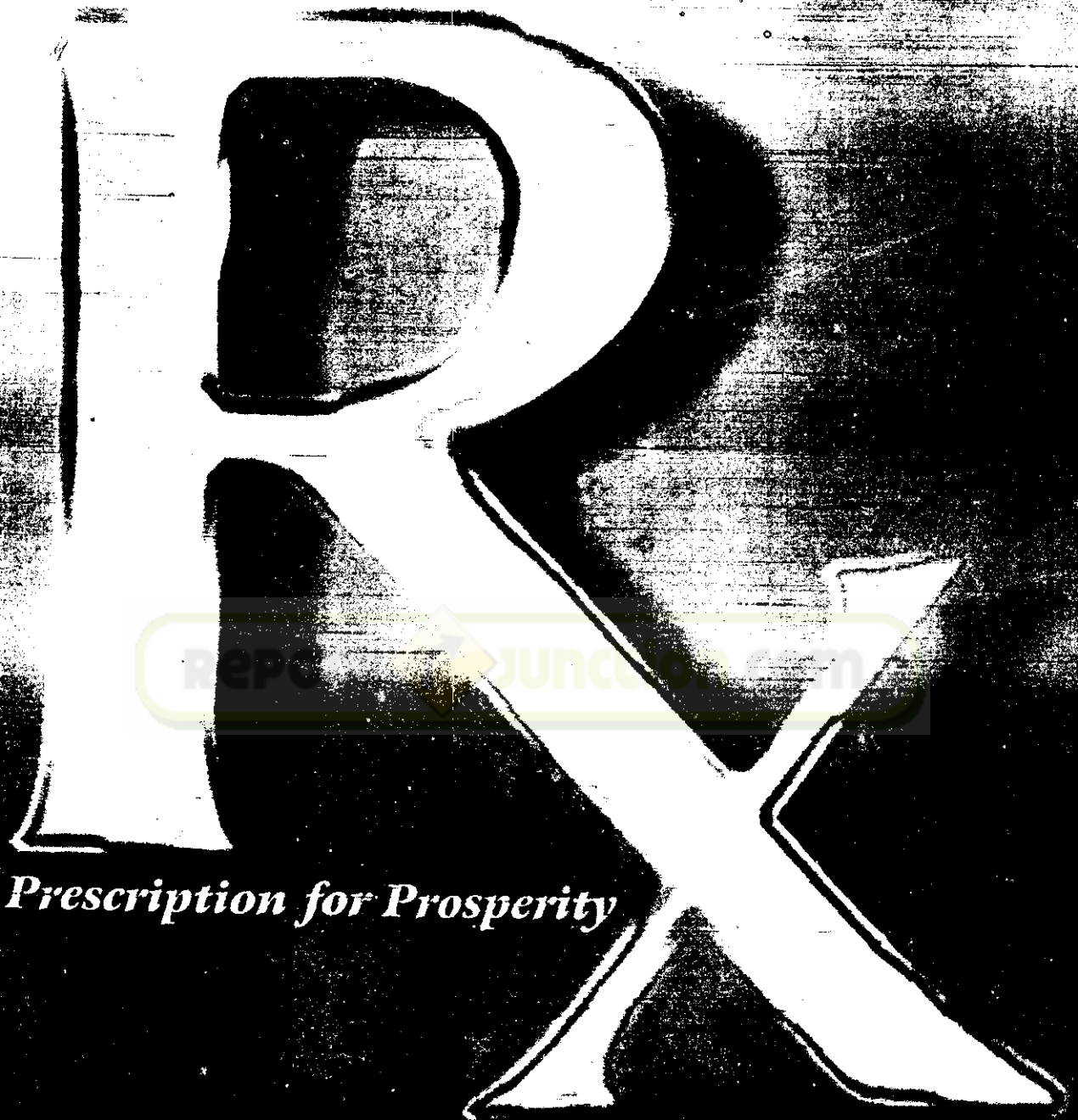


12th Annual Report 1999-2000



Prescription for Prosperity



Syncom

Formulations (India) Limited



Kedarmal Bankda
Chairman

HUMAN CAPITAL

People are our most precious possession and hence HRD (Human Resource Development) becomes an integral part of our philosophy. We consider training and development costs as investment in the intellectual capital so as to get a higher corporate I.Q.



