

CORPORATE GOVERNANCE REPORT

1. Company's Philosophy on Code of Governance :

Your Company is fully committed to the principles of transparency, integrity and accountability in all spheres of its operations and has been practicing the principles of good corporate governance over the years. In keeping with this commitment, your Company has been upholding fair and ethical business and corporate practices and transparency in its dealings and continuously endeavours to review strengthen and upgrade its systems and procedures so as to bring in transparency and efficiency in its various business segments.

Your Board of Directors present the Corporate Governance Report for the year 2009-10 based on the disclosure requirements under Clause 49 of the Listing Agreement existing as on 31st March 2010

2. Board of Directors :

On 31-03-2010 the Board of Directors comprises of a Non Executive Chairman, Two Non Executive Directors and 3 Independent Directors. During the year 6 (Six) Board Meetings were held on 27/04/2009, 23/06/2009, 16/07/2009, 01/09/2009, 29/10/2009 and 28/01/2010. 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 2009-10	Whether attended last AGM	No. of Directorship in other Companies	No. of Membership of other committee	No. of Chairmanship of other Committee
Shri S. B. Somani (upto 22.06.2009)	NEC	2	Yes	2	Nil	Nil
Shri K. L. Mundra	NED	5	Yes	2	Nil	Nil
Shri M. S. Vyas	NED	5	Yes	Nil	Nil	Nil
Shri G. K. Joshi	ID	5	Yes	3	2	2
Shri R. M. Khandelwal	ID	5	No	2	2	Nil
Shri. K. P. Patil (ceased due to his death on 08/10/2009)	ID	4	Yes	1	1	Nil

NEC – Non-Executive Chairman

ID – Independent Director

NED- Non-Executive Director

Particulars of Re-appointed Director:

Name : Shri. G. K Joshi
 Designation : Non-Executive Independent Director
 Age : 65 Years
 Experience : Inter Science from Mumbai University
 Other Directorship : M/s. Tecil Chemicals and Hydro Power Limited
 M/s. Citric India Limited
 M/s. Indian Infotech & Software Limited

Board Committees

The Board has constituted the following Committees of Directors:

(a) Audit Committee:**i. Terms of Reference**

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

ii. Composition

The Audit Committee was reconstituted on 29/10/2009 as Shri. K. P. Patil, Member of the Audit Committee expired on 08/10/2009. Shri. Madhusudan Vyas was appointed as a Member of the Audit committee wef 29/10/2009. The reconstituted Audit Committee comprises of the following Members

1.	Shri G. K. Joshi	Chairman
2.	Shri. K . P. Patil	Member (till 08/10/2009)
3.	Shri Madhusudan Vyas	Member
4.	Shri R. M. Khandelwal	Member

The Audit Committee held meetings 5 (Five) times during 2009-2010 on 27/04/2009, 16/07/2009, 01/09/2009, 29/10/2009 and 28/01/2010. The attendances of members are as follows:

Name	Category	Meetings during the year 2009-10	
		Held	Attended
Shri G. K. Joshi	Chairman	5	5
Shri K. P. Patil	Member	5	3
Shri R. M. Khandelwal	Member	5	5
Shri Madhusudan Vyas	Member	5	2

(b) Shareholders/**Investors Grievance Committee :****i. Terms of Reference :**

- To scrutinize and approve registration of transfer of shares/ debentures/ warrants issued / to be issued by the Company.
- To exercise all powers conferred on the Board of Directors under Article 43 of the Article of Association.
- To decide all questions and matters that may arise in regard to transmission of shares / debentures / warrants issued / to be issued by the Company.
- To approve and issue duplicate shares / debentures / warrants certificates in lieu of those reported lost,
- To refer to the Board and any proposal of refusal of registration of transfer of shares / debentures / warrants for their consideration.
- To look into shareholders and investors complaints like transfer of shares, non- receipt of annual reports, non-receipt of declared dividends, etc., and
- To delegate all or any of its powers of Officers/ Authorized Signatories of the Company.

ii. Composition:

The Shareholder Grievance Committee was reconstituted on 29/10/2009 as Shri. K. P. Patil, Member of the Shareholder Grievance Committee expired on 08/10/2009. Shri. Madhusudan Vyas was appointed as a Member of the Shareholder Grievance Committee.

The reconstituted Shareholder Grievance Committee comprises of the following Members:

1.	Shri G. K. Joshi	Chairman
2.	Shri. K . P. Patil	Member (till 08/10/2009)

- | | | |
|----|-----------------------|--------|
| 3. | Shri Madhusudan Vyas | Member |
| 4. | Shri R. M. Khandelwal | Member |

The constitution and terms of reference of the Share Transfer & Shareholders'/Investors' Grievance Committee is in agreement with the guideline prescribed under Clause 49 of the Listing Agreement entered into with the Stock Exchanges.

The committee (i) approves and monitors transfers, transmission, splitting and consolidation of securities and issue of duplicate certificates by the Company; (ii) looks into various issues relating to shareholders, including the redressal of Shareholders' and

investors' complaints like transfer of shares, non-receipt of Balance Sheet, dividend etc; and (iii) carries out the functions envisaged under the Code of Conduct for Prevention of Insider Trading adoption in terms of Regulation 12(1) of the SEBI (Prohibition of Insider Trading adopted in terms of Regulation 12(1) of the SEBI (Prohibition of Insider Trading) Regulations, 1992.

