



23rd Annual Report 2011 - 2012



Rekvina

Laboratories Limited

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



Rekvina Laboratories Limited

TWENTY THIRD 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)

23rd ANNUAL GENERAL MEETING

Date : 29-09-2012 Saturday

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 THIRD ANNUAL GENERAL MEETING of the members of REKVINA LABORATORIES LIMITED will be held at the Registered Office of the company at 328, Paradise Complex, Sayajgunj, Baroda (Gujarat) on 29.09.2012 at 12.00 Noon to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt Audited Balance Sheet as at 31.03.2012 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 : 05.09.2012

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 **23.09.2012** to **29.09.2012** (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 : September 05, 2012

CHAIRMAN



DIRECTORS' REPORT

Dear Members,
M/s. Rekvina Laboratories Ltd.

Your Directors have pleasure in presenting the **Twenty Third Annual Report** together with the Audited Accounts for the year ended **31st March, 2012**.

FINANCIAL PERFORMANCE

	2011-2012	2010-2011
Total Sales & Income	812500	--
Financial Expenses	154714	--
Depreciation	--	--
Profit / (Loss) before Tax	158486	(80549)
Provision for Income Tax	--	--
Profit / (Loss) after Tax	158486	(80549)

OPERATIONS

During the year, the Company has not made any investment in research and development activities. The turnover of the Company has affected 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 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 2012 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 : September 05, 2012

DIRECTOR

DIRECTOR

**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, 2012.

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 : September 05, 2012

DIRECTOR**DIRECTOR**



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 Pharmaceutical 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.
2. The Center is engaged in manufacturing process for newer formulations through innovative and cost effective processes.
3. 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 2011, 30th July 2011, 30th September 2011, 30th October 2011, 30th January 2012.

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 2011-2012 on 26th April 2011, 31st May 2011, 24th July 2011, 11th Sept. 2011, 23rd Dec. 2011, 28th March 2012. 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
30th September 2010	At the Registered office of the Company
29th September 2011	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	29th September 2012
2.	Dates of Book-closure	23rd September '12 to 29th September '12 (Both days inclusive)
3.	Record Date - -	
4.	Dividend Payment date	N.A.
5.	Listed on Stock Exchange	BSE,VSE
6.	Stock Code Physical :	526075 BSE

Address for communication :

Registered Office :
328, Paradise Complex,
Sayajigunj,
Vadodara – 390 005.
Phone : 0265-2362319

**Registrar & Share Transfer Agent**

Purva Sharegistry (India) Pvt. Ltd
9 Shiv Shakti Ind. Estate,
JR Boricha Marg,
Opp. Kasturba Hosp. Lower Parel(E),
Mumbai – 400011

Share Transfer System: Share Transfer in physical form are generally registered and returned within 21 days from the date of receipt in case if documents are complete in all respects

9) Distribution of Share Holding as on 31-03-2012:

Equity Share held	Number of shareholders	% of shareholders	Number of shares held	% of shares held
1-500	2420	97.46	2791000	9.26
3001-4000	1	0.04	40000	0.13
4001-5000	3	0.12	150000	0.50
5001-10000	17	0.68	1084000	3.60
above 10000	42	1.69	26075000	86.51
Total	2483	100.00	30140000	100.00

10) Shareholding pattern as on 31st March, 2012

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	-	-
Indian Public	2079000	68.98
Any Others	85000	2.82
Total	30,14,000	100

11) Market Price data

Rs. NIL High NIL and Rs. NIL Low during each Month for financial year 2011 – 2012 Not Traded.

The Securities of the Company were not traded on the Stock Exchanges.



Dematerialization of Shares as on 31st March, 2012 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 : September 05, 2012

DIRECTOR 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 31-03-2012.

FOR AND ON BEHALF OF THE BOARD

Place : Vadodara
Date : September 05, 2012

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, 2012 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 : September 05, 2012**

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



CEO / CFO 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, 2012 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 : September 05, 2012

Place : Vadodara

**Amit M. Shah
Director**



AUDITORS' REPORT

To,
The members of
Rekvina Laboratories Ltd.

