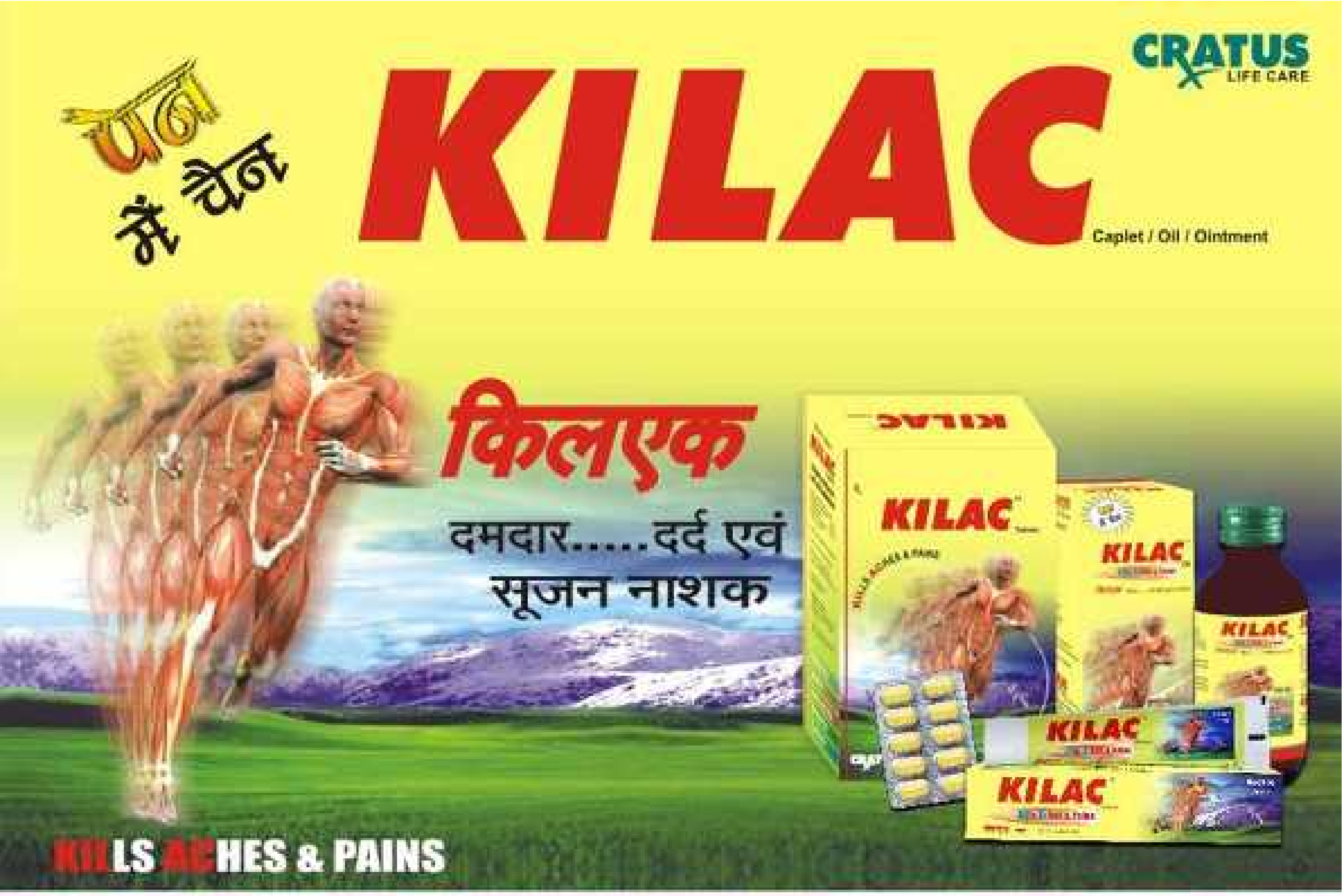
SYNCOM FORMULATIONS (INDIA) LIMITED

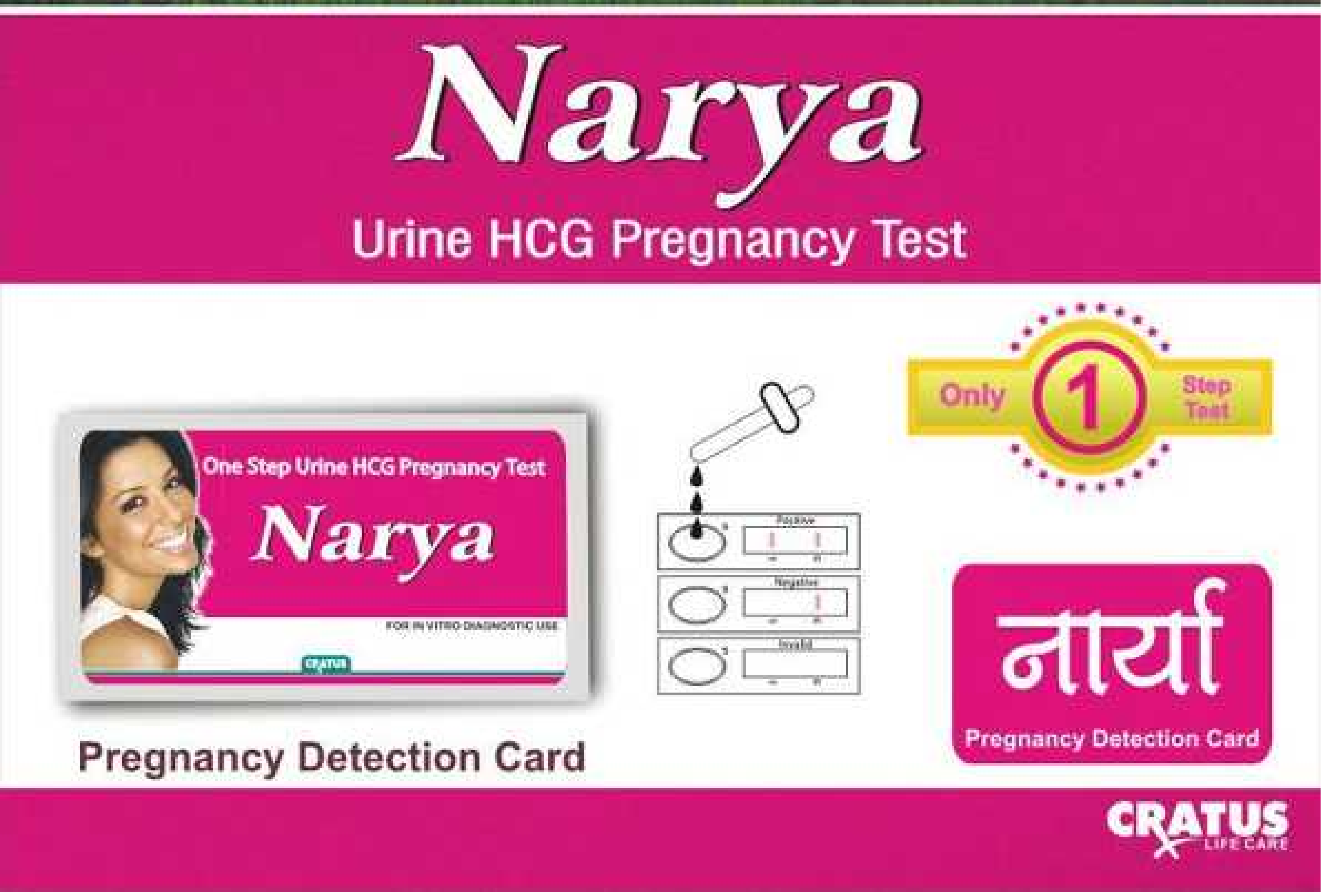
A WHO-GMP & ISO 9001-2008 Certified Company

