



ANNUAL REPORT 2004-05

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SYNCOM

FORMULATIONS INDIA LTD.

Syncom Formulations (I) Ltd.**Board of Directors**

Kedarmal Bankda
Chairman

Vijay Bankda
Managing Director

Ramesh Mishra
Arpit Gupta
Sanjay Mehta

Audit Committee

Sanjay Mehta (Chairman)
Ramesh Mishra
Arpit Gupta

Shareholders/Investors Grievance Committee

Arpit Gupta (Chairman)
Ramesh Mishra
Kedarmal Bankda
Sanjay Mehta

Remuneration Committee

Arpit Gupta (Chairman)
Ramesh Mishra
Sanjay Mehta

Auditors

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

Bankers

Dena Bank

Registered Office

7, Niraj Industrial Estate, Off Mahakali Caves
Road, Andheri (East), Mumbai 400 093.
Tel. 91-22- 26873895,30918365,39552326
Fax 91-22-26870294
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.) 452001
Tel. 91-731-2704381,88
E-mail : sfilindore@rediffmail.com

Works

256-257, Sector 1, Pithampur
(Dhar) M.P. 454 775
Tel. 91-7292 - 253121, 253403, 503122
Fax : (07292) 253404
E-mail : sfil_pth@hotmail.com

Share Transfer Agent

Ankit Consultancy Pvt. Ltd.
Alankar Point, Geeta Bhawan Chauraha,
A.B. Road, Indore (M.P.) 452 001

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Syncom Formulations (I) Ltd.



NOTICE FOR THE 17TH ANNUAL GENERAL MEETING

NOTICE is hereby given that the Seventeenth Annual General Meeting of the members of SYNCOM FORMULATIONS (INDIA) LTD. Will be held on Friday the 30th September, 2005 at 3.00 P.M. at the registered office of the company situated at 7, Niraj Industrial Estate, Off Mahakali Caves Road, Andheri (East), Mumbai-400093 to transact the following business:

I. ORDINARY BUSINESSES:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2005 and the Profit and Loss Account for the year ended 31st March, 2005 together with the Reports of the Board of Director and Auditor thereon.
2. To declare dividend.
3. To appoint a director in place of Shri Vijay Bankda who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a director in place of Shri Ramesh Mishra who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint auditors and to fix their remuneration.

II. SPECIAL BUSINESS BY SPECIAL RESOLUTION:

6. To consider if thought fit, to pass with or without modification (s) if any, the following Ordinary Resolution:

Pursuant to the provisions of section 192A of the Companies Act, 1956 read with the Companies (Passing of Resolution by Postal Ballot) Rules, 2001, the consent of the Members for the following Special Resolution is sought separately by way of Postal Ballot.

RESOLVED THAT pursuant to the provisions of section 17 read with section 192A and other applicable provisions, if any, of the Companies Act, 1956 and subject to the confirmation of the Registrar of Companies, the consent of the members of the Company be and is hereby accorded for alteration in the Main Object Clause III(A) by addition of the following new Clauses after the existing Clause No.III(A) 01.

