

# CHEMO PHARMA LABORATORIES LIMITED



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**75<sup>TH</sup> ANNUAL REPORT  
2016-2017**

**BOARD OF DIRECTORS**

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

**COMPANY SECRETARY  
& COMPLIANCE OFFICER**

MRS. NEHA VORA

**CHIEF EXECUTIVE OFFICER**

SMT. SHANTA SOMANI

**CHIEF FINANCIAL OFFICER**

SHRI. ASHOK SOMANI

**BANKERS**

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

**STATUTORY AUDITORS**

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

**INTERNAL AUDITORS**

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

**SECRETARIAL AUDITORS**

**KAVITA KHATRI & ASSOCIATES,**  
PRACTICING COMPANY SECRETERIES

**REGISTERED OFFICE**

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

**CORPORATE OFFICE**

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

**REGISTRAR AND  
SHARE TRANSFER AGENTS**

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

**WEBSITE :** [www.thechemopharmalaboratoriesltd.com](http://www.thechemopharmalaboratoriesltd.com)

**E-MAIL ID :** [chemopharmalab@gmail.com](mailto:chemopharmalab@gmail.com)

**CHEMO PHARMA LABORATORIES LIMITED**

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

**Tel No. - (022) 22078381/22078382**

**CIN No.-L99999MH1942PLC003556**

**Website: [www.thechemopharmalaboratoriesltd.com](http://www.thechemopharmalaboratoriesltd.com)**

**Email Id: [chemopharmalab@gmail.com](mailto:chemopharmalab@gmail.com)**

**NOTICE CONVENING ANNUAL GENERAL MEETING**

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

**ORDINARY BUSINESS:**

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

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

**NOTES:**

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

any other person or shareholder.

5. Corporate Members intending to send their authorised representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013, are requested to send to the Company a certified copy of the relevant Board Resolution together with their respective specimen signature authorizing their representative to attend and vote on their behalf at the Meeting.
6. Members are requested to bring their attendance slips duly completed and signed mentioning therein details of their DP ID and Client ID/ Folio No.
7. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.
8. The Company has notified closure of Register of Members and Share Transfer Books from 17<sup>th</sup> August, 2017 to 30<sup>th</sup> August, 2017 (both days inclusive).
9. Members holding shares in electronic form are requested to intimate immediately any change in their address or to their Depository Participants with whom they are maintaining their DEMAT Accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company / Sharex India Pvt. Ltd.
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their DEMAT Accounts. Members holding shares in physical form can submit their PAN to the Company / Sharex India Pvt. Ltd.
11. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to Sharex India Pvt. Ltd., for consolidation into a single folio.
12. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
13. Members holding shares in their single name are advised to make a nomination in respect of their shareholding in the Company. The Nomination Form can be down from the Companies Website - [www.thechemopharmalaboratoriesltd.com](http://www.thechemopharmalaboratoriesltd.com) by accessing the icon of Companies Act, 2013 Compliance. Members holding shares in physical form should file their Nomination Form with the Company whilst the Members holding shares in dematerialized form should file their Nomination Form with their DP.
14. A Route Map showing directions to reach the venue of the 75<sup>th</sup> Annual General Meeting is given at the end of the notice as per the requirement of Secretarial Standards - 2 on "General Meeting".

### **GENERAL INFORMATION**

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

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

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

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

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

#### **PROCESS FOR MEMBERS OPTING FOR REMOTE E-VOTING**

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

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

**Place: Mumbai  
Date: 22<sup>nd</sup> May, 2017**

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

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

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

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

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

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

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

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

FOR CHEMO PHARMA LABORATORIES LIMITED

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

Place: Mumbai  
Date: 22<sup>nd</sup> May, 2017



**BOARD'S REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

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

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

**FINANCIAL RESULTS****1. OVERVIEW**

The financial statements have been prepared provisions of Section 129 and Schedule III of Companies Act, 2013 and in accordance with the Accounting Principles generally accepted in India including the Accounting Standards specified under Section 133 of the said Act read with Rule 7 of the Companies (Accounts) Rules, 2014. Our management accepts responsibility or the integrity and objectivity of these financial statements, as well as for various estimates and judgments used therein. The estimates and judgments relating to the financial statements have been made on a prudent and reasonable basis, so that the financial statements reflect in a true and fair manner the form and substance of transactions, and reasonably present our state of affairs, profits and cash flows for the year.

**2. FINANCIAL RESULTS**

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

**3. DIVIDEND**

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

**4. SHARE CAPITAL**

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

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

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

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

#### **6. INDUSTRY STRUCTURE AND DEVELOPMENTS**

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

#### **7. OUTLOOK, OPPORTUNITIES AND THREATS**

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

#### **8. RISK AND CONCERN**

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

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

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

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

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

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

#### **10. DIRECTORS**

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

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

## 11. INDEPENDENT DIRECTORS

Independent Directors play an important role in their governance process of the Board. They bring to bear their expertise and experience on the deliberations of the Board. This enriches the decision making process at the Board with different point of view and experiences and prevents conflict of interest in the decision making process.

The appointment of Independent Director is carried out in a structured manner. The Nomination and Remuneration Committee identifies potential candidates based on certain laid down criteria and takes in to consideration the diversity of the Board.

The Independent Directors have been appointed for a fixed tenure of five years from their respective dates of appointment.

None of the Independent Directors serves as "Independent Directors" in more than seven listed entities.

During the year under review, the Independent Directors met on 09<sup>th</sup> January, 2017, inter alia, to discuss:

- (a) Evaluation of the Performance of Non-Independent Directors and the Board of Directors as a whole;
- (b) Evaluation of the Performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors.
- (c) Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present throughout the Meeting. They expressed views on the business transacted at the Meetings and the openness with which the Management discussed various subject matters on the agenda of the meetings. Their suggestions were discussed at the Board Meeting and are being implemented to ensure a more robust interaction at the Board level.

## 12. INDUCTION PROGRAMMEE FOR NEW DIRECTORS AND ONGOING FAMILIRIAZATION PROGRAMMEE FOR EXISTING INDEPENDENT AND NON-INDEPENDENT DIRECTORS

An appropriate induction programme for new Directors and ongoing familiarization with respect to the business/working of the Company for all Directors is a major contribution for meaningful Board Level deliberations and sound business decisions.

At the time of appointing a Director, a formal letter of appointment is given to him/her which, inter alia, explains his/her role, function, duties and responsibilities and the Board's expectations from him/her as a Director of the Company. The Director is also explained in detail the compliances required from him/her under the Act, SEBI Regulations and other relevant regulations and his/her affirmation taken with respect to the same.

A Presentation is also shared with newly appointed Director giving an overarching perspective of the industry, organizational set-up of the Company, the functioning of various divisions/departments, the Company's market in which it operates, governance and internal control process and other relevant information pertaining to the Company's business.

The above initiatives help the Directors to understand the Company, its business and the regulatory framework in which the Company operates and equips him/her to effectively fulfill his/her role as the Director of the Company.

## 13. COMPOSITION OF BOARD OF DIRECTORS

The Company's Board comprises of Five Directors - Two of them are Executive Directors and remaining three are Non-Executive Independent Directors. The Chairman of the Board is Executive Director. The number of Non-Executive Independent Directors is 60% of the total strength of the Board.

During the year, Four (4) Board Meetings were held on 30/05/2016, 22/07/2016, 24/10/2016 and 23/01/2017. 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 2016-2017	Whether attended last AGM	No. of Directorship in other Limited Companies	No. of Membership of committees other than the Company	No. of Chairmanship of committees other than the Company
Shri. Prakash Chand Jain	ID	04	No	01	04	04
Shri. G. K. Joshi	ID	04	No	04	04	04
Shri. Ashok Somani	ED	04	Yes	01	Nil	Nil
Shri. Balkishan Lohia	ID	04	No	Nil	Nil	Nil
Smt. Shanta Somani	ED	04	No	01	Nil	Nil

**ED - Executive Director**

**ID - Independent Director**

#### **14. BOARD COMMITTEES**

The Board has constituted the following Committees of Directors:

##### **(a) AUDIT COMMITTEE**

The constitution of Audit Committee meets with the requirements of Section 178 of the Companies Act, 2013.

##### **i. Terms of Reference**

The Audit Committee acts as link between Statutory and Internal Auditor and the Board of Directors. It assists the Board in fulfilling its oversight responsibilities of monitoring financial reporting processes, reviewing the Company's statutory and internal audit activities. Majority of the members on the Committee, including the Chairman are Independent Directors. The Committee is governed by a Charter which is in line with the Regulatory Requirements mandated under Section 177 of the Companies Act, 2013 read with the Rule 6 of The Companies (Meetings of Board and its Powers) Rules, 2014 and SEBI Regulations. The terms of reference of the Audit Committee are as follows -

1. Review the scope of the Statutory Auditors, the annual audit plan and the Internal Audit
2. Plan with a view to ensure adequate coverage.
3. Review the significant audit findings from the statutory and internal audits carried out, the recommendations and Management's response thereto.
4. Review and recommend to the Board the appointment/re-appointment of the Statutory Auditors and Internal Auditors considering their independence and effectiveness and their replacement and removal.
5. Approve such additional services to be rendered by the Statutory Auditors except those enumerated in Section 144 of the Companies Act, 2013 and payment for such services.
6. To recommend to the Board the remuneration of the Statutory Auditors/Internal Auditors.
7. To discuss with the Statutory Auditors/Internal Auditors any significant difficulties encountered during the course of the Audit.
8. Review Annual Audit Report submitted by the Internal Auditors.

