

10th Annual Report

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Rekvina

LABORATORIES LIMITED

242/4, G. I. D. C. ESTATE, VAGHODIA - 391 760 DIST. VADODARA, GUJARAT

1997-98-99



Rekvinha LABORATORIES LIMITED

Rekvinha LABORATORIES LIMITED

TENTH ANNUAL REPORT

BOARD OF DIRECTORS

SHRI KAMLESH P. SHAH
SHRI MUKESH J SHAH
SHRI PIYUSH B SHAH
SHRI J P SHAH
SHRI KIRIT P SHAH
SHRI MALPURWALA TAHIR SAFIUDDIN
SHRI DHARMEDRA J SHAH

CHAIRMAN & MANAGING DIRECTOR
VICE CHAIRMAN
DIRECTOR
DIRECTOR (PROFESSIONAL)
DIRECTOR (PROFESSIONAL)
DIRECTOR (PROFESSIONAL)
DIRECTOR (PROFESSIONAL)

BANKERS :

BANK OF BARODA
KOTHI BRANCH
VADODARA.

AUDITORS :

M/S. VIPUL DALAL & CO.
CHARTERED ACCOUNTANTS
VADODARA.

REGISTERED OFFICE :

842/18, BARODA-GODHRA HIGHWAY,
VEJALPUR-389 340.

CORPORATE OFFICE :

328 & 329, PARADISE COMPLEX,
SAYAJIGUNJ, BARODA-390 005.

WORKS :

1. 242/4, G.I.D.C. ESTATE,
VAGHODIA - 391 760.
DIST. VADODARA, GUJARAT
2. 842/18, BARODA-GODHRA HIGHWAY,
VEJALPUR-389 340.
DIST. PANCHMAHALS, GUJARAT.

10TH ANNUAL GENERAL MEETING

DATE : 21ST JUNE, 1999

DAY : MONDAY

TIME : 11.30 A.M.

PLACE : 842/18, BARODA-GODHRA HIGHWAY,
VEJALPUR-389 340.



NOTICE

NOTICE is hereby given that the Tenth Annual General Meeting of the Members of Rekvin Laboratories Limited will be held at the Registered Office of the Company at 842/18, Baroda-Godhra Highway, Vejalpur-389 340, Dist. Panchmahals, (Gujarat) on Monday the 21st June, 1999 at 11.30 a.m. to transact the following business.

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st January, 1999 and Profit and Loss Account for the period 1st December 1997 to 31st January, 1999 together with the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Piyush B. Shah, who retires by rotation and, being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr. Kiriti P. Shah, who retires by rotation and, being eligible, offers himself for reappointment.
4. To appoint a Director in place of Mr. Mukesh J. Shah, who retires by rotation and, being eligible, offers himself for reappointment.
5. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS :

6. To consider and if thought fit to pass with or without modifications the following resolution as a Ordinary Resolution.

"Resolved that Shri Matpurwala Tahir Safiuddin, who has been appointed as an additional director of the company on 1-7-98 and holds office upto the ensuing Annual General Meeting of the company under section 260 of the Companies Act, 1956 at the remuneration of Rs. 7000/- per month till 31-3-99 and to be increased to Rs. 12000 p.m. w.e.f. 1-4-99 and in respect of whom the company has received notice in writing proposing his candidature for the Office of Director, be and is hereby appointed as Director of the company whose period of office shall be liable to determination of directors by rotation.

7. To consider and if thought fit to pass with or without modifications the following resolution as an Ordinary Resolution.

"Resolved that Shri Dharmendra J. Shah, who has been appointed as an additional director of the company on 15-1-99 and holds office upto the ensuing Annual General Meeting of the company under section 260 of the companies Act, 1956 at the remuneration of Rs. 18000/- per month and in respect of whom the company has received notice in writing proposing his candidature for the office of Director, be and is hereby appointed as Director of the company whose period of office shall be liable to determination of directors by rotation.

