

## 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

iii. **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 R. M. Khandelwal 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 adopted 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 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:

	<b>No. of transfers</b>	<b>No. of Shares</b>
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:**

<b>No. of Shares</b>	<b>No. Shareholders</b>	<b>% of Holding</b>
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:**

<b>Category</b>	<b>No. of Shares</b>	<b>% of Holdings</b>
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**

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