##### **ii. Composition**

The Audit Committee comprises of three members, all of which are Independent Directors. Following are the members of the Committee:

- |                          |          |
|--------------------------|----------|
| 1. Shri. G. K. Joshi     | Chairman |
| 2. Shri. Balkishan Lohia | Member   |
| 3. Shri. P. C. Jain      | Member   |

The Audit Committee met 4 (Four) times i.e. on 30/05/2016, 22/07/2016, 24/10/2016 and 23/01/2017. The attendance of members are as follows:

Name	Category	Meetings during the year 2016-2017	
		Held	Attended
Shri. G. K. Joshi	Chairman	4	4
Shri. Balkishan Lohia	Member	4	4
Shri. P. C. Jain	Member	4	4

**iii. The Board Powers of the Audit Committee include:**

- To investigate any activity within its terms of reference.
- To seek information from any employee.
- To obtain outside legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

**iv. Internal Financial Controls and Governance Process**

- a. Review the adequacy and effectiveness of the Company's system and internal controls.
- b. Review and discuss with the Management, the Company's major financial risk exposures and steps taken by the Management to monitor and control such exposure.
- c. To oversee and review the functioning of vigil mechanism (implemented in the Company as Ethical view Reporting Policy) and to review the findings of investigations into cases of material nature and the actions taken in respect thereof.

All the Members of the Audit Committee possess the requisite qualification for appointment on the Committee and have sound knowledge of finance, accounting practices and internal controls.

The Representative of the Statutory are permanent invitees to the Audit Committees. They have attended all the Audit Committee Meetings held during the year. The Chief Financial Officer (CFO) attended the meetings of Committee. The Company Secretary is the Secretary to the committee meetings of the Company.

**(b) STAKEHOLDERS RELATIONSHIP COMMITTEE**

The Stakeholders Relationship Committee comprises of three Members all of which are Independent Directors. The Committee is governed by a Charter.

**i. Terms of Reference**

The terms of reference of the Committee are as follows -

- a) To scrutinize and approve registration of transfer of shares/ debentures/ warrants issued / to be issued by the Company.
- b) To decide all questions and matters that may arise in regard to transmission of shares / debentures / warrants issued / to be issued by the Company.
- c) To approve and issue duplicate shares / debentures / warrants certificates in lieu of those reported lost.
- d) To refer to the Board and any proposal of refusal of registration of transfer of shares / debentures / warrants for their consideration.

- e) To look into Shareholders and investors complaints like transfer of shares, non- receipt of annual reports, non-receipt of declared dividends, etc.
- f) To delegate all or any of its powers of Officers/ Authorized Signatories of the Company.
- g) To issue new certificates against subdivision of shares, renewal, split or consolidation of share certificates / certificates relating to other securities.
- h) To issue and allot debentures, bonds and other securities, subject to such approvals as may be required;
- i) To approve and monitor Dematerialization of shares / debentures / other securities and all matters incidental or related thereto.
- j) To authorize the Company Secretary and Head Compliance / other Officers of the Share Department to attend to matters relating to non-receipt of annual reports, notices, non-receipt of declared dividend / interest, change of address for correspondence etc. and to monitor action taken.

## ii. **Composition**

The Composition of Members as on 31<sup>st</sup> March, 2017 is as follows:

- |                          |          |
|--------------------------|----------|
| 1. Shri. G. K. Joshi     | Chairman |
| 2. Shri. Balkishan Lohia | Member   |
| 3. Shri. P. C. Jain      | Member   |

The Constitution and Terms of Reference of the Stakeholders Relationship Committee is in pursuance of Regulation 20 of SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 and Section 178(5) of the Companies Act, 2013.

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, which is effective from 15<sup>th</sup> May, 2015.

The Committee met 4 (Four) times i.e. on 30/05/2016, 22/07/2016, 24/10/2016 and 23/01/2017. The attendances of members are as follows:

Name	Category	Meetings during the year 2016-2017	
		Held	Attended
Shri. G. K. Joshi	Chairman	4	4
Shri. Balkishan Lohia	Member	4	4
Shri. P. C. Jain	Member	4	4

## (c) **NOMINATION AND REMUNERATION COMMITTEE**

The Nomination and Remuneration Committee is governed by a Charter. The Chairman along with the other members of the Committee are Independent Directors.

### i. **Terms of Reference**

The terms of reference of the Committee interalia include the following -

- a) Succession planning of the Board of Directors and Senior Management Employees;
- b) Identifying and selection of candidates for appointment as Directors / Independent Directors

- based on certain laid down criteria;
- c) Identifying potential individuals for appointment as Key Managerial Personnel and to other Senior Management positions;
  - d) Formulate and review from time to time the policy for selection and appointment of Directors, Key Managerial Personnel and senior management employees and their remuneration;
  - e) Review the performance of the Board of Directors and Senior Management Employees based on certain criteria as approved by the Board. In reviewing the overall remuneration of the Board of Directors and Senior Management, the Committee ensures that the remuneration is reasonable and sufficient to attract, retain and motivate the best managerial talent, the relationship of remuneration to performance is clear and meets appropriate performance benchmarks and that the remuneration involves a balance between fixed and incentive pay reflecting short term and long term objectives of the Company.

## ii. **Composition**

The Composition of the Nomination and Remuneration Committee as on 31<sup>st</sup> March, 2017 is as follows -

- |                          |          |
|--------------------------|----------|
| 1. Shri. G. K. Joshi     | Chairman |
| 2. Shri. Balkishan Lohia | Member   |
| 3. Shri. P. C. Jain      | Member   |

The Nomination and Remuneration Committee met for only one time during 2016-2017 on 20/07/2016.

Name	Category	Meetings during the year 2016-2017	
		Held	Attended
Shri. G. K. Joshi	Chairman	1	1
Shri. Balkishan Lohia	Member	1	1
Shri. P. C. Jain	Member	1	1

## 15. **BOARD EFFECTIVENESS**

### a. **FAMILIARIZATION PROGRAMME FOR THE INDEPENDENT DIRECTORS**

In compliance with the requirements of SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015, the Company has put in place a familiarization programme for the Independent Directors to familiarize them with their role, rights and responsibility as Directors, the working of the Company, nature of the industry, in which the Company operates the business model etc. The same is also available on the website of the Company and can be accessed.

### b. **PERFORMANCE EVALUATION OF THE BOARD AND INDIVIDUAL DIRECTORS**

Pursuant to the provisions of the Act and the SEBI Regulations, the Board has carried out the annual performance evaluation of the working of its Audit, Nomination and Remuneration and Stakeholder's Relationship Committee respectively. The Chairman of the Board of Directors individually get an overview of the functioning of the Board and its constituents interalia on the following broad criteria i.e. attendance and level of participation independence of judgment exercised by Independent Directors, interpersonal relationship etc.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgement safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors who also reviewed the performance of

the Secretarial Department. The Directors expressed their satisfaction with the evaluation process.

**c. KEY MANAGERIAL PERSONNEL**

The following persons have been designated as Key Managerial Personnel of the Company pursuant to the Section 2 (51) and 203 of the Companies Act, 2013 read with rules there-under -

1. Shri. Ashok Somani - Director and Chief Financial Officer
2. Smt. Shanta Somani - Director and Chief Executive Officer
3. Mrs. Neha Vora - Company Secretary and Compliance Officer

None of the Key Managerial Personnel have resigned during the year.

**16. MEETINGS**

A calendar of Meetings is prepared and circulated in advance to the Directors. During the year, Four (4) Board Meetings, Four (4) Stakeholders Relationship Committee Meetings, One (1) Nomination and Remuneration Committee Meetings and Four (4) Audit Committee Meetings were convened and held. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013. The attendance of Meetings are enumerated in the table below -

<b><u>Board Meetings Held During the Year</u></b>			
<b>Sr. No.</b>	<b>Date on which the Board Meeting was held</b>	<b>Total Strength of the Board</b>	<b>No. of Directors Present</b>
1.	30/05/2016	5	5
2.	22/07/2016	5	5
3.	24/10/2016	5	5
4.	23/01/2017	5	5

<b><u>Stakeholders Relationship Committee Meetings Held During the Year</u></b>			
<b>Sr. No.</b>	<b>Date on which the Committee Meeting was held</b>	<b>Total Strength of the Committee</b>	<b>No. of Members Present</b>
1.	30/05/2016	3	3
2.	22/07/2016	3	3
3.	24/10/2016	3	3
4.	23/01/2017	3	3

<b><u>Audit Committee Meetings Held During the Year</u></b>			
<b>Sr. No.</b>	<b>Date on which the Committee Meeting was held</b>	<b>Total Strength of the Committee</b>	<b>No. of Members Present</b>
1.	30/05/2016	3	3
2.	22/07/2016	3	3
3.	24/10/2016	3	3
4.	23/01/2017	3	3

<b><u>Nomination and Remuneration Committee Meetings Held During the Year</u></b>			
<b>Sr. No.</b>	<b>Date on which the Committee Meeting was held</b>	<b>Total Strength of the Committee</b>	<b>No. of Members Present</b>
1.	20-07-2016	3	3



**17. DIRECTOR'S RESPONSIBILITY STATEMENT**

In terms of Section 134 of the Companies Act, 2013, We, the Directors of Chemo Pharma Laboratories Ltd., state in respect of Financial Year 2016-2017 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 the accounting policies, 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;
- e) The Directors have ensured that Proper Internal Financial Controls were in place and that the financial controls were adequate and were operating effectively.
- f) The Directors reviewed that systems are in compliance with the provisions of all applicable laws and were in place and were adequate and operating effectively.

