

# **CHEMO PHARMA LABORATORIES LTD.**

**69<sup>TH</sup> 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](http://www.thechemopharmalaboratoriesltd.com)  
E-mail : [contact@thechemopharmalaboratoriesltd.com](mailto: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, 31<sup>st</sup> 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 31<sup>st</sup> 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 31<sup>st</sup> 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 1<sup>st</sup> 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 24<sup>th</sup> August, 2011, to 31<sup>st</sup> 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 24<sup>th</sup> August, 2011. The Company will not be in a position to act upon any document, which is incomplete or received after 24<sup>th</sup> 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: 13<sup>TH</sup> 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 31<sup>st</sup> 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 31<sup>st</sup> 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 1<sup>st</sup> 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**

Sd/-

**M. S. VYAS  
DIRECTOR****PLACE: MUMBAI  
Date: 13<sup>TH</sup> JUNE, 2011**

## **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: 13<sup>th</sup> 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 31<sup>st</sup> 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 31<sup>st</sup> 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 16<sup>th</sup> 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: 13<sup>TH</sup> JUNE, 2011**

**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	Not Applicable.
B.	TECHNOLOGY ABSORPTION	Not Applicable.
C.	FOREIGN EXCHANGE EARNING AND OUTGO	Rs. NIL

**ON BEHALF OF THE BOARD**

**PLACE: MUMBAI  
DATE: 13<sup>TH</sup> 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 31<sup>st</sup> 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

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 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 :**

- 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.
- 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 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 adoption in terms of Regulation 12(1) of the SEBI (Prohibition of Insider. Trading adopted in terms of Regulation 12(1) of the SEBI (Prohibition of Insider Trading) Regulations, 1992.

The Committee met Five times during 2010-2011 on 28/04/2010, 30/06/2010, 29/07/2010, 27/10/2010 and 27/01/2011. The attendances of the members are as follows:

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

**Name & designation of Compliance Officer :**

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

**Detail of Complaints :**

- \* No. of Shareholder's Complaints received during the year : 5
- \* No. of Complaints not resolved to the satisfaction of shareholders : Nil
- \* No. of pending share transfer : Nil

**3. General Body Meetings :**

- (a) Location and time where last three Annual General Meetings were held :

**Annual General Meetings**

Financial Year	Date	Time	Location
2009-2010	24/09/2010	11:00 A.M.	At Regd. Office, Saravali, Kalyan
2008-2009	24/09/2009	11:00 A.M.	At Regd. Office, Saravali, Kalyan
2007-2008	26/09/2008	11:00 A.M.	At Regd. Office, Saravali, Kalyan

- (b) Whether Special Resolution were put through postal ballot last year : No
- (c) Are votes proposed to be conducted through postal ballot this year : No

**4. Other disclosures:**

**(a) Related Party Transactions**

Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the Directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of Company at large.

None of the transactions with any of the related parties were in conflict with the interest of the Company at large.

**(b) Disclosure of Accounting Treatment**

In the preparation of financial statements, the Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India to the extent applicable.

**(c) Disclosure on Risk Management**

The Company has not laid down Risk Assessment and Minimization procedures and in absence of such procedure the Board Members have not reviewed periodically the Risks to which the Company was exposed.

**(a) Code of Conduct**

The Board has not laid down a Code of Conduct for all the Board Members and Senior Management of the Company.

- (e) Details of non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years : None

**5. CEO/CFO Certification:**

Shri M. S. Vyas Executive Director and CEO of the Company as given Annual Certification on financial reporting and internal controls to the Board in terms of Clause 49 (V) of the Listing Agreement.

**Means of communication:**

**1. Quarterly Results:**

- The Company has submitted Unaudited Quarterly Result to the Bombay Stock Exchange.
2. Newspapers wherein normally published: No
3. Whether Management Discussion & Analysis Report is a part of Annual Report: Yes

**6. General Shareholder information:**

- (a) **AGM date, time and venue:** Annual General Meeting will be held on Wednesday, 31<sup>st</sup> August, 2011, at 4 P. M. at 5-Kumud Apartment, Co. Op. Hsg. Soc. Ltd., Karnik Road, Chikan Ghar, Kalyan, Dist. Thane-421301 (Maharashtra)

**(b) Financial Calendar for 2010-2011**

**Tentative Schedule**

Unaudited Results for quarter ending June 30, 2011	14th August, 2011
Unaudited Results for quarter ending September 30, 2011	14th November, 2011
Unaudited Results for quarter ending December 31, 2011	14th February, 2012
Unaudited Results for year ending March 31, 2012	15th May, 2012
Audited Annual Accounts for the year ending March 31, 2012	End of September, 2012

- (c) **Date of Book Closure:** Share Transfer Register will be closed from 24<sup>th</sup> August, 2011, to 31<sup>st</sup> August, 2011 (both days inclusive)
- (d) Dividend payment date: Not Applicable
- (e) Company's Shares are listed in Bombay Stock Exchange. Presently the trading in the shares of the Company is suspended.

