore, Registrar and Share Transfer Agent and Company will not accept any request for transfer of shares in physical form. The processes for shares held in dematerialized form are dealt by the depository participants without any involvement of the Company.

7. **DISCLOSURES**

a) **Related Party Transactions**

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

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

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

There were no instances of material noncompliance by the Company nor have any penalties/structures imposed by Stock Exchanges or SEBI or any other statutory authority on any matters related to capital market, other than as specified in the Secretarial Audit Report, during last financial year.

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

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

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

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

- e) **The company has not raised any amount through preferential allotment or qualified institutions placements as specified under Regulation 32(7A)**
- 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 half-yearly financial results are not sent to the shareholders as the same are posted on the website of the Company.
  - iii. **Modified opinion(s) in Audit Report**  
The Auditors have raised no qualifications on the financial statements of the Company.
  - iv. **Separate posts of Chairman and CEO**  
The Company had appointed Mr. Sameer Singh as Managing Director of the Company w.e.f 27.04.2020. Mr. Sameer Singh had tendered his resignation from the post of Managing Director w.e.f 31.07.2020  
  
Mr. Dhruv Singh was appointed as CEO of the Company w.e.f. 31<sup>st</sup> July 2020.
  - v. **Reporting of Internal Auditors**  
The Internal Auditor reports directly to the Audit Committee
8. There are no non-compliances of any requirement of corporate governance report and all the required disclosures are made to stock exchanges and other regulatory bodies as and when required.
9. A certificate has been received from Robinderpall Singh Batth, Practicing Company Secretaries, that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority.
10. There was no such instance to be reported where any recommendation made by any committee was not accepted by the Board Members.
11. M/s Sangram Paul & Co. has been appointed as the Statutory Auditors of the Company. The particulars of Statutory Auditors fees is given below:
- | Particulars                        | As at 31 March, 2020 |
|------------------------------------|----------------------|
|                                    | ₹                    |
| Payments to the auditors comprises |                      |
| For statutory audit                | 20000                |
| <b>Total</b>                       | <b>20000</b>         |
12. There were no complaints received during the year under Sexual Harassment of Women at Work place (Prevention, Prohibition and Redressal) Act, 2013
13. **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, 2020 the Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI (LODR) Regulations, 2015.
14. **The CEO and CFO Certification of the financial statements for the year, is enclosed at the end of the report.**
15. **The Company has followed the treatment laid down in the Accounting Standards prescribed by the Institute of Chartered Accountants of India, in the preparation of financial statements.**
16. **Disclosures with respect to demat suspense account/ unclaimed suspense account**
- a) Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year: NIL

- b) Number of shareholders who approached listed entity for transfer of shares from suspense account during the year: NIL
- c) Number of shareholders to whom shares were transferred from suspense account during the year: NIL
- d) Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year: NIL

**Annual Compliance with the Code of Conduct for the Financial Year 2019-19**

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, 2020 from all the Board Members and Senior Management Personnel.

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

**Dhruv Singh**  
**(DIN: 02983286)**  
**Director and CEO**

**Date: 31.07.2020**  
**Place: New Delhi**

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

We, Dhruv Singh, Chief Executive Officer 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 2020 and that to the best of our knowledge and belief:
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) To the best of our knowledge and belief, no transactions entered into by the company during the year which is fraudulent, illegal or violating of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and they have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit committee
  - (i) significant changes in internal control over financial reporting during the year;
  - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

**For Mesco Pharmaceuticals Ltd**

**Date : 31.07.2020**  
**Place: New Delhi**

**Dhruv Singh**  
**Director and CEO**

**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 2020, as stipulated in Regulation 15(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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

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

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

**For RSB & Associates**  
**Company Secretaries**

**Robinderpal Singh Batth**  
**Practicing Company Secretary**  
**C. No. 3836**  
**UDIN: F006586B000550140**

**Date: 31.07.2020**  
**Place: Bhubneshwar**



**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**  
**(Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI**  
**(Listing Obligations and Disclosure Requirements) Regulations, 2015)**

To,  
The Members of  
**MESCO PHARMACEUTICALS LIMITED**  
Upper Kesalton Tallital  
Nainital 263001

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Mesco Pharmaceuticals Limited having CIN L24111UR1986PLC015895 and having registered office at Upper Kesalton Tallital Nainital 263001 (hereinafter referred to as 'the Company'), and produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on March 31, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

**Following are the Directors on the Board of the Company as on 31.03.2020:**

S. No	Name of Director	DIN
1.	Mr. Sameer Singh	06862254
2.	Mr. Hawa Singh Chahar	01691383
3.	Mr. Dushyant Kumar Singh	00091193
4.	Ms. SavitaSethi	07558948
5.	Mr. VarinderPrakash	08462519

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on this based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For RSB & Associates**  
**Company Secretary**  
**UDIN: F006586B000543683**

**Robinderpall Singh Batth**  
**FCS: 6586, CP No. 3836**  
**Date: 31.07.2020**  
**Place: Bhubneswar**

**INDEPENDENT AUDITOR'S REPORT**

**To The Members of  
M/s Mesco Pharmaceuticals Limited**

**Report on the Audit of the Standalone Financial Statements'****Opinion**

We have audited the standalone financial statements of Mesco Pharmaceutical Limited ("the Company"), which comprise the balance sheet as at 31<sup>st</sup> March 2020, and the statement of Profit and Loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the states of affairs of the Company as at March 31, 2020, and loss, (changes in equity) and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Audition (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Emphasis of Matter**

We draw your attention to Note no. 28 to the Standalone Financial Statements which explains the management's assessment of the financial impact due to the lock-down and other restrictions and conditions related to the COVID - 19 pandemic situation, for which a definitive assessment of the impact in the subsequent period is highly dependent upon circumstances as they evolve. Our opinion is not modified in respect of this matter.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. As per our judgment there are no key audit matter.