By Order of the Board of Directors

Sd/-

Place : Vadodara

Date : 23-03-1999

Kamlesh P. Shah

Chairman &

Managing Director

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 VALID AND EFFECTIVE MUST BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME SCHEDULED FOR HOLDING THE ANNUAL GENERAL MEETING OF THE COMPANY.
2. AN EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 IS ANNEXED.
3. Members are requested to bring their copies of Annual Report and Accounts to the meeting as it may not be possible for the company to provide a copy at the time of the meeting.
4. The Register of members and the share transfer books of the company will remain closed from Monday, 14th June, 1999 to 21st June, 1999 (both days inclusive) for the purpose of section 154 of the Companies Act, 1956.
5. All the Documents referred to in the Notice and Explanatory Statement would be open for inspection at the Registered Office of the Company between 11.00 and 1.00 p.m. during business hours on all working days (except holidays and sunday) till the date of meeting.

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956 ITEM NO.6

Shri Malpurwala Tahir Safiuddine was appointed as director of the company on 1-7-98 pursuant to section 260 of companies Act, 1956. He hold the office as the director upto the ensuing Annual General Meeting of the Company. The Company is in receipt of a notice u/s 257 of the Companies Act, 1956 proposing his coandidature for the Directorship of the company.

None of the Director except Shri malpurwala Tahir Safiuddine is in any way concerned or interested in passing the said resolution.

ITEM NO. 7

Shri Dharmendra J. Shah was appointed as director of the company on 15-1-99 pursuant to section 260 of companies Act, 1956. He holds the office as the director upto the ensuing Annual General Meeting of the Company. The company is in receipt of a notice u/s 257 of the Companies Act, 1956 proposing his candidature for the Directorship of the company.

None of the Director except Shri Dharmendra J. Shah and Shri Mukesh J. Shah, are in any way concerned or interested in passing the said resolution.

By Order of the Board of Directors

Sd/-

Place : Vadodara

Date : 23-03-1999

Kamlesh P. Shah

Chairman & Managing Director



Retvina LABORATORIES LIMITED

DIRECTOR'S REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the Tenth Annual Report for the period ended as on 31st January, 1999.

FINANCIAL RESULT :

	(Rs. in Lacs)	
	1997-98-99 (14 months)	1996-97 (15 months)
Sales	795.36	645.97
Other Income	10.34	20.84
Financial Charges	27.20	32.16
Depreciation	8.86	9.15
Profit / (Loss) for the year	1.39	(8.55)
Profit Brought Forward	33.83	42.38
Profit Carried forward	35.22	33.83

During the year under review, the Company has recorded sale of Rs. 795.36 lacs (Previous year Rs. 645.97 lacs which is 24.77% more than previous year. After providing depreciation of Rs. 8.86 lacs (Previous year Rs. 9.15 lacs) and financial charges of Rs. 27.20 lacs (Previous year Rs. 32.16 lacs), the company has incurred net Profit Rs. 1.39 lacs (Previous year Loss Rs. 8.55 lacs.)

In the circumstance as stated above, the Directors express their inability to recommend dividend for the period under review.

OPERATIONS :

Though there was persistent recessionary trend in the pharmaceutical industry there is only a marginal decrease of about 24.77% in the turnover of the company which has, however, affected the net worth of the company adversely. The directors are hopeful of achieving better performance in the following year.

DEPOSITS :

The Company has not accepted any deposits from public to which the provisions of Section 58A of the Company Act, 1956 are applicable.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO :

The particulars regarding Conservation of energy, Technology Absorption and Foreign Exchange Earnings outgo, as required to be disclosed in terms of Section 217 (1) (e) of the Companies Act, 1956, read with Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 is annexed hereto as Annexure 'A' and forms part of this Report.

PARTICULARS OF EMPLOYEES :

There was no employee who was in receipt of remuneration exceeding Rs. 3,00,000/- per annum or Rs. 25,000/- per month, as the case may be, being the limits prescribed under the rules pursuant to Section 217 (2A) of the Companies Act, 1956.

DIRECTORS

Shri Piyush B. Shah, Shri Mukesh J. Shah and Shri Kirit

P. Shah director retire at the ensuing annual general meeting and being eligible offers themselves for reappointment.

The Board places on record its appreciation for the services rendered and valuable guidance provided by these directors.

