

25th ANNUAL REPORT 2013-2014



REKVINA LABORATORIES LIMITED

328, Paradise Complex, Sayajigunj, Vadodara - 390 005

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2014.

1. FINANCIAL RESULTS

Your Company financial performance during the year 2013-14 is summarized below:

(Rs. In Lacs)

Particulars	2013-2014	2012-2013
Profit/(Loss) Before Depreciation	2.78	2.09
Less: Depreciation	-	-
Profit/(Loss) Before Tax	2.78	2.09
Less: Taxation	0.54	0.39
Profit/(Loss) After Tax	2.24	1.70

2. OPERATIONS

The Company's Net Profit for the Financial Year ended March 31, 2014 stood at Rs.2.24 lacs as against Rs.1.70 lacs in the previous year.

3. DIVIDEND

The Board of Directors express their inability to recommend any dividend on equity shares for the year ended March 31, 2014 due to inadequate profit.

4. STOCK SPLIT

During the year under review the face value of the shares of the company was split from 1 share of Rs. 10/- each to 2 share of Rs. 5 each

5. PUBLIC DEPOSITS

During the year, the Company has not accepted any deposit.

6. AUDITORS

M/s. Y K Shah & Company, Chartered Accountants, Vadodara, Statutory Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The Company has received confirmation that their appointment, if made, would

be within the prescribed limit specified under relevant sections of the Companies Act and that they are not disqualified for such appointment. Your Directors recommend re-appointment of M/s. Y K Shah & Company as the Statutory Auditors of the Company for the current financial year and fixation of their remuneration.

7. AUDITORS' REPORT

The Auditors' Report on the financial statement for the current year is self-explanatory, therefore does not require any further explanation.

8. DIRECTORS

In accordance with the Companies Act, the director liable to retire by rotation at the ensuing Annual General Meeting, retires by rotation and being eligible offer itself for re-appointment.

9. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO

A statement containing the necessary information required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is annexed to this report.

10. PARTICULARS OF EMPLOYEES

The Company does not have any employee who is in receipt of remuneration aggregating to the sum prescribed u/s. 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended till date.

11. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements u/s. 217(2AA) of the Companies Act, 1956, your Directors hereby state and confirm that:

- (i) In preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures, if any
- (ii) They have selected the 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 the state of affairs of the Company at the end of the financial year under review and for the loss of the Company for the same period.
- (iii) 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) They have prepared the Annual Accounts on "GOING CONCERN" basis.

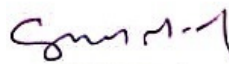

12. CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement the Company has adopted most of the provisions of Clause 49 of the Listing agreement. A report on Corporate Governance along with a certificate from the Auditors of the Company regarding the compliance of conditions of Corporate Governance and also the Management Discussion and Analysis Report are annexed to this report.

13. ACKNOWLEDGEMENTS

Your Directors takes opportunity to show gratitude towards the assistance and co-operation received from Shareholders.

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

	
(MUKESH J. SHAH)	(AMIT M. SHAH)
CHAIRMAN	DIRECTOR
DIN – 01993130	DIN - 01993211

Place: Vadodara

Date: September 03, 2014

ANNEXURE TO DIRECTORS' REPORT

Particulars Required Under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988

A. CONSERVATION OF ENERGY

(a) Major energy conservation measures taken during the year:

The Company has taken adequate measures to conserve energy by continuous monitoring and effective use of energy, which is a continuous process.

(b) Additional investment and proposals, if any, being implemented for reduction of consumption of energy: No additional investment proposed.

(c) Impact of measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods:

Since it is a continuous process of monitoring and usage, the impact is not quantifiable.

(d) During the year company has only consumed electricity as follows:

	2013-14	2012-13
Total Amount of electricity consumed	Rs. 0.00	Rs. 0.00

B. TECHNOLOGY ABSORPTION

Particulars with respect to technology absorption are given below:

A. Research and Development (R & D)

i. Specific areas in which R & D carried out by the Company:

The Company has not carried out any research and development activities during the year under review.

ii. Benefits derived as a result of the above R & D : Not Applicable

iii. Future plan of Action : Nil

iv. Expenditure on R & D.: Nil

B. Technology absorption, adaption and innovations: Nil

C. FOREIGN EXCHANGE EARNINGS AND OUTGO: Nil

MANAGEMENT DISCUSSION AND ANALYSIS

Industries Structure, Development and outlook

Your company being primarily engaged in manufacturing and marketing of pharmaceuticals formulations.

