



24th Annual Report 2012 - 2013



Rekvina

Laboratories Limited

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



Rekvina Laboratories Limited

TWENTY FOURTH 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)

24 th ANNUAL GENERAL MEETING

Date : 30-09-2013 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 FORTH 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 30.09.2013 at 12.00 Noon to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt Audited Balance Sheet as at 31.03.2013 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 : 05.09.2013

(AMIT M. SHAH)
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 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 28.09.2013 to 30.09.2013 (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 : 05-09-2013

(AMIT M. SHAH)
DIRECTOR



DIRECTORS' REPORT

Dear Members,
M/s. Rekvina Laboratories Ltd.

Your Directors have pleasure in presenting the **Twenty Fourth Annual Report** together with the Audited Accounts for the year ended **31st March, 2013**.

FINANCIAL PERFORMANCE

	2012-2013	2011-2012
Total Sales & Income	798500	812500
Financial Expenses	1126	154714
Depreciation	--	--
Profit / (Loss) before Tax	169344	158486
Provision for Income Tax	--	--
Profit / (Loss) after Tax	169344	158486

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 2013 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 : 05/09/2013

(AMIT M. SHAH)
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, 2013.

I. 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 : 05/09/2013

(AMIT M. SHAH)
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 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.
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 2012, 30th July 2012, 29th September 2012, 30th October 2012, 30th January 2013.

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.