02. To carry on business activities to generate, receive, produce, buy, sell, resell, acquire, use, transmit, accumulate, employ, distribute, develop, handle, protect, supply and to act as agent, broker, representative, consultants, collaborator, or otherwise to deal in electric power in all its branches of such place or places as may be permitted by appropriate authorities by establishments of Wind Power Plant, Thermal Power Plants, Hydraulic Power Plants, and other power plants based on any source of energy as may be developed or invented in future and run all necessary power substations, work shops, repair shops, wires, cables, transmission lines, accumulators, street lights for the purpose of conservation, distribution, and supply of electricity of participating industries, State Electricity Boards for industrial, commercial, domestic, public and other purposes and also to provide regular services for repairing and maintenance of all distribution and supply lines and to acquire concessions, facilities or licenses from electricity boards, government, semi governments or local authorities for generation, distribution, production, transmission or use of electric power and to takeover along with all moveable and immovable properties, the existing facilities on mutually agreed terms from aforesaid authorities and to do all incidental acts and things necessary for the attainment of foregoing objects.
03. To carry on the business of contractors, sub-contractors, quasi contractors whether for government or for semi government bodies or corporation or company or society or body corporate or firms or individuals or schools or clubs or other bodies or private works and to undertake contracts and sub contracts relating to construction, modification, repairing, alteration, construction, removal, redecoration, redesigning, enlarging, improving and designing of civil work, building for whatever use, roads, approach roads, under the BOT projects of various State Govt., National Highway Authority of India, Housing Board, Nagar Nigam, etc. and to prepare and develop streets, circles, squares, parks, gardens, statues, parking places, bridges, dams, water courses and reservoirs, tunnels, earth works, sewers, tanks, drains, sewage, light houses, towers, transmission towers, pipe lines, under ground cables, railway tracks, railway sidings, run ways ship yards, stock

yards, culverts, channels whether on turnkey basis or on labour contracts or otherwise and to carry on the business activities as developers of land, colonies, sheds, buildings, structures, residential plots, commercial plots, industrial plots and sheds, roads, bridges, channels, culverts and to acquire, purchase, take on lease, exchange, hire or otherwise all types of land, and properties of any tenure or any interest in the same or to erect and construct houses, building, multi-stories, or work for every descriptions on any land of the company or upon other land or property and to pull down re-build, enlarge, alter, and improve, existing houses, buildings, or work thereon and to purchasing and selling of houses and plots free hold or other house property, building, or lands or interest,

04. To buy, sell, hold, invest, acquire whether by way of direct subscription, market purchase or otherwise, trade and deal in all types of shares, debenture, debenture stock, bonds, gold bonds, unit, mutual funds, infrastructure bonds of by any public or private company, body corporate, government, state, dominion, sovereign, ruler, commissioners, public body or authority supreme, municipal, local or otherwise firm or person whether in India or elsewhere.
05. To carry on businesses activities relating to sell, purchase, import, export, consignments agent, contractor, broker, dealer, stockiest, transporter, manufacturer, and to acquire and operate mines, Washery, etc., for Coal, coke and lignite, lime, gypsum, iron ore, copper and other, metals.

FURTHER RESOLVED THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary or desirable for and on behalf of the Company.

By order of
the board of directors

Date: 26th August, 2005

Place: Indore (M.P.)

KEDAR MAL BANKDA
CHAIRMAN

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 MEETING.
2. Register of Members and Share Transfer Book shall remain closed from 26.09.2005 to 30.09.2005 (both days inclusive).
3. The unpaid dividend for the year 1997-98 lying in the unpaid dividend account will be transferred to the Investors 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 year 1997-98 and thereafter are requested to lodge their claim with the company immediately. It may be noted that once the unclaimed dividend is transferred to the Investors Education and Protection Fund, as above, no claim shall lie in respect thereof.
4. The dividend, if declared, will be paid on or after 30th September, 2005 to the members so entitled, whose names appear in the register of members as on 30th September, 2005 being the date of Annual General Meeting of the company. In respect of 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.
5. 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 share folios, if any.
 b) In case the mailing address on this Annual Report is without the PINCODE,

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members are requested to kindly inform their PINCODE immediately.

6. Non-resident Indian Shareholders are requested to inform Share Transfer Agents immediately:
- (i) the 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.
7. All documents referred to in the accompanying notice are open for inspection at the Registered office of the Company on all working days, except Saturdays between 11.00 A.M. to 1.00 P.M.
8. 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.
9. Members desires 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.
10. The Company has connectivity from 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 No. for the Equity Shares of the Company is INE312C01017. In case of any query/difficulty in any matter relating thereto may be addressed to the Share Transfer Agents Ankit Consultancy Pvt. Ltd., Alankar Point, Gita Bhawan Chouraha A.B. Road, Indore (M.P.).
11. 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 loaded from the website of the Ministry of Company Affairs.
12. 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 are annexed hereto.
13. Explanatory Statement pursuant to the provisions of section 173(2) of the Companies Act 1956 is annexed hereto.