The company has already approached Bombay Stock Exchange (BSE Ltd.) for revocation of suspension in trading of shares and compliances for this purpose has been substantially made

- (f) **BSC Stock code:** 506365  
**CDSL / NSDL ISIN -** INE320M01019

**(g) The Register 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

**(h) Share transfer system with number of Shares Transferred :**

Shares transfers in physical form are registered and returned within a period of 15-20 days from the date of receipt, in case documents are completed in all respects. The Share Transfer & Shareholders'/Investors' Grievance Committee meets periodically. The total number of shares transferred during the financial year under review were as below:

	No. of transfers	No. of Shares
Transfer	7	461054
Other cases		
Deletion	NIL	NIL
Transmission	NIL	NIL
<b>Total</b>	<b>NIL</b>	<b>NIL</b>

- (i) Dematerialization of shares and liquidity : No
- (j) Outstanding GDRs/Warrants, Convertible Bonds, conversion date and its impact on equity : Nil

## (k) (i) Distribution of Shares as on 31/03/2011:

No. of Shares	No. Shareholders	% of Holding
Up to 500	5945	45.72
501-1000	147	7.54
1001-5000	58	7.39
5001-10000	7	3.01
10001-100000	4	11.71
Above 100001	1	24.63
<b>Total</b>	<b>6162</b>	<b>100.00</b>

## (ii) Category of Shareholders As on 31/03/2011:

Category	No. of Shares	% of Holdings
Promoters, Relatives and Associates	471142	31.41
Financial Institutions / Banks	2496	0.17
Insurance Companies	5387	0.36
Mutual Funds	--	--
Foreign Institutional Investors	--	--
Non Resident Indian / Overseas Corporate Bodies	387	0.03
Body Corporate	74131	4.94
General Public	946457	63.09
<b>Total</b>	<b>1500000</b>	<b>100.00</b>

## (l) Address for Correspondence:

The shareholders should be addressed either to Registered Office at above address or Registrar Share Transfer Agents or Administrative Office at following address:

**Chemo Pharma Laboratories Ltd.** 3<sup>rd</sup> Floor, Empire House, 214, Dr. D. N. Road, Mumbai – 400 001.

**Non-mandatory Requirement:**

- Office of the Chairman of the Board:**  
The Company does not defray the secretarial expenses of the Chairman's office.
- Remuneration Committee:**  
The Company has not constituted Remuneration Committee.
- Shareholder rights-furnishing of half yearly results:**  
The Company's Quarterly results are published not in newspapers and are, therefore, sent to the shareholders.

**Postal Ballot:**

The Company will comply with the requirements of postal ballot as and when such matter arises requiring approval of the shareholders by such process in terms of the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001.

Adoption of other non-mandatory requirements under Clause 49 of the Listing Agreement is being reviewed by the Board from time to time.

ON BEHALF OF THE BOARD

PLACE: MUMBAI  
DATE: 13<sup>TH</sup> JUNE, 2011

Sd/-  
M. S. VYAS  
DIRECTOR

**CERTIFICATE OF CORPORATE GOVERNANCE REPORT**

To The Members of **Chemo Pharma Laboratories Ltd.**  
**Empire House, 3<sup>rd</sup> Floor, 214 Dr. D. N. Road,**  
**Fort, Mumbai – 400 001**

We have examined the compliance of conditions of Corporate Governance by **CHEMO PHARMA LABORATORIES LIMITED** for the year ended 31<sup>st</sup> March, 2011 as stipulated in Clause 49 of the Listing Agreement(s) of the said Company with the Stock Exchange(s).

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned listing Agreement(s), except that the Company has not complied with Clause 49(V) of the Listing Agreement as certificate on financial reporting and internal controls to the Board of Directors has been given by CEO only.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**FOR S. K. JAIN & COMPANY**  
**PRACTICING COMPANY SECRETARIES**  
Sd/-  
**(S. K. JAIN)**  
Partner  
C.P. NO. 3076

**PLACE : MUMBAI**  
**DATE: 13<sup>TH</sup> JUNE, 2011**

**COMPLIANCE CERTIFICATE**

**Registration No:** 11-003556

**Authorised Capital:** Equity Share Capital : Rs. 100,000,000/-

**Paid Up Capital:** Equity Share Capital : Rs. 15,000,000/-

To

**The Members****CHEMO PHARMA LABORATORIES LIMITED**

Plot No.5, MIDC, Kalyab Bhiwandi Road,  
Post-Saravali, Via Kalyan, Dist. Thane- 421301

We have examined the registers, records, books and papers of **M/s. CHEMO PHARMA LABORATORIES LIMITED** as required to be maintained under the Companies Act, 1956 and the Rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the Financial Year ended on 31<sup>st</sup> March, 2011. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid Financial Year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this Certificate, as per the provisions of the Act and the Rules made there under and all entries therein have been duly recorded.
2. The Company has filed the forms and returns as stated in Annexure 'B' to this Certificate with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the Rules made there under subject to delay in filing of certain documents as mentioned in "Annexure B"
3. The Company, being a Public Limited Company, has the minimum prescribed paid up capital.
4. The Board of Directors duly met 6 (Six) times respectively on **28/04/2010, 30/06/2010, 29/07/2010, 30/07/2010, 27/10/2010 and 21/01/2011** in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company had closed its Register of Members and Share Transfer Books in respect of the Equity Shares of the Company from 17<sup>th</sup> September, 2010 to 24<sup>th</sup> September, 2010 (Both days inclusive).
6. The Annual General Meeting for the Financial Year ended on 31<sup>st</sup> March, 2010 was held on 24<sup>th</sup> September, 2010 after giving due notice to the Members of the Company and the resolutions passed there at were duly recorded in Minutes Book maintained for the purpose.
7. No- Extra Ordinary General Meeting was held during the Financial Year.
8. The Company has not advanced any loans to its Directors or persons or firms or companies referred to under Section 295 of the Act.
9. The Company has not entered into any contracts falling within the purview of Section 297 of the Act.
10. The Company was not required to make entries of the particulars of Contract or arrangement in the register maintained under Section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, members or Central Government as the case may be.