**Other information**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard

**Responsibilities of Management and Those Charged with Governance for the Standalone 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 standalone financial statement that give a true and fair view of

the financial position, financial performance, (changes in equity) 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. 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**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 purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) There is no branch office of the Company;
  - d) The Balance sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with this report are in agreement with the books of account;
  - e) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under section 133 of the Act;
  - f) In our opinion, there are no adverse observations and comments on the financial transactions or matters which have any adverse effect on the functioning of the Company;
  - g) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2020 from being appointed as a director in terms of section 164(2) of the Act;
  - h) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
  - i) In our opinion, there are no qualifications, reservation or adverse remark relating to the maintenance of accounts and other matters connected therewith
  - j) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and 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 of pending litigations as at 31<sup>st</sup> March 2020 on its financial position in its financial statements;
    - ii. The Company did not have any long-term contracts including derivative contracts as at 31<sup>st</sup> March 2020.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

**(S.K.Paul)**  
**Proprietor**  
**Membership No.: 013015**  
**UDIN: 20013015AAAAAM3866**

**Place: New Delhi**  
**Dated: 31<sup>st</sup> July, 2020**

**Annexure-A****The Annexure referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of M/s Mesco Pharmaceuticals Limited of even date**

We report that:

- (i) In respect of the Company's fixed assets:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
  - (b) These fixed assets have been physically verified by the management at reasonable intervals; and no material discrepancies were noticed on such verification.
  - (c) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.
- (ii) The Company does not have any physical inventories. Accordingly, reporting under clause 3 (ii) of the Order is not applicable to the Company.
- (iii) According to the information and explanation given to us, the Company has not granted any secured or unsecured loans, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Consequently clause 3 (iii) of the Order is not applicable.
- (iv) According to the information and explanation given to us, in respect of loans, investments, guarantees, and security, provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.
- (v) The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2020 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
- (vi) There were no manufacturing activities during the year under consideration, therefore reporting under clause 3(vi) of the Order is not applicable to the Company.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
  - (a) The Company has generally been regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales- Tax, Services Tax, Goods and Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other material statutory dues applicable to it with the appropriate authorities and there are no arrears of outstanding statutory dues as on 31<sup>st</sup> of March, 2020 for a period of more than six months from the date they became payable;
  - (b) There are no dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax which have not been deposited on account of any dispute.
- (viii) The Company has no dues to a financial institution or bank or Government or debenture holders. Hence Lender wise details of banks and financial institutions are not necessary consequently clause 3(viii) of the Order is not applicable.
- (ix) The Company has not raised money either from public offer or from further public offer or from any term loan during the year; hence, clause 3(ix) of the Order is not applicable to the Company.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the year.

- (xi) In our opinion and according to the information and explanations given to us, the Company has not paid any managerial remuneration during the year. Hence the provisions of clause 3(xi) of the Order are not applicable to the Company.
- (xii) The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards;
- (xiv) During the year, the Company has not made any preferential allotment/ private placement of shares or fully or partly paid convertible debentures during the year under review. Consequently Clause 3 (xiv) of Order is not applicable.
- (xv) The Company has not entered into any non-cash transactions with the directors or persons connected with the director. Hence Section 192 of the Companies Act, 2013 is not applicable to the Company, consequently clause 3 (xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-1A of the Reserve Bank of India Act, 1934.

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

**(S.K.Paul)**  
**Proprietor**  
**Membership No.: 013015**  
**UDIN: 20013015AAAAAM3866**

**Place: New Delhi**  
**Dated: 31<sup>st</sup> July, 2020**

## Annexure-B

### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”) referred to in our report of even date of M/s Mesco Pharmaceuticals Limited**

We have audited the internal financial controls over financial reporting of M/s Mesco Pharmaceuticals Limited (“the Company”) as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

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

#### **Auditors’ Responsibility**

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

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

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

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

A Company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company’s assets that could have a material effect on the financial statements.

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

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**(S.K.Paul)  
Proprietor  
Membership No.: 013015  
UDIN: 20013015AAAAAM3866**