1. We have audited the attached Balance sheet of **Rekvina Laboratories Ltd.** as at **31st March 2012** 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, 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2012 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 2012 ; 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 : September 05, 2012



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, 2012 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. 19.00 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, 2012 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 : 05.09.2012

**REKVINA LABORATORIES LIMITED****Balance Sheet as at 31st March, 2012**

Particulars		Note No.	2011-12	2010-11
			₹	₹
A	EQUITY AND LIABILITIES			
1	Shareholders' funds			
	(a) Share capital	1	3,01,40,000	3,01,40,000
	(b) Reserves & Surplus	2	-2,37,20,242	-2,38,78,728
			64,19,758	62,61,272
2	Current liabilities			
	(a) Trade payables	3	1,77,187	42,750
	(b) Short-term provisions	4	5,129	-
			1,82,316	42,750
	TOTAL		66,02,074	63,04,022
B	ASSETS			
1	Non-current assets			
	(a) Fixed assets			
	(i) Tangible assets	5	27,00,158	27,00,158
			27,00,158	27,00,158
	(b) Non Current Investment	6	4,88,025	4,88,025
	(c) Long-term loans and advances	7	3,86,000	3,86,000
			35,74,183	35,74,183
2	Current assets			
	(a) Inventories		-	-
	(b) Trade receivables	8	8,12,500	3,78,700
	(c) Cash and cash equivalents	9	28,310	33,310
	(d) Short term loans and advances	10	21,87,081	23,17,829
			30,27,890	27,29,839
	TOTAL		66,02,074	63,04,022
	Singnificant Accounting Policies	1		

See accompanying notes forming part of the financial statements

As per our report attached.

For Y.K.SHAH & CO.

Chartered Accountants

Firm Regn. No. 116821W

For and on behalf of the Board of Directors**REKVINA LABORATORIES LIMITED****(CA. YOGESH K. SHAH)****PROPRIETOR**

M.NO. 101687

Place : Vadodara

Date : 31.08.2012

(MUKESH J. SHAH)**CHAIRMAN****DIN - 01993130**

Place : Vadodara

Date : 31.08.2012

(AMIT M. SHAH)**DIRECTOR****DIN - 01993211**

**REKVINA LABORATORIES LIMITED****Statement of Profit and Loss for the year ended 31st March, 2012**

Particulars		Note No.	2011-12	2010-11
			₹	₹
INCOME				
1	Revenue from operations (gross)	11	8,12,500	-
	Revenue from operations (net)		8,12,500	-
2	Total revenue (1+2)		8,12,500	
3 Expenses				
	Finance costs	12	1,54,714	-
	Other expenses	13	4,99,300	80,549
	Total expenses		6,54,014	80,549
4	Profit / (Loss) before tax		1,58,486	-80,549
5	Tax expense:			
	(a) Current tax		-	-
	(b) Deferred tax Liabilities		-	-
	(c) Deferred tax Assets		-	-
6	<u>Profit for the Year</u>	-	1,58,486	-80,549
16	Earnings per share (basic and diluted)			
	Significant Accounting Policies	14	0.05	-

See accompanying notes forming part of the financial statements

As per our report attached.
For Y.K.SHAH & CO.
Chartered Accountants
Firm Regn. No. 116821W

For and on behalf of the Board of Directors
REKVINA LABORATORIES LIMITED

(CA. YOGESH K. SHAH)
PROPRIETOR
M.NO. 101687
Place : Vadodara
Date : 31.08.2012

(MUKESH J. SHAH)
CHAIRMAN
DIN - 01993130
Place : Vadodara
Date : 31.08.2012

(AMIT M. SHAH)
DIRECTOR
DIN - 01993211

**Note 1 Share capital**

Particulars	2011-12	2010-11
	₹	₹
(a) Authorised		
35,00,000 Equity shares of Rs 10 each	3,50,00,000.00	3,50,00,000.00
Total	3,50,00,000.00	3,50,00,000.00
(b) Issued Subscribed and fully paid up		
30,14,000 Equity shares of ₹10 each with voting rights (P.Y. 30,14,000 equity shares of 10 each)	3,01,40,000.00	3,01,40,000.00
Total	3,01,40,000.00	3,01,40,000.00