CIN : L24239MH1988PLC047759

26th ANNUAL REPORT 2013-2014

Synergistic Combination for Health


CRATUS
LIFE CARE
पल
मैं चैन
KILAC
Caplet / Oil / Ointment
किलएक
दमदार.....दर्द एवं
सूजन नाशक
KILAC
KILAC
KILAC
KILAC
KILAC
KILLS ACHES & PAINS


Narya
Urine HCG Pregnancy Test
Only 1 Step Test
One Step Urine HCG Pregnancy Test
Narya
FOR IN VITRO DIAGNOSTIC USE
CRATUS
Positive
Negative
Invalid
नार्या
Pregnancy Detection Card
Pregnancy Detection Card
CRATUS
LIFE CARE

Board Of Directors

Shri Kedarmal Bankda
Chairman (Executive) & WTD

Shri Vijay Shankarlal Bankda
Managing Director

Shri Vinod Kumar Kabra
Independent Director

Shri Krishna Das Neema
Independent Director

Shri Praveen Jindal
Independent Director

Smt. Rinki Bankda
Additional Director

Company Secretary

CS Shikha Sethi

Compliance Officer

Devendara Maheshwari

Chief Financial Officer

Shri Ankit Bankda

Statutory Auditors

S.P. Moondra & Co.
Chartered Accountants

Bankers

Dena Bank

Registered Office

7, Niraj Industrial Estate,
Off Mahakali Caves Road,
Andheri (E) Mumbai (MH)- 400093
Email : Info@sfil.in
Website: www.sfil.in
Tel. : 91-22-30887744
Fax : 91-22-30887755

Corporate Office

2nd Floor, "Tagore Centre", (Dawa Bazar)
13-14, R.N.T. Marg, Indore (M.P.) - 452001
Email : info@sfil.in / finance@sfil.in
Tel. : 91-0731-3046869
Fax : 91-0731-3046870

Works

256-257, Sector I,
Pithampur, (Dhar) (M.P.) - 454774
Tel. : (07292) 253121,253404

Registrar And Share Transfer Agent

Ankit Consultancy Pvt. Ltd.
Plot No. 60, Electronic Complex, Pardeshipura
Indore (M.P.)-452010
Tel. : 0731-2551745,2551746
Fax : 0731-4065798
Email : ankit_4321@yahoo.com

Contents

NOTICE FOR THE 26th ANNUAL GENERAL MEETING

Notice is hereby given that **26th Annual General Meeting** of the members of **SYNCOM FORMULATIONS (INDIA) LIMITED** will be held on Monday the 22nd day of Sept., 2014 at 2.00 P.M. at Touch of Class, Club B, Boomerang, Plot No. 37, Chandivali Farm Road Chandivali, Andheri (E), Mumbai 400072 to transact the following businesses:

I. ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2014, the Statement of Profit & Loss and Cash Flow Statement for the financial year ended March 31, 2014 and the Reports of the Board of directors and Auditors thereon.
2. To approve dividend on the Equity Shares of the Company.
3. To appoint a director in place of Shri Kedarmal Shankarlal Bankda (DIN 00023050) who is liable to retire by rotation and being eligible offers himself for re-appointment.
4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

"**RESOLVED THAT** subject to the provisions of section 139 and other applicable provisions, if any, of Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, M/s S.P. Moondra & Co., Chartered Accountants (ICAI Firm Registration No. 004879C), the retiring Auditors of the Company be and are hereby re-appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the Twenty Ninth Annual General Meeting of the Company to be held in the year 2017 (subject to ratification of their appointment by the members at every Annual General Meeting) on such remuneration as may be fixed by the Board."

II SPECIAL BUSINESS:

5. To consider and, if thought fit, to pass, with or without modification(s), the following resolution, as **Special Resolution:**

RESOLVED THAT pursuant to the provisions of section 190, 196, 197, 203 read with the provisions of Schedule V of the Companies Act, 2013 and the Companies (Appointment and Remuneration of the Managerial Personnel) Rules, 2014 and other applicable provisions if any of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being enforce), the approval of the members of the Company be and is hereby granted for re-appointment of Shri Vijay Shankarlal Bankda (DIN: 00023027) as the Managing Director of the Company for a further period of 5 years w.e.f. 1st December, 2014 on the following terms and conditions.

