

CHEMO PHARMA LABORATORIES LTD.

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66TH ANNUAL REPORT

2007-2008

CERTIFIED TO BE TRUE COPY
For Chemo-Pharma Laboratories Ltd.,


DIRECTOR

Directors : Shri. S. B. Somani (Chairman)
Shri. K. L. Mundra
Shri. Madhusudan Vyas
Shri. Ghanshyam K. Joshi
Shri. Ram Manohar Khandelwal
Shri. K. P. Patil

Bankers : Axis Bank Ltd., 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.

NOTICE

Notice is hereby given that the 66th 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 Friday 26th September, 2008 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, 2008 and the Balance Sheet as on date and Report of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri R. M. Khandelwal 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.

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. Proxies in order to be effective must be received by the Company not later than 48 hours before the meeting.
2. Members are requested to intimate to the Company immediately any changes in their registered address to Company's Registrars M/s Sharex Dynamic (India) Pvt. Ltd. 17/B, Dena Bank Building, 2nd Floor, Horniman Circle, Fort, Mumbai – 400 001.
3. The Register of Member and the Share Transfer Books of the Company will remain closed from 19th September, 2008 to 26th September, 2008 (both days inclusive)

ON BEHALF OF THE BOARD

PLACE: MUMBAI
DATE: AUGUST 29, 2008

Sd/-
S. B. SOMANI
CHAIRMAN

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENTS

During the year under report the Company has not carried out any manufacturing activity. The manufacturing activity has become unviable due to diverse factors such as high cost of production and technological obsolescence. The Management of the Company has been exploring possibility to diversify its activity but there has been no significant progress.

OUTLOOK, OPPORTUNITIES AND THREATS

Since the Company has not been carrying any manufacturing activity and is planning to diversify its activities in other fields, the Board of Directors of the Company are exploring new avenues of Business Opportunities.

RISK AND CONCERN

The manufacturing activity has been discontinued as the Board of Directors have found the same unviable. Hence there are no comments.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has adequate internal checks and controls.

FINANCIAL PERFORMANCE

There was no manufacturing activity during the year under report. The Company, however, earned aggregate income of Rs. 8.40 Lacs which includes Dividend Income of Rs.3.16 Lacs and profit on Sale of Shares amounting to Rs.5.15 Lacs and Sundry Balances Written Back Rs.0.08 Lacs. The profit before Depreciation is Rs.1.34 Lacs as against Rs.1.93 Lacs in previous year. The Profit after tax is Rs. 0.08 Lacs as against Rs.1.20 Lacs in previous year.

CAUTIONARY STATEMENT

Statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be 'forward-looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. The Company undertakes no obligation to publicly update or revise any forward looking statements, whether as a result of new information, future events, or otherwise. Readers are cautioned not to place undue reliance on these forward looking statements that speak only as of their dates.

DIRECTORS' REPORT

To,
The Members

The Directors present herewith the 66th Annual Report and the Audited Statement of Accounts for the year ended 31st March, 2008.

FINANCIAL RESULTS : There was no manufacturing activity during the year under report. The Company, however, earned aggregate income of Rs. 8.40 Lacs which includes Dividend Income of Rs.3.16 Lacs and profit on Sale of Shares amounting to Rs.5.15 Lacs and Sundry Balances Written Back Rs.0.08 Lacs. The profit before Depreciation is Rs.1.34 Lacs as against Rs.1.93 Lacs in previous year. The Profit after tax is Rs. 0.08 Lacs as against Rs.1.20 Lacs in previous year.

OPERATIONS : There was no Manufacturing activity during the Year. The Company's main activities are Share Trading and Other Investments

PUBLIC DEPOSIT : As on 31st March, 2008 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 2007-08 that:

- a) In the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- 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 Six 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 2a, b, 3, 5a, b, 10, 11, 12 of the Schedule 15 forming part of the Accounts which are self-explanatory.

DIRECTOR : Shri. R. M. Khandelwal retires by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment.

CORPORATE GOVERNANCE : Report on corporate governance and a certificate from Pramod S. Shah & Associates, 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.

BY ORDER OF THE BOARD

Place : Mumbai
Date : August 29, 2008

Sd/-
S. B. SOMANI
CHAIRMAN

ANNEXURE TO THE DIRECTOR'S REPORT

Statements of Particulars under Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988:

A. CONSERVATION OF ENERGY	Not Applicable.
B. TECHNOLOGY ABSORPTION	Not Applicable.
C. FOREIGN EXCHANGE EARNING AND OUTGO	Rs. NIL

BY ORDER OF THE BOARD

Place: Mumbai
Date: August 29, 2008

Sd/-
S. B. SOMANI
CHAIRMAN

ANNEXURE II

CORPORATE GOVERNANCE REPORT 2007-2008**1. Company's Philosophy :**

Your Company is fully committed to the principles of transparency, integrity and accountability in all spheres of its operations and has been practicing the principles of good corporate governance over the years. In keeping with this commitment, your Company has been upholding fair and ethical business and corporate practices and transparency in its dealings and continuously endeavours to review strengthen and upgrade its systems and procedures so as to bring in transparency and efficiency in its various business segments.