Vijay Bankda
Managing Director

GLOBAL SCOPE

International business is witnessing an unprecedented spurt. Syncom's quality standards at par with the International ones coupled with low cost make us globally competitive.



Ajay S. Bankda
Managing Director

CORPORATE RESTRUCTURING

In order to tap the maximum potential we have to now

- * *Re-define our business scope.*
- * *Re-structure our business network.*
- * *Re-engineer our business operations.*
- * *Re-orchestrate our business system, and above all*
- * *Re-train / Re-skill our people.*

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BOARD OF DIRECTORS

Chairman
Kedarmal Bankda

Managing Directors
Vijay Bankda
Ajay S. Bankda

Director
Mukesh R. Patel

Bankers
Dena Bank

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

Syncom Formulations (I) Ltd.



NOTICE OF THE TWELFTH ANNUAL GENERAL MEETING

Notice is hereby given that the Twelfth Annual General Meeting of the members of the Company will be held on Saturday, the 20th May, 2000 at 11.00 A.M. at 7-Niraj Industrial Estate, Off Mahakali Caves Road, Andheri East, Mumbai-400093, to transact the following business:-

ORDINARY BUSINESS

1. To consider and adopt the Audited Balance Sheet as at 31st March, 2000 and Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors' and Auditors' thereon.
2. To declare dividend at the rate of 20% (prorata) on equity shares.
3. To appoint Director in place of Shri Ajay S. Bankda, who retires by rotation and being eligible, offer himself for reappointment.
4. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS

ITEM No. 5

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

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

ITEM No. 6

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

"RESOLVED THAT in accordance with the provisions of Sections 198, 269 and 309 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force), and subject to the limits specified in Schedule XIII to the said Act, Shri Vijay Bankda be and is hereby appointed as Managing Director of the Company for a period of five years, with effect from 1st December, 1999 to 30th November, 2004 on such salary and other perquisites as are set out in explanatory statement attached to notice convening this Annual General Meeting, a copy where of initiated by the Chairman for the purpose of identification and is hereby specifically sanctioned with liberty to the Board of Directors to alter and vary the terms and condition of the appointment so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956 including any statutory modification or reenactment thereof for the time being in force or any amendments or modification that may hereafter be made thereto by the Central Government or as may be required by any other applicable law and as may be agreed to between the Board of Directors and Shri Vijay Bankda."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take such steps as may be necessary to give effect to this resolution."

ITEM No. 7

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

"RESOLVED THAT subject to such consents, permissions or sanction as may be required from any authority, statutory or otherwise, particularly from the Securities and Exchange Board of India (SEBI), if necessary, and pursuant to section 61, listing agreement entered into by the company with the Stock Exchanges where the shares of the company are listed and all other applicable provisions of the Companies Act, 1956 and guidelines, rules etc. framed by SEBI in this regard, and also subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, which may be agreed to or accepted by the Board of Directors of the Company (herein after referred to as the 'Board' which expression shall also include a Committee thereof), consent of the Company be and is hereby accorded to the Board to seek voluntary delisting of its equity shares listed at The Stock Exchange, Ahmedabad, The Delhi Stock Exchange Associates Limited, New Delhi and The M.P. Stock Exchange, Indore"

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to settle all questions, difficulties or doubts as may arise in regard to the aforesaid voluntary delisting of shares as it may in its absolute discretion deem fit and to take all necessary steps in this regard in order to comply with all the legal and procedural formalities."

ITEM No. 8

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

"RESOLVED THAT in accordance with the provisions of Sections 198, 269 and 309 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force), and subject to the limits specified in Schedule XIII to the said Act, Shri Kedarnal Bankda who was appointed as Managing Director in the Annual General Meeting (AGM) on 29th September, 1997 be and is hereby re designated as Whole time Director of the Company for the remaining period of his tenure i.e. from 20/04/2000 to 02/05/2002 on such salary and other perquisites as are set out in resolution passed in the AGM held on 27/09/1999 and explanatory statement attached thereto and is hereby specifically sanctioned with liberty to the Board of Directors to alter and vary the terms and condition of the appointment so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956 including any statutory modification or reenactment thereof for the time being in force or any amendments or modification that may hereafter be made thereto by the Central Government or as may be required by any other applicable law and as may be agreed to between the Board of Directors and Shri Kedarnal Bankda."



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"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take such steps as may be necessary to give effect to this resolution."

