



21st Annual Report 2009 - 2010



Rekvina

Laboratories Limited

328, Paradise Complex, Sayajigunj, Vadodara-390 005 (Gujarat)



Rekvina Laboratories Limited

TWENTY FIRST ANNUAL REPORT

BOARD OF DIRECTORS

Shri Mukesh J. Shah	Executive Director
Shri Amit M. Shah	Executive Director
Shri Jitendra Doshi	Non Executive Director
Shri Mahendra Dalal	Non Executive Director

Registered Office:
328, Paradise Complex,
Sayajigunj, Vadodara – 390 005. (Gujarat)

21st ANNUAL GENERAL MEETING

Date : 30-09-2010 Thursday

Time : 12.00 Noon.

Place : 328, Paradise Complex, Sayajigunj, Vadodara - 390 005.

Bankers:
BANK OF BARODA
Kothi Branch
Vadodara.

AUDITORS:

M/S. Y. K. SHAH & CO.
Chartered Accountants,
218, Phonix Complex, Sayajigunj, Vadodara – 390 005.



NOTICE

NOTICE is hereby given that TWENTY FIRST ANNUAL GENERAL MEETING of the members of REKVINA LABORATORIES LIMITED will be held at the Registered Office of the company at 328, Paradise Complex, Sayajigunj, Baroda (Gujarat) on 30.09.2010 at 12.00 Noon to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt Audited Balance Sheet as at 31.03.2010 and the Profit & Loss Account for the year ended on that date and the reports of the directors and the auditors thereon.
2. To appoint a Director in place of Shri Amit M Shah, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next annual general meeting and to authorise the board of directors to and to fix their remuneration.

M/s. Y, K Shah & Co., Chartered Accountants, whose term expires at this Annual General Meeting, is eligible for reappointment.

FOR AND ON BEHALF OF THE BOARD

Place : Vadodara
Date : 02.09.2010

(MUKESH J. SHAH)
CHAIRMAN

Notes :

- 1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. A PROXY IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY AT ITS' REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE TIME SCHEDULED FOR HOLDING THE MEETING.
- 2) Members are requested to bring their copies of Annual Report and Accounts to the meeting.
- 3) The Register of Members and the share Transfer Books of the Company will remain closed from **21.09.2010** to **27.09.2010** (both days inclusive) for the purpose of section 154 of the companies act, 1956.
- 4) All the documents transferred to in the notice and explanatory statement would be open for inspection at the Registered Office of the company between 11.00 AM to 01.00 PM during business hours on all working days (except holidays and Sundays) till the date of meeting.

REQUEST TO MEMBERS :

1. Members are requested to quote their Registered Folio Number in all correspondence with the Company and notify the Company immediately of change, if any, in their registered address.
2. As such the company has established in-house share department at its registered office, members are requested to send all correspondence regarding share transfer, change of address etc. at the said office only.
3. Members desiring any information on the accounts at the Annual General Meeting are requested to write to the Company atleast seven days in advance, so as to enable the Company to keep the information ready.

FOR AND ON BEHALF OF THE BOARD

Place : Vadodara
Date : 02-09-2010

(MUKESH J. SHAH)
CHAIRMAN



DIRECTORS' REPORT

Dear Members,
M/s. Rekvina Laboratories Ltd.

Your Directors have pleasure in presenting the **Twenty First Annual Report** together with the Audited Accounts for the year ended **31st March, 2010**.

FINANCIAL PERFORMANCE

	2009-2010	2008-2009
Total Sales & Income	--	2527
Financial Expenses	370	114
Depreciation	--	--
Profit / (Loss) before Tax	(370620)	(6071)
Provision for Income Tax	--	--
Profit / (Loss) after Tax	(370620)	(6071)

OPERATIONS

During the year, the Company has not made any investment in research and development activities. The turnover of the Company has effected adversely during the year significantly. The management of the Company is making all efforts to increase sales and are hopeful of better performance in the ensuing year.

DIVIDEND

The Directors, in view of present situation and loss during the year have not recommended any dividend for the year under review.

DEPOSITS

The Company has not accepted any deposits pursuant to the provisions of Section 58A of the Companies Act, 1956.

DIRECTORS

Mr. Amit M Shah, Director of the Company retires by rotation at the ensuing Annual General Meeting and has expressed willingness to be reappointed.

AUDITORS

M/s. Y.K. Shah & Co., Chartered Accountants, Baroda retire as Auditors of the Company at the ensuing Annual General Meeting and are eligible for re-appointment and they have furnished the certificate for their eligibility as per Section 224 (1B) of the Companies Act 1956.

AUDIT COMMITTEE

As required under Section 292A of the Companies Act, read with clause 49 of the listing requirement 1956 Audit Committee comprising has been formed. Audit Committee meetings were held in accordance with statutory requirement.

INDUSTRIAL RELATIONS

During the year under review the relation between employees and management were cordial



CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO.

As required by the provisions of Section 217 (1)(e) of the Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988, the relevant data pertaining to 6 Conservation of Energy, Technology absorption & Foreign exchange earnings and out go are furnished in the Annexure forming part of this report.

AUDITORS REPORT

Auditor's observations are self-explanatory and/or suitably explained in the notes on Accounts.

PARTICULARS OF EMPLOYEES

There was no employee during the year under review whose particulars are required to be given pursuant to Section 217 (2A) of the Companies Act, 1956.

