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SYNCOM
FORMULATIONS (I) LTD.

Report  junction.com

5-989



Pithampur Plant

Syncom has a large WHO-GMP accredited manufacturing facility at Pithampur near Indore. Recently the facilities have undergone an extensive expansion program and can be termed as one of the best manufacturing units in Madhya Pradesh. Obtaining ISO 9002 certificate is also in our plant's future program for which we are already on the move. Apart from this we have dedicated, skilled and highly efficient manpower to ensure quality.

BOARD OF DIRECTORS

Chairman

Kedarmal Bankda

Managing Director

Vijay Bankda

Directors

Ramesh Mishra

Arpit Gupta

Atish Gupta

Bankers

Dena Bank

Auditors

S.P. Moondra & Co.

Chartered Accountants

53/8, Kanchan Bagh,

INDORE - 452 001.



SYNCOM FORMULATIONS (I) LTD.

REGD. OFFICE :

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

Tel. 91- 022 - 6871467, 6873851, 6873895

Fax 91- 22 - 6870294

E-Mail : sfil87@hotmail.com

CORPORATE OFFICE :

2nd Floor, "Tagore Centre", (Dawa Bazar),
P.O. Box No. GPO. 610

13-14, R.N.T. Marg, Indore (M.P.) 452 001.

Tel : 91- 731- 704388

Gram : SYNERGIST. E-Mail : sfil@sancharnet.in

PLANT :

256-257, Sector - 1, Pithampur (Dhar) M.P. 454 275

Tel : 91- 7292 - 43122, 47039, 53121, 53403 Fax : 072921 53104

E-Mail : syncompithampur@hotmail.com

Audit committee

Kedarmal Bankda - Chairman

Arpit Gupta - Director

Atish Gupta - Director

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Syncom Formulations (I) Ltd.



NOTICE OF THE FOURTEENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE FOURTEENTH ANNUAL GENERAL MEETING OF THE COMPANY WILL BE HELD ON 30TH SEPTEMBER, 2002 AT 2.30 P.M. AT REGISTERED OFFICE OF THE COMPANY AT 7, NIRAJINDUSTRIAL 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 2002 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
3. To appoint Director in place of Shri. Vijay Bankda who retires by rotation and being eligible, offers 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 modifications(s), the following Resolution as a Special Resolution:

"RESOLVED THAT Pursuant to section 31 and other applicable provisions of the Companies Act, 1956, if any, the Articles of Association of the Company be and are hereby altered in the manner and to the extent of the following:

1. The following new article 8(a) along with heading be inserted after the present article 8:

POWER TO ISSUE SHARES WITH DIFFERENTIAL RIGHTS

Notwithstanding any thing contained in these articles the Company shall have the powers to issue Shares with differential Rights as to dividend, voting or otherwise to the extent permissible under the provisions of the Companies Act, 1956 or any Rules framed there under.

2. The following new article 6(b) along with heading be substituted for the present article 6(b):

BUY BACK OF SHARES

The Company may from time to time by Special Resolution, Buy Back its Equity Shares to the extent permissible under the provisions of Section 77A of the Companies Act, 1956 or any rules framed there under.

3. The following new article 116(a) along with heading be inserted after the present article 116:

PASSING OF RESOLUTION BY POSTAL BALLOT

Notwithstanding any thing contained in Articles 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:

- (i) any business that can be transacted by the Company in General Meeting; and
- (ii) particularly, resolution relating to such businesses as the Central Government may by 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."

ITEM NO. 6

To consider and, if thought fit, to pass, with or without modifications(s), the following Resolution as an Ordinary Resolution:

"RESOLVED THAT Shri Ramesh Mishra who was appointed as an Additional Director of the Company pursuant to Article 161 of the Articles of Association of the Company and who under section 260 of the Companies Act, 1956 holds office up to date of this Annual General Meeting but is eligible for appointment and in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director under section 257 of the Companies Act, 1956 be appointed Director from the date of this Annual General Meeting and liable to retire by rotation.

Syncom Formulations (I) Ltd.



ITEM NO. 7

To consider and, if thought fit, to pass, with or without modifications(s), the following Resolution as an Ordinary Resolution:

"RESOLVED THAT Shri Atish Gupta who was appointed as an Additional Director of the Company pursuant to Article 161 of the Articles of Association of the Company and who under section 260 of the Companies Act, 1956 holds office up to date of this Annual General Meeting but is eligible for appointment and in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director under section 257 of the Companies Act, 1956 be appointed Director from the date of this Annual General Meeting and liable to retire by rotation.

ITEM NO. 8

To consider and, if thought fit, to pass, with or without modifications(s), the following Resolution as an Ordinary Resolution: -

"RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309 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 limit specified in Schedule XIII as amended from time to time to the said act Shri Kedarmal Bankda be and is hereby reappointed as Chairman and Whole- time Director of the Company for a period of 5 years from 03 /05/2002 to 02/05/2007 on such salary and perquisites as set out in explanatory statement attached to notice convening this Annual General Meeting, a copy whereof is initialled by the Chairman for the purpose of identification and is hereby specifically sanctioned with liberty to Board of Directors to alter and vary the terms and conditions of the appointment so as not to exceed the limits specified in the Schedule XIII of the Companies Act, 1956 including any statutory modifications or re-enactments for the time being in force or any amendments or modifications that may thereafter be made thereto by the Central Government or as may be required by any other applicable law and as may be agreed to between the Board of Directors and Shri Kedarmal Bankda .

"RESOLVED FURTHER THAT Board of Directors of the Company be and is hereby authorized to alter and vary the terms and conditions of the appointment including that as to remuneration, perquisites and other benefits/amenities so that the altered terms and conditions shall be in conformity with Schedule XIII to the Companies Act, 1956 and/or other applicable provisions, if any, as may be amended from time to time and agreeable to Shri Kedarmal Bankda.

ITEM NO. 9

To consider and, if thought fit, to pass, with or without modifications(s), the following Resolution as an Ordinary Resolution:

"RESOLVED THAT consent of the Company be and is hereby given pursuant to Section 293 (1) (a) of the Companies Act, 1956 to sale of product Brand names, related Logos, related Trademarks along with transfer of related business relationships involving distributors and stockists of the Company to M/S Syncom Healthcare Limited for a cash consideration of Rs. 25.00 lacs as has been assessed to the realisable value for such brands by an approved valuer on such terms and conditions and with effect from such date as the Board of Directors of the Company may deem fit .

Further resolved that the Board of Directors of the Company be and is further authorised to complete the transfer of Brand names, related Logos, related Trademarks along with transfer of related business relationships and to finalise and execute all required documents including agreements, memoranda, deeds of assignment / conveyance and other documents with such modifications as may be required from time to time and to do all such acts, deeds, matters and things as may be deemed necessary and/or expedient in the interest of the Company".

Place: - Indore

Dated: - 31st JULY 2002

Regd. Office: -

7, Niraj Industrial Estate, Off Mahakali Caves Road
Anderi (East) MUMBAI

For and on behalf of Board of Directors

KEDARMAL BANKDA
Chairman

Syncom Formulations (I) Ltd.



NOTE

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 a proxy need not be a member proxies in order to be valid and effective must be deposited at the registered office of the company not less than 48 hours before the commencement of the meeting.
2. The Explanatory Statement setting out the material facts in respect of the business under item No. 5 to 9 is annexed hereto. The Register of Members and Share Transfer Book of the Company will remain closed from 26th September 2002 to 30th September 2002 (both days inclusive).
4. Shareholders seeking any information with regard to accounts are requested to write to the Company at least 7 days before the date of the meeting enabling the management to keep the information ready.
5. The resolution contained in Item no. 9 will be passed by **POSTAL BALLOT**.
6. The unpaid dividend for the year 1994-95 lying in the unpaid dividend account will be transferred to the Investor Education and Protection fund as per the provisions of Section 205C of the Companies Act, 1956. Members who have not encashed their dividend warrants for the years 1994-95 and thereafter is requested to lodge their claim with the company immediately. It may be noted that once the unclaimed dividend is transferred to the Investor Education and Protection Fund, as above, no claim shall lie in respect thereof.
7. The dividend, if declared, will be paid on or after 30th September 2002 to the members so entitled, whose names appear in the register of members as on 30th September 2002 being the date of annual general meeting of the company. In respect of the shares held in electronic form, the dividend will be paid to those beneficial owners whose name appears in the statement furnished by the depositories for the purpose.
8. Members are requested to note that dividend payable is subject to tax deduction at source from 1st April 2002. No tax at source will be deducted if the dividend payable to a resident individual does not exceed Rs. 2500/- or if he submitted form no. 15G in duplicate to the company on or before 30th Sep. 2002.

EXPLANATORY STATEMENT: -

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

ITEM NO. 5

The Companies Act, 1956 has been amended by the Companies (Amendment) Act, 2000 providing inter alia power to issue shares with differential voting rights, passing of resolution by postal ballot and the same are required to be included as new articles of the Company. Hence new articles 8(a) and 116(a) are respectively proposed to be inserted in the Articles of Association. The text of the proposed new articles 8(a) and 116(a) have been set out in the special resolution at item no. 5(1) and 5(3) respectively.

In view of the changes made in the Companies Act, 1956 regarding Buy Back of Shares it is also necessary to change article 6(b) hence the new article 6(b) be substituted for the said present article. The text of the proposed new article 6(b) has been set out in the special resolution at item no. 5 (2).

The approval of the shareholders is being sought to the aforesaid alterations in the Articles of Association pursuant to Section 31 of the Companies Act, 1956. The resolution at item no. 5 is being proposed as a special resolution in view of the provisions of the said section 31.

The Directors recommend the Special Resolution at item no. 5 of the Notice for the approval by the shareholders.

None of the Directors are interested in the said resolution.

A copy of the Memorandum and Article of Association together with the proposed alteration will be available for inspection by the shareholders at the Registered office of the Company between 11 a.m. and 1.00 p.m. on any working day.

ITEM NO. 6

Shri Ramesh Mishra was appointed by the Board of Directors of the company as an Additional Director w.e.f. 30th April 2002. He will hold office to ensuing Annual General Meeting and is eligible for reappointment. The Company has received a notice u/s. 257 of the Companies Act, 1956 proposing its candidature for the office of Director of the Company.

Shri Ramesh Mishra has over 35 years of experience in the Banking Industry he was working for State Bank of Indore and Dena Bank. He was retired from Dena Bank from the post of Chairman and Managing Director. Looking into his wide experience and visialiblity for last so many years, the Directors recommend the appointment of Shri Ramesh Mishra on the Board of the Company.

None of the Directors except Shri Ramesh Mishra are interested in the said resolution.

ITEM NO. 7

Shri Atish Gupta was appointed by the Board of Directors of the company as an Additional Director w.e.f. 30th April 2002. He will hold office to ensuing Annual General Meeting and is eligible for reappointment. The Company has received a notice u/s. 257 of the Companies Act, 1956 proposing its candidature for the office of Director of the Company.

Shri Atish Gupta has a wide experience and visialiblity for last 7 years in the field of Computer and Printing. The Directors recommend the appointment of Shri Atish Gupta on the Board of the Company.

None of the Directors except Shri Atish Gupta are interested in the said resolution.

Syncom Formulations (I) Ltd.



Item No. 8

Shri Kedarmal Bankda's term of Chairman and Whole time director was expired on 3rd day of May 2002. He was reappointed in the Board of Directors meeting held on 2nd May 2002 for a period of 5 years commencing from 3rd May 2002 to 2nd May 2007. Shri Kedarmal Bankda is having very wide and rich experience in the Pharmaceuticals industry and the company has made tremendous progress under his leadership. It will be in the interest of the company and members to reappoint him.

