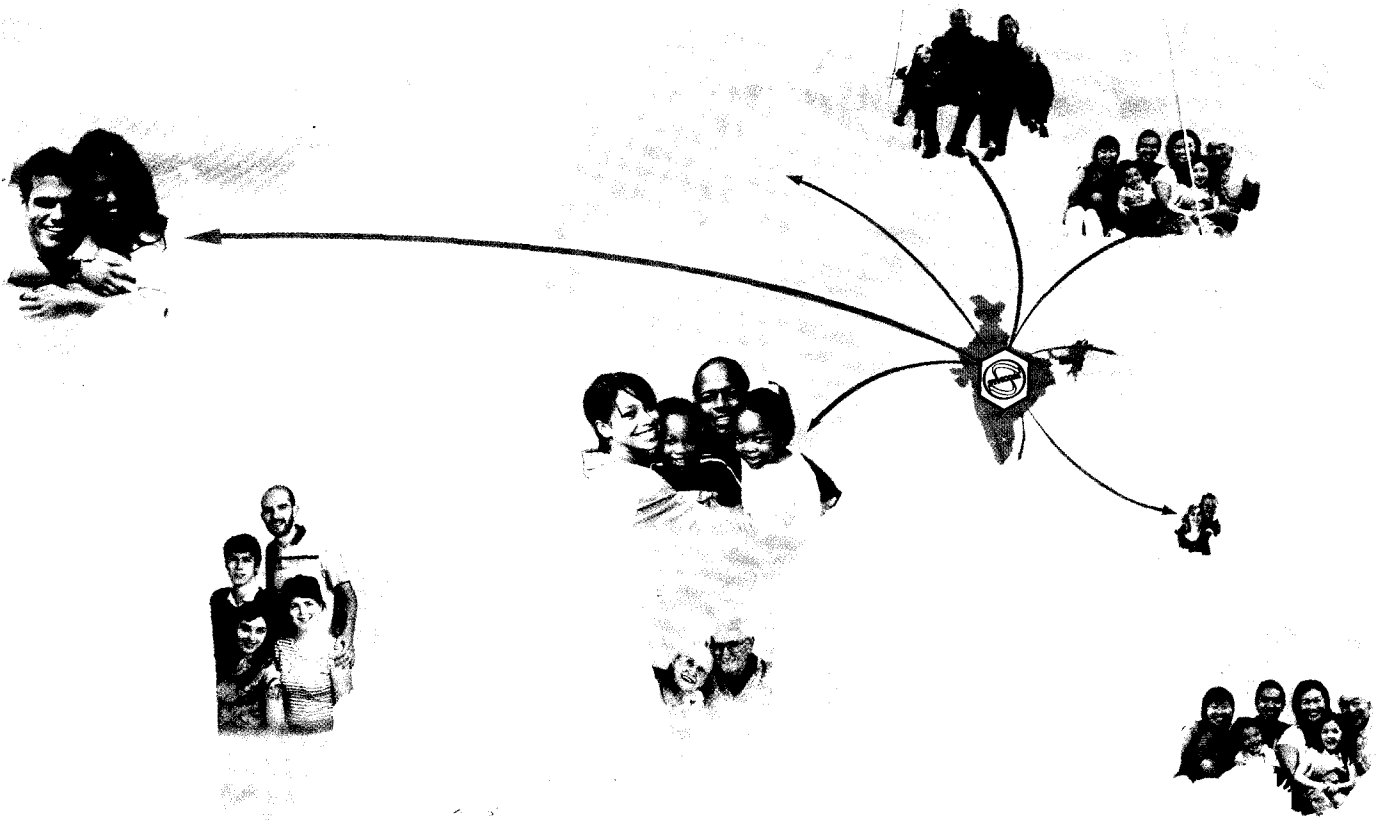




# Syncom Formulations (India) Limited

A WHO-GMP & ISO 9001-2008 Certified Company



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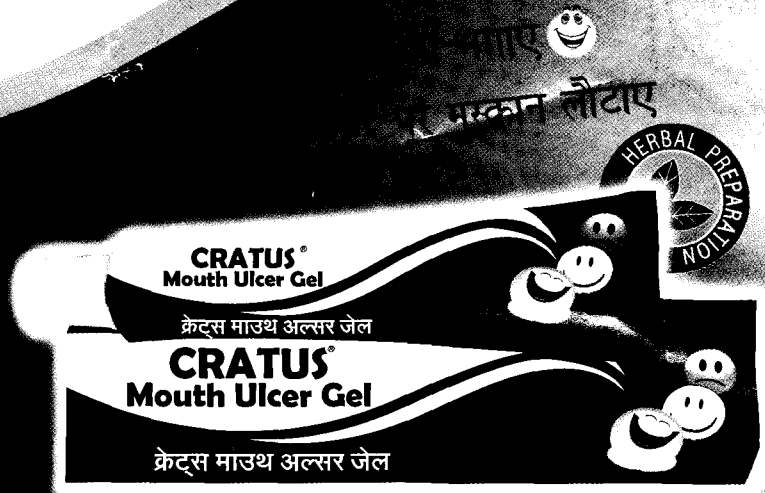
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- हारमोनल संतुलन को बनाए रखे



# LIVOCRAT

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लाइफ हिट

- भुख बढ़ाए
- लिवर की कार्यक्षमता बढ़ाए
- लिवर की सहायता करे





## Board of Directors

Kedarmal Bankda  
Chairman

Vijay Bankda  
Managing Director

C.A. Sanjay Mehta

Vinod Kabra

Krishna Das Neema

## Audit Committee

Krishna Das Neema (Chairman)

C.A. Sanjay Mehta

Vinod Kabra

## Shareholders/Investors Grievance Committee

Krishna Das Neema (Chairman)

C.A. Sanjay Mehta

Vinod Kabra

## Remuneration Committee

Krishna Das Neema (Chairman)

C.A. Sanjay Mehta

Vinod Kabra

## Auditors

S.P. Moondra & Co.,  
Chartered Accountants,  
53/8, Kanchan Bagh,  
Indore 452 001

## Company Secretary

Mrs. Shikha Sethi

## Bankers

Dena Bank

## Registered Office

7, Niraj Industrial Estate, Off Mahakali Caves  
Road, Andheri (East), Mumbai 400 093.

Tel. 91-22-30887744

Fax 91-22-30887755

E-Mail : [sfil87@hotmail.com](mailto:sfil87@hotmail.com)

## Corporate Office

2<sup>nd</sup> Floor, "Tagore Centre", (Dawa Bazar),  
13-14, R.N.T. Marg, Indore (M.P.) 452001

P.O. Box No. GPO. 610

Tel. 91-731-3046868

Fax 91-731-3046869

E-mail : [sfilfinance@gmail.com](mailto:sfilfinance@gmail.com)

## Works

256-257, Sector 1, Pithampur  
(Dhar) M.P. 454 775

Tel. / Fax 91-7292 - 253404, 403122

E-mail : [sfil\\_pth@hotmail.com](mailto:sfil_pth@hotmail.com)

## Share Transfer Agent

Ankit Consultancy Pvt. Ltd.

Plot No. 60, Electronic Complex,  
Pardeshi Pura, Indore (M.P.)

E-mail: [ankit\\_4321@yahoo.com](mailto:ankit_4321@yahoo.com)

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## NOTICE FOR THE 23<sup>rd</sup> ANNUAL GENERAL MEETING

Notice is hereby given that the Twenty Third Annual General Meeting of the members of **SYNCOM FORMULATIONS (INDIA) LTD.** will be held on Friday the 30<sup>th</sup> day of September, 2011, at 3:00 P.M. at the registered office of the company at 7, Niraj Industrial Estate, Off Mahakali Caves Road, Andheri (East), Mumbai-400093 to transact the following businesses:

### I. ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March 2011 and the Profit and Loss Account for the year ended 31<sup>st</sup> March 2011 together with the Reports of the Board of Directors and Auditor thereon.
2. To consider and approve the dividend on the equity shares of the Company.
3. To appoint a director in place of Shri K.D.Neema, who liable to retire by rotation and being eligible offers himself for re-appointment.
4. To appoint a director in place of Shri Kedarmal Bankda, who liable to retire by rotation and being eligible offers himself for re-appointment.
5. To appoint Auditors to hold office from conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

### II. SPECIAL BUSINESS BY SPECIAL RESOLUTION:

6. To consider and if thought fit, to pass with or without modification(s) if any, the following **SPECIAL RESOLUTION:**

**RESOLVED THAT** pursuant to the provisions of section 198, 269, 302, 309 & 310 read with the provisions of Schedule XIII of the Companies Act, 1956 and other applicable provisions if any of the Companies Act, 1956 (including any statutory modifications or re-enactment there of for the time being enforce) the consent of the members of the Company be and is hereby granted for re-appointment of Shri Kedarmal Bankda for a further period of 5 years as the Chairman and Whole-time Director of the Company w.e.f. 3<sup>rd</sup> May, 2012.

#### CATEGORY A:

- (a) Salary: Rs. 30000/- per month, with the annual increment of Rs. 10000/- per month only.
- (b) Perquisites: Subject to the ceiling of Rs.4,00,000/- per annum:
  - (i) Company shall provide rent-free residential accommodation or House Rent Allowance shall be paid to him subject to a maximum of 50% of the salary or the Company shall provide house accommodation and 10% of salary shall be recovered by way of rent. Expenditure incurred by the Company on his electricity, water and furnishing shall be evaluated as per Income Tax Rules, 1962 subject to a ceiling of 10% of salary.
  - (ii) Re-imbursment of medical expenses of the Chairman & Whole-time director and his family, the total cost of which to the Company shall not exceeding one-month salary in the year or three months salary in a block of three years.
  - (iii) Leave travel assistance: Expenses incurred for self and family in accordance with the Rules of the Company.
  - (iv) Club Fees: subject to a maximum of two clubs this will not include admission and life membership.
  - (v) Personal accident insurance premium not exceeding Rs.10,000/- P.A.

#### CATEGORY B:

- (i) Contribution to the Provident Fund, Family Benefit Fund, Superannuating Fund as per Rules of the Company.
- (ii) Gratuity not exceeding half a month salary for each completed year of service.
- (iii) Earned Privilege Leave: As per the rules of the Company subject to the condition that the leave accumulated but not availed of will be allowed to be encashed for 15 days salary for every year of completed services at the end of the tenure.

#### CATEGORY C:

- (i) Car: The Company shall provide a car with driver for the Company's business and if no car is provided reimbursement of the conveyance

shall be as per actual on the basis of claims made by him.

- (ii) Telephone: Free use of telephone and Cell and internet facility at his residence provided that personal long distance calls on the telephone shall be billed by the Company to the Chairman & Whole-time Director.

**NOTE:** For the purpose of perquisites stated in Category "A" above, "Family" means the spouse, the dependent children and dependent parents of the appointee.

**FURTHER RESOLVED THAT** in the event of there being loss or inadequacy of profit for any financial year, the aforesaid remuneration payable to Shri Kedarmal Bankda, Chairman & Whole-time Director shall be the minimum remuneration payable to him in terms of the provisions of Schedule XIII to the Companies Act, 1956.

**RESOLVED FURTHER THAT** Shri Kedarmal Bankda, Chairman & Whole-time Director shall also be entitled for the reimbursement of actual entertainment, traveling, boarding and lodging expenses incurred by him in connection with the Company's business and such other benefits/amenities and other privileges, as any from time to time be available to other senior executives of the Company.

**RESOLVED FURTHER THAT** the Board of directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as in its absolute discretion, it may consider necessary, expedient or desirable, and to settle any question, or doubt that may arise in relation thereto and the Board shall have absolute powers to withhold the increments, decide break up of the remuneration within the above said maximum permissible limit, in order to give effect to the foregoing resolution, or as may be otherwise considered by it to be in the best interest of the Company.

7. To consider and if thought fit, to pass with or without modification(s) if any, the following

#### SPECIAL RESOLUTION:

**RESOLVED THAT** consent of the Company pursuant to the provisions of section 314(1)(b) and other applicable provisions if any of the Companies Act, 1956, be and is hereby accorded for the increase in the remuneration payable to Mrs. Vimla Bankda, Sr. Executive of the Company w.e.f. 1<sup>st</sup> April, 2011 from Rs. 20,000 p.m. upto Rs.50,000/- p.m., who is a relative of directors of the Company and that she will also be entitled for the reimbursement of travelling, conveyance and other actual out of pocket expenses as per the rules of the Company as applicable to other executives of the same grade for the attending the works/assignments of the Company.

8. To consider and if thought fit, to pass with or without modification(s) if any, the following

#### SPECIAL RESOLUTION:

**RESOLVED THAT** consent of the Company pursuant to the provisions of section 314(1)(b) and other applicable provisions if any of the Companies Act, 1956, be and is hereby accorded for the increase in the remuneration payable to Mr. Ankit Bankda, Manager Export Marketing of the Company w.e.f. 1<sup>st</sup> April, 2011 from Rs. 25,000 p.m. upto Rs.50,000/- p.m., who is a relative of directors of the Company and that he will also be entitled for the reimbursement of travelling, conveyance and other actual out of pocket expenses as per the rules of the Company as applicable to other executives of the same grade for the attending the works/assignments of the Company.

9. To consider and if thought fit, to pass with or without modification(s) if any, the following

#### SPECIAL RESOLUTION:

**RESOLVED THAT** consent of the Company pursuant to the provisions of section 314(1)(b) and other applicable provisions if any of the Companies Act, 1956, be and is hereby accorded for the increase in the remuneration payable to Mrs. Asha Bankda, Sr. Executive of the Company w.e.f. 1<sup>st</sup> April, 2011 from Rs. 20,000 p.m. upto Rs.50,000/- p.m., who is a relative of directors of the Company and that she will also be entitled for the reimbursement of travelling, conveyance and other actual out of pocket expenses as per the rules of the Company as applicable to other



executives of the same grade for the attending the works/assignments of the Company.

10. To consider and if thought fit, to pass with or without modification(s) if any, the following

**SPECIAL RESOLUTION:**

**RESOLVED THAT** consent of the Company pursuant to the provisions of section 314(1)(b) and other applicable provisions if any of the Companies Act, 1956, be and is hereby accorded for the increase in the remuneration payable to Mr. Rahul Bankda, General Manager Marketing of the Company w.e.f. 1<sup>st</sup> April, 2011 from Rs. 25,000 p.m. upto Rs.50,000/- p.m., who is a relative of directors of the Company and that he will also be entitled for the reimbursement of travelling, conveyance and other actual out of pocket expenses as per the rules of the Company as applicable to other executives of the same grade for the attending the works/assignments of the Company.

11. To consider and if thought fit, to pass with or without modification(s) if any, the following

**SPECIAL RESOLUTION:**

**RESOLVED THAT** consent of the Company pursuant to the provisions of section 314(1)(b) and other applicable provisions if any of the Companies Act, 1956, be and is hereby accorded for the increase in the remuneration payable to Mrs. Sulabh Bankda, Sr. Executive of the Company w.e.f. 1<sup>st</sup> April, 2011 from Rs. 20,000 p.m. upto Rs.50,000/- p.m., who is a relative of directors of the Company and that she will also be entitled for the reimbursement of travelling, conveyance and other actual out of pocket expenses as per the rules of the Company as applicable to other executives of the same grade for the attending the works/assignments of the Company.

12. To consider and if thought fit, to pass with or without modification(s) if any, the following

**SPECIAL RESOLUTION:**

**RESOLVED THAT** consent of the Company pursuant to the provisions of section 314(1)(b) and other applicable provisions if any of the Companies Act, 1956, be and is hereby accorded for the increase in the remuneration payable to Mr. Ankur Bankda, Sr. Manager Marketing of the Company w.e.f. 1<sup>st</sup> April, 2011 from Rs. 25,000 p.m. upto Rs.50,000/- p.m., who is a relative of directors of the Company and that he will also be entitled for the reimbursement of travelling, conveyance and other actual out of pocket expenses as per the rules of the Company as applicable to other executives of the same grade for the attending the works/assignments of the Company.

13. To consider and if thought fit, to pass with or without modification(s) if any, the following

**SPECIAL RESOLUTION:**

**RESOLVED THAT** consent of the Company pursuant to the provisions of section 314(1)(b) and other applicable provisions if any of the Companies Act, 1956, be and is hereby accorded for the appointment of Mrs. Payal Bankda as the Sr. Executive of the Company w.e.f. 1<sup>st</sup> April, 2011 on a total monthly remuneration upto Rs. 50,000/- p.m., who is a relative of directors of the Company and that she will also be entitled for the reimbursement of travelling, conveyance and other actual out of pocket expenses as per the rules of the Company as applicable to other executives of the same grade for the attending the works/assignments of the Company.

14. To consider and if thought fit, to pass with or without modification(s) if any, the following

**SPECIAL RESOLUTION:**

**RESOLVED THAT** pursuant to the provisions of section 31 of the Companies Act, 1956 and subject to all the relevant rules and regulations, guidelines as may be issued by the Central Government and/or SEBI, under the listing agreement, the Articles of Association of the Company be and is hereby amended by inclusion of the following new Clauses, definition in the Clause 2, Clause 125A, 153A, 153B, 188A after the relevant existing Clause No. 125, 153 and 188 of the Articles of Association of the Company.

**New definitions in the Article 2 of the Articles of Association:**

**VOTING/PARTICIPATION IN GENERAL MEETING THROUGH ELECTRONIC MODE** means video conference facility i.e. audio-visual electronic Communication facility employed which enables all the persons participating in that meeting to communicate concurrently with each other without an intermediary, and to participate effectively in the meeting.

**Resolution how decided?**

125A. At any General Meeting provisions of Section 177 to 185 of the Act shall applied provided that in case of equality of votes, Whether a show of hands or on a poll, or through the voting by video conferencing/or electronic vote, the Chairman of the meeting at which the show of hands take place at the meeting or by the members by show of hands through the video conferencing/ Audio-Visual electronic communication/ electronic vote/poll at which the poll of demanded, shall be entitled to a casting vote in addition to his own vote or votes to which he may be entitled as a member.