**Place: New Delhi  
Dated: 31<sup>st</sup> July, 2020**



Mesco Pharmaceuticals Limited			
Balance Sheet as at 31st March, 2020			
(Figures in Rs.)			
Particulars	Note No.	As at 31st March, 2020	As at 31st March, 2019
<b>ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Property, Plant and Equipment	2(i)	1,798,760	1,798,760
(b) Capital work-in-progress	2(ii)	-	-
(c) Investment Property			
(d) Goodwill			
(e) Other Intangible assets	2(iii)	-	-
(f) Intangible assets under development			
(g) Biological Assets other than bearer plants			
(h) Financial Assets			
(i) Investments	3	1	285,000
(ii) Trade Receivables	4	-	-
(iii) Loans	5	-	-
(iv) Others (to be specified)		-	-
(i) Deferred tax assets (net)		-	-
(j) Other non-current assets	6	-	-
<b>(2) Current Assets</b>			
(a) Inventories		-	-
(b) Financial Assets			
(i) Investments		-	-
(ii) Trade Receivables		-	-
(iii) Cash and cash equivalents	7	394,623	395,918
(iv) Bank balances other than (iii) above		-	-
(v) Loans	8	-	-
(vi) Others (to be specified)		-	-
(c) Current Tax Assets (Net)		-	-
(d) Other current assets		-	-
<b>Total Assets</b>		<b>2,193,384</b>	<b>2,479,678</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share capital	9	197,381,000	197,381,000
(b) Other Equity	10	(307,513,346)	(306,530,025)
<b>LIABILITIES</b>			
<b>(1) Non-Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	11	112,179,155	111,392,715
(ii) Trade Payables	12	-	-
(iii) Other financial liabilities (other than those specified in item (b), to be specified)		-	-
(b) Provisions	13	-	7,688
(c) Deferred tax liabilities (Net)		-	-
(d) Other non-current liabilities		-	-
<b>(2) Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings		-	-
(ii) Trade Payables	12	146,575	228,300
(iii) Other financial liabilities (other than those specified in item (c))		-	-
(b) other current liabilities		-	-
(c) Provisions		-	-
(d) Current Tax Liabilities (Net)		-	-
<b>Total Equity and Liabilities</b>		<b>2,193,384</b>	<b>2,479,678</b>
<b>Notes forming part of the Financial Statements</b>	1-29		

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

As per our Audit Report of even date attached hereto

For and on Behalf of Board of Directors

**For Sangram Paul & Co.**

Chartered Accountants

Firm Registration No. 308001E

UDIN: 20013015AAAAAM3866

**(S.K.Paul)**

Proprietor

M.No. 013015

**(Dhruv Singh)**

Director & CEO

DIN: 02983286

**(D K Singh)**

Director

DIN: 00091193

Place: 31.07.2020

Date: New Delhi

**(N. S. Parameswaran)**

Company Secretary

**(Santosh Kumar Jha)**

CFO

<b>Mesco Pharmaceuticals Limited</b>				
<b>Statement of Profit and Loss for the year ended 31st March, 2020</b>				
<b>(Figures in Rs.)</b>				
<b>S.No.</b>	<b>Particulars</b>	<b>Note no.</b>	<b>For the year ended 31st March, 2020</b>	<b>For the year ended 31st March, 2019</b>
I	Revenue from operations		-	-
II	Other income	14	-	-
III	<b>Total Revenue (I+II)</b>		-	-
IV	<b>Expenses:</b>			
	Cost of materials consumed		-	-
	Purchase of Stock-in-Trade		-	-
	Changes in inventories of finished goods, Stock-in-Trade and work-in-progress		-	-
	Finance Cost	15	295	-
	Employee benefits expense	16(a)	-	-
	Depreciation and amortization expense		-	-
	Other expenses	16(b)	983,026	4,098,033
	<b>Total Expenses (IV)</b>		<b>983,321</b>	<b>4,098,033</b>
V	Profit/(loss) before exceptional items and tax (III-IV)		(983,321)	(4,098,033)
VI	Exceptional Items		-	-
VII	Profit/(loss) before tax (V-VI)		<b>(983,321)</b>	<b>(4,098,033)</b>
VIII	Tax expenses:			
	(1) Current Tax		-	-
	(2) Earlier years		-	-
	(3) Deferred tax		-	-
IX	Profit (Loss) for the period from continuing operations		<b>(983,321)</b>	<b>(4,098,033)</b>
X	Profit/(loss) from discontinued operations		-	-
XI	Tax expense of discontinued operations		-	-
XII	Profit/(loss) from discontinued operations (after tax) (X-XI)		-	-
XIII	Profit/(loss) for the period (IX+XII)		<b>(983,321)</b>	<b>(4,098,033)</b>
XIV	Other Comprehensive Income			
	A (i) Items that will not be classified to profit or loss		-	-
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
	B (i) Items that will be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
XV	Total Comprehensive Income for the period (XIII+XIV) (Comprising Profit (Loss) and Other Comprehensive Income for the period)		<b>(983,321)</b>	<b>(4,098,033)</b>
XVI	Earnings per equity share (for continuing operation):			
	(1) Basic and Diluted	23	(0.05)	(0.20)
XVII	Earnings per equity share (for discontinued operation):			
	(1) Basic and Diluted		-	-
XVIII	Earnings per equity share (for discontinued & continuing operations):			
	(1) Basic and Diluted	23	(0.05)	(0.20)
<b>Notes forming part of the Financial Statements</b>		1-28		

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

As per our Audit Report of even date attached hereto

For and on Behalf of Board of Directors

**For Sangram Paul & Co.**

Chartered Accountants

Firm Registration No. 308001E

UDIN: 20013015AAAAAM3866

**(S.K.Paul)**

Proprietor

M.No. 013015

**(Dhruv Singh)**

Director & CEO

DIN: 02983286

**(D K Singh)**

Managing Director

DIN 00091097

Place: Delhi

Dated: 31.07.2020

**(N. S. Parameswaran)**

Company Secretary

**(Santosh Kumar Jha)**

CFO

**A. Equity Share Capital**

Balance as at April 1, 2018	Changes in equity share capital during the year	Balance as at March 31, 2019
197,381,000	-	197,381,000

Balance as at April 1, 2019	Changes in equity share capital during the year	Balance as at March 31, 2020
197,381,000	-	197,381,000