CORPORATE GOVERNANCE

Your Company attaches considerable significance to good corporate governance as an important step towards building investor confidence; improve investor's protection, Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm :

- i. that in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same;
- ii. that they have been 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 affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- iii. that they have 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. that they have prepared the accounts for the financial year ended 31st March 2010 on a going concern basis.

ACKNOWLEDGEMENT

The Board of Directors acknowledges their unmatched valuable contribution and appreciates the co-operation received from the bankers, customers for their continued support. The directors also express their appreciation to all the employees of the Company for their sustained contribution throughout the period. The directors simultaneously thank the shareholders for their continued faith in the Company.

FOR AND ON BEHALF OF THE BOARD

Place : Vadodara
Date : 02/09/2010

(MUKESH J. SHAH)
CHAIRMAN

**ANNEXURE TO DIRECTORS REPORT**

INFORMATION UNDER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN REPORT OF BOARD OF DIRECTORS), RULES, 1988 AND FORMING PART OF THE DIRECTORS REPORT FOR THE YEAR ENDED 31ST MARCH, 2010.

1. CONSERVATION OF ENERGY**FORM "A"**

Your Company falls out of the purview of the list of Industries which are required to furnish the necessary information in Form A.

II Disclosure of Particulars with respect to Technology Absorption, Adaptation and Innovation (To the extent applicable)**FORM "B"**

	Current year	Previous year
1) Research & Development (R & D)	NIL	NIL
2) Technology absorption, Adaptation and innovation	NIL	NIL
III Foreign Exchange		
Earnings	NIL	NIL
Outgo	NIL	NIL

FOR AND ON BEHALF OF THE BOARD

Place : Vadodara
Date : 02/09/2010

(MUKESH J. SHAH)
CHAIRMAN



MANAGEMENT DISCUSSION AND ANALYSIS

Industry Scenario and Developments:

Indian Pharmaceutical Industry is one of the fast growing sector of the Indian Economy clocking double digit growth consistently over the few years. India is preferred cost effective manufacturing location for pharmaceuticals. Comparatively low cost of Active Pharmaceuticals Ingredients (APIs), robust manufacturing capabilities, existence of regulatory approved manufacturing facilities for APIs and formulations and availability of abundant skilled manpower are the main driving factors for healthy growth of Indian pharma industry.

For Indian API manufacturers, opportunities are present in two forms -one export of non patented APIs to regulated market of US, Europe and Japan and another the contract manufacturing of patent-protected APIs for patent/license holders.

Introduction:

Rekvina Laboratories Limited is a company engaged in manufacturing and marketing of pharmaceutical formulations.

SWOT Analysis

Strengths:

1. Rekvina Laboratories Ltd is a quality producer of pharmaceutical formulations for its customers as per their specific requirements.
3. The Center is engaged in manufacturing process for newer formulations through innovative and cost effective processes.
4. Rekvina Laboratories Ltd. has capability to provide Contract Research and Manufacturing services to its customers.

Risk and Concerns:

The growing competition, increasing energy and solvent costs are few causes of concern.

Opportunities and threats:

All pharmaceutical companies which have succeeded in achieving manufacturing excellence over the years and have developed cost-effective synthesis routes have scope for partnering with other companies for contract manufacturing and research services i.e. CRAMS. With the state-of the art and regulatory compliant manufacturing facilities, the Company is geared up to encash the business opportunities available in this space.

Internal Control and its Adequacy:

For effective inter departmental communications and follow up process, networks for communication have been installed.

The system of internal control provides updated accounting records and the necessary financial information essential for running business. The Company has a clearly defined organization structure and delegation authority. Sufficient control is exercised through monthly, quarterly and annual business reviews by the management.



Financials:

The detailed financial analysis of the Company's operations for the year is given in the Directors' Report and therefore, the same is not repeated.

Human Resources:

Human Resource being the most significant of the factors contributing to the success of the Company in achieving its objectives. The Company has been following a proactive policy for Human Resource Management. Suitably qualified and trained team has been engaged and continuously developed to facilitate smooth and efficient functioning of all departments. New recruitments have been made to keep pace with increasing requirement of skilled and experienced technical personnel for new projects and expansion. Initiatives to develop a team capable of functioning in ever changing technology have been taken.

Outlook and Future Strategy:

With the new categories getting granted by FDCA, the Company is confident of good growth in exports in the coming year.

The Company is focusing on core business of manufacturing and marketing of formulations. Research and Development has been put on fast track for cost competitiveness and to comply with the requirements of regulatory market. Cost rationalization and management control at all levels are practiced to ensure operational efficiencies in the sphere of manufacturing and marketing.

Armed with strong resource base and a vision to be a leading manufacturer of formulations in selected therapeutic areas, Rekvina Laboratories Ltd is poised to unleash its true potentials to meet the challenges and exploit the growth opportunities ahead.

Cautionary Statement:

Statement in the Management Discussion and Analysis describing the Company's objectives, projections, expectations and estimates regarding future performance may be forward looking statements and are based on currently available information and current scenario. The management believes these to be true to the best of its knowledge at the time of preparation of this report. However, these statements are subject to certain future events and uncertainties which could cause actual results to differ materially from those that may be indicated in such statements.



CORPORATE GOVERNANCE REPORT

Pursuant to clause 49 of the listing agreement, a report on corporate governance is given below :

1) Company's philosophy on code of governance.