CATEGORY A:

(a) Salary: Rs.50,000/- per month, with the annual increment of Rs.5000/- only.

(b) Perquisites: Subject to the ceiling of Rs.5,00,000/- per annum:

(i) Company shall provide rent-free residential accommodation or house rent allowance shall be paid to him subject to a maximum of 50% of the salary or the company shall provide house accommodation and 10% of salary shall be recovered by way of rent.

Expenditure incurred by the company on his electricity, water and furnishing shall be evaluated as per Income Tax Rules, 1962 subject to a ceiling of 10% of salary.

(ii) Re-imbursement of medical expenses of the Managing Director and his family, the total cost of which to the company shall not exceed one month salary in the year or three months salary in a block of three years.

(iii) Leave travel assistance: Expenses incurred for self and family in accordance with the rules of the company.

(iv) Club Fees: Subject to a maximum of two clubs this will not include admission and life membership.

(v) Personal accident insurance premium not exceeding Rs.10,000/- P.A.

CATEGORY B:

(i) Contribution to the Provident Fund, Family Benefit Fund, Superannuating Fund: as per Rules of the Company.

(ii) Gratuity: not exceeding half a month salary for each completed year of service.

(iii) Earned Privilage Leave: As per Rules of the Company subject to the condition that the leave accumulated but not availed of will be allowed to be encashed for 15 days salary for every year of completed services at the end of the tenure.

CATEGORY C:

(i) Car: The Company shall provide a car with driver for the Company's business and if no car is provided reimbursement of the conveyance shall be as per actual on the basis of claims made by him.

(ii) Telephone: Free use of telephone at his residence provided that personal long distance calls on the telephone shall be billed by the company to the Managing director.

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

FURTHER RESOLVED THAT in the event of there being loss or inadequacy of profit for any financial year, the remuneration payable to the Managing director shall be the minimum remuneration payable to him in terms of provisions of Schedule V of the Companies Act, 2013 as may be applicable from time to time during his tenure.

FURTHER RESOLVED THAT there shall be clear relation of the Company with Shri Vijay Shankarlal Bankda, Managing Director as "the Employer-Employee" and each party may terminate the above said appointment with the six months notice in writing or salary in lieu thereof.

RESOLVED FURTHER THAT the Managing Director, shall also be entitled for the reimbursement of actual entertainment, traveling, boarding and lodging expenses incurred by him in connection with the Company's business and such other benefits/ amenities and other privileges, as may from time to time, be available to other Senior Executives of the Company.

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

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

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule IV to the said Act and Companies (Appointment and Qualification of Directors) Rules, 2014, and the Clause 49 of the Listing Agreement as may be amended from time to time, Shri Vinod Kumar Kabra (DIN- 01816189), who was holding position of the Independent Director and in respect of whom the company has received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of the director of the Company and who has also submitted a declaration confirming that he meets the criteria for independence as provided in section 149(6) of the Companies Act, 2013 and is eligible for appointment, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto five consecutive years upto 31st March, 2019 and he will not be liable to retire by rotation."

7. To consider and, if thought fit, to pass, with or without modification(s), the following resolution, as **Ordinary Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule IV to the said Act and Companies (Appointment and Qualification of Directors) Rules, 2014, and the Clause 49 of the Listing Agreement as may be amended from time to time, Shri Krishna Das Neema (DIN- 02294270), who was holding position of the Independent Director and in respect of whom the company has received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of the director of the Company and who has also submitted a declaration confirming that he meets the criteria for independence as provided in section 149(6) of the Companies Act, 2013 and is eligible for appointment, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto five consecutive years upto 31st March, 2019 and he will not be liable to retire by rotation."

8. To consider and, if thought fit, to pass, with or without modification(s), the following resolution, as **Ordinary Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule IV to the said Act and Companies (Appointment and Qualification of Directors) Rules, 2014; and the Clause 49 of the Listing Agreement as may be amended from time to time, Shri Praveen Jindal (DIN- 05327830), who was holding position of the Independent Director and in respect of whom the company has received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of the director of the Company and who has also submitted a declaration confirming that he meets the criteria for independence as provided in section 149(6) of the Companies Act, 2013 and is eligible for appointment, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto five consecutive years upto 31st March, 2019 and he will not be liable to retire by rotation."

9. To consider and, if thought fit, to pass, with or without modification(s), the following resolution, as **Ordinary Resolution:**

"**RESOLVED THAT** Mrs. Rinki Bankda (DIN: 06946754) who was appointed as an additional director by the Board w.e.f. 13th August, 2014 pursuant to the provisions of section 161 of the Companies Act, 2013 to hold the office of the directors till the date of the annual general meeting and in respect of whom the Company has received a notice in writing as required under section 160 of the Companies Act, 2013 from a member proposing her as a candidate for the office of director, be and is hereby appointed as a Women Director of the Company and she will be liable to retire by rotation.

Place: Indore

Date : 13th August, 2014

By order of the Board of Director

Syncom Formulations (India) Ltd.

CIN : L24239MH1988PLC047759

7, Niraj Industrial Estate,

Off Mahakali Caves Road,

Andheri (E), Mumbai (MS) 400093

KEDARMAL BANKDA

Chairman & Whole Time Director

DIN : 00023050

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 of the company. Proxies in order to effective must be received by the company not less than 48 hours before the time fixed for the meeting.
2. A person can act as a proxy on behalf of members not exceeding 50 and holding in aggregating not more than 10% of the total share capital of the Company carry voting rights may appoint a single person as a proxy and such person shall not act as a proxy for any other person or member.
3. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 is given below and forms part of the Notice.
4. The company has notified closure of register of members and share transfer books from September, 20th 2014 to September 22nd 2014 (both days inclusive).
5. The Members are requested to:

a) Intimate changes, if any, In their registered addresses immediately.

b) Quote their ledger folio number in all their correspondance.

c) Hand over the enclosed attendance slip, duly signed in accordance with their specimen registered with the Company for admission to the meeting place.

d) Bring their Annual Report and Attendance Slips with them at the AGM venue.

e) Send their Email address to us for prompt communication and update the same with their D.P. to receive softcopy of the Annual Report of the Company.

f) To encash their unpaid or unclaimed dividend from the year 2006-07 to 2012-13 from the Company and it may please be noted that the unpaid dividend over a period of 7 years would be transferred to the Central Government, Investors Education and Protection Fund as required under section 124 and 125 of the Companies Act, 2013.