Financial performance

Due to adverse market condition the company performance was not to the mark.

Internal control system and adequacy

The system of internal control has been established to provide reasonable assurance of safeguarding assets, maintenance of proper accounting records in compliance with applicable Laws and Regulations to ensure reliability of financial statements and reports. The Statutory Auditors and the Audit Committee review all financial statements and ensure adequacy of internal control systems.

Risks Management

Risk evaluation and management of risk is an ongoing process in the company.

Human Resources

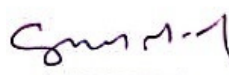

Since your Company is in the pharmaceutical Industry, the criticality of talented man-power and their retention needs no emphasis. Your company is in the process of working out a comprehensive plan to attract, motivate and retain highly skilled and technically competent man-power.

Cautionary Statement

Statements in the Management discussion and analysis describing the company's objectives, projections, estimates and expectations may be "forward looking statements" within the

meaning of applicable laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the company's operations include economic conditions affecting demand/supply and prices conditions in the domestic and overseas markets in which the company operates/ going to operate, changes in government regulations, tax laws and other statutes and other incidental factors.

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

	
(MUKESH J. SHAH)	(AMIT M. SHAH)
CHAIRMAN	DIRECTOR
DIN – 01993130	DIN - 01993211

Place: Vadodara

Date: September 03, 2014

CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement, the Company firmly believes that Corporate Governance and compliance practices are of paramount importance in order to maintain the trust and confidence of the stakeholders, clients, the good reputation of the Company and the unquestioned integrity of all personnel involved with the Company.

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company's philosophy on Corporate Governance envisages the attainment of highest levels of transparency, accountability and equity, in all facets of its operations and in all interactions with its stakeholders, including shareholders, employees, the government and lenders.

2. BOARD OF DIRECTORS

The Company has optimum combination of Executive and Non-Executive Independent directors.

The present strength of the Board is 4 Directors.

The Composition of the Board of Directors of the Company and their attendance is as follows:

Sr. No.	Name of the Director	CATEGORY	Attendance in Board Meeting		Attendance at last AGM
			Held	Attended	
1	Mr. Mukesh Shah	Executive Director	06	06	Yes
2	Mr. Amit Shah	Executive Director	06	06	Yes
3	Mr. Jitendra Doshi	Non-executive	06	06	Yes
4	Mr. Mahendra Dalal	Non-executive	06	06	Yes

Note: None of the Director is a member of more than 10 committees or acting as Chairman of more than 5 committees across all companies in which he is a director.

During the accounting year 2013-2014 Six (6) Board Meetings were held. The Annual General Meeting of the Company was held on September 30, 2013.

3. AUDIT COMMITTEE

The terms of reference of the Audit committee include the matters specified under Clause 49(II) (D) and (E) of the Listing Agreement as well as in Section 292A of the Companies Act, 1956.

The terms of reference of the Audit Committee, inter alia, include the following:

- Oversight of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

- b. Reviewing with the management the financial statements at the end of the quarter, half year and the annual statements before submission to the Board for approval with reference to :
 - i. Matters required being included in the Director's responsibility statement which form part of the Board's Report in terms of clause (2AA) of Section 217 of the Companies Act, 1956.
 - ii. Changes, if any, in the accounting policies and practices and reason for the same.
 - iii. Major accounting policies and practices and reason for the same.
 - iv. Significant adjustments made in the financial statements arising out of audit findings.
 - v. Compliance with the listing and other legal requirements relating to financial statements.
 - vi. Disclosure of any related party transactions.
 - vii. Qualifications, in the draft audit report.
- c. Recommending the appointment and removal of external auditors, fixation of audit fees and also approval for payment of any other expenses.

The Audit Committee presently comprises 3 Members.

The Audit Committee met five times during the year ended March 31, 2014. Meetings and attendance of each member for Audit Committee are as follows:

Name of the Member	No. of Meeting	
	Held	Attended
Mr. Amit Shah	5	5
Mr. Jitendra Doshi	5	5
Mr. Mahendra Dalal	5	5

4. 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 the Committee

5. SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE

- a. The Committee looks into issues relating to shareholders / investors, including complaints relating to transfer / transmission of shares, issue of duplicate share certificates, non-receipt of annual report etc. and their redressal.
- b. The Shareholders' / Investors' Grievance Committee presently comprises of non-executive Directors.
- c. The Board has delegated power of approving transfer of shares to RTA.