

CORPORATE GOVERNANCE REPORT

1. Company's Philosophy on Code of Governance:

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

Your Board of Directors present the Corporate Governance Report for the year 2013-14 based on the disclosure requirements under Clause 49 of the Listing Agreement existing as on 31st March, 2014

2. Board of Directors:

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

During the year 06 (Six) Board Meetings were held on 30/04/2013, 23/05/2013, 26/07/2013, 21/10/2013 and 09/12/2013 and 15/01/2014. 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 2013-2014	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 N.K Pareek (resigned w.e.f. 26.11.2013)	NEC	04	Yes	01	02	Nil
Shri G. K. Joshi	ID	06	Yes	03	04	04
Shri Ashok Somani (Appointed w.e.f. 14.01.2013)	ED	06	Yes	02	02	Nil
Shri Balkishan Lohia	ID	06	Yes	01	Nil	Nil
Shri Ashok Joshi (Appointed w.e.f 09/12/2013)	NED	02	No	Nil	Nil	Nil

ED- Executive Director

ID – Independent Director

NED-Non –Executive Director

Particulars of Re-appointed / appointed Directors:

- Name** : **Shri Ashok Joshi**

Designation : Director

Age : 48

Experience : Commerce graduate from Rajasthan University and has more than 26 years' experience in managing day to day operations of limited companies.

Other Directorship : NIL

2. Name : **Shri G.K. Joshi**
 Designation : Director
 Age : 69
 Experience : Science graduate from Mumbai University and has three decades of experience in managing day to day operations of limited companies
 Other Directorships : M/s Tecil Chemicals and Hydro Power Limited
 M/s Citric India Limited
 M/s. Coral Hub Limited
 M/s. Ambition Clothing Pvt. Ltd.
3. Name : **Shri Ashok Somani**
 Designation : Director
 Age : 54
 Experience : Commerce graduate from Mumbai University and has experience in managing day to day operations of limited companies
 Other Directorships : M/s Solace Logistics Pvt. Ltd.
 M/s Citric India Limited
 M/s Shree Consultations & Services Pvt. Ltd.
4. Name : **Shri B. K. Lohia**
 Designation : Director
 Age : 66
 Experience : Commerce graduate from Mumbai University and has three decades of experience in managing day to day operations of limited companies
 Other Directorships : M/s Ellora Merchantile Pvt. Ltd.
 M/s Shree Consultations & Services Pvt. Ltd.
 M/s Chinara Tie-Up Pvt. Ltd.

Board Committees

The Board has constituted the following Committees of Directors:

(a) Audit Committee:

i. Terms of Reference

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

ii. Composition

The Audit Committee was reconstituted by inducting Shri Ashok Joshi as Member of the Audit Committee in place of Shri N.K. Pareek, Member of the Audit Committee who has ceased as Director of the Company w.e.f. 26th November, 2013 has been taken on record by the Board in the Board Meeting held on 9th December, 2013.. The reconstituted Audit Committee comprises of the following Members:

1. Shri G. K. Joshi Chairman
2. Shri Balkishan Lohia Member
3. Shri Ashok Joshi Member

The Audit Committee met 5 times i.e. on 30/04/2013, 23/05/2013, 26/07/2013, 21/10/2013 and 15/01/2014. The attendances of members are as follows:

Name	Category	Meetings during the year 2013-14	
		Held	Attended
Shri G. K. Joshi	Chairman	5	5
Shr Ashok Joshi (Appointed w.e.f. 26 th Nov,2013)	Member	5	1
Shri N. K. Pareek (resignation from 26 th Nov., 2013)	Member	5	4
Shri Balkishan Lohia	Member	5	5

(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 by inducting Shri Ashok Joshi as Member of the Shareholder Grievance Committee in place of Shri N.K Pareek, Member of the Shareholder Grievance Committee who has ceased as Director of the Company w.e.f. 26th November, 2013 which has been taken on record by the Board in the Board Meeting held on 09th December, 2013. The reconstituted Shareholder Grievance Committee comprises of the following Members:

- Shri G. K. Joshi Chairman
- Shri Balkishan Lohia Member
- Shri Ashok Joshi 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 adopted in terms of Regulation 12(1) of the SEBI (Prohibition of Insider Trading) Regulations, 1992.

