

COLINZ LABORATORIES LIMITED

Colinz

23 rd

A N N U A L

R E P O R T

2008-2009

COLINZ LABORATORIES LIMITED

BOARD OF DIRECTORS

DR. L. S. MANI	<i>Chairman & Managing Director</i>
SHRI. N. K. MENON	<i>Whole-Time Director</i>
SHRI. VASANT K. BHAT	<i>Director</i>
SHRI. KRISHNA KUMAR ATTRASSARY	<i>Additional Director</i>
SHRI. MICHAEL D'SOUZA	<i>Director (up to 30.11.2008)</i>

AUDITORS.....

S. V. BHAT & CO.
Chartered Accountants

BANKERS

BANK OF BARODA

REGISTERED OFFICE.....

A-101, PRATIK IND. ESTATE,
MULUND-GOREGAON LINK ROAD,
NEXT TO WOCKHARDT HOSPITAL
MUMBAI - 400 078.

WORKS.....

PLOT NO. 60, 'STICE', MUSALGAON
SINNAR-SHIRDI ROAD, SINNAR
NASIK - 422 103.

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NOTICE

Notice is hereby given that the 23rd Annual General Meeting of the Company will be held at the Registered Office of the Company, i.e. A-101, Pratik Ind. Estate, Mulund-Goregaon Link Road, Mumbai - 400 078, on Tuesday, 29th September, 2009, at 12.30 P. M. to transact the following business:

ORDINARY BUSINESS:-

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2009, the Profit and Loss Account for the year ended on that date, together with Director's Report and also the Auditor's Report thereon.
2. To appoint Director in place of Mr. Vasant K. Bhat, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors to hold office from conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting and to authorise the Board of Directors to fix their remuneration.

SPECIAL BUSINESS:-

4. To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution.

"RESOLVED THAT pursuant to Section 257 and other applicable provisions, if any, of the Companies Act, 1956, Mr. Krishnakumar Attrassary be and is hereby elected as a Director (Non-Executive, Independent) of the Company."

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an ordinary Resolution.

"RESOLVED THAT pursuant to provisions of sections 198, 269, 309, 310, 311 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 and or any amendment or re-enactment thereof, Dr. L. S. Mani be and is hereby reappointed as Chairman & Managing Director of the Company for a further period of 5 years with effect from 01-10-2009 and whose period of office will not be liable for determination by retirement by rotation, on a remuneration to be paid within the range of Rs. 40,000/- to Rs. 90,000/- per month as may be decided by the Board from time to time, perquisites and other terms set out in the explanatory statement annexed to the notice convening this 23rd Annual General Meeting and as per terms and conditions contained in the draft agreement to be entered into between the Company and Dr. L. S. Mani submitted to this meeting initialed by the Chairman for the purpose of identification be and is hereby approved."

"RESOLVED FURTHER THAT in the event of any loss, absence or inadequacy of profits in any financial year during the tenure of Dr. L. S. Mani as Chairman and Managing Director of the Company the remuneration payable to him by way of salary, allowances and perquisites shall be treated as minimum remuneration and shall not, without the approval of the Central Government exceed the limits prescribed under Schedule XIII and other applicable provisions of the Companies Act, 1956, or any amendment, modification, variation or re-enactment thereof."

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an ordinary Resolution.

"RESOLVED THAT pursuant to provisions of sections 198, 269, 309, 310, 311 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 and or any amendment or re-enactment thereof, Mr. N. K. Menon, be and is hereby reappointed as Whole-Time Director of the Company for a further period of 5 years with effect from 01-10-2009 and whose period of office will not be liable for determination by retirement by rotation, on a remuneration to be paid within the range of Rs. 35,000/- to Rs. 85,000/- per month as may be decided by the Board from time to time, perquisites and other terms set out in the explanatory statement annexed to the notice convening this 23rd Annual General Meeting and as per terms and conditions contained in the draft agreement to be entered into between the Company and Mr. N. K. Menon submitted to this meeting initialed by the Chairman for the purpose of identification be and is hereby approved."

"RESOLVED FURTHER THAT in the event of any loss, absence or inadequacy of profits in an financial year during the tenure of Mr. N. K. Menon as Whole-Time Director of the Company, the remuneration payable to him by way of salary, allowances and perquisites shall be treated as minimum remuneration and shall not, without the approval of the Central Government exceed the limits prescribed under Schedule XIII and other applicable

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provisions of the Companies Act, 1956, or any amendment, modification, variation or re-enactment thereof."

For Colinz Laboratories Limited.

Regd. Office:

A-101, Pratik Ind. Estate
Mulund-Goregaon Link Road
Mumbai - 400 078.

DR. L. S. MANI

Chairman & Managing Director

Date : 31-07-2009.

NOTES :

- (a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND PROXY NEED NOT BE A MEMBER. AN INSTRUMENT APPOINTING THE PROXY SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME OF HOLDING THE MEETING.
- (b) The Register of Members and Share Transfer Books of the Company will remain closed from, 22nd September, 2009 to 29th September, 2009. (both days inclusive)
- (c) Members are requested to notify immediately any change in their address to the Registrar and Transfer Agent of the Company, M/s.. Bigshare Services Pvt. Ltd., E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (E), Mumbai-400072.
- (d) Members intending to require any information about accounts to be explained in the meeting are requested to inform the Company in writing at least Ten days in advance of the date of Annual General Meeting.

**ANNEXURE TO NOTICE
EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES
ACT, 1956**

Item No.4:

The Board of Directors appointed Mr. Krishnakumar Attrassary as an Additional Director on 31.01.2009. As per the Companies Act, 1956 Mr. Krishnakumar Attrassary holds office upto the date of this Annual General Meeting. The Company has received a notice under Section 257 of the Act, from a member proposing his candidature for the office of the Director.

Mr. Krishnakumar Attrassary is an expert in Human Resource Management and Training. He has the experience for more than 2 decades in the said field.

The Board considers that his rich experience in human resource development and training which is the backbone in pharmaceutical industry, will be very much beneficial to the Company.

None of the Directors is concerned or interested in this resolution, except Mr. Krishnakumar Attrassary.

Item No.5:

Dr. L.S.Mani was appointed as Chairman & Managing Director of the Company with effect from 01-10-2004, for a period of 5 years. Since his term expires on 30-09-2009, the Board of Directors at their meeting held on 31st July, 2009 have reappointed Dr. L.S.Mani as Chairman & Managing Director for a further period of 5 years w.e.f. 01-10-2009.

Dr. L.S.Mani is an able and experienced to head a professional management team. The Company's current success in its marketing activities is attributed to the best leadership qualities of Dr. L.S.Mani. Therefore, it is felt necessary in the interest of the Company to reappoint Dr. L.S.Mani, as Chairman & Managing Director of the Company for a further period of 5 years, on remuneration and other terms as under;

I. Salary :

The salary will be determined by the Board of Directors from time to time so that his total salary remains within the range of Rs. 40,000/- to Rs. 90,000/- per month.

II. Accommodation:

In case free furnished housing accommodation is not provided by the Company, the Board of Directors be and are hereby authorized to grant a house rent allowance within the range of Rs. 20,000/- to Rs. 45,000/- per month.

III. Perquisites:

- a) Reimbursement of medical/hospitalization expenses to executive directors and dependent members of their family in accordance with the Rules of the Company and or medical insurance under Section 80D of the Income Tax Act, 1961 as amended from time to time.
- b) Leave travel concession as per the Rules of the Company.
- c) Club fees subject to maximum of two clubs, but shall not include admission and life membership fees.
- d) Premium for Personal Accident Insurance policy
- e) Company's contribution to provident fund and superannuation fund, as per the Rules of the Company applicable to senior executives.
- f) Gratuity not exceeding half month's salary for each completed year of service.
- g) Leave and encashment of leave as per the Rules of the Company.
- h) Car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company.
- i) Any other perquisites as may be allowed to senior executives of the Company from time to time.

Dr. L.S.Mani shall not be paid any sitting fees for attending the Board meetings or committee thereof. The Chairman & Managing Director shall not be liable for retirement by rotation.

None of the Directors, except Dr. L. S. Mani, is in any way concerned or interested in the resolution.

Item No.6:

Mr. N.K.Menon was appointed as Whole-Time Director of the Company with effect from 01-10-2004, for a period of

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5 years. Since his term expires on 30-09-2009, the Board of Directors at their meeting held on 31st July, 2009 have reappointed Mr. N.K.Menon as Whole-Time Director for a further period of 5 years w.e.f.01-10-2009.