Corporate Governance deals with the laws, procedures, and practice to determine Company's ability to take managerial decisions and in particular relations with Shareholders, Customers/Suppliers and Employees. The objective of Good Corporate Governance is to enhance the long-term shareholders value and maximize interest of other Shareholders. This in turn will lead to corporate growth and the actions of the management arising out of this Corporate Governance would create wealth for the Company as well as for Society at large.

2) Board of Directors

a) Composition

The present strength of the Board is 4 Directors. The Board comprises of non-executive Directors.

During the year five Board meetings were held and the gap between two meetings did not exceed 4 months. The Board meetings were held on 30th April 2009, 30th July 2009, 30th September 2009, 30th October 2009, 30th January 2010.

None of the Directors on the Board is a member of more than 10 Committees & more than 5 Committees as Chairman.

The names and category of Directors on the Board, their attendance at Board meetings during the year and at the last Annual General Meetings and also the number of Directorships and Committee Memberships / Chairmanships held by them in other Companies are give below :

Sr.No.	Name of Directors	Executive/ Non Executive / Independent / Promoters	No. of other companies in which directors	No. of companies/ positions held in other companies.
1.	Mukesh J. Shah	Executive	3	2
2.	Amit M. Shah	Executive	2	2
3.	Jitendra Doshi	Non-Executive	0	0
4.	Mahendra Dalal	Non-Executive	1	0

3) As Clause 49 (i)(B) of the Listing Agreement, the Company has no pecuniary relationship or transaction with the non-executive Directors vis-à-vis the Company.

4) Audit Committee :

The Company has no business activity; hence the Directors have not considered the formation of Audit Committee.

5) Remuneration Committee:

The company has no business activity, and none of the Directors take any remuneration. Hence the Directors have not considered the formation of Remuneration Committee.

Details of Remuneration paid to the Directors: NIL

The Directors have also decided not to receive the sitting fees in view of the financial position of the Company.

**The Transfer and Investor Grievance Committee:**

The investors/shareholders grievance committee comprises entirely of non-executive Directors. The Share transfer and investor grievance committee meeting were held during the year 2009-2010 on 26th April 2009, 31st May 2009, 24th July 2009, 11th Sept. 2009, 23rd Dec. 2009, 28th March 2010.

All the complaints received from the Shareholders have been attended.

6. General Body Meetings:

Date of AGM	Location
30th September 2004	At the Registered office of the Company
30th September 2005	At the Registered office of the Company
30th September 2006	At the Registered office of the Company
29th September 2007	At the Registered office of the Company
29th September 2008	At the Registered office of the Company
30th September 2009	At the Registered office of the Company
No Special Resolution was put through postal ballot during the previous year.	

7. Disclosures: a) There are no applicable Disclosure of related partly transactions as required by the Accounting Standard 18. There are no material significant transactions with its promoters, as a Director or the management or relatives or subsidiaries that may have potential conflicts with the interest of the Company.

b) There is no non-compliance by the Company except the circumstantial delay caused, penalties, strictures imposed on the Company by the Stock Exchange or SEBI or any statutory authority on any matter related to Capital market during the last 4 years.

8. General Shareholders information

Sr. No.	Particulars	Date
1.	Annual General Meeting	30th September 2010
2.	Dates of Book-closure	21st September 10 to 27th September 10 (Both days inclusive)
3.	Record Date - -	
4.	Dividend Payment date	N.A.
5.	Listed on Stock Exchange	MUMBAI , VADODARA
6.	Stock Code Physical :	526075 BSE

Address for communication :

Registered Office :328, Paradise Complex, Sayajigunj, **Vadodara – 390 005.**

Phone : 0265-2362319

Share Transfer System: All transfer requests are received and processed by the Company after a careful scrutiny of the same for transfer or rejection, as the case may



9) Distribution of Share Holding as on 31-03-2010:

Equity Share held	Number of shareholders	% of shareholders	Number of shares held	% of shares held
1-500	4363	83.98	788900	26.17
501-1000	541	10.41	481900	15.99
1001-2000	192	3.70	372100	12.35
2001-3000	25	0.48	81100	2.69
3001-4000	6	0.12	21600	0.72
4001-5000	4	0.08	18000	0.60
5001-10000	41	0.79	311900	10.35
above 10000	23	0.44	938500	31.14
Total	5195	100.00	3014000	100.00

10) Shareholding pattern as on 31st March, 2010

Total Nominal Value : Rs.3,01,40,000 Total No. of Shares : 30,14,000
Nominal Value of each Shares : Rs.10/- Paid up Value of each Shares Rs.10/-

Category	No. of Shares	% of Shareholding
Indian Promoters & Group	8,50,000	28.20
Mutual Funds & UTI	-	
FII's	-	
Banks & Financial Institution		
Corporate Bodies	52,900	1.76
Indian Public	21,11,100	70.04
NRIs/OCBs		
Total	30,14,000	100

11) Market Price data

Rs. NIL High NIL and Rs. NIL Low during each Month for financial year 2009 – 2010 Not Traded.
The Securities of the Company were not traded on the Stock Exchanges.

Dematerialization of Shares as on 31st March, 2010 and Liquidity.