The Committee met 5 times i.e. on, 30/04/2013, 23/05/2013, 26/07/2013, 21/10/2013 and 15/01/2014. The attendances of members are as follows:

Name	Category	Meetings during the year 2012-13	
		Held	Attended
Shri G. K. Joshi	Chairman	5	5
Shri Ashok Joshi (Appointed w.e.f. 26 th November, 2013)	Member	5	1
Shri N. K. Pareek (resignation from 26 th November, 2013)	Member	5	4
Shri Balkishan Lohia	Member	5	5

Name & designation of Compliance Officer:

Shri Ashok Kumar Joshi 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 : 3

No. of Complaints resolved to the satisfaction of shareholders : 3

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
2012-2013	30/08/2013	5.00 P.M.	At Regd. Office, Kumud Apt., Kalyan
2011-2012	30/08/2012	4.00 P.M.	At Regd. Office, Kumud Apt., Kalyan
2010-2011*	02/09/2011	4.00 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

4. Other disclosures:

a. Subsidiary Companies

The Company has no Subsidiary Companies.

b. Related Party Transactions

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

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

c. Disclosure of Accounting Treatment

In the preparation of financial statements, the Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India to the extent applicable. The Financial Statements have been prepared on their historical cost convention and in accordance with the normally accepted accounting principles on accrual basis.

d. Disclosure on Risk Management

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

e. Code of Conduct

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

- f. Details of non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years : None

5. CEO/CFO Certification:

Shri Ashok Somani, Executive Director & CEO and Shri Ashok Kumar Joshi Director & CFO of the Company have given Annual Certification on financial reporting and internal controls to the Board in terms of Clause 49 (V) of the Listing Agreement.

Means of communication:**1. Quarterly Results:**

The Company has submitted Unaudited Quarterly Result to the Bombay Stock Exchange.

2. Newspapers wherein normally published: The Asian Age & Tarun Bharat, Mumbai

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

6. General Shareholder information:

- (a) **AGM date, time and venue:** Annual General Meeting will be held on Thursday, 28th August, 2014, at 4.00 P. M. at 5-Kumud Apartment, Co. Op. Hsg. Soc. Ltd., Karnik Road, Chikan Ghar, Kalyan, Dist. Thane-421301 (Maharashtra).

(b) Financial Calendar for 2013-2014**Tentative Schedule**

Unaudited Results for quarter ending June 30, 2014	upto 14 th August, 2014
Unaudited Results for quarter ending September 30, 2014	upto 14 th November, 2014
Unaudited Results for quarter ending December 31, 2014	upto 14 th February, 2015
Unaudited Results for year ending March 31, 2015	upto 15 th May, 2015
Audited Annual Accounts for the year ending March 31, 2015	upto 30 th May, 2015

- (c) **Date of Book Closure:** Share Transfer Register will be closed from 18th August, 2014 to 28th August, 2014 (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, 13	17.15	17.15
May, 13	17.15	17.15
June, 13	18.00	18.00
July, 13	18.00	18.00
August, 13	18.00	18.00
September, 13	18.00	18.00
October, 13	18.90	18.90
November, 13	18.90	18.90
December, 13	18.90	18.90
January, 14	20.75	19.75
February, 14	19.45	13.90
March, 14	21.65	20.70

(h) The Register and Share Transfer Agents:

M/s Sharex Dynamic (India) Pvt. Ltd.
Unit – 1, Luthra Industrial Premises,
Andheri-Kurla Road, Safed Pool,
Andheri (East), Mumbai – 400 072

(i) Share transfer system with number of Shares Transferred:

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

	No. of transfers	No. of Shares
Transfer	12	938
Other cases		
Deletion	NIL	NIL
Transmission	NIL	NIL
Total	12	938

(j) Dematerialization of shares and liquidity : YES**(k) Outstanding GDRs/Warrants, Convertible Bonds, conversion date and its impact on equity : Nil****(l) (i) Distribution of Shares as on 31/03/2014:**

No. of Shares	No. Shareholders	% of Holding
Up to 500	5879	96.46
501-1000	147	2.41
1001-5000	57	0.94
5001-10000	7	0.11
10001-100000	4	0.07
Above 100001	1	0.01
Total	6095	100.00

(ii) **Category of Shareholders As on 31/03/2014:**

Category	No. of Shares	% of Holdings
Promoters, Relatives and Associates	418281	27.87
Financial Institutions / Banks	2496	0.17
Central/ State Government	5387	0.36
Insurance Companies		
Mutual Funds	--	--
Foreign Institutional Investors	--	--
Non Resident Indian / Overseas Corporate Bodies	387	0.03
Body Corporate	76322	5.09
General Public	997127	66.48
Total	1500000	100.00

(m) **Address for Correspondence:**

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

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

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

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

2. Remuneration Committee:

The Company has not constituted Remuneration Committee.