Mr. N.K.Menon has made valuable contribution to the progress and development of the Company. The Board of Directors consider that in view of the knowledge and experience over long years in the Company, it would be in the interest of the Company to reappoint Mr. N.K.Menon, as Whole-Time Director of the Company, for a further period of 5 years on remuneration and other terms as under.

I. Salary :

The salary will be determined by the Board of Directors from time to time so that his total salary remains within the range of Rs. 35,000/- to Rs. 85,000/- per month.

II. Accommodation:

In case free furnished housing accommodation is not provided by the Company, the Board of Directors be and are hereby authorized to grant a house rent allowance within the range of Rs. 17,500/- to Rs. 42,500/- per month.

III. Perquisites:

- a) Reimbursement of medical/hospitalization expenses to executive directors and dependent members of their family in accordance with the Rules of the Company and or medical insurance under Section 80D of the Income Tax Act, 1961 as amended from time to time.
- b) Leave travel concession as per the Rules of the Company.
- c) Club fees subject to maximum of two clubs, but shall not include admission and life membership fees.
- d) Premium for Personal Accident Insurance policy
- e) Company's contribution to provident fund and superannuation fund, as per the Rules of the Company applicable to senior executives.
- f) Gratuity not exceeding half month's salary for each completed year of service.
- g) Leave and encashment of leave as per the Rules of the Company.
- h) Car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company.
- i) Any other perquisites as may be allowed to senior executives of the Company from time to time.

Mr. N.K.Menon shall not be paid any sitting fees for attending the Board meetings or committee thereof.

The Whole-Time Director shall not be liable for retirement by rotation.

None of the Directors, except Mr. N.K.Menon, is in any way concerned or interested in the resolution.

For Colinz Laboratories Ltd.

Dr. L. S.Mani
Chairman & Managing Director

Mumbai,

Date:- 31-07-2009.

DIRECTORS' REPORT 2008-2009

To

The Shareholders,

Your Directors have the pleasure in presenting their 23rd Annual Report and audited Accounts of your Company, for the year ended 31st March, 2009.

FINANCIAL RESULTS :

	2008-2009 (Rs. in Lacs)	2007-2008 (Rs. in Lacs)
Profit before Interest and Depreciation	56.29	54.70
<u>Less:</u> Bank Charges and Interest	23.86	28.53
Depreciation	26.24	23.95
Profit before Taxation	6.19	2.22
<u>Less/(Add):</u> Provision for Current Income Tax	0.59	0.23
Provision for Deferred Tax	3.28	(5.85)
Provision for Fringe Benefit Tax	1.32	1.25
Profit after Taxation	1.00	6.59

OPERATIONS :

During the year under review, the turnover of the company was Rs.549 lacs compared to Rs. 561 lacs in the previous year. The Profit before Tax was Rs.6.19 lacs and the net Profit after provision for income Tax, provision for FBT and provision for Deferred Tax was Rs.1 lac.

The year 2008-09, saw the worst global financial and economic crisis almost after 60 years. The crisis had a severe knock-on effect on developed as well as emerging economies. This caused too much damage to Indian economy also, compared to the stellar economic performance of the immediate past years. The degree of crisis was so severe that we saw some of the world's largest financial institutions collapsed and the governments of some wealthiest nations in the world have resorted to extensive bail outs and rescue packages. It brought about the beginning of a cyclical down turn in India's economy and GDP growth, which was 9% during 2007-08, compared to a growth of mere 5.8% in the third quarter of 2008-09. Apart from the above, there was an impact of sharp increase in the raw material prices of all imported bulk drugs and intermediaries going into the manufacture of bulk drugs, due to the government imposed shut down of plants in China, due to Olympic games in the first half of the year under review. This has affected the margins of your Company apart from the abrupt depreciation of Indian Rupee visavis other currencies, due to reversal of capital flow with investors across the world withdrawing their investment in India, to survive the severe crises in developed economies.

Considering the credit crises, lower consumer spending, reduction in corporate revenues and profits, lay offs, job cuts across the sectors, across the globe including in India your Company was able to fair reasonably well during the year under review in spite of higher provision for depreciation and deferred tax.

DIVIDEND :

Your Directors are unable to recommend any dividend during the year under review, considering the small surplus available and with a view to conserve funds towards margin monies.

LISTING OF SHARES:

The shares of your Company are listed in Bombay Stock Exchange, Mumbai. Annual Listing Fees for the year 2009-10 has been paid on time.

PUBLIC DEPOSITS :

The Company has not invited / received any fixed deposits during the year.

DIRECTORS:

At the forthcoming Annual General Meeting Mr. Vasant K. Bhat retires by rotation and is eligible for reappointment. Your Directors regret to inform the untimely demise of Mr. Michael D'Souza, Advocate, on 30.11.2008. Your Directors express their gratitude to the invaluable service rendered by Late Mr. Michael D'Souza during his tenure as Director.

Your Directors appointed Mr. Krishnakumar Attrassary as Additional Director (Independent) under section 260 of the Companies Act, 1956 to fill the casual vacancy created on account of demise of Mr. Michael D'Souza, who will hold office till the conclusion of the 23rd Annual General Meeting.

DIRECTORS' RESPONSIBILITY STATEMENT:

In terms of provisions of Section 217(2AA) of the Companies Act, 1956, your Directors confirm that:

- I. In the preparation of the annual accounts, the applicable accounting standards have been followed, along with proper explanation relating to material departures, wherever applicable.
- II. The Directors have selected such accounting policies and 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, as at the end of the accounting year and of the profit of the company for that year;
- III. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- IV. The Directors have prepared the annual accounts on a going concern basis.

PERSONNEL:

During the year under review, relations between the Employees and the Management remained cordial.

Particulars of employees as required under Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended from time to time are not applicable to your Company as there were no employees whose remuneration is in excess of limits prescribed.

CONSERVATION OF ENERGY:

Except for the consumption of Power (Electricity) the Company does not consume any other source of energy. Pharmaceutical company is not power intensive. Since it also involves multiple products, disclosure of consumption of power per unit of product is not meaningful.

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

No imported technology is adapted by the Company. Continuous developmental efforts are made by our qualified and approved staff to formulate new products and innovation of existing products. Such efforts have benefited in improving the stability of our products and simplification of manufacturing procedures.

FOREIGN EXCHANGE:

During the year under review, Foreign exchange earned Rs.Nil, (Previous Year – Rs. NIL/-). Foreign exchange outgo was Rs. 1,17,024/- (Previous Year - Rs. NIL/-).

RESEARCH AND DEVELOPMENT:

Your Company has not incurred any expenditure on research and development other than the routine developmental work.

REPORT ON CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchange, the following form part of this Annual Report:

- i) Management Discussion and Analysis.
- ii) Report on Corporate Governance.
- iii) Auditor's Certificate regarding compliance of conditions of Corporate Governance.

OTHER MATTERS:

Your Company is not a polluting industry and the requirements of Pollution Control Board, if any, are met with.

AUDITORS:

M/s. S. V. Bhat & Co., Chartered Accountants, retire as auditors of the Company at the conclusion of the 23rd Annual General Meeting and are eligible for reappointment.

ACKNOWLEDGEMENT:

Your Directors would like to acknowledge the co-operation they received during the year under review from Bankers, Distributors as well as from various Government Departments and also the investing public. We would also like to place on record our profound admiration and sincere appreciation of the hard work put in by the members of the staff and workmen. We are grateful to you, for the confidence and faith you have reposed in us.

For and on behalf of the Board.

Dr. L. S. Mani

Chairman & Managing Director

Mumbai, 30th June, 2009.

MANAGEMENT DISCUSSION AND ANALYSIS

This Report includes Management Discussion and Analysis as appropriate, so that duplication and overlap between Directors Report and Management Discussion and Analysis is avoided. The entire material is thus provided in a composite and comprehensive document.

A) THE PHARMACEUTICAL BUSINESS:

Colinz Laboratories Ltd., is engaged in the manufacturing and marketing of pharmaceutical formulations particularly in gynaecological sector. Though a number of mergers and amalgamations are taking place these days, the Indian pharmaceutical market is highly competitive and also still fragmented with over 20,000 players comprising of foreign multinationals, Indian multinationals, mid-size and small scale companies. Your Company falls under the SME sector. However, Colinz has established reputation as a quality supplier of medicines in the domestic market, wherever the Company has operation.

B) OPPORTUNITIES, THREATS AND CONCERNS:

The Company's products are enjoying a good Brand image, particularly among gynaecologists. The Company has a potential to grow in future considering the fact that it is yet to open up its marketing operations in many states of the country. However, due to paucity of working capital, the Company is unable to expand its marketing activities, to unrepresented areas.