The Company's Shares are not traded in Dematerialized form since the application is still pending with CDSL and NSDL

FOR AND ON BEHALF OF THE BOARD

Place : Vadodara
Date : 02/09/2011

(AMIT SHAH)
DIRECTOR



Declaration

As provided under Clause 49 of the Listing Agreement entered into by the Company with the Stock Exchange, it is hereby declared that all the Board Members and Senior Executives of the Company have affirmed compliance with the Code of Conduct for the year ended 31-03-2010.

For Rekvina Laboratories Ltd.

Date : 02.09.2010

Place : Vadodara

Amit Shah

Director

Certificate of Practicing Company Secretary

To the members of Rekvina Laboratories Limited.

We have examined the compliance of conditions of Corporate Governance by Rekvina Laboratories Limited for the year ended on 31st March, 2010 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange.

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 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, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the Shareholders'/Investors' Grievance Committee.

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 Devesh Pathak & Associates
Practicing Company Secretaries**

Place : Vadodara

Date : 02.09.2010

**(Devesh Pathak)
B.Com., LLB, FCS**



Certificate

To,
The Board of Directors,
Rekvina Laboratories Ltd.
328, Paradise Complex
Vadodara, Gujarat.

This is to certify that:

(a) I have reviewed financial statements and the cash flow statement for the year ended 31st March, 2010 and that to the best of my knowledge and belief;

i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) No transaction is entered into by the Company during the year which is fraudulent, illegal or in violation of the Company's code of conduct.

(c) I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and I have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps I have taken or propose to take to rectify these deficiencies.

(d) I have indicated to the auditors and the Audit Committee:

i. significant changes in internal control over financial reporting during the year;

ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

iii. instances of significant fraud of which I have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For Rekvina Laboratories Ltd.

Date : 02.09.2010

Place : Vadodara

**Amit Shah
Director**



Y K Shah & Co
Chartered Accountants

218, Phonix Complex
Near Suraj Plaza, Sayajigunj
Vadodara - 390 005
Phone:0265-2363315, 3010788
E-mail. : ykshahca@yahoo.com

A U D I T O R S ' R E P O R T

To,
The members of
Rekvina Laboratories Ltd.

1. We have audited the attached Balance sheet of **Rekvina Laboratories Ltd.** as at **31st March 2010** and also the Profit & Loss Account 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.
2. 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 misstatement. 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 management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (As Amended), 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 and 5 of the said order.
4. Further to our comments in the Annexure referred to above, we report that :
 - (i) We have obtained all information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit ;
 - (ii) 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 those books ;
 - (iii) The Balance Sheet and Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts;



- (iv) In our opinion the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956;
- (v) On the basis of written representation received from the directors, as on 31st March, 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies, 1956;
- (vi) Interest free advance given as per note No: 5.
- (vii) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes on accounts, 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:
 - a) in the case of Balance Sheet, of the State of affairs of the Company as at 31st March 2010 ; and
 - b) in the case of Profit & Loss Account, of the loss for the year ended on that date.
 - c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For Y.K. Shah & Co.
Chartered Accountant

CA. Yogesh K. Shah
(Proprietor)
M. No. 101687
Place : Vadodara
Date : 02.09.2010



ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our Report of even date on the Accounts for the year ended on 31st March, 2010 of Rekvina Laboratories Ltd.)

(1) FIXED ASSETS

- (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) We were informed that the management once during the year carried out physical verification of major Fixed Assets. In our opinion, frequency of verification is reasonable having regard to the size and nature of fixed assets. We were further informed that on such verification no material discrepancies were noticed between the book records and physical verification.
- (c) In our opinion and according to the information and explanations given to us, the Company has not disposed off substantial part of fixed assets during the year.

(2) INVENTORIES

- (a) The inventories have 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 inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) On the basis of our examination of the records of inventory, in our opinion, the company is maintaining proper records of inventory. The discrepancies noticed on physical verification of stocks as compared to the book records were not material.

(3) LOANS

- (a) The Company has granted unsecured loans to Companies, firms or other parties covered in the register maintained under section 301 of the Act. There is one party and the amount involved Rs. 23.93 lacks.
- (b) In our opinion, the rate of interest and other terms and conditions on which loans have been granted to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 are, *prima facie*, prejudicial to the interest of the company.
- (c) As per the information & explanation given to us, the loan granted to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956, has no pre-defined repayment schedule and is free of interest;
- (d) As per the information & explanation given to us, there is no overdue amount of loans granted to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
- (e) The company has not taken any loan from Companies covered in the register maintained under section 301 of the Companies Act, 1956.

(4) INTERNAL CONTROL

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) RELATED PARTY TRANSACTIONS - SECTION 301

- (a) According to the information and explanations given to us, we are of the opinion that the contracts or arrangements referred to in section 301 of the Act have been so entered in the register referred to be maintained under that section.



- (b) As per the information and explanations given to us, each of these contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time;
- (6) The company has not accepted any deposits from the public within the meaning of section 58A, 58AA or any other relevant provision of the Act.
- (7) In our opinion, the company has an internal audit system commensurate with the size & nature of its business.
- (8) The Central Government has not prescribed maintenance of cost records under section 209(1)(d) of the companies act 1956 for any of the items dealt with by the company.

