



MESCO PHARMACEUTICALS LIMITED

Corporate Identity No. L24111UR1986PLC015895

Corporate Identity No. L24111UR1986PLC015895

Regd. Office: Upper Kesalton, Tallital, Nainital- 263 001, Uttarakhand, Tel: 9871862796

W: www.mescopharma.com E-mail: nsparameswaran@mescosteel.com

Date:

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 2018-19

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 2018-19 containing Notice & Annual Accounts for the financial year ended on 31st March 2019.

The said Annual Report is also available on the website of the Company i.e. www.mescopharma.com.

This is for your information and records.

Thanking you,

Thanking you,

For Mesco Pharmaceuticals Limited

For Mesco Pharmaceuticals Limited

N.S. Parameswaran **Company Secretary**

Company Secretary

Encl:AA

33rd Annual Report 2018-19

MESCO PHARMACEUTICALS LIMITED

CORPORATE INFORMATION

<u>BOARD OF DIRECTORS</u>		<u>REGISTRAR AND SHARE TRANSFER AGENT</u>
Mr. Sameer Singh*	Managing Director	Skyline Financial Services Private Limited
Mr. Jitendra Kumar Singh	Director	Address: D-153A,
Mr. Dushyant Kumar Singh	Director	Okhla Industrial Area, Phase-I
Mrs. Savita Sethi	Independent Director	New Delhi- 110 020
Mr. N.S. Parameswaran**	Company Secretary	Tel: 011-26812682
Mr. Varinder Prakash***	Independent Director	E-mail: admin@skylinerta.com
Mr. Hawa Singh Chahar****	Independent Director	
<u>REGISTERED OFFICE</u> CIN: L24111UR1986PLC015895 Upper Kesalton, Tallital, Nainital-263001, Uttarakhand Tel: 9871862796 Website: www.mescopharma.com		<u>CORPORATE OFFICE</u> H-1, Zamrudpur Community Centre, Kailash Colony, New Delhi-110 048 Tel: 011-40587085 E-mail: nsparameswaran@mescosteel.com Website: www.mescopharma.com
<u>STATUTORY AUDITOR</u>		<u>SECRETARIAL AUDITOR</u>
M/s Sangram Paul & Co. Chartered Accountants 754-15 Jayadev Vihar. 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

*Sameer Singh was appointed as an Additional Director w.e.f 27.04.2019

**Mr. N S Parameswaran has ceased to act as Managing Director of the Company w.e.f 25.03.2019 and appointed as Company Secretary w.e.f 25.03.2019

*** Mr. Varinder Prakash was appointed as an Additional Director w.e.f 28.05.2019

****MR. Hawa Singh Chahar was appointed as an Additional Director w.e.f. 21.06.2019

Contents

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

NOTICE
MESCO PHARMACEUTICALS LIMITED

CIN: L24111UR1986PLC015895

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

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

Notice is hereby given that the 33rd Annual General Meeting of the shareholders of Mesco Pharmaceuticals Limited will be held on Saturday, 28th September, 2019 at 09:30 A.M.. at Upper Kesalton, Tallital, Nainital-263 001, Uttarakhand to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited financial statements for the Financial Year ended on 31st March, 2019 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. To consider and, if thought fit, to pass, with or without modification, the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT Mr. Sameer Singh (DIN: 06862254) who was appointed as an Additional Director by the Board of Directors under Section 161 of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force) with effect from 27.04.2019 and who holds office up to the date of this Annual General Meeting of the Company, be and is hereby appointed as a Director of the Company, whose term of office shall not be liable to retire by rotation.”

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

RESOLVED THAT in pursuant to the provisions of Section 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 and Articles of Association of the Company and subject to the approval of Central Government or other authority, if any, and subject to the approval of shareholders of the Company, Mr. Sameer Singh (DIN: 06862254) be and is hereby appointed as Managing Director of the Company for a period of three years with effect from 27.04.2019 on the terms and conditions including remuneration as set out in the Explanatory statement annexed to the Notice convening this Annual General Meeting.

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

RESOLVED FURTHER THAT the aggregate remuneration shall not exceed the limits provided in Section 197 of the Act and that the consent of the members be and is hereby accorded pursuant to Schedule V and other applicable provisions of the Act, if any, and subject to such approvals as may be necessary, including Central Government approval, that where in any Financial Year during the currency of tenure of Mr. Sameer Singh as Managing Director, the Company has no profits or its profits

are inadequate, the Company shall pay to him remuneration by way of salary and perquisites approved herein supra, as minimum remuneration.

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

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

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

"RESOLVED THAT Mr. Varinder Prakash (DIN: 08462519) who was appointed as an Additional Director by the Board of Directors under Section 161 of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force) with effect from 28.05.2019 and who holds office up to the date of this Annual General Meeting of the Company, be and is hereby appointed as a Director of the Company, whose term of office shall be liable to retire by rotation."

6. To consider and, if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. Hawa Singh Chahar (DIN: 01691383) who was appointed as an Additional Director by the Board of Directors under Section 161 of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force) with effect from 21.06.2019 and who holds office up to the date of this Annual General Meeting of the Company, be and is hereby appointed as a Director of the Company, whose term of office shall be liable to retire by rotation."

By order of the board
For Mesco Pharmaceuticals Ltd

Sameer Singh
Managing Director
DIN: 06862254

Date: 12.08.2019
Place: New Delhi

NOTES

1. An Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013 relating to the Special Business to be transacted at the ensuing Annual General Meeting is appended hereto.
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member of the company. a blank form of proxy is enclosed herewith and, if intended to be used, it should be returned duly completed at the registered office of the company or at skyline financial services private limited, at D-153A, 1st floor, Okhla Industrial Area, Phase-1, New Delhi-110020 not less than forty eight hours before the scheduled time of the commencement of annual general meeting.
3. A person can act as proxy on behalf of members not exceeding fifty in number and holding in the aggregate not more than 10% of the total share capital of the company carrying voting rights. however, a member holding more than 10% of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
4. Every member entitled to vote at the meeting, or on any resolution to be moved thereat, shall be entitled during the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, to inspect the proxies lodged, at any time during the business hours of the company, provided not less than three days' notice in writing of the intention so to inspect is given to the company.
5. Corporate Members intending to send their authorised representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.
- 6. The Share Transfer Books and Register of Members of the Company will remain closed from Tuesday, 23rd September, 2019 to Saturday, 28th September, 2019 (both days inclusive).**
7. The Shareholders/Proxies are requested to produce at the Registration Counter(s) the attendance slip duly completed and signed, for admission to the meeting hall. However, in case of non-receipt of Notice of Annual General Meeting, members are requested to write to the Company at its registered office for issuing the duplicate of the same or download the same from Company's website www.mescopharma.com
8. In case you have any query relating to the enclosed Annual Accounts you are requested to send the same to the Managing Director at the Registered Office of the Company at least 10 days before the date of Annual General Meeting so as to enable the management to keep the information ready for replying at the meeting.
- 9. The Board of Directors has appointed Mr. Robinderpall Singh Batth, Practicing Company Secretary (Certificate of Practice No3836.), as the Scrutinizer for conducting poll in a fair and transparent manner.**
10. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the AGM by Ballot papers and thereafter unlock the votes casted through remote e-voting in the presence of at least two witnesses not in the employment of the Company. The Scrutinizer shall, within 24 hours from the conclusion of the AGM, prepare and present a consolidated report of the total votes cast in favour or against, if any, to the Chairman or any other Key Managerial Personnel who shall countersign the same and declare the results of the voting within 48 hours of conclusion of Annual General Meeting.
11. The results declared along with the report of Scrutinizer shall be placed on the website of the Company i.e. www.mescopharma.com and on the website of CDSL immediately after the declaration of results by the Chairman or any other Key Managerial Personnel. The results shall also be forwarded to the Stock Exchange within 48 hours of the conclusion of Annual General Meeting.

Pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards-2 issued by ICSI the brief profile of Director (s) seeking reappointment, appointment and regularizations is as under :

Particulars	Dushyant Kumar Singh	Hawa Singh Chahar	Varinder Prakash	Mr. SAMEER SINGH
DIN	00091193	01691383	08462519	06862254
Age	68 Year	71Years	64 Years	36
Date of appointment	12th August, 1986	21.06.2019	28th May, 2019	27.04.2019
Qualifications	Law Graduate	Retired IAS Officer	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. Hawa Singh Chahar is a Retired IAS Officer. He has 18 years of experience in various Government Departments including the Agricultural Department, Transport and Commerce Department, Housing and Urban Development Department, Steel and Mines Department, Forest and Environmental Department. He served as Chairman of Bilati (Orissa) Limited and served as its Director since July 2005.	Mr. Varinder Prakash, who is aged 64 Years, has vast experience in Financing, Legal. He has more than 30 years' experience in various sectors of Industries	Mr. Sameer Singh aged 36 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"> •Forrester Foods Private Limited •Mesco India Limited •Mesco Steels Limited •Mesco Laboratories LIMITED •Chhindwara Energy Limited •Mesco Hotels Limited •Mesco Logistics 	<ul style="list-style-type: none"> •Mideast (India) Limited •Mesco Kalinga Steel Limited •Mesco Mining Limited •Mideast Integrated Steels Limited 	-	<ul style="list-style-type: none"> •Mescos Shoes Limited •Mesco Magic Cement Limited •Chhindwara Power Limited •Gondwana Energy Limited

	Limited •Mesco Aerospace Limited •Twenty First Century Finance Ltd			
Memberships / Chairmanships of committees of other public companies (includes only Audit Committee and Stakeholders' Relationship Committee.)	Mesco Aerospace Ltd – Member in Audit Committee	<ul style="list-style-type: none"> • Mideast India Limited • Mesco Kalinga Steel Limited • Mesco Mining Limited • Mideast Integrated Steels Limited 	-	Nil
Number of shares held in the Company	87,100 Shares	Nil Share	-	-Nil
Relationship with any Director(s) of the Company	Brother of Mr. Jitendra Kumar Singh, Director of the Company Father of Mr. Sameer Singh	-	He is not associated with any existing member of Board of Director.	Son of Mr. DK Singh and nephew of MR. J K Singh
Terms & Conditions of Appointment/Re-appointment	Re-appointment pursuant to Section 152 of Companies Act, 2013	Re appointment subject to not to be retire by rotation	Re appointment subject to not to be retire by rotation	Appointment as Managing Director subject not to be retire by rotation
Remuneration Details	NIL	Nil	-	As given in the explanatory statement to Annual Report
No. of Board meetings attended out of 4 meetings held during the year	-	-	-	

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

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

**Sameer Singh
Managing Director
DIN: 06862254**

**Date: 12.08.2019
Place: New Delhi**

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

Item No. 3 & 4

It is proposed to re-appoint Mr. Sameer Singh as Managing Director of the Company w.e.f. 27.04.2019. Mr. Sameer Singh has more than a decade experience in Industry.

The Board of Directors, at their meeting held on 27.04.2019 considered appointment of Mr. Sameer Singh with increased role and responsibility by elevating him as Managing Director of the Company. The term of his re- appointment as Managing Director will be for a period of three years w,e,f 30.09.2018. He shall be paid a total remuneration of Rs. 1/- per annum.

None of the Directors and/or Key Managerial Personnel of the Company or their relatives, except Mr. Dushyant Kumar Singh and Mr. Jitendra Kumar Singh are in any way concerned or interested in the resolution.

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

Item No. 5:

The Board of Directors of the Company on 28th May, 2019 appointed Mr. Varinder Prakash as an Additional Director designated as Non-Executive (Independent) Director of the Company from 28th May, 2019 and to hold the office upto the date of ensuing Annual General Meeting.

His vast and varied experience in the industry justifies his appointment as Director of the Company. Except Mr. Varinder Prakash none of the other Directors, Key Managerial Personnel and their relatives are, in any way concerned or interested in the resolution. The ordinary resolution set out at Item no. 5 to the Notice is recommended for approval by the members.

Item No. 6:

The Board of Directors of the Company on 21st June, 2019 appointed Mr. Hawa Singh Chahar as an Additional Director designated as Non-Executive (Independent) Director of the Company from 21st June, 2019 and to hold the office upto the date of ensuing Annual General Meeting.

His vast and varied experience in the industry justifies his appointment as Director of the Company. Except Mr. Hawa Singh Chahar none of the other Directors, Key Managerial Personnel and their relatives are, in any way concerned or interested in the resolution. The ordinary resolution set out at Item no. 6 to the Notice is recommended for approval by the members.

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

Your Directors are pleased to present 33rd Annual Report and the Statement of Accounts for the financial year ended on March 31, 2019

FINANCIAL HIGHLIGHTS

Particulars	(Amount in Rs.)	
	2018-19	2017-18
Revenue from operations	-	-
Other Income	-	-
Profit/(Loss) before Tax	(4,098,033)	(8,73,490)
Tax Expenses:		
Current Tax	-	-
Earlier Years	-	-
Profit/(Loss) after Tax	(4,098,033)	(8,73,490)
Transfer to General Reserve	-	-
Reserves and surpluses	(306,530,025)	(302,431,994)
Earnings per share	(0.20)	(0.04)

COMPANY PERFORMANCE/ STATEMENT OF COMPANY'S AFFAIR

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

CHANGE IN NATURE OF BUSINESS OF THE COMPANY

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

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

Save as mentioned elsewhere in this Report, no material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year of the Company-31st March, 2019 and the date of this Report.

Your Company had filed the trading application during the financial year 2018-19 and Board of directors are pleased to inform the members that on 19.11.2018, company had received the BSE Trading Approval and trading of shares started with effect from 27.11.2018.

TRANSFER TO RESERVES

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

DIVIDEND

Directors have not recommended any dividend for the financial year ended on 31st March, 2019.

MANAGEMENT DISCUSSION AND ANALYSIS

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

SHARE CAPITAL

During the year under review the paid up Equity Share Capital as on 31st March, 2019 is Rs. 19,73,81,000 divided into 1, 91,55,600 equity shares of Rs 10 each fully paid up and 11,65,000 equity shares of Rs 5 each partly paid up. During the year under review, the Company have not issued any shares. The Company has not issued shares with differential voting rights. It has neither issued employee stock options nor sweat equity shares and does not have any scheme to fund its employees to purchase the shares of the Company.

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.

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

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

DISCLOSURE ON DEPOSITS

The Company has neither accepted nor renewed any deposits during the Financial Year 2018-19 in terms of Chapter V of the Companies Act, 2013.