The Revised Schedule 'M' (which was made mandatory with effect from 01.07.05) posed a major threat to the Company's survival. However, the Company has managed the capital expenditure and making your Company a Schedule 'M' compliant unit. This should open up opportunities to your Company, in future.

Your Company, no doubt is focusing on those off patented products, and these products will have extended shelf life in the market, due to lesser discoveries of new molecules, considering the investment to be made and time and expenditure involved in developing such new molecules.

C) OUT LOOK:

Barring unforeseen deterrents and the issues outlined above, your Company does not foresee any major threats in its survival and moderate growth. However, the margins are likely to be under heavy pressure due to increase in the interest burden in view of the rate hike by banks.

D) FINANCIAL PERFORMANCE:

As stated aforesaid, there was financial strains on account of capital expenditure on Revised Schedule 'M' implementation. However, in spite of all these constraints the Financial performance during the year under Review has been satisfactory, in view of your Company's Management's prudent and timely decisions and actions.

E) INTERNAL CONTROLS:

The Company has proper and adequate internal control system, in respect of efficiency of operations, financial reporting and compliance with applicable laws and regulations etc. There are adequate controls to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposal and that all transactions are authorized, recorded and reported correctly.

F) HUMAN RESOURCES:

Human resources are highly valued asset for any industry particularly in pharmaceutical selling. Therefore the Company seeks to attract and retain technical and marketing staff. The Company also recognizes the importance of human assets and ensures that proper encouragement is extended to the employees to motivate them. The total number of employees as on 31-03-2009 was 170. The Company enjoyed excellent relationship with its employees during the year under review.

G) CAUTIONARY STATEMENT:

The above Management Discussion and Analysis section may be forward looking and are stated as required by applicable laws and regulations. Many factors may affect the actual results, which could be different from what the Directors' envisage in terms of the future performance and outlook.

CORPORATE GOVERNANCE:**1) PHILOSOPHY:**

Colinz Laboratories Ltd., has always strived to attain highest levels of transparency and accountability in all its operation and in its interactions with Shareholders, Government depts. creditors etc. Hence the Company has taken all appropriate steps to comply with the provisions of the prescribed Corporate Governance Code within the stipulated time.

2) BOARD OF DIRECTORS:

(a) Composition, Category of Directors and their other directorships as on 31-03-2009:

Name of the Director	Category of Directorship	No. of Directorships in other public companies
Dr. L. S. Mani	Chairman & Managing Director (Executive, Promoter)	None
Shri. N. K. Menon	Whole-Time Director (Executive)	None
Shri. Vasant K. Bhat	Non-Executive, Independent	None
Shri. A. Krishnakumar	Non-Executive, Independent	None

(b) Number of Board Meetings: During the year ended 31-03-2009, 6 Board Meetings were held on 20-06-2008, 29-06-2008, 31-07-2008, 31-10-2008, 31-01-2009, 31-03-2009.

(c) Directors' attendance record:

Name of the Director	Board Meetings attended during the year.	Whether attended last AGM
Dr. L. S. Mani	6	Yes
Shri. N. K. Menon	6	Yes
Shri. Vasant K. Bhat	6	Yes
Shri. A. Krishnakumar	1	No
Shri. Michael D'Souza	4	Yes

3) COMMITTEES OF THE BOARD :

(a) Audit Committee

i) Terms of Reference :

Apart from all the matters provided in clause 49 of the listing agreement and Sec. 292-A of the Companies Act, 1956 the Audit Committee holds discussions with the Statutory Auditors of the Company concerning the accounts of the Company, internal control systems, scope of audit and observations of the Auditors. It also reviews major accounting policies followed by the Company.

ii) Composition.

The Composition of the Audit Committee is as follows :

Name	Designation	Category of Directorship	Committee Meetings Attended
Shri. Vasant K. Bhat	Chairman	Non-Executive, Independent	6
Shri Michael D'souza	Member	Non-Executive, Independent	4
Shri. A. Krishnakumar	Member	Non-Executive, Independent	1
Dr. L. S. Mani	Member	Executive, Promoter	6

(b) Remuneration Committee and Policy :

The non-mandatory requirement of setting up of a remuneration committee for remuneration of executive directors has not been adopted considering the nature and the size of the Company. The Board of Directors determines the remuneration payable to the Executive Directors taking into account their qualifications, experience, expertise and contribution.

The details of the remuneration paid to the Executive Directors for the year ended 31-03-2009 are as follows.

Name	Salary
Dr. L. S. Mani	Rs. 6,14,500/-
Shri. N. K. Menon	Rs. 5,51,500/-

The Company pays sitting fees of Rs. 5,000/- per meeting to Non-Executive Directors.

(c) Investors Grievance Committee :

The Board has constituted an Investors Grievance Committee which looks into shareholders and investors grievances.

Following are the members of the Committee :

Name	Designation	Category of Directorship
Shri. Vasant K. Bhat	Chairman	Non-Executive, Independent
Dr. L. S. Mani	Member	Executive, Promoter

Compliance Officer : Shri. Vasant K. Bhat.

Number of complaints received from the shareholders during the year – Nil

Number of complaints redressed during the year – Nil

Number of complaints unsolved as on 31.03.2009 - Nil

4. SHAREHOLDERS :

(a) Means of Communication :

The quarterly, half yearly and annual audited financial results of the Company are sent to the stock exchange immediately after they are approved by the Board. The results are published in accordance with the guidelines of the Stock Exchange.

(b) Share Transfers :

As per SEBI circular D & CC/FITTC/CIR-15/2002 dated 27-12-2002 the Company should have a common agency for share registry work. Accordingly, the Company has appointed M/s. Bigshare Services Pvt. Ltd., E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (E), Mumbai - 400072, as Common Agency for share registry work.

(c) General Body Meetings :

Details of the last 3 Annual General Meetings are as under.

Financial Year	Date	Time	Venue
2007-08	26-09-2008	12.30 PM	A-101, Pratik Ind. Estate, Mulund-Goregaon Link Road, Bhandup (W), Mumbai – 400 078.
2006-07	28-09-2007	12.30 PM	A-101, Pratik Ind. Estate, Mulund-Goregaon Link Road, Bhandup (W), Mumbai – 400 078.
2005-06	29-09-2006	12.30 PM	A-101, Pratik Ind. Estate, Mulund-Goregaon Link Road, Bhandup (W), Mumbai – 400 078.

d) Postal Ballot :

For the year ended 31-03-2009, there have been no ordinary or special resolutions passed by the Company's Shareholders through postal ballot.

(e) Details of Directors seeking appointment / re-appointment in 23rd Annual General Meeting :
(In pursuance of Clause 49 of the Listing Agreement)

Name of the Director	Shri. Vasant K. Bhat	Shri. Krishnakumar A
Date of Birth	03.05.1971	27.08.1959
Qualifications	B.Com, FCA	BA, DMM
Date of Appointment	19.03.2003	31.01.2009
Expertise in specific functional areas	Audit, Accounts, Finance and Taxation	HRD and Training
List of other companies in which Directorship held	None	None
Chairman/Member of the committees of the Board of Directors of other companies in which he/she is a Director.	None	None

COLINZ LABORATORIES LIMITED

Additional Shareholders information:

(a) Annual General Meeting

Date : 29th September, 2009.

Time : 12.30 P. M.

Venue : A-101, Pratik Estate, Mulund-Goregaon Link Road, Mumbai – 400 078.

(b) Financial Calender

Financial Year : 1st April to 31st March.

For the financial year 2009-10, the tentative dates for declaration of un-audited / audited results will be as follows;

Quarter ending 30-06-2009 End of July 2009.

Quarter ending 30-09-2009. End of October 2009.

Quarter ending 31-12-2009 End of January 2010.

Quarter ending 31-03-2010 &

Audited results for the year 2009-10 End of June 2010.

(c) Book closure :

The Register of Members and Share Transfer Books of the Company shall remain closed from Tuesday, 22nd September, 2009 to Tuesday, 29th September, 2009 (both days inclusive)

(d) Listing in stock exchanges and stock codes :

The shares of the Company are listed in Bombay Stock Exchange Ltd., Mumbai.

Code of the Company is 531210

The ISIN number allotted to the Company for demat of shares are as under

NSDL INE923C01011

CDSL INE923C01011

(e) Stock Data:

High/Low of Market Price of Company's Equity shares traded in the Stock Exchange Mumbai during the financial year ended on 31-03-2009 was as follows:

Month	High	Low	Month	High	Low
April 2008	9.85	7.01	October 2008	-	-
May 2008	7.07	5.04	November 2008	7.00	7.00
June 2008	7.40	7.40	December 2008	7.00	7.00
July 2008	7.77	7.40	January 2009	6.66	6.66
August 2008	7.65	7.50	February 2009	6.97	5.75
September 2008	7.87	6.79	March 2009	6.08	5.80

(f) Distribution of Shareholding as on 31-03-2009.

