

CERTIFIED TRUE COPY
For COLINZ LABORATORIES LTD.

Chairman & Managing Director

Colinz

MD	/		BKC	/
CS	NA		DPY	NA
RO	/		DIV	NA
TRA	/		AC	/
AGM	/	/	SH	/
YE	/	/		/



COLINZ LABORATORIES LIMITED

11th Annual Report
1996-97

COLINZ LABORATORIES LIMITED**BOARD OF DIRECTORS**

SHRI. L. S. MANI
 SHRI. N. K. MENON
 SHRI. J. C. MEHTA
 SMT. VIJAYA MANI
 SHRI. G. VISHWANATHAN

Chairman & Managing Director
Whole-Time Director

MANAGEMENT COMMITTEE

SHRI. L. S. MANI
 SHRI. N. K. MENON
 SHRI. HARSHAD A. DOSHI

AUDITORS

S. V. BHAT & CO.
Chartered Accountants

BANKERS

BANK OF BARODA

REGISTERED OFFICE

123, RAJA INDUSTRIAL ESTATE,
 MULUND (WEST),
 MUMBAI - 400 080.

CORPORATE OFFICE

2ND FLOOR, COPPER ROLLERS COMPOUND,
 L.B.S. MARG, BHANDUP (WEST),
 MUMBAI - 400 078.

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COLINZ LABORATORIES LIMITED

Chairman & Managing Director

NOTICE

NOTICE is hereby given that the 11th Annual General Meeting of the Company will be held at the Corporate Office of the Company, i.e. 2nd Floor, Copper Rollers Compound, L. B. S. Marg, Bhandup (West), Mumbai - 400 078, on Friday, 5th September, 1997, at 3.30 P.M. to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt audited Statement of Accounts together with Director's Report and also the Auditor's Report thereon for the year ended 31st March, 1997.
2. To appoint a Director in place of Smt. Vijaya Mani, who retires by rotation and being eligible offers herself for re-appointment.
3. To appoint a Director in place of Shri. G. Vishwanathan, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors to hold office from conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting and to fix their remuneration.

By order of the Board
For Colinz Laboratories Limited

Regd. Office :

123, Raja Industrial Estate,
Mulund (West),
Mumbai - 400 080.

L. S. MANI
Chairman & Managing Director

Date : 27th June, 1997.

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 CORPORATE 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 Thursday, 21st August, 1997 to Friday, 5th September, 1997 (both days inclusive).
- (C) Members are requested to notify immediately any change in their address to the Company at the Corporate Office at 2nd Floor, Copper Rollers Compound, L. B. S. Marg, Bhandup (West), Mumbai - 400 078.
- (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.

CERTIFIED TRUE COPY

FOR PUNJAB LLOYD'S LIMITED.

Chairman & Managing Director

ANNUAL REPORT 1996 - 97

DIRECTORS' REPORT

To

The Shareholders,

Your Directors have the pleasure in presenting their 11th Annual Report and audited Accounts of your Company, for the year ended 31st March, 1997.

FINANCIAL RESULTS :

	(Rs. In Lacs)	
	1996-97	1995-96
Profit before Interest and Depreciation	18.03	16.46
Less : Bank Charges and Interest	5.51	3.30
Depreciation	3.53	3.24
Profit before Taxation	8.99	9.92
Less : Provision for Taxation	3.64	4.12
Profit after Taxation	5.35	5.80

OPERATIONS :

Your Company has achieved a good progress during the year under review, considering the over all slow-down in the industrial growth witnessed in the country during the year 1996-97. Company after Company has reported depressing results, either loss or a punctured bottomline. Considering this scenario during the year under review your Company's aggregate sales and other income stood at Rs. 258.97 lacs, showing an increase of 10.17% compared to previous year.

The Gross Profit before interest and depreciation amounted to Rs. 18.03 lacs as against Rs. 16.46 lacs in the previous year. The Net Profit after tax is Rs. 5.35 lacs as against Rs. 5.80 lacs in the previous year. The Company has maintained its pioneer status with regard to one of its products PANTOPLEX which grew by 13% in 96-97, compared to previous year.

CURRENT STATUS OF THE PROJECT :

It was reported in the last year's report about the commencement of construction activities of our new factory at plot No. 60, STICE, Sinnar (Nashik Dist.). Your Directors are happy to inform you that 90% of the civil construction is over and the entire civil work is expected to be over by 15th July '97. Completion of civil construction was delayed by a few months due to go-slow tactics adopted by the loading/unloading workers at the cement factory of our supplier and the subsequent nation-wide transport strike in the month of April '97. Electrical and Air handling systems work, as per the requirement of Food and Drug Administration, for certain departments are currently going on. Immediately after this, the erection of machinery will commence.