**Chairman of any Meeting to be the Judge of validity of any vote**

153A. Subject to the provision of the Act and these Article the Chairman of any meeting shall be the sole judge of validity of every vote tendered at such meeting or through the video conferencing/Audio-Visual electronic communication or electronic mode as may be permissible. Subject as aforesaid the Chairman present at the meeting and at the time of taking of a poll shall be the sole judge of the Validity of every vote tendered at such poll.

**Providing facility to the members for participating in the General Meetings by way of Video Conference/Audio-Video electronic communication:**

153B. Subject to the provisions of the Companies Act 1956 the Company shall provide platform to the members and proxy holders for participating in the general meetings by way of video conferencing, audio-video electronic mode as may be applicable from time to time. For this purpose, the company shall also comply with the following requirements and procedures, in addition to the normal procedures required under the Companies Act, 1956 for holding general meeting. Electronic mode means video conference facility i.e. audio-visual electronic Communication facility employed which enables all the persons participating in that meeting to communicate concurrently with each other without an intermediary, and to participate effectively in the meeting.

- (a) The notice of the meeting must inform shareholders regarding availability of participation through video conference, and provide necessary information to enable shareholders to access the available facility of video conferencing.
- (b) The chairman of the meeting and Secretary shall assume the responsibilities:
  - (i) To safeguard the integrity of the meeting via video conferencing
  - (ii) To ensure proper video conference equipment/facilities.
  - (iii) To prepare the minutes of the meeting.
  - (iv) Ensure that no one other than the concerned shareholder or proxy to the shareholders is attending the meeting through electronic mode.
  - (v) If a statement of a participant in the meeting, via video conferencing is interrupted or garbled. The Chairman of the meeting or Secretary shall request for a repeat or reiteration, and if need be, the Chairman or Secretary shall repeat what he heard the participant was saying for confirmation or correction.
- (c) As per provisions of section 166 of the Companies Act, 1956 practically the place of the Annual General Meeting shall be either at the registered office of the company or at place within the city, town or the village in which registered office of the company is situated.
- (d) As per provisions of section 174 of the Companies Act, 1956 there shall be at least five members to be personally present and shall be the quorum for the general meeting.
- (e) In a general meeting, where shareholders are allowed to participate through electronic mode, the quorum as required under section 174 of the Companies Act, 1956 as well as Chairman of the meeting shall have to be physically present at the place of the meeting.
- (f) To provide larger participation and for curbing the cost borne by the shareholders to attend general meetings, the company may provide video conferencing connectivity during such meetings at least five places in



India, these places would be situated all over India in such a way that it covers top five states/UTs based on maximum number of members or at least 1000 members, whichever is more, residing as per the address registered with the depositories.

## Meeting of the Board of Directors and committees thereof through the Video Conferencing or Audio Visual mode:

188A. The Meeting of the Board of directors and/or Committee of the directors may be called and hold through the video conferencing and/or Audio Visual communication from time to time as per the rules and regulation as may be provided by the Central Government from time to time. For this purpose, the company shall also comply with the following requirements and procedures, in addition to the normal procedures required under the Companies Act, 1956 for holding meeting of Board / committee of directors:-

- (a) Electronic mode means video conference facility i.e. audio-visual electronic communication facility employed which enables all persons participating in that meeting to communicate concurrently with each other without an intermediary, and to participate effectively in the meeting.
- (b) Every director of the company must attend the meeting of Board/Committee of director personally at least one meeting a financial year of the company.
- (c) The Chairman of the meeting and secretary shall assume the following responsibilities:
  - (i) To safeguard the integrity of the meeting via video conferencing.
  - (ii) To ensure proper video conferencing equipment/facilities.
  - (iii) To prepare the minutes of the meeting.
  - (iv) To ensure that no one other than the concerned director or other authorized participants are attending the meeting through electronic mode.
  - (v) If a statement of a participant in the meeting via videoconferencing is interrupted or garbled, the Chairman or Secretary shall repeat or reiteration, and if need be, the Chairman or Secretary repeat what he heard the participant was saying for confirmation or correction.
- (d) The notice of the meeting must inform directors regarding availability of participation through video conference, and provide necessary information to enable directors to access the available facility of video conferencing.
- (e) The notice of the meeting shall also seek confirmation from the director as to whether he will attend the meeting physically or through electronic mode and shall also contain the contact number(s) / e-mail addresses of the secretary/ designated officer to whom the director shall confirm in this regard.
- (f) In the absence of any confirmation from the Director, it will be presumed that he will physically attend the Board meeting.
- (g) At the start of the scheduled meeting through electronic mode, a roll call shall be made by the Chairman/ Secretary. Every director and authorized participant shall state, for the record, the following:-
  - (i) Full Name
  - (ii) Location
  - (iii) That he can completely and clearly see and communicate with each of other participants.
  - (iv) And will ensure that no one other than concerned director or authorized participant is attending the meeting through electronic mode.
- (h) Thereafter, the Chairman/ Secretary shall confirm the participant of the directors in the meeting who are not physically present. After the roll call, the Chairman or Secretary may certify the existence of a quorum. It is clarified that a director participating in a meeting through use of video conferencing shall be counted for the purpose of quorum. A roll call should also be made at the conclusion of the meeting or at re-commencement of the meeting after every break to ensure presence of quorum throughout the meeting.
- (i) The place where the Chairman or Secretary is sitting during the Board meeting shall be taken as place of meeting in terms of section 288 of the Act, and all recordings will be made at this place. The other statutory registers, which are required to be placed in the Board meeting as per the provision of the Act, shall be placed before the

Chairman for compliance of the Act. The statutory registers required to be signed by the other director shall be deemed to have been signed by directors participating through electronic mode if they have given their consent to this effect in that meeting.

- (j) If a motion is objected to and there is a need to vote, the Chairman/Secretary should call the roll and the vote of each director who should identify himself.
- (k) In the end of the meeting, Chairman of the meeting shall announce the summary of the decisions taken in that meeting in respect of each agenda item and names of the directors who have consented or dissented to those decision. Video recording of that part of the meeting shall be preserved by the company for one year from the conclusion of that meeting.
- (l) In the minutes, Chairman shall also confirm the mode of attendance of every director of the company during last three meeting whether personally or through electronic mode.
- (m) Draft minutes of the meeting shall be circulated in soft copy not later than 7 days of the meeting for comments/ confirmation to the directors who attended the meeting to dispel all doubts on matters taken up during the meeting. Thereafter, the minutes shall be entered in the minutes books as prescribed under section 193 of the Act, the minutes shall also disclose the particulars of the directors who attended the meeting through *electronic* mode.

**RESOLVED THAT** pursuant to the provisions of section 31 of the Companies Act, 1956 and subject to all the relevant rules and regulations, guidelines as may be issued by the Central Government and/or SEBI, under the listing agreement, the Articles of Association of the Company be and is hereby amended by substitution of the existing Article No. Definition Clause 2, 4(1), 116A, 118, 122, 135(d), 136, 137, 138, 142, 143, 147, 150, 152, 185, 188, 221, 227, 238, 239, 271, 272, 274, 279 and 280 of the Articles of Association of the Company be the following new Articles in their places.

**DIVIDEND** includes interim dividend and Bonus.

**4(1)** Subject to the provisions of the SEBI (Issue of Capital and Disclosure Requirement) Regulations 2009 as may be applicable from time to time and with the consent of the Members of the Company at a General Meeting by way of Special Resolution, the Board of directors of the Company or a Committee thereof duly authorised by the Board of directors may issue and allot Warrants Convertible into the Equity Shares on such rates, terms and conditions to the existing shareholders, general public, or on preferential basis to the promoters, directors, bodies corporate, banks, financial institutions, OCBs, NRIs or such other persons from time to time on receipt of at least 25% of the face value of the Warrants, as it may think fit. The Board of directors of the Company shall be authorized to make provisions as to the allotment and issue of Warrants and in particular may determine to whom the same shall be offered, whether at par or at premium, subject to the provisions of the Companies Act, 1956 and all the applicable provisions of the SEBI ICDR Regulation 2009.

## PASSING OF RESOLUTION BY POSTAL BALLOT

**116A.** Notwithstanding any thing contained in Article of Association of the Company, the Company do adopt the mode of passing the resolution by the members of the Company by means of a Postal Ballot and/or other ways as may be prescribed by Central Government in this behalf in respect of the following matters instead of transacting such business in a **General Meeting** of the Company.

- (a) "Postal Ballot" includes voting by share holders by postal or electronic mode instead of voting personally by presenting for transacting business in a general meeting of the company;
- (b) "Requisite majority" with regard to Special Resolution means votes cast in favor of the business is three times more than the votes cast against, with regard to ordinary resolution, votes cast in favor is more than the votes cast against.
- (c) "Voting by electronic mode" means a process for recording votes by the members using a computer based machine to display an electronic ballot and to record the vote and also the number of votes polled in favour or against such that the entire voting gets registered and counted in a



- electronic registry in a centralized server;
- (d) Words and expression used herein but not defined shall, unless the context otherwise requires, bear the meaning, if any, as assigned to them under the Act and Information Technology Act, 2000.
- (e) The company may issue notices either,-
- (i) Under registered Post Acknowledgment Due; or
  - (ii) Through any other secured mode of posting provided by Department of Post; or
  - (iii) Through electronic mail provided the company has obtained e-mail address of its member for sending the notices through e-mail, after giving an advance opportunity to the member to register his e-mail address and changes therein from time to time with the concerned depository; and
- (f) The notice shall clearly mention that whether the company is providing voting through postal ballot or by electronic mode. If the company is opting for providing voting by electronic mode, then the notice shall clearly indicate the process and manner for voting by electronic mode provided by the agency.
- (g) The company shall cause an advertisement to be published in a leading English newspaper and in one vernacular newspaper circulating in the State in which the registered office of the company is situated, about having dispatched the ballot papers duly specifying therein, inter alia, the following matters:
- (i) The date of completion of dispatch of notices;
  - (ii) The date of commencement of voting through postal ballot or by electronic mode;
  - (iii) The date of end of voting through postal ballot or by electronic mode;
  - (iv) The notice shall further state that any postal ballot received from member beyond the said date will not be valid.
  - (v) That member, who have not received postal ballot forms may apply to the company and obtain a duplicate thereof.
- (h) The following businesses/ resolution shall be passed through postal ballot.
1. Alteration in the object clause of memorandum;
  2. Alteration of Articles of association in relation to insertion of provision defining private company;
  3. Buy-back of own shares by the company under sub-section (1) of section 77A;
  4. Issue of shares with differential voting right as to voting or dividend or otherwise under sub-clause (ii) of clause (a) of section 86;
  5. Change in place of registered office outside local limits of any city, town or village as specified in sub-section (2) of section 146;
  6. Sale of whole or substantially the whole of undertaking of a company as specified under sub-clause (a) of sub-section (1) of section 293;
  7. Giving loans or extending guarantee or providing security in excess of the limit prescribed under sub-section (1) of section 372A;
  8. Election of a director under proviso to sub-section (1) of section 252 of the Act;
  9. Variation in the right attached to a class of shares or debentures or other securities as specified under section 106.
- (i) Procedure to be followed for conducting business through Postal Ballot:-
1. The company may make a note below the notice of General Meeting for understanding of member that the transaction(s) at Sl. No. requires consent of shareholders through postal ballot;
  2. The board of director shall appoint one scrutinizer, who is not in employment of the Company, may be a retired judge or any person of repute who, in the opinion of the board can conduct the postal ballot voting process in a fair and transparent manner;
  3. The scrutinizer shall submit his report as soon as possible after the last date of receipt of postal ballots;
  4. The scrutinizer will be willing to be appointed and he is available at the Registered office of the company for the purpose of ascertaining the requisite majority.
  5. The scrutinizer shall maintain a register to record the consent or otherwise received, including electronic media, mentioning the

particular of name, address, folio number, number of shares, nominal value of shares, whether the shares have voting, differential voting or non-voting right and the scrutinizer shall also maintained record for postal ballot which are received in defaced or mutilated form. The Postal ballot and all other papers relating to postal ballot will be under the safe custody of the scrutinizer till the Chairman considers, approves and sign the minutes of the meeting. thereafter, the scrutinizer shall return the ballot papers and other related papers/register to the company so as such ballot papers and other related papers/register safely till the resolution is given effect to;

6. The consent or otherwise received after thirty days from the completion of dispatch of notice shall be treated as if reply from the member has not been received;
- (j) Any business that can be transacted by the Company in General Meeting; and
  - (k) Particularly, resolution relating to such businesses as the Central Government may be Notification, declare to be conducted only by Postal Ballot.
- The Company shall comply with the procedure for such Postal Ballot and/or other ways prescribed by the Central Government in this regard."

## NOTICE OF MEETING

118. Save as provided in Section 171(2) of the Act, not less than twenty one days notice in writing and/or by way of electronic communication/e-mail as may be prescribed by the central government at least of every General Meeting, Annual or Extra Ordinary and by whomsoever called, specifying the day place and hour of meeting and the general nature of business to be transacted there at shall be given in the manner hereinafter provided to such persons as are under these Articles or the Act, entitled to receive notice from the company provided that in the case of an annual general meeting with consent of the members holding not less than 95 percent (95%) of such part of the paid up capital of the company gives a right to vote at the meeting, a meeting may be convened by a shorter notice, in the case of an Annual General Meeting if any business other than (i) the consideration of the accounts, balance sheets and reports of the Board and Auditors (ii) the declaration of dividend, (iii) the appointment of Directors in place of those retiring (iv) the appointment of and fixing of the remuneration of the Auditors, is transacted and in the case of any other meeting in any event, there shall be annexed to the notice of the meeting a statement setting out all the material facts concerning each such item of business, including in particular the nature and extent of the interest, if any, therein of every Director and the Manager (if any). Where any such item of business relates to or affects any other company shall also be set out in the statement if the extent of such share holding and interest is not less than twenty percent of the paid up share capital of that other company. Where any item of business consists of the according of approval to any documents can be inspected shall be specified in the statement aforesaid. There shall appear with reasonable prominence in every such notice a statement that a member entitled to attend and the vote is entitled to appoint a proxy and to attend and vote instead of him and that a proxy need not be member of the company; where any such business consists of special business as here in after defined there shall be annexed to the notice a statement complying with Section 173 (2) and (3) of the Act.

## QUORUM FOR THE MEETING AT THE TIME OF COMMENCEMENT

122. At least five members entitled to vote and present in person shall be a Quorum for General Meeting. No business shall be transacted at any General Meeting unless a quorum of members is present at the time when the meeting proceeds with the business. The members participating through video conferencing/Audio-Visual electronic communication shall not be counted for the purpose of determining quorum for the meeting
- 135(d) On a poll, or through the video conferencing/Audio-Visual electronic communication or electronic mode as may be permissible a member entitled to more than one vote, or his proxy or other person entitled vote for him as the case may be need not, if he votes, use all his votes or cast in the same way all the votes he uses.



## VOTES OF MEMBERS VOTES MAY BE GIVEN BY PROXY OR ATTORNEY

**136.** Subject to the provisions of the Act and these Articles votes may be given either personally/ through the video conferencing/ Audio-Visual electronic communication or electronic mode as may be permissible or by an attorney or by proxy in the case of a body corporate also by a representative duly authorized. However, no one other than the concerned shareholder or proxy to the shareholder is allowed to attend the meeting and vote through the video conferencing/ Audio-Visual electronic communication or electronic mode.

## VOTE ON SHOW OF HANDS

**137.** Save as hereinafter provided, on a show of hands, every member present in person and/ or attending by video conference as may be permissible by law being a holder of an equity share shall have on vote and every person present either as a proxy on behalf of a holder of an equity or as a representative of a body corporate in accordance with these Articles, being a holder of an equity, if he is not entitled to vote in his own right, shall have on vote.

## NO VOTING BY MEMBER NOT PERSONALLY PRESENT/OR THROUGH VIDEO CONFERENCING ON A SHOW OF HAND EXCEPT BY PROXY

**138.** No member not personally present or participating through the video conferencing/ Audio-Visual electronic communication or electronic mode as may be permissible shall be entitled to vote on a show of hands unless such member is a Corporation present by attorney or proxy or a company present by representative duly authorized under provisions of the Act in which case such attorney proxy or representative may vote on a show of hands as if he were an individual member of the company.

## VOTE IN RESPECT OF DECEASED OR INSOLVENT MEMBER

**142.** Any person entitled under the Transmission Article to transfer the share may vote at any General Meeting or through the video conferencing/ Audio-Visual electronic communication or electronic mode as may be permissible in respect thereof in the same manner as if he was registered holder of such shares provided that forty eight hours atleast before the time of holding the meeting or adjourned meeting as the case may be, at which he proposes to vote he shall satisfy the Board or his right to transfer such shares, unless the Board shall have previously admitted his right to vote at such meeting in respect thereof.

## VOTE OF JOINT HOLDERS

**143.** Where there are joint registered holders of any share, any one of such person may vote at any meeting either personally or through vide conferencing as may be permissible by law or by proxy in respect of such share as if her were solely entitled thereto; and if more than one of such joint-holders be present at any meeting either personally or by proxy that be of the said persons so present whose name stands first on the Register of Members shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased member in whose name and share stands shall for the purposes of the Articles be deemed joint-holders thereof.

## INSTRUMENT APPOINTING A PROXY TO BE DEPOSITED AT THE OFFICE

**147.** The instrument appointing a proxy and the Power of Attorney or other authority (if any) under which it is Signed, or a notary certified copy of that Power of Attorney or Authority as the case may be shall be deposited at the registered office or send by mailed the scanned copy thereof at the notified email ID by the Company not less than forty-eight hours before the time for holding the meeting at which the person named in the instrument purports ID vote in respect thereof and in default the instrument of proxy shall not be treated as valid.

