

# **CHEMO PHARMA LABORATORIES LTD.**

**68<sup>TH</sup> ANNUAL REPORT**

**2009-2010**



**DIRECTORS** : **SHRI S. B. SOMANI (CHAIRMAN) upto 22/06/2009**  
**SHRI K. L. MUNDRA**  
**SHRI MADHUSUDAN VYAS**  
**SHRI GHANSHYAM K. JOSHI**  
**SHRI RAM MANOHAR KHANDELWAL**  
**SHRI K. P. PATIL (Expired on 08.10.2009)**

**BANKERS** : **AXIS BANK LTD., MUMBAI**

**AUDITORS** : **BATLIBOI & PUROHIT**  
**CHARTERED ACCOUNTANTS**  
**MUMBAI**

**REGISTERED OFFICE**

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 **SIXTY-EIGHTH 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, the 24<sup>th</sup> September, 2010 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 31<sup>st</sup> March, 2010 and the Balance Sheet as on date and Report of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri G. K. Joshi who retires by rotation 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 notify immediately any change in their address to M/s Sharex Dynamic (India) Pvt. Ltd. 17/B, Dena Bank Building, 2<sup>nd</sup> Floor, Horniman Circle, Fort, Mumbai – 400 001
3. The Register of Member and the Share Transfer Books of the Company will remain closed from 17<sup>th</sup> September, 2010 to 24<sup>th</sup> September, 2010 (both days inclusive)
4. Members desiring to submit mandates, to lodge transfer deed for shares are requested to forward the same so as to reach the Company's Registrars M/s Sharex Dynamic (India) Pvt. Ltd. 17/B, Dena Bank Building, 2<sup>nd</sup> Floor, Horniman Circle, Fort, Mumbai – 400 001 on or before 17<sup>th</sup> September 2010. The Company will not be in a position to act upon any document, which is incomplete or received after 17<sup>th</sup> September, 2010.
5. The information required to be provided under the Listing Agreement entered into by the Company with the Stock Exchanges regarding the Directors who are proposed to be reappointed is given in the Corporate Governance Report.
6. Members are requested to quote their Registered Folio Nos. on all correspondence with the Company.
7. Members are requested to send their queries to the Company, if any on Accounts at least 10 days before the Meeting.

**ON BEHALF OF THE BOARD**

**PLACE: MUMBAI**  
**DATE: 30<sup>TH</sup> JUNE, 2010**

**Sd/-**  
**M. S. VYAS**  
**DIRECTOR**

## **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 at present. The Board of Directors of the Company have been exploring new avenues of business opportunities and efforts are being made to enter into any viable business keeping in consideration its existing constraint.

### **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 earned an income of Rs. 1.02 Lacs as against Rs. 4.12 Lacs in the previous year 2008-09. The Loss before and after taxation was Rs. 5.67 Lacs as against profit of Rs. 0.85 Lacs in the previous year 2008-09.

### **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.

**ON BEHALF OF THE BOARD**

**PLACE: MUMBAI  
DATE: 30<sup>TH</sup> JUNE, 2010**

**Sd/-  
M. S. VYAS  
DIRECTOR**

## DIRECTORS' REPORT

To,  
The Members

The Directors present herewith the **SIXTY-EIGHTH ANNUAL REPORT** and the Audited Statement of Accounts for the year ended 31<sup>st</sup> March, 2010.

### **FINANCIAL RESULTS**

The Company earned an income of Rs. 1.02 Lacs as against Rs. 4.12 Lacs in the previous year 2008-09. The Loss before and after taxation was Rs. 5.67 Lacs as against profit of Rs. 0.85 Lacs in the previous year 2008-09.

### **OPERATIONS**

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

### **PUBLIC DEPOSIT**

As on 31<sup>st</sup> March, 2010 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 2009-10 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 judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit 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 Eighth 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 and 5 of the Schedule 15 forming part of the Accounts which are self-explanatory.

**DIRECTOR :**

Shri G. K Joshi, Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment.

Shri. K. P Patil, ceased to be a Director of the Company due to his death on 08<sup>th</sup> October, 2009

Shri S.B. Somani ceased to be a Director of company with effect from 22nd June, 2009 due to his resignation.

**CORPORATE GOVERNANCE:**

Report on corporate governance and a certificate from S. K. Jain & Company, 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.