6. The report on the Corporate Governance and Management Discussion and Analysis also form part to the report of the Directors.
7. Members seeking any information are requested to write to the Company by email at finance@sfil.in at least 7 days before the date of the AGM to enable the management to reply appropriately at the AGM.
8. Members are requested to notify immediately any change in their address and E – Mail ID to their respective Depository Participants (DPs) in respect of their electronic share accounts and to the Registrar and Share Transfer Agent of the Company at Ankit Consultancy Pvt. Ltd. at Plot No. 60, Electronic Complex, Pardeshipura, Indore (M.P.).
9. Electronic copy of the Annual report is being sent to the members whose email IDs are registered with the Company/Depository Participants unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual report s being sent in the permitted mode.
10. Members may also note that the Annual Report for FY 2013-14 will also be available for downloading on Company's website www.sfil.in
11. Corporate Members intending to send their authorized representatives to attend the Annual General Meeting needs to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Meeting.
12. Relevant documents referred to in the accompanying Notice are open for inspection by the members at the registered office of the company on all working days, except Saturday, between 11:00 A.M and 1:00 P.M up to the date of the meeting.
13. **Voting through electronic means**

In compliance with the provisions of section 108 of the Companies Act, 2013 and the Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide its members the facility to exercise their right to vote at the 26th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL), the instructions for e-voting are as under:

A. In case a Member receives an email from NSDL: [for members whose email IDs are registered with the Depository Participants(s)]

(i) Open email and open PDF file viz; (File Name) The said PDF file contains your user ID and password/ PIN for e-voting.

(ii) Launch internet browser by typing the following URL: https://www.evoting.nsdl.com

(iii) Click on Shareholder – Login

(iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.

(v) If you login first time, Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or a combination thereof. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(vi) Home page of e-voting opens. Click on e-Voting: Active Voting Cycles.

(vii) Select "EVEN" (E-voting Event Number) of Syncom Formulations (India) Ltd..

(viii) Now you are ready for e-voting as Cast Vote page opens.

(ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.

(x) Upon confirmation, the message "Vote cast successfully" will be displayed.

(xi) Once you have voted on the resolution, you will not be allowed to modify your vote.

(xii) Institutional & Corporate Shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to evoting info@sfil.in with a copy marked to evoting@nsdl.co.in

B. In case Email I.D. of the member is not registered with the depository participant and members holding shares in Physical Form:

(i) Initial password will be provided/intimated through Letter from our Registrar.

EVEN (E Voting Event Number)	USER ID	PASSWORD/PIN

(ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

I. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of www.evoting.nsdl.com

II. If you are already registered with NSDL for e-voting then you can use your existing user ID and password/PIN for casting your vote.

III. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

IV. The e-voting period commences on 18th September, 2014 (9:00 am) and ends (6:00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 8th August, 2014 may cast their vote electronically in the manner and process set out herein above. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

V. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 8th August, 2014.

VI. CS Anish Gupta, Practicing Company Secretary (FCS No. 5733 CP 4092) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

VII. The scrutinizer shall within a period not exceeding three(3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

VIII. The results of e-voting, and poll, if any, shall be aggregated and declared on or after the AGM of the Company by the Chairman or by any other person duly authorized in this regard. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.sfil.in and on the website of NSDL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the Stock Exchanges.

IX. For any other queries relating to the shares of the Company, you may contact the Share Transfer Agents, Ankit Consultancy Pvt. Ltd. Plot No. 60, Electronic Complex, Pardeshipura Indore (M.P.) 452010 Tel-0731-3198601,3198602 Fax-0731-4065798 - Email id: ankit_4321@yahoo.com.

Details of the Directors seeking appointment/re-appointment in the ensuing annual general meeting

Name of Directors	Shri Kedarmal Shankarlal Bankda	Shri Vijay Shankarlal Bankda	Shri Vinod Kumar Kabra	Shri Krishna Das Neema	Shri Praveen Jindal	Mrs. Rinki Bankda
Date of Birth	25/08/52	17/09/58	20/04/52	15/08/51	18/03/84	14/06/87
Date of Appointment	13/04/92	01/12/99	30/04/07	31/07/08	12/07/12	13/08/14
Expertise / Experience in specific functional areas	39 years Experience in Pharmaceuticals field in various Capacity He is the key founder person & promoter of the company	More than 35 years experience in Pharmaceutical field in various capacity. He is the Key founder person & promoter of the company.	Experience of more than 36 years in the educational field	37 years experience in Business	9 years experience in Electronic & IT field	-
Qualification	M.Com	B.Com, LLB	B.Ed., M.Com, LLB	M.Com, L.L.B.	B.E. (E. & T.C.)	M.B.A.
No. & % of Equity Shares held	90194650 (11.55%)	58550775 (7.50%)	----------	----------	----------	----------
List of outside Company's directorship held	ARP Pharma Pvt. Ltd.	----------	----------	----------	----------	----------
Chairman/ Member of the Committees of the Board of Directors of the Company	1. CSR Committee	1.CSR Committee	1.Audit Committee 2.Nomination & Remuneration Committee 3.Stakeholder Relationship committee	1.Audit Committee 2.Nomination & Remuneration Committee 3.Stakeholder Relationship Committee 4.CSR Committee	1.Audit Committee 2.Nomination & Remuneration Committee 3.Stakeholder Relationship Committee	----------
Chairman / Member of the Committees of the Board of Directors of other Companies in which he is director	----------	----------	----------	----------	----------	----------

Explanatory Statement in terms of Section 102 of the Companies Act, 2013.

