

11th Annual Report

1999-2000

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Rekvina
LABORATORIES LIMITED

328, PARADISE COMPLEX, SAYAJIGUNJ, BARODA-390 005. [GUJARAT]


Rekvin LABORATORIES LIMITED

Rekvin

LABORATORIES LIMITED

ELEVENTH ANNUAL REPORT

BOARD OF DIRECTORS : **Shri Kamlesh P. Shah** Chairman & Managing Director
Shri Mukesh J. Shah Vice Chairman
Shri Piyush B. Shah Director
Shri Kirit P. Shah Director (Professional)
Shri Amit M. Shah Director (Professional)

BANKERS : **BANK OF BARODA**
Kothi Branch
Vadodara.

AUDITORS : **M/S. VIPUL DALAL & CO.**
Chartered Accountants,
Vadodara.

REGISTERED OFFICE : **328, Paradise Complex,**
Sayajigunj, Baroda-390005
GUJARAT

WORKS : **842/18, Baroda-Godhra Highway,**
VEJALPUR-389 340.
Dist. Panchmahals.
GUJARAT

11TH ANNUAL GENERAL MEETING

DATE : 19.09.2000, Monday
TIME : 11.30 a.m.
PLACE : 328, Paradise Complex, Sayajigunj, Baroda.


Rekvin
LABORATORIES LIMITED

NOTICE

NOTICE is hereby given that the Eleventh Annual General Meeting of the Members of Rekvin Laboratories Limited will be held at the Registered Office of the Company at 328, Paradise Complex, Sayajigunj, Baroda - 390 05 (Gujarat) on Tuesday, the 19th September 2000 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 March 2000 and Profit and Loss Account for the period 1st February 1999 to 31st March 2000 together with the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Shri Kamlesh P. Shah, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Kirit P. Shah, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS :

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

"RESOLVED THAT Shri Amit M. Shah, who has been appointed as an additional director of the company on 1-8-1999 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.18,000/- 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 a Director of the company whose period of office shall be liable to determination of directors by rotation."

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

"RESOLVED THAT the plant for manufacturing of formulations situated at Vejalpur Dist. Panch Mahal be closed for manufacturing activities due to non-availability of cheap labour and also high transportation cost.

"FURTHER RESOLVED THAT the factory building situated at Vejalpur Dist. Panch Mahal may either be disposed off or be given on rent."

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

"RESOLVED FURTHER THAT the Company's factory building situated at Vagodia GIDC Dist: Vadodara be sold at a prevailing market rates being now not usable for the company."

By Order of the Board of Directors

Sd/-

PLACE : VADODARA

DATE : 31.07.2000

KAMLESH P. SHAH

CHAIRMAN AND
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 12-09-2000 to 18-09-2000 (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 A.M. and 1.00 P.M. during business hours on all working days (except holidays and Sundays) till the date of meeting.

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

ITEM NO.5

Shri Amit Mukesh Shah was appointed as additional director of the Company on 1-8-1999, pursuant to section 260 of the Companies Act, 1956. He holds the office as Additional Directors upto the ensuing Annual General Meeting of the Company. The Company is in receipt of a notice under section 257 of the Companies Act, 1956 proposing his candidature for the directorship of the Company. The Board of Directors recommends passing of the resolution as set out at item No.5.

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

ITEM NO.6

The company's factory building and majority of machineries at Vejalpur Dist. Panch Mahal are old for more than 15 years. The factory building requires major renovation and the machineries required to be replaced by new improved technology. Due to outdated machineries, the cost of production was increased year by year which is not affordable in the current competitive market scenario.

Your directors are of the opinion that the company will not get GMP certificate from state drug department which is mainly required for Export, Tender etc. at the said premises, without major renovations of the factory building and replacement of new machineries.

In the circumstances mentioned above your directors are of the opinion that it is not advisable to continue manufacturing activities at the above mentioned site. In such a situation the directors have decided to either dispose off of the said factory site or to let out the said to another manufacturing unit.

The Board of Directors recommends passing of the resolution as set out at item No.6.

None of the Director is in any way concerned or interested in passing the said resolution.