3. Shareholder rights-furnishing of half yearly results:

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

Postal Ballot:

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

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

ON BEHALF OF THE BOARD

**Sd/-
ASHOK SOMANI
DIRECTOR**

**Place : Mumbai
Date : 23rd May, 2014**

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, 2014 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 condition of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

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 & CO.
PRACTICING COMPANY SECRETARY**

**Place : Mumbai
Dated : 23rd May, 2014**

**Sd/-
(Dr. S. K. JAIN)
PROPRIETOR
C. P. NO. 3076**

COMPLIANCE CERTIFICATE

Registration No : 11-003556
Authorised Capital : Rs. 100,000,000/-
Paid Up Capital : Rs. 15,000,000/-

To

The Members

CHEMO PHARMA LABORATORIES LTD

5, Kumud Apartment CHS Limited

Karnik Road Chikan Ghar, Kalyan-421301

We have examined the registers, records, books and papers of **M/S CHEMO PHARMA LABORATORIES LTD** as required to be maintained under the Companies Act, 1956 and Companies Act, 2013(to the extent applicable) and the Rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the Financial Year ended on 31st March, 2014. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid Financial Year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this Certificate, as per the provisions of the Act and the Rules made there under and all entries therein have been duly recorded.
2. The Company has filed forms and returns as stated in Annexure 'B' to this Certificate with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities prescribed under the Act and the Rules made there under.
3. The Company, being a Public Limited Company, has the minimum prescribed paid up capital.
4. The Board of Directors duly met 6 (Six) times respectively on 30/04/2013, 23/05/2013, 26/07/2013, 21/10/2013 and 09/12/2013 and 15/01/2014 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company has closed its Register of Members from 18th August, 2014 to 28th August, 2014 (both days included) during the financial year.
6. The Annual General Meeting for the Financial Year ended on 31.03.2013 was held on 30.08.2013 after giving due notice to the Members of the Company and the resolutions passed there at were duly recorded in Minutes Book maintained for the purpose.
7. No Extra-Ordinary General Meeting was held during the financial year.
8. The Company had not granted any loans to any directors within the meaning of Section 295 of the Companies Act, 1956 which was not in operation till 11th September,2013 and under section 185 of the Companies Act, 2013 which came into effect from 12th September, 2013.
9. The Company has not entered into any contracts falling within the purview of Section 297 of the Companies Act, 1956.
10. The Company has made necessary entries whenever required in the register maintained under Section 301 of the Companies Act,1956.
11. As there were no instances falling within the purview of Section 314 of the Companies Act,1956 the Company has not obtained any approvals from the Board of Directors, Members or Central Government as the case may be.
12. The Company has not issued any duplicate certificates during the Financial Year.
13. The Company has
 - i. not made any allotment, and transmission of any shares during the Financial Year.
 - ii. not deposited any amount in a separate Bank Account as no dividend was declared during the Financial Year.
 - iii. not posted warrants to any member of the Company as no dividend was declared during the Financial Year.

- iv. no amount outstanding in respect of unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remain unclaimed or unpaid for the period of seven years and liable to be transferred to Investor Education and Protection Fund.
 - v. duly complied with the requirements of Section 217 of the Companies Act, 1956.
14. The Board of Directors of the Company is duly constituted. Mr. Ashok Kumar Joshi was appointed as Additional Director of the Company w.e.f. 26th November, 2013 in the Board Meeting held on 09th December, 2013. However there was no appointment of Alternate Directors and Directors to fill casual vacancy during the Financial Year. Mr. N.K. Pareek has been ceased as Director w.e.f. 26th November, 2013 which has been taken on record by the Board of Director in the Board Meeting held on 09th December, 2013.
 15. The Company has not appointed any Managing / Whole Time during the Financial Year.
 16. The Company has not appointed any sole selling agents during the Financial Year.
 17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar of Companies and / or such authorities prescribed under the various provisions of the Act.
 18. The Directors have disclosed their interest in other firms / companies to the Board of Directors pursuant to the provisions of the Act and the Rules made there under.
 19. The Company has not issued any Equity Shares during the Financial Year.
 20. The Company has not bought back any shares during the Financial Year.
 21. There was no redemption of preference shares or debentures during the Financial Year.
 22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
 23. The Company has not invited / accepted any deposits including any unsecured loans falling within the purview of Section 58A during the Financial Year.
 24. The Company's borrowings during the year was within the limit prescribed under Section 293 (1) (d) of the Companies Act, 1956.
 25. The Company has made loan to body corporate in which Directors of the Company are interested. and consequently entries have been made in the Register kept for the purpose.
 26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's Registered Office from one State to another during the year under scrutiny.
 27. The Company has not altered the provisions of the Memorandum with respect to the Main-Objects of the Company during the year under scrutiny.
 28. The Company has not altered the provisions of the Memorandum with respect to the name of the Company during the year under scrutiny.
 29. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny.
 30. The Company has not altered its Articles of Association for the change of the name of the Company pursuant to the provisions of the Act during the Financial Year.
 31. There was no prosecution initiated against or show cause notices received by the Company during the Financial Year, for offences under the Act.
 32. The Company has not received any money as security from its employees during the Financial Year.
 33. The Company has not deducted contribution towards Provident Fund under Provident Fund Scheme u/s 418 of the Act during the Financial Year

S. K. Jain & Co.
Practicing Company Secretaries

Place : Mumbai
Date : 23/05/2014

Sd/-
Dr. S. K. Jain
Proprietor
C.P No. 3076