## RESTRICTION ON VOTING

**150.** No member shall be entitled to exercise any voting rights in the meeting or through the video conferencing/ Audio-Visual electronic communication or electronic mode as may be permissible in respect of shares registered in his name on which any call or other sums presently payable by him have not been paid on in regard to which the company has exercised any rights of lien.

A. Save as otherwise provided in Article 73 above, the Depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of Securities held by it.

B. Every person holding Securities of the Company and whose name is entered as the beneficial owner in the records of the Depository shall be deemed to be the member of the Company. The beneficial owners of Securities shall be entitled to all rights and benefits and be subject to all the Liabilities in respect of their Securities which are held by the Depository.

## ADMISSION OR REJECTION OF VOTES

**152.** No objections shall be raised to (the qualification of any vote except at the meeting or adjourned meeting at which the vote objected to is given or tendered and every vote not disallowed at such meeting shall be valid for all the purposes, whether given personally or through the video conferencing/Audio-Visual electronic communication or electronic mode as may be permissible.

## MEETING OF THE BOARD & NOTICE

**185.** The Board shall meet together at least once in every three months for the dispatch of business and may adjourn and otherwise regulate its meeting and proceedings as it thinks fit and at least four such meetings shall be held in each calendar year. Notice in writing of every meeting of the Board together with the agenda of the business shall be given to every Director by email or electronic communication for the time being in India and at his usual address in India to every other Director. Such notice shall be sent by registered air mail post or by cable or email or fax so as to reach the addressee thereof in the normal course at least seven days before the date of the Meeting unless all the directors agree by prior consent accorded in writing or by email or by fax or by a cable of such meeting being held on shorter notice.

## QUORUM

**188.** The quorum for the meeting of the Board shall be one third of the number of the Board of Directors or two whichever is more. The participation of director through the video conferencing/ Audio-Visual electronic communication or electronic mode shall not be counted for the purpose of quorum.

## UNPAID DIVIDEND TO BE TRANSFERRED TO SPECIAL DIVIDEND ACCOUNT

**221.** No unclaimed or unpaid dividend shall be forfeited by the board subject to the provisions of Section 205 A of the Act, when a dividend is declared but not paid or claimed as the case may be, within 30 days from the date of declaration, the total amount of unpaid or unclaimed dividend shall be transferred to a special account within seven days from the date of period 30 days.

## DIVIDEND SHALL BE PAID ON PARIPASSU BASIS

**227.** All the dividend/interim dividend, if declared by the members or the Board of directors, shall be paid or credited on the equity shares on pari passu basis with the existing shareholders for whole of the year in which the shares have been issued and in subsequent years.

## DIVIDEND OF SHAREHOLDERS

**238.** All dividends and other dues to members shall be deemed to be payable at the registered office of the company, unless otherwise directed any dividend interest or other money payable in cash in respect of share may be paid by cheque. Demand Draft, electronic payment through the banking channel as per the SEBI/Stock Exchange guidelines or warrants and intimation thereof shall be sent through the post/email to the registered address of the holder. If in the case of joint holders whose first name in the register in respect of the joint holding or to such person and at such address as the holder or Joint holders, as the case may be, may direct and every cheque or warrant so sent shall be made payable at par to the order of the persons to whom it is sent.

## DIVIDENDS, HOW REMITTED?

**239.** Unless otherwise directed, any dividend may be paid by cheque or warrant sent through the post or by electronic payment to the registered





address of the members of person entitled or in the case of Joint holders, to that one of them first named in the Register in respect of the joint holding. Every such cheque or warrant, electronic payment shall be made payable to the order of the person to whom it is sent. The company shall not be liable or responsible for any cheque or warrant or wrong credit of the dividend amount in the bank account in case of electronic payment is made or lost in transit or for any dividend lost by the member or person entitled thereto by the forged endorsement of any cheque or warrant or the fraudulent or improper recovery thereof by any other means. No unclaimed dividend shall be for forfeited by the Board and the company shall comply with the provision of Section 205(A) of the companies Act, in respect of such dividends.

## SERVICE OF NOTICE BY POST/E-MAIL

271. Where a document or notice is sent by post, service of the document or notice shall be deemed to be effected by property addressing, prepaying and posting a letter containing the document or notice, providing that where a member has intimated to the company in advance that documents or notices should be sent to him by registered post with or without acknowledgment due and has deposited with the company a sum sufficient to defray the expenses of doing so, service of the documents or notice shall not be deemed to be effected unless as it sent in the manner intimated by the member and such service shall be deemed to have been effected in the case of a notice of a meeting at the operation of forty eight hours after the letter containing the document or notice is posted and in any other case, at the time at which the letter would be delivered in the ordinary course of post. The Company may send notice/letter annual report or any other communication by way of electronic communication/email and in such case the service of notice shall be deemed to have taken place/effectuated on click to send option and confirmation for sending has been provided by the email/server.

## BY ADVERTISEMENT/WEBSITE

272. Document notice advertised on the website of the Company on publication in a newspaper circulating in the neighborhood of the office shall be deemed to be duly served or sent on the day on which the advertisement, appear on every member who has no register address in India and has not supplied to the Company and address within India for the service of document on him or the sending or notice to him.

## SERVICE ON MEMBERS HAVING NO REGISTERED ADDRESS IN INDIA

274. If a member has no registered address in India has not supplied to the company an address within India for the giving of notice to him document advertised on the website and/or in a newspaper circulating in the neighborhood of the Office of the company shall be deemed to be duly served on him on the day on which the advertisement appears.

## SERVICE OF DOCUMENT OR NOTICE BY MEMBER

279. All documents or notices to be served or given by members on or to the company or any office thereof shall be served or given by sending them to the company or officer at the office by registered post or by leaving it at the office or by designated email of the Company.

## REGISTERS TO BE MAINTAINED BY THE COMPANY

280. The company shall duly keep and maintain at the Registered Office, Registers in accordance with section 49(7), 58A, 143, 150, 151, 152(2), 301, 303, 307, 356, 357, 358, 359, 360, 370 and 372 of the Act and Rule 7 (2) of the Companies (Issue of Share Certificates) Rules, 1960. Company may also place the same at the website of the company for inspection of the members participated through video conferencing/ Audio-Visual electronic communication or electronic mode as may be permissible. The Auditor Report shall be read before the company in general meeting and shall be open to inspection by the member of the company.

For and on behalf of the Board of Directors  
For, SYNCOM FORMULATIONS (INDIA) LTD.

## 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. PROXY IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The Company has already notified closure of Register of Members and Share Transfer Books from 26<sup>th</sup> Sept., 2011 to 30<sup>th</sup> Sept., 2011 (both days inclusive) for the determining the names of members eligible for dividend on equity shares, if declared at the meeting.
  - (a) The Dividend on equity shares if declared at the meeting, will be credited/dispached to those members whose names shall appear on the Company's Register of Members on 30<sup>th</sup> Sept., 2011 in respect of the shares held in dematerialized form, the dividend will be paid to members, those names are furnished by NSDL/CDSL as beneficial owners as on that date.
3. Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend, the Company or its Registrar and Transfer Agent cannot act on any request received directly from the member holding shares in electronic form for any change of bank particulars or bank mandates, such changes are to be advised only to the depository participant of the members.
4.
  - (a) Members are requested to notify immediately any change of address;
    - (i) To their Depository Participants (DPs) in respect of their electronic share accounts;
    - and
    - (ii) To the Company to its Share Transfer Agents in respect of their physical shares folios, if any.
  - (b) In case the mailing address on this Annual Report is without the PINCODE, members are requested to kindly inform their PINCODE immediately.
  - (c) Non-resident Indian Shareholders are requested to inform Share Transfer Agents immediately:
    - (i) Change in the residential status on return to India for permanent settlement.
    - (ii) The particulars of NRE Account with Bank in India, if not furnished earlier.
5. Relevant documents referred into the accompanying notice are open for inspection by the members at the Registered office of the Company on all working days, except Saturdays between 11.00 A.M. to 1.00 P.M. up to the date of meeting.
6. Members who are holding shares in identical order of names in more than one folio are requested to send to the Company the details of such folios together with the share certificates for consolidating their holdings in one folio. The share certificates will be returned to the members after making requisite changes thereon.
7. Members desiring of obtaining any information concerning Accounts and Operations of the Company are requested to address their questions in writing to the Company at least 7 days before the date of the Meeting so that the information required may be made available at the Meeting.
8. The Company has connectivity with the CDSL & NSDL and equity shares of the Company may also be held in the Electronic form with any Depository Participant (DP) with whom the members/Investors having their depository account. The ISIN for the Equity Shares of the Company is INE459C01016. In case of any query/difficulty in any matter relating thereto may be addressed to the Share Transfer Agents Ankit Consultancy Pvt. Ltd. Plot No. 60, Electronic Complex, Pardeshipura, Indore (M.P.) 452010.
9. As per the provisions of the Companies Act, 1956, facility for making nominations is now available to INDIVIDUALS holding shares in the Company. The Nomination Form-2B prescribed by the Government can be obtained from the Share Transfer Agent or may be down load from the website of the Ministry of Company affairs.

Place: Indore  
Date : 22<sup>nd</sup> August, 2011

KEDARMAL BANKDA  
CHAIRMAN



10. Pursuant to the provisions of section 205A(5) and 205C of the Companies Act, 1956, the Company shall transfer the unpaid dividend amount for the year 2003-04 after expiry of 7 years period from transfer of the same to the Unpaid Dividend account. The Members are requested to please submit their request for revalidation of the dividend warrants for the unpaid dividend if any for the year 2003-04 and onward.
11. There is no instance which require to transfer of undelivered shares to the separate escrow account as required under the Listing Agreement.
12. The SEBI has mandated the submission of PAN by every participant in securities market, members holding shares in electronic form are therefore, requested to submit the PAN to their depository participant with whom they are maintaining their D-mat Accounts. Members holding shares in physical form can submit their PAN details to the Company's Share Transfer Agent, M/s Ankit Consultancy Pvt. Ltd.
13. Pursuant to the Clause No.49 of the Listing Agreement, profile of the Directors proposed for appointment/re-appointment being given in a statement containing details of the concerned Directors is attached hereto.
14. The Ministry of Corporate Affairs ("MCA") Govt. of India by its Circular Nos. 17/2011 dt. 21.04.2011 & 18/2011 dt. 29.04.2011, has allowed companies to send annual report and other communication through electronic mode at the Registered email address of the members/ beneficiaries, keeping in view of the underline them and the circulars issued by MCA, we propose to send future communications in electronic mode. Members who hold shares in physical form and desired to receive the documents in electronic mode are requested to please promptly provide their details (name, LF No., email ID to the Registrar and Share Transfer agent of the Company. Accordingly, your Company proposes to henceforth affect electronic delivery of communication/ documents including the Annual Reports and such other necessary communication/documents from time to time to the Members, who have provided their e-mail address to their Depository Participant (DP). E-mail addresses as registered in your respective DP accounts in the records of the Depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) which will be periodically downloaded, will be deemed to be your registered e-mail address for serving the necessary communication/documents. Thus, the necessary communication would be sent in electronic form to the registered email address. Members who wish to inform any updations/changes of their e-mail address, are requested to promptly update the same with their DP. The annual report and other communications/documents sent electronically would also be displayed on the Company's website: [www.syncomformulations.com](http://www.syncomformulations.com) as a Member of the Company, you will be furnished, free of cost, a printed copy of the Annual Report of the Company, upon receipt of a requisition from you. We request you to support this initiative and opt for the electronic mode of communication by submitting your e-mail address to your DP or to the Company's Registrar, as the case may be, in the interest of the environment.

## STATEMENT REGARDING THE DIRECTORS PROPOSED FOR APPOINTMENT

Name and Designation Of Appointee	Age/ Qualification Year	Expertise/ Experience	Date of appointment	Other Directorship	No. of shares held & %age
Kedarmal Bankda	59 years M.Com.	36 years experience in Pharmaceutical filed in various capacity. He is the key and founder persons & promoters of the company	13/04/1992	1	33,76,534 15.14%
K.D. NEEMA	60 years M.Com. / L.L.B.	34 years experience in Business	31/07/2008	0	0

## ANNEXURE TO THE NOTICE

### EXPLANATORY STATEMENT IN PURSUANT TO THE PROVISIONS OF SECTION 173(2) OF THE COMPANIES ACT, 1956 IN RESPECT TO THE SPECIAL BUSINESS

#### Item No.6:

Therefore, the Board of directors of the Company upon recommendation of the remuneration committee of the Board has re-appointed Shri Kedarmal Bankda as the Chairman & Whole-time Director for a period of 5 years w.e.f. 3<sup>rd</sup> May, 2012 and the Board proposed to seek approval of members for his re-appointment for a period of five years on completion of his tenure on 2<sup>nd</sup> May, 2012 on the terms, conditions and remuneration as set out in the notice of the Annual General Meeting.

Shri Bankda is Post graduate in commerce and is the core promoter of the Company since incorporation and is having more than 36 years all around working experience and looking into all the manufacturing and administrative function of the Corporate Office of the Company at Pithampur and Indore. In view of his contribution in the growth and success of the Company, your Board recommend for re-appointment of Shri Bankda as proposed in Item No.6 of the notice by way of special resolution.

Except, Shri Kedarmal Bankda being the re-appointee and Shri Vijay Bankda being his relatives none of the directors are interested or concerned in the resolution.

#### Item no. 7 to 13:

Shri Ankit Bankda, Shri Ankur Bankda and Mrs. Suiabh Bankda were appointed by the Members as the Executives of the Company by the members at their Annual General Meeting held on 25<sup>th</sup> Sept., 2006 at the monthly remuneration of Rs.20,000/- p.m. Further that Mrs. Asha Bankda and Mrs. Vimla Bankda were appointed on monthly remuneration of Rs.20,000/- p.m. long back, where as Mr. Rahul Bankda was appointed as the Sr. Executives of the Company earlier at monthly remuneration of Rs.25,000/- p.m. The above said appointee were discharging their duties efficiently and having adequate qualification and experience and has served to the Company for more than 5 years, therefore, their salary/remuneration is to low as compared to other employees with the similar qualification and experience working with the Company. Therefore, the remuneration/selection committee of the Board of directors of the Company has considered and approve for increase in the salary suitably and proposed to provide powers to the Board of directors to raise their remuneration upto Rs.50,000/- p.m. as the Board may consider appropriate from time to time within the maximum permissible limit of Rs.50,000/- p.m. for each employee.

Further that Mrs. Payal Bankda has also been appointed as the Sr. Executive of the Company w.e.f. 1<sup>st</sup> April, 2011 upon the approval of the remuneration/selection committee of the Board on a monthly salary/remuneration upto Rs.50,000/- p.m.

All the above said employees/executives are the relatives of Shri Kedarmal Bankda and Shri Vijay Bankda, therefore for increase in the salary payable to them needs approval of members by way of special resolution as per provisions of section 314(1)(b) of the Companies Act, 1956 read with the Directors Relatives (Office of Profit) Amendment Rules 2011.

Your directors proposed to pass the resolution No. 7 to 13 as stated in the notice of the meeting by way of **special resolution**.

Shri Kedarmal Bankda and Shri Vijay Bankda are deemed to be concerned or interested in the proposed resolution.

#### ITEM NO.14:

In view of the latest amendments made by the Ministry of Corporate Affairs for providing facilities for participation of the members in the general meeting and directors in the Board and Committee Meeting through the Video Conferencing and audio visual electronic mode as well as provided opportunity to cast the votes in postal ballot through electronic notice, providing notice and the annual report to the members by way of electronic communication, i.e. email etc., it is required to make suitable amendments in the Articles of Association of the Company to bring them with the provisions of the Companies Act 1956 and the rules made their under.

Your directors proposes to make suitable amendments in the certain clauses by replacement of the existing clauses as well as inclusion of new clause in the



Articles of Association of the Company. As per provisions of section 31 of the Companies Act, 1956, the Articles can be altered with the approval of members by way of special resolution. Therefore, the Board of Directors proposes to pass the suitable resolution as set out in Item No. 14 of the notice. A draft amended copy of the Articles of Association is available for inspection till the date of the Annual General Meeting.

None of the director of the Company is concerned or interested in the proposed resolution.

For and on behalf of the Board of Directors  
For, SYNCOM FORMULATIONS (INDIA) LTD.

Place: Indore  
Date : 22<sup>nd</sup> August, 2011

KEDARMAL BANKDA  
CHAIRMAN

## DIRECTORS' REPORT

To,  
The Members,  
Syncom Formulations (India) Limited

Your directors have pleasure in presenting their 23<sup>rd</sup> Annual Report and Audited Statements of Accounts for the year ended 31<sup>st</sup> March 2011.

### 1. FINANCIAL PERFORMANCE

Financial Results of the Company for the year under review along with the figures for previous year are as follows:

Particulars	₹ In Lacs)	
	Year ended 31/03/2011	Year ended 31/03/2010
Net Sales and Other incomes	7668.68	8,575.26
<b>Profit before interest, depreciation and tax</b>	<b>331.41</b>	<b>956.18</b>
Less: Financial Charges	50.18	54.73
Less: Depreciation	236.42	217.39
<b>Profit before Taxation</b>	<b>44.81</b>	<b>684.06</b>
Provision for Taxation for current year	8.31	217.44
Difference in income tax for previous year	11.81	10.09
Deferred Tax	4.28	15.18
<b>Net Profit after tax</b>	<b>20.41</b>	<b>441.35</b>
Add: Balance brought forward from previous years	454.88	364.94
<b>Amount available for appropriation</b>	<b>475.29</b>	<b>806.29</b>
Appropriation: Transfer to general Reserve	0.00	250.00
<b>Proposed Dividend</b>	<b>111.52</b>	<b>86.67</b>
Corporate Dividend Tax	18.09	14.73
Balance carried to the Balance Sheet	345.68	454.89
<b>E.P.S. (in Rs.) (Annualized)</b>	<b>0.14</b>	<b>5.18</b>

### 2. REVIEW OF OPERATIONS:

During the year under review Company has achieved total turnover of Rs. 7668.68 lacs as compared to Rs 8575.26 Lacs in the previous year. The company generated profit of Rs. 20.41 Lac as compared to Rs 441.35 lacs in the previous year.

