

# **CHEMO PHARMA LABORATORIES LTD.**

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

**2011 - 2012**



<b>DIRECTORS</b>	:	SHRI MADHUSUDAN VYAS SHRI GHANSHYAM K. JOSHI SHRI RAM MANOHAR KHANDELWAL SHRI NANDKUMAR PAREEK
<b>BANKERS</b>	:	AXIS BANK LTD., MUMBAI STATE BANK OF INDIA, MUMBAI
<b>AUDITORS</b>	:	BATLIBOI & PUROHIT CHARTERED ACCOUNTANTS MUMBAI
<b>REGISTERED OFFICE</b>	:	5, KUMUD APARTMENT CHS. LTD. KARNIK ROAD, CHIKAN GHAR, KALYAN, DIST. THANE -421301 (MAHARASHTRA)
<b>ADMINISTRATION OFFICE</b>	:	EMPIRE HOUSE, 3 <sup>RD</sup> FLOOR 214, DR. D. N. ROAD, FORT, MUMBAI – 400 001.
<b>WEB.</b>	:	<a href="http://www.thechemopharmalaboratoriesltd.com">www.thechemopharmalaboratoriesltd.com</a>
<b>E-MAIL</b>	:	<a href="mailto:contact@thechemopharmalaboratoriesltd.com">contact@thechemopharmalaboratoriesltd.com</a>

**NOTICE**

Notice is hereby given that the **SEVENTIETH 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 **Thursday, 30<sup>th</sup> August, 2012 at 4.00 P.M.** to transact the following business.

**Ordinary Business**

1. To receive, Consider and Adopt the Audited Statement of Profit & Loss for the year ended 31<sup>st</sup> March, 2012 and the Balance Sheet as on date and Report of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri G. K. Joshi who retires by rotation and being eligible offers himself for reappointment.
3. To appoint Auditors to hold office from the conclusion of this meeting till the conclusion of the next Annual General Meeting and fix remuneration.

**Note:**

1. A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote on a poll instead of himself and such proxy need not be a member of the company. 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 Members & Share Transfer Book of the Company will remain closed from 23<sup>rd</sup> August, 2012 to 30<sup>th</sup> August, 2012 (Both days inclusive).
4. Members desiring to submit mandates, to lodge transfer deed(s) for registration of transfer of 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 23<sup>rd</sup> August, 2012. The Company will not be in a position to act upon any document, which is incomplete or received after 23<sup>rd</sup> August, 2012.
5. In accordance with the provisions of Clause 49 of the Listing Agreement with the Stock Exchanges, the particulars of Directors who are proposed to be re-appointed are 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.
8. Corporate Members intending to send their authorised representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
9. Members/Proxies should bring the attendance slip duly filled in, for attending the Meeting. The Attendance slip is sent with this Annual Report.
10. Recently, the Ministry of Corporate Affairs (MCA) , Government of India, through its Circular Nos. 17/2011 and 18/2011, dated April 21, 2011 and April 29, 2011 respectively, has allowed Companies to send official documents to their shareholders electronically as part of its green initiatives in Corporate Governance.

Recognizing the spirit of the circular issued by the MCA, we henceforth propose to send Documents like the Notice convening the General Meetings, Financial Statements, Directors', Auditors' Report, etc to the email address provided by you with your depositories.

We request you to update your email address with your Depository Participant to ensure that the Annual Report and other documents reach you on your preferred email.

11. Members can avail of the Nomination facility by filing Form 2B with the Company or its Registrar. Blank forms will be supplied on request. In case of shares held in demat form, the Nomination has to be lodged with their DP.
12. Members are informed that 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.
13. 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 the PAN to their Depository Participants with whom they are maintaining their demat accounts(s). Members holding shares in physical form can submit their PAN details to M/s Sharex Dynamic (India) Pvt. Ltd.

**ON BEHALF OF THE BOARD**

Sd/-

**M. S. VYAS  
DIRECTOR****PLACE: MUMBAI  
DATE: JUNE 29, 2012**

## **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**

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

### **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.

### **RISK AND CONCERN**

There are no perceived risks in the present activity.

### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has adequate internal checks and controls.

### **FINANCIAL PERFORMANCE**

The Company earned a Other Income of Rs 10,669,113/- as against Rs.3,63,063/- in the previous year 2010-11. The Profit after taxation was Rs. 8,480,378/- as against Rs.35,150/- in the previous year 2010-11.

### **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.

**BY ORDER OF THE BOARD**

**PLACE : MUMBAI**  
**Date: JUNE 29, 2012**

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

**DIRECTORS' REPORT**

To,  
The Members

The Directors present herewith the **SEVENTIETH ANNUAL REPORT** and the Audited Statement of Accounts for the year ended 31<sup>st</sup> March, 2012.

**FINANCIAL RESULTS**

The Company earned a Other Income of Rs 10,669,113/- as against Rs. 3,63,063/- in the previous year 2010-11. The Profit before and after taxation was Rs. 8,480,378/- as against Rs. 35,150/- in the previous year 2010-11.