The terms of the Remuneration of Shri Kedarmal Bankda will be as under: -

1. Salary: - Rs. 10000/- per month.
2. Perquisites: - In addition to the Salary Shri Kedarmal Bankda shall be entitled to perquisites, as given below, to be restricted to annual salary or Rs. 120000/- per annum whichever is less.
 1. **HOUSING:** - The Company Shall provide Rent-free residential accommodation.
 2. **MEDICAL:** - The Company shall reimburse Medical Expenses incurred by the Director for himself and for his family subject to one month's salary in a year or three months' salary over a period of 3 years.
 3. **L.T.C.:** - The Director Shall be entitle to a Leave Travel Concession for himself and his family once in a year in accordance with the rules of the Company.
 4. **CLUB FEES:** - The Company shall pay or reimburse the fees of a maximum of two clubs. This payment shall not include admission and Life Membership Fees.
 5. **INSURANCE:** - The Company shall pay or reimburse the premium amount of personal accident insurance, which shall not exceed Rs. 1000/- per annum.
 6. **P.F. CONTRIBUTION:** - The Company shall contribute up to the maximum of 12% of the Salary towards Provident Fund Contribution to Provident Fund shall not be included in the computation of the ceiling of perquisites to the extent this is not taxable under the Income Tax Act, 1961.
 7. **GRATUITY:** - The Director shall be entitled to Gratuity equivalent to his half months' salary for each completed year of service subject to the ceiling of Rs. 1,00,000/-
 8. **MOTOR CAR:** - The Company shall provide a car and driver to Director for the Company's business. The use of the car for the private purpose shall be build to him on actual basis.
 9. **TELEPHONE:** - The Company shall provide Telephone facility at his residence or shall reimburse the expenses on telephone calls incurred for the business of the Company. The provision of the car for the use of the Company's business and telephone at residence will not be considered as perquisites.

The Directors recommend the reappointment of Shri Kedarmal Bankda as the Chairman and Whole Time Director of the Company.

None of the Directors except Shri Kedarmal Bankda and Shri Vijay Bankda being relative of Shri Kedarmal Bankda are interested in the said resolution.

Item No.9

The Company has been engaged in the manufacturing, production, marketing and distribution of verity of pharmaceutical products /medicines/drugs etc. Presently the company is having a basket of multitudes of brands. These brands have a certain lifecycle in the pharmaceutical business. Currently 100 of these brands are at the end of their respective life cycle, with sales of the respective products under the brands depicting a gradually falling trend over the past quarters.

In order to realise the present residual value of such brands it is proposed to sell the brand name of the company. Along with the sale of the brand names of the company it is necessary to transfer the related logos, trademarks and business relation ships including distributors and stockists for such branded products of the company.

In the light of above it is planned to sale the brands names etc. to M/s Syncom Healthcare Limited for a total cash consideration of Rs. 25.00 lacs (Rs. Twenty five lacs) as valued by the approved valuer along with such further ancillary terms and conditions as the Board may deem beneficial to the company. The cash consideration shall be payable immediately on execution of the sale agreement. The Board is satisfied that it would be in the best interest of the Company, its shareholders and its concerned employees to sell the Brand names as referred in the proposed ordinary resolution. The Board of Directors of the Company accordingly recommend the Ordinary Resolution for approval by the members. Shri Kedarmal Bankda and Shri Vijay Bankda may be deemed to be concerned or interested in the resolution set out in the Notice at item no. 9 and other directors are interested to the extent of shares held by them in the company which will be passed through postal ballot pursuant to Section 192A of the Companies Act, 1956. A copy of the valuation report along with list of brands will be available for inspection by the shareholders at the Registered office of the Company between 11 a.m. and 1.00 p.m. on any working day.

For and on behalf of Board of Directors

Place: - Indore

Dated: - 31st JULY 2002

Regd. Office: - 7, Niraj Industrial Estate
Off Mahakali Caves Road
Anderi (East) MUMBAI

KEDARMAL BANKDA
Chairman

Syncom Formulations (I) Ltd.**DIRECTOR'S REPORT**

To,

The Members,

Your Directors are pleased to present the Fourteenth Annual report together with Audited Accounts of the company for the year ended 31st March 2002.

FINANCIAL RESULTS

(Rs.in lacs)

	Year ended 31/03/2002	Year ended 31/03/2001
Sales and other income	4673.87	4905.30
Profit before interest & depreciation	456.30	828.26
Less : Interest	173.92	199.10
Less : Depreciation	46.03	108.45
Profit before tax	236.35	320.71
Provision for taxation	5.06	-
Profit after tax	231.29	320.71
Balance brought forward from prev. year	383.55	208.37
Amount available for appropriation	614.84	529.08
<u>Appropriation :</u>		
Transfer to General Reserve	357.35	32.75
Proposed dividend	10.15	101.54
Corporate dividend tax	-	11.24
Balance carried to Balance Sheet	247.33	383.55
	614.84	529.08
NET PROFIT	231.29	320.71
E.P.S. (In Rs.) (Annualised)	4.56	6.32

OPERATIONS

During the year under review the sales and other income of your company was Rs. 4673.87 lacs compared with Rs. 4905.30 lacs during previous year which resulted in net profit of Rs. 231.29 lacs compared with 320.71 lacs during previous year.