**18. PARTICULARS OF LOANS, GUARANTEES, OR INVESTMENTS**

Details of Loans, Guarantees or Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to Financial Statements.

**19. RELATED PARTY TRANSACTIONS**

There was no Related Party Transaction pursuant to Section 188 (1) of the Companies Act, 2013 read with Rule 15 of The Companies (Meeting of Board and its Powers) Rules, 2014 and SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015. The policy on Related Party Transaction approved by the Board has been hosted on the Company's Website.

**20. PUBLIC DEPOSIT**

The Company has not accepted any Public Deposit as per Section 73 of the Companies Act, 2013 read with The Companies (Acceptance of Deposits) Rules, 2014 as on 31/03/2017.

**21. PARTICULARS OF EMPLOYEES**

Information as per Section 197 of the Companies Act, 2013 ("the Act") read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, in respect of employees of the Company can be obtained by an interested shareholder by submitting a written request to the Company. This practice is followed as per the provisions of Section 136 (1) of the Act. Thus, the Report and the Accounts are being sent to all Shareholders, excluding the information on employees' particulars under Section 197 of the Act read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 which is available for inspection by the Members at the Registered Office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting. If any Member is interested in obtaining a copy thereof, such Member may write to the Company in this regard.

**22. STATUTORY AUDITORS**

At the last Annual General Meeting, the Statutory Auditors, M/s. VMD & Co. (Firm Registration No. - 125002W), Chartered Accountants were appointed for a term of five years i.e. until the conclusion of Seventy Ninth Annual General Meeting i.e. for the Financial Year 2016-2021 under Section 139 and 142 of the Companies Act, 2013 and the rules framed there-under for appointment as Statutory Auditors of the Company. Necessary resolution for ratification of their appointment as Statutory

Auditors of the Company is being proposed in the Notice of Annual General Meeting for consideration and approval of the members of the Company.

### **23. AUDITOR'S REPORT**

The Statutory Auditors of the Company in their report have not made any adverse comments or qualifications on the accounts of the Company except in respect of disputed demands towards Central Sales Tax, Maharashtra Sales Tax and Income Tax. The explanation given on such disputed demands in the note number 14, 15, and 16 is self explanatory and hence no further comments are required in respect thereof.

### **24. SECRETARIAL AUDIT**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with Rule 9 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors on recommendation of Audit Committee has appointed Kavita Khatri & Associates, Practicing Company Secretaries, to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit Report is annexed herewith as "**Annexure C**".

### **25. INTERNAL AUDIT**

The Board of Directors on recommendation of Audit Committee appointed M/s. Sarda Soni Associates LLP, Practicing Chartered Accountants, to undertake the Internal Audit of the Company pursuant to the provisions of Section 138 of the Companies Act, 2013 read with Rule 13 of The Companies (Accounts) Rules, 2014.

### **26. ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE**

As required under Section 134 of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014, 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.

### **27. EXTRACT OF ANNUAL RETURN**

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as "**Annexure B**".

### **28. CORPORATE GOVERNANCE**

Pursuant to the Regulation 15 of the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015, which is effective from 01<sup>st</sup> December, 2015, the Company is not required to comply with provisions of Corporate Governance as its Paid-up Capital is less than Rs. 10 Crore and its Net worth is also less than Rs. 25 Crore as on 31/03/2017.

### **29. PREVENTION OF INSIDER POLICY**

In January 2015, SEBI notified the SEBI (Prohibition of Insider Trading) Regulations, 2015 which came into force on May 15, 2015. Pursuant thereto, the Company has formulated and adopted a new Code for Prevention of Insider Trading.

The new code viz. "Code of Conduct for Prevention of Insider Trading" allows the formulation of a trading plan subject to certain conditions and requires pre-clearance for dealing in the Company's Shares. It also prohibits the purchase or sale of Company's Shares by the Directors, Designated Employees and Connected Persons, while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading is closed and it has been hosted on the Company's Website. The code is applicable to all Directors and such employees of the Company who have access to unpublished price sensitive information relating to the Company. Transaction for dealing in the prescribed volume of the security of the Company during the prescribed time requires prior approval from the Company.

The Board of Directors in its meeting held on 28<sup>th</sup> May, 2015 adopted the policy. A Copy of Detailed Policy is hosted on the website of the Company.

**30. VIGIL MECHANISM/ WHISTLE BLOWER POLICY**

The Board of Directors in its Meeting held on 26/09/2014 have adopted Vigil Mechanism/ Whistle Blower Policy pursuant to the Section 177(9) of the Companies Act, 2013 read with Rule 7 of (the Companies of Board and its Powers) Rules, 2014 for reporting the genuine concerns of Directors and Employees and also provide adequate safeguards against victimization of persons who use such mechanism. The Details of this policy is published on the website of the Company.

**31. INTERNAL FINANCIAL CONTROL POLICY**

The Board of Directors in its meeting held on 26/09/2014 have adopted Internal Financial Control Policy pursuant to Section 134 (5) of the Companies Act, 2013 for ensuring the orderly and efficient conduct of the business, the safeguarding of the assets, the prevention and detection of frauds and errors, the accuracy and completeness of the Accounting records and timely preparation of reliable financial information. The Details of this policy are published on the website of the Company.

**32. CODE OF CONDUCT OF INDEPENDENT DIRECTORS**

As per the requirement of Schedule IV of the Companies Act, 2013, the Board of Directors adopted Code of Conduct of Independent Director in its meeting held on 26/09/2014, for the fulfillment of their responsibilities in a professional and faithful manner and to promote confidence of the investment community, particularly minority shareholders, regulators of the Company, a copy of detailed policy is published on the website of the Company.

**33. PERFORMANCE EVALUATION POLICY**

As per the Listing Agreement entered into with the Company, every Listed Company needs to adopt Performance Evaluation Policy for annual evaluation of the Board of Directors and of its own performance (self-appraisals) and that of its committees and individual Directors as mentioned under the clause (p) of sub-section (3) of Section 134 of the Companies Act, 2013. The Company adopted it in its meeting dated 29/09/2014, details of this Policy is published on the Website of the Company.

**34. INTERNAL FINANCIAL CONTROL POLICY**

The Board of Directors in its Board meeting dated 29/09/2014 adopted Internal Financial Control Policy pursuant to Section 134 (5) of the Companies Act, 2013 for ensuring the orderly and efficient conduct of the business, the safeguarding of the assets, the prevention and detection of frauds and errors, the accuracy and completeness of the Accounting records and timely preparation of reliable financial information. The Details of this policy are published on the website of the Company.

**35. RISK MANAGEMENT POLICY**

The Board of Directors adopted Risk Management Policy in its meeting held on 29/09/2014 pursuant to the requirement of Section 134 of the Companies Act, 2013, for the purpose of identification of elements of risks which may threaten the existence of the Company, a copy of detailed policy is published on the website of the Company.

**36. ADOPTION POLICIES UNDER SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

The Board of Directors had adopted the policies prescribed under SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015, in its meeting dated 21<sup>st</sup> January, 2016, copies of which is hosted on website of the Company.

The Polices which were adopted are as follows -

- a. Archival Policy
- b. Policy on Determination of Materiality of Events or Information Materiality
- c. Policy on Preservation of Records

d. Policy on Materiality of Related Party

### 37. **GENERAL BODY MEETINGS**

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

#### **Annual General Meetings**

Financial Year	Date	Time	Location
2015-2016	30/08/2016	04:00 P.M.	At Regd. Office, Kumud Apt., Kalyan
2014-2015	28/08/2015	05:00 P.M.	At Regd. Office, Kumud Apt., Kalyan
2013-2014	28/08/2014	05:00 P.M.	At Regd. Office, Kumud Apt., 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

### 38. **OTHER DISCLOSURES**

#### **a. Subsidiary Companies**

The Company has No Subsidiary Companies.

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

#### **c. Detail of Complaints:**

No. of Shareholder's Complaints received during the year : Nil  
 No. of Complaints resolved to the satisfaction of shareholders : Nil  
 No. of pending share transfer : Nil

### 39. **MEANS OF COMMUNICATION:**

#### **1. Quarterly Results:**

The Company has submitted Un-audited Quarterly Result to the **Bombay Stock Exchange.**

#### **2. Newspapers wherein normally published: **Mumbai Lakshdeep, Mahanayak And Financial Express, Mumbai****

3. Whether Management Discussion & Analysis Report is a part of Annual Report: **Yes**

### 40. **GENERAL SHAREHOLDER INFORMATION**

(a) **AGM DATE, TIME AND VENUE:** Annual General Meeting will be held on **Wednesday, 30<sup>th</sup> August, 2017, at 04:00 P.M.** at 5-Kumud Apartment, Co. Op. Hsg. Soc. Ltd., Karnik Road, Chikan Ghar, Kalyan, Dist. Thane - 421301 (Maharashtra).