**ON BEHALF OF THE BOARD**

**PLACE: MUMBAI**  
**DATE: 30<sup>TH</sup> JUNE, 2010**

**Sd/-**  
**M. S. VYAS**  
**DIRECTOR**

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**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	NotApplicable.
B.	TECHNOLOGY ABSORPTION	NotApplicable.
C.	FOREIGN EXCHANGE EARNING AND OUTGO	Rs. NIL

**ON BEHALF OF THE BOARD**

**PLACE: MUMBAI**  
**DATE: 30<sup>TH</sup> JUNE, 2010**

**Sd/-**  
**M. S. VYAS**  
**DIRECTOR**

## CORPORATE GOVERNANCE REPORT

### 1. Company's Philosophy on Code of Governance :

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.

Your Board of Directors present the Corporate Governance Report for the year 2009-10 based on the disclosure requirements under Clause 49 of the Listing Agreement existing as on 31<sup>st</sup> March 2010

### 2. Board of Directors :

On 31-03-2010 the Board of Directors comprises of a Non Executive Chairman, Two Non Executive Directors and 3 Independent Directors. During the year 6 (Six) Board Meetings were held on **27/04/2009, 23/06/2009, 16/07/2009, 01/09/2009, 29/10/2009 and 28/01/2010**. 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 2009-10	Whether attended last AGM	No. of Directorship in other Companies	No. of Membership of other committee	No. of Chairmanship of other committee
Shri S. B. Somani (up to 22/06/2010)	NEC	2	Yes	2	Nil	Nil
Shri K. L. Mundra	NED	5	Yes	2	Nil	Nil
Shri M. S. Vyas	NED	5	Yes	Nil	Nil	Nil
Shri G. K. Joshi	ID	5	Yes	3	2	2
Shri R. M. Khandelwal	ID	5	No	2	2	Nil
Shri. K. P. Patil (ceased due to his death on 08/10/2009 )	ID	4	Yes	1	1	Nil

**NEC** - Non-Executive Chairman

**ID** - Independent Director

**NED** - Non-Executive Director

#### Particulars of Re-appointed Director:

Name : Shri. G. K Joshi  
 Designation : Non-Executive Independent Director  
 Age : 65 Years  
 Experience : Inter Science from Mumbai University  
 Other Directorship : M/s. Tecil Chemicals and Hydro Power Limited  
                               M/s. Citric India Limited  
                               M/s. Indian Infotech & Software Limited

#### Board Committees

The Board has constituted the following Committees of Directors:



**(a) 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 reconstituted on 29/10/2009 as Shri. K. P. Patil, Member of the Audit Committee expired on 08/10/2009. Shri. Madhusudan Vyas was appointed as a Member of the Audit committee wef 29/10/2009. The reconstituted Audit Committee comprises of the following Members

The Audit Committee comprises of the following Members

- |                          |                          |
|--------------------------|--------------------------|
| 1. Shri G. K. Joshi      | Chairman                 |
| 2. Shri K. P. Patil      | Member (till 08/10/2009) |
| 3. Shri Madhusudan Vyas  | Member                   |
| 4. Shri R. M. Khandelwal | Member                   |

The Audit Committee held meetings 5 (Five) times during 2009-2010 on **27/04/2009, 16/07/2009, 01/09/2009, 29/10/2009 and 28/01/2010**. The attendances of members are as follows:

Name	Category	Meetings during the year 2009-10	
		Held	Attended
Shri G. K. Joshi	Chairman	5	5
Shri K. P. Patil	Member	5	3
Shri R. M. Khandelwal	Member	5	5
Shri. Madhusudan Vyas	Member	5	2

**(b) 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 reconstituted on 29/10/2009 as Shri. K. P. Patil, Member of the Shareholder Grievance Committee expired on 08/10/2009. Shri. Madhusudan Vyas was appointed as a Member of the Shareholder Grievance Committee.

The reconstituted Shareholder Grievance Committee comprises of the following Members:

- |                          |                          |
|--------------------------|--------------------------|
| 1. Shri G. K. Joshi      | Chairman                 |
| 2. Shri K. P. Patil      | Member (till 08/10/2009) |
| 3. Shri Madhusudan Vyas  | Member                   |
| 4. Shri R. M. Khandelwal | Member                   |

The constitution and terms of reference of the Share Transfer & Shareholders'/Investors' Grievance Committee is in agreement with the guideline prescribed under Clause 49 of the Listing Agreement entered into with the Stock Exchanges.