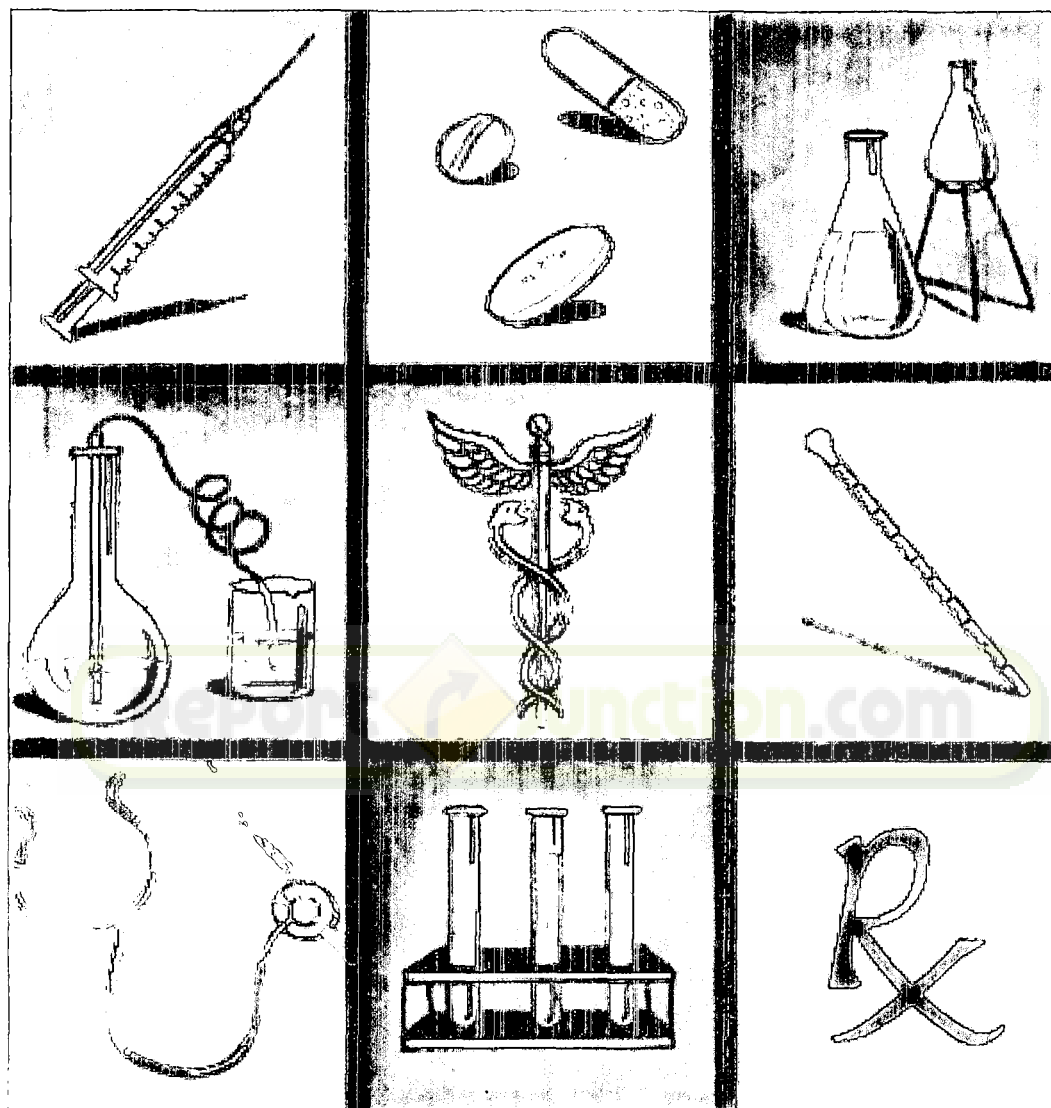


20th ANNUAL REPORT 2007-08



**Syncom Formulations
(India) Ltd.**

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

Kedarmal Bankda
Chairman

Vijay Bankda
Managing Director

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

Audit Committee

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

Shareholders/Investors Grievance Committee

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

Remuneration Committee

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

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 20TH ANNUAL GENERAL MEETING**

Notice is hereby given that the Twentieth Annual General Meeting of the members of **SYNCOM FORMULATIONS (INDIA) LTD.** will be held on Friday, the 26th September 2008, at 2.00 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:

I. ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2008 and the Profit and Loss Account for the year ended 31st March 2008 together with the Reports of the Board of Director and Auditor thereon.
2. To declare dividend on the equity share capital of the Company.
3. To appoint a director in place of Shri Kedarmal Bankda, who is liable to retire by rotation and being eligible offers himself for re-appointment.
4. 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.

