

**Quarterly Compliance Report on Corporate Governance Report for the quarter ended 31/12/2011**

Particulars	Clause of Listing Agreement	Compliance Status Yes/No	Remarks
<b>I Board of Directors</b>	49 I	Yes	
(A) Composition of Board	49 (IA)	Yes	Optimum Combination of Executive, Non-Executive and Independent Directors in Board. There are Four Directors of which, One is Executive Director, one is Non Executive Director and Two are Independent Director.  The pecuniary relationship or transactions with non-executive directors duly disclosed in the meeting of Board of Directors and also disclosed in the Audited Annual Report for the transaction during that year.
(B) Non-executive Director's Compensation & disclosures	49 (IB)	Yes	Non-Executive Directors have not been paid any remuneration. Necessary disclosure will be made in Annual Report for the year ended 31 <sup>st</sup> March 2011.
(C) Other provisions as to Board and Committees	49 (IC)	Yes	Provisions complied. Maximum time gap is not more than four months between two Board Meetings.
(D) Code of Conduct	49 (ID)	Yes	Approved by Board of Directors and disclosed in Annual Report. Also adopted revised Code of Conduct in the Meeting of the Board of Directors.
<b>II. Audit Committee</b>	49 (II)	Yes	
(A) Qualified & Independent Audit Committee	49 (IIA)	Yes	Duly Constituted. There are Three members in the Audit Committee out of which two are Independent Directors and one is Non- Executive Director. The Chairman of the Audit Committee is an Independent Director. All the members are financially literate and at least one member possesses Management and Accounting related expertise.
(B) Meeting of Audit Committee	49 (IIB)	Yes	Atleast four Board Meetings of Audit Committee are held in a Financial year.
(C) Powers of Audit Committee 49 (IIC)	49 (IIC)	Yes	Powers of Audit Committee duly defined and the same are as per Clause 49 II (C) of Listing Agreement
(D) Role of Audit Committee	49 (IID)	Yes	Role of Audit Committee duly defined and the same are as per Clause 49 II (D) of Listing Agreement.

(E) Review of Information by Audit Committee	49 (III)	Yes	Required review is done regularly.
<b>III. Subsidiary Companies</b>	49 (III)	N. A.	There is no subsidiary company.
<b>IV. Disclosures</b>	49 (IV)	Yes	
(A) Basis of related party transactions	49 (IV A)	Yes	Disclosures of any related party Transactions are placed periodically before the Audit Committee about related party transactions have been made.
(B) Disclosure of Accounting Treatment	49 (IV B)	Yes	Duly disclosed in Audited Annual Report for the year 2010-2011
(C) Board Disclosures	49 (IV C)	Yes	The Board has laid down procedures about risk Assessment and minimization procedures and the same are reviewed periodically by the Board.
(D) Proceeds from public issues, right issues, preferential issues etc.	49 (IV D)	N. A.	No Public/ Right Issue made during the Current Year. Proceeds of earlier issues utilized for the purpose stated in prospectus, offer documents.
(E) Remuneration of Directors	49 (IV E)	Yes	Shri Madhusudan Vyas has been appointed as executive Director for 3 Years at a remuneration of Rs. 11,200/- pm w.e.f. 01-06-2011. There is no pecuniary relationship or transactions with any of the Non- Executive Directors .The Non-Executive Directors are not paid any sitting fees. The remuneration paid to Managing Director/Whole Time Director is duly disclosed.
(F) Management	49 (IV F)	Yes	Management Discussion and Analysis Report has been disclosed in the Annual Report for the year 2010-11.
(G) Shareholders	49 (IV G)	Yes	Share Transfer Committee and Investor Grievance Committee duly constituted.
<b>V. CEO/ CFO Certification</b>	49 (V)	No	CEO/CFO Certification is not included in Directors Report on Corporate Governance for the year 2010-2011
<b>VI. Report on Corporate Governance</b>	49 (VI)	Yes	Corporate Governance Report forms part of the Directors Report in the Annual Report 2010-2011.
<b>VII. Compliance</b>	49 (VII)	Yes	Duly Complied

Place: Mumbai

FOR CHEMO PHARMA & LABORATORIES LIMITED

Date: January 12, 2012

N. K. PAREEK