12. The Company has not issued any duplicate certificates during the Financial Year.
13. The Company has
- i. not delivered any Share Certificate as there was no allotment, transfer and transmission of securities during the Financial Year.
  - ii. not deposited any amount in a separate Bank Account as no dividend was declared during the Financial Year.
  - iii. not posted warrants to any member of the Company as no dividend was declared during the Financial Year.
  - iv. No amount outstanding in respect of unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remain unclaimed or unpaid for the period of seven years and liable to be transferred to Investor Education and Protection Fund.
  - v. duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. There was no appointment of any Additional Directors, Alternate Directors and Directors to fill casual vacancy during the financial year. However due to death of Shri. K L Mundra on 16/06/2010 he ceased to be director of the Company.
15. The Company has not appointed any Managing director/ Whole Time Director/ Manager during the Financial Year.
16. The Company has not appointed any sole selling agents during the Financial Year.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar of Companies and / or such authorities prescribed under the various provisions of the Act.
18. The Directors have disclosed their interest in other firms / companies to the Board of Directors pursuant to the provisions of the Act and the Rules made there under.
19. The Company has not issued any Preference Shares and Equity Shares during the Financial Year.
20. The Company has not bought back any shares during the Financial Year.
21. There was no redemption of preference shares or debentures during the Financial Year.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited / accepted any deposits including any unsecured loans falling within the purview of Section 58A during the Financial Year. However the Company has obtained Unsecured Loan from S. H. Khatod & Sons and Shreenivas Somani amounting to Rs. 1,525,000 and 2,765,000.
24. The Company has not made any borrowings during the year, which would attract provisions of Section 293 (1) (d) of the Act.
25. The Company has not made any loans or advances or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the Register kept for the purpose.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's Registered Office from one State to another during the year under scrutiny.



27. The Company has not altered the provisions of the Memorandum with respect to the Objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to the name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny.
30. The Company has not altered its Articles of Association pursuant to the provisions of the Act during the Financial Year.
31. There was no prosecution initiated against or show cause notices received by the Company during the Financial Year, for offences under the Act.
32. The Company has not received any money as security from its employees during the Financial Year.
33. The Company has not deducted contribution towards Provident Fund under Provident Fund Scheme u/s 418 of the Act as the Company has not constituted any Provident Fund for its Employees.

**Place : Mumbai**

**Date: 13/06/2011**

**Signature :**

**Name of the Company Secretary:**

**S.K. JAIN & CO.**

**Practicing Company Secretaries**

**Sd/-**

**S. K. Jain**

**Partner**

**C. P. No. : 3076**

**Annexure 'A'****Registers as maintained by the Company**

- |                                                                  |          |
|------------------------------------------------------------------|----------|
| 1. Register of Investments                                       | u/s 49   |
| 2. Register of Members                                           | u/s. 150 |
| 3. Register of Share Transfers                                   |          |
| 4. Register of Directors, Managing Directors etc.,               | u/s 303  |
| 5. Register of Director's Share Holding                          | u/s 307  |
| 6. Applications and Allotment Register                           |          |
| 7. Minutes Book of the Meeting of Board of Directors and Members | u/s 193  |
| 8. Books of Accounts                                             | u/s 209  |
| 9. Register of Directors Attendance                              |          |

**Place : Mumbai****Date: 13/06/2011****Signature :**

**Name of the Company Secretary:  
S.K. JAIN & CO.  
Practicing Company Secretaries**

**Sd/-****S. K. Jain****Partner****C. P. No. : 3076****Annexure 'B'**

**Forms and Returns as filed by the Company with Registrar of Companies, Regional Director, Central Government or other authorities during the Financial Year ended 31<sup>st</sup> March, 2011.**

SN.	Nature of Document	Date of Document	Date of Filing	Whether filed within time	If No, whether additional fees paid
1.	Annual Return u/s 159	24/09/2010	15/10/2010	Yes	No
2.	Balance Sheet u/s 220	31/03/2010	07/10/2010	Yes	No
3.	Form-66	31/03/2010	07/10/2010	Yes	No
4.	Form 32	16/06/2010	11/08/2010	No	Yes

