

CHEMO PHARMA LABORATORIES LTD.

69TH ANNUAL REPORT

2010-2011

DIRECTORS : **SHRI N. K. PAREEK (Appointed on 31.05.2011)**
SHRI K. L. MUNDRA (Expired on 16.06.2010)
SHRI MADHUSUDAN VYAS
SHRI GHANSHYAM K. JOSHI
SHRI RAM MANOHAR KHANDELWAL

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

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

REGISTERED OFFICE

5, KUMUD APARTMENT CHS. LTD.,
KARNIK ROAD, CHIKAN GHAR,
KALYAN, DIST. THANE -421301,
(MAHARASHTRA)

ADMINISTRATION OFFICE

EMPIRE HOUSE, 3rd Floor,
214, DR. D. N. ROAD,
FORT,
MUMBAI – 400 001.

Web. : www.thechemopharmalaboratoriesltd.com
E-mail : contact@thechemopharmalaboratoriesltd.com

NOTICE

Notice is hereby given that the **SIXTY-NINTH ANNUAL GENERAL MEETING** of the Company will be held at 5-Kumud Apartment, Co. Op. Hsg. Soc. Ltd., Karnik Road, Chikan Ghar, Kalyan, Dist. Thane-421301 (Maharashtra) on **Wednesday, 31st August, 2011 at 4.00 P.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, 2011 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 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.

Special Business

4. To consider and if thought fit, to pass, with or without modification the following Resolution as an Ordinary Resolution
"RESOLVED THAT Shri N. K. Pareek, who was appointed by the Board of Directors as an Additional Director on 31st May, 2011 and who in terms of Section 260 of the Companies Act, 1956 holds Office as such upto the date of this Annual General Meeting and in respect of whom the Company has received Notice in writing along with requisite deposit under Section 257 of the Companies Act, 1956, from a Shareholder of the Company signifying his intention to propose Shri N. K. Pareek as a candidate for the Office of Director, be and is hereby appointed a Director of the Company liable to retire by rotation".
5. To consider and if thought fit, to pass, with or without modification the following Resolution as an Ordinary Resolution
"RESLOVED THAT pursuant to the provisions of Section 198, 269, 309, 310, 311, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 including any statutory modification (s) or re-enactment thereof or any other law and subject to such consent(s), approval(s) and permission (s) as may be necessary in this regard and subject to such conditions as may be imposed by any authority while granting such consent(s) permission (s) and approval(s) and as agreed by the Board of Directors consent of the members be and is hereby accorded for the appointment of Shri Madhusudan Vyas as an Executive Director for a period of 3 Years with effect from 1st June, 2011 at a remuneration of Rs. 11,200pm.

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. Unit No. 1, Luthra Industrial Premises, Safed Pool, Andheri Kurla Road, Andheri (East) Mumbai-400072.
3. The Register of Member and the Share Transfer Books of the Company will remain closed from 24th August, 2011, to 31st August, 2011 (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. Unit No. 1, Luthra Industrial Premises, Safed Pool, Andheri Kurla Road, Andheri (East) Mumbai-400072, on or before 24th August, 2011. The Company will not be in a position to act upon any document, which is incomplete or received after 24th August, 2011.
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

Sd/-

**M. S. VYAS
DIRECTOR****PLACE: MUMBAI****DATE: 13TH JUNE, 2011**

EXPLANATORY STATEMENT UNDER SECTION 173 (2) OF THE COMPANIES ACT,1956**ITEM NO. 4**

The Board of Directors appointed Shri N. K. Pareek as Additional Director with effect from 31st May, 2011 by passing the resolution in the Board Meeting, pursuant to Articles of Association of the Company and Section 260 of the Companies Act, 1956. As per the said Section, Shri N. K. Pareek will hold office upto the date of this Annual General Meeting. A notice pursuant to Section 257 of the Companies Act, 1956, has been received from a member signifying his intention to propose him as a candidate for the office of the Director, The profile of Shri N. K. Pareek is given hereto under the head 'Additional Director'.

Shri N. K. Pareek, being concerned, is interested in the Resolution. None of the other Directors of the Company is concerned or interested in the Resolution. Your Directors, therefore, recommend the Resolution for your approval.

ITEM NO.5

The Board of Directors in its meeting held on 31st May, 2011, subject to the concern of the members of the Company decided to appoint Shri M. S. Vyas Director of the Company as an Executive Director for a period 3 years with effect from 1st June,2011 at a Remuneration of Rs.11,200 p.m.

The Board of Directors recommend the Resolution as set out at Item No. 5 of the notice for their consideration and approval.

Shri M. S. Vyas, being concerned, is interested in the Resolution. None of the other Directors of the Company is concerned or interested in the Resolution. Your Directors, therefore, recommend the Resolution for your approval.

BY ORDER OF THE BOARD

PLACE: MUMBAI
Date: 13TH JUNE, 2011

Sd/-
M. S. VYAS
DIRECTOR

MANAGEMENT DISCUSSION AND ANALYSIS

The Management of CHEMO PHARMA LABORATORIES LIMITED in its Analysis Report has highlighted the performance and outlook of the Company in order to comply with the requirement of Corporate Governance as laid down in Clause 49 of the Listing Agreement. However, investors and readers are cautioned that this discussion contains certain forward looking statements that involve risk and uncertainties.