#### **(b) FINANCIAL CALENDAR FOR 2016-2017**

##### **Tentative Schedule**

Unaudited Results for quarter ending June 30, 2017	upto 14 <sup>th</sup> August, 2017
Unaudited Results for quarter ending September 30, 2017	upto 14 <sup>th</sup> November, 2017
Unaudited Results for quarter ending December 31, 2017	upto 15 <sup>th</sup> February, 2018
Unaudited Results for year ending March 31, 2018	upto 16 <sup>th</sup> May, 2018
Audited Annual Accounts for the year ending March 31, 2018	upto 30 <sup>th</sup> May, 2018

- (c) **DATE OF BOOK CLOSURE:** Share Transfer Register will be closed from **17<sup>th</sup> August, 2017 to 30<sup>th</sup> August, 2017 (both days inclusive)**.
- (d) Dividend payment date: **Not Applicable**
- (e) Company's Shares are listed in **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, 16	17.00	13.20
May, 16	15.26	13.50
June, 16	18.70	15.20
July, 16	24.00	19.50
August, 16	21.20	17.90
September, 16	18.20	14.55
October, 16	23.65	19.10
November, 16	28.70	23.00
December, 16	26.80	22.50
January, 17	22.25	19.45
February, 17	18.50	17.60
March, 17	22.55	15.50

(h) **REGISTRAR AND SHARE TRANSFER AGENTS**

M/s. Sharex Dynamic (India) Pvt. Ltd.  
Unit - 1, Luthra Industrial Premises,  
Andheri-Kurla Road, Safed Pool,  
Andheri (East), Mumbai - 400 072  
Email id - sharexindia@vsnl.com

(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 Stakeholders Relationship 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	18	3002
Other cases	-	-
Deletion	2	52
Transmission	2	150
<b>Total</b>	<b>22</b>	<b>3171</b>

- (j) Dematerialization of shares and liquidity: **YES**
- (k) Outstanding GDRs/Warrants, Convertible Bonds, conversion date and its impact on equity: **NIL**

**(l) DISTRIBUTION OF SHARES AS ON 31/03/2017:**

No. of Shares	No. Shareholders	% of Holding
Up to 500	5775	96.15
501-1000	153	2.55
1001-5000	66	1.10
5001-10000	7	0.12
Above 10001	5	0.08
<b>Total</b>	<b>6006</b>	<b>100.00</b>

**(m) DISCLOSURE IN REGARD TO SECTION 197 OF THE COMPANIES ACT, 2013 READ WITH RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

Information as per Section 197 of the Companies Act, 2013 ("the Act") read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, in respect of employees of the Company can be obtained by an interested shareholder by submitting a written request to the Company Secretary. This practice is followed as per the provisions of Section 136 (1) of the Act. Thus, the Report and the Accounts are being sent to all shareholders, excluding the information on employees' particulars under Section 197 of the Act read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

**(n) DISCLOSURE OF ACCOUNTING TREATMENT**

The Company has followed the Companies (Accounting Standards) Amendment Rules 2016 and amended Accounting Standards prescribed by the Institute of Chartered Accountants of India (ICAI) while preparing Financial Statements of the Company.

**(o) REDRESSAL OF SHAREHOLDERS GRIEVANCE**

The Shareholders of the Company can send their complaints/grievances to either the address of Registered Office as mentioned above or to the Registrar and Share Transfer Agents or to the Corporate Office of the Company which is following:

**Chemo Pharma Laboratories Limited**

03<sup>rd</sup> Floor, Empire House, 214, Dr. D. N. Road, Mumbai - 400 001.

You can also post your query to our Email Address i.e. chemopharmalab@gmail.com

**41. POSTAL BALLOT**

There were no resolution passed through Postal Ballot Mode.

**42. ANNUAL LISTING FEES**

The Company has paid Rs. 2,87,500/- as Listing Fees for the period 01/04/2017 - 31/03/2018.

**43. ENHANCING SHAREHOLDERS VALUE**

Our Company believes that its Members are among its most important stakeholders. Accordingly, our Company's operations are committed to the pursuit of achieving high levels of operating performance and cost competitiveness, consolidating and building for growth, enhancing the productive asset and resource base and nurturing overall corporate reputation. Our Company is also committed to creating value for its other stakeholders by ensuring that its corporate actions positively impact the socio-economic and environmental dimensions and contribute to sustainable growth and development.

**44. CAUTIONARY STATEMENT**

Statements in the Board Report and the 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 in the statement. 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.

#### 45. ACKNOWLEDGEMENT

The Director of the Company are thankful to the Central and State Government Departments for their continued guidance and Co-operation. The Directors also gratefully to all valuable stakeholders of the Company viz. customers, Members, dealers, vendors, banks and other business partners for the excellent support received from them during the year. The Directors place on record their sincere appreciation to all employees of the Company for their unstinted commitment and continued contribution to the Company.

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

**Place: Mumbai**  
**Date: 22<sup>nd</sup> May, 2017**

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

#### **CEO / CFO CERTIFICATE**

We, Shanta Somani, CEO and Ashok Somani, CFO of **Chemo Pharma Laboratories Ltd.** certify to the Board that:

1. We have reviewed the Balance Sheet and Statement of Profit & Loss account for the year ended 31<sup>st</sup> March, 2017 and all its schedules and notes to accounts, as well as the cash flow statement.
2. Based on our 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 our 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 our knowledge, information and belief, no transactions entered into by the Company during the year are fraudulent, illegal or volatile of the Company's Code of Conduct.
5. We are 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. We 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 we are aware and the steps taken or proposed to be taken to rectify the deficiencies.

We 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.
- c) 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.

**Place: Mumbai**  
**Date: 22<sup>nd</sup> May, 2017**

Sd/-  
**SHANTA SOMANI**  
**CEO**

Sd/-  
**ASHOK SOMANI**  
**CFO**

**ANNEXURE B**  
**FORM NO. MGT-9**

**EXTRACT OF ANNUAL RETURN**

as on the Financial Year ended on 31.03.2017

Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Company  
(Management & Administration) Rules, 2014.

**I. REGISTRATION AND OTHER DETAILS:**

i	CIN	L99999MH1942PLC003556
ii	Registration Date	17-08-1942
iii	Name of the Company	CHEMO PHARMA LABORATORIES LIMITED
iv	Category/Sub-category of the Company	Non-govt company
v	Address of the Registered office & contact details	5, Kumud Apartment CHS Limited, Karnik Road Chikan Ghar, Thane, Dist.Kalyan - 421301 Tel No. - 022 22078381/82 Email Id- chemopharmalab@gmail.com
vi	Whether listed company	Yes
vii	Name , Address & contact details of the Registrar & Transfer Agent	Sharex Dynamic (INDIA) Pvt. Ltd. Luthra Ind. Premises, Unit-1, Safeed Pool, Andheri Kurla Road, Andheri East, Mumbai 400 072 Tel No. - (022) 28515606 / 44 E-mail Id : sharexindia@vsnl.com

**II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the Total Turnover of the Company shall be stated

Sr. No	Name & Description of Main Products/Services	NIC Code of the Product /Service	% to Total Turnover of the Company
1.	Pharmaceutical products	99611730	0

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sr. No.	Name & Address of the Company	CIN/GLN.	Holding / Subsidiary / Associate	% of Shares Held	Appl cable Section
N.A.					



## IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as % of Total Equity)

## I) CATEGORY-WISE SHAREHOLDING

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. TABLE-II - STATEMENT SHOWING SHAREHOLDING OF PROMOTERS AND PROMOTERS GROUP</b>									
<b>(1) Indian</b>									
a) Individual/HUF	48781	0	48781	3.25	48781	0	48781	3.25	0
b) Central Govt. or State Govt.	0	0	0	0	0	0	0	0	0
c) Financial Institutions/Banks	0	0	0	0	0	0	0	0	0
d) Any other	369500		369500	24.63	369500	0	369500	24.63	0
<b>SUB TOTAL:(A) (1)</b>	<b>418281</b>	<b>0</b>	<b>418281</b>	<b>27.88</b>	<b>418281</b>	<b>0</b>	<b>418281</b>	<b>27.88</b>	<b>0</b>
<b>(2) Foreign</b>									
a) NRI- Individuals	0	0	0	0	0	0	0	0	0
b) Government	0	0	0	0	0	0	0	0	0
c) Institutions	0	0	0	0	0	0	0	0	0
d) Foreign Portfolio Investors	0	0	0	0	0	0	0	0	0
e) Any other(Specify)	0	0	0	0	0	0	0	0	0
<b>SUB TOTAL (A) (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	<b>418281</b>	<b>0</b>	<b>418281</b>	<b>27.88</b>	<b>418281</b>	<b>0</b>	<b>418281</b>	<b>27.88</b>	<b>0</b>
<b>B. TABLE-III - STATEMENT SHOWING SHAREHOLDING PATTERN OF PUBLIC SHAREHOLDER</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Venture Capital Fund	0	0	0	0	0	0	0	0	0
c) Alternate Investment Funds	0	0	0	0	0	0	0	0	0
d) Foreign Venture Capital Investors	0	0	0	0	0	0	0	0	0
e) Foreign Portfolio Investors	0	0	0	0	0	0	0	0	0
f) Financial Institutions/Banks	0	2496	2496	0.17	0	2496	2496	0.17	0
g) Insurance Companies	0	0	0	0	0	5387	5387	0.35	0.35
h) Provident Funds / Pension Funds	0	0	0	0	0	0	0	0	0
i) Any Others (specify)	0	0	0	0	0	0	0	0	0
<b>SUB TOTAL (B)(1):</b>	<b>0</b>	<b>2496</b>	<b>2496</b>	<b>0.17</b>	<b>0</b>	<b>7883</b>	<b>7883</b>	<b>0.525</b>	<b>0.35</b>
<b>(2) Central Government / State Government / President of India</b>	5387	0	5387	0.36	0	0	0	0	0.36
<b>SUB TOTAL (B)(2)</b>	<b>5387</b>	<b>0</b>	<b>5387</b>	<b>0.36</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.36</b>