Political and economic uncertainty in the countries, comprising the market of the products of the company, forced the company to adopt very conservative policies. Which resulting in lower export and ultimately profits of the company. The conditions have now improved and the company expects the better result in the current year.

The developments of Domestic markets remain continuous focusing area of the company and domestic sales is showing increasing trend of market sharing.

### 3. MARKETING AND EXPORT:

During the year under review the export sales of the company was Rs. 5077.43 lacs as compared to previous year Rs 6860.77 lacs. The company increased efforts in building up the export market in various countries and expects significant improvement in current and future years.

#### Company's prospects in domestic market

Cratus Life Care, is the domestic division of your company and is carrying marketing in the Ethical and OTC segments of formulations products of the Company. Ethical division comprises mainly of therapeutic segments such as Vitamins, Nutritional Supplements, Cough and Cold, Gynecology, Orthopedics & Dermatology segments. Company's 4 brands are having good recognition and are considered as market leader as per IMS-ORG figures. In order to increase its market share, your company has made huge investment on media promotions and appointed sales staff for domestic sales for which real results would arrived in the coming years. After building goodwill and reorganization in the domestic market, the company shall have a sound ethics of domestic and export sales.

### 4. DIVIDEND:

Your Director's philosophy is to enhance stakeholders and customers satisfaction value. In continuation of said philosophy your directors are please to recommend payment of 20<sup>th</sup> dividend @ 0.50 per equity share of Rs. 10/- each including the new equity shares allotted during the year 2010-11 under the



preferential issue subject to approval by members at the coming Annual General Meeting. [Previous year Rs. 0.50 (5%)]

## 5. ISSUANCE OF NEW SECURITIES:

Looking to utilize the expanded surplus manufacturing capacity, and to create storage and other infrastructure at Mumbai, the company required long term capital, which was met out by raising new shares of Rs.10/- each at a premium of Rs.18/- per shares through the preferential issue of 49,24,000 Equity Shares on 30<sup>th</sup> June, 2011 to the promoters against the consideration for acquisition of their properties at Mumbai which comprised of such properties and 49,70,000 Warrants which were issued on preferential basis on 30<sup>th</sup> June, 2010 to non promoters were converted on 5<sup>th</sup> Feb.,2011 and 25<sup>th</sup> Feb.,2011 at a price of Rs.28/- per share. This exercise generated total funds of Rs. 2770.32 Lacs only as per the approval provided by the Members at their Extra Ordinary General Meeting held on 16<sup>th</sup> June, 2010 by way of special resolutions. The Company's above said total 98,94,000 new equity shares have been listed at the Bombay Stock Exchange Ltd.

## 6. PURPOSE OF RAISING FUNDS AND ITS UTILISATION ON THE DATE OF DIRECTOR'S REPORT:

Date of issuance of securities	Purpose of raising capital	Amount raised (₹ in Lacs)	Amount utilized (₹ in Lacs)
On 30/06/2010 Preferential issue of shares	For acquisition of various properties	1,378.72	1,378.72
On 30/06/2010 Preferential issue of warrants (upfront amount)	For long term working capital requirements	347.90	347.90
On 5/2/11 & 25/2/11 conversion of warrants	For long term working capital requirements	1,043.70	1,043.70
Total		2,770.32	2,770.32

## 7. LETTER OF OFFER BY THE ACQUIRER

Upon the allotment of 4924000 Equity Shares to the promoters and persons acting in concert with them by way of preferential allotment on 30<sup>th</sup> June 2010, the promoters were compulsorily required to give open offer for acquiring further shares as per SEBI (SAST) Regulations, 1997 for acquisition upto 20% of the Equity Shares of Rs. 10/- each. Therefore, the acquirers had made Public Announcement on 6<sup>th</sup> July 2010 for acquiring upto 34,66,870 Equity Shares from Public Shareholders of the Company at an Offer Price of Rs. 34/- Per Share. The promoters had issued Letter of offer on 3<sup>rd</sup> January, 2011 to acquire shares at a price of Rs. 35/- per share under open offer which was closed on 27<sup>th</sup> January, 2011 and the promoters have accepted all the valid offer and acquired 5,77,175 Equity Shares at a price of Rs. 35/- per share.

## 8. BOARD OF DIRECTORS:

The Board consists of executive and non-executive directors including independent directors who have wide and varied experience in different disciplines of corporate functioning.

Shri K.D.Neema and Shri Kedarmal Bankda, directors are liable to retire by rotation at the ensuing Annual general meeting and being eligible offers himself for re-appointment.

Shri Kedarmal Bankda was re-appointed as the Chairman & Whole-time Director by the Board at their meeting held on 11<sup>th</sup> August, 2011 for a further period of 5 years w.e.f. 3<sup>rd</sup> May, 2012 on the terms and conditions as set out in the notice of the Annual General Meeting.

Your directors recommend to pass necessary resolutions for the above said purposes as proposed in the notice of the Annual General Meeting.

## 9. DIRECTORS RESPONSIBILITY STATEMENT:

In accordance with the provisions of section 217(2AA) of the Companies Act, 1956, your directors state that:

- In the preparation of accounts, the applicable accounting standards have been followed.
- Accounting policies selected were applied consistently. Reasonable and prudent judgments and estimates were made so as to give a true and fair view

of the state of affairs of the Company as at the end of March 31, 2011 and the profit of the Company for the year ended on that date.

- Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities.
- The annual accounts of the Company have been prepared on a going concern basis.

## 10. PARTICULARS OF THE EMPLOYEES:

There was no employees in the company who, if employed throughout or part of the financial year, were in receipt of remuneration, whose particulars if so employed, are required to be included in the Report of directors in accordance with the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

## 11. CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTIONS AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The particulars as prescribed under section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988 and particular of employees are set out in the annexure 1 attached to this report.

## 12. PUBLIC DEPOSITS:

Your Company has not accepted any public deposit within the meaning of provisions of section 58A and 58AA of the Companies Act, 1956 and there is no outstanding deposit due for re-payment.

## 13. AUDITORS AND THEIR REPORT:

M/s S.P. Moondra & Co., the statutory auditors of the Company (F.R.No. 004879C) will retire at the conclusion of the forthcoming Annual General Meeting and the company is in receipt of confirmation from them that if they are reappointed, their appointment will be in accordance with the limit mentioned in section 224(1B) of the Companies Act, 1956.

Comments of the Auditors in their report and the notes forming part of Accounts are self-explanatory and need no comments.

## 14. CORPORATE GOVERNANCE:

Your Company is committed to good Corporate Governance Practices and following to the guidelines prescribed by the SEBI and Stock Exchanges from time to time. The Company has implemented all the mandatory requirements as applicable to the Company. A report on the Corporate Governance together with the Auditors Certificate are set out in the annexure 2 attached to this report.

## 15. PERSONNEL:

The Company continued to have cordial and harmonious relationship with its employees. In totality our employees have shown a high degree of maturity and responsibility in responding to the changing environment, economic and the market conditions.

## 16. ACKNOWLEDGMENTS:

Your directors take this opportunity to express their gratitude for the assistance and continued cooperation extended by the Banks, financial institutions, government authorities, customers and suppliers, the director are pleased to record their sincere appreciation for the devotion and sense of commitment shown by the employees as all levels and acknowledge their contribution towards sustained progress and performance of your company.

For and on behalf of the Board of Directors  
For, SYNCOM FORMULATIONS (INDIA) LTD.

Place: Indore

Date : 22<sup>nd</sup> August, 2011

KEDARMAL BANKDA  
CHAIRMAN



## Annexure 1 to the Directors' Report:

(Information as per the Companies (Disclosure of particular in Report of Board of Directors) Rules, 1988]

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE:

Information as required under section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules 1988 is given hereunder:

#### I. CONSERVATION OF ENERGY:

The Company has taken many steps for the Conservation of Energy.

	Current Year (2010-2011)	Previous Year (2009-2010)
1. Electricity (Purchased) Units	19,02,860	18,79,620
Amount (₹)	1,03,50,558	1,05,01,729
Rate/unit (₹)	5.44	5.59
2. Electricity (Generated) units	12,587	11,482
Amount (₹)	1,46,034	1,31,680
Unit per Litre of Diesel oil	3.62	3.61
Rate/unit (₹)	11.60	11.46

#### II. CONSUMPTION PER UNIT OF PRODUCTION:

In view of varied nature of products, of their units measurement and of their packs, it is not feasible to give information on the accurate consumption per unit of production.

#### III. RESEARCH & DEVELOPMENT:

##### 1 Specific areas in which the company carries out R&D:

The Scope of activities covers process development in drug and pharmaceutical formulations.

##### 2 Benefits Derived from R&D

- Productivity and quality improvements.
- Improved process performance and better-cost management
- Enhancement of safety and better environmental protection

##### 3 Future plan of action

- Develop cost effective process for existing and new products.
- Development of new drug delivery systems.
- Development of new products for international marketing.
- Improvements in quality and productivity.

##### 4 Expenditure on Research and Development : NIL

#### TECHNOLOGY ABSORPTION, ADOPTION AND INOVATION:

The company has so far not imported any technology. The company manufactures standard products for which technology is established.

#### FOREIGN EXCHANGE EARNING AND OUTGO:

During the year company has earned foreign exchange by effecting export sales worth of Rs 4970.38 (previous year Rs.6663.22 lacs) (FOB value) and total foreign outgo was Rs.13.17 lcs (previous year Rs.11.78 Lacs).

For and on behalf of the Board of Directors  
For, SYNCOM FORMULATIONS (INDIA) LTD.

Place: Indore

Date : 22<sup>nd</sup> August, 2011

KEDARMAL BANKDA  
CHAIRMAN

## Annexure 2 to the Directors' Report:

### CORPORATE GOVERNANCE REPORT REPORT OF COMPLIANCE WITH CLAUSE 49 OF THE LISTING AGREEMENT OF THE STOCK EXCHANGES MANAGEMENT DISCUSSIONS AND ANALYSIS:

#### 1. Industry Structure and Developments

##### (a) Industrial Scenario

The Global pharmaceutical market is undergoing rapid transformation. As per IMS Health forecast, divergent growth rates are expected for development and emerging markets in the year 2011. The emerging markets are forecasted to grow at 15 – 17% in 2011, to US\$ 170 – 180 billion. Many of these market are benefitting from greater government spending on healthcare and broader public and private healthcare funding, which is driving greater demand and access to medicines. Global spending for medicines will reach \$1.1 trillion by 2015, reflecting a slowing compound annual growth rate of 3-6% over the next 5 years.

The Indian pharmaceutical industry currently ranks 3<sup>rd</sup> in terms of volume of production (10% of global share) and 14<sup>th</sup> by value. Exports of pharmaceuticals have consistently outstripped imports. India's domestic pharma market offers immense potential, which is currently, valued at approximately Rs. 48239 Crores, reflecting strong growth of 15.3% for the twelve months ending march 2011. India's growth potential, estimates that over the next 10 years, the domestic market will grow to US\$ 49 billion, with the potential to reach US \$ 74 billion, if aggressive growth drivers kick in. Indian domestic pharma industry is witnessing trends such as acquisition activity, increased sales and marketing investment by domestic players, deeper penetration into tier 1 to tier 4 and rural markets, and growth in insurance affordability of services to patients and access to quality medical care. These trends, along with the favorable macro environment will propel the industry to the next level of growth.

##### (b) Threats, Risks and Concerns:

India's health infrastructure remains largely inadequate to meet the needs of a population that now numbers 1.2 billion. Per capita health spend continues to be abysmally low with the Indian pharmaceutical market being largely a self pay market and health insurance as yet being the preserve of the privileged few. This serves as an impediment for consumers to resort to long term treatment regardless of the value proposition.

##### (c) Opportunity:

The Indian middle class is growing rapidly with increasing prospects for greater health insurance coverage. The Indian , market is under-insured with less than 4% of the population covered by State Health Insurance The private health insurance market is limited to a miniscule number. It is estimated that the number of Indians who can afford quality private healthcare stands at about 100 million, which is about 1/3rd of the middle class population and 1/10th of the total Population. Increasing penetration of health insurance coupled with rising purchasing power is expected to stimulate the market. Healthcare reforms are also expected to expand the coverage of organized healthcare to rural areas leading to increased supply of secondary care.

Your company has set up a strong distribution network in countries where it operates. We are still in process of entering newer markets globally. The increasing spending on healthcare world wide will help to grow sales. Also your company has created an excellent base in the huge and potential Indian Pharma market. This gives your company an excellent opportunity to grow in domestic as well as international market.

##### (d) Outlook

India remains a market with a huge long term potential. With Indian pharmaceuticals market growth set to remain at double digit for next five years, india is an important market for pharmaceutical industry. Rising incomes combined with constrained increase in drug prices will drive consumption. Market growth will also be driven partly by the effort of more companies to broaden their geographic coverage.

Your company has been focusing on achieving higher sales growth in the two division in the same pharmaceutical segment viz Export business under Syncom Formulations India Limited and Domestic Business under Cratus Life Care (A Division Of Syncom Formulations India Limited).



Your company has invested in manpower in sales and marketing to consolidate and accelerate its growth. While keeping its focus on achieving a higher sales growth, the company continues to work on generating cost related efficiency in areas of Supply Chain, Administrative expenses, Selling expenses and Manufacturing expenses.

We believe that 2011 could be as optimistic with the economic environment getting favorable.

**(e) Internal control systems and their adequacy:**

The Company has an adequate system of internal controls which ensures that its assets are protected against loss from unauthorized use or disposition and all transactions are authorized, recorded and reported in conformity with generally accepted accounting principles.

The internal control systems are documented with clearly defined authority limits. These systems are designed to ensure accuracy and reliability of accounting data, promotion of operational efficiency and adherence to the prescribed management policies. These policies are periodically updated to meet current business requirements.

The Company has a system for regular review of internal controls to assess its effectiveness and the controls are suitably revised to keep pace with changing business environment. Internal control systems and processes are reviewed and tested by internal Auditors on a regular basis. The scope of Audit Program is agreed upon with the Audit Committee. Audit observations and recommendations are reported to the Audit Committee, which monitors the implementation of the said recommendations.

The Management Committee addresses the business risk on continuous basis. During the year, the Company has taken the initiative to institutionalize an enterprise-wide risk management program and integrate the same with internal controls.

**(f) Cautionary statement:**

Statement in the management discussion and analysis describing company's objectives, projections, estimates and expectations may constitute "forward looking statement" within the meaning of applicable laws and regulations. Actual results might differ materially from those either expressed or implied.

**2. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:**

The Company has been committed to healthy corporate governance practices. Being a value driven organization, the Company's corporate governance practices and disclosures have been duly complied with the statutory and regulatory requirements of the Companies Act, 1956, Securities and Exchange Board of India Act, 1992, together with all the rules and regulations framed there under and the provisions of the listing Agreement and all other applicable laws. The Company's corporate governance policies and practices are in accordance with the provisions of Clause 49 of the Listing Agreement and has complied with all the mandatory requirement as applicable to the Company.

In addition to that the Company has also complied with non-mandatory requirements as given in Annexure – I D may, except of submission of half yearly results to the shareholders, training to the Board members and mechanism for evaluation of non executive directors.

**3. BOARD OF DIRECTORS:**

**(a) Constitution of the Board of Directors.**

The Company is having whole-time executive Chairman and Managing Director, who discharge their duties and obligations under the superintendence and control of the Board of Directors of the Company. In the Board of Directors of the Company, the majority of the directors are independent and non-executive having varied and rich experience.

Details of the directors are as under:

Director	Executive /Independent	No. of outside directorship held
Shri Kedarmal Bankda	Promoter & Executive	1
Shri Vijay Bankda	Promoter & Executive	0
Shri Vinod Kumar Kabra	Independent/NED	0
C.A. Sanjay Metha	Independent/NED	1
Shri Krishna Das Neema	Independent/NED	0

**(b) Details of director reappointment/seeking appointment.**

Shri Krishna Das Neema and Shri Kedarmal Bankda, Directors of the company, are liable to retire by rotation and seeking their re-appointment.

The tenure of Shri Kedarmal Bankda as the Chairman and Whole-time Director is being lapsed on 2<sup>nd</sup> May, 2012. The Remuneration committee of the Board at their meeting held on 11<sup>th</sup> August, 2011 has approved the further re-appointment of Shri Kedar Mal Bankda w.e.f. 3<sup>rd</sup> May, 2012 for a period of 5 years.

**(c) Dates of the Board Meetings and Attendance Record of the Directors:**

During the financial year 2010-11, 9 meetings of the Board of Directors were held. The following table gives the attendance record of all the Directors at the Board Meetings.

Name of Director	Mr. Kedarmal Bankda	Mr. Vijay Bankda	Mr. Vinod Kr. Kabra	C.A. Sanjay Mehta	Mr. Krishna Das Neema
<b>Dates of Meetings</b>					
13.05.2010	Yes	Yes	Yes	LOA	Yes
17.05.2010	Yes	Yes	Yes	LOA	Yes
30.06.2010	Yes	Yes	Yes	LOA	Yes
14.08.2010	Yes	Yes	Yes	LOA	Yes
13.11.2010	Yes	Yes	Yes	LOA	Yes
15.01.2011	Yes	Yes	Yes	LOA	Yes
05.02.2011	Yes	Yes	Yes	LOA	Yes
25.02.2011	Yes	Yes	Yes	LOA	Yes
28.03.2011	Yes	Yes	Yes	Yes	Yes

**4. AUDIT COMMITTEE:**

As a measure of good Corporate Governance and to provide assistance to the Board of Directors and to meet the requirement of section 292A of the Companies Act, 1956 and the Clause 49 of the Listing Agreement and in fulfilling the Board's overall responsibilities, an Audit Committee consisting of only independent directors is continuously functioning since its formation. The Audit Committee inter-alia has all the powers and played its role in terms of the Clause 49 of the Listing Agreement:

**(a) Composition of the Audit Committee:**

The Audit Committee of the Company was constituted comprising of the following independent Directors:

S. No.	Name	Designation	Position in Committee
1.	Shri Krishna Das Neema	Director	Member/Chairman
2.	C.A. Sanjay Mehta	Director	Member
3.	Shri Vinod Kabra	Director	Member

Shri Devendra Maheshwari, the General Manager (Accounts) and Compliance officer appointed by the Board is also functioning as the Secretary of the Committee. The Chairman and Statutory Auditor of the Company is the special invitee to the meeting of the Audit Committee.