Range (In Rs.)	Total Holders	% of Total Holders	Total Holding in Rs.	% of Total Capital
1 - 5000	1864	94.87	1226550	26.84
5001 - 10000	28	1.42	193220	4.23
10001 - 20000	20	1.02	304530	6.66
20001 - 30000	6	0.31	166600	3.64
30001 - 40000	37	1.88	1457300	31.88
40001 - 50000	2	0.10	100000	2.19
50001 -100000	5	0.25	389400	8.52
100001 & above	3	0.15	733400	16.04
Total	1965	100.00	45710000	100.00

(g) Shares held in physical and dematerialised form :

As on 31-03-2009, 11.90% of the shares were held in dematerialised form and the rest in physical form.

(h) Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity : Not applicable.

(i) Plant Location :

Plot No. 60, STICE, Sinnar-Shirdi Road, Musalgaon, Sinnar, Dist. Nasik – 422 103.

(j) Share Transfer System :

The Company has appointed M/s. Bigshare Services Pvt. Ltd., E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (E), Mumbai – 400 072, as Registrar & Transfer Agents.

Tel : 022-28470652 /53

Fax : 022-28475207

Email : bigshare@bom7.vsnl.net.in

(k) Disclosures :

The Company has not entered into any transaction of material nature with the promoters, the Directors, their relatives etc. that may have any potential conflict with the interests of the Company.

The Company has complied with requirements of the stock exchange, SEBI and other statutory authorities on all matters related to capital markets during the last three years. There were no penalties imposed nor any strictures imposed on the Company by the Stock Exchange, SEBI or any other statutory authority relating to the above.

CEO's Certification

The Board of Colinz Laboratories Ltd. has laid down a code of conduct for all the Board Members and the Senior Management. All the Board Members and the Senior Management personnel have affirmed compliance of the code.

Place: Mumbai.

Date: 30-06-2009

Dr. L. S. Mani

Chairman & Managing Director

CERTIFICATE

To the Members of
COLINZ LABORATORIES LTD.

We have examined the compliance of the conditions of Corporate Governance by Colinz Laboratories Ltd., for the year ended on 31-03-2009, as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchange.

The compliance of the conditions of the Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementations thereof, adopted by the Company for ensuring compliance with the conditions of the 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, and the representations made by the Directors and the management, we certify that the Company has complied with the conditions 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. V. Bhat & Co.
Chartered Accountants

S. V. Bhat
Proprietor.
M. No. 37237

Mumbai, dated 30th June, 2009.

AUDITORS' REPORT

TO THE SHAREHOLDERS OF M/S. COLINZ LABORATORIES LIMITED.

We have audited the attached Balance Sheet of M/s. Colinz Laboratories Limited as at 31st March, 2009, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

- 1] As required by the Companies (Auditors' Report) Order, 2003 as amended by Companies (Auditors' Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of section 227(4A) of the Companies Act, 1956, we enclose in the annexure, a statement on the matters specified in paragraph 4 of the said Order.
- 2] Further to our comments in the Annexure referred to in paragraph 1 above, we state that:-
 - a] We have 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 Accounts as required by Law have been kept by the Company so far as appears from our examination of such books.
 - c] The Balance Sheet, Profit and Loss Account and Cash Flow Statement referred to in this report are in agreement with the Books of Accounts.
 - d] In our opinion and to the best of our information, Balance Sheet, Profit and Loss Account and Cash Flow Statement comply with the Accounting Standards issued by the Institute of Chartered Accountants of India, referred to in Section 211 (3C) of the Companies Act, 1956.
 - e] On the basis of the written representation received from the Directors and taken on record by the Board of Directors, we report that none of the Directors is disqualified as at 31st March, 2009 from being appointed as a Director in terms of Section 274(1)(g) of the Companies Act, 1956.
 - f] In our opinion and to the best of our information and according to the explanations given to us, the said accounts together with notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) in the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2009;
 - ii) in the case of Profit and Loss Account, of the profit of the Company for the year ended on that date; and
 - iii) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For S. V. BHAT & CO.
Chartered Accountants

S. V. BHAT.
Proprietor
M.No.37237

Date : 9th June, 2009

Place : Mumbai.

ANNEXURE

Re: COLINZ LABORATORIES LIMITED. (Referred to in paragraph 1 of our Report of even date)

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
(b) The fixed assets have been physically verified during the year by the management. According to the information and explanations given to us, no material discrepancies were noticed on verification.
(c) There was no disposal of any fixed assets during the year, except an old motor car.
2. (a) The inventory has been physically verified during the year by the Management. In our opinion, the frequency of verification is reasonable.
(b) The procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the Company and the nature of the business.
(c) The Company has maintained proper records of inventory. No material discrepancies were noticed on physical verification of inventory.
3. The Company has not granted or taken any loans, secured or unsecured, to or from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. Therefore, the provisions of sub-clause (b), (c), (d), (e), (f) and (g) of sub-para (iii) of para 4 of the order are not applicable.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit we have not observed any continuing failure to correct major weaknesses in internal controls.
5. (a) The Particulars of contracts or arrangements referred to in section 301 of the Act, have been entered in the register maintained under that section.
(b) The transaction made in pursuance of contracts or arrangements referred to in section 301 of the Act are, in our opinion, at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public within the meaning of Sections 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.
7. In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of business.
8. The Central Government has not prescribed maintenance of Cost Records under Section 209 (1)(d) of the Companies Act, 1956.
9. (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, income tax, sales tax, wealth tax, custom duty, excise duty, service tax, cess and other material statutory dues applicable to it. According to the information and explanations given to us, provisions of Employees State Insurance Act is not applicable to the Company.
(b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty, excise duty, service tax and cess were in arrears, as at 31-03-2009 for a period of more than six months from the date they became payable.
(c) According to the information and explanation given to us, there are no dues of sales tax, income tax, customs duty, wealth tax, excise duty and cess which have not been deposited on account of any dispute.
10. The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us the company has not defaulted in repayment of dues to a financial institution or bank.
12. According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.

COLINZ LABORATORIES LIMITED

14. In respect of shares, securities or other investments dealt in or traded by the Company, proper records are maintained in respect of transactions and contracts and timely entries have been made therein. All the investments are held by the Company in its own name.
15. In our opinion and according to the information and explanations given to us, the Company has not given guarantee for loans taken by others from Bank or Financial Institutions.
16. On the basis of the records examined by us and relying on the information compiled by the Company for correlating the funds raised to the end use of term loans, we have to state that, the Company has, prima-facie, applied the term loans for the purposes for which they were obtained.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term investments by the Company.
18. The Company has not made preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956 and therefore the question of the price at which shares have been issued is prejudicial to the interest of the Company does not arise.
19. The Company has not issued debentures and therefore the question of creation of security in respect of debentures does not arise.
20. The Company has not raised monies by public issues during the year and therefore the question of disclosure and verification of end use of such monies does not arise.
21. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For S. V. BHAT & CO.
Chartered Accountants

S. V. BHAT.
Proprietor
M. No. 37237

Date : 9th June, 2009
Place : Mumbai.

BALANCE SHEET AS AT 31ST MARCH 2009

			As at 31-03-2009 Rupees	As at 31-03-2008 Rupees
	Schedule	Rupees		
I. SOURCES OF FUNDS				
SHARE HOLDERS FUND:				
SHARE CAPITAL	1	3,54,35,000		3,54,35,000
RESERVES AND SURPLUS	2	2,16,70,779		2,15,71,019
			5,71,05,779	5,70,06,019
LOAN FUND:				
SECURED LOANS	3	1,45,76,327		1,72,75,192
UN SECURED LOANS	4	1,63,56,973		1,54,68,071
			3,09,33,300	3,27,43,263
DEFERRED TAX LIABILITY:			38,43,362	35,15,720
TOTAL :			<u>9,18,82,441</u>	<u>9,32,65,002</u>
II. APPLICATION OF FUNDS				
FIXED ASSETS:				
GROSS BLOCK	5	6,58,08,412		6,59,86,350
LESS : DEPRECIATION		1,66,90,956		1,42,87,430
NET BLOCK			4,91,17,456	5,16,98,920
INVESTMENTS	6		31,42,828	31,42,828
CURRENT ASSETS, LOANS & ADVANCES:				
INVENTORIES	7	1,78,16,884		1,97,28,839
SUNDRY DEBTORS	8	1,08,03,052		92,91,578
CASH & BANK BALANCES	9	22,56,430		21,29,020
OTHER CURRENT ASSETS	10	7,09,150		7,19,150
LOANS & ADVANCES	11	1,46,44,006		1,47,75,912
		4,62,29,522		4,66,44,499
Less : CURRENT LIABILITIES & PROVISIONS:	12	66,07,365		82,21,245
NET CURRENT ASSETS			3,96,22,157	3,84,23,254
MISCELLANEOUS EXPENDITURE (To the extent not written-off or adjusted)		—	—	—
NOTES ON ACCOUNTS	18			
TOTAL :			<u>9,18,82,441</u>	<u>9,32,65,002</u>

As per our report of even date attached.