**Place : Mumbai****Date: 13/06/2011****Signature :**

**Name of the Company Secretary:  
S.K. JAIN & CO.  
Practicing Company Secretaries**

**Sd/-****S. K. Jain****Partner****C. P. No. : 3076**

**AUDITOR'S REPORT**

TO,  
THE MEMBERS,  
CHEMOPHARMA LABORATORIES LIMITED

1. We have audited the attached balance sheet of CHEMOPHARMA LABORATORIES LTD., as at 31st March 2011, and the profit and loss account of the company for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order (Amendment) 2004 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
  - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (ii) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
  - (iii) The balance sheet, profit and loss account dealt with by this report are in agreement with the books of account;
  - (iv) In our opinion, the balance sheet and profit and loss account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
  - (v) On the basis of written representations received from the directors of the company as on 31st March 2011, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of clause (g) of sub-section (l) of section 274 of the Companies Act, 1956.
  - (vi) We draw attention to note number 1 in respect of preparation of accounts on Going Concern basis even though the business is suspended,  
note number 2 in respect of diminution in value of investments made in Tecil Chemicals & Hydro Power Ltd. of Rs. 1.66 Crores which has not been provided even though the accumulated losses of Tecil have eroded the Net worth and  
note number 3 in respect of non-provision of doubtful loan of RS. 1.42 crores to Ellora Merchantile Pvt. Ltd.
  - (vii) Subject to our comments in (vi) above, in our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the significant accounting policies and other notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
    - (a) In the case of the balance sheet, of the state of affairs of the company as at 31st March 2011 and;
    - (b) In the case of the profit and loss account of the Profit for the year ended on that date.
    - (c) In the case of the cash flow statement of the cash flows for the year ended on that date.

Place : MUMBAI  
Date : 13.06.2011

For Batliboi & Purohit,  
Chartered Accountants  
Firm Reg.No. 101048W  
Sd/-  
Kaushal Mehta  
Partner  
Membership No. 111749

**ANNEXURE TO THE AUDITOR'S REPORT.****Annexure referred to in paragraph 4 of our report of even date**

1. The Company has maintained proper records of fixed assets showing full particulars including quantitative details and situation of fixed assets. The management during the year has not carried out the physical verification of fixed assets. As per the explanations given to us a substantial portion of fixed assets were not disposed of during the year.
2. In our opinion and as per the explanation given to us there is no inventory at close of the year so sub-clause (a), (b) and (c) of clause ii is not applicable.
3. (a) The company has granted interest free loan to one parties covered in the register maintained under section 301 of the Companies Act, 1956. The yearend balance of loans granted was Rs. Nil and the maximum amount involved during the year was Rs. 44,25,000  
(b) The loan given was interest free without repayment stipulation, however the repayment of principal has been made during the year and the terms and conditions of the loan given are not facie prejudicial to the interest of the Company.  
(c) According to the information and explanations given to us the Company has not taken any loans from companies listed in the Register maintained under section 301 of the Act.
4. As the company has discontinued its operations so the clause in respect of Internal Control System for the purchase of inventory, fixed assets and for the sale of goods and services is not applicable.
5. In our opinion and according to the information and explanations given to us, there are no contracts or arrangements referred to in Section 301 of the Act which are required to be entered in the register to be maintained under that section.
6. In our opinion and according to the information and explanations given to us, no fixed deposits were accepted during the period to which the provisions of Sections 58A and 58AA or any other relevant provisions of the Act apply.
7. As company's operations are suspended the internal audit is not required.
8. To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 for the products of the Company.
9. (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it.  
(b) According to the information & explanations given to us, the dues in respect of sales tax, income tax, custom duties, wealth tax, excise duty, and cess that have been deposited with the appropriate authorities on account of dispute and the forum whether the disputes are pending are given below:

Name of the statute	Nature of the dues	Amount (Rs.)	Forum where dispute is pending
Central Sales Tax Maharashtra Sales Tax	Central sales tax	18,05,093	Appeal before sales tax authority
Income Tax	Income tax	31,77,291	Appeal before CIT

10. There are accumulated losses at the end of the financial year which are not more than 50% of its net worth. The Company has not incurred cash loss during the year. In the immediately preceding financial year, the Company had incurred cash loss.
11. Based on our audit procedure and according to the information and explanations given to us by the management the company has defaulted in repayment of loan to SICOM to the extent of Rs 11,96,976 for more than 5 years.
12. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

13. The Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- 14.. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
15. In our opinion and according to the information and explanations given to us, the Company has not given guarantee for loans taken by others from banks or financial institutions during the period.
16. In our opinion and according to the information and explanations given to us, the Company has not raised any term loans.
17. Based on the information and explanations given to us and on an overall examination of the balance sheet of the Company, the Company has not raised funds on short-term basis.
18. During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. The company has not issued any debentures during the year.
20. The Company has not raised any money by public issue during the period
21. Based on the audit procedures performed and information and explanations given to us, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

**Place : MUMBAI  
Date : 13.06.2011**

**For Batliboi & Purohit,  
Chartered Accountants  
Firm Reg.No. 101048W  
Sd/-  
Kaushal Mehta  
Partner  
Membership No. 111749**