Item No. 4:

This explanatory statement is provided though strictly not required as per section 102 of the Act. M/s S.P. Moondra & Co., Chartered Accountants (ICAI Firm Registration No. 004879C), Indore have been the Auditors of the Company since more than 5 years.

As per the provisions of section 139 of the Act, no listed company can appoint or re-appoint an audit firm as auditor for more than two terms of five consecutive years. Section 139 of the Act has also provided a period of three years from the date of commencement of the Companies Act, 2013 to comply with this requirement. In view of the above, M/s S.P. Moondra & Co., Chartered Accountants, being eligible for re-appointment and based on the recommendation of the Audit Committee, the Board of directors has, at its meeting held on 13th August, 2014 proposed the re-appointment of M/s S.P. Moondra & Co., Chartered Accountants as the statutory auditors for a period of three years up to the conclusion of the 29th Annual General Meeting to be held in the calendar year 2017 and to hold office from the conclusion of this AGM (subject to ratification of their appointment at every AGM).

The Board recommends the Resolution as set out at Item No. 4 for approval by the members as an Ordinary Resolution.

None of the Directors, Key Managerial Personnel (KMP) or their relatives are concerned or interested in any manner in the Resolution.

Item No.5:

Shri Vijay Bankda, (DIN 00023027) is Bachelor in Commerce and Law and is Managing director and his tenure shall be expired on 30th November, 2014 upon completion of 5 years of his appointment. He is having 35 years of experience in the pharmaceutical field in various capacities and also attending commercial operations of the Company, his experience, commitment and capabilities are playing a crucial role in the growth of the Company. Thus upon the recommendation of the Nomination and Remuneration Committee, the Board of directors at their meeting held on 13th August, 2014 has re-appointed him for a further period of 5 years w.e.f. 1st December, 2014.

The Board considered that the terms, conditions and the salary and perquisites as given in the Item No. 5 of the notice is commensurate with his high responsibilities, status and image of the Company. The Board recommends to pass necessary special resolution as set out in Item No.5 of the notice.

Shri Vijay Bankda, being the appointee may be considered as financially interested in the resolution to the extent of the remuneration as may be paid to him and Shri Kedarmal Bankda, the Chairman being the relative may also be considered as interested otherwise. Except that none of the other directors or Key Managerial Personnel (KMP) or their relatives are concerned or interested in the Resolution.

Shri Vijay Bankda, is also holding 58553775 equity shares of Re. 1/- each consisting 7.50% of the total paid up capital of the Company.

Item No. 6, 7 & 8:

The Board of directors of the Company comprises five directors out of which, three are Non-Executive Independent Directors of the Company.

Shri Vinod Kumar Kabra (DIN 01816189) joined the Board on 30th April, 2007 as an Independent Director and has served as director of the Company for over 7 years. He is a Master of Commerce, B.Ed and LLB and having more than 36 years experience in educational field. Shri Vinod Kumar Kabra does not hold any Equity share in the Company.

Shri Krishna Das Neema (DIN 02294270) joined the Board on 31st July, 2008 as an Independent director. Shri K.D.Neema is also liable to retire by rotation at the ensuing annual general meeting. However, he is being re-appointed as a new director as per requirement of section 149 of the Act. Shri Neema is M.Com, LLB and having more than 37 years experience in business. Shri Krishna Das Neema does not hold any Equity share in the Company.

Shri Praveen Jindal (DIN 05327830) joined the Board on 12th July, 2012 as an Independent Director. He is BE and having more than 9 years experience in electronic and IT field. Shri Praveen Jindal does not hold any share in the Company.

The detailed profile of the aforesaid three directors have been given in this notice.

As per the provisions of section 149 of the Companies Act, 2013 which has come into force w.e.f. 1st April, 2014, an Independent Director shall hold office for a term upto five consecutive years on the Board of a Company and shall not be liable to retire by rotation. Therefore, it is proposed to appoint them as Independent Directors at the ensuing annual general meeting for a period of 5 years, upto 31st March, 2019.

All the above said three Independent Directors has given a declaration to the Board that they meet the criteria of independence as provided under section 149(6) of the Act.

In the opinion of the Board the above said directors fulfills the conditions specified in the Act and the Rules made there under as well as Clause 49 of the Listing Agreement for their appointment as Independent Directors of the Company.

The Company has received a notice in writing from members as required under section 160 of the Companies Act, 2013 for proposing the appointment of the above said directors.

All the 'Independent Directors' have expertise in specific functional areas and are eminent personalities in their respective fields. The Board considers that there continued association would be of immense benefit to the Company and it is desirable to continue to avail services of these directors as Independent Directors. Accordingly, the Board recommends the resolutions as set out in the Item No. 6 to 8 as Ordinary Resolution.

Shri Vinod Kumar Kabra, Shri Krishna Das Neema and Shri Praveen Jindal, who are proposed appointees may be considered as concerned or interested financially in the Resolutions to the extent of the sitting fee as may be paid by the company from time to time. Except that none of the other Directors or Key Managerial Personnel or relatives thereof are, in any way, concerned or interested in the Resolutions.

Item No. 9:

Mrs. Rinki Bankda, (DIN 06946754) MBA, aged about 27 years was appointed by the Board as an additional director of the Company w.e.f. 13th August, 2014 of the company being the women director to fulfil the requirement of the Companies Act, 2013. The Nomination and Remuneration Committee of the Board has considered her qualifications and recommended her appointment in the category of the Women Director of the Company.

The Company has received a notice u/s 160 of the Companies Act, 2013 proposing her appointment as director. Looking into her qualifications, your Board recommends her appointment as director of the company and proposes to pass the respective resolution as set out in item No. 9 for approval as an Ordinary Resolution.