**(b) Meetings and Attendance during the year:**

Name of the Director	Mr. Vinod Kabra	C.A. Sanjay Mehta	Mr. Krishna Das Neema
<b>Dates of the Meeting</b>			
13.05.2010	Yes	LOA	Yes
14.08.2010	Yes	LOA	Yes
13.11.2010	Yes	LOA	Yes
15.01.2011	Yes	LOA	Yes

Remarks : "LOA" = leave of absence granted.

**5. SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE:**

**(a) Brief description of terms of reference:**

The Company has a 'Shareholders Grievance & Transfer Committee' at the Board level to look into the redressing of shareholders and investor's complaints like:

- (i) Transfer of Shares, transmissions and delay in confirmation in D-mat of shares;
- (ii) Non-receipt of Annual Report, etc.
- (iii) Non-receipt of the dividend warrants.



## (b) Composition of Shareholders Grievance and Transfer Committee:

S. No.	Name	Designation	Position in Committee
1.	Shri Krishna Das Neema	Director/NED	Member/Chairman
2.	C.A. Sanjay Mehta	Director/NED	Member
3.	Shri Vinod Kabra	Director/NED	Member

Shri Devendra Maheshwari, the G.M. (Accounts) and Compliance officer appointed by the Board is also functioning as the Secretary of the Committee.

(c) Name and designation of Compliance Officer : Shri Devendra Maheshwari, G.M. (Accounts)

## (d) Status of the investors/shareholders Complaints :

- (i) Number of complaints received during the year : 34
- (ii) Number of complaints solved during the Year : 34
- (iii) Number of complaints pending at the end of the year : NIL

The Company has authorised to implement transfer, transmission and D-mat of Shares to the Share Transfer Agent and to resolve the relating problems as professional agency. The Committee meets only on specific nature of complaints not resolved within a period of 21 days from the date of its receipts.

## 6. REMUNERATION/COMPENSATION COMMITTEE:

### (a) Brief description of terms of reference:

The terms of reference of the Committee are to review and recommend compensation payable to the Executive Directors. The Committee also ensures that the compensation policy of the Company provides for performance-oriented incentives to management.

### (b) Composition of the Committee

S. No.	Name	Designation	Position in Committee
1.	Shri Krishna Das Neema	Director/NED	Chairman
2.	C.A. Sanjay Mehta	Director/NED	Member
3.	Shri Vinod Kabra	Director/NED	Member

There were no requirement for meeting of the remuneration committee during the year 2010-11.

### (c) Remuneration of Executive and Non Executive Directors:

The terms of remuneration of Mr. Kedarmal Bankda, the Chairman and Whole-time Director and Mr. Vijay Bankda, the Managing Director are in accordance with the approval of shareholders at are within the limits of Schedule XIII of the Companies Act, 1956.

Director	Sitting Fees (₹)	Saiary & Perquisites (₹)	Commission (₹)	Total (₹)
Shri Kedarmal Bankda	0	3,00,000	0	3,00,000
Shri Vijay Bankda	0	3,00,000	0	3,00,000
Shri Vinod Kabra	0	0	0	0
C.A. Sanjay Mehta	5,000	0	0	5,000
Shri Krishna Das Neema	0	0	0	0

## 7. GENERAL MEETINGS:

The last three Annual General Meeting of the Company were held at the registered office of the Company on the following dates and times:

	Date	Time	No. of Special business Transacted	No. of resolutions passed by postal ballot process
22 <sup>nd</sup> AGM	29 <sup>th</sup> September, 2010	03.00 p.m.	1	-
21 <sup>st</sup> AGM	30 <sup>th</sup> September, 2009	03.00 p.m.	0	-
20 <sup>th</sup> AGM	26 <sup>th</sup> September, 2008	03.00 p.m.	5	-

One Extra Ordinary General Meeting of the members of the Company was also held on 16<sup>th</sup> June, 2010 during the year 2010-11 at the Registered office of the Company in which 3 special businesses were approved by the Members.

The Chairman/Member of the Audit Committee was also present at the Annual General Meeting.

## 8. DISCLOSURES

The Board of directors of the Company do hereby state and confirm that:

- (i) There are no material significant related party transactions made by the Company with its promoters, directors or the management, their subsidiaries or relatives that may have potential conflict with the interests of Company at large. The register of contracts containing transactions in which Directors are interested is placed before the Board regularly for its approval.

- (ii) During the last three years there was no penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any Statutory Authority, on any matter related to capital markets.

## 9. WHISTLE-BLOWER POLICY:

We have a established a mechanism for employee to report concerns about unethical behavior, actual or suspected fraud, or violation of our code of conduct or ethics policy. The mechanism also provides for adequate safeguard against victimization of employee who avails of the mechanism and also provides for direct access to the chairman of the audit committee in exceptional cases. We further affirm that during the financial year 2010-11, no employee has denied access to the audit committee.

## 10. CODE OF CONDUCT

1. The Company is having code of conduct for prevention of insider trading.
2. The Board shall lay down a code of conduct for all Board members and senior management of the company. The code of conduct has been posted on the notice Board/website of the company and all Board members and senior management personnel has affirmed compliance with the code on an annual basis.

## 11. MEANS OF COMMUNICATION:

Quarterly results of the Company are published in leading newspapers such as **Navshakti Maratha** being the Marathi vernacular newspaper and the **Free press Journal**, English newspaper. The results are promptly submitted to the Stock Exchanges where the shares of the Company are listed.

## 12. GENERAL INFORMATION TO SHAREHOLDERS & INVESTORS

- (i) Date, Time & Venue of Annual General Meeting : 30<sup>th</sup> September, 2011 at 3.00 P.M. at the Regd. Office of the Company.
- (ii) Financial Calendar : April 2011 to March 2012
  - Result for the quarter ended 30.06.2011 : On 11<sup>th</sup> Aug., 2011
  - Result for the quarter ended 30.09.2011 : Before 14<sup>th</sup> Nov., 2011
  - Result for the quarter ended 31.12.2011 : Before 14<sup>th</sup> Feb., 2012
  - Result for the quarter ended 31.03.2012 : Before 14<sup>th</sup> June, 2012
- (iii) Board meeting for consideration of Annual A/cs : 22<sup>nd</sup> August, 2011
- (iv) Posting of Annual Report : On or before 5<sup>th</sup> Sept., 2011
- (v) Last date for receipt of Proxy : 28<sup>th</sup> Sept., 2011
- (vi) Dates of Book Closure : From 26<sup>th</sup> Sept., 2011 to 30<sup>th</sup> Sept., 2011
- (vii) Date of dispatch of dividend warrants/cheques : on or before 30<sup>th</sup> Oct., 2011
- (viii) Listing on Stock Exchange : The Bombay Stock Exchange Limited
- (ix) Stock Code : BSE Code 523144
- (x) D-mat ISIN No. For CDSL and NSDL : INE312C01017
- (xi) No. of Shareholders on 31.03.2011 : 6,580
- (xii) **Stock Market Data:**

The monthly High and Low stock quotations during the financial year ended 31<sup>st</sup> March 2011 on BSE are as under (Source the Website: bseindia.com)

Month	High (₹)	Low (₹)	Volume of shares traded	Total No. of shares traded
Apr-2010	34.00	27.00	2,534	5,41,454
May-2010	35.00	24.30	3,166	6,42,413
Jun-2010	45.15	31.20	9,486	19,42,512
July-2010	39.30	32.30	1,417	3,06,213
Aug-2010	37.35	34.05	843	1,82,665
Sep-2010	36.50	31.50	1,852	4,44,782
Oct-2010	35.80	34.30	895	3,05,152
Nov-2010	42.70	31.40	1,475	3,99,549
Dec-2010	34.15	26.00	958	3,19,681
Jan-2011	36.85	27.70	1,040	2,72,551
Feb-2011	34.80	27.00	616	1,03,691
Mar-2011	34.90	29.15	824	1,99,186

### (xiii) Share Transfer System:

Shareholders/Investors' Grievance Committee also approves share transfers and meets at frequent intervals. The Company's Share Transfers Agent Ankit Consultancy Pvt. Ltd. Process these transfers. Share transfers are registered and returned within a period of 15 days from the date of receipt, if the documents are clear in all respects. In cases where shares are transferred after sending notice to the transferors, in compliance of applicable provisions, the period of transfer is reckoned from the date of expiry of the notice.



**(xiv) Dematerialisation / Rematerialisation:**

Based on a SEBI directive, Company's shares are traded in electronic form. As on 31<sup>st</sup> March, 2011, the Company's 2,21,33,562 shares are held by shareholders in dematerialised form, aggregating 99.23% of the Equity Share Capital.

CDSL: 51,89,500 forming 23.27% of the total paid up capital

NSDL: 1,69,44,062 forming 75.96% of the total paid up capital.

**(xv) Distribution of shareholding pattern as on 31<sup>st</sup> March' 2011:**

Shareholding of Nominal Value ₹	No. of shareholder	%	Shares Amount in ₹	%
Up to 1000	2,924	44.44	23,57,300	1.06
1001-2000	1,301	19.77	24,69,250	1.11
2001-3000	593	9.01	17,05,020	0.76
3001-4000	253	3.84	9,81,550	0.44
4001-5000	438	6.66	21,61,800	0.97
5001- 10000	518	7.87	42,38,050	1.90
10001-20000	275	4.18	43,13,090	1.93
20001-30000	76	1.16	19,12,070	0.86
30001-40000	45	0.68	16,00,740	0.72
40001-50000	34	0.52	15,94,200	0.71
50001-100000	56	0.85	39,89,990	1.79
100000-Above	67	1.02	19,57,20,420	87.75
<b>Total</b>	<b>6,580</b>	<b>100</b>	<b>22,30,43,480</b>	<b>100</b>

**(xvi) Categories of Shareholders as on 31<sup>st</sup> March, 2011:**

S.No.	Categories	No. of Shares Held	% of Share holding
1.	Indian promoters	1,34,48,274	60.29
2.	Foreign promoters	0	0
3.	institutions	0	0
4.	Bodies Corporate	27,43,753	12.30
5.	Individual SHs holding nominal sh. cap. up to Rs. 1 Lakh	25,39,855	11.39
6.	Individual SHs holding nominal sh. cap. in excess of Rs. 1 Lakh	35,21,935	15.79
7.	Clearing Members	49,345	0.22
8.	NRI/OCBs	1,186	0.01
<b>Total</b>		<b>2,23,04,348</b>	<b>100.00</b>

**(xvii) Details of the promoter's shares under pledge: NIL**

**(xviii) Details of shares credited in the suspense account:**

There were no instance for returning the undelivered shares therefore, no shares were credited in the escrow account as per Clause 5(a) of the Listing Agreement.

**(xix) Address for Communication:**

Shareholders should address their correspondence to the Company's Share Transfer Agent Ankit Consultancy Pvt. Ltd., Plot No. 60, Electronic Complex, Pardeshi Pura, Indore (M.P.) and may also contact at the Corporate & Head office of the Company.

**(xx) Location of Registered office :** 7, Niraj Industrial Estate, Off Mahakali Caves Road, Andheri (East), Mumbai - 400093  
Phone : 091 22 30887744-54  
Fax : 091 22 30887755  
E-mail: sfil87@hotmail.com

**(xxi) Location of Plant :** 256-257, Sector-I, Pithampur Dist. Dhar (M.P.) 454775  
Phone / Fax : 091 7292 253404

**(xxii) Location of Corporate Office :** 2<sup>nd</sup> Floor, "Tagore Centre" (Dawa Bazar), 13-14, RNT Marg, Indore - 452001  
Phone : 091 731 3046868-71  
Fax : 091 731 3046869  
E-mail: sfilfinance@gmail.com

**For and on behalf of the Board of Directors  
For, SYNCOM FORMULATIONS (INDIA) LTD.**

**Place: Indore  
Date : 22<sup>nd</sup> August, 2011**

**KEDARMAL BANKDA  
CHAIRMAN**

**MANAGEMENT RESPONSIBILITY STATEMENT**

The financial statements are in full conformity with the requirements of the Companies Act, 1956 and the Accounting Standards issued by the Institute of Chartered Accountants of India. The Management of Company accepts responsibility for the integrity and objectivity of these financial statements, as well as, for estimates and judgments relating to matters not concluded by the year-end. The management believes that the financial statements reflect fairly the form and substance of transactions and reasonably presents the Company's financial condition, and results of operations. To ensure this, the Company has installed a system of internal controls, which is reviewed, evaluated and updated on an ongoing basis. Our internal auditors have conducted periodic audits to provide reasonable assurance that the Company's established policies and procedures have been followed. However, there are inherent limitations that should be recognized in weighing the assurances provided by any system of internal controls. These financial statements have been audited by M/s. S.P. Moondra & Co., Chartered Accountants, Statutory Auditors of the Company.

**Place: Indore** **Vijay Bankda** **Devendra Maheshwari**  
**22<sup>nd</sup> August 2011** **Managing Director** **G.M. (Accounts)**

**DECLARATION**

This is to confirm that all the members of the Board of Directors and the Senior Management personnel have affirmed compliance with the Code of Conduct, applicable to them as laid down by the Board of Directors in terms of clause 49(1)(D)(ii) of the Listing Agreement entered into with the Stock Exchanges, for the year ended March, 31, 2011

**For, SYNCOM FORMULATIONS (INDIA) LTD.**

**Place: Indore  
Date : 22<sup>nd</sup> August, 2011**

**KEDARMAL BANKDA  
CHAIRMAN**

**CERTIFICATE OF STATUTORY AUDITORS  
ON CLAUSE 49 OF THE LISTING AGREEMENT  
WITH THE STOCK EXCHANGES**

**To  
The Board of directors  
Syncom Formulations (India) Ltd.**

We have examined the compliance of conditions of Corporate Governance procedures as stipulated in Clause 49 of Listing Agreement entered into by the Company with the Stock Exchanges, for the financial year beginning 1<sup>st</sup> April 2010 and ending on 31<sup>st</sup> March 2011.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is either an audit or an expression of opinion on the financial statements of the Company.

We have conducted our review on the basis of the relevant records and documents maintained by the Company and furnished to us for review and the information and explanations given to us by the Company. Based on such review, in our opinion, the Corporate Governance Report of the Company, referred to above, reflects on a fair basis the status of compliance by the Company with the Clause 49 of the Listing Agreement of the Stock Exchanges, relating to Corporate Governance, for the FY 2010-11 and that no investors grievances is pending for a period exceeding one months against the Company as per the records mentioned by the Share





Department/Share Transfer Agent of the Company.

We further state that such compliance is neither an assurance or as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For S.P. MOONDRA & Co.,  
CHARTERED ACCOUNTANTS

(S.P. MOONDRA)  
PROPRIETOR  
M.No. 073747  
F.R. No. 004879C

PLACE : INDORE  
DATED : 22<sup>nd</sup> August, 2011

## AUDITOR'S REPORT TO THE MEMBERS OF M/S. SYNCOM FORMULATIONS (INDIA) LIMITED

We have audited the attached Balance Sheet of **M/S. SYNCOM FORMULATIONS (INDIA) LIMITED., INDORE (M.P.)** as at **March 31, 2011** and also Profit & Loss Account of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

- 1) We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 2) 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 Companies Act, 1956, we enclose in the annexure, a statement on the matters specified in paragraphs 4 and 5 of the said order.
- 3) Further to our comments in the Annexure referred to above, we report that:
  - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (ii) 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.
  - (iii) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of accounts.
  - (iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
  - (v) On the basis of information and explanations given to us, we report that none of the directors is disqualified as on the date of Balance Sheet from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
  - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with notes thereon give the information required by the Companies Act, 1956, 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 **31<sup>st</sup> March, 2011**; and
    - (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 Cash flow Statement of the Cash Flows of the Company for the year ended on that date.

For S.P. MOONDRA & Co.,  
CHARTERED ACCOUNTANTS

(S.P. MOONDRA)  
PROPRIETOR  
M.No. 073747  
F.R. No. 004879C

PLACE : INDORE  
DATED : 22<sup>nd</sup> August, 2011

## ANNEXURE TO THE AUDITOR'S REPORT

With reference to the Annexure referred to in paragraph 2 of our report of even date to the members of **M/S SYNCOM FORMULATIONS (INDIA) LTD.**, for the year ended on **31<sup>st</sup> March, 2011**, We report that, in our opinion and to the best of our information and explanations furnished to us and the books and records examined by us in the normal course of Audit:

1. a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
- b. As explained to us, the fixed assets have been physically verified by the management during the year, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. We were informed that no material discrepancies were noticed on such physical verification.
- c. There has been no disposal of substantial part of the Fixed Assets during the year & the going concern status of the company is not affected.
2. a. Inventories have been physically verified by the management at reasonable intervals during the year.
- b. In our opinion, 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. The Company has maintained proper records of inventories. The discrepancies noticed on verification between physical stock and book stock were not material having regard to the size of the operations of the company and have been properly dealt with in Books of Accounts.
3. a. The Company has taken Loans from Two parties covered in the register maintained under section 301 of the Act. At the year end Outstanding balances of such loans taken aggregated to Rs. 1,07,30,000 (Number of Parties -01) and the maximum amount involved during the year was Rs. 9,02,07,090 Further Company has not granted Loans to Companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
- b. In our opinion and according to the information and explanations given to us, rate of Interest and other terms and conditions of the aforesaid unsecured loans taken by the Company are not prima facie prejudicial to the interest of the Company.
- c. In respect of Loans taken by the Company, the payment of Principal amount is regular.
- d. In respect of Loans taken by the Company, there were no overdue amount. The Company has not given the Loan.
4. In our opinion and according to the information and explanation given to us, there is adequate internal control procedure commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and also for the sale of goods. During the course of our audit, we have not observed any major weaknesses in internal controls.
5. Based on the Audit Procedures applied by us and according to the information and explanations given to us, there were no transactions that need to be entered into the register maintained in pursuance of section 301 of the Companies Act, 1956.
6. The Company has not accepted any deposits from the public within the meaning of Section 58 A and 58 AA of the Companies Act, 1956 and the rules framed there under. Accordingly, there have been no proceedings before the Company Law Board in this matter nor any order has been passed.
7. In our opinion the Company has an internal Audit system commensurate with the Size and nature of business.
8. The Central Government has prescribed maintenance of Cost Records under Section 209 (1) (d) of the Companies Act, 1956 in respect of manufacturing activity of the Company. We have broadly reviewed the accounts and records of the Company in this connection and are of the opinion, that prima facie, the prescribed accounts and records have been made and maintained. However, we are neither required to carryout nor have carried out any detailed examination of such Accounts and records.