2. Board of Directors :

On 31-03-2008 the Board of Directors comprises of a Non Executive Chairman, Five Independent Directors. During the year Five Board Meetings were held on 30/04/2007, 29/06/2007, 30/08/2007, 24/10/2007, and 24/01/2008. The attendance of the Directors in the Board Meetings and last Annual General Meeting is given here below.

Name	Category and Designation	No. of Board Meetings attended during the year 2007-08	Whether attended last AGM	Directorship in other Companies	No. of membership of other committee	No. of Chairmanship of other Committee
Shri S. B. Somani	NEC	5	Yes	3	0	0
Shri K. L. Mundra	NED	5	Yes	3	1	0
Shri M. S. Vyas	NED	5	Yes	0	0	0
Shri G. K. Joshi	ID	5	Yes	4	1	3
Shri R. M. Khandelwal	ID	5	Yes	3	3	0
Shri. K. P. Patil	ID	4	Yes	2	2	0

NEC – Non-Executive Chairman

ID – Independent Director

NED- Non-Executive Director

- * Excludes alternate directorships and directorships in foreign companies and private companies which are neither a subsidiary nor a holding company of a public company.
- # Excludes Committees other than Audit Committee and Shareholders'/ Investors' Grievance Committee and Companies other than public limited companies.

Particulars of Re-appointed Director:

Name : Shri Ram Manohar Khandelwal
 Designation : Independent Director
 Age : 75 Years
 Experience : Graduate and 30 years of experience in Business
 Other Directorship : M/s Ravindra Trading & Agencies Limited
 : M/s Citric India Limited
 : M/s Chemo Pharma Laboratories Limited

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 and was reconstituted on 29th June, 2007 with the following Members:

1. Shri G. K. Joshi	Chairman
2. Shri K. P. Patil (wef 29/06/07)	Member
3. Shri R. M. Khandelwal	Member
4. Shri. M. S. Vyas (upto 28/06/07)	Member

The Audit Committee held meetings Five times during 2007-2008 on 30/04/2007, 29/06/2007, 30/08/2007, 24/10/2007, and 24/01/2008. The attendances of members are as follows:

Name	Category	Meetings during the year 2007-08	
		Held	Attended
Shri G. K. Joshi	Chairman	5	5
Shri K. P. Patil (wef 29/06/2007)	Member	5	4
Shri R. M. Khandelwal	Member	5	5
Shri. M. S. Vyas (upto 28/06/2007)	Member	5	1

4. Shareholders/ Investors Grievance Committee :

i. Terms of Reference :

- To scrutinize and approve registration of transfer of shares/ debentures/ warrants issued / to be issued by the Company.
- To exercise all powers conferred on the Board of Directors under Article 43 of the Article of Association.
- To decide all questions and matters that may arise in regard to transmission of shares / debentures / warrants issued / to be issued by the Company.
- To approve and issue duplicate shares / debentures / warrants certificates in lieu of those reported lost.
- To refer to the Board and any proposal of refusal of registration of transfer of shares / debentures / warrants for their consideration.
- To look into shareholders and investors complaints like transfer of shares, non- receipt of annual reports, non-receipt of declared dividends, etc., and
- 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 and was reconstituted on 29th June, 2007 with following Members –

1.	Shri G. K. Joshi	Chairman
2.	Shri K. P. Patil (wef 29/06/07)	Member
3.	Shri R. M. Khandelwal	Member
4.	Shri. M. S. Vyas (upto 28/06/07)	Member

Shri N. K. Pareek is Compliance Officer and also Authorized Signatory for share transfer on behalf of the Company.

The Committee met Five times during the Year on the following dates: 30/04/2007, 29/06/2007, 30/08/2007, 24/10/2007, and 24/01/2008. The attendances of the members are as follows:

Name	Category	Meetings during the year 2007-08	
		Held	Attended
Shri G. K. Joshi	Chairman	5	5
Shri K. P. Patil (wef 29/06/2007)	Member	5	4
Shri R. M. Khandelwal	Member	5	5
Shri. M. S. Vyas (upto 28/06/2007)	Member	5	1

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

Financial Year	Date	Time	Location
2006-2007	28/09/2007	11:00 A.M.	At Regd. Office, Saravali, Kalyan
2005-2006	29/09/2006	11:00 A.M.	At Regd. Office, Saravali, Kalyan
2004-2005	29/09/2005	4.00 P.M.	At Regd. Office, Saravali, Kalyan

6. **Distribution of Shares as on 31/03/2008 :**

No. of Shares	No. Shareholders	% of Holding
Up to 500	5944	45.72
501-1000	147	7.54
1001-5000	58	7.39
5001-10000	7	3.01
Above 10001	5	36.34
Total	6161	100.00