Mrs. Rinki Bankda, being the appointee may be considered as financially interested in the resolution to the extent of the remuneration as may be paid to her and Shri Kedarmal Bankda, the Chairman and Shri Ankit Bankda, CFO and KMP being relative may also be considered as interested otherwise. Except that none of the other directors or other Key Managerial Personnel (KMP) or their relatives are concerned or interested in the Resolution. Mrs. Rinki Bankda do not hold any share in the Company.

Place: Indore
Date : 13th August, 2014
Syncom Formulations (India) Ltd.
CIN : L24239MH1988PLC047759
7, Niraj Industrial Estate,
Off Mahakali Caves Road,
Andheri (E), Mumbai (MS) 400093

By order of the Board of Director

KEDARMAL BANKDA
Chairman & Whole Time Director
DIN : 00023050

DIRECTORS' REPORT

To,
The Members,
Syncom Formulations (India) Limited

Your Directors have pleasure in presenting their 26th Annual Report and Audited Statement of Account for the year ended 31st March 2014.

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 (₹ in Lacs)

Particulars	Year ended 31/03/2014	Year ended 31/03/2013
Net Sales and other incomes	15240.90	11609.81
Profit before interest, depreciation and tax	**1735.50**	**1178.86**
Less: Financial Charges	35.53	42.95
Less: Depreciation	307.33	291.00
Profit before Taxation	**1392.64**	**844.91**
Provision for Taxation for current year	431.51	228.14
Difference in income tax for previous year	(29.38)	5.42
Deferred Tax	58.85	45.76
Net Profit after tax	**931.66**	**565.59**
Add: Balance brought forward from previous years	450.76	440.70
Amount available for appropriation	**1382.42**	**1006.29**
Appropriation: Transfer to general Reserve	493.92	400.00
Proposed Dividend	**156.13**	**133.83**
Corporate Dividend Tax	26.53	21.71
Balance carried to the Balance Sheet	705.84	450.75
*EPS for equity shares of Rc. 1 each (in Rs.) (Annualized)	0.12	0.07

* **Note:** In compliance with the accounting standard 20-earning per share (E.P.S.), the company has given effect to the sub division of shares and issue of bonus shares in computing earning per share for the comparative periods.

2. REVIEW OF OPERATIONS:

During the year under review Company has achieved a total turnover of Rs.15240.90 lacs as compared to Rs. 11609.81 lacs during the previous year and registered growth of 31.28% over previous year as well as has generated profit after tax of 931.66 lacs as compared to Rs 565.59 lacs during the previous year and registered growth of 64.72% in the profits on YOY basis. Your management is hopeful for further improvement in the business climate in the coming period.

3. MARKETING AND EXPORT:

During the year under review the company achieved export turnover of Rs.10545.29 lacs, as compared to Rs.7491.54 lacs during the previous year and registered growth of 40.76% over the previous year. The company has stepped up efforts in increase the export market to new geographical locations/ countries and expects significant improvement in future years.

Company's prospects in domestic market

Cratus Life Care, a division of the company for domestic market has generated turnover of Rs. 4195.91 lacs as compared Rs.3682.93 lacs during previous year and registered growth of 13.92%, the management is hopeful for further remarkable growth in the domestic market in the coming years.

The result of OTC, Generic and ethical division remains satisfactory. It is expected that the division shall become driver of growth of company in coming years.

4. DIVIDEND:

Your Company always strives to enhance stakeholders and customers satisfaction value. In pursuance of the same, your directors are pleased to recommend payout of 23rd dividend @ Rs.0.02 (2%) on the equity share of Re.1 each, (Previous year @ Rs 0.60 (6%) of the equity shares of Rs. 10/- each) and proposes to pay Rs. 156.13 Lacs as dividend (Previous year 133.83 Lacs) subject to approval by the members at the ensuring Annual General Meeting.

5. SHARE CAPITAL

In accordance with the special resolutions passed by the members at their 25th Annual General Meeting held on 5th August, 2013 the Company has sub divided the equity shares of Rs.10 (Rs. Ten only) each to Re.1- (Rs. One only) each as well as upon completion of the 25th years of the Company, 55,76,08,700 (Fifty Five Crores Seventy Six Lacs Eight Thousand Seven Hundred only) Equity Shares of Re. 1 (Rupees One only) were issued as the bonus shares to the existing members in the proportion of 5 (Five) Equity shares of Re.1/- (Rupees One only) for every 2 (Two) equity shares of Re. 1 (Rupees One only) held by the members on 22nd August, 2013 and the above said shares were got listing at the BSE Ltd. Now the paid up capital of the company has been increased from Rs. 22,30,43,480 to Rs. 78,06,52,180.

6. TRANSFER OF UNPAID DIVIDEND TO THE INVESTORS EDUCATION AND PROTECTION FUND:

During the year, unclaimed dividend of Rs. 1614038.40 for the year 2005-06 was transferred to the Investors Education and Protection Fund (IEPF), of the Central Government, which was remained unpaid or unclaimed over a period of 7 (Seven) years as required by the Investor Education and Protection Fund. The Company is having un-paid/unclaimed dividend amount of Rs. 12,95,903/- as at 31st March, 2014 (from 2006-07 to 2012-13).

7. DIRECTORS:

The tenure of Shri Vijay Bankda, (DIN 00023027) as the Managing Director is being expired on 30.11.2014 upon completion of five years, therefore the Board has re-appointed him as the Managing Director of the Company w.e.f. 01.12.2014 for a further period of five years and recommend to pass the special resolution as set out in the Item No. 5 of the notice.