9. a. According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees state Insurance, Income Tax, Sales Tax, Wealth Tax, Customs Duty, Excise Duty, Cess and other statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as on the date of Balance sheet for a period of more than six months from the date they become payable.
- b. According to the information and explanations given to us, the dues in respect of Sales Tax, Income Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess that have not been deposited with the appropriate authorities on account of disputes as on the date of Balance Sheet and the forum where the disputes are pending are as followings:

Sr. no.	Name of the Statute	Nature of the Dues	Forum where dispute is pending	Amount for which dispute is pending (₹ In Lacs)	Amount Not Deposited (₹ In Lacs)
1.	Income Tax Act	Income Tax A.Y. 2006-07	Appellate Comm. Income Tax, Mumbai	45.30	45.30
2.	Provident Fund Act	Provident Fund	High Court Indore	7.55	7.55

10. The Company does not have accumulated losses at the year end and has not incurred any cash losses during the financial year covered by our audit or in the immediately preceding financial year.
11. According to the information and explanations given to us and based on our observation during the audit, The Company did not have any outstanding debentures.
12. According to the information and explanations given to us, The Company during the year has not granted Loans and Advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a nidhi/mutual benefit fund/ society to which the provisions of special statute relating to chit fund are applicable.
14. The Company is dealing in Share/Securities. Investments are hold in the name of the company & entries have been made in the register.
15. According to the information and explanation given to us, The Company has not given any guarantees for Loans taken by others from Banks or Financial Institutions.
16. The company has not raised any term loans & therefore this clause is not applicable
17. According to the information and explanation given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that Prima facie the Company has not utilised the funds raised from short term sources towards Long term investment and vice versa.
18. During the year, the Company has made preferential allotment of 49,24,000 equity shares to parties & Companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
19. The company did not have issued debentures and therefore question of creating of Securities does not arise.
20. The company has not raised any money by way of public issue during the year.
21. In our opinion and according to the information and explanation given to us, no fraud on or by the Company has been noticed or reported during the year that causes the financial statements to be materially misstated.

For S.P. MOONDRA & Co.,  
CHARTERED ACCOUNTANTS

(S.P. MOONDRA)  
PROPRIETOR  
M.No. 073747

PLACE : INDORE  
DATED : 22<sup>nd</sup> August, 2011



## BALANCE SHEET AS AT 31st March'2011

Particulars	Schedule	As at 31.03.2011 ₹	As at 31.03.2010 ₹
<b>SOURCES OF FUNDS</b>			
Share holders' funds			
Share capital	1	22,30,43,480	12,41,03,480
Reserves and surplus	2	59,35,35,898	42,63,63,741
		81,65,79,378	55,04,67,221
<b>Loan funds</b>			
Secured loans	3	3,96,96,209	2,09,31,716
Unsecured loans	4	3,05,05,000	7,40,88,090
		7,02,01,209	9,50,19,806
<b>Deferred Tax Liability (Net)</b>	-	4,78,32,200	4,74,04,245
	<b>TOTAL</b>	<b>93,46,12,787</b>	<b>69,28,91,272</b>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>	5		
Gross block		65,57,67,131	47,69,03,906
Less : Depreciation		18,47,41,896	16,11,00,313
		47,10,25,235	31,58,03,593
Add : Capital work in progress including advances for Capital Goods	6	1,02,83,342	4,47,664
		48,13,08,577	31,62,51,257
<b>Investments</b>	7	7,46,98,283	4,00,000
<b>Current assets, loans &amp; advances</b>	8		
Current assets			
Inventories		11,49,35,444	7,74,36,218
Debtors		23,40,23,903	23,23,16,734
Cash and Bank Balances		3,99,81,310	9,18,10,189
		38,89,40,657	40,15,63,141
Loans & advances	9	18,29,38,652	20,28,62,968
		57,18,79,309	60,44,26,109
Less : Current liabilities & provisions	10	19,60,48,533	23,02,97,340
<b>Net current assets</b>		37,58,30,776	37,41,28,769
Miscellaneous expenditure (To the extent not written off or adjusted)	11	27,75,151	21,11,246
	<b>TOTAL</b>	<b>93,46,12,787</b>	<b>69,28,91,272</b>
Significant Accounting Policies & Notes forming parts of the accounts	16		

As per our report of even date annexed

For and on behalf of the Board of Directors

For S.P. Moondra & Co.  
Chartered Accountants

Kedarmal Bankda  
Chairman

(S.P. Moondra)  
Proprietor

Vijay Bankda  
Managing Director

M. No. : 073747  
F.R. No. : 004879C  
Place : Indore

Mrs. Shikha Sethi  
Company Secretary

Dated the : 22<sup>nd</sup> August, 2011



## PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31st March'2011

Particulars	Schedule	2010-11 ₹	2009-10 ₹
<b>INCOME</b>			
Sales	12	76,35,23,255	85,73,95,180
Less:-Excise Duty	-	2,86,615	33,33,526
Net Sales		<b>76,32,36,640</b>	<b>85,40,61,654</b>
Other income	13	36,31,592	34,63,983
	<b>TOTAL</b>	<b>76,68,68,232</b>	<b>85,75,25,637</b>
<b>EXPENDITURE</b>			
Materials	14	46,66,12,771	54,94,44,476
Manufacturing and other expenses	15	26,71,15,035	21,24,63,390
Interest & Financing Charges	-	50,18,121	54,72,556
Depreciation	5	2,36,41,583	2,17,39,367
	<b>TOTAL</b>	<b>76,23,87,511</b>	<b>78,91,19,789</b>
<b>Profit for the year before Taxation</b>		44,80,721	6,84,05,848
Less : Provision for income tax			
Current Tax		8,30,725	2,17,43,824
Deferred Tax		4,27,955	15,18,200
Income Tax related to Earlier Year		11,80,548	10,09,008
<b>NET PROFIT AFTER TAX</b>		<b>20,41,493</b>	<b>4,41,34,816</b>
Add : Balance brought forward from last year		4,54,88,445	3,64,93,790
<b>BALANCE AVAILABLE FOR APPROPRIATION</b>		<b>4,75,29,938</b>	<b>8,06,28,606</b>
<b>APPROPRIATIONS</b>			
General Reserve		0	2,50,00,000
Proposed Dividend		1,11,52,174	86,67,174
Provision for Corporate Dividend Tax		18,09,162	14,72,987
<b>Surplus carried to balance sheet</b>		<b>3,45,68,602</b>	<b>4,54,88,445</b>
Basic Earning Per Share		0.14	5.18
Diluted Earning Per Share		0.14	5.18
(Schedule 16 Note No.17)			
Significant Accounting Policies & Notes forming parts of the accounts	16		

As per our report of even date annexed

For S.P. Moondra & Co.  
Chartered Accountants

(S.P.Moondra)  
Proprietor

M. No. : 073747  
F.R. No. : 004879C  
Place : Indore  
Dated the : 22<sup>nd</sup> August, 2011

For and on behalf of the Board of Directors

Kedarmal Bankda  
Chairman

Vijay Bankda  
Managing Director

Mrs. Shikha Sethi  
Company Secretary



## Cash Flow Statement For The Year Ended 31st March'2011

(₹ in Lacs)

		Year Ended 31.03.2011		Year Ended 31.03.2010
<b>A Cash flow from operating activities :</b>				
Increase in profit	(109.20)		89.95	
Interest & financing charges	50.18		54.73	
Provision for Dividend	111.52		86.67	
Provision for Dividend Tax	18.09		14.73	
Provision for Tax (Including Deferred Tax)	24.39		242.71	
Increase in General Reserve	0.00		250.00	
Profit before tax		<b>94.98</b>		738.79
<b>Adjustments for non cash expenses :</b>				
Depreciation	236.42		217.39	
Right issue expenses written off	8.26		5.28	
Sundry Balances Written off	0.00		0.00	
		<b>244.68</b>		222.67
<b>Adjustment for non operating incomes :</b>				
Interest received	(19.89)		(31.54)	
Dividend received	0.00		0.00	
		<b>(19.89)</b>		(31.54)
<b>Operating profit before Working Capital changes</b>		<b>319.77</b>		<b>929.92</b>
<b>Adjustment for changes in working capital :-</b>				
(Increase)/ Decrease in inventories	(374.99)		(499.63)	
(Increase)/ Decrease in debtors	(17.07)		(1,036.27)	
(Increase)/ Decrease in other receivable	199.24		(763.84)	
Increase/( Decrease) in trade payable & other Liabilities	(342.49)		(1,618.82)	
		<b>(535.31)</b>		(680.92)
<b>Cash generated from operation</b>		<b>(215.54)</b>		<b>249.00</b>
Add. Profit from extraordinary item				
Interest & Dividend	19.89		31.54	
Dividend paid	(111.52)		(86.67)	
Dividend tax paid	(18.09)		(14.73)	
Provision for Income Tax	(20.12)		(227.52)	
		<b>(129.84)</b>		(297.38)
<b>Net cash from operating activities.....A</b>		<b>(345.38)</b>		<b>(48.38)</b>



## Cash Flow Statement For The Year Ended 31st March'2011

(₹ in Lacs)

	Year Ended 31.03.2011	Year Ended 31.03.2010
<b>B Cash Flow From Investing Activities</b>		
Purchase of Fixed assets (including capital Investment work in progress & expenditure during construction)	(1886.98)	(145.60)
	(742.98)	0.00
Net Cash Used In Investing Activities .....B	<b>(2629.96)</b>	<b>(145.60)</b>
<b>C Cash Flow From Financing activities :-</b>		
Unsecured Loan From Promoters	(435.83)	(153.53)
Increase/(decrease) in bank borrowing	187.64	29.35
Increase in share capital	989.40	618.53
Interest expenses	(50.18)	(54.73)
Increase in share premium	1780.92	432.97
Right issue expenses	(14.90)	(19.34)
Net cash From Financing Activities ....C	<b>2457.05</b>	<b>853.25</b>
<b>D Net increase/(decrease) in cash &amp; cash equivalents (A+B+C)</b>	<b>(518.29)</b>	<b>659.27</b>
Cash & cash equivalents at the beginning of the year	<b>918.10</b>	<b>258.83</b>
Cash & cash equivalents at the end of the year	<b>399.81</b>	<b>918.10</b>

Note :-

Figures in brackets represent outflow

As per our report of even date annexed

For S.P. Moondra & Co.  
Chartered Accountants

(S.P.Moondra)  
Proprietor

M. No. : 073747

F.R. No. : 004879C

Place : Indore

Dated the : 22<sup>nd</sup> August, 2011

For and on behalf of the Board of Directors

Kedarmal Bankda  
Chairman

Vijay Bankda  
Managing Director

Mrs. Shikha Sethi  
Company Secretary

# Syncom Formulations (India) Limited



SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31st March'2011

Particulars	As at 31.03.2011 ₹	As at 31.03.2010 ₹
<b>1 SHARE CAPITAL</b>		
<b>Authorised capital</b>		
2,50,00,000 equity share of Rs. 10/- each (Previous Year 1,40,00,000)	25,00,00,000	14,00,00,000
<b>Issued, subscribed &amp; paid up</b>		
2,23,04,348 Equity shares (Previous Year 1,24,10,348) of Rs. 10/- each, fully paid up.	22,30,43,480	12,41,03,480
Note : 1. Of the above shares, 75,000 equity shares were allotted as fully paid up bonus shares by capitalisation of general reserve 2. Out of which 49,24,000 shares have been allotted for consideration other than cash	<b>TOTAL</b>	<b>12,41,03,480</b>
	<b>22,30,43,480</b>	<b>12,41,03,480</b>
<b>2 RESERVES &amp; SURPLUS</b>		
<b>Capital reserve</b>		
State capital subsidy (As per last balance sheet)	7,50,000	7,50,000
	7,50,000	7,50,000
On account of forfeiture of shares/warrant (As per last balance sheet)	16,19,300	1,24,300
Addition during the year (Refer Note No. 1 of Schedule 16)	0	14,95,000
	23,69,300	23,69,300
<b>Share Premium Account</b>		
As per last balance sheet	12,85,05,996	8,52,08,560
Addition during the year	17,80,92,000	4,32,97,436
	30,65,97,996	12,85,05,996
<b>General reserve</b>		
(As per last balance sheet)	25,00,00,000	22,50,00,000
Add: Set aside during the year	0	2,50,00,000
	25,00,00,000	25,00,00,000
Surplus as per Profit & Loss Account	3,45,68,602	4,54,88,445
	<b>TOTAL</b>	<b>42,63,63,741</b>
	<b>59,35,35,898</b>	<b>42,63,63,741</b>
<b>3 SECURED LOANS</b>		
<b>Working Capital finance :</b>		
From Dena Bank (Against Pledge of Fixed Deposit Receipt)	3,96,96,209	2,09,31,716
	<b>TOTAL</b>	<b>2,09,31,716</b>
	<b>3,96,96,209</b>	<b>2,09,31,716</b>
<b>4 UNSECURED LOANS</b>		
From Companies	1,07,30,000	7,20,38,090
Trade Deposit	1,97,75,000	20,50,000
	<b>TOTAL</b>	<b>7,40,88,090</b>
	<b>3,05,05,000</b>	<b>7,40,88,090</b>

## SCHEDULE NO. 5 : FIXED ASSETS

(In ₹)

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As at 31.03.10	Additions during the year	As at 31.03.11	Up to 31.03.10	For the Year	Up to 31.03.11	As at 31.03.11	As at 31.03.10
Lease hold land	11,86,605	0	11,86,605	1,31,846	11,986	1,43,832	10,42,773	10,54,759
Buildings	15,61,60,510	14,96,91,480	30,58,51,989	3,56,46,250	58,49,957	4,14,96,207	26,43,55,782	12,05,14,259
Plant & machinery	23,07,07,999	1,08,53,692	24,15,61,691	8,62,37,684	1,12,25,553	9,74,63,237	14,40,98,454	14,44,70,315
Electrical installation	2,05,96,253	52,33,060	2,58,29,313	80,57,583	9,83,300	90,40,883	1,67,88,430	1,25,38,670
Furniture & fixture	3,77,31,954	90,38,279	4,67,70,233	1,51,60,849	24,25,214	1,75,86,063	2,91,84,170	2,25,71,105
Office & factory equipments	3,05,20,586	11,52,596	3,16,73,182	1,58,66,101	29,41,656	1,88,07,757	1,28,65,425	1,46,54,485
Vehicles	0	28,94,118	28,94,118	0	2,03,917	2,03,917	26,90,201	0
<b>TOTAL</b>	<b>47,69,03,907</b>	<b>17,88,63,225</b>	<b>65,57,67,131</b>	<b>16,11,00,313</b>	<b>2,36,41,583</b>	<b>18,47,41,896</b>	<b>47,10,25,235</b>	<b>31,58,03,593</b>
Previous Year	46,24,95,815	1,44,08,092	47,69,03,907	13,93,60,946	2,17,39,367	16,11,00,313	31,58,03,593	32,31,34,869



## SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31st March'2011

Particulars	As at 31.03.2011 ₹	As at 31.03.2010 ₹
<b>6 CAPITAL WORK-IN-PROGRESS</b>		
Advances for Capital Goods	1,02,83,342	4,47,664
<b>TOTAL</b>	<b>1,02,83,342</b>	<b>4,47,664</b>
<b>7 INVESTMENTS</b>		
<b>Long Term (at cost)</b>		
<b>Other than trade</b>		
<b>Quoted</b>		
Ravi Kumar Distilleries Ltd. (4,42,900 equity shares of Rs. 10 each fully paid) (Market value Rs. 1,55,23,645 Previous Year Rs. Nil)	3,70,98,283	0
<b>TOTAL (a)</b>	<b>3,70,98,283</b>	<b>0</b>
<b>Unquoted</b>		
2,28,500 equity shares of Bharosemand Commodities Pvt. Ltd.	2,28,50,000	0
1,10,000 equity shares of BLC Trading Agencies Pvt. Ltd.	1,10,00,000	0
33,500 equity shares of Padma Impex	33,50,000	0
<b>TOTAL (b)</b>	<b>3,72,00,000</b>	<b>0</b>
Investment in Capital of Partnership Firm M/s Syncom International	4,00,000	4,00,000
<b>TOTAL (c)</b>	<b>4,00,000</b>	<b>4,00,000</b>
<b>TOTAL (a+b+c)</b>	<b>7,46,98,283</b>	<b>4,00,000</b>
<b>8 CURRENT ASSETS</b>		
<b>Inventories</b> (as taken, valued and certified by the management)		
Raw materials	2,80,65,506	1,53,21,424
Finished goods	2,33,68,343	2,95,98,024
Semi finished goods	3,23,78,775	1,56,07,691
Packing material	2,84,21,546	1,54,53,064
Stores & spares and others	27,01,274	14,56,015
	<b>11,49,35,444</b>	<b>7,74,36,218</b>
<b>Debtors</b> (Unsecured, considered good)		
Within Six Month	21,84,38,153	22,18,92,799
Over Six Months	1,55,85,750	1,04,23,935
	<b>23,40,23,903</b>	<b>23,23,16,734</b>
<b>Cash &amp; bank balances</b>		
Cash in hand (as certified)	21,80,798	5,91,656
<b>Balances with Scheduled Banks</b>		
In Current accounts	46,17,833	5,25,32,303
In Current accounts in respect of Unclaimed dividend warrants	22,69,921	20,86,567
In Current accounts in respect of Right issue refund orders	19,567	19,567
In Fixed deposit accounts	3,08,93,191	3,65,80,096
	<b>3,99,81,310</b>	<b>9,18,10,189</b>
<b>TOTAL</b>	<b>38,89,40,657</b>	<b>40,15,63,141</b>
<b>9 LOANS &amp; ADVANCES</b>		
(Unsecured, considered good)		
Advances recoverable in cash or in kind or for value to be received	14,13,38,249	12,98,33,538
Deposits for premises	3,97,00,000	6,10,00,000
Deposits	15,31,887	15,69,150
Prepaid expenses	36,081	1,15,700
Advance Income Tax	3,32,435	1,03,44,580
<b>TOTAL</b>	<b>18,29,38,652</b>	<b>20,28,62,968</b>
<b>10 CURRENT LIABILITIES &amp; PROVISIONS</b>		
<b>Current Liabilities</b>		
Sundry creditors		
a) Dues of micro enterprise & small enterprise	71,12,542	78,39,767
b) Dues of creditors other than micro enterprise & small enterprise	12,21,48,617	15,30,44,946
Advances received from customers	1,53,20,512	39,50,101
Other liabilities	3,28,81,595	2,87,20,133
Unclaimed Dividend	22,69,921	20,86,567
Right Issue Refund Payble	19,567	19,567
	<b>17,97,52,752</b>	<b>19,56,61,081</b>





## SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31st March'2011

Particulars	As at 31.03.2011 ₹	As at 31.03.2010 ₹
<u>Provisions</u>		
Provision for gratuity	25,03,720	22,77,612
Proposed dividend	1,11,52,174	86,67,174
Corporate Dividend Tax	18,09,162	14,72,987
Provision for income tax	8,30,725	2,22,18,486
	<b>1,62,95,781</b>	<b>3,46,36,259</b>
<b>TOTAL</b>	<b>19,60,48,533</b>	<b>23,02,97,340</b>
<b>11 MISCELLANEOUS EXPENDITURE</b>		
(To the extent not written off)		
Shares issue expenses		
As Per Last Balance Sheet	21,11,246	7,04,965
Add: Preferential issue expenses	14,89,644	19,34,092
	<b>36,00,890</b>	<b>26,39,057</b>
Less: Written off during the year	8,25,739	5,27,811



## SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNTS FOR THE YEAR ENDED ON 31st March'2011

Particulars	2010-11 ₹	2009-10 ₹
<b>12 SALES &amp; INCOME FROM OPERATION</b>		
Manufacturing Sales	51,38,25,477	68,59,72,257
Sales Trading	21,64,02,396	12,36,07,662
Export incentives (DEPB)	3,32,95,382	4,78,15,261
<b>TOTAL</b>	<b>76,35,23,255</b>	<b>85,73,95,180</b>
<b>13 OTHER INCOME</b>		
Rent Received	2,86,200	0
Interest Received - Bank	19,89,288	31,54,163
Commission	10,66,772	0
Miscellaneous Income	2,89,332	3,09,820
<b>TOTAL</b>	<b>36,31,592</b>	<b>34,63,983</b>
<b>14 MATERIALS</b>		
<b>A. Raw materials &amp; packing materials</b>		
Opening stock	3,07,74,488	1,47,08,127
Purchases during the year	40,54,38,885	54,54,44,983
	43,62,13,373	56,01,53,110
LESS : Closing stock	5,64,87,052	3,07,74,488
Consumption	37,97,26,321	52,93,78,622
<b>B. Purchase of traded goods</b>	9,74,27,853	5,27,64,957
<b>C. (Increase)/Decrease in stocks</b>		
Closing stock :		
Finished goods	2,33,68,343	2,95,98,024
Semi finished goods	3,23,78,775	1,56,07,691
	5,57,47,118	4,52,05,715
Opening stock :		
Finished goods	2,95,98,024	71,48,508
Semi finished goods	1,56,07,691	53,58,104
	4,52,05,715	1,25,06,612
(Increase)/Decrease in stocks	(1,05,41,403)	(3,26,99,103)
<b>TOTAL</b>	<b>46,66,12,771</b>	<b>54,94,44,476</b>
<b>15 MANUFACTURING &amp; OTHER EXPENSES</b>		
Salaries, wages & other benefits	8,62,77,127	5,94,06,532
Contribution to provident & other funds	35,85,177	24,99,301
Staff welfare expenses	73,16,865	67,49,825
Directors' remuneration	6,00,000	6,00,000
Power & fuel	1,26,96,328	1,27,95,606
Rent	15,42,918	14,64,232
Insurance	3,34,380	4,94,754
Repairs & maintenance :		
Plant & machinery	13,79,241	17,06,586
Factory Building	64,650	1,52,610
Others	28,181	15,458
Traveling & conveyance	6,54,58,269	4,24,25,885
Forward Contract Cancellation Charges	10,56,606	0
Deferred revenue expenses written off (Right issue / Pref. issue)	8,25,739	5,27,811
Vehicle hire charges	8,68,843	7,30,144
Vehicle running & maintenance	2,54,817	4,42,437
Postage, Telegram & Telephone	27,68,156	28,84,146
Legal & Professional	19,10,293	16,26,369
Sundry Expenses	95,83,491	1,02,82,921
Sales Expenses	5,12,26,637	4,81,18,206
Export Expenses	1,93,37,317	1,95,40,567
<b>TOTAL</b>	<b>26,71,15,035</b>	<b>21,24,63,390</b>



## 16. SIGNIFICANT ACCOUNTING POLICIES & NOTES FORMING PART OF ACCOUNTS AS ON 31st MARCH, 2011

### A. SIGNIFICANT ACCOUNTING POLICIES :

#### i) Recognition of income & expenditure :

The financial statements have been prepared under the historical cost convention in accordance with the generally accepted accounting principles and the provisions of the Companies Act, 1956.

The company generally follow mercantile system of accounting and recognizes significant items of income and expenditure on accrual basis.

#### ii) Use of estimates :

The presentation of financial statements is in conformity with generally accepted accounting principles requires estimates and assumptions to be made, that affect the reported amount of assets and liabilities on the date of financial statements and the reported amount of revenues and expenses during the period. Differences between the actual result and estimates are recognised in the period in which the results are known/materialised.

#### iii) Fixed Assets :

Fixed assets are stated at cost net of modvat/cenvat on construction and includes proportionate financial cost till commencement of production less accumulated depreciation.

#### iv) Depreciation :

Depreciation on all Assets is being provided on straight line basis as per schedule XIV of the Companies Act, 1956.

#### v) Impairment of Assets

An asset is treated as impaired when the carrying cost of Assets exceeds its recoverable value. An impairment loss is charged to the Profit & loss Account in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

#### vi) Inventory valuation :

a) Stock of raw materials/packing materials are valued at cost (net of modvat credit) on FIFO basis or net realisable value which ever is Lower.

b) Stores & Spares and gift articles are valued at cost or net realisable value which ever is Lower.

c) Semi finished goods are valued at approximate cost of input, depending on the stage of completion or net realisable value which ever is Lower.

d) Finished goods are valued at cost or net realisable value which ever is lower. Cost for this purpose is determined by reducing the estimated gross margin from the billing price.

#### vii) Foreign Currency Transaction :

a) Transactions denominated in foreign currencies are normally recorded on exchange rate prevailing at the time of the transaction. Current liabilities related to foreign currency transaction are being converted at the year end at the closing rates for revenue transactions and exchanges gains/ losses in fluctuations of exchange rate are being dealt in the profit & loss account.

b) Monetary items denominated in foreign currencies and covered by forward exchange contracts are translated at the rate ruling on the date of transaction as increased or decreased by the proportionate difference between the forward rate and exchange rate on the date of transaction, such difference have been recognised over the life of the contract.

#### viii) Investments :

The Investments are long term & stated at cost. Provision for diminution in the value of long term investment is made only if

such a decline is other than temporary in the opinion of the management.

#### ix) Sales :

The company recognises sales at the point of dispatch of goods to the customer. Sales are net of discounts, Sales Tax, Excise Duty and returns.

#### x) Modvat/cenvat :

Modvat/cenvat credit is accounted on accrual basis on purchase of materials and capital goods and appropriated against payment of excise duty on clearance of the finished goods.

#### xi) Excise Duty :

Excise duty has been accounted on the basis of both, payments made in respect of goods cleared as also provision made for goods lying in bonded warehouses.

#### xii) Treatment of retirement benefit :

Retirement benefit to employees viz, gratuity is being accounted for on actuarial basis.

#### xiii) Borrowing cost :

Borrowing cost that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such 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.

#### xiv) Earning per share :

Basic EPC is computed using the weighted average number of equity shares outstanding during the year. Diluted EPS is computed using the weighted average number of equity and diluted equity equivalent shares outstanding during the year except where the results would be anti-dilutive.

#### xv) Provision for current and deferred Tax :

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income tax Act, 1961.

Deferred tax resulting from "timing differences" between book and taxable profits is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognised and carried forward only to the extent that there is a reasonable certainty that the assets will be realised in future.

#### xvi) Contingent liabilities :

Contingent liabilities are not provided for. These are being disclosed by way of a note in the notes to Accounts.

#### xvii) Miscellaneous expenditure :

Miscellaneous expenditure is written off to the profit and loss account over a period of up to five years, depending upon the nature and expected future benefits of such expenditure. The management reviews the amortization period on a regular basis and if expected future benefits from such expenditure are significantly lower from previous estimates, the amortization period is accordingly changed.



## B NOTES ON ACCOUNTS

### 1. PARTICULARS REGARDING FIRM IN WHICH THE COMPANY IS A PARTNER:

Name of the firm & partner	Share%
M/s Syncom International	
Total Capital Rs. 4.00 Lacs	
a) M/s. Syncom Formulations (India) Ltd.	99%
b) Mr. Vijay Bankda	1%

### 2. Loans & Advance Include :

Deposit given to directors against the properties let out by them to the company is Rs. 221 lacs (Previous year Rs. 221 lacs) and given to relatives of Directors Rs.176 lacs (Previous year Rs. 389 lacs).

### 3. Debtors Include :

Due from companies/firms in which some of the directors are interested as Director/Proprietors/Partners Rs. 15,13,752 (Previous year Rs.15,13,752) Maximum outstanding during the year Rs.15,13,752 (Previous year Rs. 15,13,752)

### 4. Interest & Financial Charges Rs 50,18,121 (Previous year Rs.54,72,556) includes interest paid Rs. 39,94,285 (Previous year Rs. 47,46,874) and financial charges 10,23,836 (Previous year Rs 7,25,682).

### 5. Travelling and Conveyance includes Directors travelling Inland Rs.4,35,151 (Previous year Rs. 1,61,632) Foreign travelling Rs. Nil (Previous year Rs. Nil) and Foreign travelling of others Rs.17,70,388 (Previous year 9,19,626).

### 6. The company has addressed letters to suppliers seeking confirmation as to registration under the "Micro, Small and Medium Enterprises Development Act, 2006". Based on the information available with the company, an amount of Rs. 71.13 lacs is due to Micro, Small and Medium Enterprises, as detailed below:

S.No.	Vendor Name	Amount (₹ in Lacs.)
1	Ideal Cures Pvt. Ltd., Mumbai	0.51
2	Lux Flavours	0.78
3	P.G. Holographic Pro., Indore	2.82
4	Packwell Packaging	3.31
5	Packwell Products	0.53
6	Panna Flex Pack, Indore	25.74
7	Shree Packers	37.44
	<b>Total</b>	<b>71.13</b>

All the amounts outstanding are due for a period less than that prescribed under the Act and all the payments during the year have been paid within the period less than that prescribed under the Act.

Interest Paid/ Payable is Rs. NIL.

### 7. Fixed deposits includes Rs. 3,00,35,000 (previous year Rs. 3,00,35,000) pledged with Banks and Govt. Departments.

### 8. Balance of Sundry Debtors, Sundry Creditors, Trade Deposit and Loans & Advances are subject to confirmation. However, in the opinion of the management these accounts will fetch the amount as stated in the books of accounts on realisation in the ordinary course of business.

### 9. Income Tax assessment have been completed up to Assessment year 2008-2009

### 10. Sales Tax and Purchase Tax Assessment are at various stages. According to company's is management the provision for the same is sufficient.

### 11. Excise Duty is net of Excise Duty refund received against export under the central excise rules amounting to Rs. 4,93,77,843.

### 12. Sales includes export incentives.

### 13. Payment of auditors :

i) For audit fees	Rs.50,000	(Previous year Rs. 50,000)
ii) For tax audit fee	Rs10,000	(Previous year Rs. 10,000)
iii) Other services	Rs.10,500	(Previous year Rs. 14,250)
iv) Service Tax	Rs 7,262	(Previous Year Rs. 7,650)

### 14. Deferred Tax :

The breakup of net deferred tax liability as on 31 March 2011 is as follows.

	As at 31.03.2011		As at 31.03.2010	
	Deferred Tax Assets ₹	Deferred Tax Liability ₹	Deferred Tax Assets ₹	Deferred Tax Liability ₹
Timing differences on account of : Difference between book depreciation and depreciation Under the Income Tax Act, 1961	-	5,06,23,695	-	4,74,04,245
Expenditure Under Section 43 B of the Income Tax Act, 1961	-	-	-	-
Unabsorbed Depreciation	27,91,495	-	-	-
Total	27,91,495	5,06,23,695	-	-
Net Deferred Tax Liability	-	4,78,32,200	-	4,74,04,245

### 15. Segment Information :

The company is operating in single segment.



## 16. Related Party Disclosures :

### A. List of related parties :

Parties where control exists :

- Syncom International, Mumbai, Synmax Pharma, Indore
- ARP Pharma Pvt. Ltd., Strand Developers Pvt. Ltd, Paradise Vyapar Pvt Ltd..

Other Related parties with whom transactions have taken place during the year :

- Fellow Subsidiaries : Nil  
 Associates : Nil  
 Directors : Mr. Kedarmal Bankda, Mr. Vijay Bankda, C.A. Sanjay Mehta, Mr. Vinod Kabra, Mr. K.D. Neema

### B. Transactions with related parties :

( ₹ in lacs )

- i) Sales services and Other income Nil (Previous year NIL)
- ii) Purchases of raw materials and components Nil (Previous year NIL)
- iii) Expenditures on other services
- a) Paid to Directors
- i) Car hire charges Rs. 3.96 (Previous year Rs. 5.16)
- ii) Rent Rs. 2.88 (Previous year Rs. 2.40)
- iii) Sitting Fees (NED) Rs. 0.05 (Previous year Rs. 0.30)
- b) Paid to Relatives
- i) Car hire charges Rs. 3.84 (Previous year Rs. 3.89)
- ii) Rent Rs. 9.72 (Previous year Rs. 10.20)
- iii) Salary Rs. 10.80 (Previous year Rs. 8.64)
- iv) Unsecured loan from Enterprises controlled or managed by Directors or Relatives of Directors:
- Received 293.49 (Previous year Rs. 837.51)
- Repayment 906.57 (Previous year Rs. 1,011.54)
- v) Outstanding balances as at 31st March 2011
- Balance Receivable
- Enterprises controlled 15.14 (Previous Rs. 15.14)
- Directors & Relatives of Directors 397.00 (Previous Rs. 610.00)
- Balance Payable
- Enterprises controlled 107.30 (Previous Rs. 720.38)
- vi) Director Remuneration :
- Salary Rs. 6.00 (Prev. year Rs. 6.00)
- Value of perquisites\*
- Rent free house accommodation Rs. 0.43 (Previous year Rs. 0.43)
- Water & electricity charges Rs. 0.36 (Previous year Rs. 0.36)

\* Value of perquisites is taken as per salary certificates issued by the company.

## 17. Earnings per Share : 2010-11 2009-10

### A. Calculation of weighted average number of equity shares of Rs. 10 each

No. of shares at the Beginning of the year	1,24,10,348	62,25,000
No. of equity shares outstanding at the end of the year	2,23,04,348	1,24,10,348

Weighted average number of equity shares

outstanding during the year	1,49,26,272	85,26,745
Effect of convertible warrants	0	0
Weighted average number of equity shares outstanding for computing diluted EPS	1,49,26,272	85,26,745

### B. Net profit after tax available for equity shareholders

	40,85,470	4,41,34,816
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### C. Basic earnings per share (in Rs.)

Diluted earnings per share (in Rs.)	0.27	5.18
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18. Computation of net profit in accordance with section 349 of the Companies Act, 1956 has not been given, as commission by way of percentage of profit is not payable for the year to any of the director of the company.

19. Previous year figures have been reworked, regrouped, rearranged and reclassified where ever necessary.

20. Figures have been rounded off to the nearest rupee.

21. In the opinion of the Board, Current Assets, Loans and advances have a value on realisation in the ordinary course of business at least to the amount at which these are stated and that the provisions for all known liabilities are adequate and not in excess of the amount reasonably necessary and there is no contingent liability other than below.