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

**Kedarnal Bankda
Chairman**

**Place : Indore
Date : 20th April, 2000**

NOTE

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member.
2. The Explanatory Statement setting out the material facts in respect of the business under item No. 5 to 8 is annexed hereto.
3. The Register of members and share transfer book of the company will remain closed from 17th May, 2000 to 20th May, 2000 (both days inclusive).
4. Shareholder seeking any information with regard to Accounts are requested to write to the company at least 7 days before the date of meeting enable the management to keep the information ready.
5. The dividend, if declared, will be paid on or after 20th May, 2000 to the members so entitled, whose names appear in the register of members of company as on the 20th May, 2000.

EXPLANATORY STATEMENT

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

ITEM No. 5

Shri Vijay Bankda was appointed by the Board of Directors of the company as an additional director w.e.f. 1st December, 1999. He will hold office up to ensuing Annual General Meeting and is eligible for reappointment. The Company has received a notice u/s 257 of the Companies Act, 1956 proposing his candidature for the office of Director of the Company.

Shri Vijay Bankda is B.Com., LL.B. and has experience of more than two decades in the pharmaceuticals industry. The Directors recommend the appointment of Shri Vijay Bankda to the Board of Company.

Shri Vijay Bankda, Shri Kedarnal Bankda and Shri Ajay S. Bankda, being the brother may deemed to be concerned or interested in the resolution. None of the other Directors of the company is in any way concerned or interested in the resolution.

ITEM No. 6

Shri Vijay Bankda was appointed in the Board of Directors Meeting held on 29th November, 1999 for a period of five years from 1st December, 1999 to 30th November, 2004.

The terms of remuneration of Shri Vijay Bankda will be as under:

1. Salary: Rs. 10,000/- per month with annual increment of Rs. 1000/-.
2. Perquisites: The perquisites will be restricted to amount equivalent to the annual salary or Rs. 1,20,000/- per annum, whichever is less, and are classified into three categories called as A, B and C.

These are as follows:-

(a) CATEGORY "A"

- (i) **HOUSING:** The company shall provide Rent free residential accommodation.
- (ii) **MEDICAL:** The company shall reimburse medical expenses incurred by Director for himself and his family subject to one month's salary in a year or three month's salary over a period of three years.
- (iii) **L.T.C.:** The Director shall be entitled to LEAVE TRAVEL CONCESSION for himself and his family once in a year in accordance with the rule of the company.
- (iv) **CLUB FEE:** The Company shall pay or reimburse the fees of a maximum of two clubs. This payment shall not include admission and life membership fees.
- (v) **INSURANCE:** The Company shall pay or reimburse the premium amount of PERSONAL ACCIDENT INSURANCE which shall not exceed Rs. 1000/- (Rs. One Thousand only) per annum.



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(b) CATEGORY "B"

- (i) **P.F. CONTRIBUTION:** The Company shall contribute up to the maximum of 10% of his salary towards PROVIDENT FUND. Contribution to provident fund shall not be included in the computation of the ceiling of perquisites to the extent this is not taxable under the Income Tax Act, 1961.
- (ii) **GRATUITY:** The Director shall be entitled to GRATUITY equivalent to his half month's salary for each completed year of service, subject to a ceiling of RS. 1,00,000/- (Rs. One lacs only).

(c) CATEGORY "C"

- (i) **MOTOR CAR:** The company shall provide Director a car and driver to use for the company's business. The use of the car for the private purpose shall be billed to him on actual basis.
- (ii) **TELEPHONE:** The company shall provide telephone facility at his residence or shall reimburse the expenses on telephone calls incurred for business of the company. The provision of car for use on the company's business and telephone at residence will not be considered as perquisites.

The directors recommend the resolution for approval of the shareholders.

The above may be treated as an abstract of the terms of appointment of Shri Vijay Bankda, under section 302 of the Companies Act, 1956.

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

ITEM No. 7

As the members are aware that the equity shares of the Company are listed with The Stock Exchange, Mumbai, The Stock Exchange, Ahmedabad, The Delhi Stock Exchange Associates Limited and The M.P. Stock Exchange, Indore. It has been observed that since last few years trading of shares of your company on The Stock Exchange, Ahmedabad, The Delhi Stock Exchange Associates Limited and The M.P. Stock Exchange, Indore has been very rare and of very low volume and/or no trading. Your company has been spending considerable amount of money on listing fees, and communication expenses in the form of fax charges and registered letters for compliance of various provisions of listing agreement like board meeting notices, AGM and EGM notices, Book closure notices, quarterly results etc. Shareholders/ Investors do not get any benefit despite company spending these amounts and therefore it has been considered that the listing on these stock exchanges be discontinued. Shareholders/ Investors in these region will not suffer due to delisting since with the introduction of bolt system on The Stock Exchange, Mumbai, trading in shares can be easily done from all over the country.