ANNUAL RETURN

Given is the weblink www.mescopharma.com Where annual return referred to in sub section (3) of Section 92 has been placed.

REPORT ON SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

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

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

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

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

LISTING

At present, the equity shares of the Company are listed at Bombay Stock Exchange Ltd. (BSE), Calcutta Stock Exchange and Ahmedabad Stock Exchange but trading of shares of the Company was suspended on the exchange(s) due to non-resolution of investor complaints. However, the company has filed the application for revocation of suspension of its trading of its equity shares at Bombay Stock Exchange and received in-principal approval letter for listing of its equity shares. Further during the year under review the company had filed trading application which was approved by the BSE dated 19.11.2018. Pursuant to which the Company's share was listed on BSE vide dated 27.11.2018.

CORPORATE GOVERNANCE

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

CHANGES IN DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year under review, Mr. N S Parameswaran who was holding the position of Managing Director of the Company had resigned from the post w.e.f 25.03.2019. Further as Mr. N S Parameswaran who is also a qualified Company Secretary had gave his consent to be appointed as the Company Secretary.

Board Members in their meeting held on 25.03.2019 had approved the appointment of Mr. N S Parameswaran as the new Company Secretary of the company.

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 75years 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 tender 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 27th 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 ensuing general meeting. Further in the Board meeting held on 28th May, 2019, Mr. Varinder Prakash was appointed as additional Director (Independent, Non-Executive), subject to approval of shareholder in the ensuing Annual General Meeting.

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.

DECLARATION OF INDEPENDENCE

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

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. During the year under review, there was no change in the policy.

PARTICULARS OF REMUNERATION OF DIRECTORS/ KMP/EMPLOYEES

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

NUMBER OF MEETINGS OF THE BOARD

During the Financial Year 2018-19, the board of Directors of the Company met 4 (Four) times i.e. 30th May, 2018, 14th August, 2018, 14th November, 2018, 13th February, 2019,. 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 13th February, 2019.

AUDIT COMMITTEE

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

STAKEHOLDERS RELATIONSHIP COMMITTEE

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

NOMINATION AND REMUNERATION COMMITTEE

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

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.

PERFORMANCE EVALUATION OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

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

STATUTORY AUDITORS AND THEIR REPORT

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 31st 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.

COST AUDITORS AND THEIR REPORT

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

SECRETARIAL AUDITORS

Your Board, during the year, appointed Mr. Robinderpal Singh Batth to conduct secretarial audit of the Company for the financial year ended 31st March, 2019. 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. As the company was suspended on BSE, during the year under review company had applied for trading approval which was approved by BSE dated 19.11.2018. Pursuant to BSE order the company's shares got listed on BSE dated 29.11.2018.
- iii. The promoter's shareholding of the Company is not in 100% Demat form.
- iv. During the year under review, the Company Secretary of the company had resigned w.e.f 03.04.2019, and Board of Directors have appointed the Company Secretary w.e.f 25.03.2019.

Management's Reply:

- i. *Due to Financial constraints in the company, the company is not in the position of providing e-voting facility to its members.*
- ii. *The company has filed the application for revocation of suspension of its trading of its equity shares at Bombay Stock Exchange and received in-principal approval letter for listing of its equity shares. Further during the year under review the company had filed trading application which was approved by the BSE dated 19.11.2018. Pursuant to which the Company's share was listed on BSE vide dated 27.11.2018.*
- iii. *As the company's shares were suspended on BSE and last year only the company got relisted on BSE, promoters will take due steps for Demat of Shares.*
- iv. *The Company Secretary was appointed w.e.f 25.03.2019.*

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.

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 2018-19.

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

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

INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

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

RISK MANAGEMENT POLICY

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

significant risk. The Company has laid down procedures to inform the Audit Committee as well as the Board of Directors about risk assessment and management procedures and status.

VIGIL MECHANISM POLICY

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

PREVENTION OF SEXUAL HARASSMENT

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

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

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

EXTRACT OF ANNUAL RETURN

Extract of Annual Return of the Company is uploaded in the website of the Company at www.mescopharma.com

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

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

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

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- a) That in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- b) That they had selected such accounting policies and applied them consistently, and made judgment and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- c) That they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) That they had prepared the annual accounts on a going concern basis;

- e) That they had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) That they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

COMPLIANCES WITH SECRETARIAL STANDARDS

During the year, the Company is in compliance of both erstwhile and revised Secretarial Standard -1 (Meetings of the Board of Directors), Secretarial Standard-2 (General Meetings) effective from 1st October, 2018.

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: 28.05.2019
Place: New Delhi

Sameer Singh
DIN: 06862254
Managing Director

+ -Encl:

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

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

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

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

* cease to act as Managing Director of the company w.e.f. 25.03.2019

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
Directors	Nil
KMP	
Mr. Pawan Sharma- CS*	Nil
Mr. N S Parameswarn**	Nil
Mr. Santosh Kumar Jha-CFO	Nil

*cease to act as Company Secretary w.e.f. 03.04.2018

**Appointed as Company Secretary w.e.f 25.03.2018

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:

Sl	Name of	Designation	Remu- neration Received / per	Nature of Employ- ment	Qualificatio n	Date of Com- mence- ment of Employ - ment	Age	Last Employ- ment held by such	% of equity shares held by such employe e in the company	rela- tive of any direc- tor or man- ager
	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									

Annexure-2**Form No. MR-3****SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019**

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

To,
The Members,
Mesco Pharmaceuticals Limited

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

Based on my verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2019 (“Audit Period”) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and Compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2019 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 with regard to maintenance of minimum public shareholding and compliance under clause 38 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder with regard to dematerialisation / re-materialisation of securities and reconciliation of records of dematerialised securities with all securities issued by the Company in compliance with clause 55A of the SEBI (Depositories and Participants) Regulations, 1996 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
5. The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’) viz. :-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
6. Other laws applicable to the company as per the representations made by the company.

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

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

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

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

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

- a. The company did not provided the e-voting facility to its shareholders in the General Meeting held by the company during the Audit Period as required under Section 108 of the Companies Act, 2013 read with rule 20 of the Companies (Management and Administration) Rules, 2014.
- b. As the company was suspended on BSE, during the year under review company had applied for trading approval which was approved by BSE dated 19.11.2018. Pursuant to BSE order the company's shares got listed on BSE dated 29.11.2018.
- c. The promoter's shareholding of the Company is not in 100% Demat form.
- d. During the year under review, the Company Secretary of the company had resigned w.e.f 03.04.2019, and Board of Directors have appointed the Company Secretary w.e.f 25.03.2019.

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

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

I, further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that:

- a. the Directors have complied with the requirements as to disclosure of interests and concerns in contracts and arrangements, shareholdings and directorships in other companies and interests in other entities;
- b. the Directors have complied with the disclosure requirements in respect of their eligibility of appointment, being independent and compliance with the Code of Business Conduct and Ethics for Directors and Management Personnel;
- c. the Company has obtained all necessary approvals under the various provisions of the aforesaid Acts and rules made thereunder, to the extent applicable; and

For R.S.B & Associates

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

Date :- 28.05.2019

Place :- Bhubaneswar

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

Annexure A

To
The Members
Mesco Pharmaceuticals Limited

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

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

For R.S.B & Associates

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

Date :- 28.05.2019
Place :- Bhubaneswar

MANAGEMENT DISCUSSION AND ANALYSIS

A. Industry Structure and Developments

The pharmaceutical sector was valued at US\$ 33 billion in 2017. The country's pharmaceutical industry is expected to expand at a CAGR of 22.4 per cent over 2015–20 to reach US\$ 55 billion. India's pharmaceutical exports stood at US\$ 17.27 billion in FY18 and have already reached US\$ 15.52 billion in FY19. Pharmaceutical exports include bulk drugs, intermediates, drug formulations, biologicals, herbal products and surgicals.