( ₹ in lacs )

PARTICULARS	As at 31/03/2011	As at 31/03/2010
i) Income Tax demand for A.Y.06-07	45.30	73.47
ii) Provident Fund demand	7.55	0.00
iii) Capital Commitment (Net of Advances)	7.00	6.00
iv) Bank guarantees	3.68	3.68

22. Schedules referred to herein are under the same signature and form an integral part of the accounts.



23. Information pursuant to the provisions of paragraph 3,4C and 4D of part II of Schedule VI to the Companies Act, 1956.

ITEMS	UNIT		For the	Quantity	For the
		Quantity	year ended 31.03.2011 Amount (₹)		year ended 31.03.2010 Amount (₹)
<b>I. Licensed capacity</b>			Not applicable		Not applicable
<b>ii. Installed capacity :</b> (Annual-on single shift working; as assessed and certified by the management)					
Tablets	'000	54,00,000		54,00,000	
Capsules	'000	6,00,000		6,00,000	
Dry Powder	Kgs.	3,00,000		3,00,000	
Liquids	Ltrs.	12,50,000		12,50,000	
Injectable	'000	68,500		68,500	
Ointment	Kgs.	1,57,500		1,57,500	
Inhaler	'000	500		500	
<b>iii. Production :</b>					
Tablets	'000	15,12,420		25,93,638	
Capsules	'000	2,26,965		3,09,471	
Dry Powder	Kgs.	10,069		13,409	
Liquids	Ltrs.	5,96,834		3,94,457	
Injectable	'000	3,787		3,664	
Ointment	Kgs.	19,880		16,453	
Inhaler	'000	465		76	
Notes : a) Production includes production of samples.					
<b>iv. Turnover :</b>					
<b>A. Manufactured Goods</b>					
Tablets	'000	15,53,695	30,14,53,268	25,03,404	48,40,79,152
Capsules	'000	2,30,063	12,02,18,971	3,01,066	10,70,08,317
Dry Powder	Kgs.	10,268	74,18,316	12,788	71,68,289
Liquids	Ltrs.	5,77,767	4,26,98,834	3,77,987	4,30,06,292
Injectable	'000	3,305	3,20,44,703	4,326	3,93,78,644
Ointment	Kgs.	23,537	76,36,580	11,371	48,21,326
Inhaler	'000	365	23,54,805	66	5,10,237
		<b>Total A</b>	<b>51,38,25,477</b>		<b>68,59,72,257</b>
<b>B. Traded goods</b>					
1. Basic drugs & chemicals	M.T.	0	0	3	6,13,772
		<b>Sub Total</b>	<b>0</b>		<b>6,13,772</b>
2. Finished Goods					
Tablets	'000	92,160	10,22,98,198	1,02,903	5,14,33,371
Capsules	'000	9,520	2,49,44,853	5,515	1,59,51,621
Dry Powder	Kgs.	17,137	52,25,034	13,372	42,08,294
Liquids	Ltrs.	2,83,294	6,31,85,980	1,89,566	3,57,12,601
Injectable	'000	13	8,94,707	39	25,68,859
Ointment	Kgs.	16,225	1,72,80,997	12,802	1,31,19,144
Inhaler	'000	19	2,04,450	0	0
Condom	000	505	14,70,830	0	0
Test Card	000	48	5,57,847	0	0
Soap	000	50	3,39,500	0	0
		<b>Sub Total</b>	<b>21,64,02,396</b>		<b>12,29,93,890</b>
		<b>Total B</b>	<b>21,64,02,396</b>		<b>12,36,07,662</b>
<b>V. Stocks :</b>					
<b>Opening stock</b>					
Tablets	'000	1,12,914	1,98,07,957	22,742	27,00,886
Capsules	'000	15,468	55,62,957	7,132	13,61,307
Dry Powder	Kgs.	844	4,46,021	228	45,642
Liquids	Ltrs.	23,802	22,44,634	7,374	3,38,630
Injectable	'000	12	1,67,535	677	26,96,049
Ointment	Kgs.	5,119	13,12,833	45	5,995
Inhaler	'000	10	56,087	0	0
		<b>Total</b>	<b>2,95,98,024</b>		<b>71,48,508</b>

# Syncom Formulations (India) Limited



ITEMS	UNIT		For the	Quantity	For the
	Quantity		year ended 31.03.2011 Amount (₹)		year ended 31.03.2010 Amount (₹)
<b>Closing stock</b>					
Tablets	'000	71,628	1,19,44,844	1,12,914	1,98,07,957
Capsules	'000	12,370	33,72,519	15,468	55,62,957
Dry Powder	Kgs.	645	2,34,879	844	4,46,021
Liquids	Ltrs.	42,849	50,28,497	23,802	22,44,634
Injectable	'000	494	18,46,603	12	1,67,535
Ointment	Kgs.	1,461	3,55,184	5,119	13,12,833
Inhaler	'000	110	5,85,817	10	56,087
		<b>Total</b>	<b>2,33,68,343</b>		<b>2,95,98,024</b>
<b>vi. Materials</b>					
a) Raw materials consumed for production*					
Paracetamol	Kgs.	3,40,472	7,21,98,628	7,51,856	14,86,67,485
Ibuprofen	Kgs.	8,557	39,78,748	21,532	95,55,762
Chloroquine Phosphate	Kgs.	20,443	1,61,86,688	41,143	3,07,17,513
Cefixime Trihydrate	Kgs.	1,971	2,02,77,096	0	0
Others **			14,60,76,979	0	18,38,65,532
b) Packing Materials **		0	12,10,08,182	0	15,65,72,330
		**( Individual items each being less than 10 % of Total)			
		<b>Total</b>	<b>37,97,26,321</b>		<b>52,93,78,622</b>
c) Purchase of goods traded :					
Basic drugs & chemicals	M.T.	0	0	3	6,13,772
		<b>Total</b>	<b>0</b>		<b>6,13,772</b>
d) Finished Goods					
Tablets	'000	92,160	4,63,57,301	1,02,903	2,13,30,782
Capsules	'000	9,520	91,43,389	5,515	49,81,082
Dry Powder	Kgs	17,137	25,27,783	13,372	17,80,109
Liquids	Ltrs.	2,83,294	3,12,05,893	1,89,566	1,80,86,749
Injectable	'000	13	3,76,504	39	11,34,576
Ointment	Kgs.	16,225	63,88,029	12,802	48,37,887
Inhaler	'000	19	95,542		0
Condom	'000	505	6,96,161		0
Test Card	'000	48	2,00,976		0
Soap	'000	50	2,48,133		0
		<b>Total</b>	<b>9,72,39,711</b>		<b>5,21,51,185</b>
<b>vii. CIF value of Imports :</b>			0		0
<b>viii. Expenditure in foreign currency</b>					
Traveling			5,72,926		7,52,500
Product Registration Charges			7,43,740		4,25,408
<b>ix. Earning in Foreign Exchange</b>					
Export on FOB basis			49,70,37,883		66,63,22,347
<b>x. Value of imported/Indigeneous</b>					
<u>Materials, components and spares consumed :</u>					
<u>Materials :</u>					
Imported		0.00%	0	0.00%	0
Indigenous		100.00%	37,97,26,321	100.00%	52,93,78,622

As per our report of even date annexed

For S.P. Moondra & Co.  
Chartered Accountants

(S.P.Moondra)  
Proprietor

M. No. : 073747  
F.R. No. : 004879C  
Place : Indore

Dated the : 22<sup>nd</sup> August, 2011

For and on behalf of the Board of Directors

Kedarmal Bankda  
Chairman

Vijay Bankda  
Managing Director

Mrs. Shikha Sethi  
Company Secretary



## BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE AS AT 31/03/2011

### i. Registration details

Registration no. 

4	7	7	5	9
---	---	---	---	---

  
 Balance sheet date 

3	1	0	3	2	0	1	1
---	---	---	---	---	---	---	---

State code 

1	1
---	---

### ii. Capital raised during the year (Amount in Rs. Thousands)

Public issue  

			N	I	L
--	--	--	---	---	---

Right issue  

			N	I	L
--	--	--	---	---	---

Bonus issue  

			N	I	L
--	--	--	---	---	---

Private placement  

2	7	7	0	3	2
---	---	---	---	---	---

### iii. Position of mobilisation and deployment of funds (Amount in Rs. Thousand)

Total liabilities  

9	3	4	6	1	2
---	---	---	---	---	---

Total assets  

9	3	4	6	1	2
---	---	---	---	---	---

#### Sources of funds

Paid up capital  

2	2	3	0	4	3
---	---	---	---	---	---

Reserves and surplus  

5	9	3	5	3	6
---	---	---	---	---	---

Secured loans  

	3	9	6	9	6
--	---	---	---	---	---

Unsecured loans  

	3	0	5	0	5
--	---	---	---	---	---

#### Deferred Tax Liability

	4	7	8	3	2
--	---	---	---	---	---

#### Application of funds

Net fixed assets  

4	8	1	3	0	9
---	---	---	---	---	---

Investments  

	7	4	6	9	8
--	---	---	---	---	---

Net current assets  

					0
--	--	--	--	--	---

Miscellaneous expenditure  

		2	7	7	5
--	--	---	---	---	---

Accumulated losses  

			N	I	L
--	--	--	---	---	---

### iv. Performance of company (Amount in Rs. Thousand)

Turnover including other income  

7	6	6	8	6	8
---	---	---	---	---	---

Total expenditure  

7	6	2	3	8	8
---	---	---	---	---	---

Profit / loss before tax  
 + -  


	4	4	8	1
--	---	---	---	---

Profit / Loss after Tax  
 + -  


	2	0	4	1
--	---	---	---	---

Earning per share in Rs.  

0	0	.	1	4
---	---	---	---	---

Dividend Rate %  

	0	5
--	---	---

### v. Generic names of three principal products of company

Item Code No. 

3	0	0	4	9	0	1
---	---	---	---	---	---	---

Product description 

NORFLOXACIN - FORMULATIONS THEREOF, IN TABLETS ETC.
---

Item Code No. 

3	0	0	4	9	0	0
---	---	---	---	---	---	---

Product description 

PARACETAMOL - FORMULATIONS THEREOF, IN TABLETS ETC.
---

Item Code No. 

3	0	0	4	2	0	1	1
---	---	---	---	---	---	---	---

Product description 

CIPROFLOXACIN - FORMULATIONS THEREOF, IN TABLETS ETC.
---





## SYNCOM FORMULATIONS (INDIA) LIMITED

Registered Office : 7, Niraj Industrial Estate, Off Mahakali Caves Road, Andheri (East), Mumbai-400 093

### TWENTY THIRD ANNUAL GENERAL MEETING - 30<sup>th</sup> SEPTEMBER, 2011 ADMISSION SLIP

(To be handed over at the entrance of the Meeting hall)

Folio No. \_\_\_\_\_

DPID\* \_\_\_\_\_

No. of Share held \_\_\_\_\_

Client ID\* \_\_\_\_\_

I certify that I am a Registered Share holder of the Company  
I hereby record my presence at the TWENTY THIRD ANNUAL GENERAL MEETING of the company.

\_\_\_\_\_  
Name of the member in BLOCK LETTERS

\_\_\_\_\_  
Member's Signature

\* **Applicable for investors holding shares in electronic form.**

#### Notes :

1. A member/proxy wishing to attend the meeting must complete this Admission Slip and hand it over at the entrance.
2. If you intend to appoint a proxy, please complete the proxy-form given below and deposit it at the Company's Registered Office at least 48 hours before the meeting.

## SYNCOM FORMULATIONS (INDIA) LIMITED

Registered Office : 7, Niraj Industrial Estate, Off Mahakali Caves Road, Andheri (East), Mumbai-400 093

### PROXY FORM

I/We \_\_\_\_\_

of \_\_\_\_\_

being the Member / Members of SYNCOM FORMULATIONS (INDIA) LIMITED hereby appoint \_\_\_\_\_

\_\_\_\_\_ Of \_\_\_\_\_ or failing

him \_\_\_\_\_ of \_\_\_\_\_

as my / our proxy attend and vote for me / us and on my / our behalf at the 23rd Annual General Meetings of the company to be held on 30th September, 2011 and or at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2011.

Affix Rs.  
One  
Revenue  
Stamp

\_\_\_\_\_  
Signature of Proxy

\_\_\_\_\_  
(Signature of Member)

Name in Block Letters \_\_\_\_\_

Ledger Folio No. \_\_\_\_\_

DPID\* \_\_\_\_\_

Client ID\* \_\_\_\_\_


\* **Applicable for investors holding shares in electronic form.**

Note : The proxy must be deposited at the Registered Office of the company not less than 48 hours before the time of holding the meeting.

For any information/enquiry, please visit: [www.cratus.co.in](http://www.cratus.co.in)

**LIVOCRAT**  
Syrup / Capsule

*Liver fit toh Life hit*

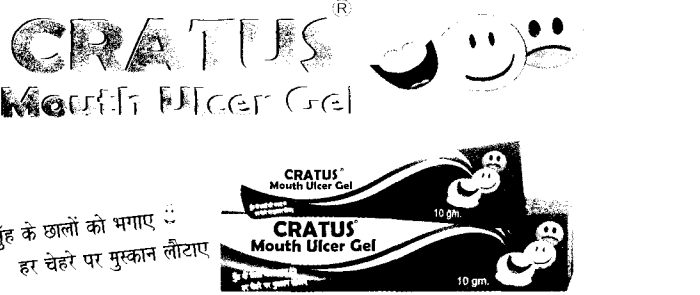


**FIMALETON**  
Syrup & Capsule

Raho active mahine ke har din

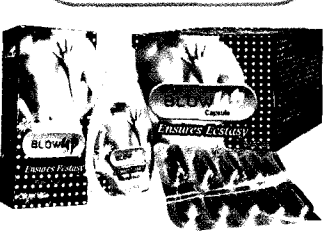


**CRATUS**  
Mouth Ulcer Gel



मुँह के छालों को भगाए  
हर चेहरे पर मुस्कान लौटाए

**BLOW**  
Capsule/Oil




**RELITUSS JUNIOR**  
Herbal Cough Syrup

Non-sedative, Safe & Effective



**Narya-72**  
Tablet

Emergency Contraceptive Pill



**ADUSI**  
Cough Syrup with Haldi & Tulsi

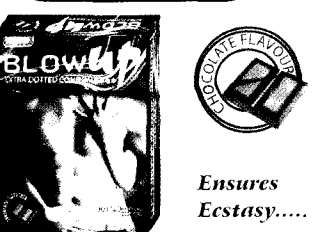
KHANSI PAR WAR, HAR BAR



**BLOW**  
EXTRA DOTTED CONDOM

CHOCOLATE FLAVOUR

Ensures Ecstasy....



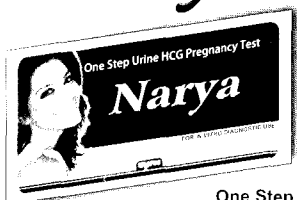
**RELITUSS**  
Syrup

Non-Sedative, Safe & Effective



**Narya**

One Step Urine HCG Pregnancy Test



One Step Urine HCG Pregnancy Test

IS HES & PAINS


**KILAC**



**CRATUS**  
Tablet/Syrup

**SHILAJIT**

TOUGH ON COUGH



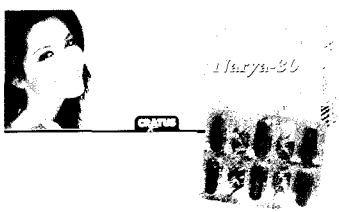
**CRACOD**  
Tablet/Syrup

Anti-tussive - Anti-allergic - Expectorant

EXPELS THE COUGH



**Narya-30**  
Capsule



**BABYCALM**  
Gripe Water

Ka Sathi



**CRATUS**  
**SHILAJIT**

FOR VIGOR & VITALITY

Prakruti Ki Taakat Shilajit Mein



**KAMUNIA**  
Capsules / Oil

**URJA**

Energy for Desire, Drive & Delight




**Dewcrat**  
SOAP WITH LIME EXTRACT

with Lemon Extracts

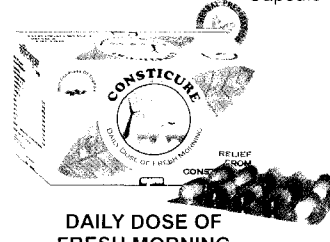
Made from 100% Vegetables Oils

24hr Confidence



**CONSTICURE**  
Capsule

DAILY DOSE OF FRESH MORNING



**CRATAKSAN**  
Tablets/ Rub / Inhaler / Suspension

Brings In



**RAATRANI**  
Capsule

For Blissful Experience




**Antivardhan**  
Syrup

Let the Glow, Flow on the Face



**PROTOCRAT**  
Powder

Sharirik Vikas, Nirogi Swasth



P  
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**OSTOCRAT**



**SOYON PLUS**

**Capsules**

**MUSKAAN**

Mouth Ulcer Gel



**LIVOCRAT**

Syrup / Capsule

**SYRUP**



**FIMALETON**

Syrup / Capsule

**PROTIYUKT**

Syrup

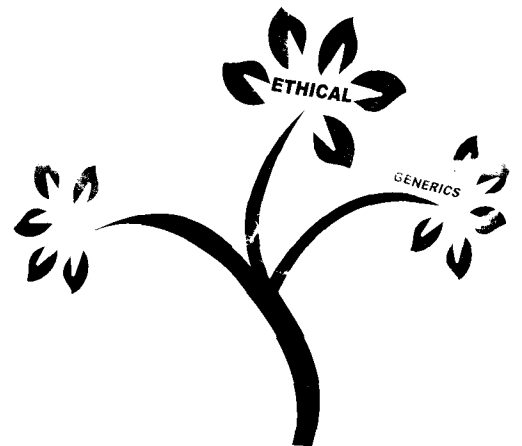
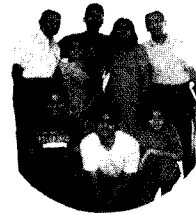


**RAFTUS**

Tablets

**KILAC**

Capsule / Oil / Ointment / Tablet / Gel



**CRATUS**  
LIFE CARE

[www.cratus.co.in](http://www.cratus.co.in)

Presence in Domestic  
Market as: