



INDEPENDENT AUDITOR'S REPORT

To,
The members of
Rekvina Laboratories Ltd.

Report on the Financial Statements

We have audited the accompanying financial statements of **Rekvina Laboratories Ltd.** which comprise the Balance Sheet as at **31st March 2014**, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

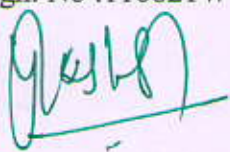
- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. we have obtained all the information 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 those books;
 - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e. on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For **Y. K. SHAH & Co.**
CHARTERED ACCOUNTANTS
Firm Regn. No : 116821W

PLACE: VADODARA
DATE : 22.05.2014


(CA. YOGESH K. SHAH)
PROPRIETOR
M.No. : 101687



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, 2014 of Rekvina Laboratories Ltd.)

(1) FIXED ASSETS

- (a) As informed to us the company is updating 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 ₹ 13.40 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, 2014 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 □
1.	Income Tax	CIT (A)	□ 10,16,536
2.	Income Tax	CIT (A)	□ 9,57,098
3.	Income Tax	CIT (A)	□ 91,316
4.	Sales Tax	Sales Tax Tribunal	□ 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 not 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
Firm Regn. No :116821W

(CA. YOGESH K. SHAH)
PROPRIETOR
M.No. : 101687



PLACE: VADODARA
DATE : 22.05.2014

REKVINA LABORATORIES LIMITED**Balance Sheet as at 31st March, 2014**

Particulars		Note No.	As at 31.03.2014	As at 31.03.2013
A EQUITY AND LIABILITIES				
1 Shareholders' funds				
(a) Share capital	1		3,01,40,000	3,01,40,000
(b) Reserves & Surplus	2		(2,33,26,824)	(2,35,50,898)
			68,13,176	65,89,102
2 Current liabilities				
(a) Trade payables	3		8,44,558	6,21,233
(b) Short-term provisions	4		63,525	44,129
			9,08,083	6,65,362
TOTAL			77,21,259	72,54,464
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		22,30,230	16,11,000
(c) Cash and cash equivalents	9		40,711	28,310
(d) Short term loans and advances	10		18,76,135	20,40,971
			41,47,075	36,80,280
TOTAL			77,21,259	72,54,464
Significant Accounting Policies & Notes thereon		15	-	-

As per our report attached.

For Y.K.SHAH & CO.

Chartered Accountants

Firm Regn. No. 116821W

(CA. YOGESH K. SHAH)

PROPRIETOR

M.NO. 101687

Place : Vadodara

Date : 22.05.2014

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

(MUKESH J. SHAH)

CHAIRMAN

DIN - 01993130

Place : Vadodara

Date : 22.05.2014

(AMIT M. SHAH)

DIRECTOR

DIN - 01993211

REKVINA LABORATORIES LIMITED**Statement of Profit and Loss for the year ended 31st March, 2014**

Particulars		Note No.	2013-14	2012-13
INCOME				
1	Revenue from operations (gross)	11	7,76,922	7,98,500
	Revenue from operations (net)		7,76,922	7,98,500
2	Total revenue (1+2)		7,76,922	7,98,500
3 Expenses				
	Finance costs	12	-	1,126
	Other expenses	13	4,98,848	5,89,030
	Total expenses		4,98,848	5,90,156
4	Profit / (Loss) before tax		2,78,074	2,08,344
5	Tax expense:			
	(a) Current tax		54,000	39,000
	(b) Deferred tax Liabilities		-	-
	(c) Deferred tax Assets		-	-
6	Profit for the Year		2,24,074	1,69,344
16	Earnings per share (basic and diluted)	14	0.06	0
	Significant Accounting Policies & Notes thereon	15	-	-

As per our report attached.

For Y.K.SHAH & CO.