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(3) Non Institutions</b>									
(a)i) Individual shareholders holding nominal share capital upto Rs.2 lakhs	97758	810179	907937	60.53	100871	801288	902159	60.15	0.38
(a)ii) Individuals shareholders holding nominal share capital in excess of Rs. 2 lakhs	0	82411	82411	5.49	0	82411	82411	5.49	0
b) NBFC Registered With RBI	0	0	0	0	0	0	0	0	0
c) Employee Trusts	0	0	0	0	0	0	0	0	0
d) Overseas Depositories (holding DR) balancing figure	0	0	0	0	0	0	0	0	0
e) Any Others (specify)	65033	18455	83488	5.57	70811	18455	89266	5.95	0.38
<b>SUB TOTAL (B)(3)</b>	<b>162791</b>	<b>911045</b>	<b>1073836</b>	<b>71.59</b>	<b>171682</b>	<b>902154</b>	<b>1073836</b>	<b>71.59</b>	<b>0</b>
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)+(B)(3)</b>	<b>168178</b>	<b>913541</b>	<b>1081719</b>	<b>72.11</b>	<b>171682</b>	<b>910037</b>	<b>1081719</b>	<b>72.11</b>	<b>0</b>

**C. TABLE IV - STATEMENT SHOWING SHAREHOLDING PATTERN OF NON-PROMOTER - NON-PROMOTER SHAREHOLDER**

1. Custodian / DR Holder - Name of DR Holder (If Available)	0	0	0	0	0	0	0	0	0
2. Employee Benefit Trust (Under SEBI (Share Based Employee Benefit) Regulations, 2014)	0	0	0	0	0	0	0	0	0
<b>Total Non-Promoter - Non - Public Shareholding (C) (1) + (C) (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Grand Total (A+B+C2)</b>	<b>586459</b>	<b>913541</b>	<b>1500000</b>	<b>100</b>	<b>589963</b>	<b>910037</b>	<b>1500000</b>	<b>100</b>	<b>0</b>
<b>Grand Total (A+B+C)</b>	<b>586459</b>	<b>913541</b>	<b>1500000</b>	<b>100</b>	<b>589963</b>	<b>910037</b>	<b>1500000</b>	<b>100</b>	<b>0</b>

**(ii) SHAREHOLDING OF PROMOTERS**

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	S. B. Somani	48781	3.25	0	48781	3.25	0	0
2.	Citric India Limited	369500	24.63	0	369500	24.63	0	0
	<b>Total</b>	<b>418281</b>	<b>27.88</b>	<b>0</b>	<b>418281</b>	<b>27.88</b>	<b>0</b>	<b>0</b>

**(iii) CHANGE IN PROMOTER'S SHAREHOLDING**

Sr. No.	Particulars	Shareholding at the beginning of the Year		Cumulative Shareholding during the Year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	At the beginning of the year	<b>NO CHANGE DURING THE YEAR</b>			
2	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/ sweat equity etc)				
3	At the End of the year				

**(iv) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRS AND ADRS)**

Sr. No.	Name of Top Ten Shareholders	Folio No.	Shareholding at the Beginning of the Year		Cumulative Shareholding during the Year	
			No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
1	Shree Consultation and Services Pvt. Ltd.	00244492	54500	3.63	Nil	Nil
2.	Shri. Ravindra Somani	001324	47411	3.16	Nil	Nil
3.	Beacon Credit Cap Pvt. Ltd.	0378024	7923	0.52	Nil	Nil
4.	B.D. Somani HUF	001284	7500	0.50	Nil	Nil
5.	Sudha Agarwal	01474610	7500	0.50	Nil	Nil
6.	M/s. Chemage Limited	001216	7087	0.47	Nil	Nil
7.	Mr. Umashankar Agarwal	002230	6350	0.42	Nil	Nil
8.	Mr. Mahesh P. Wadhwa	010254	5500	0.37	Nil	Nil
9.	Life Insurance Corporation of India	10000012	5387	0.36	Nil	Nil
10.	Shri. Damodar Lal Singi	000676	5210	0.35	Nil	Nil

Sr. No.	Name of Top Ten Shareholders	Folio No.	Shareholding at the End of the year		Cumulative Shareholding during the Year	
			No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
1	Shree Consultation and Services Pvt. Ltd.	00244492	54500	3.63	Nil	Nil
2.	Shri. Ravindra Somani	001324	47411	3.16	Nil	Nil
3.	Sudhir Harilal Kale	001289	35000	2.33	Nil	Nil
4.	Beacon Creditcap Pvt Ltd	0378024	7973	0.52	Nil	Nil
5.	B.D. Somani HUF	001284	7500	0.50	Nil	Nil
6.	M/s. Chemage Limited	001216	7087	0.47	Nil	Nil
7.	Mr. Umashankar Agarwal	002230	6350	0.42	Nil	Nil
8.	Mr. Mahesh P. Wadhwa	010254	5500	0.37	Nil	Nil
9.	Life Insurance Corporation of India	10000012	5387	0.36	Nil	Nil
10.	Shri. Damodar Lal Singi	000676	5210	0.35	Nil	Nil

**(v) SHAREHOLDING OF DIRECTORS & KMP**

Sr. No.	Name of Directors and KMP - Shri. Ashok Somani	Shareholding at the Beginning and end of the Year		Cumulative Shareholding during the Year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
1.	At the beginning of the year	3	0.00	NIL	NIL
2.	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc)	NIL	NIL	NIL	NIL
3.	At the end of the year	3	0.00	NIL	NIL

Sr. No.	Name of Directors and KMP - Shri. B. K. Lohia	Shareholding at the Beginning and end of the Year		Cumulative Shareholding during the Year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
1.	At the beginning of the year	3	0.00	NIL	NIL
2.	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc)	NIL	NIL	NIL	NIL
3.	At the end of the year	3	0.00	NIL	NIL

**(V) INDEBTEDNESS**

Indebtedness of the Company including interest outstanding / accrued but not due for payment

NIL DURING THE YEAR

**(VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole-time Directors and/or Manager :**

Sr. No.	Particulars of Remuneration	ASHOK SOMANI (EXECUTIVE DIRECTOR AND CFO)	Total
1	<b>Gross salary</b>	<b>AMT. (in Rs.)</b>	<b>AMT. (in Rs.)</b>
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	2,64,000	2,64,000
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	0	0
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	0	0
2	Stock option	0	0
3	Sweat Equity	0	0
4	Commission	0	0
	a. as % of profit	0	0
	b. others (specify)	0	0
5	Others, please specify	0	0
	<b>Total (A)</b>	2,64,000	2,64,000
	<b>Ceiling as per the Act</b>		

**B. Remuneration to other directors**

Sr. No.	Particulars of Remuneration	Name of the Directors
NOT GIVEN TO ANY OTHER DIRECTORS		

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		Mrs. Shanta Somani (CEO)	Mrs. Neha Vora (Company Secretary)	Mr. Ashok Somani (CFO)	
1	<b>Gross salary</b>				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	0	1,03,000	2,64,000	3,67,000
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	0	0	0	0
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	0	0	0	0
2	Stock Option	0	0	0	0
3	Sweat Equity	0	0	0	0
4	Commission	0	0	0	0
	a. as % of profit	0	0	0	0
	b. others, specify	0	0	0	0
5	Others, please specify	0	0	0	0
	<b>Total</b>	<b>0</b>	<b>1,03,000</b>	<b>2,64,000</b>	<b>3,67,000</b>

**VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding Fees imposed	Authority (RD / NCLT / COURT)	Appeal made, if any (give details)
<b>NIL DURING THE YEAR</b>					

**ANNEXURE - C****SECRETARIAL AUDIT REPORT**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,  
The Members,  
M/s. Chemo Pharma Laboratories Ltd,  
5, Kumud Apartment CHS Limited,  
Karnik Road Chikan Ghar, Kalyan,  
Thane, Maharashtra - 421301.

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices followed by **M/s. Chemo Pharma Laboratories Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, that the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2017 has complied with the Statutory provisions listed hereunder and also that the Company has followed proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2017 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment.
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015

I have also examined compliance with the applicable clauses of the following: (i) Secretarial Standards issued by The Institute of Company Secretaries of India and (ii) the Listing Obligation Disclosure Requirement, 2015 entered into by the Company with BSE Ltd.

I report that, during the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

And as the production unit of the Company is closed And currently the Company is not engaged in any other business activity, therefore there are no other laws which are specifically applicable to the Company.

I further report that, there were no event/ actions in pursuance of :

- a. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- b. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- c. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- e. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and
- f. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.