FOR S. V. BHAT & CO.

Chartered Accountants.

S. V. BHAT

Proprietor.

M. No. 37237

MUMBAI

9TH JUNE, 2009.

FOR AND ON BEHALF OF THE BOARD.**DR. L. S. MANI****N. K. MENON**

Chairman & Managing Director

Director

COLINZ LABORATORIES LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2009.

	<u>Schedule</u>	<u>31-03-2009</u> <u>Rupees</u>	<u>31-03-2008</u> <u>Rupees</u>
INCOME :			
SALES	—	5,47,17,751	5,54,68,075
OTHER INCOME	13	1,84,701	6,32,365
		<u>5,49,02,452</u>	<u>5,61,00,440</u>
EXPENDITURE:			
COST OF MATERIALS	14	2,06,67,566	1,82,07,958
OTHER MANUFACTURING EXPS	15	78,58,964	1,20,74,408
ADMINISTRATION & OTHER EXPS	16	59,73,969	59,93,333
SELLING & DISTRIBUTION EXPS	17	1,47,74,135	1,43,55,473
BANK CHARGES & INTEREST	—	23,85,556	28,52,572
DEPRECIATION	—	26,23,646	23,95,180
		<u>5,42,83,836</u>	<u>5,58,78,924</u>
PROFIT BEFORE TAXATION		6,18,616	2,21,516
LESS : PROVISION FOR TAXATION – Current Tax		58,707	22,742
Deferred Tax		3,27,642	(5,84,908)
Fringe Benefit Tax		1,32,507	1,24,828
PROFIT AFTER TAXATION		99,760	6,58,854
PREVIOUS YEAR PROFIT B/F		48,50,769	41,91,915
BALANCE CARRIED TO BALANCE SHEET		<u>49,50,529</u>	<u>48,50,769</u>
NOTES ON ACCOUNTS :	18		

As per our report of even date attached.

FOR S. V. BHAT & CO.

Chartered Accountants.

S. V. BHAT

Proprietor.

M. No. 37237

MUMBAI

9TH JUNE, 2009.

FOR AND ON BEHALF OF THE BOARD:

DR. L. S. MANI

N. K. MENON

Chairman & Managing Director

Director

SCHEDULES FORMING PART OF THE BALANCE SHEET

		As at 31-03-2009 Rupees	As at 31-03-2008 Rupees
SCHEDULE 1 : SHARE CAPITAL			
Authorised :			
60,00,000 Equity Shares of Rs. 10/- each.		<u>6,00,00,000</u>	<u>6,00,00,000</u>
Issued :			
45,76,000 Equity Shares of Rs. 10/- each.		<u>4,57,60,000</u>	<u>4,57,60,000</u>
Subscribed and Paid-up :			
45,71,000 Equity Shares of Rs. 10/- each fully called up	4,57,10,000		
Less : Allotment Money in arrears other than By Directors	<u>1,02,75,000</u>	<u>3,54,35,000</u>	<u>3,54,35,000</u>
TOTAL :		<u><u>3,54,35,000</u></u>	<u><u>3,54,35,000</u></u>
SCHEDULE 2 : RESERVES & SURPLUS			
Capital Reserve :			
State Special Capital Incentive received		15,00,000	15,00,000
Share Premium Account	2,03,55,000		
Less : Allotment Money in arrears other than By Directors	<u>51,34,750</u>	<u>1,52,20,250</u>	<u>1,52,20,250</u>
Balance in Profit & Loss Account		49,50,529	48,50,769
TOTAL :		<u><u>2,16,70,779</u></u>	<u><u>2,15,71,019</u></u>
SCHEDULE 3 : SECURED LOANS			
From Banks:			
Cash Credit Account.		1,07,60,877	1,21,22,565
<i>[Secured by Hypothecation of Stock in Trade / Book Debts]</i>			
Term Loan from Bank of Baroda		34,14,139	45,24,409
<i>[Secured by Hypothecation of Plant & Machinery]</i>			
Car Loans from ICICI Bank Ltd		4,01,311	6,28,218
<i>[Secured by Hypothecation of Car]</i>			
TOTAL :		<u><u>1,45,76,327</u></u>	<u><u>1,72,75,192</u></u>
SCHEDULE 4: UN SECURED LOANS			
Sales Tax Deferred (Interest free) (Payable within a year Rs. 1,141/-)		1,63,56,973	1,54,68,071
TOTAL :		<u><u>1,63,56,973</u></u>	<u><u>1,54,68,071</u></u>

SCHEDULE 5 : FIXED ASSETS

DESCRIPTION	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	As at 1.4.2008	Addition in 2008-09	Deduction	As at 31.3.2009	As at 1.4.2008	Depreciation for the year	Deduction	Up to 31.3.2009	As at 31.3.2009	As at 31.3.2008
LAND	2574350	0	0	2574350	0	0	0	0	2574350	2574350
[Including Land Developing Exps]										
BUILDING- Factory	24027330	0	0	24027330	4288771	802513	0	5091284	18936046	19738559
BUILDING-Office	6580717	0	0	6580717	492100	107266	0	599366	5981351	6088617
PLANT & MACHINERY	11187512	0	0	11187512	3595353	531407	0	4126760	7060752	7592159
LABORATORY EQUIPMENTS	1570542	0	0	1570542	471587	74601	0	546188	1024354	1098955
FACTORY EQUIPMENTS & TOOLS	3223653	0	0	3223653	830315	153124	0	983439	2240214	2393338
ELECTRICAL INSTALLATION	2276706	27234	0	2303940	820695	108869	0	929564	1374376	1456011
CENTRAL A.C. PLANT	8176691	0	0	8176691	1032896	388393	0	1421289	6755402	7143795
OFFICE EQUIPMENTS	574832	17828	0	592660	296344	28069	0	324413	268247	278488
COMPUTER	557162	0	0	557162	494093	63069	0	557162	0	63069
FURNITURE & FIXTURE	3469439	0	0	3469439	1395346	219615	0	1614961	1854478	2074093
VEHICLES	1767416	0	223000	1544416	569930	146720	220120	496530	1047886	1197486
TOTAL	65986350	45062	223000	65808412	14287430	2623646	220120	16690956	49117456	51698920
PREVIOUS YEAR	63080974	11358338	8452962	65986350	11892250	2395180	0	14287430	51698920	51188724