**B. Other Equity**

	Share Application money pending allotment	Equity component of compound financials instruments	Reserves and Surplus				Total
			Capital Reserve	Security Premium Reserve	General Reserve	Retained Earnings	
As at April 1, 2018	-	-	-	378,347,000	211,417,034	(892,196,026)	(302,431,993)
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-
Restated balance at the beginning of the reporting period	-	-	-	378,347,000	211,417,034	(892,196,026)	(302,431,993)
Total Comprehensive Income for the Year	-	-	-	-	-	(4,098,033)	(4,098,033)
Dividends	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-
Any other change (to be specified)	-	-	-	-	-	-	-
As at March 31, 2019	-	-	-	378,347,000	211,417,034	(896,294,059)	(306,530,025)
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-
Restated balance at the beginning of the reporting period	-	-	-	378,347,000	211,417,034	(896,294,059)	(306,530,025)
Total Comprehensive Income for the Year	-	-	-	-	-	(983,321)	(983,321)
Dividends	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-
Any other change (to be specified)	-	-	-	-	-	-	-
As at March 31, 2020	-	-	-	378,347,000	211,417,034	(897,277,380)	(307,513,346)

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

As per our Audit Report of even date attached hereto

For and on Behalf of Board of Directors

**For Sangram Paul & Co.**

Chartered Accountants  
Firm Registration No. 308001E  
UDIN: 20013015AAAAAM3866

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

(Dhruv Singh) (D K Singh)  
Director & CEO Director  
DIN: 02983286 DIN: 00091193

Place: New Delhi  
Dated: 31.07.2020

(N. S. Parameswaran) (Santosh Kumar Jha)  
Company Secretary CFO

<b>Mesco Pharmaceuticals Limited</b>				
<b>Cash Flow Statement for the year ended 31st March, 2020</b>				
<b>(Figures in Rs.)</b>				
<b>Particulars</b>	<b>Note No.</b>	<b>For the year ended 31st March, 2020</b>	<b>For the year ended 31st March, 2019</b>	
<b>A. <u>Cash Flow from Operating Activities</u></b>				
Net Profit (Loss) before Tax & extra ordinary Item		(983,321)	(4,098,033)	
Adjustments for:				
Provision for Income tax reversal		-	-	
Amortisation and Write off		-	-	
<b>Operating profit before working capital changes</b>		<b>(983,321)</b>	<b>(4,098,033)</b>	
Working Capital changes:				
Trade receivables		-	-	
Short term loans and advances		-	-	
Short Term Provisions		(7,688)	7,256	
Trade payable		(81,725)	157,300	
Other current assets		-	1,800	
Cash generated from operations		(1,072,734)	(3,931,677)	
Direct Taxes Paid		-	-	
<b>Net Cash from operating activities</b>		<b>(1,072,734)</b>	<b>(3,931,677)</b>	
<b>B. <u>Cash Flow from Investing Activities</u></b>				
Change in Fixed Asset		-	-	
Loans & Advances				
Interest on deposits		-	-	
<b>Net Cash from investing activities</b>		<b>-</b>	<b>-</b>	
<b>C. <u>Cash Flow from Financing Activities</u></b>				
Proceeds from issue of Share Capital		-	-	
Payment to Borrowings		-	-	
Proceeds from Loans and advances		786,440	3,931,676	
<b>Net cash from financing activities</b>		<b>786,440</b>	<b>3,931,676</b>	
<b>Net change in cash &amp; cash equivalent (A+B+C)</b>		<b>(286,293)</b>	<b>0</b>	
Cash & Cash equivalents opening balance		395,917	395,917	
<b>Cash &amp; Cash Equivalents at the End of the Year</b>	7	<b>109,624</b>	<b>395,917</b>	

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

As per our report of even date attached

**For Sangram Paul & Co.**

Chartered Accountants

Firm Registration No. 308001E

UDIN: 20013015AAAAAAM3866

For and on Behalf of Board of Directors

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

**(Dhruv Singh)**  
Director & CEO  
DIN: 02983286

**(D K Singh)**  
Director  
DIN: 00091193

Place: New Delhi  
Date: 31.07.2020

**(N. S. Parameswaran)**  
Company Secretary

**(Santosh Kumar Jha)**  
CFO

## Notes forming part of financial statement

## 2) FIXED ASSETS

(Figures in Rs.)

Description	GROSS BLOCK				DEPRECIATION/AMORTISATION					NET BLOCK		
	Total as at 01.04.2019	Addition/Ad justment during the year	Deductions/ Adjustments during the year	Impairment /(reversal) during the year	Total as at 31.03.2020	Total as at 01.04.2019	Provided during the year	Amortisation during the year	Deductions/ Adjustments during the year	Total as at 31.03.2020	Total as at 31.03.2020	Total as at 01.04.2018
i) <b>Tangible assets</b>												
Land at Site Development	1,459,195				1,459,195	-	-	-	-	-	1,459,195	1,459,195
Land at Kalol (Gujrat)	339,565	-			339,565	-	-	-	-	-	339,565	339,565
Factory Building	-		-		-	-	-	-	-	-	-	-
Plant & Machinery	-		-		-	-	-	-	-	-	-	-
Electrical Insulation	-		-		-	-	-	-	-	-	-	-
Air Conditioner	-		-		-	-	-	-	-	-	-	-
Office Equipment	-		-		-	-	-	-	-	-	-	-
Generator	-		-		-	-	-	-	-	-	-	-
Road & Building	-		-		-	-	-	-	-	-	-	-
<b>Total</b>	<b>1,798,760</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,798,760</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,798,760</b>	<b>1,798,760</b>
Previous year	1,798,760	-	-	-	1,798,760	-	-	-	-	-	1,798,760	1,798,760
ii) <b>Intangible assets</b>	-				-						-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Previous year	-	-	-	-	-	-	-	-	-	-	-	-
iii) <b>Capital work in Progress</b>	-				-						-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Previous year	-	-	-	-	-	-	-	-	-	-	-	-
<b>Grand Total</b>	<b>1,798,760</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,798,760</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,798,760</b>	<b>1,798,760</b>