OVERVIEW

The financial statements have been prepared in compliance with the requirements of the Companies Act, 1956, guidelines issued by Securities and Exchange Board of India (SEBI) and Generally Accepted Accounting Principles (GAAP) in India. Our management accepts responsibility for the integrity and objectivity of these financial statements, as well as for various estimates and judgements used therein. The estimates and judgements relating to the financial statements have been made on a prudent and reasonable basis, so that the financial statements reflect in a true and fair manner the form and substance of transactions, and reasonably present our state of affairs, profits and cash flows for the year.

INDUSTRY STRUCTURE AND DEVELOPMENTS

The Board of Directors of the Company has been exploring new business opportunities since manufacturing operations becoming unviable were discontinued. The Company has no Secured loans and has surplus funds which can be leveraged to commence any new business.

OUTLOOK, OPPORTUNITIES AND THREATS

The Company has exploring new avenues of business. At present the Company is not carrying any manufacturing operation and hence surplus funds have been deployed in a manner that same can be liquidated at any time to meet Capital requirement of the new business.

RISK AND CONCERN

There are no perceived risk in the present activity.

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 3,63,063 as against Rs. 1,01,936 in the previous year 2009-10. The Profit before and after taxation was Rs. 35,150 as against loss of Rs. 5,11,936 in the previous year 2009-10.

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: 13th JUNE, 2011**

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

DIRECTORS' REPORT

To,
The Members

The Directors present herewith the **SIXTY-NINTH ANNUAL REPORT** and the Audited Statement of Accounts for the year ended 31st March, 2011.

FINANCIAL RESULTS

The Company earned an income of Rs. 3,63,063 as against Rs. 1,01,936 in the previous year 2009-10. The Profit before and after taxation was Rs. 35,150 as against loss of Rs. 5,11,936 in the previous year 2009-10.

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, 2011 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 as there has not been any manufacturing operation during the under report.

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 2010-11 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 Ninth 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 12 forming part of the Accounts which are self-explanatory.

DIRECTOR:

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

Shri. K. L. Mundra ceased to be a Director of the Company due to his death on 16th June, 2010.

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.

BY ORDER OF THE BOARD

PLACE: MUMBAI
DATE: 13TH JUNE, 2011

Sd/-
M. S. VYAS
DIRECTOR

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

ON BEHALF OF THE BOARD

PLACE: MUMBAI
DATE: 13TH JUNE, 2011

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 endeavors 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 2010-11 based on the disclosure requirements under Clause 49 of the Listing Agreement existing as on 31st March 2011

2. Board of Directors :

On 31-03-2011 the Board of Directors comprises of a Non Executive Chairman, and 2 Independent Directors. During the year 6 (Six) Board Meetings were held on **28/04/2010, 30/06/2010, 29/07/2010, 30/07/2010, 27/10/2010 and 21/01/2011**. 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 2010-11	Whether attended last AGM	No. of Directorship in other Companies	No. of Membership of other committee	No. of Chairmanship of other committee
Shri K. L. Mundra	NED	-	No	2	Nil	Nil
Shri M. S. Vyas	NED	5	Yes	Nil	Nil	Nil
Shri G. K. Joshi	ID	5	Yes	3	1	2
Shri R. M. Khandelwal	ID	5	No	2	2	Nil

NEC - Non-Executive Chairman

ID - Independent Director

NED - Non-Executive Director

Note: Shri K. L. Mundra, Director of the Company expired on 16/06/2010 and hence ceased as director of the company.

Particulars of Re-appointed/appointed Directors:

Name : Shri. R. M. Khandelwal
 Designation : Independent Director
 Age : 79 Years
 Experience : Graduate and 33 years of experience in Business
 Other Directorship : M/s. Citric India Limited
 M/s. Indian Infotech & Software Limited

 Name : Shri N. K. Pareek
 Designation : Non- Executive Director
 Age : 63 Years
 Experience : Graduate and 20 years of experience in Sales and Marketing.
 Other Directorship : 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 comprises of the following Members:

- | | | |
|----|-----------------------|----------|
| 1. | Shri G. K. Joshi | Chairman |
| 2. | Shri M. S. Vyas | Member |
| 3. | Shri R. M. Khandelwal | Member |

The Audit Committee held meetings 5 (Five) times during 2010-2011 on **28/04/2010, 30/06/2010, 29/07/2010, 27/10/2010 and 21/01/2011**. The attendances of members are as follows:

Name	Category	Meetings during the year 2010-11	
		Held	Attended
Shri G. K. Joshi	Chairman	5	5
Shri R. M. Khandelwal	Member	5	5
Shri M. S. Vyas	Member	5	5

(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 comprises of the following Members –

- | | | |
|----|-----------------------|----------|
| 1. | Shri G. K. Joshi | Chairman |
| 2. | Shri M. S. Vyas | Member |
| 3. | 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.

The committee (i) approves and monitors transfers, transmission, splitting and consolidation of securities and issue of duplicate certificates by the Company; (ii) looks into various issues relating to shareholders, including the redressal of Shareholders' and investors' complaints like transfer of shares, non-receipt of Balance Sheet, dividend etc; and (iii) carries out the functions envisaged under the Code of Conduct for Prevention of Insider Trading adopted in terms of Regulation 12(1) of the SEBI (Prohibition of Insider Trading) Regulations, 1992.