II. SPECIAL BUSINESS BY ORDINARY RESOLUTION:

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

RESOLVED THAT Shri Krishna Das Neema, who was appointed as Additional Director by the Board to hold office up to the date of this Annual General Meeting, and in respect of whom a notice under section 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose, Shri Krishna Das Neema as a candidate for the office of the Director be and is hereby elected and appointed as Director of the Company, liable to retire by rotation.

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 Section 94 and other applicable provisions, if any, of the Companies Act, 1956, the authorised share capital of the Company be and is hereby increased from Rs. 10,00,00,000 (Rupees Ten Crore) divided into 1,00,00,000 (One Crore) Equity Shares of Rs. 10 (Rupees Ten Only) each to Rs. 14,00,00,000 (Rupees Fourteen Crores) divided into 1,40,00,000 (One Crore Forty Lakhs) Equity Shares of Rs. 10 (Rupees Ten Only) each.

RESOLVED FURTHER THAT the Board of Directors of the company be and are hereby authorised to do and perform all such acts, deeds, matters or things as may be necessary, appropriate, expedient or desirable to give effect to this resolution."

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 Section 16 and other applicable provisions, if any, of the Companies Act, 1956, and subject to the passing of resolution for increase in Authorised Share Capital of the Company by the members of the Company with requisite majority, Clause V of the Memorandum of Association of the Company be and is hereby altered by substitution of the existing clause with the following clause:

"The Authorised Share Capital of the Company is Rs. 14,00,00,000 (Rupees Fourteen Crores only) divided into 1,40,00,000 (One Crore Forty Lakhs) Equity Shares of Rs.10 (Rupees Ten Only) each with power to increase and reduce the capital of the Company and to divide the shares in the Capital for the time being into several classes and attach thereto respectively such preferential qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of the Company for the time being and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be permitted by the Articles of the Company or the legislative provisions for the time being in force in that behalf."

RESOLVED FURTHER THAT the Board of Directors of the company be and are hereby authorised to do and perform all such acts, deeds, matters or

things as may be necessary, appropriate, expedient or desirable to give effect to this resolution."

8. 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 31 and other applicable provisions, if any, of the Companies Act, 1956, the existing Clause No 3 of Articles of Association of the Company, be and is hereby altered by substituting following clause in the place of existing Clause No. 3 -
"The Authorised Share Capital of the Company shall be same as appearing in the Clause No. V of the Memorandum of Association of the Company."

RESOLVED FURTHER THAT the Board of Directors of the company be and are hereby authorised to do and perform all such acts, deeds, matters or things as may be necessary, appropriate, expedient or desirable to give effect to this resolution."

9. 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 81(1A) and other applicable provisions, if any, of the Companies Act 1956 and in accordance with the provisions of the Articles of Association and subject to the guidelines issued by Securities and Exchange Board of India (SEBI), and such other approvals, permissions and sanctions as may be necessary and subject further to such conditions and modifications as may be prescribed in granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee thereof), at its sole discretion the approval of the members of the Company be granted to the Board of Directors who are authorised to raise up to Rs. 25.00 Crores only by way of creation, offer and issue to the existing holders of the Equity Shares of the Company such number of equity shares of the Company of the face value of Rs.10/- (Rupees Ten Only) each in the ratio of 1:2 i.e one (1) equity share for every two (2) equity shares held on rights basis together with one detachable warrant for every one equity share allotted to the existing shareholders on right basis is convertible into one (1) Equity Share of face value of Rs.10/- each for cash, in one or more tranches and at such premium per share/ warrant as may be fixed and determined by the Board prior to the issue and on such other terms and conditions, if any, in respect of such issue, to such extent as may be then permissible, and at such time or times as the Board at its absolute discretion and in the best interest of the Company may deem fit.

RESOLVED FURTHER that new equity shares under the above said right issue and upon conversion of detachable warrants into equity shares to be issued shall rank pari passu with the existing equity shares of the company in all respects.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to allot the shares on basis of the application received as a result of offer from the existing equity shareholders and/or renounces of the Company and to dispose of shares remained unaccepted if any in manner as the as the Board may think beneficial to the Company.

RESOLVED FURTHER THAT the company be and is hereby authorized to take all such action including appointment of various agencies, intermediaries, seek all necessary consents, approval, file letter of offer the Stock Exchange, SEBI, and or any other concerning authorities, fix records date in consultation with the stock exchange delegate all or any of the powers herein conferred to any committee of directors constituted/to be constituted or the Managing director of the company or any other officer or officers of the company to give effect to the aforesaid resolution."

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

Place: Indore
Date : 29th August, 2008

**KEDARMAL BANKDA
CHAIRMAN**



Syncom Formulations (India) Limited



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 25.09.2008 to 26.09.2008 (both days inclusive).

3. The dividend, if declared, will be paid on or after 1st Oct., 2008 to the members so entitled, whose names appear in the register of members as on 26th Sept., 2008 being the date of Annual General Meeting of the company.

In respect of shares held in electronic form, the dividend will be paid to those beneficial owners whose name appears in the statement furnished by the depositories for the purpose.

4. (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.

5. Non-resident Indian Shareholders are requested to inform Share Transfer Agents immediately:

6. (a) the change in the residential status on return to India for permanent settlement.

(B) the particulars of NRE Account with Bank in India, if not furnished earlier.

7. All documents referred to in the accompanying notice are open for inspection at the Registered office of the Company on all working days, except Saturdays between 11.00 A.M. to 1.00 P.M.

8. Members who are holding shares in identical order of names in more than one folio are requested to send to the Company the details of such folios together with the share certificates for consolidating their holdings in one folio. The share certificates will be returned to the members after making requisite changes thereon.

9. Members desiring of obtaining any information concerning accounts and operations of the Company are requested to address their questions in writing to the Company at least 7 days before the date of the Meeting so that the information required may be made available at the Meeting.

10. 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.).

11. As per the provisions of the Companies Act, 1956, facility for making nominations is now available to INDIVIDUALS holding shares in the Company. The Nomination Form-2B prescribed by the Government can be obtained from the Share Transfer Agent or may be down loaded from the website of the Department of Company Affairs.

12. The unpaid dividend for the year 2000-01 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 2000-01 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.

13. Pursuant to the Clause No.49 of the Listing Agreement, profile of the directors proposed for appointment/re-appointment being given in a statement containing details of the concerned directors is annexed hereto.

STATEMENT REGARDING THE DIRECTORS PROPOSED FOR APPOINTMENT

Name and Designation Of Appointee	Age/ Qualification Year	Expertise/ Experience	Date of appointment	Other Directorship	No. of shares held & %age
Shri Kedarmal Bankda, Executive Chairman	56 years / M.Com	33 years Experience in Pharmaceuticals field in various Capacity. He is the key and found persons & promoters of the company	13/4/1992	-	10,27,226 16.50% of the paid up capital.
Shri Krishna Das Neema	51 years / M.Com. L.L.B.	34 years Experience in Business	31/7/2008	-	-

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

Place: Indore

Date : 29th August, 2008

KEDARMAL BANKDA
CHAIRMAN

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT IN PURSUANT TO THE PROVISIONS OF SECTION 173(2) OF THE COMPANIES ACT, 1956 IN RESPECT TO THE SPECIAL BUSINESS

ITEM NO. 5:

To comply with the requirement of Clause 49 of the listing agreement Shri Krishna Das Neema, was appointed by the Board as an Additional Director in the category of non-executive independent director of the Company w.e.f. 31st July, 2008 to hold office till the date of the ensuing Annual General Meeting.

The Company have received a notice u/s 257 of the Companies Act, 1956 from a member proposing his appointment for the office of the Director of the Company. Shri Neema is an experienced Businessman.

The Board recommended for the appointment of Shri Krishna Das Neema and proposes to pass the resolutions as set out in item No.5 of the Notice as an Ordinary Resolution.

Except, Shri Krishna Das Neema, none of the directors of the Company are interested or concerned in the resolution.

ITEM NO.6 to 8:

The present authorised share capital of the Company is Rs.10,00,00,000 (Rupees Ten Crores) divided into 1,00,00,000 (One Crore) Equity Shares of Rs. 10 each (Rupees Ten Only).

The Board of Directors of your Company has taken steps for expansion of business in the domestic markets etc., and for that purpose it is having long term working capital requirements. For this the present capital base of the Company would not be sufficient and the Board felt it necessary to generate more funds from the shareholders of the Company by way of rights issue and to achieve the object increase in the authorised share capital of the Company is required.

Therefore, requisite approval of members of the Company is required to increase the authorised share capital of the Company to Rs.14,00,00,000 (Rupees Fourteen Crores only) divided into 1,40,00,000 (One Crore Forty Lacs) Equity shares of Rs. 10 (Rupees Ten only) each.

For this purpose it is required to alter the existing Clause 3 of the Articles of Association and Clause V of the Memorandum of Association by substituting respective new Clause as given in the Item No. 7 & 8 of the notice of the Meeting.

Your Directors recommend approval to the resolution as set out in the Item No. 6 to 8 of the notice with the requisite majority.

Draft amended copy of the Memorandum and Articles of Association of the Company is available for inspection at the Registered Office of the Company till the date of the Meeting.

None of the Directors are deemed to be concerned or interested in the said resolution except in the capacity of shareholders of the Company.



Syncom Formulations (India) Limited

ITEM NO.9:

The Board of Directors of your Company desires to raise the paid up capital by adopting new means for purpose of working capital requirements and increasing profitability of the Company. As the funds that are at presently available with Company are not sufficient to meet the impacted increase in working capital fund requirement therefore your directors proposes rights issue of the shares in the ratio of 1:2 (One Share for every two share held by the shareholder) together with one Detachable Warrants for every equity shares allotted under the right issue, which will be convertible on exercise of option by the warrant holders.

Warrant Exercise Period shall be the period commencing after 12 months from the date of allotment up to 48 (forty eight) months from the date of allotment. The warrant will get converted on or before a fixed date (i.e. "Notice Date, the outermost date for conversion") and would be made uniformly in respect of all the warrants outstanding. The Company will fix the Record Date as any time during the Warrant Exercise Period for the purpose of warrant conversion. The conversion of warrants into Equity Shares of the Company will be as per the Warrant Exercise Price as mentioned under the para "Warrant Exercise Price" provided below.

- (a) 20% discount to the average six weekly closing prices before the date of the public notice on Designated Stock Exchange; or
- (b) 20% discount to average two weekly closing prices before the date of the public notice on the Designated Stock Exchange; or
- (c) The Price disclosed and offered for equity shares in the proposed right issue, in the Letter of Offer being the Cap Price.

Which ever is lower

Subject to the provisions as may be contained in the Letter of Offer, the Articles of Association of the Company and the approval of the Designated Stock Exchange, the Board will proceed to allot one detachable warrant for every 1 Equity shares allotted under the rights issue.

The Company will apply for the Record Date with the Stock Exchanges and fix the Record Date for right offer and the Company will determine the Warrant Conversion Price on relevant date, which is the date prior to date of the public notice.

The allotment of such Equity Shares with detachable warrants will be at the sole discretion of the Board/ duly authorized committee of Directors in consultation with the Designated Stock Exchange, as a part of the Issue and not preferential allotment.

Your Directors recommend approval to this resolution as a Special Resolution.

None of the Directors are deemed to be concerned or interested in the said resolution except in the capacity of shareholders of the Company to the extent of the shares and warrants offered and accepted as well as additional shares if any applied by them.

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

Place: Indore
Date : 29th August, 2008

**KEDARMAL BANKDA
CHAIRMAN**



Syncom Formulations (India) Limited

DIRECTORS' REPORT

To,
The Members,
Syncom Formulations (India) Limited

Your directors have pleasure in presenting their 20th Annual Report and Audited Statements of Accounts for the year ended 31st March 2008.