**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, 2012 the Company did not have any Public Deposit.

**PARTICULARS OF EMPLOYEES**

None of the Employees of the Companies are in receipt of Remuneration in excess of the limits prescribed under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975.

**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 2011-12 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 Seventieth Annual General Meeting of the Company, and being eligible offer themselves for re-appointment.

**AUDITOR'S REPORT:**

The Board of Directors are making following clarification / explanation on the observations made by the Auditors in their Report on Notes Nos :- 14, 15, and 16 of the Notes to the Accounts :-

Note No:- 14 – There is no diminution in value of investments of Rs.167,65,076/- in the Equity Shares of Tecil Chemical & Hydro Power Limited (TECIL) as the market value of the land in possession of the said company is having substantial value and based on its current market value, the fair value of Equity Shares of TECIL will be far in excess of the cost of acquisition of the investment made by the Company.

Note No :- 15- As the inter corporate deposit of Rs 1,42,00,000/- given to Ellora Mercantile Private Limited is recoverable, no provision was required to be made.

Note No :- 16- In the opinion of the Board of directors, there are fair chances that the appeals filed by the Company before I.T.A.T the demand of Rs.31,77,291/- and penalty of Rs.60,47,659/- for the Assessment Year 2003-2004 will be decided in favour of the company. Hence, no provision has been made.

**DIRECTOR:**

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

**REVOCATION OF SUSPENSION IN TRADING OF SHARES WITH BOMBAY STOCK EXCHANGE:**

The Board of Directors have pleasure in informing the Members that the Suspension in Trading of Shares of the Company was revoked w.e.f. 05/10/2011 vide BSE Notice No. 20110929-15 dated 29/09/2011.

**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**

Sd/-

**M. S. VYAS  
DIRECTOR**

**PLACE: MUMBAI  
DATE : JUNE 29, 2012**

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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

**BY ORDER OF THE BOARD**

Sd/-

**M. S. VYAS  
DIRECTOR**

**PLACE : MUMBAI  
DATE : JUNE 29, 2012**

## 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 2011-12 based on the disclosure requirements under Clause 49 of the Listing Agreement existing as on 31<sup>st</sup> March 2012

### 2. Board of Directors:

The Company's Board comprised of Four Directors: one is Promoter Executive Director, one is Non-Executive Director and two are Non-Executive Independent Directors. The Chairman of the Board is Executive Promoter Director. The number of Non-Executive Independent Directors is 50% of the total strength of the Board.

During the year 10 (Ten) Board Meetings were held on 27/04/2011, 31/05/2011, 13/06/2011, 26/07/2011, 12/08/2011, 02/09/2011, 12/09/2011, 13/10/2011, 18/01/2012 and 10/02/2012. 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 2011-2012	Whether attended last AGM	No. of Directorship in other Limited Companies	No. of Membership of other committee	No. of Chairmanship of other Committee
Shri M. S. Vyas	EC	9	Yes	0	Nil	Nil
Shri G. K. Joshi	ID	10	Yes	3	2	3
Shri R. M. Khandelwal	ID	2	Yes	1	2	Nil
Shri N. K. Pareek	ID	8	No	1	2	Nil

**EC – Executive Chairman**

**ID – Independent Director**

### Particulars of Re-appointed/appointed Directors:

Name	:	Shri Ghanshyam K. Joshi
Designation	:	Director
Age	:	68 Years
Experience	:	Science graduate from Mumbai University and has more than 3 decades of experience in managing day to day operations of limited companies.
Other Directorship	:	M/s Tecil Chemicals & Hydro Power Ltd. M/s Citric India Ltd. M/s. Coral Hub Limited

### **Board Committees**

The Board has constituted the following Committees of Directors:

#### (a) **Audit Committee:**

##### i. Terms of Reference

The role and terms of reference of Audit Committee covers areas mentioned under Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956, besides other terms as may be referred by the Board of Directors.



## ii. Composition

The Audit Committee was reconstituted by the Board in its Meeting held on 18<sup>th</sup> January, 2012. Shri N. K. Pareek was appointed as Member of the Audit Committee in place of Shri Madhusudan Vyas, Whole Time Director of the Company. The Audit Committee after reconstitution comprises of the following Members:

1. Shri G. K. Joshi Chairman
2. Shri R. M. Khandelwal Member
3. Shri N. K. Pareek Member

The Audit Committee met 4 times i.e. on 27/04/2011, 26/07/2011, 13/10/2011 and 18/01/2012. The attendances of members are as follows:

Name	Category	Meetings during the year 2011-12	
		Held	Attended
Shri G. K. Joshi	Chairman	4	4
Shri R. M. Khandelwal	Member	4	2
Shri M. S. Vyas	Member	4	3
Shri N. K. Pareek	Member	4	1

## (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 was reconstituted by the Board in its Meeting held on 18<sup>th</sup> January, 2012. Shri N. K. Pareek was appointed as Member of the Shareholder Grievance Committee in place of Shri Madhusudan Vyas, Whole Time Director of the Company. The Shareholder Grievance Committee after reconstitution comprises of the following Members:

1. Shri G. K. Joshi Chairman
2. Shri M. S. Vyas Member
3. Shri N. K. Pareek 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) Regulations, 1992.