ITEM NO.7

The company has constructed a factory building at Vaghodia GIDC Dist. Baroda before 10 years. However, the company is not in a position to utilise the said factory building in a better way. It is advisable to reduce the company's borrowing if it is sold and to reduce the overheads of the company. Your directors have decided to dispose off the said factory building. The directors are also of the opinion that if the property is not disposed off the same should be given on rent. The company has received an offer from its associates concern M/S Radiant Parenterals Limited for purchase of said premise.

The Board of Directors recommends passing of the resolution as set out at item No.7.

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

By Order of the Board of Directors

Sd/-

PLACE : VADODARA

DATE : 31.07.2000

KAMLESH P. SHAH

CHAIRMAN AND
MANAGING DIRECTOR


Rekxina
LABORATORIES LIMITED

DIRECTOR'S REPORT

Dear Shareholders,

Your Directors have pleasure in presenting their Eleventh Annual Report for the period ended as on 31st March, 2000.

FINANCIAL RESULT :

	1999-2000 (14 months)	(Rs. in Lacs) 1997-98-99 (14 months)
Sales	289.96	795.36
Other Income	7.46	10.34
Depreciation	8.96	8.86
Profit/(Loss) for the period	(7.04)	1.39
Profit Brought forward	35.22	33.83
Profit Carried forward	28.18	35.22

During the year under review, the Company has recorded sale of Rs.289.96 lacs (previous year Rs.795.36 Lacs) which is 63.54% less than previous year. After providing depreciation of Rs.8.96 lacs (previous year Rs.8.86 Lacs), the company has incurred net loss of Rs.7.04 Lacs (Previous year Profit Rs.1.39 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 a decrease of about 63.54% in the turnover of the Company which has, however, affected the net worth of the Company adversely. The Company has launched a new product namely REKSEAL - a tissue adhesive for wound closure, which replaces the conventional sutures, for which the company is getting an overwhelming response from the market. 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 Companies 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 Kamlesh P. Shah, Chairman and Managing Director and Shri Kirit P. Shah, director retire at the ensuing Annual General

Meeting and being eligible offers themselves for re-appointment. During the period under review, Shri Jayprakash P. Shah, Shri Malpurwala Tahir Saifuddin & Shri Dharmendra J. Shah have resign as a director. The Board of Directors place on record their sincere efforts put by them during the tenor of their Directorship.

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 re-appointment. 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

DATE : 23.06.2000

KAMLESH P. SHAH

CHAIRMAN AND

MANAGING DIRECTOR

ANNEXURE - '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 :

	1999-2000 (14 months)	1997-98-99 (14 months)
Units	60350	64565
Amount (Rs. in Lacs)	2.36	2.54
Rate per Unit	3.91	3.93

FOREIGN EXCHANGE EARNINGS AND OUTGO :

The Company has earned foreign exchange of Rs.10.73 lacs during the period under review. The Company has expended foreign exchange for the purpose of raw material trading amounting to Rs. 5.68 Lacs. The Company has not expended on foreign visit during the period.

By Order of the Board of Directors

Sd/-

PLACE : VADODARA

DATE : 23.06.2000

KAMLESH P. SHAH

CHAIRMAN AND

MANAGING DIRECTOR


AUDITORS' REPORT

To Members,

M/s. Rekvin Laboratories Limited

We have audited the attached Balance Sheet of M/s. Rekvin Laboratories Limited as at 31st March, 2000 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, the Profit & Loss Account and the Balance Sheet comply with the Accounting Standards referred to in Section 211(3C) of the 'Companies Act, 1956' of India (the 'Act'), to the extent applicable.
 - (e) 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 March, 2000.
 - and
 - (ii) in the case of the Profit & Loss Account, of the loss for the period ended on that date.

For VIPUL DALAL & CO.
Chartered Accountants
Sd/-

Place : Vadodara
Date : 23-06-2000

(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 March, 2000 of REKVINA LABORATORIES LIMITED)

01. The Company has maintained proper records showing quantitative details & situation of fixed assets. The physical verification of fixed assets were undertaken by the management during the period at reasonable interval. In our opinion the frequency of verification is reasonable.
02. None of the fixed assets have been revalued during the period under review.
03. The stocks of finished goods, stores, spare parts, packing materials 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 preceding 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 advance to the Company in which the Managing Director is Director. In our opinion, the terms and conditions on which advance 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.