(9) **STATUTORY DUES**

- (a) The company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other statutory dues applicable to it with the appropriate authorities.
- (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 and cess were in arrears, as at 31st March, 2010 for a period of more that six months from the date they became payable.
- (c) According to the information and explanation given to us, the following are the details of disputed income tax, sales tax, wealth tax, service tax, customs duty, excise duty and cess, to the concerned Authorities :

Sr. No.	Statutory Dues	With whom the dispute is pending	Unpaid Amount Rs.
1.	Income Tax	CIT (A)	Rs. 10,16,536
2.	Income Tax	CIT (A)	Rs. 9,57,098
3.	Sales Tax	Sales Tax Tribunal	Rs. 39,33,322

- (10) In our opinion, the accumulated losses of the company at the end of financial year are more than fifty percent of its net worth. The company has incurred cash losses during the financial year covered by our audit and in the 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) As per the information and explanations given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares and other securities.
- (13) In our opinion that 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.
- (14) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.



- (15) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (16) As per the information and explanations given to us, the Company did not have any term loan during the year;
- (17) According to the information and explanations given to us no funds raised on short-term basis have been used for long-term investment. No long-term funds have been used to finance short-term assets except permanent working capital.
- (18) According to the information and explanations given to us, 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.
- (19) According to the information and explanations given to us, during the period covered by our audit report, the company had not issued debentures.
- (20) The Company has not raised any money by public issues during the year.
- (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 Y.K. Shah & CO.
Chartered Accountants

CA. Yogesh K. Shah
(Proprietor)
M.No. 101687

Place : Vadodara
Date : 02.09.2010

**REKVINA LABORATORIES LIMITED**

328 Paradise Complex, Sayajigunj, Vadodara - 390 005. (Gujarat)

Balance Sheet as at 31st March, 2010

	Sche- dule	31st March 2010		31st March 2009	
		Rupees	Rupees	Rupees	Rupees
SOURCES OF FUNDS					
SHAREHOLDERS' FUNDS					
Share Capital	01	30140000		30140000	
Reserves and Surplus	02	1630251	31770251	1630251	31770251
TOTAL			31770251		31770251
APPLICATION OF FUNDS					
FIXED ASSETS					
Gross Block	03	5115432		5115432	
Less : Depreciation		2415274		2415274	
Net Block		2700158	2700158	2700158	2700158
Share Investment	04		488025		784725
CURRENT ASSETS, LOANS & ADVANCES					
Sundry Debtors	05	0		432672	
Cash and Bank Balances	06	33310		7318	
Loan and Advances	07	3196658		3101852	
		3229968		3541842	
Less :					
CURRENT LIABILITIES AND PROVISIONS	08	76330		314284	
Net Current Assets			3153638		3227558
Profit & Loss A/c			25428430		25057810
Notes forming part of Accounts	12				
TOTAL			31770251		31770251

As per our report of even date

For and on behalf of the Board

For Y K Shah & Co.
Chartered Accountants

M/s. Rekvina Laboratories Limited

[CA Yogesh K Shah]
Proprietor.

M J Shah Amit M Shah
(Chairman) (Director)

Vadodara, 02-09-2010

**REKVINA LABORATORIES LIMITED**

328 Paradise Complex, Sayajigunj, Vadodara - 390 005. (Gujarat)

Profit and Loss Account for the Year Ended 31st March, 2010

	Sche- dule	2009-2010	2008-2009
INCOME			
Sales			
Other Income	09	0	2527
	Total	0	2527
EXPENDITURE			
Administrative and selling Expenses	10	370250	8484
Financial Charges	11	370	114
Depreciation			
		370620	8598
PROFIT/ (LOSS) for the Year		-370620	-6071
		-370620	-6071
Add : Profit/Loss brought forward		-25057810	-25051739
Balance carried forward to Balance Sheet		-25428430	-25057810
Notes forming part of Accounts	12		

As per our report of even date

For and on behalf of the Board

For Y K Shah & Co.
Chartered Accountants**M/s. Rekvina Laboratories Limited****[CA Yogesh K Shah]**
Proprietor.**M J Shah** Amit M Shah
(Chairman) (Director)

Vadodara, 02-09-2010

**REKVINA LABORATORIES LIMITED****SCHEDULE FORMING PART OF BALANCE SHEET****FOR THE YEAR ENDED ON 31ST MARCH, 2010****SCHEDULE - 01****SHARE CAPITAL**

Particulars	2009-2010	Rs.	2008-2009
Authorised			
3500000 Equity shares of Rs. 10/- each	35000000		35000000
(Previous year 3500000 Equity Shares of Rs.10/- each)			
Issued, Subscribed and Paid UP	30140000		30140000
3014000 Equity shares of Rs. 10/- each			
(Previous year 3014000 Equity Shares of Rs.10/- each)			
TOTAL	30140000		30140000

SCHEDULE – 02**RESERVES AND SURPLUS**

Particulars	2009-2010	Rs.	2008-2009
General Reserve			
As per last Balance Sheet	1630251	1630251	
Add : Transfer from Subsidy Received.	1630251		1630251
TOTAL	1630251		1630251