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

	As at 31st March, 2020 (Rs.)	As at 31st March, 2019 (Rs.)
<b>3) NON- CURRENT INVESTMENT</b>		
<b>Quoted</b>		
Mideast (India) Limited 150000 (150000) equity shares of Rs. 10 each fully paid up* (*Market value not available as trading of the security was suspended, therefore valued at cost)	1	285,000
	<u>1</u>	<u>285,000</u>
Aggregate amount of Quoted investments	1	285,000
Aggregate amount of Unquoted investments	-	-
<b>4) TRADE RECEIVABLES</b>		
Trade Receivables	-	-
	<u>-</u>	<u>-</u>
<b>5) LONG TERM LOANS AND ADVANCES</b> (Unsecured, Considered good)		
Loans and advances	-	-
	<u>-</u>	<u>-</u>
<b>6) OTHER NON-CURRENT ASSETS</b>		
Others	-	-
	<u>-</u>	<u>-</u>
<b>7) CASH AND CASH EQUIVALENTS</b>		
Balances with banks	380,272	379,567
Cash in hand	14,351	16,351
	<u>394,623</u>	<u>395,918</u>
<b>8) SHORT TERM LOANS AND ADVANCES</b> (Unsecured, Considered good)		
Deposits and Securities	-	-
Other Advances	-	-
	<u>-</u>	<u>-</u>
<b>9) EQUITY SHARE CAPITAL</b>		
<b>Authorised</b>		
i) 30000000 (Previous Year: 30000000) equity shares of Rs. 10/- each	300,000,000	300,000,000
	<u>300,000,000</u>	<u>300,000,000</u>

**Issued, Subscribed & Paid up**

20320600 (Previous Year: 2032600) equity shares of Rs. 10/- each fully paid up	203,206,000	203,206,000
Less: Allotment money in arrears- by others	5,825,000	5,825,000
	<u>197,381,000</u>	<u>197,381,000</u>

**A) Reconciliation of number of shares**

	As at 31st March, 2020		As at 31st March, 2019	
	No. of shares	in Rs.	No. of shares	in Rs.
<b>Equity Shares</b>				
Opening Balance	20,320,600	197,381,000	20,320,600	197,381,000
Changes during the year		-		-
Closing Balance		<u>197,381,000</u>		<u>197,381,000</u>

**B) 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, 2020		As at 31st March, 2019	
	No. of shares	%	No. of shares	%
<b>Equity Shares:</b>				
Twenty First Century Finance Ltd.	6,763,700	33.28	6,763,700	33.28

**10) 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>
	<b>General Reserve</b>		
	Opening Balance	211,417,034	211,417,034
	Add: Adjustment during the year	-	-
	Closing Balance	<u>211,417,034</u>	<u>211,417,034</u>
	<b>Surplus to the Profit &amp; Loss A/c</b>		
	Opening Balance	(896,294,059)	(892,196,026)
	Add: Profit/(Loss) during the year	(983,321)	(4,098,033)
	Closing Balance	<u>(897,277,380)</u>	<u>(896,294,059)</u>
		<u>(307,513,346)</u>	<u>(306,530,025)</u>
<b>11)</b>	<b>LONG TERM BORROWINGS</b>		
	<b>Unsecured Loan</b>		
	From Companies (related parties) (refer note no.21)	112,179,155	111,392,715
		<u>112,179,155</u>	<u>111,392,715</u>
<b>12)</b>	<b>TRADE PAYABLE</b>		
	Trade payables	146,575	228,300
	Staff Security	-	-
		<u>146,575</u>	<u>228,300</u>
<b>13)</b>	<b>SHORT TERM PROVISIONS</b>		
	Others Provisions	-	7,688
		<u>-</u>	<u>7,688</u>
		<b>For the year ended</b>	<b>For the year ended</b>
		<b>31st March, 2020</b>	<b>31st March, 2019</b>
		<b>(Rs.)</b>	<b>(Rs.)</b>
<b>14)</b>	<b>OTHER INCOME</b>		
	Misc. Income	-	-
		<u>-</u>	<u>-</u>
<b>15)</b>	<b>FINANCE COST</b>		
	Interest Charges	295	-
		<u>295</u>	<u>-</u>
<b>16(a)</b>	<b>EMPLOYEE BENEFITS EXPENSES</b>		
	Salary, Wages & Bonus	-	-
		<u>-</u>	<u>-</u>
<b>16(b)</b>	<b>OTHER EXPENSES</b>		
	Payment to Auditors as:		
	a) Statutory Auditor	20,000	20,000
	b) Others	-	-
	Advertisement Expenses	60,984	75,600
	Impairment Loss	284,999	-
	Travelling & Conveyance	-	-
	Professional Fees	71,360	156,000
	Fees & subscription	541,940	3,843,490
	Rent, Rates and Taxes	-	-
	Miscellaneous	3,743	2,943
		<u>983,026</u>	<u>4,098,033</u>

**Mesco Pharmaceuticals Limited****Notes forming Part of Accounts for the year ended 31<sup>st</sup> March 2020****1) SIGNIFICANT ACCOUNTING POLICIES****a. Basis for Preparation of financial statement :**

The financial statements of the Company have been prepared to comply with the Indian Accounting standards ('Ind AS'), as prescribed under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time.