The Share Transfer & Shareholders' / Investors' Grievance Committee met 5 (Five) times during the Year on the following dates: 27/04/2009, 16/07/2009, 01/09/2009, 29/10/2009 and 28/01/2010. The attendances of the members are as follows:

Name	Category	Meetings during the year 2009-10	
		Held	Attended
Shri G. K. Joshi	Chairman	5	5
Shri K. P. Patil	Member	5	3
Shri R. M. Khandelwal	Member	5	5
Shri. Madhusudan Vyas	Member	5	2

Name & designation of Compliance Officer :

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

Detail of Complaints :

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

3. General Body Meetings:

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

Annual General Meetings

Financial Year	Date	Time	Location
2008-2009	24/09/2009	11:00 A.M.	At Regd. Office, Saravali, Kalyan
2007-2008	26/09/2008	11:00 A.M.	At Regd. Office, Saravali, Kalyan
2006-2007	28/09/2007	11:00 A.M.	At Regd. Office, Saravali, Kalyan

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

4. Other disclosures:

(a) Related Party Transactions

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

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

(b) Disclosure of Accounting Treatment

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

(c) Disclosure on Risk Management

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

(d) Code of Conduct

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

(e) Details of non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years

: None

5. CEO/CFO Certification:

Since Company has no CEO / CFO, the requirement of Clause 49(V) of the Listing Agreement has not been complied with.

Means of communication:

1. **Quarterly Results:**

The Company has not submitted Unaudited Quarterly Result to the Bombay Stock Exchange.

2. **Newspapers wherein normally published:** No

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

6. General Shareholder information:

(a) AGM date, time and venue : Annual General Meeting will be held on Friday, 24th September, 2010, at 11 A. M. at Plot No. 5, MIDC Estate, Kalyan Bhivandi Road, P. O. Saravali Village, Maharashtra.

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

Unaudited Results for quarter ending June 30, 2010	:15 th August, 2010
Unaudited Results for quarter ending September 30, 2010	:15 th November, 2010
Unaudited Results for quarter ending December 31, 2010	:15 th February 2011
Unaudited Results for year ending March 31, 2011	: 15 th May, 2011
AGM for year ending March 31, 2011	:End September, 2011

- (c) **Date of Book Closure:** Share Transfer Register will be closed from 17th September, 2010 to 24th September, 2010 (both days inclusive)
- (d) Dividend payment date: Not Applicable
- (e) Company's Shares are listed in Bombay Stock Exchange. Presently the trading in the shares of the Company is suspended.

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

- (f) **Stock code:** 506365
- (g) **The Register and Share Transfer Agents:**

M/s Sharex Dynamic (India) Pvt. Ltd.
2nd Floor, Dena Bank Building No. II,
Harniman Circle, Fort,
Mumbai – 400 023

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

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

	No. of transfers	No. of Shares
Transfer	NIL	NIL
Other cases		
Deletion	NIL	NIL
Transmission	NIL	NIL
Total	NIL	NIL

- (i) Dematerialization of shares and liquidity: No
- (j) Outstanding GDRs/Warrants, Convertible Bonds, conversion date and its impact on equity: Nil
- (k) (i) **Distribution of Shares as on 31/03/2010:**

No. of Shares	No. Shareholders	% of Holding
Up to 500	5945	96.47
501-1000	147	2.39
1001-5000	58	0.94
5001-10000	7	0.11
10001-100000	5	0.08
Above 100001	1	0.02
Total	6163	100.00

- (ii) **Category of Shareholders As on 31/03/2010:**

Category	No. of Shares	% of Holdings
Promoters, Relatives and Associates	524041	34.94
Financial Institutions / Banks	7883	0.53
Mutual Funds	--	--
Foreign Institutional Investors	--	--

Non Resident Indian / Overseas Corporate Bodies	387	0.03
Body Corporate	20700	1.38
General Public	946989	63.13
Total	1500000	100.00

(I) Address for Correspondence:

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

Chemo Pharma Laboratories Ltd.

3rd Floor, Empire House, 214, Dr. D. N. Road, Mumbai – 400 001

Non-mandatory Requirement:**1. Office of the Chairman of the Board:**

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

2. Remuneration Committee:

The Company has not constituted Remuneration Committee.

3. Shareholder rights-furnishing of half yearly results:

The Company's Quarterly results are published not in newspapers and are, therefore, sent to the shareholders.

Postal Ballot:

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

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

ON BEHALF OF THE BOARD

PLACE: MUMBAI
DATE : 30TH JUNE, 2010

M. S. VYAS
DIRECTOR

CERTIFICATE OF CORPORATE GOVERNANCE REPORT

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

Empire House, 3rd Floor, 214 Dr. D. N. Road,
Fort, Mumbai – 400 001

We have examined the compliance of conditions of Corporate Governance by **CHEMO PHARMA LABORATORIES LIMITED** for the year ended 31st March, 2010 as stipulated in Clause 49 of the Listing Agreement(s) of the said Company with the Stock Exchange(s).

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned listing Agreement(s), except the following :

- 1) Company has not complied with Revised Accounting Standards AS-15 for Gratuity and Leave Encashment as the same are being accounted for on Cash Basis.
- 2) The Company has not complied with Clause 49(V) of the Listing Agreement as there is no CEO and CFO in the Company.

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

**FOR S. K. JAIN & COMPANY
PRACTICING COMPANY SECRETARIES**

**(S. K. JAIN)
Partner
C.P. NO. 3076**

**PLACE : MUMBAI
DATED : 30TH JUNE, 2010**