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 31/03/2008	Year ended 31/03/2007
Sales and Other incomes (Net)	6889.61	6162.31
Profit before interest, depreciation and tax	783.85	845.30
Less: Financial Charges	22.16	5.84
Less: Depreciation	178.13	146.97
Profit before Taxation	583.56	692.49
Provision for Taxation for current year	136.34	190.71
Difference in income tax for previous year	21.05	46.65
Fringe Benefit Tax	13.25	9.06
Deferred Tax	54.33	38.33
Net Profit after tax	358.59	407.74
Add: Balance brought forward from previous years	332.99	244.45
Amount available for appropriation	691.58	652.19
Appropriation: Transfer to general Reserve	350.00	250.00
Proposed Dividend	31.13	59.15
Corporate Dividend Tax	5.29	10.05
Balance carried to the Balance Sheet	305.16	332.99
E.P.S. (in Rs.) (Annualized)	6.06	7.08

2. REVIEW OF OPERATIONS:

During the year under review Company has achieved total turnover of Rs 6889.61 lacs as compared to Rs 6162.31 lacs during the previous year thereby registering growth of 11.80% in turnover on YOY basis. The company recorded profit of Rs 358.59 lacs as compared to Rs 407.74 lacs during the previous year.

3. MARKETING AND EXPORT:

During the year under review the export sales of the company increased to RS 5604.86 lacs. Which registered a growth of 5.79% over the previous year sales of Rs 5297.98 lacs. The company has stepped up efforts in increasing the export market to new geographical locations/countries and expects significant improvement in future years.

India's growth story has unfolded excellent business opportunity for the Indian pharmaceutical industry. The Indian Pharma market has demonstrated impressive growth over the last few years. To penetrate into this huge and potential market Cratus Life Care was launched during the last financial year as a division of the company. Cratus is now a known name and enjoys a good image in the domestic market and it is expected that this division shall become driver of growth of the company in coming years.

4. CONTRACT MANUFACTURING:

Your company has been doing contract manufacturing for few large companies to utilize its spare capacity in various segments.

5. DIVIDEND:

Your company's philosophy is to enhance stakeholders and customers satisfaction value. In continuation of said philosophy your directors are please to recommend payment of 17th dividend @ 5% (Rs. 0.50 per equity share) for the financial year 2007-08 subject to the approval by members at the Annual General meeting.

6. EXPANSION CUM MODERNISATION PROJECTS:

Your directors are pleased to report that prestigious expansion cum modernization project at Pithampur unit is complete with the total investment of Rs 1516.62 lacs.

7. ISSUANCE OF EQUITY SHARES & WARRANTS:

Your company has raised long term financial resources by way of preference issuance of 3,10,000 equity shares of Rs.10 each at a premium of Rs.36 per share on 29th March, 2008 to the promoters of the Company and the said Equity

shares have already been listed with the BSE.

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, to the person acting in concert with the promoters. The said warrants 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.

The Company has utilized the entire issue proceeds towards the working capital requirements as per objects of the issue and no unutilized amount remains with the Company.

With the expanded installed manufacturing capacity now on stream and in view of major upturn in operations expected in the current and coming years, requirement for long term working capital is expected to substantially increase in line with expected increase in export and domestic turnover. To meet this expected increased requirements of working capital funds, your directors proposes to raise up to Rs. 25.00 Crores only by way of fresh capital through right issue of Equity Shares of Rs. 10/- each to the members of the Company in the ratio of one equity share for every 2 equity shares held by the members together with one Detachable Warrants convertible for every one equity share allotted under the proposed Right at such price as may be determined by the Board of directors of the Company. Your Company is taking suitable steps in these regards.

8. 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.

Further that Shri Kedarmal Bankda is liable to retire by rotation at the ensuing annual general meeting and being eligible offers himself for re-appointment.

Shri Krishna Das Neema was appointed as the Additional Director in the capacity of Independent Director in the Board of directors of the Company w.e.f. 31st July, 2008. Your Company has received a notice u/s 257 of the Companies Act, 1956 proposing his appointment as a director of the Company. Your directors recommend for passing necessary resolution for his appointment.

9. 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, 2008 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.

10. 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.

11. 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.

12. 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.

Syncom Formulations (India) Limited



13. 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.

14. 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.

15. 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.

16. ACKNOWLEDGMENTS:

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 : 29th August, 2008

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 (2007-2008)	Previous Year (2006-2007)
1. Electricity (Purchased) Units	20,29,756	18,12,820
Amount (Rs.)	98,15,094	92,69,918
Rate/unit (Rs)	4.84	5.11
2. Electricity (Generated) units	13,755	6,800
Amount (Rs.)	1,60,325	89,304
Unit per Litre of Diesel oil	3	2.39
Rate/unit (Rs.)	11.65	13.13

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.)	2007-08	2006-07
a. Capital	32.57	Nil
b. Revenue	05.08	Nil
C. Total	37.65	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. 5479.50 Lacs (previous year 4843.13 Lacs) (FOB value) and total foreign outgo was Rs. 406.52 Lacs (previous year 375.50 Lacs).