These financial statements have been prepared on historical cost basis; except for certain financial instruments which are measured at fair value or amortized cost at the end of each reporting period, as explained in the accounting policies below.

Company's financial statements are presented in Indian Rupees, which is also its functional currency

**b. Critical Accounting Judgments and Key Sources of Estimation Uncertainty**

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.

**i. Depreciation / amortisation and useful lives of property plant and equipment / intangible assets**

Property, plant and equipment / intangible assets are depreciated / amortised over their estimated useful lives, after taking into account estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation / amortisation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation / amortisation for future periods is revised if there are significant changes from previous estimates.

**ii. Recoverability of trade receivable**

Judgments are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

**iii. Provisions**

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgment to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.



**iv. Impairment of non-financial assets**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

**v. Impairment of financial assets**

The Company assesses at each reporting date as to whether there is any indication that any property, plant and equipment and intangible assets or group of assets, called cash generating units (CGU) may be impaired. If any such indication exists the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs.

An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

**vi. Income Taxes**

The Company is subject to income tax laws as applicable in India. Significant judgment is required in determining provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the year in which such determination is made.

In assessing the realisability of deferred tax assets, management considers whether it is probable, that some portion, or all, of the deferred tax assets will not be realised. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the years in which the temporary differences become deductible. Management considers the projected future taxable income and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable incomes over the years in which the deferred tax assets are deductible, management believes that it is probable that the Company will be able to realise the benefits of those deductible differences in future.

At each reporting date, the Company re-assesses unrecognized deferred tax assets if any. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain

that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the same taxable entity and the same taxation authority.

#### **vii. Fair value measurements**

Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument.

#### **c. Revenue Recognition:**

- (i) Effective April 1, 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognized. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Company has adopted Ind AS 115 using the cumulative effect method. The effect of initially applying this standard is recognised at the date of initial application (i.e. April 1, 2018). The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and the comparative information in the statement of profit and loss is not restated – i.e. the comparative information continues to be reported under Ind AS 18 and Ind AS 11. Refer note 1(d)(ii) Significant accounting policies – Revenue recognition in the Annual report of the Company for the year ended March 31, 2018, for the revenue recognition policy as per Ind AS 18 and Ind AS 11. The impact of the adoption of the standard on the financial statements of the Company is insignificant.
- (ii) Revenue from sale of goods is recognized on transfer of all significant risk and rewards of ownership to buyer, it can be reliably measured and it is reasonable to expect ultimate collection. The amount recognized as sale excludes goods & service tax and trade and quantity discounts. Interest income is recognized on a time proportion basis taking into account the amount outstanding and the interest rate applicable. Dividend income is recognized 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 Amortization

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

Capital work-in-progress:

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

**e. Leases:**

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

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

**f. Recent accounting pronouncements**

As at the date of issue of financial statements, there are no new standards or amendments which have been notified by the MCA but not yet adopted by the Company. Hence, the disclosure is not applicable.

**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. 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.

**i. Employee Benefit Expenses**

**(i) Short Term Employee Benefits**

- The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

**(ii) Post-Employment Benefits**

**Defined Contribution Plans**

- A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions to a separate entity. The Company makes specified monthly contributions towards Provident Fund, Superannuation Fund and Pension Scheme. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

**Defined Benefit Plans**

- The Company pays gratuity to the employees whoever has completed five years of service with the Company at the time of resignation/superannuation. The gratuity is paid @15 days salary for every completed year of service as per the Payment of Gratuity Act 1972.
- The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

- Re-measurement of defined benefit plans in respect of post-employment are charged to the Other Comprehensive Income.

**j. 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.

**k. 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.

**l. Financial instruments**

**i) Financial Assets**

**A. Initial recognition and measurement**

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially recognized at fair value, Except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognised using trade date accounting.

**B. Subsequent measurement**

**a) Assets carried at amortised cost (AC)**

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**b) Financial assets at fair value through other comprehensive income (FVTOCI)**

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

**c) Financial assets at fair value through profit or loss (FVTPL)**

A financial asset which is not classified in any of the above categories are measured at FVTPL.

**C. Impairment of financial assets**

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

For trade receivables Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

## ii) Financial liabilities

### A. Initial recognition and measurement

All financial liabilities are recognized at fair value and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

### B. Subsequent measurement

Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

The Carrying value of financial instruments by categories as of March 31, 2020 is as follow

	Fair Value through Profit & Loss	Value through other comprehensive income	Amortized Cost	Total Carrying Value
<b>Financials Assets</b>				
Cash & cash equivalents	-	-	3,94,623	3,94,623
Trade receivables	-	-	-	-
Investment in Shares	-	1	-	1
Other financials assets	-	-	-	-
<b>Total</b>	<b>-</b>	<b>1</b>	<b>3,94,623</b>	<b>3,94,624</b>
<b>Financials Liabilities</b>				
Trade Payable	-	-	1,46,576	1,46,576
Other financials liabilities	-	-	11,21,79,155	11,21,79,155
<b>Total</b>	<b>-</b>	<b>-</b>	<b>11,23,25,731</b>	<b>11,23,25,731</b>

The Carrying value of financial instruments by categories as of March 31, 2019 is as follow

	Fair Value through Profit & Loss	Value through other comprehensive income	Amortized Cost	Total Carrying Value
<b>Financials Assets</b>				
Cash & cash equivalents	-	-	3,95,918	3,95,918
Trade receivables	-	-	-	-
Investment in Shares	-	2,85,000	-	2,85,000

Other financial assets	-	-	-	-
<b>Total</b>	-	<b>2,85,000</b>	<b>3,95,918</b>	<b>6,80,918</b>
<b>Financials Liabilities</b>				
Trade Payable	-	-	2,28,300	2,28,300
Other financial liabilities	-	-	11,13,92,716	11,13,92,716
<b>Total</b>	-	-	<b>11,16,21,016</b>	<b>11,16,21,016</b>

**m. Fair Value Hierarchy**

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.