I further report that, based on the information provided and the representation made by the Company and also on the review of the compliance report of the Company Secretary/Chief Executive Officer taken on record by the Board of Directors of the Company, in my opinion, adequate systems and processes exist in the Company to monitor and ensure compliance with provisions of applicable general laws like labour laws and environmental laws.

I further report that, the compliance by the Company of applicable financial laws like direct and indirect tax laws and maintenance of financial records and books of accounts has not been reviewed in this audit since the same have been subject to review by statutory financial audit and other designated professionals.

I further report that, the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors and there were no change in the composition of the Board of Directors during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance to all Directors and a system exist for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly records and signed by the Chairman the decisions of the Board were unanimous and there were no dissenting views and records.

I further report that, there are adequate system and process in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period of the Company, there were no specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc. referred to above.

**For Kavita Khatri & Associates  
Company Secretaries**

**Date: 22/05/2017  
Place: Ahmedabad**

**Sd/-  
Kavita Khatri  
[Proprietor]**

This report is to be read with our letter of even date which is annexed as Annexure- I and forms an integral part of this report.



**"Annexure- I"**

To,  
The Members,  
Chemo Pharma Laboratories Ltd,  
5, Kumud Apartment CHS Limited,  
Karnik Road Chikan Ghar, Kalyan,  
Thane, Maharashtra-421301.

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices that we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of Financial Records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events, etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Kavita Khatri & Associates  
Company Secretaries**

**Date: 22/05/2017  
Place: Ahmedabad**

**Sd/-  
Kavita Khatri  
[Proprietor]**

**Auditor's Report On Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

To

**Board of Directors of CHEMO PHARMA LABORATORIES LTD.**

We have audited the quarterly financial results of CHEMO PHARMA LABORATORIES LTD. for the quarter ended 31st March, 2017 and the year to date results for the period 01/04/2016 to 31/03/2017, attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. These quarterly financial results as well as the year to date financial results have been prepared on the basis of the interim financial statements, which are the responsibility of the company's management. Our responsibility is to express an opinion on these financial results based on our audit of such interim financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard for Interim Financial Reporting (AS 25), prescribed, under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder; or by the Institute of Chartered Accountants of India<sup>1</sup>, as applicable and other accounting principles generally accepted in India.

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 results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

In our opinion and to the best of our information and according to the explanations given to us these quarterly financial results as well as the year to date results:

- (i) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard; and
- (ii) give a true and fair view of the net profit and other financial information for the quarter ended 31st March, 2017 as well as the year to date results for the period from 01/04/2016 to 31/03/2017.

**Place: Mumbai**  
**Date: 22<sup>nd</sup> May 2017**

**FOR VMD & CO.**  
**Chartered Accountants**  
**(FRN: 125002W)**

**Sd/-**  
**CA Amit Ganpule**  
**Partner**  
**MRN: 114222**  
**No. : A/02/0517**

## INDEPENDENT AUDITORS' REPORT

To  
The Members of CHEMO PHARMA LABORATORIES LTD.

### **Report on the Financial Statements**

We have audited the accompanying financial statements of **Chemo Pharma Laboratories Ltd.** ('the Company'), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

### **Management's responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting principles generally accepted in India, including the accounting standards specified under section 133 of the act, read with rule 7 of the companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provisions of the act for safeguarding the assets of the company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgment and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditors Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the act and the rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by company's directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the

aforesaid financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017 and its profit and its cash flows for the year ended on that date.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order 2016 ('the order') issued by the Central Government of India in terms of section 143 (11) of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by section 143(3) of the Act, we report that:
  - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - d. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014.
  - e. on the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of sub section (2) of section 164 of the Companies Act, 2013.
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'.
  - g. With respect to the other matters included in the Independent Auditor's report, in our opinion and to the best of our information and according to the explanations given to us:
    - 1) The company has disclosed the impact of pending litigation on its financial position in its financial statement.
    - 2) The company has made provision, as required under the applicable law or Accounting Standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.
    - 3) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by Company.
    - 4) The Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank notes during the period from 8<sup>th</sup> November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note 20 to the financial statements.

**FOR VMD & CO.**  
**Chartered Accountants**  
**(FRN: 125002W)**

**Sd/-**  
**CA Amit Ganpule**  
**Partner**  
**MRN: 114222**  
**No. : A/02/0517**

**Place: Mumbai**  
**Date: 22<sup>nd</sup> May 2017**

## **ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT**

**(Referred to in Paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

**Report on Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government in terms of section 143(11) of the Companies Act, 2013**

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed Assets were physically verified by the Management during the current year. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its Fixed Assets.
- (c) The company does not have immovable property, Hence the paragraph 3(i)(c) of the order is not applicable.
- (ii) The company does not have any inventory accordingly, the paragraph 3(ii) of the order is not applicable.
- (iii) (a) The company has given loans to one party covered in the register maintained under section 189 of the Companies Act, 2013.
- (b) In the case of the loans granted to the company in the register maintained under section 189 of the Act, the borrowers have been regular in the payment of the interest as stipulated. The terms of arrangements do not stipulate any repayment schedule and are repayable on demand. Accordingly, paragraph 3(iii)(b) of the Order is not applicable to the Company in respect of repayment of the principal amount.
- (c) There are no overdue amounts in respect of the loans granted to the companies listed in the register maintained under section 189 of the Act.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect to the loans and investments made.
- (v) In our opinion and according to the information and explanations given to us, no fixed deposits were accepted from the public.
- (vi) In our opinion, clause 3(vi) of the order for maintenance of the cost records under section 148(1) of the Companies Act 2013 is not applicable to the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amount deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Income Tax, Value added Tax, Service Tax, Cess and other material Statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.  
  
According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Income Tax, Value added Tax, Service Tax, Cess and other material Statutory dues were in arrears as at 31st March, 2017 for a period of more than six months from the date they become payable.
- (b) According to the information and 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 except in cases where there is a dispute. The details of dispute and the forum where such disputes are pending is 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 & Maharashtra Sales Tax	18,05,093	Appeal before sales tax authority
Income Tax Act	Penalty Tax	60,47,659	Appeal before ITAT
Income Tax Act	Income Tax	31,77,291	Appeal before ITAT
Central Sales Tax Act	Central Sales Tax	1,67,560	Company has filed an appeal against order in High Court
Maharashtra Sales Tax Act	Sales Tax	9,50,255	Company has filed an appeal against order in High Court

- (viii) The company does not have any loans or borrowings from any Financial Institution, Banks, Government or Debenture Holders during the year. Accordingly, paragraph 3(vii) of the order is not applicable.
- (ix) The company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3(ix) of the order is not applicable.
- (x) 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.
- (xi) The Company has not paid any managerial remuneration for the year hence clause 3(xi) of the order is not applicable.
- (xii) The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with section 177 and 188 of the act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause 3(xiv) is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected to its Directors and hence provisions of Section 192 of the Act are not applicable.
- (xvi) The Company is not required to be registered under Section 45-I of the Reserve Bank of India Act, 1934.

Place: Mumbai  
Date: 22<sup>nd</sup> May 2017

**FOR VMD & CO.**  
**Chartered Accountants**  
**(FRN: 125002W)**

Sd/-  
**CA Amit Ganpule**  
**Partner**  
**MRN: 114222**  
**No. : A/02/0517**

## **Annexure B**

**To The Independent Auditor's Report of even date on the Financial Statements of Chemo Pharma Laboratories Ltd.**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

To

**The Members of Chemo Pharma Laboratories Ltd.**

We have audited the internal financial controls over financial reporting of **Chemo Pharma Laboratories Ltd.** ("the Company") as of 31 March 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**Place: Mumbai**  
**Date: 22<sup>nd</sup> May 2017**

**FOR VMD & CO.**  
**Chartered Accountants**  
**(FRN: 125002W)**

**Sd/-**  
**CA Amit Ganpule**  
**Partner**  
**MRN: 114222**  
**No. : A/02/0517**



**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2017**

	NOTES	31 <sup>st</sup> March, 2017 (in Rupees)	31 <sup>st</sup> March, 2016 (in 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	85,226,350	38,385,092
<b>Sub Total</b>		<b>100,226,350</b>	<b>53,385,092</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)	-	-
Other Current Liabilities	5(ii)	276,140	534,730
Short-Term Provisions	5(iii)	5,490,990	225,042
<b>Sub Total</b>		<b>5,767,130</b>	<b>759,772</b>
<b>GRAND TOTAL</b>		<b>107,190,456</b>	<b>55,341,840</b>
<b>2 ASSETS</b>			
a. <b>Non-Current Assets</b>			
i. <b>Fixed Assets</b>			
Tangible Assets	6	<b>93,685</b>	<b>43,945</b>
ii. <b>Non-Current Investment</b>	7	<b>187,625</b>	<b>16,843,701</b>
iii. <b>Long Term Loans and Advances</b>	8	<b>15,670,250</b>	<b>16,561,356</b>
iv. <b>Current Assets</b>	9		
Cash & Cash Equivalents		68,733,896	4,387,838
Short -Term Loans & Advances		22,505,000	17,505,000
<b>Sub Total</b>		<b>91,238,896</b>	<b>21,892,838</b>
<b>GRAND TOTAL</b>		<b>107,190,456</b>	<b>55,341,840</b>