Some of the initiatives taken by the government to promote the pharmaceutical sector in India are :

- The Government of India is planning to set up an electronic platform to regulate online pharmacies under a new policy, in order to stop any misuse due to easy availability.
- The Government of India unveiled 'Pharma Vision 2020' aimed at making India a global leader in end-to-end drug manufacture. Approval time for new facilities has been reduced to boost investments.

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. 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.

D. 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.

E. MANAGING RISK AND TRANSFORMATION

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

F. GROWTH & FUTURE PROSPECTS

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

G. INTERNAL CONTROL SYSTEMS AND ADEQUACY

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

management controls are adequate to yield “value for money”. These business control procedures ensure efficient use and protection of the resources and compliance with the policies, procedures and status.

H. 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 2019:

2. BOARD OF DIRECTORS

A. Composition of the Board

The Company maintains an optimum combination of Executive, Non-Executive and Independent Directors. As on 31.03.2019 the Board consist of 3 directors who were Mr. Jitendra Kumar Singh (DIN: 00090649), Mr. Dushyant Kumar Singh (DIN: 00091193) are two non-executive Promoter Director Mr. Rajeev Moudgil (DIN: 05209327), Mr. Subhash Chander Seth (DIN: 07496990) and Mrs. Savita Sethi (DIN: 07558948) are three Independent Directors including one Woman Director.

During the year under review, Mr. N S Parameswaran who was holding the position of Managing Director of the Company had resigned from the post w.e.f 25.03.2019. Further as Mr. N S Parameswaran who is also a qualified Company Secretary had gave his consent to be appointed as the Company Secretary. Board Members in their meeting held on 25.03.2019 had approved the appointment of MR. N S Parameswaran as the new Company Secretary of the company.

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 ears 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 tender 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, subject to shareholders approval in the ensuing 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 their upcoming 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 21st June, 2019.

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 2018-19, 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. N.S. Parameswaran* (DIN: 00091097)	Managing Director	None	2	-	-	-	
Mr. Jitendra Kumar Singh (DIN: 00090649)	Promoter Non-Executive	Brother of Mr. Dushyant Kumar Singh	8	3	1	-	
Mr. Dushyant Kumar Singh (DIN: 00091193)	Promoter Non-Executive	Brother of Mr. Jitendra Kumar Singh	8	1	-	-	
Mr. Rajeev Moudgil** (DIN: 05209327)	Independent Non- Executive	None	2	1	-	-	
Mr. Subhash Chander Seth*** (DIN: 07496990)	Independent Non- Executive	None	1	1	-	-	
Mrs. Savita Sethi (DIN: 07558948)	Independent Non- Executive	None	-	-	-	-	

***Cease to act as Managing Director of the Company w.e.f 25.03.2019**

****Cease to act as Director of the Company w.e.f 27.04.2019**

*****Cease to act as a Director of the Company w.e.f. 01.04.2019**

During the year 2018-19, information as mentioned in Part A of Schedule II of the SEBI (LODR) Regulations, 2015 has been placed before the Board for its consideration. The terms and conditions of appointment of the Independent Directors are disclosed on the website of the Company.

During the year, meeting of the Independent Directors was held on 13th February, 2019. The Independent Directors, inter-alia, reviewed the performance of non-independent directors, Chairman of the Company and the Board as a whole. The Board periodically reviews the compliance reports of all laws applicable to the Company, prepared by the Company. Your Company has in place a structured induction and familiarization programme for all its Directors including the Independent Directors. Details of the director familiarization programme are available on www.mescopharma.com.

B. Meeting of the Board

Directors' Attendance Record

During the Financial Year 2018-19, the Board of Directors of the Company met 5 times i.e. 30th May, 2018, 14th August 2018, 14th November, 2018, 13th February, 2019 and on 25th March, 2019. The Board was duly supplied with the agenda of the meetings incorporating all material information for facilitating meaningful and focused discussions at the meeting. The intervening period between the Board Meetings was well within the maximum time gap of one hundred and twenty days as stipulated under Companies Act, 2013, Regulation 17 of SEBI (LODR) Regulations, 2015 and Secretarial Standard. The necessary quorum was present for all the meetings.

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

Name of the Director	No. of Board Meeting Held	No. of Board Meeting Attended	Whether attended Last AGM	Number of shares held
Mr. N.S. Parameswaran*	5	5	Yes	-
Mr. Dushyant Kumar Singh	5	5	Yes	87,100
Mr. Jitendra Kumar Singh	5	1	No	192,000
Mr. Rajeev Moudgil**	5	5	Yes	-
Mr. Subhash Chander Seth***	5	5	Yes	-
Mrs. Savita Sethi	5	2	No	-

***Cease to act as Managing Director of the Company w.e.f 25.03.2019**

****Cease to act as Director of the Company w.e.f 27.04.2019**

*****Cease to act as a Director of the Company w.e.f. 01.04.2019**

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 :-

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
2.	Professional	Expertise in professional areas such as Technical, Accounting, Finance, Legal, Human Resources, Marketing, etc.
3.	Governance	Experience as director of other companies, Awareness of their legal, ethical, fiduciary and financial responsibilities, Risk Assessment, Corporate Governance.
4.	Behavioural	Knowledge and skills to function well as team members, effective decision making processes, integrity, effective communication, innovative thinking.

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

3. COMMITTEES OF BOARD OF DIRECTORS

Mesco Pharmaceuticals Ltd has three board level Committees as on 31st March, 2019:

- 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 31st March, 2019 the Audit Committee of the Company comprises of two Non-Executive Independent Directors and one Promoter non-executive Director i.e. Mr Rajeev Moudgil – as Chairman; Mr. Subhash Chander Seth and Mr. Jitendra Kumar are members Singh as the Members of the Committee. The Company Secretary, if any of the Company acts as a Secretary of the Committee.

Meetings & Attendance

The Committee met four (4) times during the Financial Year 2018-2019 on the following dates: 30th May, 2018, 14th August, 2018, 14th November, 2018 and 13th February, 2019. 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	4
Mr. Subhash Chander Seth**	Non-Executive Independent Director	4	4
Mr. Jitendra Kumar Singh Member	Non-Executive Promoter Director	4	2

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

**ceased to act as a Director w.e.f 01.04.2019

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 31st March, 2019, it comprises of two Non-Executive Independent Director and One Promoter Director i.e. Mr Rajeev Moudgil – as Chairman; Mr. Subhash Chander Seth and Mr. Jitendra Kumar Singh as the Members of the Committee.