The Committee met 4 times i.e. on 27/04/2011, 26/07/2011, 13/10/2011 and 18/01/2012. The attendances of members are as follows:

Name	Category	Meetings during the year 2011-12	
		Held	Attended
Shri G. K. Joshi	Chairman	4	4
Shri M. S. Vyas	Member	4	3
Shri R. M. Khandelwal	Member	4	2
Shri N. K. Pareek	Member	4	1

**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	:	6
* No. of Complaints not resolved to the satisfaction of shareholders	:	6
* 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
2010-2011	02/09/2011 *	4.00 P.M.	At Regd. Office, Kumud Apt., Kalyan
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

\* The Company had convened Annual General Meeting for the Financial Year 2010-2011 on Wednesday, 31<sup>st</sup> August, 2011 at 4.00 P.M. at Registered Office. However on Wednesday 31<sup>st</sup> August, 2011 was declared as a Public Holiday due to Eid Festival. Hence the Board of Directors in its Meeting held on Friday 12<sup>th</sup> August, 2011 had decided to change the date of Annual General Meeting from Wednesday 31<sup>st</sup> August, 2011 at 4.00 P.M. to Friday, 2<sup>nd</sup> September, 2011 at 4.00 P.M. at same Venue i.e. Registered Office 5-Kumud Apartment, Co. Op. Hsg. Soc. Ltd., Karnik Road, Chikan Ghar, Kalayan, Dist. Thane-421301.

- (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. Subsidiary Companies**

The revised Clause 49 defines a "material non listed Indian subsidiary" as an unlisted subsidiary, incorporated in India, whose Turnover or Net Worth (Paid up Capital & Free Reserves) exceeds 20% of the Consolidated Turnover or Net worth respectively, of the Listed Holding Company and its subsidiaries in the immediately preceding Accounting year.

The Company does not have any "material non listed Indian subsidiary" during the Year under review.

**b. 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.

**c. 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.

**d. Disclosure on Risk Management**

The Company is not carrying any manufacturing operations. The Directors of the Company are exploring new avenues of business opportunities. The Company is at present deploying surplus funds in a judicious manner. There are no perceived risks in such investment.

**e. Code of Conduct**

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

- f. 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 have 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: The Asian Age & Tarun Bharat, Mumbai

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 Thursday, 30<sup>th</sup> August, 2012, at 4.00 P. M. at 5-Kumud Apartment, Co. Op. Hsg. Soc. Ltd., Karnik Road, Chikan Ghar, Kalyan, Dist. Thane-421301 (Maharashtra)

**(b) Financial Calendar for 2012-2013****Tentative Schedule**

Unaudited Results for quarter ending June 30, 2012	upto 14 <sup>th</sup> August, 2012
Unaudited Results for quarter ending September 30, 2012	upto 14 <sup>th</sup> November, 2012
Unaudited Results for quarter ending December 31, 2012	upto 14 <sup>th</sup> February, 2013
Unaudited Results for year ending March 31, 2013	upto 15 <sup>th</sup> May, 2013
Audited Annual Accounts for the year ending March 31, 2013	September, 2013

- (c) **Date of Book Closure:** Share Transfer Register will be closed from 23<sup>rd</sup> August 2012 to 30<sup>th</sup> August 2012 (both days inclusive)

- (d) Dividend payment date: Not Applicable

- (e) Company's Shares are listed in Bombay Stock Exchange.

The Suspension in Trading of Shares of the Company was revoked w.e.f. 05/10/2011 vide BSE Notice No. 20110929-15 dated 29/09/2011. The Shares of the Company are being traded at Bombay Stock Exchange.

- (f) **Stock code:** 506365

**(g) Market Price Data: High, Low during each month in last financial year**

Month	BSE Price (Rs.)	
	High	Low
April, 11	-	-
May, 11	-	-
June, 11	-	-
July, 11	-	-
August, 11	-	-
September, 11	-	-
October, 11	57.87	49.85
November, 11	55.10	49.70
December, 11	47.25	36.80
January, 12	-	-
February, 12	35.20	24.75
March, 12	23.55	19.75

**(h) 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.

**(i) 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 numbers of shares transferred during the financial year under review were as below:

	No. of transfers	No. of Shares
Transfer	23	19917
Other cases		
Deletion	NIL	NIL
Transmission	NIL	NIL
<b>Total</b>	<b>NIL</b>	<b>NIL</b>

(j) Dematerialization of shares and liquidity : No

(k) Outstanding GDRs/Warrants, Convertible Bonds, conversion date and its impact on equity : Nil

**(l) (i) Distribution of Shares as on 31/03/2012:**

No. of Shares	No. Shareholders	% of Holding
Up to 500	5892	96.48
501-1000	148	2.42
1001-5000	54	0.88
5001-10000	8	0.13
10001-100000	4	0.07
Above 100001	1	0.02
<b>Total</b>	<b>6107</b>	<b>100.00</b>

**(ii) Category of Shareholders As on 31/03/2012:**

Category	No. of Shares	% of Holdings
Promoters, Relatives and Associates	470610	31.374
Financial Institutions / Banks	2496	0.166
Central/ State Government	--	--
Insurance Companies	5387	0.359
Mutual Funds	--	--
Foreign Institutional Investors	--	--
Non Resident Indian / Overseas Corporate Bodies	387	0.026
Body Corporate	76168	5.078
General Public	944952	62.997
<b>Total</b>	<b>1500000</b>	<b>100.00</b>

**(m) 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:****1. Office of the Chairman of the Board:**

The Company does not defray the secretarial expenses of the Chairman's office.

