

CHEMO PHARMA LABORATORIES LIMITED



**75TH ANNUAL REPORT
2016-2017**

BOARD OF DIRECTORS

SMT. SHANTA SOMANI
SHRI. ASHOK SOMANI
SHRI. BALKISHAN LOHIA
SHRI. GHANSHYAM K. JOSHI
SHRI. PRAKASH CHAND JAIN

**COMPANY SECRETARY
& COMPLIANCE OFFICER**

MRS. NEHA VORA

CHIEF EXECUTIVE OFFICER

SMT. SHANTA SOMANI

CHIEF FINANCIAL OFFICER

SHRI. ASHOK SOMANI

BANKERS

AXIS BANK LTD., MUMBAI
&
STATE BANK OF INDIA, MUMBAI

STATUTORY AUDITORS

M/S. VMD & CO.,
CHARTERED ACCOUNTANTS,
MUMBAI

INTERNAL AUDITORS

M/S. SARDA SONI & ASSOCIATES LLP,
CHARTERED ACCOUNTANTS, MUMBAI

SECRETARIAL AUDITORS

KAVITA KHATRI & ASSOCIATES,
PRACTICING COMPANY SECRETERIES

REGISTERED OFFICE

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

CORPORATE OFFICE

EMPIRE HOUSE, 3RD FLOOR
214, DR. D. N. ROAD,
FORT, MUMBAI – 400 001

**REGISTRAR AND
SHARE TRANSFER AGENTS**

M/S. SHAREX DYNAMIC (INDIA) PVT. LTD.
UNIT – 1, LUTHRA INDUSTRIAL PREMISES,
ANDHERI-KURLA ROAD, SAFED POOL,
ANDHERI (EAST), MUMBAI – 400 072
Email Id - sharexindia@vsnl.com

WEBSITE : www.thechemopharmalaboratoriesltd.com

E-MAIL ID : chemopharmalab@gmail.com

CHEMO PHARMA LABORATORIES LIMITED

**Registered Office: 5-Kumud Apartment Co. Op. Hsg. Soc. Ltd., Karnik Road,
Chikan Ghar, Kalyan, Dist. Thane- 421301**

Tel No. - (022) 22078381/22078382

CIN No.-L99999MH1942PLC003556

Website: www.thechemopharmalaboratoriesltd.com

Email Id: chemopharmalab@gmail.com

NOTICE CONVENING ANNUAL GENERAL MEETING

NOTICE is hereby given that the **SEVENTY FIFTH ANNUAL GENERAL MEETING** of the Shareholders of **CHEMO PHARMA LABORATORIES LIMITED** will be held at 5- Kumud CHS Ltd., Karnik Road, Chikan Ghar, Kalyan, Dist. Thane - 421 301 on **Wednesday, 30th August, 2017 at 04:00 P.M.** to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31/03/2017 and the report of Board of Director's and Auditor's thereon.
2. To appoint a Director in place of Shri. Ashok Somani (DIN No. - 03063364), who retires by rotation and being eligible for re-appointment.
3. To Ratify Appointment of Statutory Auditors and fix their remuneration and in this regard to consider and if thought for, to pass with or without modification (s) the following resolution as an Ordinary Resolution:-

"RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and The Companies (Audit and Auditors) Rules, 2014, (the Rules), (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the re-appointment of M/s. VMD & Co., Chartered Accountants (Reg. No. 125002W) who were appointed as Statutory Auditors of the Company for a period of five years at the last Annual General Meeting held on 30th August, 2016, be and is hereby ratified and the Board of Directors of the Company be and is hereby authorized to fix their remuneration as may be agreed with the auditors in addition to Service Tax and Re-imburement of out of pocket expenses incurred by the Statutory Auditors in connection with audit of accounts of the Company."