Meetings & Attendance

The Committee met four (2) times during the Financial Year 2018-2019 on the following dates: 13th February, 2019 and on 25th March, 2019. 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	2	2
Mr. Subhash Chander Seth**	Non-Executive Independent Director	2	2
Mr. Jitendra Kumar Singh Member	Non-Executive Promoter Director	2	-

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

**ceased to act as a Director w.e.f 01.04.2019

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 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 31st March, 2019

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

**Cease to act as Managing Director of the Company w.e.f 25.03.2019*

***Cease to act as Director of the Company w.e.f 27.04.2019*

****Cease to act as a Director of the Company w.e.f. 01.04.2019*

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 31st March, 2019, Committee comprises of two Non-Executive Independent Director and one Executive Director i.e. Mr. Subhash Chander Seth – as Chairman; Mr. Rajeev Moudgil and Mr. N.S. Parameswaran as the Members of the Committee.

Mr. N S Parameswaran, cease to act as Managing Director of the Company w.e.f. 25.03.2019. Mr. N S Parameswaran appointed as Company Secretary of the Company w.e.f 25.03.2019.

The Committee met four (2) times during the Financial Year 2018-2019 on the following dates: 30th May, 2019, and 13th February, 2019.

Name of the Director	Category	Number of Meetings held	No. of Meetings Attended
Mr. Subhash Chander Seth* Chairman	Non-Executive Independent Director	2	2
Mr. Rajeev Moudgil** Member	Non-Executive Independent Director	2	2
Mr. N.S. Parameswaran Member	Executive Professional Director	2	2

**ceased to act as a Director w.e.f 01.04.2019*

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

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 31st March 2019.

Particulars	Status
Complaints outstanding as on April 1, 2018	-
Complaints received during the year ended March 31, 2019	1
Complaints resolved during the year ended March 31, 2019	1
Complaints not solved to the satisfaction of Shareholders as on March 31, 2019	-
Complaints Pending as on March 31, 2019	-

4. GENERAL BODY MEETINGS

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

Year	Venue	Date	Time	Special Resolution
2017-18	Upper Kesalton, Tallital, Nainital-263 001, Uttarakhand	29 th September, 2018	11:00 AM	<ul style="list-style-type: none"> Appointment of Mr. N.S. Parameswaran as Managing Director of the Company
2016-17	Upper Kesalton, Tallital, Nainital-263 001, Uttarakhand	30 th September, 2017	10.A.M.	<ul style="list-style-type: none"> To Keep Register of Members and other Statutory Registers at a place other than the Registered Office of the Company Adoption of New Articles of Association as per Companies Act, 2013
2015-16	Hotel Coronation, Opposite Nainital club, (near high court), Mallital, Nainital-263 001, Uttarakhand	30 th September, 2016	11:30 A.M.	<ul style="list-style-type: none"> Authorisation to Board u/s 180(1)(c) of the Companies Act, 2013

b) During Financial Year ended March 31, 2019, 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. The shareholders can access the Company's website for financial information etc. No presentations have been made to institutional investors/analysts during the financial year.

6. GENERAL SHAREHOLDERS INFORMATION**i) Annual General Meeting****Day & Date**28th September, 2019**Time**

09:30 A.M..

Venue

Upper Kesalton, Tallital

Nainital-263 001, Uttarakhand

ii) Financial Calendar

Events	Tentative time frame
Financial Reporting for the first quarter ended 30 th June, 2019	On or before 14 th August, 2019
Financial Reporting for the second quarter ending 30 th September, 2019	On or before 14 th November 2019
Financial Reporting for the third quarter ending 31 st December, 2019	On or before By 14 th February 2020
Financial Reporting for the fourth quarter ending 31 st March, 2020	On or before 30 th May 2020

iii) Dividend Payment Date: The Company has not declared any dividend during the financial year ended March 31, 2019.

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

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

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai- 400001

The Calcutta Stock Exchange Limited
7, Lyons Range,
Kolkata-700

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

vii) Market Price Data:

Month	High	Low	BSE Limited Volume
December 18	10.50	9.01	1500
January 19	12.40	9.31	1500

viii) Registrar and Share Transfer Agent & Share Transfer System

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

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

ix) Distribution of Shareholding as on 31st March 2019:

No. of Equity Share held	No. of Equity Shareholders	% of Equity Shareholders	Total No. of Equity Shares held	% of Equity Shareholding
Up To 5,000	37927	93.14	90552060	44.56
5001 To 10,000	2224	5.46	15747660	7.75
10001 To 20,000	406	1	5810970	2.86

20001 To 30,000	83	0.2	2086710	1.03
30001 To 40,000	25	0.06	889000	0.44
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	85856000	42.25
Total	40722	100	203206000	100

x) Category-Wise Summary Of Shareholding As On 31st March, 2019

Category	No of Shares	% of Holding
Promoters Shareholding	7986100	39.30
Non-promoters holding		
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	515782	2.54
India Public	10377833	51.07
Non-resident Indians	1440285	7.09
Clearing Member	100	0
Others	0	0
Grand Total	20320600	100

xi) Dematerialization of shares and liquidity: As on 31st March, 2019, 0.67% of shares have been dematerialized.

xii) There are no outstanding GDRs/ ADRs/ Warrants or any Convertible other Instruments as on the date.

xiii) 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.

xiv) Address for Correspondence: The shareholders may send their communication grievances/ queries to the Registrar and Share Transfer Agents at their Address mentioned above or to the Company at:

Corporate Office
Mesco Pharmaceuticals Ltd
Upper Kesalton, Tallital, Nainital-263001, Uttarakhan
e-mail: nsparameswaran@mescosteel.com

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 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

As the company was suspended on BSE, during the year under review company had applied for trading approval which was approved by BSE dated 19.11.2018. Pursuant to BSE order the company's shares got listed on BSE dated 29.11.2018. During the year company was fined by BSE for non-appointment of Company Secretary. Though company had made payment of the fine as well as also appoints Mr. N S Parameswaran as Company Secretary cum Compliance Officer of the Company.

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

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

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

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

e) Disclosure of the extent to which the discretionary requirements as specified in Part E of Schedule II have been adopted.**i. Maintenance of the Chairman's Office**

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

ii. Shareholders Rights

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

iii. Modified opinion(s) in Audit Report

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

iv. Separate posts of Chairman and CEO

The Company had not appointed any Chairman and CEO of the Company. Mr. N.S. Parameswaran cease to act as Managing Director of the Company w.e.f 25.03.2019. Further the Company had appointed Mr. Sameer Singh has been appointed as Managing Director of the Company w.e.f 27.04.2019.

v. Reporting of Internal Auditors

The Internal Auditor reports directly to the Audit Committee

8. There has been no instance of non-compliance of any requirement of Corporate Governance Report other than appointment of Company Secretary cum Compliance Officer. The same has been appointed by the Company w.e.f 25.03.2019.

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, 2019
	₹
Payments to the auditors comprises	
For statutory audit	20000
Total	

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 31st March, 2019 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 CMD 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**

- Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year : NIL
- Number of shareholders who approached listed entity for transfer of shares from suspense account during the year : NIL
- Number of shareholders to whom shares were transferred from suspense account during the year : NIL
- 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 2018-19

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, 2019 from all the Board Members and Senior Management Personnel.