Chartered Accountants

Firm Regn. No. 116821W

(CA. YOGESH K. SHAH)

PROPRIETOR

M.NO. 101687

Place : Vadodara

Date : 22.05.2014

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

(MUKESH J. SHAH)
CHAIRMAN

DIN - 01993130

Place : Vadodara

Date : 22.05.2014

(AMIT M. SHAH)
DIRECTOR
DIN - 01993211

Note 1 Share capital

Particulars	2013-14	2012-13
(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

1.1 All shares carry equal voting rights.

1.2 No Equity Shares issued during the year.

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

Class of shares / Name of shareholder	As at 31 March, 2014		As at 31 March, 2012	
	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	1,63,200	5.41	1,63,200	5.41

Note 2 Reserves and surplus

Particulars	2013-14	2012-13
Balance in Statement in Profit & Loss		
Opening balance	(2,51,81,149.00)	(2,53,50,493.00)
Add: Profit transferred from Profit & Loss account	2,24,074.00	1,69,344.00
Closing Balance	(2,49,57,075.00)	(2,51,81,149.00)
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	(2,33,26,824.00)	(2,35,50,898.00)



Note 3 Trade payables

Particulars	2013-14	2012-13
Trade payables:		
Acceptances		
a) Micro, Small and medium enterprise	-	-
b) Others	8,44,558.00	6,21,233.00
Total	8,44,558.00	6,21,233.00

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	2013-14	2012-13
Provision - Others:	-	-
Provision - Tax Authorities	63,525.00	44,129.00
Total	63,525.00	44,129.00

Note 6 Non Current Investment

Particulars	2013-14	2012-13
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	2013-14	2012-13
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	2013-14	2012-13
Trade receivables secured considered good		
Below Six Month	6,99,230.00	7,98,500.00
Others	15,31,000.00	8,12,500.00
Total	22,30,230.00	16,11,000.00



REKVINA LABORATORIES LIMITED

Note 5 Fixed assets

A Tangible assets	Gross block			Accumulated depreciation and impairment			Net block	
	Balance as at 1 April, 2013	Additions	Effect of foreign currency exchange differences	Disposals	Balance as at 31 March, 2014	Balance as at 1 April, 2013	Depreciation / amortisation expense for the year	Balance as at 31 March, 2014
Leasehold Land	1,72,250	-	-	-	1,72,250	-	-	1,72,250
Building(Office)	20,24,361	-	-	-	20,24,361	7,60,921	-	12,63,440
Plant & Machinery	12,27,465	-	-	-	12,27,465	6,35,759	-	5,91,706
Laboratory Equipment	5,96,340	-	-	-	5,96,340	2,09,199	-	3,87,141
Furniture & Fixture	50,621	-	-	-	50,621	33,111	-	17,510
Office Equipment	1,99,905	-	-	-	1,99,905	89,878	-	1,10,027
Electrical Installation	3,17,851	-	-	-	3,17,851	1,67,412	-	1,50,439
Library Books	14,175	-	-	-	14,175	6,530	-	7,645
Computer	5,12,464	-	-	-	5,12,464	5,12,464	-	-
Total	51,15,432	-	-	-	51,15,432	24,15,274	-	27,00,158
Previous year	51,15,432	-	-	-	51,15,432	24,15,274	-	27,00,158



Note 9 Cash and cash equivalents

Particulars	2013-14	2012-13
(a) Cash on hand	1,772.80	26,309.80
(b) Balances with banks		
Bank Of Baroda Fixed Deposit Account	38,938.00	2,000.00
Total	40,710.80	28,309.80

Note 10 Short-term loans and advances

Particulars	2013-14	2012-13
Advance to Enterprise under Common Control	13,40,168.16	16,22,996.16
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
Advance Tax (A.Y 2013-2014)	40,300.00	
Advance Tax (A.Y 2014-2015)	77,692.00	
Other Advances	2,33,915.36	2,33,915.36
Accrued Interest	19,059.10	19,059.10
Total	18,76,134.62	20,40,970.62

Note 11 Revenue from operations

Particulars	2013-14	2012-13
Commission Received	7,76,922.00	7,98,500.00
Total	7,76,922.00	7,98,500.00

Note 12 Finance costs

Particulars	2013-14	2012-13
Interest expenses on Long Term Borrowing	0.00	0.00
Interest to Others	0.00	1,126.00
Total	0.00	1,126.00

Note 13 Other expenses

Particulars	2013-14	2012-13
Advertisement Expenses	-	2,150.00
Auditors Remuneration	15,000.00	10,000.00
Bank Charges	832.00	56.00
Consulting Fees	1,16,432.00	18,000.00
Filing Fees	-	35,461.00
Income Tax Expenses	700.00	-
Legal and professional Fees	1,64,537.00	1,000.00
Listing Fees	-	7,023.00
Notified Area Charges	-	18,990.00
Printing & Stationery Expenses	3,662.00	-
Revocatin Expenses	1,97,685.00	4,96,350.00
Total	4,98,848.00	5,89,030.00