2. **Remuneration Committee:**

The Company has not constituted Remuneration Committee.

3. **Shareholder rights-furnishing of half yearly results:**

The Company's Quarterly results are published in newspapers and are, not 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: JUNE 29, 2012**

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

### **CEO/ CFO CERTIFICATE**

I, Madhusudan Vyas, CEO of Chemo Pharma Laboratories Ltd. appointed in terms of the Companies Act, 1956 certify to the Board that:

1. I have reviewed the Balance Sheet and Statement of Profit & Loss account for the year ended 31<sup>st</sup> March, 2012 and all its schedules and notes to accounts, as well as the cash flow statement:
2. Based on my knowledge, information and belief, these statements do not contain any untrue statement of a material fact or omit to state a material fact that might be misleading with respect to the statements made:
3. Based on my knowledge, information and belief, the financial statements and other financial information included in this report present a true and fair view of the company's affairs for the period presented in this report and are in compliance with the existing accounting standards, applicable laws and regulations:
4. To the best of my knowledge, information and belief, no transactions entered into by the company during the year are fraudulent, illegal or violative of the Company's Code Of Conduct:
5. I am responsible for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting;
6. I have disclosed, based on their most recent evaluation, wherever applicable, to the Company's Auditors and the Audit Committee of the Company's Board of Directors all significant deficiencies in the design or operation of internal controls, if any, of which I am aware and the steps taken or proposed to be taken to rectify the deficiencies;

I have indicated to the Auditors and the Audit Committee:

- a) Significant changes in the Company's internal control over financial reporting during the year;
- b) All significant changes in accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements;

Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control system over financial reporting.

**Mumbai,**  
**29<sup>th</sup> June, 2012**

**Sd/-**  
**M. S. Vyas**  
**CEO**

**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, 2012 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 : 29<sup>TH</sup> JUNE, 2012**

**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**  
5, Kumud Apartment CHS Limited,  
Karnik Road Chikan Ghar, Kalyan- 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, 2012. 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.
3. The Company, being a Public Limited Company, has the minimum prescribed paid up capital.
4. The Board of Directors duly met 10 (Ten) times respectively on 27/04/2011, 31/05/2011, 13/06/2011, 26/07/2011, 12/08/2011, 02/09/2011, 12/09/2011, 13/10/2011, 18/01/2012 and 10/02/2012 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 24<sup>th</sup> August, 2011 to 02<sup>nd</sup> September, 2011 (Both days inclusive).
6. The Annual General Meeting for the Financial Year ended on 31<sup>st</sup> March, 2011 was held on 02<sup>nd</sup> September, 2011 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 change in the designation of Shri N. K. Pareek from Addition Director to Director in the Annual General Meeting of the Shareholder held on 02<sup>nd</sup> September, 2011. However there was no appointment of any Additional Directors, Alternate Directors and Directors to fill casual vacancy during the financial year.
15. The Company has appointed Shri Madhusudan Vyas as Executive Director of the Company at a monthly remuneration of Rs. 11,200/- p.m. w.e.f. 01<sup>st</sup> June, 2011 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.
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: 15/06/2012**

**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: 15/06/2012****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, 2012.**

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	31/03/2011	03/10/2011	Yes	N.A.
2.	Balance Sheet u/s 220	31/03/2011	11/11/2011	Yes	N.A.
3.	Form-66	2010-2011	23/09/2011	Yes	N.A.
4.	Form-32	02/09/2011	30-09-2011	Yes	N.A.
5.	Form-32	31/05/2011	20/06/2011	Yes	N.A.
6.	Form-25C	31/05/2011	20/06/2011	Yes	N.A.
7.	Form-18	31/05/2011	01/06/2011	Yes	N.A.

**Place : Mumbai****Date: 15/06/2012****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 CHEMO PHARMA LABORATORIES LTD., as at 31st March 2012, and the Statement of profit and loss 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, Statement of profit and loss dealt with by this report are in agreement with the books of account;
  - (iv) In our opinion, the balance sheet and Statement of profit and loss 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 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2012 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 13 in respect of preparation of accounts on Going Concern basis even though the business is suspended, note number 14 in respect of diminution in value of investments and note number 15 in respect of non-provision of inter corporate deposit
  - (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 2012 and;
    - (b) In the case of the Statement of profit and loss 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 : 29<sup>th</sup> June, 2012**

**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 party covered in the register maintained under section 301 of the Companies Act, 1956. The yearend balance of loans granted was Rs. 31,40,000/- and the maximum amount involved during the year was Rs. 31,40,000/-  
(b) Since the loan given was interest free without repayment stipulation, we cannot comment about the regularity of repayment of principal, interest, overdue amount and whether the other terms and conditions of the loan given is 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. (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 that need to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so entered.  
(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 exceeding Rs. 5,00,000/- have been made at prices which are reasonable having regard to prevailing market prices at the relevant time. As explained to us, the Company has not entered in to any transactions for sale of goods, materials and services in pursuance to contracts or arrangements as aforesaid.
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 Act	Income tax	31,77,291	Appeal before ITAT
Income Tax Act	Penalty Tax	60,47,659	Appeal before ITAT

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 and in the immediately preceding financial year.
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 - Deferred Sales Tax payable 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 : 29<sup>th</sup> June, 2012**

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

**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2012**

	Notes	31 <sup>st</sup> March, 2012 Rupees	31 <sup>st</sup> March, 2011 Rupees
<b>1 EQUITY AND LIABILITIES</b>			
a. <b>Share Holders' Fund</b>			
Share Capital	2	15,000,000	15,000,000
Reserves & Surplus	3	29,660,799	21,180,421
<i>Sub Total</i>		<b>44,660,799</b>	<b>36,180,421</b>
b. <b>Non-Current Liabilities</b>	4	<b>1,196,976</b>	<b>1,196,976</b>
c. <b>Current Liabilities</b>	5		
Short-Term Borrowings	5(i)	-	4,290,000
Other Current Liabilities	5(ii)	1,395,067	1,682,779
Short-Term Provisions	5(iii)	845,751	-
<i>Sub Total</i>		<b>2,240,818</b>	<b>5,972,779</b>
<b>GRAND TOTAL</b>		<b>48,098,593</b>	<b>43,350,176</b>
<b>2 ASSETS</b>			
a. <b>Non-Current Assets</b>			
i. <b>Fixed Assets</b>			
Tangible Assets	6	<b>239,082</b>	<b>324,128</b>
ii. <b>Non-Current Investment</b>	7	<b>16,843,701</b>	<b>28,311,451</b>
iii. <b>Long Term Loans and Advances</b>	8	<b>15,734,255</b>	<b>14,638,505</b>
b. <b>Current Assets</b>	9		
Cash & Cash Equivalents		3,726,555	76,092
Short -Term Loans & Advances		11,555,000	-
<i>Sub Total</i>		<b>15,281,555</b>	<b>76,092</b>
<b>GRAND TOTAL</b>		<b>48,098,593</b>	<b>43,350,176</b>
		-	-

As per our Report Annexed

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

Sd/-

Kaushal Mehta

Partner (Membership No.111749)

Place : Mumbai

Date : 29<sup>TH</sup> JUNE 2012

On behalf of Board of Directors

Sd/-  
M. S. VYAS  
Director

Sd/-  
N. K. PAREEK  
Director

**Statement of Profit and Loss for the year ended 31<sup>st</sup> March 2012**

	Notes	31 <sup>st</sup> March, 2012 Rupees	31 <sup>st</sup> March, 2011 Rupees
<b>Continuing Operations</b>			
<b>I. INCOME</b>			
Other Income	10	10,669,113	363,063
<b>Total Revenue (I)</b>		<b>10,669,113</b>	<b>363,063</b>
<b>II. EXPENSES</b>			
1 Employee Benefit Expenses	11	195,955	4,000
2 Other Expenses	12	1,063,509	211,176
<b>Total (II)</b>		<b>1,259,463</b>	<b>215,176</b>
Gross Profit / (Loss)		9,409,650	147,887
<u>Less</u> : Depreciation for the Year		83,521	112,737
Profit /(Loss) Before Taxation		9,326,129	35,150
<u>Less</u> : Provision for Taxation		845,751	-
Profit /(Loss) After Taxation		<b>8,480,378</b>	<b>35,150</b>
<b>Earnings per Equity Share (Nominal Value of Share Rs.10/-)</b>			
<b>(31<sup>st</sup> March, 2012 : Rs.10/-)</b>			
<b>Basic and Dilluted</b>		<b>5.65</b>	<b>0.02</b>
<i>The accompanying notes are intergal part of financial statement.</i>			
<u>Summary of significant accounting policies</u>	1		

*As per our Report Annexed**On behalf of Board of Directors*

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

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

Sd/-  
**Kaushal Mehta**  
 Partner (Membership No.111749)  
 Place : Mumbai  
 Date : 29<sup>TH</sup> JUNE 2012