2.1 All shares carry equal voting rights.

2.2 No Equity Shares issued during the year.

2.3 Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31 March, 2012		As at 31 March, 2011	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
MUKESH J. SHAH	2,250.00	5.41	2,250.00	5.41

Note 2 Reserves and surplus

Particulars	2011-12	2010-11
	₹	₹
Balance in Statement in Profit & Loss		
Opening balance	-2,55,08,979.00	-2,54,28,430.00
Add: Profit transferred from Profit & Loss account	1,58,486.00	-80,549.00
Closing Balance	-2,53,50,493.00	-2,55,08,979.00
Balance Of General Reserve		
Opening balance	16,30,251.00	16,30,251.00
Add: Transfer During the Year	0.00	0.00
Closing Balance	16,30,251.00	16,30,251.00
Total Closing Balance	-2,37,20,242.00	-2,38,78,728.00

**Note 3 Trade payables ***

Particulars	2011-12	2010-11
	₹	₹
Trade payables:		
Acceptances		
a) Micro, Small and medium enterprise	-	-
b) Others	1,77,187.00	42,750.00
Total	1,77,187.00	42,750.00

The Company has not received the required information from suppliers regarding their status under Micro, Small and Medium Enterprise Development Act 2006, Hence Disclosures, if any, relating to amounts unpaid as at the year end and with interest paid/payable as required under the said Act have not been made.

Note 4 Short-term provisions

Particulars	2011-12	2010-11
	₹	₹
Provision - Others:	-	-
Provision - Tax Authorities	5,129.00	-
Total	5,129.00	-

Note 6 Non Current Investment

Particulars	2011-12	2010-11
	₹	₹
Investment In Shares	4,58,300.00	4,58,300.00
Fixed Deposit In Union Bank Of India	29,725.00	29,725.00
Total	4,88,025.00	4,88,025.00

Note 7 Long-term loans and advances

Particulars	2011-12	2010-11
	₹	₹
Security deposits		-
(Sales Tax Deposit Considered as good)	3,86,000.00	3,86,000.00
Total	3,86,000.00	3,86,000.00

Note 8 Trade receivables

Particulars	2011-12	2010-11
	₹	₹
Trade receivables secured considered good		
Below Six Month	8,12,500.00	3,78,700.00
Others	-	-
Total	8,12,500.00	3,78,700.00

**Note 9 Cash and cash equivalents**

Particulars	2011-12	2010-11
	₹	₹
(a) Cash on hand	26,309.80	31,310.00
(b) Balances with banks Bank Of Baroda Fixed Deposit Account	2,000.00	2,000.00
Total	28,309.80	33,310.00

Note 10 Short-term loans and advances

Particulars	2011-12	2010-11
	₹	₹
Radiant Parenterals Ltd	17,69,106.16	18,99,854.16
Advance Tax (A.Y 1999-2000)	40,000.00	40,000.00
Advance Tax (A.Y 1995-1996)	1,25,000.00	1,25,000.00
Narayan Hiralal Doshi	2,33,915.36	2,33,915.36
Accrued Interest	19,059.10	19,059.10
Total	21,87,080.62	23,17,828.62

Note 11 Revenue from operations

Particulars	2011-12	2010-11
	₹	₹
Commission Received	8,12,500.00	-
Total	8,12,500.00	-

Note 12 Finance costs

Particulars	2011-12	2010-11
	₹	₹
Interest expenses on Long Term Borrowing		0.00
Interest on Depositors and Others	1,54,714.00	0.00
Total	1,54,714.00	0.00

23.1 Interest on Borrowings includes Loan From Investment Co Other than Bank.

23.2 Other interest expense includes Bank charges, Interest from Bank and other Bank Related Expenses.

Note 13 Other expenses

Particulars	2011-12	2010-11
	₹	₹
Accounting Fees		-
Advertisement Expenses	6,000.00	-
Audit Fees	7,500.00	6,000.00
Bank Charges	563.00	-
Consulting Fees	74,290.00	-
Filing Fees	41,375.00	-
Legal and professional Fees	40,760.00	8,000.00
Listing Fees	1,00,310.00	66,549.00
Notified Area Charges	1,83,408.00	-
Office Expenses	2,890.00	-
Rates and taxes	42,204.00	-
Total	4,99,300.00	80,549.00