**BALANCE SHEET AS AT 31ST MARCH, 2011**

	Schedule	31st March, 2011 Rupees	31st March, 2010 Rupees
<b>SOURCES OF FUNDS</b>			
<b>Share Holders Fund</b>			
Share Capital	1	15,000,000	15,000,000
Reserves & Surplus	2	51,414,738	51,414,738
		66,414,738	66,414,738
<b>Loan Funds</b>			
Unsecured Loans	3	5,486,976	1,196,976
	<b>TOTAL</b>	<b>71,901,714</b>	<b>67,611,714</b>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>			
Gross Block	4	909,390	909,390
Less : Depreciation		(585,262)	(472,525)
Net Block		324,128	436,865
<b>Investment</b>			
	5	28,311,451	19,778,851
<b>Current Assets, Loans &amp; Advances</b>			
Inventories		-	-
Sundry Debtors		-	-
Cash & Bank Balance	6	76,092	66,131
Loans & Advances	7	14,638,505	19,148,078
		14,714,597	19,214,209
<b>Less : Current Liabilities &amp; Provisions</b>	8	(1,682,779)	(2,087,679)
		13,031,818	17,126,531
Debit Balance in Profit & Loss A/c.		30,234,317	30,269,467
	<b>TOTAL</b>	<b>71,901,714</b>	<b>67,611,714</b>
Notes forming part of Accounts	12	0	0

As per our Report Annexed

**For Batliboi & Purohit**  
**Chartered Accountants**  
**Firm Reg. No. 101048W**

**Sd/-**  
**Kaushal Mehta**  
 Partner  
 Membership No.111749  
 Place : Mumbai  
 Date : 13th June, 2011

On behalf of Board of Directors

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

**Sd/-**  
**G. K. JOSHI**  
**Director**

**Profit & Loss Account for the Year Ended 31st March, 2011**

	Schedule	31st March, 2011 Rupees	31st March, 2010 Rupees
<b>INCOME</b>			
Miscellaneous Income	9	363,063	101,936
<b>Total</b>		<b>363,063</b>	<b>101,936</b>
<b>EXPENDITURE</b>			
Legal & Professional Fees	10	23,163	19,500
Other Expenses	11	192,013	515,182
<b>Total</b>		<b>215,176</b>	<b>534,682</b>
Gross Profit / (Loss)		147,887	(432,746)
Depreciation for the Year		112,737	79,190
Profit /(Loss) Before Taxation		35,150	(511,936)
Less : Provision for Taxation		-	-
Profit /(Loss) After Taxation		35,150	(511,936)
Add : Balance brought forward from previous Year		(30,269,467)	(29,757,532)
Profit /(Loss) Carried to Balance Sheet		(30,234,317)	(30,269,467)

As per our Report Annexed

**For Batliboi & Purohit**  
**Chartered Accountants**  
**Firm Reg. No. 101048W**

**Sd/-**  
**Kaushal Mehta**  
 Partner  
 Membership No.111749  
 Place : Mumbai  
 Date : 13 June, 2011

On behalf of Board of Directors

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

**Sd/-**  
**G. K. JOSHI**  
**Director**

**SCHEDULE 1 TO 12 FORMING PART OF ACCOUNTS**

	Rupees	31st March, 11 Rupees	31st March, 10 Rupees
<b>SCHEDULE - 1</b>			
<b>Share Capital</b>			
Authorised :			
Equity Shares of Rs.10/- each		97,500,000	97,500,000
Preference Shares of Rs.100/- each		2,500,000	2,500,000
		100,000,000	100,000,000
Issued :			
Equity Shares of Rs.10/- each		15,000,000	15,000,000
	<b>TOTAL</b>	15,000,000	15,000,000
Subscribed :			
Equity Shares of Rs.10/- each		30,000	30,000
issued to Vendors as fully paid for			
consideration other than cash			
Equity Shares of Rs.10/- each		14,970,000	14,970,000
	<b>TOTAL</b>	15,000,000	15,000,000
<b>SCHEDULE - 2</b>			
<b>Reserves and Surplus</b>			
Capital Reserve		48,446,784	48,446,784
Investment Allowance Reserve		1,199,745	1,199,745
Investment Allowance Utilised		1,768,209	1,768,209
	<b>TOTAL</b>	51,414,738	51,414,738
<b>SCHEDULE - 3</b>			
<b>Unsecured Loans</b>			
Interest free Sales Tax Loan under			
Packages Scheme of incentives			
from SICOM		1,196,976	1,196,976
S. H. Khatod & Sons		1,525,000	-
Shreeniwas Somani		2,765,000	-
	<b>TOTAL</b>	5,486,976	1,196,976
<b>SCHEDULE - 4</b>			
<b>Fixed Assets</b>			
Gross Block : Fixed Assets		909,390	909,390
Less : Depreciation		(585,262)	(472,525)
	<b>TOTAL</b>	324,128	436,865



Schedule - 4 Continue.....

Fixed Assets

Particulars	AT COST				Depreciation (On Written Down Value Basis)				Net Block Rupees
	As on 31.03.2010 Rupees	Additions During the year Rupees	Deduction During the year Rupees	Total As on 31.03.2011 Rupees	Upto 31.03.2010 Rupees	For the year Rupees	On Disposal & Adjustment Rupees	Total As on 31.03.2011 Rupees	
Computer	30,500	-	-	30,500	28,937	38	-	28,975	1,525
Vehicle	878,890	-	-	878,890	443,588	112,699	-	556,287	322,603
<b>Total (A)</b>	909,390	-	-	909,390	472,525	112,737	-	585,262	324,128

**SCHEDULE 1 TO 12 FORMING PART OF ACCOUNTS**

	31st March, 11 Rupees	31st March, 10 Rupees
<b>SCHEDULE - 5</b>		
<b>Investments (at Cost)</b>		
In Government Security (Unquoted) (Deposits with Government Authorities)		
12 Years National Defence Certificates	500	500
7 Years National Defence Certificates	5,000	5,000
	<b>5,500</b>	<b>5,500</b>
<b>Shares in Joint Stock Companies- Quoted</b>		
112 Equity Shares of Emami Limited of Rs.10/- each fully paid (Market Value Rs. 399.95)	100	100
1900 Equity Shares of Reliance Chemotex Inds. Ltd. of Rs.10/- each fully paid (Market value Rs.121.95)	66,500	66,500
88 Equity Shares of Reliance Power Limited Ltd. of Rs.10/- each fully paid (Market value Rs.129.70)	24,750	24,750
2188300 Equity Shares of Indian Infotech & Software Ltd. of Rs.10/- each fully paid (Market value Rs.10.70)	11,432,750	11,222,750
	<b>11,524,100</b>	<b>11,314,100</b>
<b>(Aggregate Market Value of Quoted Shares Rs.2,37,02,723/-)</b>		
<b>Shares in Joint Stock Companies- Others</b>		
5204955 Equity Shares of Tecil Chemicals & Hydro Power Ltd. of Rs.10/- each fully paid	16,656,076	8,333,476
27000 Equity Shares of Citric India Ltd. of Rs.10/- each fully paid	60,750	60,750
	<b>16,716,826</b>	<b>8,394,226</b>

**SCHEDULE 1 TO 12 FORMING PART OF ACCOUNTS**

		31st March, 11 Rupees	31st March, 10 Rupees
<b>Unquoted</b>			
1	Equity Shares of Shamrao Vithal Co.Op Bank Ltd., of Rs.25/- each fully paid	25	25
5	Equity Shares of Capexil (Agencies) Ltd. of Rs.1000/- each fully paid	5,000	5,000
1000	Equity Shares of City Co.Op. Bank Ltd. of Rs.25/- each fully paid	25,000	25,000
3500	Equity Shares of India Ener-Gen Ltd. Rs.10/- each fully paid	35,000	35,000
	<b>TOTAL</b>	<b>65,025</b>	<b>65,025</b>
<b>SCHEDULE - 6</b>			
<b>Cash &amp; Bank Balances</b>			
	Cash in Hand	1,474	9,027
	With Scheduled Bank Current Account	74,618	57,104
	<b>TOTAL</b>	<b>76,092</b>	<b>66,131</b>
<b>SCHEDULE - 7</b>			
<b>Loans &amp; Advances</b>			
	Inetercorporate Deposits	14,200,000	18,625,000
	Advances recoverable in cash or in kind	19,505	104,078
	Deposit against Sales Tax	419,000	419,000
	<b>TOTAL</b>	<b>14,638,505</b>	<b>19,148,078</b>
<b>SCHEDULE - 8</b>			
<b>Current Liabilities &amp; Provisions</b>			
	Sundry Creditors	468,118	807,099
	Other Liabilities	1,214,660	1,273,589
	Unpaid Preference Shares (incl. Arrears of Dividend)	-	6,990
	<b>TOTAL</b>	<b>1,682,779</b>	<b>2,087,679</b>
<b>SCHEDULE - 9</b>			
<b>Miscellaneous Income</b>			
	Dividend Recd.	4,186	252
	Interest Recd	8,877	94,684
	Misc. Receipts (Lease Rent Recd)	-	7,000
	Sundry W/Back	350,000	-
	<b>TOTAL</b>	<b>363,063</b>	<b>101,936</b>
<b>SCHEDULE - 10</b>			
<b>Legal &amp; Professional Fees</b>			
	Professional Fees	23,163	19,500
	<b>TOTAL</b>	<b>23,163</b>	<b>19,500</b>

**SCHEDULE 1 TO 12 FORMING PART OF ACCOUNTS**

		31st March, 11 Rupees	31st March, 10 Rupees
<b>SCHEDULE - 11</b>			
<b>Other Expenses</b>			
Service Charges Paid		-	6,000
Advertisement & Publicity		-	6,255
Audit Fees		11,060	11,000
Listing Fees		25,964	-
Filing Fees		2,365	3,530
Bank Charges		1,553	3,081
General Expenses		-	1,062
Rates & Taxes		93,146	-
Printing & Stationery		17,199	11,929
Postal Charges		143	24,725
Consultation Charges		-	77,349
Salary to Staff		4,000	48,000
Subscription Charges		-	5,515
Sundry Balance W/off		-	63,470
Share Registry Expenses		19,844	-
Income Tax Paid		-	1,000
Sales Tax Paid		-	252,266
Vehicle Expenses		16,739	-
	<b>TOTAL</b>	<b>192,013</b>	<b>515,182</b>

**SCHEDULE - 12****Significant Accounting policies****a) General**

The Financial Statement have been prepared on their historical cost convention and in accordance with the normally accepted accounting principles on accrual basis.

**b) Fixed Assets**

Fixed Assets are valued at cost of acquisition less depreciation.

**c) Depreciation**

- 1) Depreciation on Fixed Assets is provided on Written Down Value Method at the rate specified in the Schedule XIV of the Companies Act, 1956.
- 2) Depreciation on additions / deletions during the year is provided on a pro-rata basis from the month of addition / deletion.

**d) Investment**

Long Term Investments are valued at cost of acquisition.