13.1 Payment to Auditors includes following items

Particulars	2013-14	2012-13
Audit Fees	5,000.00	5,000.00
Taxation Matters	5,000.00	2,500.00
Certification Work	5,000.00	2,500.00
Total	15,000.00	10,000.00

Note 14 Earning Per Share

Particulars	2013-14	2012-13
Net profit / (loss) for the year attributable to the equity shareholders	2,24,074.00	1,69,344.00
Weighted average number of equity shares	30,14,000.00	30,14,000.00
Par value per share	10.00	10.00
Earnings per share - Basic and Diluted	0.07	0.06



CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31st MARCH 2014

Vadodara : 22.05.2014

Rekvina Laboratories Ltd				
CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31st MARCH 2014				
		31-Mar-14		31-Mar-13
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before tax and extraordinary item		2,78,074.00		2,08,344.00
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		2,78,074.00		2,08,344.00
Adjusted for:				
Trade and Other Receivables	(6,19,230.00)		(6,52,390.00)	
Inventories	0.00		0.00	
Trade and other Payables	2,42,721.00	(3,76,509.00)	4,83,046.00	(1,69,344.00)
Cash generated from operations		(98,435.00)		39,000.00
Taxes Paid		54,000.00		39,000.00
Mat Credit Entitlement		0.00		0.00
Interest paid		0.00		0.00
Net cash from operating activities		(1,52,435.00)		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	1,64,836.00		0.00	
Investments	0.00		0.00	
Interest Received	0.00	1,64,836.00	0.00	0.00
Net cash used in investing activities		12,401.00		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 Finance lease liabilities	0.00		0.00	
Net cash generated from financing activities		0.00		0.00



[10] Auditors Remuneration	2012-2014 ₹	2012-2013 ₹
<1> Audit Fees	5,000	5,000
<2> Income Tax & Certification work	10,000	2,500
	15,000	7,500

[11] Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

[12] Confirmation of concerned parties for amount due from them/due to them in relation to debtors, creditors loans & advances both on current assets & current liabilities as well as other balance as per books of the company are not received. Necessary adjustment if any will be made when the accounts are reconciled and settled.

[13] Wherever supporting and external evidence are not available, they are confirmed by the directors of the company as incurred exclusively and necessarily for the purpose of the business.

SIGNATURE TO NOTES 1 TO 15

As per our report attached.

For Y.K.SHAH & CO.

Chartered Accountants

Firm Regn. No. 116821W

(CA. YOGESH K. SHAH)

PROPRIETOR

M.NO. 101687

Place : Vadodara

Date : 22.05.2014



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

**(MUKESH J.
SHAH)**

CHAIRMAN

DIN – 01993130

Place : Vadodara

Date : 22.05.2014

(AMIT M. SHAH)

DIRECTOR

DIN - 01993211

[c] During the year under consideration the Company has made provision of taxation under Sec. 115JB of the Income Tax Act for ₹ 54,000.

[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 31.03.2014 ₹ Nil. (P.Y. ₹ Nil)

(b) For irrevocable Letter of Credit opened by Bank ₹ Nil. (P.Y. ₹ Nil)

(c) For Bank Guarantee given by Bank ₹ Nil. (P.Y. ₹ Nil)

[5] The company has given interest free advance of ₹ 16.22 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 ₹. 182715/- & to that extent profit of the company is over stated and fixed assets of the company is over stated.

[7] 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.

[8] 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".

[9] Details of remuneration paid/provided during the year to Directors are as under :

	2013-2014	2012-2013
	₹	₹
<1> Salary	--	--
<2> Gratuity	--	--
	-----	-----
	--	--



SIGNIFICANT ACCOUNTING POLICIES & 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, if any.

[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, if any are recognized on dispatch of goods by the company and are reflected in accounts including Excise Duty where ever applicable. Commission income are recognized as and when the party confirms the same.

[b] Sundry debtors considered bad & outstanding for a period more than six months includes amount of ₹ Nil from some of the stockists which are outstanding for more than three years.

