



10th Annual
Report
1997-98

MD	<input checked="" type="checkbox"/>		BKC	<input checked="" type="checkbox"/>
CS	<input checked="" type="checkbox"/>		DPY	<input checked="" type="checkbox"/>
RO	<input checked="" type="checkbox"/>		DIV	<input checked="" type="checkbox"/>
TRA	<input checked="" type="checkbox"/>		AC	<input checked="" type="checkbox"/>
AGM	<input checked="" type="checkbox"/>		SHI	<input checked="" type="checkbox"/>
YE	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>



SYNCOM FORMULATIONS (INDIA) LIMITED

BOARD OF DIRECTORS

Chairman & Managing Director
Shri Kedarmal Bankda

Managing Director
Shri Ajay S. Bankda

Directors
Shri Mukesh R. Patel
Shri Sudhir D. Chaturvedi

Bankers
Dena Bank

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

Registered Office
10, "Nilanjana", Marve Road,
Malad (W),
Post Box No. 7634,
MUMBAI - 400 064

Corporate Office
2nd Floor, Dawa Bazar,
13-14, R.N.T. Marg,
G.P.O. P.B. No. 610,
INDORE - 452 001

Plants
1. 256-257, Sector - 1
Industrial Area,
PITHAMPUR (DHAR) M.P. - 454 775

2. 9, Dewan & Sons,
Udyog Nagar,
Taluka - PALGHAR (THANE) (M.S.) - 401 404



Syncom's WHO - Acclaimed Plant at Pithampur

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SYNCOM FORMULATIONS (INDIA) LIMITED

NOTICE OF THE TENTH ANNUAL GENERAL MEETING

Notice is hereby given that the Tenth Annual General Meeting of the members of the Company will be held on Monday, the 28th September, 1998 at 11.30 a.m. at 7-Niraj Industrial Estate, off Mahakali Caves Road, Andheri East, Mumbai-400093, to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the Audited Balance Sheet as at 31st March, 98 and Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors' and Auditors' thereon.
2. To declare dividend at the rate of 10% (Subject to Dividend Tax).
3. To appoint Director in place of Shri Ajay S. Bankda, who retires by rotation and being eligible, offer himself for reappointment.
4. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS

ITEM NO. 5

To consider and if thought fit to pass, with or without modification, the following resolution as an Ordinary Resolution :-

"Resolved that in accordance with the provisions of Section 198, 269, 309, 310 and all other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification or re-enactment thereof, for the time being in force), and subject to the limits specified in Schedule XIII to the said Act, the Company hereby approves the elevation of post of Shri Ajay S. Bankda from Joint Managing Director to Managing Director with effect from 26th June, 1998 for the remainder of the tenure (i.e. from 26/06/98 to 02/05/2002) on the terms and condition as approved by the shareholders in the Annual General Meeting held on 29th September, 1997."

"Resolved further that the Board of Directors of the Company be and is hereby authorised to take such steps as may be necessary to give effect to this resolution."

ITEM NO. 6

To consider and if thought fit to pass, with or without modification, the following resolution as a Special Resolution :-

"Resolved that if and when permitted by the law and subject to all applicable provisions of the law and subject to such approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be considered necessary by the Board of Directors of the Company (hereinafter referred to as the "Board" which expression shall also include a Committee thereof), or as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to or accepted by the Board, the consent of the Company be and is hereby accorded to the Board, to purchase such number of Ordinary Shares or other Securities specified by the Government, of the Company, as may be thought fit, from the holders of the Ordinary Shares or other Securities of the Company in such proportion and manner as may be permitted by the law, not exceeding 10% of the present paid-up capital of the Company, from such funds of the Company as are permitted to be used for this purpose or out of the proceeds of any issue made by the Company, on such terms and subject to such conditions as may be prescribed by the law."

"Resolved further that for the purpose of giving effect to this Resolution, the Board be and is hereby authorised to do all such acts and things and give such directions as may be necessary or desirable and to settle all questions or difficulties whatsoever that may arise with regard to the said purchase of Ordinary Shares or other Securities."

"Resolved further that nothing herein above contained shall confer any right on any shareholder to offer or any obligation on the Company or the Board to buy back any Ordinary Shares or Securities."

ITEM NO. 7

To consider and if thought fit to pass, with or without modification, the following resolution as a Special Resolution :-

"Resolved that subject to the Provision contained in the Companies Act, 1956 (as amended and prevalent including any statutory modification or re-enactment thereof and any ordinance as may be enacted/promulgated from time to time. Listing agreement entered into by the company with the Stock Exchanges where the shares of the company are listed and subject to such other necessary approvals as may be required from Securities and Exchange Board of India (SEBI) and all other concerned authority, if any, and also subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, which may be agreed to or accepted by the Board of Directors of the company (hereinafter referred to as "the Board" which expression shall also include a Committee thereof), consent of the company be and is hereby accorded to the Board for making application for delisting of shares of the company from "The Stock Exchange, Ahmedabad and The Delhi Stock Exchange Associates Limited."



SYNCOM FORMULATIONS (INDIA) LIMITED

"Resolved further that for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do such acts, deeds, matters and things and give such directions as may be necessary or desirable and to settle all questions or difficulties whatsoever that may arise with regard to the delisting of shares."

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.
2. The Explanatory Statement setting out the material facts in respect of the business under item No. 5 to 7 is annexed hereto.
3. The Register of members share transfer book of the company will remain closed from 25th September, 1998 to 28th September, 1998 (both days inclusive).
4. Shareholders seeking any information with regard to Accounts are requested to write to the company atleast 7 days before the date of meeting enable the management to keep the information ready.
5. The dividend listed below, remaining unclaimed, will be deposited by the company with the Central Government on the specified date.

Financial Year

1994-95

Due date of transfer

17th November, 1998

Members who have not encashed the dividend warrants for the aforesaid year are requested to write to the company at its administrative office for revalidation/issue of duplicate thereof.

6. The dividend, if declared, will be paid on or after 28th September, 1998 to the members so entitled, whose names appear in the register of members of company as on the 28th September, 1998.

EXPLANATORY STATEMENT

(Pursuant to Section 173(2) of the Companies Act, 1956)

Item No. 5

Shri Ajay S. Bankda was appointed as Joint Managing Director of the Company for a period of five years with effect from 3rd May, 1997 at the Annual General Meeting held on 29th September, 1997.

Shri Ajay S. Bankda was looking after the Mumbai office and Export activities after the resignation of Shri Vijay Bankda from the post of Joint Managing Director. Hence, the Board of Directors have felt that it would be in the interest of the Company to designate as Managing Director of the Company. Consequently, the Board of Directors at its meeting held on 26th June, 1998 has designated as Managing Director for the remainder of the tenure (i.e. from 26/06/98 to 02/05/2002) on the terms and condition and remuneration as set out in the resolution passed in the Annual General Meeting held on 29/09/97.

The Directors recommend the resolution for approval of the shareholders.

The above may be treated as an abstract of the variation of the terms of appointment of Mr. Ajay S. Bankda, under Section 302 of the Companies Act, 1956.

Shri Ajay S. Bankda and Shri Kedarmal Bankda relative of Shri Ajay S. Bankda may deemed to be concerned or interested in the resolution. None of the other Directors of the company is in any way concerned or interested in the resolution.

Item No. 6

The Companies Act, 1956 presently prohibits a company from purchasing its Own Shares and Securities. However, it is anticipated that the law may in future permit a company to buy back its own Shares or securities (buy back of securities). Subject to the buy-back of securities permissible, it is proposed to enable the Company to buy back its Ordinary Shares or such other permissible securities, not exceeding 10% of the paid-up capital of the Company from the Members of the Company either from the open market or from the holders of odd lots, or from the holders of the shares that may be issued under the Employees' Stock Option Scheme or as permitted by the law. The buy-back of shares or securities would be at the rate and from the funds permitted by the law as set out in the resolution.

The resolution, if approved, will be operative for and will give effect to within a period of 15 months from the date of passing the Resolution or such other time limit laid by the law.

The Directors recommend the resolution for approval of the shareholders.

None of the Directors of the Company is, in any way, concerned or interested in the resolution.



SYNCOM FORMULATIONS (INDIA) LIMITED

Item No.7

As per recommendation of Committee constituted under the chairmanship of Dr. K.R. Chandrate which are considered by securities and Exchange Board of India (SEBI) in its meeting held on 27th March, 1998. SEBI had advised the Stock Exchange to amend the bye Laws/Listing Agreement vide Circular No.SMDRF/CIR-14/98 dated 29-04-98 inter alia for voluntary delisting of shares. Currently the shares of the company are listed on the following Stock Exchanges, The Stock Exchange, Mumbai, The Stock Exchange, Ahmedabad, The Delhi Stock Exchange Association Limited and The M.P. Stock Exchange. The Directors proposed to delist the shares from the Stock Exchange, Ahmedabad and The Delhi Stock Exchange Association Limited in the event listing agreement would get amended because since last several months these has been almost no trading or very low trading of company's shares on the said Stock Exchanges and very few shareholders of the company are in the region.

The Board or Directors of your company recommended this resolution for your approval.

None of the Directors of the Company is in anyway concerned or interested in the resolution.

By order of the Board of Directors
For - Syncom Formulations (India) Limited

Place : Indore
Dated : 26th June, 1998

(Kedarmal Bankda)
Chairman and Managing Director

Report  junction.com



SYNCOM FORMULATIONS (INDIA) LIMITED

DIRECTOR'S REPORT

To,

The Members,

Your Directors are pleased to present the Tenth Annual together with Audited Accounts of the company for the year ended 31st March 1998.