By order of the board
For Mesco Pharmaceuticals Ltd

Sameer Singh
(DIN: 06862254)
Managing Director

Date: 28.05.2019
Place: New Delhi

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

We, Sameer Singh, Managing Director and Santosh Kumar Jha, Chief Financial Officer, responsible for the finance function certify that:

- (a) We have reviewed financial statements and the cash flow statement for the year ended 31st March 2019 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 : 28.05.2019
Place: New Delhi

Sameer Singh
Managing Director

Santosh Kumar Jha
Chief Financial Officer

CORPORATE GOVERNANCE CERTIFICATE

**TO THE MEMBERS OF
MESCO PHARMACEUTICALS LTD**

We have examined the compliance of the conditions of Corporate Governance by Mesco Pharmaceuticals Ltd for the year ended 31st March 2019, 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**

**Date: 28.05.2019
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, 2019 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 the date of this certificate:

S. No	Name of Director	DIN
1.	Mr. Jitendra Kumar Singh	00090649
2.	Mr. Hawa Singh Chahar	01691383
3.	Mr. Dushyant Kumar Singh	00091193
4.	Mr. Sameer Singh	06862254
5.	Ms. Savita Sethi	07558948
6.	Mr. Varinder Prakash	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

Robinderpall Singh Batth
FCS: 6586, CP No. 3836
Date: 28.05.2019
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 31st March 2019, 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, 2019, 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.

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 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 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 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 31st March 2019 on its financial position in its financial statements;
- ii. The Company did not have any long-term contracts including derivative contracts as at 31st March 2019.
- 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

Place: New Delhi
Dated: 28.05.2019

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT OR EVEN DATE ON THE FINANCIAL STATEMENTS OF M/S Mesco Pharmaceuticals Limited AS ON 31ST MARCH 2019

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

To the Members of

M/s Mesco Pharmaceuticals Limited

We have audited the internal financial controls over financial reporting of M/s Mesco Pharmaceuticals Limited (“the Company”) as of March 31, 2019 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, 2019, 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

Place: New Delhi

Dated: 28.05.2019

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

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

We report that:

- (i) In respect of the Company's fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
 - (b) These fixed assets have been physically verified by the management at reasonable intervals; and no material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.
- (ii) The Company does not have any physical inventories. Accordingly, reporting under clause 3 (ii) of the Order is not applicable to the Company.
- (iii) According to the information and explanation given to us, the Company has not granted any secured or unsecured loans, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Consequently clause 3 (iii) of the Order is not applicable.
- (iv) According to the information and explanation given to us, in respect of loans, investments, guarantees, and security, provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.
- (v) The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2019 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 31st of March, 2019 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

Date: 28.05.2019

Place: New Delhi

Mesco Pharmaceuticals Limited				
Balance Sheet as at 31st March, 2019				
(Figures in Rs.)				
	Particulars	Note No.	As at 31st March, 2019	As at 31st March, 2018
	ASSETS			
(1)	Non-Current Assets			
	(a) Property, Plant and Equipment	2(i)	1,798,760	1,798,760
	(b) Capital work-in-progress	2(ii)	-	-
	(c) Investment Property			
	(d) Goodwill			
	(e) Other Intangible assets	2(iii)	-	-
	(f) Intangible assets under development			
	(g) Biological Assets other than bearer plants			
	(h) Financial Assets			
	(i) Investments	3	285,000	285,000
	(ii) Trade Receivables	4	-	-
	(iii) Loans	5	-	-
	(iv) Others (to be specified)		-	-
	(i) Deferred tax assets (net)		-	-
	(j) Other non-current assets	6	-	1,800
(2)	Current Assets			
	(a) Inventories		-	-
	(b) Financial Assets			
	(i) Investments		-	-
	(ii) Trade Receivables		-	-
	(iii) Cash and cash equivalents	7	395,918	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		-	-
	Total Assets		2,479,678	2,481,478
	EQUITY AND LIABILITIES			
	Equity			
	(a) Equity Share capital	9	197,381,000	197,381,000.00
	(b) Other Equity	10	(306,530,025)	(302,431,992.52)
	LIABILITIES			
(1)	Non-Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	11	111,392,715	107,461,040
	(ii) Trade Payables	12	-	-
	(iii) Other financials liabilities (other than those specified in item (b), to be specified)		-	-
	(b) Provisions	13	7,688	431.44
	(c) Deferred tax liabilities (Net)		-	-
	(d) Other non-current liabilities		-	-
(2)	Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings		-	-
	(ii) Trade Payables	12	228,300	71,000
	(iii) Other financials liabilities (other than those specified in item (c))		-	-
	(b) other current liabilities		-	-
	(c) Provisions		-	-
	(d) Current Tax Liabilities (Net)		-	-
	Total Equity and Liabilities		2,479,678	2,481,478
	Notes forming part of the Financial Statements	1-28		

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

As per our Audit Report of even date attached hereto

For and on Behalf of Board of Directors

For Sangram Paul & Co.

Chartered Accountants

Firm Registration No. 308001E

(S.K.Paul)

Proprietor

M.No. 013015

(J.K. Singh)

Director

DIN 00090649

(Sameer Singh)

Managing Director

DIN 06862254

Place: New Delhi

Date: 28.05.2019

(N. S. Parameswaran)

Company Secretary

(Santosh Kumar Jha)

CFO

Mesco Pharmaceuticals Limited Statement of Profit and Loss for the year ended 31st March, 2019				
(Figures in Rs.)				
S.No.	Particulars	Note no.	For the year ended 31st March, 2019	For the year ended 31st March, 2018
I	Revenue from operations	14	-	-
II	Other income		-	-
III	Total Revenue (I+II)		-	-
IV	Expenses:			
	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	-	150
	Employee benefits expense	16(a)	-	305,581
	Depreciation and amortization expense		-	-
	Other expenses	16(b)	4,098,033	567,759
	Total Expenses (IV)		4,098,033	873,490
V	Profit/(loss) before exceptional items and tax (III-IV)		(4,098,033)	(873,490)
VI	Exceptional Items		-	-
VII	Profit/(loss) before tax (V-VI)		(4,098,033)	(873,490)
VIII	Tax expenses:			
	(1) Current Tax		-	-
	(2) Earlier years		-	-
	(3) Deferred tax		-	-
IX	Profit (Loss) for the period from continuing operations		(4,098,033)	(873,490)
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)		(4,098,033)	(873,490)
XIV	Other Comprehensive Income			
	A (i) Items that will not be classified to profit or		-	-
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
	B (i) Items that will be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
XV	Total Comprehensive Income for the period (XIII+XIV) (Comprising Profit (Loss) and Other Comprehensive Income for the period)		(4,098,033)	(873,490)
XVI	Earnings per equity share (for continuing operation):			
	(1) Basic and Diluted	23	(0.20)	(0.04)
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	(0.20)	(0.04)

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

As per our Audit Report of even date attached hereto

For and on Behalf of Board of Directors

For Sangram Paul & Co.

Chartered Accountants

Firm Registration No. 308001E

(S.K.Paul)

Proprietor

M.No. 013015

(J.K. Singh)

Director

DIN 00090649

(Sameer Singh)

Managing Director

DIN 00091097

Place: New Delhi

Date: 28.05.2019

(N. S. Parameswaran)

Company Secretary

(Santosh Kumar Jha)

CFO

Mesco Pharmaceuticals Limited
Cash Flow Statement for the year ended 31st March, 2019

(Figures in Rs.)