Shri Krishna Das Neema (DIN 02294270) and Shri Kedarmal Bankda (DIN 00023050) are liable to retire by rotation. For the good corporate governance, all the existing independent directors Shri Vinod Kumar Kabra (DIN 01816189), Shri Krishna Das Neema (DIN 02294270) and Shri Praveen Jindal (DIN 05327830) are proposed to be appointed at the ensuing annual general meeting, not liable to retire by rotation as Independent Directors for a term of 5 years as per requirement of section 149 of the Companies Act, 2013 as well as Clause 49 of the Listing Agreement and they shall be eligible to hold the office of the independent directors till 31st March, 2019.

The Company has received notice in writing from the members as required under section 160 of the Act for proposal for appointment of all the Independent Directors of the Company at the ensuing Annual General Meeting.

The Independent Directors have submitted a declaration confirming that they meets the criteria for independence as provided in section 149(6) of the Act as well as Clause 49 of the Listing Agreement and are eligible for appointment as Independent Directors of the Company.

In the opinion of the Board the above said three directors fulfills the conditions specified in the Act and the Rules made there under as well as Clause 49 of the Listing Agreement for their appointment as Independent Directors of the Company and recommend their appointment and to pass the Ordinary Resolutions as set out in the Item No. 6 to 8 of the notice of the annual general meeting.

Mrs. Rinki Bankda (DIN 06946754) was appointed as an additional director of the company in the category of Women Director w.e.f. 13th August, 2014. The Company has received a notice under section 160 of the Companies Act, 2013 from a member, signifying his intention for appointment of her as a director of the company at the forthcoming Annual General Meeting.

8. DIRECTORS RESPONSIBILITY STATEMENT :

Pursuant to the requirement of Section 217(2AA) of the Companies Act, 1956, and based on the representation received from the operating management, the Directors hereby confirm that:

a. in the preparation of the annual accounts, the applicable accounting standards have been followed and there is no material departures;

b. they have selected such accounting policies and applied them consistently and made judgments and estimates that have been 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 the year under review;

c. they have taken proper and sufficient care to the best of their Knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of this Act. They confirm that there are adequate systems and controls for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities;

d. they have prepared the annual accounts for the fiancial year ended 31st March, 2014 on a going concern basis;

9. CORPORATE SOCIAL RESPONSIBILITY:

Your directors have constituted the Corporate Social Responsibility Committee (CSR Committee), comprising of Shri Kedarmal Bankda, as the Chairman and Shri Vijay Bankda and Shri K.D. Neema, members of the Committee as per the requirement of the section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The Said Committee has been entrusted with the responsibility of formulating and recommending to the Board, a CSR Policy indicating the activities to be undertaken by the Company, monitoring the implementation of the frame work of the CSR Policy and recommending the amount to be spent on CSR activities.

10. PARTICULARS OF EMPLOYEES:

Your company did not have any person in employment yet, if employed throughout the financial year or part thereof, was in receipt of remuneration, particulars of which are required to be included in this report as per Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules 1975.

11. ENERGY CONSERVATION AND OTHER REPORTING:

The details of Energy Conservation in terms of section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosures of particulars in Report of Directors Report) Rules, 1988 are enclosed forming part of this report in Annexure –A.

12. FIXED DEPOSITS:

Your company has not accepted or invited any deposits from public within the meaning of Section 58A and 58AA of the Companies Act, 1956, during the year under review, and that there is no overdue unpaid/ undaimed deposit as at 31st March, 2014.

13. AUDITORS:

M/s S.P. Moondra & Co., Chartered Accountants, Indore, statutory auditors of the Company, who holds the office until the ensuing Annual General Meeting. The said Auditors have furnished the Certificate of their eligibility for re-appointment.

Pursuant to the provisions of section 139 and other applicable provisions, if any, of Companies Act, 2013 read with Rule 3 of Companies (Audit and Auditors) Rules, 2014, it is proposed to appoint M/s S.P. Moondra & Co., Chartered Accountants (ICAI Firm Registration No. 004879C), the retiring Auditors of the Company as Statutory Auditors of the Company from the conclusion of this Annual General Meeting (AGM) till the conclusion of the Twenty Ninth AGM of the Company to be held in the year 2017 (subject to ratification of their appointment at every AGM) on such remuneration as may be decided & fixed by the board on the recommendations of the Audit Committee. The Auditors' Report read with notes to accounts are self-explanatory and needs no comments.

14. SECRETARIAL AUDITORS:

The company has appointed M/s. D.K. Jain & Co., Company Secretaries (C.P. No. 2382) as the secretarial Auditors for the year 2014-15 as required under section 204 of the Companies Act, 2013.

15. COST AUDITORS:

Pursuant to the directives of the Central Government under the provisions of section 148 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the Company is required to appoint the Cost Auditors for the year 2014-15. The Cost Audit Report for the year 2013-14 would be filed to the Central Government within the stipulated time.

16. CORPORATE GOVERNANCE:

Your Company is committed to good Corporate Governance Practices and follows 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 B attached to this report.

17. 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.

18. ACKNOWLEGMENTS:

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

Place: Indore
Date : 13th August, 2014

By order of the Board of Director

Syncom Formulations (India) Ltd.
CIN : L24239MH1988PLC047759
7, Niraj Industrial Estate,
Off Mahakali Caves Road,
Andheri (E), Mumbai (MS) 400093

KEDARMAL BANKDA
Chairman & Whole Time Director
DIN : 00023050

Annexure A 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 (2013-14)	Previous Year (2012-13)
1. Electricity (Purchased) Units	22,28,000	18,99,600
Amount ₹	1,75,60,190	1,46,67,160
Rate/ unit ₹	7.87	7.72
2. Electricity (Generated) units	4200	6021
Amount ₹	66950	82,500
Unit per Liter of Diesel oil	3.50	4.01
Rate/unit ₹	15.94	13.70

II. CONSUMPTION PER UNIT OF PRODUCTION:

In view of varied nature of products, of their units of 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 processes for existing and new products.
- Development of new drug delivery systems.
- Development of new products for international marketing.
- Improvement in quality and productivity.

4 Expenditure on Research and Development - NIL

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 10056.50 lacs (previous year Rs.7181.59 lacs) (FOB value) and total foreign outgo was Rs. 21.53 lacs (previous year Rs. 37.03 lacs).

Place: Indore
Date : 13th August, 2014

By order of the Board of Director

Syncom Formulations (India) Ltd.
CIN : L24239MH1988PLC047759
7, Niraj Industrial Estate,
Off Mahakali Caves Road,
Andheri (E), Mumbai (MS) 400093

KEDARMAL BANKDA
Chairman & Whole Time Director
DIN : 00023050

Annexure B to the Directors' Report:
CORPORATE GOVERNANCE REPORT
REPORT IN COMPLIANCE WITH CLAUSE 49 OF THE LISTING AGREEMENT

MANAGEMENT DISCUSSIONS AND ANALYSIS

1. ECONOMY AND INDUSTRY REVIEW

Global Economy and Pharmaceutical Industry

(a) Industrial Scenario

The global economy appears to be on the path of revival with high income economies showing signs of firm recovery after years of low growth and/or recession. This recovery in the high-income economies is expected to be a major contributor to the projected acceleration in the global growth.

Economic activity and business sentiments improved in the developing countries from mid-2013 on the back of strengthening high-income demand and the rebound in China. This positive development though, was partially off-set by tighter financial conditions and reduced capital flows. Increase in long-term interest rates in the United States in response to the expectations of the gradual withdrawal of quantitative easing was one of the key factors responsible for this.

The growth registered by the developing countries in 2013 was almost the same as the growth registered by them in 2012. However, some of the regions and/or countries of the developing world displayed significant variation in the growth rates registered in 2013 vis-à-vis 2012. While the countries of the Eastern Europe, Central Asia and Sub-Saharan Africa witnessed significant increase in the GDP growth in 2013 vis-à-vis 2012, countries of Middle East and North Africa registered significant decline in GDP growth over the same period.

Indian Economy and Pharmaceutical Industry

The Indian Economy registered a growth of 4.9% during the financial year 2013-14, marginally better than the growth of 4.5% registered during the financial year 2012-13. However, the growth rate was much lower than the recent growth rates. Among the three sectors of the economy viz. agriculture, industry and services, the industrial sector was the worst performer as it grew by only 0.7% during the year 2013-14, mainly due to the de-growth registered by the manufacturing and mining sectors.

The financial year 2013-14 saw a steep depreciation of the Indian Rupee vis-à-vis global currencies. The exchange rate between the Indian Rupee and the US Dollar, which was at around Rs.54 in the beginning of the financial year started an upward movement and reached a level of Rs.68-69 in the month of August. From the month of October, the Indian Rupee started appreciating against the US Dollar but the exchange rate remained more or less in the range of Rs.60-63 during the rest of the financial year.

The year 2013-14 turned out to be one of the worst phases for the Indian Pharmaceutical market in the recent past as it grew by a mere 6.1% and reached a size of approximately Rs.75,600 Crores after growing well in excess of 10% during the previous few years. The Government of India notified the new Drug Price Control Order (DPCO) 2013 whereby it expanded the scope of the National List of Essential Medicines (NLEM), covering a large number of medicines under the list and notified revised prices, mostly downward, for the same. This adversely impacted a large number of companies in the Indian Pharmaceutical market as they realised lower prices as notified by the new DPCO 2013 on an increased number of products. During the year, the products covered under the NLEM saw an overall sales decline of approximately 8% whereas those out of the purview of the list grew by around 8.5%.

(b) Threats, Risks and Concerns:

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

Slower consumer off-take resulting from the recent economic slowdown may result in poor prescription compliance, namely postponing treatment and/or buying less than the prescribed dosage.

(c) Opportunity:

The growth of middle class in the country has resulted in fast changing lifestyles in urban and to some extent rural centers. This opens a huge market for lifestyle drugs, which has a very low contribution in the Indian markets. Opening up of health insurance sector and the expected growth in per capita income are key growth drivers from a long-term perspective. This leads to the expansion of healthcare industry of which pharma industry is an integral part. It is estimated that the number of Indians who can afford quality private health care stands at about 100 million, which is about 1/3rd of middle class population and 1/10th of the total population. Increasing penetration of health insurance coupled with rising purchasing power is expected to stimulate the market. Healthcare reforms are also expected to expand the coverage of organize health care to rural areas leading to increased supply of secondary care.

(d) Outlook:

The Indian Pharmaceutical Industry, particularly, has been the front runner in a wide range of specialities involving complex drugs manufacture, development & technology. With the advantage of being a highly organized sector, the pharmaceutical companies in India are growing at the rate of $4.15 billion, registering further growth of 8-9% annually. Rising income combined with constrained increase in drug prices will drive up consumption. Market growth will also be driven partly by the effort of more companies to broaden their spectrum.

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

We believe that 2013-2014 could be as optimistic with the economic environment getting favorable.

(e) Internal control systems and their adequacy:

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

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

The Company has a system for regular review of internal controls to assess its effectiveness and the controls are suitably revised to keep pace with changing business environment. Internal Control Systems and processes are reviewed and tested by internal Auditors appointed by the Company M/s Biyani Mittal & Co., Chartered accountants as per requirement of section 138 of the Companies Act, 2013 on a regular basis. The scope of Audit Program is agreed upon with the Audit Committee. Audit observations and recommendations are reported to the Audit Committee, which monitors the implementation of the said recommendations. Further that the Company is carrying the cost audit from the cost auditors and it reviews the cost audit report and take corrective steps to reduce the cost of production.

The Audit Committee addresses the business risk on continuous basis. The Company has taken the initiative to institutionalize an enterprise-wide risk management program and integrate the same with internal Controls.

(f) Cautionary statement:

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

2. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

The Company has been committed to healthy corporate governance practices. Being a value driven organization, the Company's corporate governance practices and disclosures have been duly complied with the statutory and regulatory requirements of the Companies Act, 1956 and the applicable provisions of the Companies Act, 2013, 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 requirements as applicable to the Company.