The delay in the commencement of commercial production of our new factory is due to poor resource mobilisation in the capital market since last two years, which has, in fact, affected the industrial growth as a whole and especially new projects. As per our Government's own figures industrial growth had plummeted to 6.7% in 96-97 down from the previous year's 11.6 %. In fact, this slow-down is evident in all segments of the industry. Had your Company were to receive the entire Allotment Money, on time, the commercial production could have commenced much earlier than the current schedule. Your Directors have, now, approached the Company's Bankers for Term Loan for Machinery to bridge the short fall arisen on account of non-payment of Allotment Money by many of the Share holders (For the shares allotted under the Public Issue). Your Directors have been informed that the Company's Bankers are considering our request favourably for the Term Loan. Barring unforeseen circumstances your Directors are confident that commercial production would start by the end of September '97.

FUTURE OUTLOOK :

Your Company has a vision and with a lot of planning and hard work, 'Colinz', will be the name to reckon with. Towards this end your Company has already built up a strong, motivated and dedicated field staff, to promote Company's products as well as a team of technical experts for the development of products. Your Company, now, is on a take-off stage, having established a reputation for quality. The wait is only for the new production facilities to be commenced, as the current production facilities are inadequate to cater the growing demand for Company's products. Ample production from the new unit will not only help to bridge the current gap between the demand and supply of your Company's products; but will also help to cater the ever-increasing export potential in line with today's requirements of our country. Therefore the future outlook is expected to be very good for your Company.

COLINZ LABORATORIES LIMITED**INFORMATION UNDER LISTING AGREEMENT WITH STOCK EXCHANGES :**

The funds raised by the Company through the issue of shares have been utilised for the purpose for which they were intended and Projections Vs. Performance for the year 1996-97 is as follows :

Particulars	[Rupees in '000]	
	Projection	Actual
Sales and Other Income	10,42.50	2,58.97
Profit after Tax	86.50	5.35
Equity Capital	4,57.60	3,46.71
Reserves & Surplus	1,04.17	16.25
Book Value (in Rs.)	16.86	14.92

Note : Variations in figures due to non-commencement of commercial production at the new factory.

PUBLIC DEPOSITS :

Your Company has not accepted any Public Deposits during the year under review.

DIRECTORS :

At the forthcoming Annual General Meeting Mrs. Vijaya Mani and Mr. G. Vishwanathan retire by rotation and are eligible for reappointment.

PERSONNEL :

During the year under review, relations between the Employees and the Management remained cordial. Provisions of Section 217(A) of the Companies Act, 1956, 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.

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION :

No imported technology is adapted by the company. Continuous developmental efforts made by our qualified and approved staff resulted in the following benefits.

- Stability of our formulations
- Formulation of new products
- Quality improvement.

RESEARCH AND DEVELOPMENT :

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

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 11th Annual General Meeting and are eligible for re-appointment.

ACKNOWLEDGMENT :

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.

L. S. Mani

Chairman & Managing Director

Place : Mumbai,

Date : 27th June, 1997.

AUDITORS' REPORT

TO

THE SHARE HOLDERS OF **M/S. COLINZ LABORATORIES LIMITED.**

We have audited the Attached Balance Sheet of **M/s. Colinz Laboratories Limited** as at 31st March, 1997, and the Profit & Loss Account for the year ended on that date annexed thereto and report that :-

- 1] As required by the Manufacturing and Other Companies (Auditors Report) Order, 1988, issued by the Company Law Board in terms of Section 227(4A) of Companies Act, 1956, we enclose in the Annexure a statement on the matter specified in paragraphs 4 and 5 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 and Profit and Loss Account referred to in this report are in agreement with the Books of accounts.
 - d] In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet and the Profit and Loss Account read together with the notes thereon give the informations required by the Companies Act, 1956, in the manner so required and give a true and fair view;
 - i) in so far as it relates to the Balance Sheet, of the state of affairs of the Company as at 31st March, 1997, and
 - ii) in so far as it relates to the Profit and Loss Account, of the profit of the Company for the year ended on that date.

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

S. V. BHAT
Proprietor

M. No. 37237

Place : Mumbai,
Date : 19th June, 1997.