The financial year 2001-02 has been a challenging one for most economies globally. The Indian economy was also affected. A major contributor to the slow down was the lower growth in the Industrial Sector including pharmaceutical industries.

The Indian Pharmaceuticals industry is highly competitive and fragmented, similar to global pharma situation. There was a perceptible slow down in the Indian Pharmaceuticals market in 2001-02. One of the major factor emerging in the market is the increasing shift towards substitution by rapid proliferation of category "Generic" "Generics", which is changing the dynamics of the market in terms of pricing and product promotion.

Despite the adverse market conditions, the company is well positioned in the emerging business scenario with a clear objective to enhance market share in domestic and select international markets and enhance shareholder's value.

The management would like to improve the financial strength of the company by putting in the following efforts.

- (i) Improving the profitability of the company.
- (ii) Unlocking the funds by tighter control on inventory and receivables.
- (iii) Rationalising on capital expenditure proposals, which are strategic and important in relations to research and development, quality upgradation and regulatory requirement.

The Directors are hopeful for the better results during forthcoming period, barring unforeseen circumstances.

EXPORT

The products of the company have been well established in Africa, Latin America, C.I.S. and South East Asian countries, which registered a growth of 62% during the year despite, stiff competition.

In last 3 years export of our products to various markets is growing and we are hopeful of getting more business and newer markets in this regard.

MODERNISATION & EXPANSION

The modernisation of injectable section by putting Tunnel System and other modern equipments and expansion of tablet department by putting high speed mega press machines has been successfully completed.

The effects by way of capacity utilisation are expected in forthcoming years.

Syncom Formulations (I) Ltd.



DIVIDEND

Your directors are pleased to recommend a dividend of 2% on Equity Share if approved by the shareholders at the annual general meeting. This would make track record of continuous dividend paying company since last eleven years.

DIRECTORS RESPONSIBILITY STATEMENT

As stipulated in Section 217 (2AA) of companies Act, 1956, your Director subscribe to the "Directors' Responsibility Statement" and Confirm as under :

- i) That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- ii) That the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period.
- iii) That the directors have taken proper and sufficient care of the maintenance of adequate accounting records in accordance with the provisions of this Act for safe guarding the assets of the company and for preventing and detecting fraud and other irregularities ;
- iv) That the directors have prepared the annual accounts on a going concern basis.

PARTICULARS OF EMPLOYEES

There were no employees in the company who if employed through out 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 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 review.

DIRECTORS

Mr. Kedarmal Bankda, Chairman & Whole Time Director's term expires on 2/05/2002. The Board of Directors have re-appointed Mr. Kedarmal Bankda as the Chairman & Whole Time Director of the Company for another five years from 3/05/2002.

Mr. Ajay Bankda, Whole Time Director tendered his resignation from 15/06/2002. Yours Directors place on record their appreciation for the valuable contribution made by him towards the management of the affairs of the company.

Mr. Mukesh R. Patel expired on 15/06/2002. Yours directors place on record their sincere appreciation for the valuable contribution made by him and would certainly feel his absence on the Board in the days to come.

Mr. Ramesh Mishra and Mr. Atish Gupta was appointed as additional director of the company with effect from 30/04/2002, who ceases to hold office on the date of the forth coming Annual General Meeting. The Company has received notice u/s 257 of the Companies Act, 1956, proposing their candidature for appointment as directors of the company.

Mr. Vijay Bankda retire by rotation in accordance with the Articles of Association and as per the provisions of the Companies Act, 1956 and being eligible, offer himself for re-appointment.

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.

ACKNOWLEDGMENT

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 : 31.07.2002

KEDARMAL BANKDA
Chairman