SCHEDULE – 03**INVESTMENTS**

Particulars	2009-2010	Rs.	2008-2009
Investment :			
Quoted :			
Gujarat State Financial Corporation Limited	2300	2300	
(2300 Equity Shares of Rs. 10/- each at a Premium of Rs.10/-each)			
Market Value as on 31-03-2005-Not Available			
Tirupati Surjan Ltd (221700 Equity Shares of Rs. 10/- each)	0	221700	224000
Market Value as on 31-03-2005-Not Available			
Un Quoted :			
Radiant Parenterals Limited (Equity share of Rs.10/- each)	456000	456000	
Vishesh Laminators Ltd (7500 Equity Share of Rs.10/- each)	0	75000	
Bansari Financial Pvt Ltd (Share Application Money)	456000		531000
F.D. with Union bank of India	29725		29725
TOTAL	488025		784725

**SCHEDULE - 04****FIXED ASSETS**

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Balance as on 31-03-09	Addi-tion	Sales	Total as on 31-03-10	Depre-as on 31-03-09	Depreci-ation for the Year	Depre. Adjusted	Total Depre-ciation	As on 31-03-10	As on 31-03-11
LAND #	172250			172250	0			0	172250	172250
BUILDING	2024361			2024361	760921			760921	1263440	1263440
PLANT AND MACHINERY	1227465			1227465	635759			635759	591706	591706
LABORATORY EQUIPMENT	596340			596340	209199			209199	387141	387141
ELECTRICAL INSTALLATION	317851			317851	167412			167412	150439	150439
FURNITURE AND FIXTURE	50621			50621	33111			33111	17510	17510
OFFICE EQUIPMENT	199905			199905	89878			89878	110027	110027
VEHICLES	0			0	0			0	0	0
COMPUTERS	512464			512464	512464			512464	0	0
LIBRARY BOOKS	14175			14175	6530			6530	7645	7645
TOTAL	5115432			5115432	2856074	0	0	2415274	2700158	2700158
PREVIOUS YEAR	5115432			5115432	2856074	0	0	2415274	2700158	2700158

Lease hold land Rs. 1.72 Lacs

* During the year, Depreciation not claimed on all the assets.

SCHEDULE - 05**SUNDRY DEBTORS**

Particulars	2009-2010	Rs.	2008-2009
(Unsecured and considered good)			
Outstanding for more than Six months	0	432672	
Others		0	432672
TOTAL		0	432672

SCHEDULE - 06**CASH AND BANK BALANCES**

Particulars	2009-2010	Rs.	2008-2009
[a] Cash on hand	31310	4948	
[b] Balance with Schedule Banks :			
On fixed Deposit account	2000	2000	
Bank of Baroda C.A No. 5122	0	33310	7318
TOTAL		33310	7318

**SCHEDULE - 07****LOANS AND ADVANCES**

Particulars	2009-2010	Rs.	2008-2009
(Unsecured - Considered good)			
Advances recoverable in cash or in kind or for value to be received (Including Loan to the Company in which some of the Directors are interested M/s. Radiant Parenteral Ltd. Rs. 65.00 Lacs P.Y. Rs. 80.00 Lacs)	2791599	2537793	
Adv. Income Tax / Tax deduction at source	0	125000	
Deposit	386000	420000	
Advance for Expense	19059	19059	3101852
TOTAL		3196658	3101852

SCHEDULE - 08**CURRENT LIABILITIES**

Particulars	2009-2010	Rs.	2008-2009
Sundry Creditors	76330	314284	
	76330		314284
TOTAL	76330		314284

SCHEDULE - 09**OTHER INCOME**

Particulars	2009-2010	Rs.	2008-2009
Interest (Gross)	0	2527	
Others	0	0	
	0		2527
TOTAL	0		2527

SCHEDULE - 10**ADMINISTRATIVE AND SELLING EXPENSES**

Particulars	2009-2010	Rs.	2008-2009
Insurance			
Audit Fees	6000	6000	
Sales Tax	0	2484	
Loss on Sales of Investment	67500	0	
General Charges	296750	0	8484
TOTAL	370250		8484

SCHEDULE - 11**FINANCIAL CHARGES**

Particulars	2009-2010	Rs.	2008-2009
Interest on Bank Loan			
Bank Commission & Charges	370	114	
TOTAL	370		114



SCHEDULE - 12

NOTES FORMING PART OF ACCOUNTS

[1] Significant Accounting Policies & Practices :

[A] REVENUE RECOGNITION :

Income & Expenditure are recognized on Accrual Basis except retirement benefits of employees. Retirement benefits are accounted on cash basis since they are at the option of the employees.

[B] Fixed Assets :

Fixed Assets are recorded at cost of acquisition or construction after taking credit of Excise Modvate. They are stated at historical cost.

[C] Depreciation :

(a) *During the year the company has not provided for the depreciation* and to that extent the company has deviated its policy to provide depreciation on Fixed Assets on Straight Line Method in accordance with the provision of Companies Act, 1956 and at the rates prescribed in Schedule XIV of the Companies Act, 1956, as amended in 1996.

(b) No Write off has been made in respect of leasehold land.

[D] Gratuity:

As there is no employee, no provision of gratuity made

[E] Modvate Benefit :

Modvate benefit is accounted on accrual basis on purchase of materials and appropriated against payment of excise duty on clearance of finished goods.

[F] Borrowing Costs:

Borrowing costs that are attributable to the acquisition or construction of qualifying assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

[G] Investment :

Long term and unquoted investments are stated at cost and quoted investments are also stated at cost of acquisition.

[2] NOTES ON ACCOUNTS

[a] Sales are recognized on dispatch of goods by the company and are reflected in accounts including Excise Duty where ever applicable.