**Level 1:** This level of hierarchy includes financial assets that are measured by reference to quoted (unadjusted) prices in active markets for identical assets or liabilities.

**Level 2:** This level of hierarchy includes financial assets that are measured using inputs, other than quoted prices included within level 1, that are observable for such items, directly or indirectly.

**Level 3:** This level of hierarchy includes items measured using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instruments not based on available market data.

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities Fair value measurement hierarchy for assets as at March 31, 2020:

	<b>Total 31.03.2020</b>	<b>Level – 1</b>	<b>Level -2</b>	<b>Level-3</b>
<b>Financial assets</b>				
Equity Shares	1	-	-	1
Other financial Assets	3,94,623	-	-	3,94,623
<b>TOTAL</b>	<b>3,94,624</b>	-	-	<b>3,94,624</b>
<b>Financial liabilities</b>				
Other Financial liabilities	11,16,28,703	-	-	11,16,28,703
<b>TOTAL</b>	<b>11,16,28,703</b>	-	-	<b>11,16,28,703</b>

Fair value measurement hierarchy for assets as at March 31, 2019:

	<b>Total 31.03.2019</b>	<b>Level - 1</b>	<b>Level -2</b>	<b>Level-3</b>
<b>Financial assets</b>				
Mutual funds	2,85,000	-	-	2,85,000
Other financial Assets	3,95,918	-	-	3,95,918
<b>TOTAL</b>	<b>6,80,918</b>	-	-	<b>6,80,918</b>
<b>Financial liabilities</b>				
Other Financial liabilities	11,16,28,703	-	-	11,16,28,703
<b>TOTAL</b>	<b>11,16,28,703</b>	-	-	<b>11,16,28,703</b>

Management has assessed that trade receivables, cash and cash equivalents, and trade payables approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair values of the quoted shares, mutual fund are based on price quotations at the reporting date.

**Discount rate used in determining fair value**

The interest rate used to discount estimated future cash flows, where applicable, are based on the incremental borrowing rate of borrower which in case of financial liabilities is average market cost of borrowings of the Company and in case of financial asset is the average market rate of similar credit rated instrument. The company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available.

**n. Financial risk management objectives and policies**

The Company's business is subject to several risks and uncertainties including financial risks.

The Company's principal financial liabilities comprise of trade and other payables and employee liabilities. The Company's principal financial assets include trade and other receivables, and cash and short-term deposits that derive directly from its operations. The Company also holds Long term investments in mutual funds.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management ensures that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Company reviews and agrees on policies for managing each of these risks which are summarized below :

**A. Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises interest rate risk and currency risk financial instruments affected by market risk include trade receivables, borrowings, bank deposits and investments measured at fair value through profit and loss account. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return.

**B. Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate because of change in market interest rates. The Company does not expose to the risk of changes in market interest rates.

**C. Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's has no exposure to the risk of changes in foreign exchange rates.

**D. Credit risk**

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables), including deposits with banks and other financial instruments.

**Trade receivables**

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment.

The carrying amount of the financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	31.03.2020	31.03.2019
Trade receivables	-	-
Loans and security deposits	-	-
<b>TOTAL</b>	-	-

The ageing analysis of trade receivables as of the reporting date is as follows:

	Upto 180 days	More than 180days	Total
31 <sup>st</sup> March 2019	-	-	-
31 <sup>st</sup> March 2020	-	-	-

**Expected Credit loss for trade receivables using simplified approach –**

	31.03.2020	31.03.2019
Gross carrying amount	-	-
Expected credit losses	-	-
<b>Carrying amount of trade receivables (net of impairment)</b>	-	-

**E. Liquidity risk**

Liquidity risk is the risk the Company will not be able to meet its financial obligation as they fall due. The Company monitors its risk of a shortage of funds using a fund management plan approved by the Board of Directors. The Company's strategy is to invest in highly liquid investments which can be encashed on demand.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

**As at 31<sup>st</sup> March 2020**

	Upto 180 days	More than 180 days	Total
Other Financial liabilities	-	11,21,79,155	11,21,79,155
Trade Payable	1,46,576	-	2,28,300

**As at 31<sup>st</sup> March, 2019**

	Upto 180 days	More than 180 days	Total
Other Financial liabilities	-	11,13,92,716	11,13,92,716
Trade Payable	2,28,300	-	2,28,300

**F. Excessive risk concentration**

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry. In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

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

Particulars	31 <sup>st</sup> March'20	(Rs. In Lacs) 31 <sup>st</sup> March'19
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## Contingent Liabilities:

a) Guarantee given to the bank on Behalf of the Company	Nil	Nil
b) Letter of Credit opened by bank	Nil	Nil
c) Claim against the company not Acknowledge as debt	Nil	Nil

18) **Deferred Tax**

No Provision of deferred tax is made as there is no timing difference in terms of Indian Accounting Standard-12 issued by the Institute of Chartered Accountants of India.