As per our Report Annexed

For VMD & Co.  
Chartered Accountants  
Firm Reg. No. 125002W

Sd/-  
CA Amit Ganpule  
Partner (Membership No. 114222)  
No.: A/02/0517

Place : Mumbai  
Date : 22<sup>nd</sup> May, 2017

On behalf of Board of Directors

Sd/-  
G. K. JOSHI  
DIRECTOR  
DIN NO.: 01032861

Sd/-  
ASHOK SOMANI  
DIRECTOR  
DIN NO.: 03063364

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017**

	NOTES	31 <sup>st</sup> March, 2017 (in Rupees)	31 <sup>st</sup> March, 2016 (in Rupees)
<b>Continuing Operations</b>			
<b>I. INCOME</b>			
Other Income	10	56,080,714	4,918,799
<b>Total Revenue (I)</b>		<b>56,080,714</b>	<b>4,918,799</b>
<b>II. EXPENSES</b>			
1 Employee Benefit Expenses	11	804,810	541,766
2 Other Expenses	12	1,919,386	1,190,744
<b>Total (II)</b>		<b>2,724,196</b>	<b>1,732,510</b>
Gross Profit / (Loss)		53,356,518	3,186,289
Less: Depreciation for the Year		260	-
Profit /(Loss) Before Taxation		53,356,258	3,186,290
Less: Tax Expenses (Current Year)		6,515,000	1,011,500
Tax adjusted for previous year		-	6,353
<b>Profit /(Loss) After Taxation</b>		<b>46,841,258</b>	<b>2,168,436</b>
<b>Earnings per Equity Share (Nominal Value of Share Rs.10/-)</b> <b>(31st March, 2017 : Rs.10/-)</b>			
<b>Basic and Dilluted</b>		<b>31.23</b>	<b>1.45</b>
The accompanying notes are intergal part of financial statement Summary of significant accounting policies	1		

For VMD & Co.  
Chartered Accountants  
Firm Reg. No. 125002W

Sd/-  
CA Amit Ganpule  
Partner (Membership No. 114222)  
No.: A/02/0517

Place : Mumbai  
Date : 22<sup>nd</sup> May, 2017

On behalf of Board of Directors

Sd/-  
G. K. JOSHI  
DIRECTOR  
DIN NO.: 01032861

Sd/-  
ASHOK SOMANI  
DIRECTOR  
DIN NO.: 03063364

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017**

PARTICULARS	31 <sup>st</sup> March, 2017 (in Rupees)	31 <sup>st</sup> March, 2016 (in Rupees)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax and extraordinary items	53,356,258	3,186,289
<b>Adjustment for</b>		
Depreciation	260	-
Liabilities written back	-	-
Dividend received	(3,500)	(2,622)
Interest received	(5,240,089)	(4,864,591)
<b>Operating profit before working capital changes</b>	<b>48,112,929</b>	<b>(1,680,924)</b>
<b>Adjustment for</b>		
Increase (Decrease) in other Current Liabilities	5,007,358	(2,815,970)
Decrease (increase) in Current Assets	891,107	1,030,476
Increase in Fixed Assets	(50,000)	-
Decrease in Investment	16,656,076	-
<b>Cash Generated From Operation</b>	<b>22,504,541</b>	<b>(1,785,494)</b>
Taxes Paid	(6,515,000)	(792,811)
<b>A. Cash Flow From Operating Activities</b>	<b>64,102,470</b>	<b>(4,259,229)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Dividend received	3,500	2,622
Interest received	5,240,089	4,864,591
Inter-corporate Deposit	-	-
<b>Cash Flow From Investing Activities</b>	<b>5,243,589</b>	<b>4,867,213</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest Paid	-	-
Long Term Borrowings	-	-
Short Term Borrowings	(5,000,000)	-
<b>Cash Flow From Financing Activities</b>	<b>(5,000,000)</b>	<b>-</b>
Net increase/(decrease) in cash and cash Equivalents	64,346,059	607,984
Opening balance of Cash and Cash Equivalents	4,387,837	3,779,853
<b>Closing Balance of Cash and Cash Equivalents</b>	<b>68,733,896</b>	<b>4,387,837</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 VMD & Co.**  
Chartered Accountants  
Firm Reg. No. 125002W

Sd/-  
CA Amit Ganpule  
Partner (Membership No. 114222)  
No.: A/02/0517

Place : Mumbai  
Date : 22<sup>nd</sup> May, 2017

Sd/-  
G. K. JOSHI  
DIRECTOR  
DIN NO.: 01032861

Sd/-  
ASHOK SOMANI  
DIRECTOR  
DIN NO.: 03063364

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017****1. Significant Accounting policies :****A) General :****Basis of preparation of Financial Statements**

The Financial Statement have been prepared on accrual basis under the historical cost convention in accordance with the generally accepted Accounting principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 133 of the Companies Act 2013 and the relevant provisions of the Companies Act 2013.

All Assets and Liabilities have been classified as current or non-current as per the operating cycle criteria set out in the Schedule III to the Companies Act 2013

**B) Fixed Assets :**

Fixed Assets are valued at cost of acquisition less depreciation.

**C) Depreciation :**

As per the requirement of Schedule II of the Companies Act, 2013 effective from April 1, 2014. The Company has been charging depreciation based on the useful lives of the assets.

**D) Investment :**

Long Term Investments are stated at cost less provision for diminution in value other than temporary if any.

**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.

**F) Cash & Cash equivalents :**

In the cash flow statements cash and cash equivalents includes cash in hand, term deposit with Bank and other short term highly liquid investments with original maturities of three months or less.

**G) Earning per share :**

The earnings consider in ascertaining the Company's earning per share (EPS) comprise of the net profit after tax after reducing dividend on cumulative preference shares for the period (irrespective of whether declared, paid or not), as per Accounting Standard 20 on "Earning per share"

**H) Taxes on Income :****i. Current tax :**

Provision for current income tax is made on the taxable income using the applicable tax rates and tax laws. Advance income tax and provision for current tax is disclosed in the Balance Sheet at net as these are settled on net basis.

**ii. Deferred tax:**

Deferred tax arising on account of timing differences and which are capable of reversal in one or more subsequent period is recognised using the tax rate tax laws that have been enacted or substantively enacted. Deferred tax assets are not recognised unless there is virtual certainty with respect to the reversal of the same in future years

**I) Provisions and contingent liability :**

Provisions are recognised when the Company has a present obligation as a result of past events, it is more likely than not that and outflow resources will be required to settle the obligation, and the amount has been reliably estimated. A contingent liability is disclosed where there is a possible obligation or a present obligation that may, but probably will not require an outflow resource.

**J) Revenue recognition :**

Revenue / income and cost / expenditure are generally accounted on accrual as they are earned or incurred

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017**

	31 <sup>st</sup> March, 2017 (in Rupees)	31 <sup>st</sup> March, 2016 (in Rupees)
<b>2 Share Capital :</b>		
<b>Authorised shares:</b>		
97,50,000 Equity Shares of Rs.10/- each	97,50,000	97,50,000
25,000 Preference Shares of Rs.100/- each	2,50,000	2,50,000
<b>TOTAL</b>	<b>100,00,000</b>	<b>100,00,000</b>
<b>Issued ,Subscribed and fully paid-up Shares</b>		
15,00,00 Equity Shares of Rs.10/- each	15,00,000	15,00,000
Nil Preference Shares of Rs.100/- each	Nil	Nil
<b>TOTAL</b>	<b>15,00,000</b>	<b>15,00,000</b>
<b>A) Reconciliation of the Shares outstanding at the beginning and at the end of reporting period</b>		
<b>Equity Shares</b>	<b>Nos.</b>	<b>Nos.</b>
At the beginning of the period	1,50,000	15,00,000
Issued during the period ( Bonus Issue)	-	Nil
Issued during the period	-	Nil
<b>Outstanding at the end of the period</b>	<b>1,50,000</b>	<b>15,00,000</b>
<b>Preference Shares</b>	<b>Nos.</b>	<b>Nos.</b>
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, 2017, the amount of per Share Dividend recognized as distribution to Equity Shareholders was Rs. Nil (31 March 2016 : Rs. Nil)

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

Sr. No.	Name of the Shareholders	31.03.2017		31.03.2016	
		No. of Shares Held	Percentage of Holding	No. of Shares Held	Percentage of Holding
1.	M/s Citric India Limited	369,450	24.63	369,450	24.63

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017**

		31 <sup>st</sup> March, 2017 (in Rupees)	31 <sup>st</sup> March, 2016 (in 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	(13,029,646)		
Add/(Less): (Loss)/Profit During the Year	46,841,258		
	-	33,811,612	(13,029,646)
	<b>TOTAL</b>	<b>85,226,350</b>	<b>38,385,092</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>		-	-
<b>ii) Other Current Liabilities :</b>			
Other Liabilities		276,140	534,730
		<b>276,140</b>	<b>534,730</b>
<b>iii) Short term provisions :</b>			
Provision for Income Tax		5,490,990	225,042
	<b>TOTAL</b>	<b>5,490,990</b>	<b>225,042</b>