FINANCIAL RESULTS

(Rs. In lacs)

	Year ended 31/03/98	Year ended 31/03/97
Sales and other income	2,366.97	2,009.11
Profit before interest & depreciation	301.43	197.33
Less : Interest	181.38	93.59
Less : Depreciation	118.41	102.49
Profit before tax	1.64	1.25
Provision for taxation	0.17	0.16
Profit after tax	1.47	1.09
Balance brought forward from previous year	78.16	110.68
Amount available for appropriation	79.63	111.77
Appropriation :		
Proposed dividend	35.87	30.55
Corporate dividend tax	3.59	3.06
Balance carried to Balance Sheet	40.17	78.16
	79.63	111.77
CASH PROFIT	120.05	103.74
CASH E.P.S.	3.01	3.41

OPERATIONS

During the year under review the sales and other income of your company has increased to Rs 2366.97 lakhs which shows a growth of 18% over the sales and other income of Rs 2009.11 lakhs in the previous year. The cash profit of company has also increased to Rs. 120.05 which shows a growth at the rate of 16%.

The company's plant at Pithampur which is one of the most sophisticated plants in Central India has received the most prestigious WHO's acclamation.

Recently the Company has made a debut in the International Market by way of exports to some foreign countries like Nigeria, Tanzania, Kenya, Kinshasa, Bangladesh & Yaman. The export sales during the year was 52.71 lacs with a backlog of orders worth 1 (One) Crore.

During the year the company has further diversified into Ethical operations by introducing the range of prescription formulations.

In the recent past the Company has undertaken a massive expansion to spread its wings throughout the country. It has well-knit marketing setup comprising of an aggressive field force of 250+ apart from a dealer network of 1000+, spread across the length and width of the whole country.

The company has recently identified OTC products as a special thrust area. The Company has already introduced about more than 20 brands in this segment, covering various therapeutic groups. The main brand products like **Patton Powercaps & Fastac Cream** is being promoted heavily through **TV media** as well as **Print media**. The result of all these developments in marketing segment will be better seen in the coming years.



SYNCOM FORMULATIONS (INDIA) LIMITED

DIVIDEND

Your directors are pleased to recommend a dividend of 10% (subject to dividend tax) for the financial year ended 31st March, 1998.

VOLUNTARY DELISTING OF SHARES

The directors proposed to delist the shares of the company from the Stock Exchange, Ahmedabad and the Delhi Stock Exchange Association Limited and enabling resolution for this purpose is proposed as item no. 7 of the notice for convening of Annual General Meeting. The detail justification for delisting of shares is given in item no. 7 of Explanatory Statement Annexed to the said notice.

PARTICULARS OF EMPLOYEES

There were no employees in the company who if employed through out the financial year or for part of 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 Companies (particulars of employees) Rules, 1975.

PARTICULARS OF CONSERVATION OF ENERGY ETC.

Information regarding conservation of energy etc, as per provision of section 217(1)(e) of the Companies Act, 1956 are set out in the statement annexed here to forming part of this report.

PUBLIC DEPOSITS

The Company has not accepted any deposits from public during the year under report.

DIRECTORS

Shri Ajay s. Bankda retires by rotation in accordance with the articles of association and as per the provisions of the company's act and being eligible; offers himself for reappointment.

AUDITORS

M/s S.P. MOONDRA & Co. the statutory auditors of the company retire at the conclusion of the forth coming Annual General Meeting and are eligible for reappointment.

ACKNOWLEDGEMENT

Your Directors take this opportunity to express their gratitude for the assistance and continued cooperation extended by Banks, Financial Institutions, Government Authorities, Clients and Suppliers. The Directors are pleased to record their sincere appreciation of the devotion and sense of commitment shown by the employees at all levels and acknowledge their contribution towards sustained progress and performance of your company.

For and on behalf of the Board of Directors

Place : Indore
Dated : 26th June '98

(KEDARMAL BANKDA)
Chairman & Managing Director.



SYNCOM FORMULATIONS (INDIA) LIMITED

ANNEXURE TO THE DIRECTOR'S REPORT

(Information under Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors Report)

FORM A

(Form of the Disclosure of particulars with respect to conservation of energy)

I. POWER AND FUEL CONSUMPTION		Current year	Previous year
(Electricity)		(1997-98)	(1996-97)
1. Purchased unit (KWH)		4,37,694	5,23,182
Amount (Rs)		18,93,557	19,65,750
Rate/Unit (Rs.)		4.32	3.75
2. Own Generation unit (KWH)		61,663	1,57,616
Amount (Rs.)		3,31,170	3,93,043
Unit per Litre of Diesel Oil		2.05	3.61
Rate/Unit (Rs.)		5.37	2.49

II. CONSUMPTION PER UNIT OF PRODUCTION

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

FORM B

(Form for disclosure of particulars with respect to absorption)

1. RESEARCH & DEVELOPMENT (R&D)

Your Company has not incurred any expenditure on research & development (Previous year Rs. NIL)

2. TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION

The technology used and proposed to be used is entirely indigenous.

3. FOREIGN EXCHANGE EARNINGS & OUTGO

During the year company has earned foreign exchange by effecting exports sales worth of Rs. 44,92,573 and total foreign outgo was Rs. 2,02,999.

For and on behalf of the Board of Directors

Place : Indore

Dated : 26th June '98

(KEDARMAL BANKDA)

Chairman & Managing Director