**e) Valuation of Inventories**

Stock of Shares are valued at Cost or market value whichever is lower

**f) Employees Retirement Benefits**

1. Company's Contribution to Provident Fund are Charged to Profit & Loss Account.
2. Gratuity payable to Employees is calculated as per provisions of the Gratuity Act. The Company provides for Gratuity Liability in the account as and when paid.
3. Leave encashment benefit at the time of retirement is considered on cash basis as and when paid.

**g) Previous Year Expenses/Income**

Expenses / Income pertaining to previous years are separately accounted for.

**Notes Forming Parts of Account**

1. Company has discontinued manufacturing operations inspite of that account have been prepared on Going Concern Basis.
2. No provision for diminution in value of investments is made for Rs167,16,826
3. No provision is made for Enter Corporate deposits for Rs. 1,42,00,000/-
4. For the Assessment year 2003-04 the Income – Tax Department has raised a demand of Rs.31,77,291/- on completion of assessment for the said year. The Company has since filed an Appeal before CIT. For the Assessment Year 2004-05, the Income Tax Officer has raised a Demand of Rs.8053/-, which has not been provided in the accounts.
5. Assessments Under the Bombay Sales Tax Act, 1959 and Central Sales Tax Act, 1956 have been completed up to 2001-02 relating to the additional demands and penalty amounting to Rs.18,05,093/- raised by the Department, against which the Company has filed appeals, and the necessary stay has been obtained by the Company.
6. Unsecured loans include interest free Sales Tax Loan from SICOM Rs. 11,96,976/- and have since become overdue. The Company has not provided any interest on this amount due to continuous losses.
7. The amounts overdue and remaining unpaid to Small Scale and /or Ancillary Industrial Suppliers on Principal and / or Interest as at close of the year could not be ascertained, since the information regarding the status of the suppliers as defined under the interest on delayed payment of Small Scale and Ancillary Industrial Undertaking Act, 1933 and Section 3(i) of the Industrial (Development and Regulations) Acts, 1951, was not available with the Company.

## 8. Earning Per Shares (EPS) computed in accordance with Accounting Standard 20:

		For the Year ended 31 <sup>st</sup> March, 2011	For the Year ended 31 <sup>st</sup> March, 2010
A	(Loss)/Profit After Tax as per Accounts	35,150	(5,11,936)
B	Number of Shares	15,00,000	15,00,000
C	Basic & Diluted EPS	0.023	0.341
D	Nominal Value of Equity Shares	Rs10/-	Rs10/-

## 9. RELATED PARTY DISCLOSURE :

## (A) List of Related Parties.

## a. Associates

M/s Tecil Chemicals & Hydro Power Ltd.  
M/s Citric India Ltd.  
M/s Joshi Thermal (Partnership Firm)

Note: Related Party relationships have been identified by the management and relied upon by the auditors.

## (B) Related Party Transactions:

## (B) Related Party Transactions:

A.	Group Companies/Companies in which Directors of Company are Directors/Firm in which Directors of the Company is Director	1. M/s Citric India Ltd. 2. M/s Tecil Chemicals & Hydro Power Ltd. 3. M/s Joshi Thermal (Partnership Firm)
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## B. Loan Details :

Group Companies	Opening Balance (Rs.)	Given (Rs.)	Received (Rs.)	Closing Balance (Rs.)
Tecil Chemicals & Hydro Power Ltd.	4425000 (Dr)	NIL	4,42,5000	NIL
<b>Total</b>	4425000 (Dr)		4425000	

10. In view of discontinuance of manufacturing operations and uncertainty in set off of carried forward losses against future profits, the Company has not ascertained the deferred tax assets and liabilities as per Accounting Standard AS-22 issued by the Institute of Chartered Accounts of India.