Sd/-  
**N. K. PAREEK**  
**Director**

**ANNEXURE TO CLAUSE 32 OF THE LISTING AGREEMENT  
CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2012**

<u>PARTICULARS</u>	31-Mar-12 <i>(Rs. in '000)</i>	31-Mar-11 <i>(Rs. in '000)</i>
<b>A Cash Flow from Operating Activities</b>		
<b>Profit Before Tax</b>	<b>9,326</b>	<b>35</b>
Adjustment For :		
Depreciation Provided	84	113
Interest Paid	1	
Profit on Sale of Shares	(10,433)	-
Liabilities Written Back	(46)	(350)
Dividend Received	(2)	(4)
Interest Received	(857)	(9)
<b>Operating Profit before Working Capital Changes :</b>	<b>(1,927)</b>	<b>(215)</b>
Adjustment For :		
Decrease in other Current liabilities	(242)	(55)
Increase in Current Assets	(11,555)	4,510
<b>Cash Generated From Operations :</b>	<b>(13,724)</b>	<b>4,240</b>
Direct Taxes Paid	(1,095)	-
<b>Net Cash from Operating Activities</b>	<b>(A) (14,819)</b>	<b>4,240</b>
<b>B Cash Flow from Investing Activities</b>		
Purchase of Investments	-	(8,533)
Dividend Received	2	4
Interest Received	857	9
Sales of Investments	21,901	=
<b>Net Cash Received from Investing Activities (B)</b>	<b>22,760</b>	<b>(8,520)</b>
<b>C Cash Flow from Financing Activities :</b>		
Proceeds from Short Term Borrowings	-	4,290
Repayment of Short Term Borrowings	(4,290)	-
Interest paid	(1)	-
<b>(C)</b>	<b>(4,291)</b>	<b>4,290</b>
Net Increase/(Decrease) in Cash/Cash Equivalents (A+B+C)	3,650	10
Cash & Cash Equivalents as at 1st April, 2011	76	66
Cash & Cash Equivalents as at 31st March, 2012	3,726	76
<b>Actual Balance as per Balance Sheet</b>	<b>3,726</b>	<b>76</b>

**Note:**

- 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
- Previous Year's figures have been re-arranged / re-grouped wherever necessary  
This Cash Flow Statement referred in our report of even date

**As per our Report Annexed****For Batliboi & Purohit****Chartered Accountants****Firm Reg. No. 101048W****Sd/-****Kaushal Mehta**

Partner (Membership No.111749)

Place : Mumbai

Date : 29<sup>TH</sup> JUNE 2012**On behalf of Board of Directors****Sd/-****M. S. VYAS****Director****Sd/-****N. K. PAREEK****Director**

## Notes to the financial Statements for the year ended 31st March 2012

### 1. 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) 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.



Notes to Financial statements for the year ended 31<sup>st</sup> March 2012

	31.03.2012	31.03.2011
	Rupees	Rupees
<b>2 Share Capital</b>		
<b>Authorised shares:</b>		
97,50,000 Equity Shares of Rs.10/- each	97,500,000	97,500,000
25,000 Preference Shares of Rs.100/- each	2,500,000	2,500,000
<b>TOTAL</b>	<b>100,000,000</b>	<b>100,000,000</b>
<b>Issued ,Subscribed and fully paid-up Shares</b>		
15,000,00 Equity Shares of Rs.10/- each	15,000,000	15,000,000
Nil Preference Shares of Rs.100/- each	Nil	Nil
<b>TOTAL</b>	<b>15,000,000</b>	<b>15,000,000</b>
<b>A) Reconciliation of the Shares outstanding at the beginning and at the end of reporting period</b>		
<b>Equity Shares</b>	<i>Nos.</i>	<i>Nos.</i>
At the beginning of the period	15,00,000	1,500,000
Issued during the period ( Bonus Issue)	Nil	Nil
Issued during the period	Nil	Nil
<b>Outstanding at the end of the period</b>	<b>15,00,000</b>	<b>1,500,000</b>
<b>Preference Shares</b>	<i>Nos.</i>	<i>Nos.</i>
At the beginning of the period	Nil	Nil
Issued during the period	Nil	Nil
<b>Outstanding at the end of the period</b>	<b>Nil</b>	<b>Nil</b>

**B) Terms/Rights attached to Equity Shares**

The Company has only one class of Equity Shares having a par value Rs.10/- per Share. Each Holder of Equity Shares is entitled to one vote per Share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting.

During the year ended 31st March, 2012, the amount of per Share Dividend recognized as distribution to Equity Shareholders was Rs. Nil (31 March 2011 : Rs. Nil)

**C) List of Shareholding 5% & Above**

Sr. No.	Name of the Shareholders	Number of Shares held	Percentage of Holding
1.	M/s Citric India Limited	369,450	25.00%

Notes to Financial statements for the year ended 31<sup>st</sup> March 2012

	31.03.2012	31.03.2011
	Rupees	Rupees
<b>3 Reserves and Surplus</b>		
- Capital Reserve	48,446,784	48,446,784
- Investment Allowance Reserve	2,967,954	2,967,954
	<b>51,414,738</b>	<b>51,414,738</b>
- Profit & loss account :		
Balance as per Last Balance sheet	(30,234,317)	
Add/(Less): (Loss)/Profit during the year	8,480,378	30,234,317
<b>TOTAL</b>	<b>29,660,799</b>	<b>21,180,421</b>
<b>4 Non Current Liability</b>		
SICOM - Deferred Sales Tax payable	1,196,976	1,196,976
<b>TOTAL</b>	<b>1,196,976</b>	<b>1,196,976</b>
<b>5 Current Liabilities</b>		
<b>i) Short Term Borrowings</b>		
S. H. Khatod & Sons	-	1,525,000
Shreeniwas Somani	-	2,765,000
Other payables		
<b>TOTAL</b>	<b>-</b>	<b>4,290,000</b>
<b>ii) Other Current Liabilities :</b>		
Trade payables	421,953	468,118
Other liabilities	303,460	1,214,660
Interest received in advance	669,654	-
	<b>1,395,067</b>	<b>1,682,779</b>
<b>iii) Short term provisions</b>		
Provision For Income Tax ( F.Y. 2011-12 )	845,751	-
<b>TOTAL</b>	<b>845,751</b>	<b>-</b>