Considering the facts, your Board of Directors has proposed delisting of equity shares of your company from The Stock Exchange, Ahmedabad, The Delhi Stock Exchange Associates Limited and The M.P. Stock Exchange, Indore and has therefore put before you the Special Resolution under item No. 7 of the notice of the AGM for your approval.

None of the Directors is interested in this resolution.

ITEM No. 8

Shri Kedarmal Bankda was appointed as Managing Director of the company w.e.f. 03/05/1997 in the Annual General Meeting held on 29/09/1997. He informed that as Shri Vijay Bankda has been proposed to be appointed as Managing Director of the Company w.e.f. 1st December, 1999 for which shareholders approval is sought in the ensuing 12th Annual General Meeting. Hence his post is re-designated as Chairman and whole-time Director of the Company with duties and responsibilities remain the same as before the re-designation. The Board place on record their sincere appreciation for the valuable services and guidance received during his tenure as Managing Director.

The directors recommend the resolution for approval of the shareholders.

The above may be treated as an abstract of the terms of variation of appointment of Shri Kedarmal Bankda, under section 302 of the Companies Act, 1956.

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

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

Kedarmal Bankda
Chairman

Place: Indore
Date : 20th April, 2000



Syncom Formulations (I) Ltd.

DIRECTOR'S REPORT

To,

The Members,

Your Directors are pleased to present the Twelfth Annual report together with Audited Accounts of the company for the year ended 31st March 2000.

FINANCIAL RESULTS

(Rs.in lacs)

	Year ended 31/03/2000	Year ended 31/03/1999
Sales and other income	4546.72	3211.22
Profit before interest & depreciation	552.34	304.79
Less : Interest	174.49	147.32
Less : Depreciation	87.11	97.23
Profit before tax	290.74	60.24
Provision for taxation	23.00	5.53
Profit after tax	267.74	54.71
Balance brought forward from prev. year	68.32	40.16
Amount available for appropriation	336.06	94.87
<u>Appropriation :</u>		
Transfer to General Reserve	30.00	4.63
Proposed dividend	88.81	19.93
Corporate dividend tax	8.88	1.99
Balance carried to Balance Sheet	208.37	68.32
	336.06	94.87
NET PROFIT	267.74	54.71
E.P.S. (In Rs.) (Annualised)	6.03	1.37

OPERATIONS

During the year, under review the sales and other income of your company has increased to Rs. 4546.72 lacs which registered a growth of 42% over the sales and other income of Rs. 3211.22 lacs in the previous year. The net profit of company has also increased to Rs. 267.74 Lacs which registered a growth at the rate of 390% over the previous years net profit of Rs. 54.71 lacs. The earning per shares (EPS) has also increased to Rs. 6.03 against previous years EPS of Rs. 1.37.

Keeping in view the shifting consumer preferences for the use of Herbal Products, company has also initiated steps to aggressively take up manufacturing and marketing of Herbal products. Some of the products already being marketed are : Edicare, Attom Megacaps, Ecziguard, Yas antacid Salt.

During the year your company has been approved as a supplier to Central ESI hospitals under which it is estimated that the company should generate substantial sales volume during the year 2000-1. Other than this our registration with Defence services is also in the final stages of approval and we expect substantial business from this new institutional source in the next years.

EXPORT SALES

With the grant of WHO certification in 1997-98 your company had initiated major marketing efforts for break through in export markets. The company was able to achieve exports of Rs. 189.62 Lacs during the year 1999-2000.

A major Break through has been achieved in 1999-2000 with the company and it's associates having received export orders of Rs.700.00 Lacs in March 2000 against which advance payment has already been received by the company. Hence better export turnover is expected during the year 2000-1.

The countries to whom Syncom presently exports goods are Guine, Ghana, Kenya, Tanzania, Nigeria - in Africa and Azberjan, Nepal, Srilanka - in Asia.