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

Particulars	(Rs.)	
	2019-20	2018-19
i) Remuneration to Directors	Nil	Nil

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

21) **Related Party transactions disclosure as Indian Accounting Standard-24:**

## a. Related parties:

Name	Relationship
Mr. J.K. Singh	Key Management Personnel (KMP)
Mr. D.K. Singh	
Mr. Nurani Shankar Parmeswaran (CS)	
Mr. Sameer Singh (MD w.e.f 27.04.2019 and ceased on 31.07.2020)	
Mr. Dhruv Singh (CEO and Director w.e.f 31.07.2020)	
Mr. Santosh Kumar Jha (CFO)	
M/s Mesco Aerospace Ltd.	Entities in which KMP can exercise significant influence
M/s Mesco Logistics Ltd.	
M/s Mesco Steel Ltd.	
M/s Mesco Kalinga Steel Ltd.	
M/s Mideast (India) Ltd.	

## b. Details of transactions with related parties:

Name	(Rs.)			Relationship
	2019-20	2018-19	Nature	
M/s Mesco Steels Ltd.	7,07,845	35,59,702	Net Loan taken/ (Repaid)	Entities in which KMP can exercise significant influence
M/s Mideast Integrated Steels Ltd.	78,593	35,81,318	Net Loan taken/ (Repaid)	
M/s Mideast (India) Ltd.	Nil	(29,09,343)	Net Loan taken/ (Repaid)	

## c. Balances Outstanding:

Name	(Rs.)			Relationship
	2019-20	2018-19	Nature	
M/s Mesco Aerospace Ltd.	37,88,360	37,88,360	Loan taken	Entities in which KMP can exercise significant influence
M/s Mesco Steels Ltd.	10,43,99,042	10,36,91,198	Loan taken	
M/s Mideast Integrated Steels Ltd.	39,91,753	39,13,159	Loan taken	

22) In the opinion of the board and to the best of the knowledge and belief, the value of realization in respect of current assets, loans and advances in the ordinary course of business would not be less than the amount of

which they are stated in the Balance sheet, the provision for all known determined liabilities is adequate and is not in excess of amount reasonably required.

**23) Earnings per Share**

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

	<b>2019-20</b>	<b>(Rs.) 2018-19</b>
Profit as per Statement of Profit & Loss	(9,83,321)	(40,98,033)
Net Profit/(Loss) attributable to Equity Shareholders – (A)	(9,83,321)	(40,98,033)
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	(0.05)	(0.20)

**24) Payment to Auditors:**

	<b>2019-20</b>	<b>(Rs.) 2018-19</b>
(a) Statutory Audit Fee and Limited review	20,000	20,000

**25) Employee's Benefit**

Gratuity and other terminal benefits are provided on payment basis.

**26) Segment reporting**

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

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

There are no overdue amounts to Micro, Small and Medium Enterprises as at March 31, 2019 (Previous Year Rs: Nil) for which disclosure requirements under Micro, Small and Medium Enterprises Act, 2006 are applicable.

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

As per our Audit Report of even date  
Attached hereto

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

**For and on behalf of Board of Directors**

**(S.K.Paul)**  
Proprietor  
Membership No.: 013015  
UDIN: 20013015AAAAAM3866

**(Dhruv Singh)**      **(D K Singh)**  
Director & CEO      Director  
DIN: 02983286      DIN: 00091193

Date: 31.07.2020  
Place: New Delhi

**(N.S. Parameswaran)**      **(Santosh Kumar Jha)**  
Company Secretary      CFO

**MESCO PHARMACEUTICALS LIMITED**

CIN: L24111UR1986PLC015895

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

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

**ATTENDANCE SLIP**

(To be presented at the entrance)

**34<sup>th</sup> Annual General Meeting of the Company held on Tuesday, 29<sup>th</sup> September, 2020 at 09:00 A.M.  
at Upper Kesalton, Tallital, Nainital-263 001, Uttarakhand**

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

Name of the Shareholder: .....

Address of the Shareholder: .....

.....

.....

I hereby record my presence at the **34<sup>th</sup> Annual General Meeting** of the Company held on **Tuesday, 29<sup>th</sup> September, 2020 at 09:00 A.M.** at Upper Kesalton, Tallital, Nainital-263 001, Uttarakhand and at any adjournment thereof.

\*Applicable for investors holding shares in electronic form.

Signature of Shareholder/Proxy

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

**MESCO PHARMACEUTICALS LIMITED**

CIN: L24111UR1986PLC015895

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

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

**PROXY FORM**

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

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

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

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

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me /us and on my/our behalf at the 34<sup>th</sup> **Annual General Meeting** of the Company held on **Tuesday, 29<sup>th</sup> September, 2020 at 09:00 A.M.** at Upper Kesalton, Tallital, Nainital-263 001, Uttarakhand

S. No.	Resolutions	For	Against
1.	To receive, consider and adopt the audited financial statements for the Financial Year ended on 31 <sup>st</sup> March, 2020 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: <a href="#">00091193</a> ), who retires by rotation and being eligible, offers himself for re-appointment.		
3.	Appointment of Mr. Dhruv Singh as a Director:		

**Affix  
Revenue  
Stamp of  
Re. 1**

Signed this..... day of .....2020

.....  
Signature of Shareholder

.....  
Signature of the 1<sup>st</sup> Proxy Holder

.....  
Signature of 2<sup>nd</sup> Proxy holder

.....  
Signature of 3<sup>rd</sup> Proxy holder

**Notes:**

1. **This form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.**
2. **A Proxy need not be a member of the Company.**
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for other person or share-holder.
4. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
5. In case of joint holders, the signatures of any holder will be sufficient, but names of all joint holders should be stated.

# Route Map as per Secretarial Standard-2