## 6. TANGIBLE ASSETS

Particulars	AT COST						Depreciation (On Written Down Value Basis)			Net Block as on 31.3.2012 (Rs.)
	As on 31.03.2011 (Rs.)	Additions during the year (Rs.)	Deductions during the year (Rs.)	Total as on 31.03.2012 (Rs.)	Upto 31.03.2011 (Rs.)	For the year (Rs.)	On disposals & adjustment (Rs.)	Total as on 31.03.2012 (Rs.)		
Computer	30,500	-	30,500	-	28,975	-	28,975	-	-	-
Vehicle	878,890	-	-	878,890	556,287	83,521	-	639,808	239,082	239,082
<b>Total (A)</b>	<b>909,390</b>	<b>-</b>	<b>30,500</b>	<b>878,890</b>	<b>585,262</b>	<b>83,521</b>	<b>28,975</b>	<b>639,808</b>	<b>239,082</b>	<b>239,082</b>
Previous Year	<b>909,390</b>	<b>-</b>	<b>-</b>	<b>909,390</b>	<b>472,525</b>	<b>112,737</b>	<b>-</b>	<b>585,262</b>	<b>324,128</b>	<b>324,128</b>

Notes to Financial statements for the year ended 31<sup>st</sup> March 2012

	31.03.2012	31.03.2011
	Rupees	Rupees
<b>7 Non-Currnet Investments (at Cost) - Non-trade</b>		
<b>a. In Government Security (Unquoted)</b>		
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>b. Shares in Joint Stock Companies- Quoted Non-Trade</b>		
Equity Shares of - <i>No. of Shares</i>		
Emami Limited of Rs.10 each fully paid 112 (Market Value Rs. 403.20)	100	100
Reliance Chemotex Inds. Ltd of Rs.16 fully paid 1900 (Market value Rs.116.30)	66,500	66,500
Reliance Power Limited Ltd of Rs.10 fully paid 88 (Market value Rs.116.90)	24,750	24,750
Indian Infotech & Software Ltd. of Rs.10 fully paid 2188300	-	11,432,750
	<b>91,350</b>	<b>11,524,100</b>
<b>(Agreegate Market Value of Quoted Shares Rs.2,76,416/-)</b>		
<b>c. Shares in Joint Stock Companies- Trade</b>		
Equity Shares of Tecil Chemicals & HP Ltd of Rs.10 each 5236930	16,656,076	16,656,076
Equity Shares of Citric India Ltd. of Rs.10/- each 27000	60,750	60,750
	<b>16,716,826</b>	<b>16,716,826</b>
<b>d. Unquoted Equity shares of: Non- Trade</b>		
Shamrao Vithal Co.Op Bank Ltd of Rs 25 fully paid 1	25	25
Capexil (Agencies) Ltd of Rs 1000 each fully paid 5	5,000	5,000
City Co.Op. Bank Ltd. Of Rs. 10 each fully paid 1000	25,000	25,000
India Ener-Gen Ltd of Rs.10 each fully paid 3500	-	35,000
	<b>30,025</b>	<b>65,025</b>
<b>TOTAL</b>	<b>16,843,701</b>	<b>28,311,451</b>
<b>8 Long term loans and advances</b>		
Intercompany Deposits- unsecured	14,200,000	14,200,000
Deposit against Sales Tax	419,000	419,000
Advance tax for the A. Y. 2010-11	19,505	19,505
Advance tax for the A. Y. 2012-13	1,095,750	-
<b>TOTAL</b>	<b>15,734,255</b>	<b>14,638,505</b>
<b>9 Current Assets</b>		
<b>i. Cash &amp; Cash Equivalent</b>		
Cash in Hand	42,695	1,474
With Scheduled Bank Current Account	3,683,860	74,618
<b>TOTAL</b>	<b>3,726,555</b>	<b>76,092</b>
<b>ii. Short term loans and advances</b>		
Advance to Staff	10,000	-
Security Deposits	5,000	-
inter Corporate Loan Given -others unsecured	8,400,000	-
<b>iii. Loan to related parties (Note 22 B):</b>		
Unsecured, considered good	3,140,000	-
<b>TOTAL</b>	<b>11,555,000</b>	<b>-</b>