	Particulars	Note No.	For the year ended 31st March, 2019	For the year ended 31st March, 2018
A.	<u>Cash Flow from Operating Activities</u>			
	Net Profit (Loss) before Tax & extra ordinary Item		(4,098,033)	(873,490)
	Adjustments for:			
	Provision for Income tax reversal		-	-
	Amortisation and Write off		-	-
	Operating profit before working capital changes		(4,098,033)	(873,490)
	Working Capital changes:			
	Trade receivables		-	-
	Short term loans and advances		-	-
	Short Term Provisions		7,256	(2,069)
	Trade payable		157,300	(2,595)
	Other current assets		1,800	-
	Cash generated from operations		(3,931,677)	(878,154)
	Direct Taxes Paid		-	1,800
	Net Cash from operating activities		(3,931,677)	(879,954)
B.	<u>Cash Flow from Investing Activities</u>			
	Change in Fixed Asset		-	-
	Loans & Advances		-	-
	Interest on deposits		-	-
	Net Cash from investing activities		-	-
C.	<u>Cash Flow from Financing Activities</u>			
	Proceeds from issue of Share Capital		-	-
	Payment to Borrowings		-	-
	Proceeds from Loans and advances		3,931,676	881,103
	Net cash from financing activities		3,931,676	881,103
	Net change in cash & cash equivalent (A+B+C)		0	1,149
	Cash & Cash equivalents opening balance		395,917	394,768
	Cash & Cash Equivalents at the End of the Year	7	395,917	395,917

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

As per our report of even date attached

For Sangram Paul & Co.

Chartered Accountants

Firm Registration No. 308001E

For and on Behalf of Board of Directors

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

(J.K. Singh)
Director
DIN 00090649

(Sameer Singh)
Managing Director
DIN 06862254

Place: New Delhi
Date: 28.05.2019

(N. S. Parameswaran)
Company Secretary

(Santosh Kumar Jha)
CFO

Mesco Pharmaceuticals Limited
Statement of Changes in Equity for the period ended 31st March, 2019

(Figures in Rs.)

A. Equity Share Capital

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

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

B. Other Equity

	Share Application money pending allotment	Equity component of compound financial instruments	Reserves and Surplus				Total
			Capital Reserve	Security Premium Reserve	General Reserve	Retained Earnings	
As at April 1, 2017	-	-	-	378,347,000	211,417,034	(891,322,536)	(301,558,502)
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-
Restated balance at the beginning of the reporting period	-	-	-	378,347,000	211,417,034	(891,322,536)	(301,558,502)
Total Comprehensive Income for the Year	-	-	-	-	-	(873,490)	(873,490)
Dividends	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-
Any other change (to be specified)	-	-	-	-	-	-	-
As at March 31, 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)

Notes forming part of financial statement

2) FIXED ASSETS

(Figures in Rs.)

Description	GROSS BLOCK					DEPRECIATION/AMORTISATION					NET BLOCK	
	Total as at 01.04.2018	Addition/Adjustment during the year	Deductions/Adjustments during the year	Impairment/(reversal) during the year	Total as at 31.03.2019	Total as at 01.04.2018	Provided during the year	Amortisation during the year	Deductions/Adjustments during the year	Total as at 31.03.2019	Total as at 31.03.2019	Total as at 01.04.2018
i) Tangible assets												
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	-		-		-	-			-	-	-	-
Total	1,798,760	-	-	-	1,798,760	-	-	-	-	-	1,798,760	1,798,760
Previous year	142,233,291	-	140,434,531	-	1,798,760	-	-	-	-	-	1,798,760	1,798,760
ii) Intangible assets	-		-		-	-			-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-	-
Previous year	53,344,000	-	53,344,000	-	-	53,344,000	-	-	53,344,000	-	-	-
iii) Capital work in Progress	-		-		-	-			-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-	-
Previous year	281,335,095	-	281,335,095	-	-	281,335,095	-	-	281,335,095	-	-	-
Grand Total	1,798,760	-	-	-	1,798,760	-	-	-	-	-	1,798,760	1,798,760

Mesco Pharmaceuticals Limited
Notes forming part of financial statements

	As at 31st March, 2019 (Rs.)	As at 31st March, 2018 (Rs.)
3) NON- CURRENT INVESTMENT		
Quoted		
Mideast (India) Limited		
150000 (150000) equity shares of Rs. 10 each fully paid up*	285,000	285,000
(*Market value not available as trading of the security was suspended, therefore valued at cost)	<u>285,000</u>	<u>285,000</u>
Aggregate amount of Quoted investments	285,000	285,000
Aggregate amount of Unquoted investments	-	-
4) TRADE RECEIVABLES		
Trade Receivables	<u>-</u>	<u>-</u>
5) LONG TERM LOANS AND ADVANCES		
(Unsecured, Considered good)		
Loans and advances	<u>-</u>	<u>-</u>
6) OTHER NON-CURRENT ASSETS		
Others	<u>-</u>	<u>1,800</u>
7) CASH AND CASH EQUIVALENTS		
Balances with banks	379,567	379,567
Cash in hand	16,351	16,351
	<u>395,918</u>	<u>395,918</u>
8) SHORT TERM LOANS AND ADVANCES		
(Unsecured, Considered good)		
Deposits and Securities	-	-
Other Advances	<u>-</u>	<u>-</u>
9) EQUITY SHARE CAPITAL		
Authorised		
i) 30000000 (Previous Year: 30000000) equity shares of Rs. 10/- each	<u>300,000,000</u>	<u>300,000,000</u>
	<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, 2019		As at 31st March, 2018	
	No. of shares	in Rs.	No. of shares	in Rs.
Equity Shares				
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, 2019		As at 31st March, 2018	
	No. of shares	%	No. of shares	%
Equity Shares:				
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>
General Reserve		
Opening Balance	211,417,034	211,417,034
Add: Adjustment during the year	-	-
Closing Balance	<u>211,417,034</u>	<u>211,417,034</u>
Surplus to the Profit & Loss A/c		
Opening Balance	(892,196,026)	(891,322,536)
Add: Profit/(Loss) during the year	(4,098,033)	(873,490)
Closing Balance	<u>(896,294,059)</u>	<u>(892,196,026)</u>
	<u>(306,530,025)</u>	<u>(302,431,993)</u>
11) LONG TERM BORROWINGS		
Unsecured Loan		
From Companies (related parties) (refer note no.21)	111,392,715	107,461,040
	<u>111,392,715</u>	<u>107,461,040</u>
12) TRADE PAYABLE		
Trade payables	228,300	65,000
Staff Security	-	6,000
	<u>228,300</u>	<u>71,000</u>
13) SHORT TERM PROVISIONS		
Others Provisions	7,688	431
	<u>7,688</u>	<u>431</u>
	For the year ended 31st March, 2019 (Rs.)	For the year ended 31st March, 2018 (Rs.)
14) OTHER INCOME		
Misc. Income	-	-
	<u>-</u>	<u>-</u>
15) FINANCE COST		
Interest Charges	-	150
	<u>-</u>	<u>150</u>
16(a) EMPLOYEE BENEFITS EXPENSES		
Salary, Wages & Bonus	-	305,581
	<u>-</u>	<u>305,581</u>
16(b) OTHER EXPENSES		
Payment to Auditors as:		
a) Statutory Auditor	20,000	20,000
b) Others	-	-
Advertisement Expenses	75,600	95,631
Travelling & Conveyance	-	-
Professional Fees	156,000	-
Fees & subscription	3,843,490	428,168
Rent, Rates and Taxes	-	-
Miscellaneous	2,943	23,960
	<u>4,098,033</u>	<u>567,759</u>

Mesco Pharmaceuticals Limited

Notes forming Part of Accounts for the year ended 31st March 2019

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

Ind AS 116 Leases was notified in October 2018 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for leases - leases of low value assets (e.g., personal computers) and short term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognize a liability to make lease payments (i.e. lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e. right of use asset). Lessees will be required to separately recognize the interest expense on the liability and the depreciation expense on the right-of-use asset.

