

21st Annual Report 2008-09



Syncom Formulations
(India) Ltd.



Kedarmal Bankda
Chairman



Vijay Bankda
Managing Director

CHAIRMAN'S MESSAGE

HUMAN CAPITAL

I believe that real value of the companies can not be determined by only accounting measures. The worth of any company I feel is in its intellectual capital rather than in inventories and receivables. The net worth of the organisation should be studied by the Human Resource balance sheet. This is thus incorporated in our philosophy and I believe my people are my biggest assets.

MANAGING DIRECTOR'S MESSAGE

SYNCOM GOING GLOBAL

Internationalising Syncom is a dream to be-chased. Large markets & remunerative prices have been driving force to explore the exports. The international quality at low costing is strength of Syncom. We will encash on it & emphasis on more value added Herbal exports which will help us in internationalising Syncom, thus making a dream come true.

Syncom Formulations (India) Limited**Board of Directors**

Kedarmal Bankda
Chairman

Vijay Bankda
Managing Director

Arpit Gupta (upto 01.10.2008)
Sanjay Mehta
Vinod Kabra
Krishna Das Neema (w.e.f. 31.07.2008)

Audit Committee

Arpit Gupta (Chairman) (upto 01.10.2008)
Sanjay Mehta
Vinod Kabra
Krishna Das Neema (w.e.f. 31.07.2008)

Shareholders/Investors Grievance Committee

Arpit Gupta (Chairman) (upto 01.10.2008)
Sanjay Mehta
Vinod Kabra
Krishna Das Neema (w.e.f. 31.07.2008)

Remuneration Committee

Arpit Gupta (Chairman) (upto 01.10.2008)
Sanjay Mehta
Vinod Kabra
Krishna Das Neema (w.e.f. 31.07.2008)

Company Secretary

Mrs. Shikha Maheshwari

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. 91-22-30887744
Fax 91-22-30887755
E-Mail : sfil87@hotmail.com

Corporate Office

2nd Floor, "Tagore Centre", (Dawa Bazar),
13-14, R.N.T. Marg, Indore (M.P.) 452001
P.O. Box No. GPO. 610
Tel. 91-731-3046869
Fax 91-731-3046872
E-mail : sfilindore@rediffmail.com

Works

256-257, Sector 1, Pithampur
(Dhar) M.P. 454 775
Tel. / Fax 91-7292 - 253404, 403122
E-mail : sfil_pth@hotmail.com

Share Transfer Agent

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

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Syncom Formulations (India) Limited



NOTICE FOR THE 21st ANNUAL GENERAL MEETING

Notice is hereby given that the Twenty First Annual General Meeting of the members of **SYNCOM FORMULATIONS (INDIA) LTD.** will be held on 30th September, 2009, 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:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2009 and the Profit and Loss Account for the year ended 31st March 2009 together with the Reports of the Board of Director and Auditor thereon.
2. To appoint a director in place of Shri Vijay Bankda, who liable to retires by rotation and being eligible, offers himself for re-appointment.
3. 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.

By orders of the Board of Directors
For, **SYNCOM FORMULATIONS (INDIA) LTD.**

Place: Indore
Date: 28th August, 2009

KEDARMAL 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 28.09.09 to 30.09.09 (both days inclusive).
3. (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, members are requested to kindly inform their PINCODE immediately.
4. Non-resident Indian Shareholders are requested to inform Share Transfer Agents immediately:
 - (a) Change in the residential status on return to India for permanent settlement.
 - (b) Particulars of NRE Account with Bank in India, if not furnished earlier.
5. 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.
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 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.
8. 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 M/s Ankit Consultancy Pvt. Ltd., Alankar Point, Gita Bhawan Chouraha A.B. Road, Indore (M.P.).

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 loaded from the website of the Ministry of Corporate Affairs.
10. The unpaid dividend for the year 2001-02 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 2001-02 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.
11. Pursuant to the Clause No.49 of the Listing Agreement, profile of the director proposed for re-appointment being given in a statement containing details of the concerned director is annexed hereto.

STATEMENT REGARDING THE DIRECTORS PROPOSED FOR APPOINTMENT

Name and Designation Of Appointee	Age/ Qualification Year	Expertise/ Experience	Date of appoint -ment	Other Directorship	No. of shares held & %age
Shri Vijay Bankda, Managing Director	50 years B.Com, LLB	29 years Experience in Pharmaceuticals field in various Capacity. He is the key and found persons & promoters of the company	01/01/1999	-	7,33,771 11.79% of the paid up capital.

By orders of the Board of Directors
For, **SYNCOM FORMULATIONS (INDIA) LTD.**

Place: Indore
Date : 28th August, 2009

KEDARMAL BANKDA
CHAIRMAN

Syncom Formulations (India) Limited



DIRECTORS' REPORT

To,
The Members,
Syncom Formulations (India) Limited

Your directors have pleasure in presenting their 21st Annual Report and Audited Statements of Accounts for the year ended 31st March 2009.

1. FINANCIAL PERFORMANCE

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

Financial Results		(Rs. In Lacs)	
Particulars	Year ended 31/03/2009	Year ended 31/03/2008	
Net Sales and Other incomes	5807.48	6889.61	
Profit before interest, depreciation and tax	723.49	779.98	
Less: Financial Charges	28.90	18.29	
Less: Depreciation	140.08	178.13	
Profit before Taxation	554.51	583.56	
Provision for Taxation for current year	122.20	136.34	
Difference in income tax for previous year	116.60	21.05	
Fringe Benefit Tax	14.34	13.25	
Deferred Tax	36.98	54.33	
Net Profit after tax	264.39	358.59	
Add: Balance brought forward from previous years	305.16	332.99	
Amount available for appropriation	569.55	691.58	
Appropriation: Transfer to general Reserve	150.00	350.00	
Proposed Dividend	46.69	31.13	
Corporate Dividend Tax	7.93	5.29	
Balance carried to the Balance Sheet	364.93	305.16	
E.P.S. (in Rs.) (Annualized)	4.25	6.06	

2. REVIEW OF OPERATIONS:

During the year under review Company achieved turnover of Rs.5807.48 lacs as compared to Rs 6889.61 lacs during the previous year. The company generated profit of Rs 264.39 lacs as compared to Rs 358.59 lacs during the previous year. The year under review faced effects of world wide recession in economy which badly effected the economy of countries also, where company use to export its products.

Despite of this, the company achieved the turnover and resultant profits. The Export markets have again been lifted and the management is helpful to maintain growth in ensuring year.

3. MARKETING AND EXPORT:

During the year under review the export sales of the company was Rs 4655.58 lacs as compared to previous year Rs 5604.86 lacs. The company increased efforts in building up of the export market and expects significant improvement in future years.

Cratus Life Care, which is the domestic division of your company was in its 2nd year of the operations in the Indian market during the period under review and is presents in the ethical segment and OTC segments of formulations market. Ethical division of the company comprises mainly of therapeutic segments such as Vitamins, Nutritional Supplements, Cough and Cold, Gynecology, Orthopedics & Dermatology segments. Our 4 brands are in the top brands in IMS- ORG figures.

Under Cratus Life Care your company has also launched an OTC division with a brand portfolio of more than 35 products. Your company plans to invest on media promotions for few products in this division so that the Company will be able to generate a substantial goodwill and revenue for your company in the years to come.

Though last year has been the year of consolidation for Cratus Life Care, your company is very sure that this division will contribute greatly to the growth in future years.

Further that your company is making all the efforts to grow and develop revenue under its only two operating segments viz Export business under

Syncom Formulations India Limited and Domestic Business under Cratus Life Care (A Division Of Syncom Formulations India Limited).

4. CONTRACT MANUFACTURING:

Your company has been doing contract manufacturing for few large companies in various therapeutic segments.

Your Company intends to expand the contract manufacturing activities as a major scale in near future.

5. 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 18th dividend @ Rs.0.50 (5%) per equity share including the new 31,12,500 equity shares allotted on 10th July, 2009 under the right issue for the financial year 2008-09 subject to approval by members at the ensuring Annual General Meeting.

6. ISSUANCE OF EQUITY SHARES & WARRANTS:

Looking into the expanded capacity available with the Company, in order to utilize the same, requirement for long term working capital has substantially increased to cater to the increasing export and domestic turnover, your directors also proposes to raise upto Rs. 1058.25 lacs only by way of fresh capital through right issue of 31,12,500 Equity Shares of Rs. 10/- each at a premium of Rs.7/- per share to the members of the Company in the ratio of one equity share for every 2 equity shares held by the members together with the Detachable Warrants given entitlement of one equity share allotted under the proposed Right at such price as may be determined by the Board of Directors of the Company.

The Company's issue was successfully subscribed and the new capital and warrants have listed at the Bombay Stock Exchange Ltd.

Your Company has also issued 3,25,000 Warrants of Rs.46 each, convertible into equity share of Rs.10/- each at a premium of Rs.36 per equity share on 29th March, 2008 which are out standing for conversion for which option may be exercised by the warrant holders within 18 months from the date of allotment, i.e. on or before 28th Sept., 2009.

7. 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 Arpit Gupta has resigned from the office of the directors of the Company w.e.f. 1st Oct., 2008.

Further that Shri Vijay Bankda is liable to retire by rotation at the ensuing annual general meeting and being eligible offers himself for re-appointment. Your directors recommend for passing necessary resolution for his appointment.

8. 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, 2009 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.

9. 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.

Syncom Formulations (India) Limited



10. 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.

11. 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.

12. AUDITORS AND THEIR REPORT:

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 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.

13. 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.

14. 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.

15. ACKNOWLEDGMENT:

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 : 28th August, 2009

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 (2008-2009)	Previous Year (2007-2008)
1. Electricity (Purchased) Units Amount (Rs.) Rate/ unit (Rs)	14,66,840 80,56,979 5.49	20,29,756 98,15,094 4.84
2. Electricity (Generated) units Amount (Rs.) Unit per Litre of Diesel oil Rate/unit (Rs.)	9,860 1,06,020 3.53 10.75	13,755 1,60,325 3 11.65

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

(Rs. in Lacs.)	2008-09	2007-08
a. Capital	Nil	32.57
b. Revenue	Nil	05.08
C. Total	Nil	37.65

TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION:

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 4615.32 (previous year 5479.50 lacs) (FOB value) and total foreign outgo was Rs 141.21 Lacs (previous year 406.52 Lacs).

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

Place: Indore
Date : 28th August, 2009

KEDARMAL BANKDA
CHAIRMAN

Annexure 2 CORPORATE GOVERNANCE REPORT REPORT OF COMPLIANCE WITH CLAUSE 49 OF THE LISTING AGREEMENT OF THE STOCK EXCHANGES

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

Syncom Formulations (India) limited 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.

2. BOARD OF DIRECTORS:

(i) 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.

Syncom Formulations (India) Limited



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
Shri Arpit Gupta*	Independent/NED	3
Shri Sanjay Mehta	Independent/NED	1
Shri Krishna Das Neema**	Independent/NED	0

* Shri Arpit Gupta has resigned from the directorship w.e.f. 1st Oct., 2008.

** Shri Krishna Das Neema was appointed w.e.f. 31st July, 2008

(ii) Details of director reappointment/seeking appointment.

Shri Vijay Bankda, the Director of the company, is liable to retire by rotation and seeking his re-appointment.

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

During the financial year 2008-09, 7 meeting 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	Mr. Sanjay Mehta	Mr. Arpit Gupta	Mr. Krishna Das Neema
Dates of Meetings						
30.04.2008	Yes	Yes	Yes	Yes	Yes	*
31.07.2008	Yes	Yes	Yes	LOA	Yes	*
21.08.2008	Yes	Yes	Yes	LOA	Yes	Yes
29.08.2008	Yes	Yes	Yes	LOA	Yes	Yes
31.10.2008	Yes	Yes	Yes	LOA	*	Yes
11.11.2008	Yes	Yes	Yes	Yes	*	Yes
31.01.2009	Yes	Yes	Yes	LOA	*	Yes

* Not applicable since he has resigned w.e.f. 1st Oct., 2008. Shri Krishna Das Neema was appointed as a director of the Company w.e.f. 31st July, 2008.

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. 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 Arpit Gupta*	Director	Chairman
2.	Shri Krishna Das Neema**	Director	Member/Chairman
3.	Shri Sanjay Mehta	Director	Member
4.	Shri Vinod Kabra	Director	Member

* Shri Arpit Gupta has ceased to be the Chairman of the Committee w.e.f. 1st Oct., 2008 due to his resignation from the directorship of the Company.

** Shri Krishna Das Neema was appointed as a member of the Audit Committee w.e.f. 31st July, 2008 and further as the Chairman of the Committee w.e.f. 31st Oct., 2008.

Shri Devendra Maheshwari, the G.M. (Finance & Accounts) and Compliance officer appointed by the Board is also functioning as the Secretary of the Committee. The 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. Arpit Gupta	Mr. Vinod Kabra	Mr. Sanjay Mehta	Mr. Krishna Das Neema
Dates of the Meeting				
30.04.2008	Yes	Yes	Yes	N.A.
31.07.2008	Yes	Yes	LOA	Yes
21.08.2008	Yes	Yes	LOA	Yes
31.10.2008	N.A.	Yes	LOA	Yes
31.01.2009	N.A.	Yes	LOA	Yes

Remarks : "LOA" = leave of absence granted. N.A. = not applicable in view of the date of their directorship in the Company.

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 investor's complaints like:

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

(b) Composition of Shareholders Grievance and Transfer Committee:

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

* Shri Arpit Gupta has ceased to be the Chairman of the Committee w.e.f. 1st Oct., 2008 due to his resignation.

** Shri Krishna Das Neema was appointed as a member of the Committee w.e.f. 31st July, 2008

Shri Devendra Maheshwari, the G.M. (Finance & 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. (Finance & Accounts)

(d) Status of the investors/shareholders Complaints :

- Number of complaints received during the year : 60
- Number of complaints solved during the Year : 60
- 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.

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. No.	Name	Designation	Position in Committee
1.	Shri Arpit Gupta*	Director/NED	Chairman
2.	Shri Krishna Das Neema**	Director/NED	Member
3.	Shri Sanjay Mehta	Director/NED	Member
4.	Shri Vinod Kabra	Director/NED	Member

* Shri Arpit Gupta has ceased to be the Chairman of the Committee w.e.f. 1st Oct., 2008 due to his resignation.

** Shri Krishna Das Neema was appointed as a member of the Audit Committee w.e.f. 31st July, 2008.

No meeting of the remuneration committee was held as there was no reference made to the Committee for its approval.

Syncom Formulations (India) Limited



(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 (Rs.)	Salary & Perquisites (Rs.)	Commission (Rs.)	Total (Rs.)
Shri Kedarmal Bankda	0	180000	0	180000
Shri Vijay Bankda	0	180000	0	180000
Shri Vinod Kabra	10000	0	0	10000
Shri Arpit Gupta	5000	0	0	5000
Shri Sanjay Mehta	10000	0	0	10000
Shri Krishna Das Neema	5000	0	0	5000

5. 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
20 th AGM	26 th September, 2008	02.00 p.m.	5	-
19 th AGM	29 th September, 2007	12.30 p.m.	1	-
18 th AGM	25 th September, 2006	01.00 p.m.	5	-

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

7. DISCLOSURES

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

- 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.
- 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.

8. 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 chairperson of the audit committee in exceptional cases. We further affirm that during the financial year 2008-09, no employee has denied access to the audit committee.

9. CODE OF CONDUCT

- The Company is having code of conduct for prevention of insider trading.
- 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.

10. 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.

11. GENERAL INFORMATION TO SHAREHOLDERS & INVESTORS

- Date, Time & Venue of Annual General Meeting : 30th September, 2009 at 3.00 P.M. at the Regd. Office of the Company.
- Financial Calendar : April 2009 to March 2010
Result for the quarter ended 30.06.09 : 31st July 2009
Result for the quarter ended 30.09.09 : Last week of Oct., 2009
Result for the quarter ended 31.12.09 : Last week of Jan., 2010
Result for the quarter ended 31.03.10 : Last week of April, 2010

- Board meeting for consideration of Annual A/cs : 28th August, 2009
- Posting of Annual Report : On or before 4th Sept., 2009
- Last date for receipt of Proxy : 28th Sept., 2009
- Date of dispatch of dividend warrants/cheques : on or before 3rd Oct., 2009
- Dates of Book Closure : From 28.09.2009 to 30.09.2009

- Listing on Stock Exchange: : The Bombay Stock Exchange Limited

- Stock Code : BSE Code 523144

- D-mat ISIN No. For CDSL and NSDL : INE312C01017

- No. Of Shareholders on 31.03.2009 : 7,398

(xii) Stock Market Data:

The monthly High and Low stock quotations during the financial year ended 31st

March 2009 on BSE are as under (Source the Website: bseindia.com)

Month	High (Rs)	Low (Rs)	Volume of shares traded
Apr-2008	35.95	28.00	93191
May-2008	33.75	28.40	87959
Jun-2008	30.95	24.45	51043
July-2008	26.95	22.10	60493
Aug-2008	31.00	25.00	71603
Sep-2008	28.00	20.80	68228
Oct-2008	23.00	31.05	95665
Nov-2008	19.95	14.75	34640
Dec-2008	21.00	14.70	51112
Jan-2009	21.25	16.00	40415
Feb-2009	17.00	13.35	42290
Mar-2009	15.95	11.00	92251

(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 31st March, 2009, the Company's 60,44,025 shares are held by shareowners in dematerialised form, aggregating 97.09% of the Equity Share Capital.

CDSL: 11,55,957 forming 18.56% of the total paid up capital

NSDL: 48,88,068 forming 78.53% of the total paid up capital.

(xv) Distribution of shareholding pattern as on 31st March' 2009:

Shareholding of Nominal Value Rs.	No. of shareholder	%	Shares Amount in Rs.	%
Up to 1000	3,295	44.55	27,32,270	4.39
1001-2000	1,487	20.10	28,25,140	4.54
2001-3000	699	9.45	20,00,880	3.21
3001-4000	296	4.00	11,49,390	1.85
4001-5000	533	7.20	26,25,130	4.22
5001- 10000	578	7.81	48,14,610	7.73
10001-20000	295	3.99	45,00,370	7.23
20001-30000	79	1.07	19,60,340	3.15
30001-40000	26	0.35	9,37,650	1.51
40001-50000	23	0.31	10,85,050	1.74
50001-100000	41	0.55	28,67,560	4.61
100000-Above	46	0.62	3,47,51,610	55.82
Total	7398	100.00	6,22,50,000	100.00