**6. FIXED ASSETS :**

Particulars	AT COST				Depreciation (On Written Down Value Basis)					Net Block As On 31.3.2017 (Rs.)
	As On 31.03.2016 (Rs.)	Additions During the Year (Rs.)	Deductions During the Year (Rs.)	Total As On 31.03.2017 (Rs.)	Upto 31.03.2016 (Rs.)	For the Year (Rs.)	Transition Adjustment to Schedule II	On Disposals & Adjustment (Rs.)	Total As On 31.03.2017 (Rs.)	
<b>(A) TANGIBLE ASSETS:</b>										
Vehicle	878,890	-	-	878,890	834,945	-	-	-	834,945	43,945
Computer	-	50,000	-	50,000	-	260	-	-	260	49,740
<b>Total (A)</b>	<b>878,890</b>	<b>50,000</b>	<b>-</b>	<b>928,890</b>	<b>834,945</b>	<b>260</b>	<b>-</b>	<b>-</b>	<b>835,205</b>	<b>93,685</b>
Previous Year	878,890	-	-	878,890	834,945	-	-	-	834,945	43,945

1. Rs. 43945/- Represents Salvage Value @ 5% of the cost

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

	31 <sup>st</sup> March, 2017 (in Rupees)	31 <sup>st</sup> March, 2016 (in Rupees)
<b>7 Non-Currenet 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 - <u>No. of Shares</u>		
Emami Limited of Rs.10 each fully paid (Market Value Rs. 1054.90) 168	100	100
Reliance Chemotex Inds. Ltd of Rs.16 fully paid (Market value Rs. 69.20) 1900	66,500	66,500
Reliance Power Ltd of Rs.10 fully paid (Market value Rs. 48.07) 88	24,750	24,750
<b>(Agreegate Market Value of Quoted Shares Rs. 3,12,933/-)</b>	<b>91,350</b>	<b>91,350</b>
<b>c. Shares in Joint Stock Companies- Trade :</b>		
Equity Shares of Tecil Chemicals & HP Ltd of Rs.10 5236930	-	16,656,076
Equity Shares of Citric India Ltd. of Rs.10/- each 27000	60,750	60,750
	<b>60,750</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
	<b>30,025</b>	<b>30,025</b>
<b>TOTAL</b>	<b>187,625</b>	<b>16,843,701</b>
<b>8 Long Term Loans and Advances :</b>		
Intercorporate Deposits- Unsecured	15,350,200	15,737,801
Advance to Staff	-	65,000
Deposit Against Sales Tax	-	419,000
Advance Tax paid	320,050	339,555
<b>TOTAL</b>	<b>15,670,250</b>	<b>16,561,356</b>
<b>9 Current Assets :</b>		
<b>i. Cash &amp; Cash Equivalent :</b>		
Cash in Hand	5,462	24,794
With Scheduled Bank Current Account	68,728,434	4,363,044
<b>TOTAL</b>	<b>68,733,896</b>	<b>4,387,838</b>
<b>ii. Short Term Loans and Advances :</b>		
Security Deposits	5,000	5,000
Inter Corporate Loan Given -others unsecured	22,500,000	17,500,000
<b>TOTAL</b>	<b>22,505,000</b>	<b>17,505,000</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017**

	31 <sup>st</sup> March, 2017 (in Rupees)	31 <sup>st</sup> March, 2016 (in Rupees)
<b>10 Other Income :</b>		
Dividend Received	3,500	2,622
Interest Received	5,240,089	4,864,591
Profit on Sales of Shares	50,638,475	-
Sundry Balance Written Back	198,650	51,586
<b>TOTAL</b>	<b>56,080,714</b>	<b>4,918,799</b>
<b>11 Employee Benefit Expenses :</b>		
Director Remuneration	246,000	216,000
Ex - Gratia	42,810	27,995
Salary to Staff	516,000	297,771
<b>TOTAL</b>	<b>804,810</b>	<b>541,766</b>
<b>12 Other Expenses :</b>		
Advertisement & Publicity	30,578	48,204
Annual Listing Fees	256,480	245,330
Audit Fees	22,650	11,236
Bank Charges	1,948	1,187
Excess Income- Tax Provision	32,858	-
General Expenses	2,100	1,500
Rent paid	24,000	24,000
Penalty & Interest Paid on Profession Tax	1,756	-
Postal Charges	48,566	90,570
Printing & Stationery	88,905	119,987
Professional & Legal Fees	698,527	476,225
Rates & Taxes	80,122	17,762
Share Registry Expenses	92,391	115,981
Donation	100,000	-
Sundry Balance Written Off	438,505	38,762
<b>TOTAL</b>	<b>1,919,386</b>	<b>1,190,744</b>

- 13** Company has discontinued manufacturing operations inspite of that accounts have been prepared on Going Concern Basis.
- 14** During the year Company has sold entire holding in Tecil Chemicals & Hydro Power Ltd. Along with other promoter of TECIL as per SPA signed on 10.03.2017
- 15** 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. As per the I T A T Order dated 14th June, 2013, The above case is pending before CIT(Appeal). 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 made in the account.
- 16** 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. Hence, no provision required to be made in the accounts.
- 17** The Company has received Notice from Sale Tax Department for payment of BST Rs. 9,50,255/- and CST Rs. 1,67,560/- for Financial Year 1989-1990 for which Company has filed an appeal before Hon'ble High Court, Bombay and Company assumed that no demand will be there. Therefore, no provision has been made in the accounts.



**18 Earning Per Shares (EPS) computed in accordance with Accounting Standard 20:**

	Particulars	Year ended 31.03.2017	Year ended 31.03.2016
A	(Loss)/Profit After Tax as per Accounts	46,841,258	2,168,436
B	Number of Shares	1,500,000	1,500,000
C	Basic & Diluted EPS	31.23	1.45
D	Nominal Value of Equity Shares	Rs.10/-	Rs.10/-

**19 RELATED PARTY DISCLOSURE :****A) List of Related Parties:**

- a. Associates Nil
- b. Enterprise owned or significantly influenced by key management personnel or their relatives.
  - 1) M/s Citric India Ltd.

**Note:**

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

**20** Company Shall disclose the details of Specified Bank Notes (SBN) held and transacted during the period 08/11/2016 to 30/12/2016 as provided in the Table below:

	SBNs	other denomination Notes	Total
Closing Cash in hand as on 08.11.2016	300,000.00	6,355.50	306,355.50
(+) Permitted receipts	-	-	-
(-) Permitted payments	-	-	-
(-) Amount deposited in Banks	300,000.00	-	300,000.00
Closing Cash in hand as on 30.12.2016	Nil	6,355.50	6,355.50

**21** In view of discontinuance of manufacturing operations and uncertainty in set off of 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** Previous year's figures have been regrouped wherever necessary.

For VMD & Co.  
Chartered Accountants  
Firm Reg. No. 125002W

Sd/-  
CA Amit Ganpule  
Partner (Membership No. 114222)  
No.: A/02/0517

Place : Mumbai  
Date : 22<sup>nd</sup> May, 2017

For & On behalf of Board of Directors

Sd/-  
G. K. JOSHI  
DIRECTOR  
DIN NO.: 01032861

Sd/-  
ASHOK SOMANI  
DIRECTOR  
DIN NO.: 03063364

## ROUTE MAP OF THE AGM VENUE

5, Kumud Apartment CHS. Ltd., Karnik Road, Chikan Ghar, Kalyan, Dist. Thane - 421301.



## CHEMO PHARMA LABORATORIES LIMITED

**Registered Office:** 5-Kumud Apartment Co. Op. Hsg. Soc. Ltd., Karnik Road, Chikan Ghar, Kalyan,  
Dist. Thane- 421301 Tel No. - (022) 22078381/22078382  
CIN No.-L99999MH1942PLC003556

Website: [www.thechemopharmalaboratoriesltd.com](http://www.thechemopharmalaboratoriesltd.com) Email Id: [chemopharmalab@gmail.com](mailto:chemopharmalab@gmail.com)

### **FORM NO. MGT-11** **PROXY FORM**

**(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of The Companies (Management and Administration) Rules, 2014)**

Name of the Member (s)		
Registered Address		
E-mail Id	Folio No. / Client ID	DP ID

I/We, being the member(s) of \_\_\_\_\_ shares of the above named company, hereby appoint

Name :	E-mail Id :
Address :	
Signature, or failing him	
Name :	E-mail Id :
Address :	
Signature, or failing him	
Name :	E-mail Id :
Address :	
Signature, or failing him	

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **75<sup>th</sup> Annual General Meeting** of the Company, to be held on **30<sup>th</sup> August, 2017, Wednesday at 04:00 p.m. at 5, Kumud CHS. LTD, Karnik Road, Chikan Ghar, Kalyan, Dist. Thane – 421 301** and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr. No.	Resolutions	Vote	
		For	Against
1.	To consider and adopt Audited Financial Statement, Reports of the Board of Directors and Auditors and Audited Consolidated Financial Statement as on 31 <sup>st</sup> March, 2017		
2.	Re-appointment of Shri. Ashok Somani, who retires by rotation		
3.	To Ratify Appointment of Statutory Auditors and fix their remuneration and in this regard to consider and if thought fir, to pass with or without modification		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2017

Affix  
Revenue  
Stamps

\_\_\_\_\_  
Signature of first  
proxy holder

\_\_\_\_\_  
Signature of second  
proxy holder

\_\_\_\_\_  
Signature of third  
proxy holder

**Note :**

- 1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
- 2) The proxy need not be a member of the Company.

Book Post

**If undelivered please return to :**  
**CHEMO PHARMA LABORATORIES LTD.**  
Empire House, 3rd Floor 214, Dr. D. N. Road,  
Fort, Mumbai – 400 001