[b] Sundry debtors considered bad & outstanding for a period more than six months includes amount of Rs.4.32 Lacs from some of the stockists which are outstanding for more than three years.

[c] During the year under consideration the Company has incurred a loss & hence, no provision of taxation has been made.



[d] In the opinion of the management and to the best of their knowledge and belief the value on realization of Loan, advance and other current asset in the ordinary course of business will not be less than the amount at which they are stated in the Balance Sheet.

[3] Balances of Loans, Advances, Debtors, Creditors and Deposits are subject to confirmation & reconciliation.

[4] Contingent Liabilities :

(a) For domestic bills and cheques discounted falling due after 31.03.2010 Rs. Nil. (P.Y. Rs. Nil)

(b) For irrevocable Letter of Credit opened by Bank Rs. Nil. (P.Y. Rs. Nil)

(c) For Bank Guarantee given by Bank Rs. Nil. (P.Y. Rs. Nil)

[5] The company has given interest free advance of Rs. 25.38 Lac (Op. Balance) to M/s. Radiant Parenterals Limited (the company in which Managing Director is a Director). *As per the legal opinion received by the company the said advance do not attract the provisions of section 295 of the Companies Act, 1956 and, therefore, the formality prescribed under the said section are not at all complied with by the company. However we are not agreeing with the company's explanations.*

(6) During the year company has not provided for depreciation amounting Rs. 182715/- & to that extent loss of the company is under stated and fixed assets of the company is over stated.

[7] Amount due to Small Scale Industrial Undertakings Rs. Nil (P.Y. Rs.Nil).

[8] In view of C/f losses / unabsorbed depreciation in respect of past years the company may not have the taxable income in the near future and hence cumulative net differed tax assets after deducting differed tax liabilities have not been recognized by the company on prudence basis in accordance with the AS – 22 issued by ICAI. Similarly net differed tax assets for the current year have also not been recognized on prudence basis.

[9] Segment Information :

The company is principally engaged in the business of pharmaceuticals products. Accordingly these are no reportable segments as per accounting standard No. 17 issued by the Institute of chartered accounts of India on “Segment Reporting”.

[10] Details of remuneration paid/provided during the year to Directors are as under :

	2009-2010 Rs.	2008-2009 Rs.
<1> Salary	--	--
<2> Gratuity	--	--
	-----	-----
	--	--



[11] Auditors Remuneration	2009-2010 Rs.	2008-2009 Rs.
<1> Audit Fees	5,000	5,000
<2> Certification work	1,000	1,000
	-----	-----
	6,000	6,000

[12] Additional information pursuant to the provision of paragraphs & 4C and 4D of the Part II of Schedule VI to the Companies Act, 1956.

[A] SALES

	2009-2010		2008-2009	
	Quantity (Nos. in Lac)	Quantity (Nos. in Lac)	Quantity (Nos. in Lac)	Rupees (in Lac)
Tablets & Capsules	--	--	--	--
Ointment	--	--	--	--
Injections	--	--	--	--
Others (Kg)	--	--	--	--
Sales Tax	--	--	--	--
Total	--	--	--	--

[B] RAW MATERIALS CONSUMED

	2009-2010		2008-2009	
	Quantity (Kg.)	Quantity (Kg.)	Quantity (Kg.)	Rupees (in Lac)
Others	*	*	*	-
				-
Imported				-
				-
Indigenous				-
				-

* Details are not furnished for materials whose consumptions are less than 10% of total material consumption.

[C] VALUE OF IMPORTS ON CIF BASIS

	(Rupees in Lac)	
	2009-10	2008-09
Raw Material	Nil	Nil

[D] PARTICULARS REGARDING FOREIGN EXCHANGE

Expenditure in Foreign Currency	---	---
Remittance in Foreign Currency	---	---
Earning in Foreign Currency	--	---

**[E] CAPACITY AND PRODUCTION**

	Capacity		Actual Production	Finished Goods Purchase	Opening Stock		Closing Stock	
	Licensed (Nos. in lac)	Installed (Nos.in lac)	* (Nos.in lac)	Qty. (Nos.in lac)	Qty. (Nos.in lac)	Rupees (In lac)	Qty. (Nos.in lac)	Rupees (In lac)
Tablets & Capsule	N.A.	N.A.	--	--	--	--	--	--
Ointment	N.A.	N.A.	--	--	--	--	--	--
Injection	N.A.	N.A.	--	--	--	--	--	--

Notes : * Total production Qty. are manufactured on job work basis.

[13] Earning per share (EPS)

In terms of Accounting Standard – 20 the calculation of EPS is given below :-

	2009-10	2008-09
Loss as per book of accounts.	6,071	83,984
Weighted average no of Equity Share Outstanding during the year	30,14,000	30,14,000
Basic & Diluted EPS	-	-

[14] Previous years figures have been regrouped & rearranged wherever necessary, so as to give meaningful comparison with respect to previous year.