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

Place: Indore
Date : 29th August, 2008

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 1 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:

2(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.

Details of the directors are as under:

Director	Executive /Independent	No. Of outside directorship held
Shri Kedarmal Bankda	Promoter & Executive	0
Shri Vijay Bankda	Promoter & Executive	0
Shri Vinod Kumar Kabra	Independent/NED	0
Shri Arpit Gupta	Independent/NED	11
Shri Sanjay Metha	Independent/NED	2
Shri Krishna Das Neema*	Independent/NED	0

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

2(ii) Details of director reappointment / seeking appointment.

Kedarmal Bankda, the Director of the company, is liable to retire by rotation and seeking his re-appointment. Shri Krishna Das Neema proposed to be appointed as a director u/s 257 of the Companies Act, 1956

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

During the financial year 2007-08, 12 meeting of the Board of directors were held. The following table gives the attendance record of all the directors at the



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Board Meetings.

Name of the Director	Mr. Kedarmal Bankda	Mr. Vijay Bankda	Mr. Vinod Kumar Kabra	Mr. Arpit Gupta	Mr. Sanjay Mehta
Dates of Meetings					
30.04.2007	Yes	Yes	Yes	Yes	Yes
30.07.2007	Yes	Yes	Yes	Yes	LOA
29.08.2007	Yes	Yes	Yes	Yes	LOA
30.10.2007	Yes	Yes	Yes	LOA	LOA
31.10.2007	Yes	Yes	Yes	LOA	LOA
07.11.2007	Yes	Yes	Yes	LOA	LOA
16.01.2008	Yes	Yes	Yes	Yes	LOA
23.01.2008	Yes	Yes	Yes	Yes	LOA
31.01.2008	Yes	Yes	Yes	Yes	LOA
15.02.2008	Yes	Yes	Yes	Yes	LOA
25.03.2008	Yes	Yes	Yes	Yes	LOA
29.03.2008	Yes	Yes	Yes	Yes	LOA

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:

3(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 Sanjay Mehta	Director	Member
3.	Shri Vinod Kabra	Director	Member
4.	Shri Krishna Das Neema*	Director	Member

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

Shri Devendra Maheshwari, the Manager (Finance) 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.

3(b) Meetings and Attendance during the year:

Name of the Director	Mr. Arpit Gupta	Mr. Vinod Kabra	Mr. Sanjay Mehta
Dates of the Meeting			
30.04.2007	Yes	----	Yes
30.07.2007	Yes	Yes	LOA
29.08.2007	Yes	Yes	LOA
30.10.2007	Yes	Yes	LOA
31.03.2008	Yes	Yes	LOA

The symbol "LOA" represents Leave of absence granted.

4. SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE:

4(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.

4(b) Composition of Shareholders Grievance and Transfer Committee:

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

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

Shri Devendra Maheshwari, the Manager (Finance) and Compliance officer appointed by the Board is also functioning as the Secretary of the Committee.

(C) Name and designation of Compliance Office : Shri Devendra Maheshwari

(D) Status of the investors/shareholders Complaints :

- Number of complaints received during the year : 118
- Number of complaints solved during the Year : 118
- 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:

5(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.

5(b) Composition of the Committee

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

* Shri Krishna Das Neema was appointed as a member of the 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.

5(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 Directors 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		180000		180000
Shri Vijay Bankda		180000		180000
Shri Sanjay Mehta	5000	-----	-----	5000

6. GENERAL MEETINGS:

The last three Annual General Meeting of the Company were held at the registered office 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
19 th AGM	29 th September, 2007	12.30 p.m.	1	-
18 th AGM	25 th September, 2006	01.00 p.m.	5	-
17 th AGM	30 th September, 2005	03.00 p.m.	2	1

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

In addition to that one Extra Ordinary General Meeting of the Company was held on 10th March, 2008 in which 5 special businesses were approved by the members of the Company. The Company has also called an Extra Ordinary General Meeting on 11th Feb., 2008 which was cancelled by the Company due to unavoidable circumstances.

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.