

CHEMO PHARMA LABORATORIES LIMITED

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**63rd Annual Report
2004-2005**

Directors : Shri S. B. Somani (Chairman)
Shri V. O. Somani
Shri K. L. Mundra
Shri. Madhusudan Vyas

Bankers : Union Bank of India, Mumbai
Bank of Baroda, Mumbai
Lord Krishna Bank, Mumbai



Auditors : Batliboi & Purohit
Chartered Accountants
Mumbai

Registered Office & Works
Plot No. 5, M.I.D.C.,
Kalyan-Bhiwandi Road,
Post – Saravali, Via-Kalyan,
Dist. Thane (Maharashtra)

Administration Office
Empire House, 214,
Dr. D. N. Road,
Fort,
Mumbai – 400 001.

CHEMO PHARMA LABORATORIES LIMITED

2004-2005

NOTICE

To,
The Members

Notice is hereby given that the 63RD Annual General Meeting of the Company will be held at Plot No.5, MIDC, Kalyan Bhiwandi Road, Post – Saravali, Via Kalyan, Dist. Thane (Maharashtra) on Thursday 29th September, 2005 at 11.00 a.m. to transact the following business.

Ordinary Business

1. To receive, Consider and Adopt the Audited Profit & Loss Account for the year ended 31st March, 2005 and the Balance Sheet as on date and Report of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri V. O. Somani who retires by rotation under Articles 162 of the Articles of Association of the Company, and being eligible offers himself for reappointment.
3. To appoint Auditors to hold office from the conclusion of this meeting till the conclusion of the next Annual General Meeting and fix remuneration.

On Behalf of the Board**Sd/-****S. B. Somani****Chairman****Place : Mumbai****Date : 29th August, 2005****Note:**

1. 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.
2. The Register of Member and the Share Transfer Books of the Company will remain closed from 24th September, 2005 to 29th September, 2005 (both days inclusive)
3. Members are requested to intimate to the Company immediately any change in their registered address.

On Behalf of the Board**Sd/-****S. B. Somani****Chairman****Place : Mumbai****Date : 29th August, 2005**

DIRECTORS' REPORT

To,
The Members

The Directors present herewith the 63rd Annual Report and the Audited Statement of Accounts for the year ended 31st March, 2005.

Financial Results

After accounting all expenses of operation, and providing depreciation of Rs.3,20,442/- the working for the year resulting in net loss of Rs.43,80,554/-, After the loss brought forward from previous year Rs.2,54,90,597/- the Total Loss of Rs.29,871,151/- carried to the Balance Sheet.

OPERATIONS

As reported in the earlier year, the Company has been under lock-out since 28th November, 1997 which still continues.

The Board of Directors of the Company have reviewed the current status of the Company. The manufacturing plant of the Company at MIDC, Saravali Village, Kalyan, has been under lockout since 28th November, 1997. The plant and machinery of the Company have become obsolete and outdated. There has also been technological change's and as a result the manufacturing activities of the Company have become unviable.

The Board of Directors of the Company have been exploring the avenue to make the Company viable and have been working on different projects which may involve sale, lease and/or disposal of the existing undertaking of the Company, for which the approval of the shareholders will be sought in due course.

PUBLIC DEPOSIT

As on 31st March, 2005 the Company did not have any Public Deposit.

PARTICULARS OF EMPLOYEES

Particulars of employees as required under section 217(2) (A) of the Companies Act, 1956 read with the Companies (Particulars of employees) Rules 1975 as amendment are not required to be furnished as there were no employees receiving total emoluments of Rs. 24,00,000/- for the full year or Rs. 2,00,000/- per month.

ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE:

As required under Section 217(1) (e) of the Companies Act, 1956 read with Rule 2 of the Companies (Disclosure of particulars in the Report of Board of Directors) Rule 1988, the information relating to conservation of energy, technology absorption and foreign exchange earnings and outgo, etc. are not given due to lock-out in the factory for the whole year.

DIRECTOR'S RESPONSIBILITY STATEMENT

In term of Section 217 (2AA) of the Companies Act, 1956, we, the Directors of Chemo Pharma Laboratories Ltd., state in respect of Financial Year 2004-05 that:

- a) In the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

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- b) The Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The Directors have prepared the annual accounts on a going concern basis;

AUDITORS:

M/s. Batliboi & Purohit, Auditors of the Company, retire at the Sixty Annual General Meeting of the Company, and being eligible offer themselves for re-appointment.

AUDITOR'S REPORT:

With regard to the observations of the Auditors in their Audit Report, reference is invited to Notes 3, 4, 6 & 7 of the Schedule 15 forming part of the Accounts which are self-explanatory.

DIRECTOR

Shri. V. O. Somani retires at the ensuring Annual General Meeting and being eligible, has offered himself for re-appointment.

CORPORATE GOVERNANCE:

Report on corporate governance and a certificate from S. K. Jain & Co., Practicing Company Secretary regarding compliance of the conditions of corporate governance as stipulated under clause 49 of the listing agreement with the Stock Exchange is given as Annexure II forming part of this Report.

GENERAL

The Balance Sheet and Profit & Loss of the Company have been signed by two of the Directors present in the Board Meeting in accordance with Provision of Section 215 of the Companies Act, 1956 for and on behalf of the Board of Directors.

ACKNOWLEDGMENT:

The Directors acknowledge with gratitude the help, co-operation and understanding received by it from all quarters.