STATEMENT REGARDING THE DIRECTORS PROPOSED FOR APPOINTMENT

Name & Designation of Appointee	Age/Qualifications Years	Expertise/Experience	Date of Appoint	Other directorship If any
Shri Vijay Bankda	47 M.Com.	Marketing	01/12/04	Nil
Shri Ramesh Mishra	65 M.A.LLb	Banking	30/04/02	Nil

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:

The Board of Directors at their meeting held on 26th August, 2005 has decided to make alteration in the Main Object Clause No.III(A) by inclusion of four more new objects relating to power generation and distribution, constructions, coal business and related business and investment activities. It was considered by the Board that the above said business activities are having tremendous scope for new business for diversification and also provides tax benefits as per the policy of the Government. Therefore as a whole it would be in the interest of the company, its members and general public to make alteration in the Object Clause by addition of new Clause 02, 03, 04 and 05 after the existing Clause No.III(A) 1 of the Memorandum of Association of the Company in order to take effective steps and to carry on the above said new business activities.

As per provisions of section 17 of the Companies Act, 1956, alteration in the Object Clause can only be made by way of consent of the members as the special resolution and subject to the confirmation of the Registrar of Companies.

Therefore, it has become necessary to seek your consent by way of special resolution to give effect to such provision.

Section 192A of the companies Act, 1956 read with the Companies [Passing of resolution by Postal Ballot] Rules, 2001, provides for consent of the shareholders for alteration in the Object Clause by means of Postal Ballot. Accordingly, a postal ballot form is being sent to all the members along with this Notice for the use of members. The Company has appointed Mr. Anish Gupta, Company Secretary in Practice of Mumbai, as the scrutinizer for conducting the Postal ballot Process.

Members are requested to carefully read the instructions appearing in the Postal Ballot Form and record their assent or dissent therein and return the said form, in original, duly completed, in the attached self addressed postage envelope (postage expenses to be paid by the Addressee) so as to reach to the scrutinizer at the registered office of the company on or before 29th day of September, 2005. The Scrutinizer will submit his report on 30th September, 2005 addressed to the Chairman and/or the Managing Directors of the company as designated by the Board of directors after completion of scrutiny in a fair and transparent manner and the result of the postal ballot will be announced by the Board of directors/Director of the Company in the 17th Annual General Meeting of the company convened on Friday, 30th September, 2005 at 3.00 P.M. at the Registered Office of the company situated at 7, Niraj Industrial Estate, Off Mahakali Caves Road, Andheri (East), Mumbai-400093. Members who wish to be present at the time of declaration of the result of the Postal Ballot may do so at the above venue and appointed time.

Your Board recommends passing the above said resolution through the Postal Ballot process as per provisions of the section 192A of the Act read with the Companies [Passing of resolution by Postal Ballot] Rules, 2001.

Draft amended copy of the memorandum of Association has been placed at the Registered Office of the Company for inspection during the business hours till the close of the Postal Ballot process.

None of the Directors of the Company has any interest or concern in the resolution except, as members of the company.

By order of
the board of directors

KEDAR MAL BANKDA
CHAIRMAN

Date : 26th August, 2005
Place: Indore (M.P.)

Syncom Formulations (I) Ltd.



DIRECTORS' REPORT

Your Directors have pleasure to present the 17th Annual Report and the audited statements of accounts of the Company for the year ended 31st March, 2005.

Financial Results :

(Rs. In Lacs)

	Year ended 31/03/2005	Year ended 31/03/2004
Sales and other income	5648.42	4332.80
Profit before Interest and Depreciation	1057.44	556.09
Less : Interest	67.21	94.08
Profit before Depreciation	990.23	462.01
Less : Depreciation	74.45	66.96
Profit before Taxation	915.78	395.05
Provision for Taxation	252.34	35.92
Net Profit before deferred tax	663.44	359.13
Deferred Tax	91.33	58.23
Net Profit	572.11	300.90
Add : Balance brought forward from previous year	167.63	124.01
Amount available for appropriation	739.74	424.91
Appropriation :		
Transfer to General Reserve	400.00	200.00
Proposed Dividend	80.13	50.77
Corporate Dividend Tax	10.47	6.50
Balance carried to Balance Sheet	249.14	167.63
E.P.S. (in Rs.) (Annualised)	11.25	5.93

REVIEW OF OPERATIONS :

The year 2004-05 was a landmark year for the company in which our Business scaled new peak. For last couple of years the company has taken a numbers of initiatives to restructuring and re-engineer the operations to enable the company to compete better in time profound in competitive regime. The initiative that have been taken in the past years with external environment also supporting the company to posted higher turnover and profit

Total revenue increased to Rs. 5648.42 lacs from Rs. 4332.80 lacs in the previous year -a growth rate of 30%. The net profit increased to Rs. 572.11 lacs from Rs 300.90 lacs. Which registered a growth of 90% over the previous year net profit Consequently the EPS has increased to Rs 11.25 from Rs 5.93 in the previous year.

Your company remains committed to deliver shareholders value through increased sales, control over costs and better profitability.

FINANCE

The Company maintained a healthy cash position throughout the year, due to efficient working capital management. Your directors are pleased to report that your company has prepaid all its Secured Term Loans liabilities during the year under report. Moreover working capital borrowing from Bank has also been fully satisfied and surrendered during the current year 2005-06. Consequently, your company achieved a **DEBT FREE** status in current year.

MARKETING AND EXPORT:

During the year under review the export sales of company increase to Rs. 3774.62 lacs which registered a growth of 54% over the previous year export sales of Rs. 2446.91 lacs despite highly competitive conditions in the world economy.

Further exploring off new Business markets in 15 countries of Africa, Latin America, C.I.S. and Asia. The company is in process of Appointing distributors in Kenya, Uganda, Sudan, Russia, Ukraine, Moldova, and Domino Republic. The company is also putting efforts to substantially increase the sales of its branded herbal products.

With increasing efforts for exploring new business opportunities your company expect to achieve significant improvement in the current year.

DIVIDEND

Your company's philosophy is to enhance customer's satisfaction and stakeholders value. In continuation of said philosophy your directors are pleased to recommend payment of 14th dividend in row @ 15% i.e. Rs. 1.50 Per Equity share for financial year 2004-05. Dividend recommended is higher by 50% i.e. 15% compared to dividend of 10% for previous year 2003-04 and shall be paid to the shares holder subject to approval of members at the ensuing Annual General Meeting.

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 Vijay Bankda, the Managing Director was, re-appointed at the 16th Annual General Meeting held on 29th Sept., 2004 for a period of five years w.e.f. 1st Dec., 2004 is liable to retire by rotation and being eligible offers himself for re-appointment.

Further that Shri Ramesh Mishra is also liable to retire by rotation and being eligible offers himself for re-appointment.

Brief profiles of the proposed appointees have been annexed with the notice. Your directors recommend to pass necessary resolution as set out in the item no.3 & 4 of the notice of the annual general meeting.

Directors' Responsibility Statement :

As required by sub-section (2AA) of section 217 of the Companies Act, 1956, your Directors state and confirm as under :

- that in the preparation of annual accounts, the applicable accounting standards have been followed alongwith proper explanation relating to material departures.
- 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 a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period.
- that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- that the annual accounts have been prepared on a going concern basis.

Particulars of Employees :

There were 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 the Directors in accordance with the provisions of section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

Particulars of Conservation Of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo :

Information regarding conservation of energy, technology absorption, foreign exchange earnings and outgo as required under the provisions of section 217(1)(e) of the Companies Act, 1956 are set out in the statement annexed hereto forming part of this report. (Annexure 1)

Public Deposits :

During the year under review the Company has neither accepted nor invited any public deposits and hence the provisions of section 58A of the Companies Act, 1956 read with the Companies (Acceptance of Deposits) Rules, 1975 are not attracted and the information relating thereto is NIL.

Auditors :

M/s S.P. Moondra & Co., the Statutory Auditors of the Company 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 limits mentioned in section 224(1B) of the Companies Act, 1956.

Share Capital and Listing :

The Equity Shares of the Company may also be kept in electronic form as your Company is having connectivity with the Central Depository Services Ltd. (CDSL) and National Securities Depository Ltd. (NSDL) and

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has provided facilities to all its members and investors to hold the Company's shares in dematerialised form.

In view of the special resolution passed by the members at their 15th Annual General Meeting for voluntary delisting of equity shares from the M.P., Ahmedabad and Delhi Stock Exchange, the Company has received confirmation in writing for delisting of Shares from the Stock Exchange Ahmedabad and Delhi and necessary confirmation for delisting is awaited from the M.P. Stock Exchange for which all the necessary compliances were made by the Company.

The Company has issued 2,65,034 fresh Equity Shares of Rs.10/- each at a premium of Rs.80/- per share, aggregating Rs.238.53 Lacs on 23rd March, 2005 in terms of the special resolution passed by the Members at their Extra Ordinary General Meeting held on 21st March, 2005. The Company has already obtained in-principle approval for listing of the above said equity shares on 3rd August, 2005 and necessary formalities being complied with for obtaining permission for listing/trading of the shares from the Stock Exchange, Mumbai

Further that the Company has obtained approval from the members by way of special resolution at their Extra Ordinary General Meeting held on 13th May, 2005 for issuance of 2,78,000 fresh Equity Shares of Rs.10/- each at a premium of Rs.74/- per share, aggregating Rs.233.52 Lacs only to the persons acting in concert with the promoters of the Company u/s 81(1A) of the Companies Act, 1956 read with the SEBI (Disclosures and Investors Protections) Guidelines, 2000. However, due to non receipt of the in-principle approval for listing of the above said shares and in compliance of the letter No.list/rk/sum/2005 dated 20th May, 2005 of the Stock Exchange Mumbai, the Board of Directors of the Company have postponed the allotment of above said shares at their meeting held on 25th May, 2005 and the same will be considered after obtaining necessary approvals from all the concerning authorities.

Corporate Governance :

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchange(s), a separate section titled 'Corporate Governance' has been included in this annual report alongwith management discussion and analysis report as Annexure 2..

A certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance is annexed to this report as Annexure 3.

Acknowledgement :

Your Directors take this opportunity to express their gratitude for the assistance and continued cooperation extended by Banks, financial institutions, government authorities, customer and suppliers. The Directors are pleased to record their sincere appreciation for 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.

Place : Indore
Dated the : 26/08/2005

For and on behalf of the Board,
KEDARMAL BANKDA
CHAIRMAN

I. POWER & FUEL CONSUMPTION :

1 Electricity	Current Year (2004-2005)	Previous Year (2003-2004)
a. Purchased unit (KWH)	12,92,580	11,09,385
Amount (Rs.)	66,32,855	54,66,436
Rate/unit (Rs)	5.13	4.93
b. Own Generation unit (KWH)	22,600	56,100
Amount (Rs.)	1,58,956	1,18,923
Unit per Litre of Diesel oil	3.53	2.50
Rate/unit (Rs)	7.03	7.31

II. CONSUMPTION PER UNIT OF PRODUCTION :

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

RESEARCH & DEVELOPMENT:

1 Specific areas in which R & D is carried out by the company:

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 R & D

	2004-05 Amount (Rs.)
A Capital	60,79,162
B Revenue	3,59,765
C Total	64,38,927
D Total R&D expenditure as a % to total turnover	1.15

TECHNOLOGY ABSORPTION, ADOPTION AN INNOVATION :

The Company has so far not imported any technology. The Company manufactures standard products for which technology is established, and therefore, no further research in being carried out. However, constant product development is being done to confirm to the changing quality requirements of customers.

FOREIGN EXCHANGE EARNING AND OUTGO :

During the year company has earned foreign exchange by effecting exports sales worth of Rs. 3520.12 lacs (previous year Rs. 2308.14 lacs) and Total foreign outgo was Rs. 74.85 lacs (previous year Rs. 65.91 lacs).

Place : Indore
Dated the : 26.08.2005

For and on behalf of the Board,
KEDARMAL BANKDA
CHAIRMAN

Annexure - 1

ANNEXURE TO THE DIRECTORS' REPORT :

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

A 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 :

Annexure - 2

REPORT ON CORPORATE GOVERNANCE

(Pursuant to clause 49 of the listing agreement)

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

Syncom Formulations (India) Limited has been committed to healthy corporate governance practices. Being a value driven organisation, 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 thereunder 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.

Syncom Formulations (I) Ltd.



2. 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	Executive	0
Shri Vijay Bankda	Executive	0
Shri Ramesh Mishra	Independent / NED	0
Shri Arpit Gupta	Independent / NED	1
Shri Atish Gupta*	Independent / NED	0
Shri Sanjay Mehta**	Independent / NED	2

*Shri Atish Gupta has resigned from the office of the director of the Company w.e.f. 29.04.2004.

**Shri Sanjay Mehta was appointed w.e.f. 31.07.2004.

(b) Details of director reappointment / seeking appointment.

Mr. Vijay Bankda, Managing Director & Ramesh Mishra, Director retire by rotation and seeking appointment. Relevant details relating to them are furnished in the notice convening Annual General Meeting to be held on 30th Sep., 2005 along with Annual Report.

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

During the financial year 2004-05, 8 meetings of the Board were held. The following table gives the attendance record of all the directors at the Board meetings, as well as at the last Annual General Meeting.

Name of the Director	Mr. Kedarmal Bankda	Mr. Vijay Bankda	Mr. Arpit Gupta	Mr. Atish Gupta	Mr. Ramesh Mishra	Mr. Sanjay Mehta
Dates of Board Meeting	Attended or Not					
29.04.2004	Yes	Yes	Yes	-	Yes	-
31.07.2007	Yes	Yes	Yes	-	LOA	-
26.08.2004	Yes	Yes	Yes	-	LOA	Yes
01.10.2004	Yes	Yes	Yes	-	LOA	Yes
30.10.2004	Yes	Yes	Yes	-	LOA	Yes
31.01.2005	Yes	Yes	Yes	-	Yes	Yes
23.02.2005	Yes	Yes	Yes	-	LOA	Yes
25.03.2005	Yes	Yes	Yes	-	LOA	Yes

The symbol "LOA" represents Leave of absence granted.

3. 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.

(a) Terms of Reference :

The terms of reference of the Audit Committee are extensive and include all that is mandated in Clause 49 of the Listing Agreement and section 292A of the Companies Act, 1956. Apart from overseeing and monitoring the financial reporting system within the Company and considering unaudited and audited financial results for the relevant quarter, half year and the year before being adopted by the Board, the Audit Committee focused its attention on topics such as legal compliance reporting system, review of internal control system, major accounting policies and practices, compliance with accounting standards.

(b) 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 Arpit Gupta	Director	Chairman
2.	Shri Ramesh Mishra	Director	Member
3.	Shri Atish Gupta*	Director	Member
4.	Shri Sanjay Mehta**	Director	Member

* Shri Atish Gupta has ceased from the membership of the committee w.e.f. 29.04.2004.

** Shri Sanjay Mehta was included as a Chairman of the Committee w.e.f. 31.07.2004.

The Committee was reconstituted on 31.01.2005 & Shri Arpit Gupta was Appointed as chairman of the committee.

Shri M.P. Kothari, G.M. (Finance) and Compliance officer appointed by the Board is also functioning as the Secretary of the Committee.

(c) Meetings and Attendance during the year :

Name of the Director	Mr. Arpit Gupta	Mr. Atish Gupta	Mr. Ramesh Mishra	Mr. Sanjay Mehta
Dates of the Meeting	Attended or Not			
29.04.2004	Yes	LOA	LOA	Yes
26.08.2004	Yes	-	LOA	Yes
30.10.2004	Yes	-	LOA	Yes
31.01.2005	Yes	-	LOA	Yes

The symbol "LOA" represents Leave of absence granted.

4. 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 investors 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 and number of meetings held:

S.No.	Name	Designation	Position in Committee
1	Shri Arpit Gupta*	Director/NED	Chairman
2	Shri Sanjay Mehta	Director/NED	Member
3	Shri Ramesh Mishra	Director/NED	Member

* Shri Arpit Gupta was appointed as the Chairman of the Committee w.e.f. 31st Jan., 2005

Shri M.P.Kothari, the G. M. (Finance) and Compliance officer appointed by the Board is also functioning as the Secretary of the Committee. In order to meet the shareholders grievances the Shareholders Committee met five times during the year under the review.

5. 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.N.	Name	Designation	Position in Committee
1.	Shri Arpit Gupta	Director	Chairman
2.	Shri Ramesh Mishra	Director	Member
3.	Shri Sanjay Mehta	Director	Member

** Shri Sanjay Mehta was included as a Chairman of the committee w.e.f. 31.07.2004.

The said committee was constituted to decide the remuneration of the executives directors. Only one meeting of the Committee was held on 26th

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Aug., 2004 to approve and recommend the revision of remuneration payable to Shri Kedar Mal Bankda, the Chairman and re-appointment of Shri Vijay Kumar Bankda as the Managing Director.

The Company is not paying any remuneration to the Non-Executives Director, except the sitting fee.

(c) Remuneration of Executive Directors :

The terms of remuneration of Mr. Kedarmal Bankda and Mr. Vijay Bankda, whole time directors are in accordance with the approval of share holders at fourteenth and twelfth annual general meeting held on 30th Sep., 2002 and 20th May 2000 respectively with the authority to vary the same within the limits of Schedule XIII of the Companies Act 1956.

The Board has not varied any terms during the year.

(d) Remuneration Paid / Payable to Directors during 2004-05

Director	Sitting Fees (Rs.)	Salary & Perquisites (Rs.)	Commission (Rs.)	Total (Rs.)
Mr. Kedarmal Bankda	NIL	1,20,000 plus rent free unfurnished accommodation	NIL	1,20,000
Mr. Vijay Bankda	NIL	1,20,000 plus rent free unfurnished accommodation	NIL	1,20,000

Note : No bonus, pension or incentive is paid to any of the directors. The company has not issued any stock options to any of the directors. The term of executive directors is for a period of five years from the date of appointment.

During the year 2004-05, the Company has not given any advance or loans to any of its executive and /or non-executive directors.

6. Management Discussion And Analysis :

This is given as a separate part in this report.

7. Information on General Body Meetings :

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

	Date	Time
16 th AGM	29 th September, 2004	04.00 p.m.
15 th AGM	29 th September, 2003	11.30 a.m.
14 th AGM	30 th September, 2002	2.30 p.m.

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. Communication to Shareholders :

The notice of the date of the Board meeting for the consideration of the unaudited quarterly financial results is published by the Company in newspapers as mentioned hereinafter seven days before the date of the meeting. The unaudited quarterly financial results are also published by the Company in the newspapers.

The names of the newspapers in which the Company normally publishes the notice of the date of its Board meetings and unaudited quarterly financial results are the following :

1. Maharashtra Times/Navshakti Maratha, Marathi Edition being the vernacular language circulating in the district and the State where the registered office of the Company is situated.
2. Economic Times/Free Press Journal, English Edition, National News Paper circulating all over the country.

10. General Shareholder Information :

(i) Annual General Meeting :	Friday, 30 th September, 2005 at 3.00 p.m. at 7, Niraj Industrial Estate, Off Mahakali Caves Road, Andheri (East), Mumbai 400 093
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(ii) Financial Calender : (Tentative)	Result for the quarter ended 30.06.05 Result for the quarter ended 30.09.05 Result for the quarter ended 31.12.05 Result for the quarter ended 31.03.06 Annual General Meeting	Last week of July 2005 Last week of Oct. 2005 Last week of Jan. 2006 Last week of April 2006 Sep. 2006
(iii) Book Closure Dates	26.09.2005 to 30.09.2005 (Both days inclusive)	
(iv) Dividend Payment date	On or after 30.09.2005	
(v) Listing of Equity Shares on Stock Exchanges at	1. The Stock Exchange, Mumbai. 2. Madhya Pradesh Stock Exchange, Indore	
(vi) Stock Code	BSE Mumbai-524470	
(vii) Demat/ISIN No. in NSDL & CDSL	INE 312C01017	
(viii) Plant Locations	256-257, Sector 1, Industrial Area, Pithampur (Dhar), M.P. 454 775	
(ix) Corporate Office	2 nd Floor, "Tagore Centre", (Dawa Bazar), P.O. Box No. GPO 610, 13-14, R.N.T. Marg, Indore (M.P.) 452 001 Tel: 91-731-2704388 E-mail: sfilindore@rediffmail.com	
(x) Registered Office :	7, Niraj Industrial Estate, Off Mahakali Caves Road, Andheri (East), Mumbai-400 093 Tel: 91-22-26873895, 30918365, 39552326 Fax: 91-22-26870294 E-mail: sfil87@hotmail.com	
(xi) Share Transfer Agent	Ankit Consultancy Pvt.Ltd. Alankar Point, Gitabawan Chauraha, Indore (M.P.) 452001	

(xii) Stock Market Data :

The Monthly Highs and lows stock quotations during the financial year ended 31st March, 2005 on BSE :

Month	High (Rs)	Low (Rs)	Volume
Apr-2004	42.00	32.70	1,91,013
May-2004	39.00	27.00	2,34,562
Jun-2004	31.80	26.85	2,41,109
Jul-2004	32.50	21.65	1,85,344
Aug-2004	41.90	29.50	4,38,606
Sep-2004	81.75	39.05	38,22,405
Oct-2004	92.20	68.50	58,55,643
Nov-2004	89.60	73.25	29,29,666
Dec-2004	99.40	74.25	39,97,371
Jan-2005	90.00	69.05	7,23,932
Feb-2005	106.00	81.10	39,31,654
Mar-2005	95.00	70.00	11,42,678

(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 (demat) form. As on 31st March, 2005, the Company's 47,80,566 shares are held by shareowners in dematerialised form, aggregating 89.49% of the Equity Share Capital.

CDSL : 553537 Shares forming 10.36% of the total paid up capital

NSDL : 4227029 Shares forming 79.13% of the total paid up capital.

(xv) Distribution of shareholding pattern as on 31st March, 2005

No. of shares	No. of Shareholder	Shares held in each class
Up to 5000	5530	17,54,800
5001-10000	38	2,74,751
10001-50000	22	5,01,835
50001-100000	0	0
100001-Above	10	28,10,614
Total	5600	53,42,000