FOR BATLIBOI & PUROHIT,  
CHARTERED ACCOUNTANTS  
FIRM REG. NO. 101048W

FOR & ON BEHALF OF BOARD OF DIRECTORS

Sd/-  
KAUSHAL MEHTA  
(PARTNER)  
MEMBERSHIP NO. 111749

Sd/-  
M. S VYAS  
DIRECTOR

Sd/-  
G. K. JOSHI  
DIRECTOR

PLACE: MUMBAI  
DATE: 13th JUNE, 2011

**CASH FLOW STATEMENT FOR THE YEAR 31ST MARCH, 2011**

	31st March, 11 (Rs. in '000)	31st March, 10 (Rs. in '000)
<b>A Cash Flow from operating Activities</b>		
<b>Profit Before Tax</b>	40	(511)
Adjustment For :		
Depreciation Provided	115	79
Profit on Sale of Fixed Assets	-	-
Profit on Sale of Shares	-	-
Sundry Balance W/Back	(357)	-
Dividend Recd	(4)	-
Interest Recd	(9)	(95)
<b>Operating Profit before Working Capital Changes :</b>	<b>(215)</b>	<b>(527)</b>
Adjustment For :		
Inventories	-	-
Unsecured Loans	4,290	-
Other Current Asstes (Excl. Cash & Bank Bal.)	-	-
Loans & Advances	4,510	914
Current Liabilities & Provisions	(405)	(328)
<b>Cash Generated From Operations :</b>	<b>8,180</b>	<b>59</b>
Interest paid	-	-
Direct Taxes Paid	-	-
<b>Net Cash from Operating Activities (A)</b>	<b>8,180</b>	<b>59</b>
<b>B Cash Flow before Extraordinary items :</b>		
Dividend Recd	4	-
Interest Recd	9	95
Sundry Balance Back	357	-
Profit on Sale of Shares	-	-
<b>Net Cash Flow From Operating Activities (B)</b>	<b>370</b>	<b>95</b>
<b>C Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets		
Sales of Fixed Assets	-	-
Purchase of Investments	8,533	(188)
Sales of Investments	-	-
<b>Net Cash Received from In investing Activities (C)</b>	<b>8,533</b>	<b>(188)</b>
<b>D Cash Flow from Financing Activities :</b>		
Issue of Share Capital		
Proceeds from Short Term Borrowing	-	-
<b>(D)</b>	<b>-</b>	<b>-</b>
Net Increase / (Decrease) in Cash or Cash Equivalents (A+B+C+D)	17	(34)
Cash & Cash Equivalents as at 1st April, 2010 (Opening Balance)	66	100
Cash & Cash Equivalents as at 31st March, 2011 (Closing Balance)	83	66
<b>Actual Balance as per Balance Sheet</b>	<b>83</b>	<b>66</b>

**Note:** 1 The above Cash Flow Statement has been prepared under the indirect method as set out in the AS-3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India  
2 Previous Year's figures have been re-arranged / re-grouped wherever necessary  
This Cash Flow Statement referred in our report of even date

**For Batliboi & Purohit**  
**Chartered Accountants**  
**Firm Reg. No. 101048W**

Sd/-  
**Kaushal Mehta**  
Partner  
Membership No.111749  
Place : Mumbai  
Date : 13th June, 2011

**Statement pursuant to part IV of Schedule VI of the Companies Act, 1956  
Balance Sheet Abstract & Company's General Business Profile**

**I Registration Details**

Registration No.	3556	State Code	11
Balance Sheet Date	31 03 2011		
	Day Month Year		

**II Capital raised during the year (Amount in Rupees Thousand)**

Public Issue	Right Issue
Nil	Nil
Bonus Issue	Private Placement
Nil	Nil

**III Position of Mobilisation & Development of Funds (Amount in Rupees Thousand)**

Total Liabilities	Total Assets
71902	71902
Source of Funds	
Paid-up Capital	Reserve & Surplus
15000	51415
Secured Loan	Unsecured Loan
Nil	5487
Application of Funds	
Net Fixed Assets	Investments
324	28311
Net Current Assets	Misc. Expenditure
13032	Nil
Accumulated Losses	
30234	

**IV Performance of Company (Amount in Rupees Thousand)**

Turnover	Total Expenditure
363	215
+/- Profit / Loss Before Tax	+/- Profit / Loss After Tax
35	35
Earning Per Share in Rs.	Divident Rate %
Nil	Nil

**V Generic name of three principal Products / Services of the Company**

Item Code No.(ITC Code)  
Product Discription : Pharmaceuticals & Bulk Drugs

**On Behalf of the Board of Directors**

Place : MUMBAI  
Date : 13th June, 2011

Sd/-  
M. S. Vyas  
Director

Sd/-  
G. K. Joshi  
Director



**CHEMO PHARMA LABORATORIES LTD.**

Regd. Office : 5 - Kumd Apartment CHS Ltd., Karnik Road, Chikan Ghar, Kalyan, Dist, Thane - 421 301.

**PROXY FORM**

I/We ..... of .....in  
the district of.....being member/members of above named Company hereby  
appoint.....of.....  
.....in the district of.....or failing  
him.....of.....in  
the district of ..... as my/our Proxy to vote for me/us on my/our behalf at the  
Annual General Meeting of the Company to be held on Wednesday, 31st August 4.00 p.m. and  
at any adjournment thereof.

Signed this..... day of .....2011

Folio No.

Affix
Re.1
Revenue
Stamp

NOTE: THE PROXY DULY COMPLETED MUST BE DEPOSITED AT THE REGISTERED OFFICE  
OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FOR H OLDING THE  
MEETING.

-----TEAR HERE-----

**CHEMO PHARMA LABORATORIES LTD.**

Regd. Office : 5 - Kumd Apartment CHS Ltd., Karnik Road, Chikan Ghar, Kalyan, Dist, Thane - 421 301.

**ATTENDANCE SLIP**

TO BE HANDED OVER AT THE ENTRANCE OF THE MEETING HALL

Full name of the Share Holder \_\_\_\_\_

Full name of the First Joint Holder \_\_\_\_\_

(To be filled in if first named joint holder does not attend the meeting)

Name of Proxy \_\_\_\_\_

(To be filled in if Proxy Form has been duly deposited with the Company)

I, hereby record my presence at the Meeting of the Share Holders of the Company held at the  
Registered Office of the Company on Wednesday, 31st August 4.00 p.m. and

Registered Folio No.-----

Share Holders/Proxy's Signature  
(To be signed at the time of handing over the slip)

No. of Shares held -----

If Undelivered, please return to :  
**CHEMO PHARMA LABORATORIES LTD.**  
Empire House, 214, Dr. D. N. Road,  
Fort, Mumbai – 400 001.