Notes to Financial statements for the year ended 31<sup>st</sup> March 2012

	31.03.2012	31.03.2011
	Rupees	Rupees
<b>10 Other Income</b>		
Dividend Received	2,352	4,186
Interest Received	187,846	8,877
Profit on Sale of Long Term Investments	10,432,750	-
Sundry Balances written off	46,165	350,000
<b>TOTAL</b>	<b>10,669,113</b>	<b>363,063</b>
<b>11 Employee Benefit Expenses</b>		
Gratuity Payment	195,955	-
Salary to Staff	-	4,000
<b>TOTAL</b>	<b>195,955</b>	<b>4,000</b>
<b>12 Other Expenses</b>		
Advertisement & Publicity	22,858	-
Annual Listing Fees	530,543	25,964
Audit Fees	11,030	11,060
Bank Charges	1,089	1,553
Director Remuneration	100,800	-
General Expenses	7,831	-
Income Tax Paid (for A/Y 2004-05)	11,836	-
Interest Paid	800	-
Loss on Disposal of Assets	1,525	-
Rent paid	22,000	-
Postal Charges	24,409	143
Printing & Stationery	19,530	17,199
Professional Fees	137,024	23,163
Rates & Taxes	35,884	95,511
Share Registry Expenses	115,412	19,844
Travelling Expenses	6,929	-
Vehicle Expenses	14,009	16,739
<b>TOTAL</b>	<b>1,063,509</b>	<b>211,176</b>

## Notes Forming Parts of Account

- 13 Company has discontinued manufacturing operations inspite of that accounts have been prepared on Going Concern Basis.
- 14 No provision for diminution in value of investments has been made in respect of investments in equity shares of TECIL of Rs.167,65,076 eventhough the losses of TECIL has exceeded its net worth, as TECIL has substantial investment in immovable properties.
- 15 No provision is made for Corporate deposit given to Ellora Mercantile Pvt Ltd of Rs. 1,42,00,000/- for the repayment of deposit.
- 16 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 against the above before I.T.A.T. Also an appeal has been filed by the company for penalty of Rs. 60,47,659/- imposed by the Department for the same year which is pending before the said Authority, for which no provision has been provided in the account.
- 17 Assessments Under the Bombay Sales Tax Act, 1959 and Central Sales Tax Act, 1956 have been completed up to 2001-02 and additional demand and penalty amounting to Rs.18,05,093/- has been raised by the Department, against which the Company has filed appeals, and the necessary stay has been obtained by the Company.
- 18 Non-current Liabilities include deferred interest free Sales Tax 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.
- 19 Earning Per Shares (EPS) computed in accordance with Accounting Standard 20:

Particulars	Year ended 31.03.2012	Year ended 31.03.2011
A (Loss)/Profit After Tax as per Accounts	8,480,378	35,150
B Number of Shares	1,500,000	1,500,000
C Basic & Diluted EPS	5.65	0.02
D Nominal Value of Equity Shares	Rs.10/-	Rs.10/-

### 20 RELATED PARTY DISCLOSURE :

#### A) List of Related Parties.

##### a. Associates

M/s Citric India Ltd.

Indian Infotech & Software Ltd.

##### b. Enterprise owned or significantly influenced by key management personnel or their relatives.

1 M/s Citric India Ltd.

2 M/s Tecil Chemicals & Hydro Power Ltd.

3 M/s Joshi Thermal (Partnership Firm)

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

#### B. Loan given and repayment thereof :

Group Companies	Opening Bal (Rs.)	Loan Given	Repayment	Closing balance
Tecil Chemicals & HP Ltd.	-	3,140,000	-	3,140,000
Total	-	3,140,000	-	3,140,000

- 21 In view of discontinuance of manufacturing operations and uncertainty in set off or carried forward losses against future profits, the Company has not recognised the deferred tax assets and liabilities as per Accounting Standard AS-22 issued by the Institute of Chartered Accountants of India.
- 22 The financial statements for the year ended 31 March 2011 had been prepared as per the then applicable, pre-revised Schedule VI to the Companies Act, 1956. Consequent to the notification of Revised Schedule VI under the Companies Act, 1956, the financial statements for the year ended 31 March 2012 are prepared as per Revised Schedule VI. Accordingly, the previous year figures have also been reclassified to conform to this year's classification. The adoption of Revised Schedule VI for previous year figures does not impact recognition and measurement principles followed for preparation of financial statements.

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

Sd/-  
**KAUSHAL MEHTA  
(PARTNER)  
MEMBERSHIP NO. 111749  
PLACE: MUMBAI  
DATE: 29<sup>TH</sup> JUNE 2012**

**FOR & ON BEHALF OF BOARD OF DIRECTORS**

Sd/-  
**N. K. PAREEK  
DIRECTOR**

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

**CHEMO PHARMA LABORATORIES LTD.**

Regd. Office : 5, Kumud 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..... him..... 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 Thursday, 30<sup>th</sup> August 201 2 at 4.00 p. m. and at any adjournment thereof.

Signed this..... day of .....20 12

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 HOLDING THE MEETING.

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

**CHEMO PHARMA LABORATORIES LTD.**

Regd. Office : 5, Kumud 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 Thursday, 30<sup>th</sup> August 2012 at 4.00 p.m.

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.