SCHEDULE 6 : INVESTMENTS

	Face Value Rs.	No. of Shares	As at 31-3-2009 Rupees	As at 31-3-2008 Rupees
(a) Equity shares [fully paid, quoted]				
3i Infotech	10	600	30,000	30,000
Akruti Nirman Ltd.	10	12	6,480	6,480
Ansal Properties & Infrastructure Ltd	5	200	1,01,926	1,01,926
Arvind Mills	10	500	60,681	60,681
Bajaj Holdings & Investments Ltd.	10	50	73,319	73,319
Bank of Baroda	10	500	1,18,534	1,18,534
Bank of Maharashtra	10	300	6,900	6,900
Bell Ceramics	10	1000	21,880	21,880
Bharat Forge Ltd.	2	30	3,804	3,804
Bharti Shipyard Ltd.	10	200	64,841	64,841
Cairn India Ltd	10	1015	1,62,400	1,62,400
CESC Ltd	10	200	1,28,627	1,28,627
Eveready Industries Ltd.	5	500	17,645	17,645
GTL Infrastructure Ltd.	10	213	4,000	4,000
GTL Ltd.	10	200	—	—
Gangotri Textiles Ltd	5	1200	70,244	70,244
Gujarat Sidhee Cement Ltd.	10	1000	24,186	24,186
HFCL Ltd.	10	500	12,192	12,192
Hindustan Organic Chemicals Ltd	10	1000	66,283	66,283
Hindustan Oil Exploration Co Ltd	10	500	81,322	81,322
Spice Telecom Ltd	10	1000	58,968	58,968
IDBI Ltd	10	200	15,717	15,717
IDFC Ltd	10	2000	1,64,446	1,64,446
Idea Cellular Ltd	10	500	71,866	71,866
Kausalya Infrastructure Ltd	10	176	10,560	10,560
Seamec Ltd	10	1000	1,92,315	1,92,315
Lanco Infrastructure Ltd	10	321	77,040	77,040
Lumax Auto Technologies Ltd.	10	372	27,900	27,900
Macleod Russels Ltd	5	500	17,645	17,645
Mahindra Gesco Developers Ltd	10	200	1,84,668	1,84,668
Maars Software Ltd	10	5000	57,340	57,340
Mid-day Multimedia Ltd	10	500	27,967	27,967
Morepen Laboratories Ltd.	2	500	7,455	7,455
NTPC Ltd	10	500	71,801	71,801
Neyveli Lignite Ltd.	10	400	22,868	22,868
Orchid Chemicals & Pharma. Ltd.	10	100	—	—
Panama Petrochem Ltd	10	500	64,739	64,739
Polaris Software Lab Ltd.	5	200	32,299	32,299
Punj Lloyd Ltd	2	500	99,416	99,416
Pyramid Saimira Theatre Ltd	10	60	6,000	6,000
Ranbaxy Labs. Ltd.	5	100	46,004	46,004
Reliance Industries Ltd	10	200	—	—
Reliance Capital Ltd	10	10	1,130	1,130
Reliance Communication Ltd	5	200	33,654	33,654
Reliance Energy Ltd	10	15	6,348	6,348
Reliance Natural Resources Ltd.	5	200	608	608
Reliance Power Ltd	10	24	6,750	6,750
Simplex Infrastructure Ltd	2	200	76,982	76,982
Sonata Software Ltd	1	1000	52,218	52,218
Spicejet Ltd	10	500	30,276	30,276
Tamilnadu Petroproducts Ltd.	10	500	17,290	17,290
Tanla Solutions Ltd	2	50	6,625	6,625
Tata Tele (Mah) Services Ltd.	10	700	20,634	20,634
Unitech Ltd	2	200	44,887	44,887
Voltamp Transformers Ltd	10	100	63,163	63,163
Wipro Ltd	2	50	13,537	13,537
Total Carried Over			26,86,380	26,86,380
(b) Mutual Funds & Others (Un-Quoted)				
UTI Master Value Fund	33.89	8852.17	3,00,000	3,00,000
JM Infra & Agricultural Fund	10	10000	1,00,000	1,00,000
Bajaj Auto Ltd.	10	50	28,678	28,678
Bajaj Finserv Ltd.	5	50	27,770	27,770
(Market Value of Quoted Shares Rs. 13,09,805/-)				
TOTAL :			31,42,828	31,42,828

COLINZ LABORATORIES LIMITED

	As at 31-3-2009	As at 31-3-2008
SCHEDULE 7 : INVENTORIES		
<i>[As Taken, Valued and Certified by Management]</i>		
Raw Materials	23,40,116.	19,44,668
Packing Materials	9,68,102	9,06,150
Finished Goods	1,41,07,584	1,60,33,393
Semi Finished Goods	4,01,082	8,44,628
TOTAL :	1,78,16,884	1,97,28,839
SCHEDULE 8: SUNDRY DEBTORS		
<i>[Unsecured, Considered Good]</i>		
Over Six Months	16,50,725	15,76,319
Others	91,52,327	77,15,259
TOTAL :	1,08,03,052	92,91,578
SCHEDULE 9: CASH AND BANK BALANCES		
Cash on hand	6,47,654	7,05,981
Balances with Scheduled Banks :		
In current Accounts	4,08,776	5,74,639
Fixed Deposit Account	12,00,000	8,48,400
TOTAL :	22,56,430	21,29,020
SCHEDULE 10: OTHER CURRENT ASSETS		
Security Deposits	7,09,150	7,19,150
TOTAL :	7,09,150	7,19,150
SCHEDULE 11 : LOANS AND ADVANCES		
<i>[Unsecured, Considered good]</i>		
Loans to Companies	1,38,50,000	1,40,50,000
Advances Recoverable	3,83,870	4,00,256
Balance with Excise Authorities	41,271	7,36,583
Advance Tax	1,24,805	1,06,196
Prepaid Expenses	2,44,060	1,82,877
TOTAL :	1,46,44,006	1,47,75,912
SCHEDULE 12: CURRENT LIABILITIES AND PROVISIONS		
Sundry Creditors:		
Trade Creditors	54,61,976	71,62,121
Other creditors	11,45,389	10,59,124
TOTAL :	66,07,365	82,21,245

SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT

		For the Year 2008-09 Rupees	For the Year 2007-08 Rupees
SCHEDULE 13 : OTHER INCOME			
Interest received		1,23,377	88,590
<i>/Includes T. D. S of Rs.5383 /-, Previous Year : Rs. 20226 /- /</i>			
Interest on Income Tax Refund		12,680	5,612
Sales Tax Refund		-	17,500
Dividend		36,524	20,788
Profit on sale of shares (held for more than one year)		-	4,99,875
Profit on sale of Vehicle (Car Sold)		12,120	-
TOTAL :		1,84,701	6,32,365
SCHEDULE 14 : COST OF MATERIALS			
CONSUMPTION OF RAW MATERIALS :			
Opening Stock	19,44,668		21,16,490
Add : Purchases	90,42,648		96,97,453
	1,09,87,316		1,18,13,943
Less : Closing Stock	23,40,116		19,44,668
Consumption		86,47,200	98,69,275
CONSUMPTION OF PACKING MATERIALS :			
Opening Stock	9,06,150		8,82,277
Add : Purchases	68,31,571		70,85,955
	77,37,721		79,68,232
Less : Closing Stock	9,68,102		9,06,150
Consumption		67,69,619	70,62,082
PURCHASE OF FINISHED GOODS :		28,81,392	35,50,946
[INCREASE] / DECREASE IN FINISHED GOODS & WORK IN PROCESS :			
OPENING STOCK : Finished Goods	1,60,33,393		1,43,51,279
Work in Process	8,44,628		2,52,397
	1,68,78,021		1,46,03,676
CLOSING STOCK : Finished Goods	1,41,07,584		1,60,33,393
Work in Process	4,01,082		8,44,628
	1,45,08,666		1,68,78,021
[Increase] / Decrease		23,69,355	(22,74,345)
TOTAL :		2,06,67,566	1,82,07,958

COLINZ LABORATORIES LIMITED

	For the Year 2008-09 Rupees	For the Year 2007-08 Rupees
SCHEDULE 15 : OTHER MANUFACTURING EXPENSES		
Wages & Salaries	20,83,955	19,27,568
Power & Fuel	5,68,013	7,64,880
Freight Inward	1,25,910	58,126
Blocks & Designs	38,475	23,063
Laboratory Expenses	1,14,483	41,612
Analytical Charges	1,37,595	1,61,838
A. C. Rental Charges.	1,42,496	1,34,622
Loan License Charges Paid.	9,62,724	9,63,257
Consumable Stores	1,69,254	1,95,173
Water Charges.	21,652	24,195
Factory Security Charges	1,16,999	1,14,677
Rent Paid	1,14,000	1,14,000
Insurance	1,62,871	1,69,631
Factory Transportation	1,82,418	2,00,989
Excise Duty	28,14,977	70,70,417
Repairs & Maintenance : Plant & Machinery	Rs. 29,281	
Building	Rs. --	
Others	Rs. 73,861	
	1,03,142	1,10,360
TOTAL :	78,58,964	1,20,74,408
SCHEDULE 16 : ADMINISTRATION & OTHER EXPENSES		
Travelling Expenses	8,36,196	5,90,181
Printing & Stationery	1,49,269	1,40,158
Society Maintenance Charges	62,641	70,911
Taxes, License & Fees	1,67,307	1,70,716
Office Expenses	4,28,869	4,77,012
Conveyance	1,86,035	2,03,414
Legal & Professional Charges	3,67,001	3,42,579
Employer's Contribution to Provident Fund	5,80,566	6,54,553
Administration Salary	11,23,521	11,34,398
Postage & Telegrams	2,51,241	2,81,230
Telephones	2,18,230	2,05,263
Books, Periodicals & Subscription	57,250	96,550
Auditor's Remuneration	72,000	72,000
Managerial Remuneration	12,81,000	12,41,000
Bonus	72,490	70,964
Gratuity	99,365	54,250
Preliminary Expenses Written Off.	—	1,71,534
Annual General Meeting Expenses	20,988	16,620
TOTAL :	59,73,969	59,93,333
SCHEDULE 17 : SELLING & DISTRIBUTION EXPENSES		
Salary	62,13,480	57,54,250
Incentives & Bonus	13,20,185	12,24,910
Freight & Forwarding	12,05,920	12,94,950
Recruitment & Statutory Advertisement	94,267	99,762
Commission on Sales	10,35,801	12,50,528
Field Staff Travelling	49,04,482	47,31,073
TOTAL :	1,47,74,135	1,43,55,473