NOTES:

1. Relevant documents referred to in the accompanying Notice are open for inspection by the Members at the Company's Registered Office on all working days of the Company, during business hours up to the date of the Meeting.
2. In respect of Resolutions at Item No. 2, a Statement giving additional information on the Directors seeking appointment / re-appointment is annexed herewith as required as under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
3. A Member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a Member of the Company. The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than 48 hours before the commencement of the Meeting i.e. on 28/08/2017 by 04:00 P.M.
4. A person can act as a proxy on behalf of Members not exceeding fifty in number and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten percent 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 a proxy for

any other person or shareholder.

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 signature authorizing their representative to attend and vote on their behalf at the Meeting.
6. Members are requested to bring their attendance slips duly completed and signed mentioning therein details of their DP ID and Client ID/ Folio No.
7. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.
8. The Company has notified closure of Register of Members and Share Transfer Books from 17th August, 2017 to 30th August, 2017 (both days inclusive).
9. Members holding shares in electronic form are requested to intimate immediately any change in their address or to their Depository Participants with whom they are maintaining their DEMAT Accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company / Sharex India Pvt. Ltd.
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their DEMAT Accounts. Members holding shares in physical form can submit their PAN to the Company / Sharex India Pvt. Ltd.
11. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to Sharex India Pvt. Ltd., for consolidation into a single folio.
12. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
13. Members holding shares in their single name are advised to make a nomination in respect of their shareholding in the Company. The Nomination Form can be down from the Companies Website - www.thechemopharmalaboratoriesltd.com by accessing the icon of Companies Act, 2013 Compliance. Members holding shares in physical form should file their Nomination Form with the Company whilst the Members holding shares in dematerialized form should file their Nomination Form with their DP.
14. A Route Map showing directions to reach the venue of the 75th Annual General Meeting is given at the end of the notice as per the requirement of Secretarial Standards - 2 on "General Meeting".

GENERAL INFORMATION

1. In Compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of The Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) as amended from time to time, the Company is pleased to offer Remote E-Voting Facilities to its members in respect of the business to be transacted at the 75th Annual General Meeting. The Company has engaged the services of Central Depository Services Limited (CDSL) as authorized agency to provide Remote E-Voting Facility. Resolutions passed by the Members through Remote E-Voting or Ballot Form are deemed to have been passed as if they have been passed at the Annual General Meeting (AGM).
2. The Members who have cast their votes by Remote E-Voting or by Ballot Form Prior to the AGM may also attend the meeting but they shall not be entitled to cast their vote again.
3. The Remote E-Voting Period will commence on Sunday, 27th August, 2017 at 09:00 A.M. and will end on Tuesday, 29th August, 2017 at 05:00 P.M. During this period, the Members of the Company

holding shares either in physical form or in dematerialized form, as on cut-off date i.e. Wednesday, 23rd August, 2017, may cast their vote by Remote E-Voting. The Remote E-Voting module will be disabled by CDSL for the voting thereafter.

The voting rights of Members shall be in proportion of the paid up equity share capital of the Company as on the cut-off date i.e. Wednesday, 23rd August, 2017

Only those Members whose names are recorded in the Register of Members of the Company as on the cut-off date shall be entitled to vote. If a person was a Member on the date of the Book Closure date as aforesaid but has ceased to be a Member on the cut-off date, he/she shall not be entitled to vote. Such person should treat this notice for information purpose only.

4. Dr. Shubh Karan Jain, Practicing Company Secretary, has been appointed as the Scrutinizer for overseeing the voting and Remote-E-voting in a fair and transparent manner.
5. The Scrutinizer shall submit his report to the Chairman. The results declared along with the report of the Scrutinizer shall be placed on the website of the Company i.e. www.thechemopharmalaboratoriesltd.com and on the website of CDSL i.e. <https://www.evotingindia.com> after the declaration of result by the Chairman or a person authorized by him in his behalf. The Results shall be uploaded on the BSE Listing Portal.
6. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of Annual General Meeting i.e. Wednesday, 30th August, 2017.

PROCESS FOR MEMBERS OPTING FOR REMOTE E-VOTING

In Compliance with provisions of Amendment Rules, 2015 and Regulation 44(1) of SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015, the Company will be providing Members facility to exercise their right to vote on resolutions proposed to be considered at the ensuing Annual General Meeting (AGM) by electronic means and the business may be transacted through Remote E-Voting Services. The facility of casting the votes by the Members using an electronic voting system from a place other than venue of the AGM ("Remote E-Voting") will be provided by Central Depository Services Limited (CDSL). The detailed procedure to be followed in this regard has been given in **Annexure A** to the notice. The Members are requested to go through them carefully.

**BY ORDER OF THE BOARD OF DIRECTORS
FOR CHEMO PHARMA LABORATORIES LIMITED**

Place: Mumbai
Date: 22nd May, 2017

Sd/-
ASHOK SOMANI
DIRECTOR
(DIN No.- 03063364)

ANNEXURE TO THE ITEM NO. 2 OF NOTICE**DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT / APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING IN PURSUANCE OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

Sr. No.	1
Name of the Director	Shri. Ashok Somani
Director Identification Number	03063364
Date of Birth	10-06-1960
Nationality	Indian
Date of Appointment on Board	14-01-2013
Shareholding in the Company	3
List of Directorships held in other Companies (excluding foreign, private, and Section 8 Company)	1. M/s. Solace Logistics Private Limited 2. M/s. Citric India Limited 3. M/s. Shree Consultations & Services Private Limited
Memberships/Chairmanships of Audit Committee and Stakeholders Relationship Committee	Nil

ANNEXURE 'A' TO THE NOTICE**INSTRUCTIONS FOR VOTING THROUGH ELECTRONIC MEANS**

- (i) The Remote E-Voting period begins on Sunday, 27th August, 2017 at 09:00 A.M. and will end on Tuesday, 29th August, 2017 at 05:00 P.M. During this period, Shareholders of the Company, holding shares either in physical form or in Dematerialized Form, as on the cut-off date (record date) of Wednesday, 23rd August, 2017, may cast their vote electronically. The Remote E-Voting module shall be disabled by CDSL for voting thereafter.
- (ii) The Shareholders should log on to the E-Voting website www.evotingindia.com
- (iii) Click on Shareholders
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company
- (v) Next enter the Image Verification as displayed and Click on Login
- (vi) If you are holding shares in DEMAT Form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in DEMAT Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both DEMAT shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	Enter the Date of Birth as recorded in your DEMAT Account or in the Company records for the said DEMAT Account or folio in dd/mm/yyyy format.
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your DEMAT account or in the Company records for the said DEMAT account or folio.</p> <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv)

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in DEMAT Form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the DEMAT holders for voting for resolutions of any other company on which they are eligible to vote, provided that Company opts for Remote E-Voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (x) For Members holding shares in physical form, the details can be used only for Remote E-Voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant CHEMO PHARMA LABORATORIES LIMITED on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If DEMAT account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) Note for Non - Individual Shareholders and Custodians
- Non-Individual Shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favor of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding Remote E-Voting, you may refer the Frequently Asked Questions ("FAQs") and Remote E-Voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

FOR CHEMO PHARMA LABORATORIES LIMITED

Sd/-

ASHOK SOMANI
DIRECTOR

(DIN No. - 03063364)

Place: Mumbai
Date: 22nd May, 2017

BOARD'S REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS REPORT

**TO,
THE MEMBERS OF
M/S. CHEMO PHARMA LABORATORIES LIMITED**

The Board of Directors take pleasure in presenting the **Seventy Fifth Annual Report** together with the Audited Financial Statements for the year ended **31st March, 2017**. The Management Discussion and Analysis has also been incorporated into this report.

FINANCIAL RESULTS

1. OVERVIEW

The financial statements have been prepared provisions of Section 129 and Schedule III of Companies Act, 2013 and in accordance with the Accounting Principles generally accepted in India including the Accounting Standards specified under Section 133 of the said Act read with Rule 7 of the Companies (Accounts) Rules, 2014. Our management accepts responsibility or the integrity and objectivity of these financial statements, as well as for various estimates and judgments used therein. The estimates and judgments 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.

2. FINANCIAL RESULTS

<u>Particulars</u>	<u>31/03/2017 (Rs.)</u>	<u>31/03/2016 (Rs.)</u>
Income		
- Other Income	5,60,80,714	49,18,799
Profit before Tax and Depreciation	5,33,56,518	31,86,289
Less: Depreciation	260	-
Profit after Depreciation but before Tax	5,33,56,258	31,86,289
Less: Tax Expenses	65,15,000	10,17,853
Profit after Tax	4,68,41,258	21,68,436
Earning Per Share (Nominal Value of Share Rs.10/-) Basic & Diluted	31.23	1.45

3. DIVIDEND

In order to conserve funds for the business of the Company, the Board of Directors do not recommend any dividend for the financial year 2016-2017.

4. SHARE CAPITAL

The paid up Equity Share Capital as on 31st March, 2017 was Rs. 1.5 Crore. During the year under review, the Company has not issued shares with differential voting rights nor granted stock options nor sweat equity.

5. SHARE PURCHASE AGREEMENT FOR SALE OF SHARES IN TECIL CHEMICALS AND HYDRO POWER LIMITED

The Company along with other promoters of Tecil Chemicals And Hydro Power Limited (Target Company) have entered into Share Purchase Agreement dated 10th March, 2017 with Mr. Varghese Kurian (Acquirer) agreeing to sell its entire shareholding i.e. 52,36,930 Equity Shares held in Target Company to the Acquirer. The Equity Shares held by the Company will, however be transferred to the

Acquirer on completion of the Open Offer and till such time the Shares are lying with ESCROW Agent. The Company has received entire consideration of Rs. 6,72,94,551/- from the Acquirer, hence the long term capital gain amounting to Rs. 5,06,38,475/- has been accounted for in the accounts during the financial year in the report.

6. INDUSTRY STRUCTURE AND DEVELOPMENTS

Since the Company had discontinued its manufacturing operations few years back, the Directors are exploring new business opportunities.

7. OUTLOOK, OPPORTUNITIES AND THREATS

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.

8. RISK AND CONCERN

The Company has adopted Risk Management Policy as per Section 134 (3) (n) of the Companies Act, 2013. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage. The business risk policy defines the risk management approach which helps in identifying risks trend, exposure and potential impact analysis at a Company level as also separately for business segments. The detailed risk management policy has been hosted on the website of the Company. There are no perceived risks in the present activity.

9. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has in place well defined and adequate internal controls commensurate with the size of the Company and the same were operating effectively throughout the year.

The Company has an in-house Internal Audit Function (IA). To maintain its objectivity and independence, the IA Department evaluates the efficacy and adequacy of internal control system, its compliance with operating systems and policies of the Company and accounting procedures at all locations of the Company. Based on the report of IA function, process owners undertake corrective action in their respective areas and thereby strengthening the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

The Company has in place adequate internal financial controls commensurate with the size, scale and complexity of its operations. The Company has policies and procedures in place of ensuring proper and efficient conduct of the business, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and timely preparation of reliable financial information.

Pursuant to Section 138 of the Companies Act, 2013, the Company has appointed M/s. Sarda Soni & Associates LLP as Internal Auditor of the Company. Pursuant to Section 134 (5) (e) of the Companies Act, 2013, the Board of Directors has adopted Internal Financial Control Policy, which has also been hosted on Company's Website.

10. DIRECTORS

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16 and 25 of SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015) for fulfilment of their responsibilities in a professional and faithful manner and to promote confidence of the investment community, particularly Minority Shareholders, regulators of the Company.

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