AUDITORS :

M/s. Vipul Dalal & Company, Chartered Accountants, Vadodara, the Statutory Auditors of the Company retire at the ensuing Annual General Meeting of the Company and being eligible offer themselves for reappointment. The company has also received proposal for appointment of M/s. Rajesh J. Shah & Associates, Ahmedabad as a statutory auditor. You are requested to appoint the Auditors and fix their remuneration.

ACKNOWLEDGMENT :

The Directors wish to place on record their appreciation for the services of the workers, staff and the officers who have largely contributed to the efficient management of your Company and also that of Banks and financial Institution and look forward to their continued support in the years to come.

By Order of the Board of Directors

Sd/-

Place : Vadodara

Kamlesh P. Shah

Date : 23-03-1999

Chairman And

Managing Director

ANNEXTURE - A

DISCLOSURE WITH RESPECT TO TECHNOLOGY ABSORPTION, CONSERVATION OF ENERGY AND FOREIGN EXCHANGE EARNINGS AND OUTGO :

TECHNOLOGY ABSORPTION :

The company is carrying out Research and development in the areas of yield improvement, technology upgradation and new product development. The Company is strengthening its Research and development activities.

CONSERVATION OF ENERGY :

Power and fuel consumption

	1997-98-99 (14 months)	1996-97 (15 months)
Units	64565	68840
Amount (Rs. in lacs)	2.54	2.88
Rate per Unit	3.93	4.18

FOREIGN EXCHANGE EARNINGS AND OUTGO :

The Company has not earned foreign exchange during the period under review. The Company has expended Rs. 7.86 lacs foreign exchange for the purpose of raw material. The Company has not expended on foreign visit during the year.

By Order of the Board of Directors

Sd/-

Place : Vadodara

Kamlesh P. Shah

Date : 23-03-1999

Chairman And

Managing Director



AUDITORS' REPORT

To Members,

M/s. Rekvina Laboratories Limited

We have audited the attached Balance Sheet of M/s. Rekvina Laboratories Limited as at 31st January, 1999 and also the Profit & Loss Account of the company for the period ended on that date annexed thereto and report that :-

1. As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Central Government in terms of section 227(4-A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraphs 4 & 5 of the said order.
2. Further to our comments in the Annexure referred to in the paragraph 1 above, we report that
 - (a) We have obtained all the informations and explanations which to the best of our knowledge and belief, were necessary for the purpose of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of the books.
 - (c) The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of account.
 - (d) In our opinion and according to the information and explanations given to us, the accounts subject to Note No. 3 of schedule - 20 referred for non provision for taxation & Note No. 7 of Schedule - 20 referred in respect of Security Deposit (interest free), the Balance Sheet and Profit and Loss Account read together with other notes thereon and attached thereto, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view:
 - (i) in the case of Balance Sheet, of the state of affairs of the company as at 31st January, 1999. and
 - (ii) in the case of the Profit & Loss Account, of the profit for the period ended on that date.

For **VIPUL DALAL & CO.**
Chartered Accountants
Sd/-

Place : Vadodara
Date : 23-03-1999

(Vipul Dalal)
Proprietor

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 1 of our report of even date on the accounts for the period ended on 31st January, 1999 of REKVINA LABORATORIES LIMITED)

01. The Company has maintained records of fixed assets in the fixed assets register prescribed in the Companies Act, 1956. Physical verification of fixed assets were undertaken by the management during the period at reasonable interval.
02. None of the fixed assets have been revalued during the period under review.
03. The stocks of finished goods, stores, spare parts and raw materials have been physically verified during the period by the management. In our opinion, the frequency of verification is reasonable.
04. The procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
05. The discrepancies noticed on verification between the physical stocks and the book records were not material.
06. On the basis of our examination of stock records, we are of opinion that the valuation of stock is fair and proper and in accordance with the normally accepted accounting principles and is on the same basis as in the preceeding period.
07. According to the information and explanations given to us, the company has not taken any loans from firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. We are informed that there is no company under the same management as defined under section 370(1B) of the Companies Act, 1956.
08. As per the information and explanation given to us, during the course of its business the company has given interest free security deposit to the Company in which the Managing Director is Director. In our opinion, the terms and conditions on which unsecured security deposit is given, is prima facie, prejudicial to the interest of the company. Excepting the above there are regular advances towards suppliers and staff loans in the course of business, the recovery of which is generally regular.