Mumbai
Date : 29th August, 2005

BY ORDER OF THE BOARD
Sd/-
S. B. Somani
CHAIRMAN

ANNEXURE II
Corporate Governance Report 2004-2005

1. Company's Philosophy :

The Company's Philosophy is to ensure good Corporate Governance. The Company believes in transparency in all its dealings.

2. Board of Directors :

On 31-03-2005 the Board of Directors comprises of a Non Executive Chairman and Three Independent Directors. During the year Six Board Meetings were held on 07/06/2004, 21/07/2004, 06/09/2004, 29/12/2004, 28/02/2005 and 28/03/2005. The attendance of the Directors in the Board Meetings and last Annual General Meeting is given here below.

Name of Directors	No. of Board Meetings Attended	Attended Last AGM
Shri S. B. Somani – Non Executive Chariman	6	No
Shri V. O. Somani – Independent Director	-	No
Shri K. L. Mundra – Independent Director	6	Yes
Shri M. S. Vyas – Independent Director	6	Yes

3. Audit Committee :

i. Terms of Reference

The role and terms of reference of Audit Committee covers areas mentioned under Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956, besides other terms as may be referred by the Board of Directors.

ii. Composition

The Audit Committee was formed on 29.12.2004 with the following Members:

1.	Shri S. B. Somani	Chairman
2.	Shri K. L. Mundra	Member
3.	Shri M. S. Vyas	Member

4. Shareholders/ Investors Grievance Committee :

i. Terms of Reference :

- a) To scrutinize and approve registration of transfer of shares/ debentures/ warrants issued / to be issued by the Company.
- b) To exercise all powers conferred on the Board of Directors under Article 43 of the Article of Association.

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- c) To decide all questions and matters that may arise in regard to transmission of shares / debentures / warrants issued / to be issued by the Company.
- d) To approve and issue duplicate shares / debentures / warrants certificates in lieu of those reported lost,
- e) To refer to the Board and any proposal of refusal of registration of transfer of shares / debentures / warrants for their consideration.
- f) To look into shareholders and investors complaints like transfer of shares, non- receipt of annual reports, non-receipt of declared dividends, etc., and
- g) To delegate all or any of its powers of Officers/ Authorized Signatories of the Company.

ii. Composition

The Shareholder Grievance Committee was formed on 29.12.2004 with following Members –

- | | | |
|----|-------------------|----------|
| 1. | Shri K. L. Mundra | Chairman |
| 2. | Shri S. B. Somani | Member |
| 3. | Shri M. S. Vyas | Member |

Shri B. K. Lohia is Compliance Officer and is also Authorised Signatory for share transfer on behalf of the Company.

5. General Body Meetings :**A. Annual General Meetings**

Financial Year	Date	Time	Location
2003-2004	30/09/2004	11.00 a.m.	Chemo Premises, Kalyan
2002-2003	30/09/2003	11.00 a. m.	Chemo Premises, Kalyan
2001-2002	30/09/2002	11.00 a.m.	Chemo Premises, Kalyan

B. Extra Ordinary General Meetings

Extra Ordinary General Meeting was held on 24.01.2005 at 3.30 p.m. at Reg. Office at Kalyan to accord consent to sell, transfer and / or otherwise dispose of the whole or any part of Company's Undertaking as per provision of section 293 (1) (a) of Companies Act, 1956.

6. Distribution of Shares as on 31/03/2005 :

No. of Shares	No. Shareholders	% of Holding
Up to 500	5944	45.72
501-1000	147	7.54
1001-2000	43	4.16
2001-3000	10	1.74
3001-4000	1	0.27
4001-5000	4	1.22
5001-10000	7	3.01
Above 10001	5	36.34
Total	6161	100.00

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7. Category of Shareholders As on 31/03/2005 :

Category	No. of Shares	% of Holdings
Promoters, Relatives and Associates	533578	35.57
Financial Institutions / Banks	7883	0.52
Mutual Funds	—	—
Foreign Institutional Investors	—	—
Non Resident Indian / Overseas Corporate Bodies	387	0.03
Body Corporate	11163	0.74
General Public	946989	63.13
Total	1500000	100.00

8. Plant Location :

The Company's Chemical Manufacturing Plants are located at Kalyan, Maharashtra

9. Address for Correspondence :

The Company's Registered Office is situated at Plot No. 5, MIDC Estate, Kalyan Bhivandi Road, P.O. Saravali Village, Maharashtra.

and Correspondence by the shareholders should be addressed either to Registered Office or Registrar Share Transfer Agents or its Administrative Office at following address –

CHEMO PHARMA LABORATORIES LTD.
Empire House, Third Floor,
214, Dr. D. N. Road,
Fort, Mumbai 400 001

10. General

Next Annual General Meeting will be held on 29/09/2005 at Plot No. 5, MIDC Estate, Kalyan Bhivandi Road, P.O. Saravali Village, Maharashtra.

a) Financial Calendar for 2005-2006

Accounting Year	April To March
First Quarter Result	Last Week of July
Second Quarter / Half Yearly Result	Last Week of October
Third Quarter Result	Last Week of January

b) Date of Book Closure : Share Transfer Register will be closed from 24th September, 2005 to 29th September, 2005 (Both Days Inclusive)**c) Company's Shares are listed in Bombay Stock Exchange. Presently the trading in the shares of the Company is suspended.**