SIGNATURE TO SCHEDULES 1 TO 13

As per our report of even date
For Y. K. Shah & Co.
Chartered Accountants

For and on behalf of the Board
REKVINA LABORATORIES LIMITED

[CA. YOGESH K. SHAH]
Proprietor

M J Shah [Chairman]

Vadodara, dated : 02.09.2010

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

Registration Details

I. Registration No. 04-11458 State Code : 04
Balance Sheet Date 31.03.2010

II. Capital Raised during the year (Rs. in Thousand)

Public issue	Right issue
Nil	Nil
Bonus Issue	Private Placement
Nil	Nil

III. Position of Mobilisation and Deployment of Funds (Rs. in Thousand)

Total Liabilities	Total Assets
31770	31770
SOURCES OF FUNDS :	APPLICATION OF FUNDS :
Paid-up Capital	Net Fixed Assets
30140	2700
Reserves & Surplus	Investment
1630	488
Secured Loans	Net current Assets
--	3154
Unsecured Loans	Loss C/F
--	25428

IV. Performance of Company (Amount in Rs. Thousand)

Turnover	Total Expenditure
0	371
Profit Before Tax	Profit After Tax
(371)	(371)
Earning per Share in Rs.	Dividend rate %
----	Nil

V. Generic Names of Three Principal Products/Services of Company.
(as per monetary terms)

Item Code No. (ITC Code)	N.A.
Product Description	N.A.

For Y. K. SHAH & CO.
Chartered Accountants

For and on behalf of the Board
REKVINA LABORATORIES LIMITED

[CA.YOGESH K. SHAH]
Proprietor
Vadodara, dated : 02.09.2010

M J Shah	Amit Shah
[Chairman]	[Director]

**CASH FLOW STATEMENT FOR 2010-2011 (2009-2010)**

		For the Year ended 31.03.2010	For the Year ended 31.03.2009
A	CASH FLOW OPERATING ACTIVITIES :		
	Net Profit before Tax	(370620)	(6071)
	Adjustment for :		
	Depreciation	--	--
	Misc. Expenditure Written off	--	--
	Interest Paid	--	--
	Loss on Sales of Assets	--	--
	OPERATING PROFIT BEFORE WORKING	(370620)	(6071)
	Adjustment for :		
	Trade and other receivables	337866	34003
	Trade Payables	(237954)	(28046)
	Inventories	296700	--
	Cash Generated from Operations	396612	5957
	Interest Paid	--	--
	NET CASH FROM OPERATING ACTIVITIES (A)	396612	5957
B	CASH FLOW FROM INVESTING ACTIVITIES :		
	Purchase of Fixed Assets	--	--
	Purchase of Investment	--	--
	Sale of Fixed Assets	--	--
	Sale of Capital Work in Progress	--	--
	Net Cash used in investing activities (B)	--	--
C	CASH FLOW FROM FINANCING ACTIVITIES :		
	Proceeds from issued of share capital	--	--
	Proceeds from Long term Borrowing	--	--
	Proceeds from working capital Borrowing	--	--
	Repayment of loans	--	--
	State Subsidy	--	--
	Net cash used in investing activities (C)	--	--
	NET DECREASE/INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	7318	(114)
	CASH AND CASH EQUIVALENTS AS AT 31.03.2009 (31.01.2008) (OPENING BALANCE)	25992	7432
	CASH AND CASH EQUIVALENTS AS AT 31.03.2010 (31.03.2009) (CLOSING BALANCE)	33310	7318

AUDITORS' CERTIFICATE

We have verified the above Cash Flow Statement of **REKVINA LABORATORIES LIMITED** derived from the Audited Annual Financial Statements of the period ended on **31st March, 2010** and found the same to be drawn in accordance therewith and also with the requirement of clause 32 of the Listing Agreement with Stock Exchange.

For Y. K. SHAH & CO.
Chartered Accountants

[CA YOGESH K. SHAH]
Proprietor.
Vadodara, dated 02.09.2010



REKVINA LABORATORIES LIMITED

Regd. Office : 328, Paradise Complex, Sayajigunj, Vadodara – 390 005

ATTENDANCE SLIP

ANNUAL GENERAL MEETING 30th SEPT. 2010

I hereby record my presence at ANNUAL GENERAL MEETING of the Company at 328, PARADISE COMPLEX, SAYAJIGUNJ, VADODARA on, 30 SEPT, 2010 at 11 a.m..

Folio No.....DP ID*.....Client ID*.....

No. of Shares held

Full name of the Shareholder/Proxy(in block Letters)

Signature_____

Note : Shareholders attending the meeting in person or by Proxy are requested to complete the attendance slip and hand over at the entrance of the hall.

-----TEAR – HERE -----

REKVINA LABORATORIES LIMITED

Regd. Office : 328, Paradise Complex, Sayajigunj, Vadodara – 390 005

PROXY FORM

Folio No.....DP ID*.....Client ID*.....

I/We.....of

.....in the district of

.....being a members(s) of the above named Company, hereby

appoint.....of.....in the

district ofor failing

him.....of.....in the

district of as my/our proxy to vote for me/us on my/our behalf at ANNUAL GENERAL MEETING of the Company at 328, PARADISE COMPLEX, SAYAJIGUNJ, VADODARA on 30TH SEPT, 2010 at 11.00 a.m. and at any adjournment thereof.

Rs. 1
Revenue
Stamp

Signed this.....date of2011 Signature_____

Note: 1. The proxy need not be a member.

The Proxy Form duly signed across revenue stamp should be deposited at the Registered Office of the Company not later than 48 hours



If Undelivered, return to:

**Registered Office: Rekvina Laboratories Limited
328, Paradise Complex, Sayajigunj, Vadodara-390 005 (Gujarat)**