SCHEDULE 18 : NOTES ON ACCOUNTS:-**1. Significant Accounting Policies:****a) General:**

The Financial statements are prepared under historical cost convention on an accrual basis and comply with the accounting standards referred to in Section 211 (3C) of the Companies Act, 1956.

b) Fixed Assets:

Fixed assets are stated at original cost net of tax / duty credits availed, if any.

c) Capital work in progress:

The capital work in progress as on 31-03-2009 is Rs. Nil

d) Depreciation:

Fixed Assets are depreciated under Straight Line Method. The applicable rates are as provided under Schedule XIV to the Companies Act, 1956. Depreciation on additions / deletions of assets during the year is provided on a pro-rata basis.

e) Inventories:

Raw materials and packing materials are valued at cost on FIFO basis as per revised Accounting Standard AS-2 of the Institute of Chartered Accountants of India. Finished goods and semi-finished goods are valued at lower of cost or net realisable value.

f) Investments:

Investments are stated at cost.

g) Sales:

Sales are recognised at the time of dispatch of goods. All sales are shown inclusive of excise duty and exclusive of Sales Tax (VAT).

h) Other income:

Includes interest on income tax refund received, interest on Fixed Deposits with Bank, dividends received and profit on motor car sold.

i) Research and Development Expenses:

No capitalisation of Research and Development expenses is made since no capital expenditure on research and development expenditure has been incurred during the year.

j) Foreign Currency Transactions:

Export earnings of Rs.Nil (Previous Year - Rs.NIL)

Foreign Exchange Outgo of Rs. 1,17,024 (Previous Year – Rs. NIL)

k) Retirement Benefits:

Retirement benefit in respect of gratuity is not provided for, and liability is not ascertained.

Retirement benefit policy of the Company differs with A.S.15 of the Institute of Chartered Accountants of India (Employee Benefit) Quantification of amount is not possible as actuarial valuation is not done.

Privilege leave entitlement : Privilege leave entitlements are recognized as a liability as and when the same is encashed by the employees.

Provident Fund : Contribution to Government provident Fund is made as per the provisions regularly.

2. The figures of previous year have been regrouped wherever necessary.**3. As per the available records, there is no outstanding dues to enterprises registered under Micro, Small and Medium Enterprises Development Act, 2006, at the end of the year. Further, no interest has been paid or payable on delayed payment of dues, if any, to such enterprises during the year****4. Estimated amount of contracts remaining to be executed on capital account and not provided for: Rs.Nil | Previous Year : Rs. Nil |****5. Contingent Liabilities:**

Bills Discounted and Purchased - Rs. Nil (Previous Year Rs. Nil)

Others - Rs. Nil (Previous Year Rs. Nil)

6. Auditors Remuneration :

	2008-2009	2007-2008
Audit Fees	Rs. 50,000	Rs. 50,000
Tax Audit Fees	Rs. 10,000	Rs. 10,000
Other services	Rs. 12,000	Rs. 12,000
	Rs. 72,000	Rs. 72,000

7. Directors Remuneration:

The company has been advised that the computation of net profit for the purpose of Directors' remuneration under Section 349 of the Companies Act, 1956 need not be enumerated since no commission has been paid to Directors. Fixed monthly remuneration has been paid to the Directors as per Schedule XIII to the Companies Act, 1956.

Remuneration includes;	2008-2009	2007-2008
a) Salary	Rs. 11,66,000	Rs.11,21,000
b) Other perks	Nil	Nil
	Rs.11,66,000	Rs. 11,21,000
Sitting fees paid to Non-Executive Independent Directors	Rs. 1,15,000	Rs. 1,20,000

COLINZ LABORATORIES LIMITED

8. Segment Reporting

The Company is engaged in pharmaceutical formulation business which as per Accounting Standard – AS 17 is considered the only reportable business segment.

9. Related party transaction

As required by Accounting Standard – AS 18 'Related Parties Disclosure' issued by the Institute of Chartered Accountants of India are as follows :

(a) Key Management personnel

(i) Dr. L. S. Mani.

(b) Details of Transactions.

Remuneration paid Rs.6,14,500/-

Rent paid for the premise hired Rs. 1,14,000/-

10. Earning per share

As per Accounting Standard – AS 20 on 'Earning per Share' issued by the Institute of Chartered Accountants of India, the earning per share of the Company is Rs.0.02.

11. Accounting for Taxes on Income.

In accordance with the AS-22, Accounting for Taxes on Income, issued by the Institute of Chartered Accountants of India, deferred tax resulting from timing differences between book and tax profits is accounted for, at the current rate of tax, to the extent the timing differences are expected to crystallize. The deferred tax asset arising on account of brought forward unabsorbed depreciation is recognized only to the extent there is a reasonable certainty of realization.

12. AS – 28 Impairment of Assets.

As on the Balance Sheet date the carrying amounts of the assets net of accumulated depreciation is not less than the recoverable amount of those assets. Hence there is no impairment loss on the assets of the company.

In the opinion of Board of Directors, the Current Assets, Loans and advances have a value which on the realization in the ordinary course of business would at least be equal amount stated in the Balance sheet.

13 With regard to loan given to Company, the Board of Directors are of the opinion that no interest should be provided in the accounts as the principle amount has not been recovered Further, no provision for doubtful debt is required to be made as the amount is expected to be recovered in due course.

14 Deferred Tax :

The break up of the deferred tax liability as at 31st March, 2009 is as under:

	2008-09 Rupees	2007-08 Rupees
Deferred Tax Liability :		
Difference between book depreciation and depreciation as per Income Tax Act, 1961.	68,02,597	64,74,955
	68,02,597	64,74,955
Deferred Tax Assets:	29,59,235	29,59,235
Net Deferred Tax Liability	38,43,362	35,15,720

15 The Share Capital includes 4,00,000 Equity Shares of Rs. 10/- each, allotted as fully paid Bonus Shares by capitalisation of Capital Reserves in 1994-95.

16 Additional information pursuant to the provisions of paragraph 3, 4C and 4D of Part II of Schedule VI to the Companies Act, 1956, as certified by the Directors.

Quantitative and Turnover information for the year ending 31st March, 2009.

(Previous year figures are regrouped wherever necessary)

i) Manufacturing Activities :

[Rupees in Lacs]

Class	Units	Installed Capacity	Actual production	Opening Stock Qty.	Opening Stock Value	Closing Stock Qty.	Closing Stock Value	Turnover Qty.	Turnover Value
Tablets	Nos.	600	99.834	23.286	35.90	22.73	34.70	100.39	139.42
	in Lacs	(600)	(86.717)	(33.64)	(48.60)	(23.286)	(35.90)	(97.07)	(151.13)
Capsules	Nos.	400	89.299	17.011	45.19	14.06	44.20	92.25	245.75
	in Lacs	(400)	(83.227)	(16.620)	(35.01)	(17.011)	(45.19)	(82.84)	(224.35)
Liquids	Ltrs.	—	18442.780	4337.89	9.84	3964.110	9.24	18816.56	43.69
		—	(12738.320)	(6945.63)	(16.66)	(4337.89)	(9.84)	(15346.06)	(38.25)
Ointments	Kgs	—	2948.425	2224.045	31.46	1421.175	18.10	3751.295	48.08
		—	(3862.953)	(1047.885)	(14.81)	(2224.045)	(31.46)	(2686.79)	(48.12)

Notes :

* Installed capacity is based on one shift working as certified by the management and accepted by the Auditors without verification being a technical matter.

* Actual production includes production under Loan License arrangements.