Lessees will also be required to re-measure the lease liability upon the occurrence of certain events (eg, a change in the lease term, a change in future lease payments resulting from change in an index or rate used to determine those payments). The lessee will generally recognize the amount of the re-measurement of the lease liability as an adjustment to the right of use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases operating and finance leases.

Ind AS 116, which is effective for annual periods beginning on or after 1 April 2019, requires lessees and lessors to make more extensive disclosures than under Ind AS 17.

The Company is currently not having any leases, therefor the said Ind AS will not have any financial impact.

Ind AS 12 – Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Company does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty

(2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Company does not expect any significant impact of the amendment on its financial statements.

Ind AS 19 – Plan Amendment, Curtailment or Settlement

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. TCS Limited does not expect this amendment to have any significant impact on its financial statements.

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, 2019 is as follow

	Fair Value through Profit & Loss	Fair Value through other comprehensive income	Amortized Cost	Total Carrying Value
Financials Assets				
Cash & cash equivalents	-	-	3,95,918	3,95,918
Trade receivables	-	-	-	-
Investment in Shares	-	2,85,000	-	2,85,000
Other financial assets	-	-	-	-
Total	-	2,85,000	3,95,918	6,80,918
Financials Liabilities				

Trade Payable	-	-	2,28,300	2,28,300
Other financial liabilities	-	-	11,13,92,716	11,13,92,716
Total	-	-	11,16,21,016	11,16,21,016

The Carrying value of financial instruments by categories as of March 31, 2018 is as follow

	Fair Value through Profit & Loss	Fair Value through other comprehensive income	Amortized Cost	Total Carrying Value
Financials Assets				
Cash & cash equivalents	-	-	3,95,918	3,95,918
Trade receivables	-	-	-	-
Investment in Shares	-	2,85,000	-	2,85,000
Other financial assets	-	-	-	-
Total	-	2,85,000	3,95,918	6,80,918
Financials Liabilities				
Trade Payable	-	-	71,000	71,000
Other financial liabilities	-	-	10,74,61,040	10,74,61,040
Total	-	-	10,75,32,040	10,75,32,040

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, 2019:

	Total 31.03.2019	Level - 1	Level -2	Level-3
Financial assets				
Equity Shares	2,85,000	-	-	2,85,000
Other financials Assets	3,95,918	-	-	3,95,918
TOTAL	6,80,918	-	-	6,80,918
Financial liabilities				
Other Financial liabilities	11,16,28,703	-	-	11,16,28,703

TOTAL	11,16,28,703	-	-	11,16,28,703
--------------	---------------------	---	---	---------------------

Fair value measurement hierarchy for assets as at March 31, 2018:

	Total 31.03.2018	Level - 1	Level -2	Level-3
Financial assets				
Mutual funds	2,85,000	-	-	2,85,000
Other financials Assets	3,95,918	-	-	3,95,918
TOTAL	6,80,918	-	-	6,80,918
Financial liabilities				
Other Financial liabilities	10,75,32,471	-	-	10,75,32,471
TOTAL	10,75,32,471	-	-	10,75,32,471

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 determing 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:

	31.03.2019	31.03.2018
Trade receivables	-	-
Loans and security deposits	-	-
TOTAL	19,84,803	19,49,618

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

	Upto 180 days	More than 180days	Total
31 st March 2018	-	-	-
31 st March 2019	-	-	-

Expected Credit loss for trade receivables using simplified approach –

	31.03.2019	31.03.2018
Gross carrying amount	-	-
Expected credit losses	-	-
Carrying amount of trade receivables (net of impairment)	-	-

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 31st 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

As at 31st March, 2018

	Upto 180 days	More than 180 days	Total
Other Financial liabilities	-	10,74,61,040	10,74,61,040
Trade Payable	71,000	-	71,000

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	31st March'19	(Rs. In Lacs) 31st March'18
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	2018-19	(Rs.) 2017-18
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(MD upto 25.03.2019) (CS w.e.f 25.03.2019)	
Mr. Sameer Singh (MD w.e.f. 27.04.2019)	
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	2018-19	2017-18	Nature	(Rs.) Relationship
M/s Mesco Logistics Ltd.	Nil	Nil	Net Loan taken/ (Repaid)	Entities in which KMP can exercise significant influence
M/s Mesco Steels Ltd.	35,59,702	80,500	Net Loan taken/ (Repaid)	
M/s Mideast Integrated Steels Ltd.	35,81,318	52,014	Net Loan taken/ (Repaid)	
M/s Mideast (India) Ltd.	(29,09,343)	7,48,589	Net Loan taken/ (Repaid)	

c. Balances Outstanding:

(Rs.)

Name	2018-19	2017-18	Nature	Relationship
M/s Mesco Aerospace Ltd.	37,88,360	37,88,360	Loan taken	Entities in which KMP can exercise significant influence
M/s Mesco Steels Ltd.	10,36,91,198	10,04,31,496	Loan taken	
M/s Mideast Integrated Steels Ltd.	39,13,159	3,31,841	Loan taken	
M/s Mideast (India) Ltd.	-	29,09,343	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:

	2018-19	2017-18
Profit as per Statement of Profit & Loss	(40,98,033)	(8,73,490)
Net Profit/(Loss) attributable to Equity Shareholders – (A)	(40,98,033)	(8,73,490)
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	(0.20)	(0.04)

24)

Payment to Auditors:

	2018-19	2017-18
(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

(J.K. Singh)
Director
DIN:00090649

(Sameer Singh)
Managing Director
DIN: 06862254

Date: 28.05.2019
Place: New Delhi

(N.S. Parameswaran)
Company Secretary

(Santosh Kumar Jha)
CFO

MESCO PHARMACEUTICALS LIMITED

CIN: L24111UR1986PLC015895

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

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

ATTENDANCE SLIP

(To be presented at the entrance)

33rd Annual General Meeting of the Company held on Saturday, 28th September, 2019 at 09:30 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 **33rd Annual General Meeting** of the Company held on Saturday, 28th September, 2019 at 09:30 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, 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 **33rd Annual General Meeting of the Company held on Saturday, 28th September, 2019 at 09:30 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 st March, 2019 together with the Reports of the Board of Directors and Auditors thereon.		
2.	To appoint director in the place of Mr. Dushyant Kumar Singh (DIN: 00091193), Director of the Company, who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment		
3.	To appoint Mr. Sameer Singh (DIN: 06862254) as Director of the Company		
4.	To appoint Mr. Sameer Singh (DIN: 06862254) as Managing Director of the Company		
5.	To appoint Mr. Varinder Prakash (DIN: 08462519) as Director of the Company		
6.	To appoint Mr. Hawa Singh Chahar (DIN: 01691383) as Director of the Company		

**Affix
Revenue
Stamp of
Re. 1**

Signed this..... day of2019

Signature of Shareholder

Signature of the 1st Proxy HolderSignature of 2nd Proxy holderSignature of 3rd 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