**13.1 Payment to Auditors includes following items**

Particulars	2011-12	2010-11
	₹	₹
Audit Fees	5,000.00	4,500.00
Taxation Matters	2,500.00	1,500.00
Certification Work	-	-
Other Services	-	-
Total	7,500.00	6,000.00

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.Nil 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 31.03.2011 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. 19.00 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 :

	2011-2012 Rs.	2010-2011 Rs.
<1> Salary	--	--
<2> Gratuity	--	--
	-----	-----
	--	--
[11] Auditors Remuneration	2011-2012 Rs.	2010-2011 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

	2011-2012		2010-2011	
	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

	2011-2012		2010-2011	
	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)	
	2011-12	2010-11
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 Qty. (Nos.in lac)	Opening Stock		Closing Stock	
	Licensed (Nos. in lac)	Installed (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 :-

	2011-12	2010-11
Loss as per book of accounts.	80,549	80,549
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]

Amit M. Shah
[Director]

Vadodara, dated : 05.09.2012



Rekvina Laboratories Ltd

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31st MARCH 2012

		31-Mar-12		31-Mar-11
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before tax and extraordinary item		1,58,486.00		-80,549.00
Adjusted for:				
Depreciation	0.00		0.00	
Interest paid	0.00		0.00	
Interest Received	0.00	0.00	0.00	0.00
Operating profit before Working Capital changes		1,58,486.00		-80,549.00
Adjusted for:				
Trade and Other Receivables	-3,03,051.00		1,14,129.00	
Inventories	0.00		0.00	
Trade and other Payables	1,39,565.00	-1,63,486.00	-33,580.00	80,549.00
Cash generated from operations		-5,000.00		0.00
Taxes Paid		0.00		0.00
Mat Credit Entitlement		0.00		0.00
Interest paid		0.00		0.00
Net cash from operating activities		-5,000.00		0.00
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed assets	0.00		0.00	
Advance agst. Sale of Fixed Assets	0.00		---	
Non- Current Assets & Loans & Advances	0.00		0.00	
Investments	0.00		0.00	
Interest Received	0.00	0.00	0.00	0.00
Net cash used in investing activities		-5,000.00		0.00
CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Issue of Shares	0.00		0.00	
Receipt of Share Premium	0.00		0.00	
Other Long Term Liabilities	0.00		0.00	
Long Term borrowings	0.00		0.00	
Short Term borrowings	0.00			
Repayment of Fianance lease liabilities	0.00		0.00	
Net cash generated from financing activities			0.00	0.00
Net increase in cash and cash equivalents	-5,000.00		0.00	
Cash and cash equivalents as at the beginning of the year	33,310.00		33,310.00	
Cash and cash equivalents as at the end of the year		28,310.00		33,310.00

Note: Figures in bracket indicate disposition of funds and others indicates of generation of funds except the figure of cash and cash equivalents at the beginning and at the end of the year

For and on behalf of the Board of directors

Mukesh J. Shah
Chairman

Amit Shah
Director



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, 2012** 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,
Date : September 05, 2012

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

Registration Details

I. Registration No. 04-11458 State Code : 04
Balance Sheet Date 31.03.2012

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
--	3073
Unsecured Loans	Loss C/F
--	25509

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

Turnover	Total Expenditure
0	81
Profit Before Tax	Profit After Tax
(81)	(81)
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 : 05.09.2012

Chairman

Director



REKVINA LABORATORIES LIMITED

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

ATTENDANCE SLIP

ANNUAL GENERAL MEETING 29th SEPT. 2012

I hereby record my presence at ANNUAL GENERAL MEETING of the Company at 328, PARADISE COMPLEX, SAYAJIGUNJ, VADODARA on, 29 SEPT, 2012 at 12 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 ofbeing 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 29TH SEPT, 2012 at

11.00 a.m. and at any adjournment thereof.

Rs. 1
Revenue
Stamp

Signed this.....date of2012 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)