* Figures in brackets are of previous year.

ii) Particulars of Goods Traded:

[Rupees in Lacs]

Class	Units	Opening Stock Qty.	Opening Stock Value	Purchases Qty.	Purchases Value	Sales Qty.	Sales Value	Closing Stock Qty.	Closing Stock Value
Liquids	Ltrs.	1285.80	3.32	4218.200	9.79	3774.20	12.27	1729.800	4.47
		(2436.150)	(6.23)	(4184.200)	(8.36)	(5334.55)	(17.87)	(1285.80)	(3.32)
Injectables	Ltrs.	92.662	20.46	106.264	4.24	120.196	26.31	78.73	16.36
		(39.176)	(11.35)	(227.596)	(7.26)	(174.110)	(36.73)	(92.662)	(20.46)
Capsules	Nos	4.197	13.71	5.549	10.77	7.370	23.62	2.376	7.76
	in Lacs	(3.42)	(10.32)	(8.805)	(15.22)	(8.028)	(25.72)	(4.197)	(13.71)
Tablets	Nos.	0.164	0.46	4.463	4.01	2.540	8.04	2.087	6.25
	in Lacs	(0.18)	(0.53)	(3.993)	(4.66)	(4.009)	(12.51)	(0.164)	(0.46)

iii) The quantity and value of consumption of raw materials

Raw Materials (Bulk Drugs)	Quantity (Kgs.)		Value (Rupees in Lacs)	
	2009-2009	2007-2008	2008-2009	2007-2008
1 Calcium Pantothenate	446	374	4.38	5.12
2 Vitamin E	356	379	6.98	5.35
3 Meclizine	150	140	12.47	10.69
4 Paracetamol	2029	2227	5.66	3.99
5 Chlorazoxazone	225	275	1.23	1.40
6 Isox suprine Hcl	15	22	1.92	2.38
7 Riboflavin	73	73	3.04	3.32
8 Niacinamide	415	424	3.13	1.66
9 Thiaminemono	79	51	0.79	0.66
10 Lecithin Usp	—	175	—	1.11
11 Spirulina	4650	4050	16.37	16.69
12 Clindamycin Phosphate	16	52	1.60	4.51
13 Progesterone	25	60	3.18	4.53
14 Vitamin B1	—	129	—	1.78
15 Menthol	52	211	0.48	2.07
16 Propylene Glycol	841	1172	1.16	1.47
17 Sorbitol	2455	2118	0.94	0.79
18 Empty Gelatin Capsule	—	—	12.60	10.86
19 Others	—	—	10.54	20.39
Total :			<u>86.47</u>	<u>98.77</u>

COLINZ LABORATORIES LIMITED

17. Statement Pursuant to Part IV of Schedule VI to the Companies Act, 1956. Balance Sheet abstract and Company's General Business Profile.

I. Registration Details

State Code

1 1

Registration No.

4 1 1 2 8

Balance Sheet Date

3 1 0 3 2 0 0 9

II. Capital Raised during the year (Amounts in Rs. Thousands)

Public Issue

N I L

Right Issue

N I L

Bonus Issue

N I L

Private Placement

N I L

III. Position of Mobilisation and Deployment of Funds : (Amounts in Rs. Thousands)

Total Liabilities

9 1 8 8 3

Total Assets

9 1 8 8 3

Sources of Funds :

Paid-Up Capital

3 5 4 3 5

Reserves and Surplus

2 1 6 7 1

Secured Loans

1 4 5 7 6

Un secured Loans

1 6 3 5 7

Deferred Tax Liability

3 8 4 3

Application of Funds :

Net Fixed Assets

4 9 1 1 7

Investments

3 1 4 3

Net Current Assets

3 9 6 2 2

Misc. Expenditure

N I L

Accumulated Loss

N I L

IV. Performance of Company : (Amounts in Rs. Thousands)

Turnover

5 4 9 0 2

Total Expenditure

5 4 2 8 3

+
✓

Profit/ Loss Before Tax

6 1 9

+
✓

Profit/Loss After Tax

1 0 0

(Please tick Appropriate box + for Profit, - for Loss)

Earning per Share

0 0 2

Dividend Rate

- -

V. Generic Names of Three Principal Products / Services of Company (As per Monetary terms)

Item Code No. (ITC Code)

2 9 3 6 2 4 0 0

Product Description

Calcium D Pantothenate

Item Code No. (ITC Code)

3 0 0 4 9 0 3 6

Product Description

Other Anti-histamines

Item Code No. (ITC Code)

3 0 0 4 9 0 6 9

Product Description

Analgesic, Anti inflammatory

As per our report of even date attached.

FOR S. V. BHAT & CO.

Chartered Accountants

FOR AND ON BEHALF OF THE BOARD

S. V. BHAT

Proprietor

M. No. 37237

MUMBAI

9TH JUNE, 2009.

DR. L. S. MANI

N. K. MENON

Chairman & Managing Director

Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009.

	(In Rupees) Year ended 31-3-2009	(In Rupees) Year ended 31-3-2008
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net profit before tax and extra ordinary items	6,18,616	2,21,516
Adjustment for : Depreciation	26,23,646	23,95,180
Preliminary Expenses Written-off	—	1,71,534
Profit on sale of asset	(12,120)	—
Operating Profit before Working Capital changes:	32,30,142	27,88,230
Adjustment for : Trade and Other Receivable	(15,11,474)	7,09,417
Inventories	19,11,955	(21,26,396)
Other Current Assets	10,000	5,40,300
Loans and Advances	1,50,515	7,31,083
Trade Payable	(16,13,880)	(16,27,848)
Cash generated from operations	21,77,258	10,14,786
Taxes paid	(2,09,823)	(1,53,778)
Cash flow before extra ordinary items	19,67,435	8,61,008
Extra ordinary items :	—	—
Net Cash From Operating Activities :	19,67,435	8,61,008
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	(30,062)	(29,05,376)
Investments in shares & securities	—	(7,20,514)
Net Cash Used In Investing Activities:	(30,062)	(36,25,890)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Increase/ Decrease in Secured Loans	(26,98,865)	(6,27,612)
Increase / Decrease in Un-secured Loans	8,88,902	11,53,234
Net Cash Used In Finance Activities:	(18,09,963)	5,25,622
NE NET INCREASE IN CASH AND CASH EQUIVALENTS : [A+B+C]	1,27,410	(22,39,260)
Cash and cash equivalents as at 01.04.2008 (Opening Balance)	21,29,020	43,68,280
Cash and cash equivalents as at 31.03.2009 (Closing Balance)	22,56,430	21,29,020

FOR AND ON BEHALF OF THE BOARD.

MUMBAI.
9TH JUNE, 2009 .DR. L. S. MANI
Chairman & Managing Director.**Auditors Certificate**

We have verified the above cash flow statement of Colinz Laboratories Limited derived from the audited financial statements for the years ended 31st March, 2009 and 31st March, 2008 and found the same to be drawn in accordance therewith and also with the requirements of Clause 32 of the listing agreements with stock exchanges.

For S. V. BHAT & CO.
Chartered Accountants.

MUMBAI.
9TH JUNE, 2009.

S. V. BHAT
Proprietor.
M. No. 37237

COLINZ LABORATORIES LIMITED

A-101, Pratik Ind. Estate, Mulund-Goregaon Link Road, Next to Wockhardt Hospital, Mumbai - 400 078.

FORM OF PROXY

Ledger Folio No.

No. of Shares

I/We.....of.....
..... being a member/members of Colinz Laboratories Limited hereby
appoint.....of.....
..... or failing him / her
.....of.....
as my/our proxy to vote for me/ us and on my/our behalf at the 23rd Annual General Meeting of the Company to be held
on Tuesday, 29th September, 2009, at 12.30 P. M. and at any adjournment thereof.

Signed this.....2009.

Affix
1 Rupee
Revenue
Stamp

[Signature of the Member(s)]

NOTE : Proxy duly completed must be deposited at the Registered Office of the Company not less than 48 hours before the
time for holding the meeting. The proxy need not be member of the Company.

COLINZ LABORATORIES LIMITED

A-101, Pratik Ind. Estate, Mulund-Goregaon Link Road, Next to Wockhardt Hospital, Mumbai - 400 078.

ATTENDANCE SLIP

I hereby record my presence at the 23rd Annual General Meeting of the Company held at A-101, Pratik Ind. Estate, Next
to Wockhardt Hospital, Mulund-Goregaon Link Road, Mumbai-400078, on Tuesday, 29th September, 2009 at 12.30 P. M.

.....
Full name of the shareholder
[in block letters]

.....
Signature

Folio No.....

.....
Full Name of Proxy
[in block letters]

.....
Signature

NOTE : Shareholders attending the meeting in person or proxy are requested to complete the attendance slip and hand it
over at the entrance of the meeting place. Joint shareholders may obtain additional slips on request.

BOOK POST

If undelivered, please return to :

COLINZ LABORATORIES LIMITED.
A-101, Pratik Ind. Estate,
Mulund-Goregaon Link Road ,
Next To Wockhardt Hospital, Bhandup (W.),
Mumbai - 400 078.

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