



# SYNCOM

## FORMULATIONS (I) LTD.

A WHO-GMP & ISO 9001-2008 CERTIFIED COMPANY



**2015-2016**  
**28th ANNUAL REPORT**

**SYNERGISTIC COMBINATION FOR HEALTH**



**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 Ankit Bankda  
Women Director

**AUDIT COMMITTEE**

Shri Krishna Das Neema  
Independent Director - Chairman  
Shri Praveen Jindal - Member  
Shri Vinod Kumar Kabra - Member

**STAKEHOLDERS' RELATIONSHIP COMMITTEE**

Shri Krishna Das Neema  
Independent Director - Chairman  
Shri Praveen Jindal - Member  
Shri Vinod Kumar Kabra - Member

**NOMINATION AND REMUNERATION COMMITTEE**

Shri Krishna Das Neema  
Independent Director - Chairman  
Shri Praveen Jindal - Member  
Shri Vinod Kumar Kabra - Member

**CSR COMMITTEE**

Shri Kedarmal Shankarlal Bankda  
Chairman - Whole Time Director  
Shri Vijay Shankarlal Bankda - Member  
Shri Krishna Das Neema - Member

**RISK MANAGEMENT COMMITTEE**

Shri Vijay Bankda  
Managing Director - Chairman  
Shri Krishna Das Neema - Member  
Smt. Rinki Ankit Bankda - Member

**COMPANY SECRETARY & COMPLIANCE OFFICER**

Ms. Nafisa Vakil

**CHIEF FINANCIAL OFFICER**

Shri Ankit Kedarmal Bankda

**AUDITOR**

S.P. Moondra & Co.,  
Chartered Accountants

**SECRETARIAL AUDITORS**

D.K.Jain & Co.  
Company Secretaries

**INTERNAL AUDITOR**

Biyani Mittal & Co.  
Chartered Accountants

**COST AUDITOR**

M. Goyal & Co.  
Cost Accountants

**BANKERS**

Dena Bank, Mumbai

**REGISTERED OFFICE**

7, Niraj Industrial Estate,  
Off Mahakali Caves Road,  
Andheri (E) Mumbai (MS) 400093  
Phone : 022-30887744  
Fax : 022- 30887755  
Email : Info@sfil.in, finance@sfil.in  
Website : www.sfil.in

**CORPORATE OFFICE**

2nd Floor Tagore Centre,  
Dawa Bazar, 13-14, R.N.T.Marg,  
Indore (M.P.) 452001  
Phone : 0731-3046870  
Email : finance@sfil.in  
Website : www.sfil.in

**WORKS**

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

**SHARE TRANSFER AGENT**

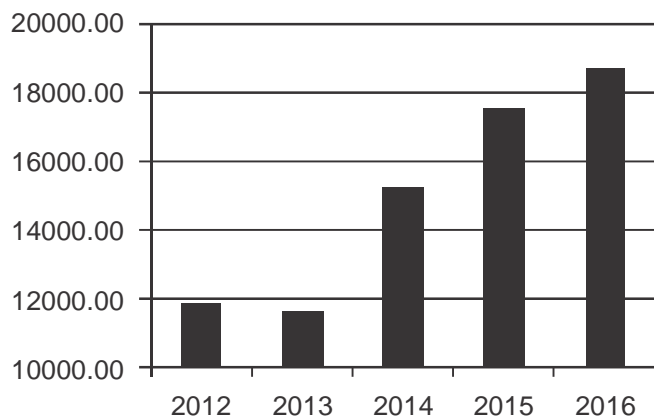
Ankit Consultancy Pvt. Ltd.  
Plot No. 60, Electronic Complex,  
Pardeshipura, Indore-1 (M.P.)  
Phone : 0731-4281333 - 4065799  
Email : ankit\_4321@yahoo.com

Contents	Page No.
Notice	2
Director's Report	5
Report on Corporate Governance	13
Auditor's Report	29
Balance Sheet	31
Profit & Loss Statement	32
Cash Flow Statement	33
Notes on Financial Statement	35
Auditor's Report on Consolidated	49
Balance Sheet & Annexure	50
Proxy Form / Admission Slip	69

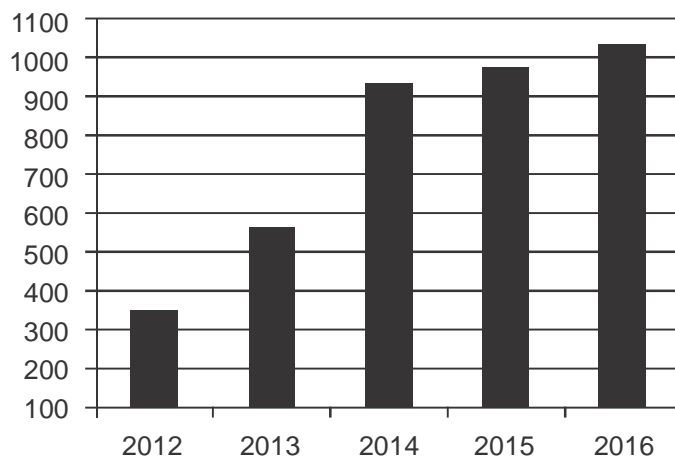
## 5 YEAR FINANCIAL HIGHLIGHTS

PARTICULARS	CONSOLIDATED (Rs. In Lacs)				
	2011-12	2012-13	2013-14	2014-15	2015-16
<b>Revenue from Operations (Net) and Other Income</b>	<b>11904.77</b>	<b>11609.81</b>	<b>15240.90</b>	<b>17536.80</b>	<b>18656.52</b>
<b>PBDIT</b>	<b>859.35</b>	<b>1178.85</b>	<b>1735.91</b>	<b>2013.71</b>	<b>1927.17</b>
Depreciation & Amortisation	271.58	291.00	307.33	343.21	299.81
<b>PBIT</b>	<b>587.77</b>	<b>887.85</b>	<b>1428.58</b>	<b>1670.50</b>	<b>1627.36</b>
Interest	41.69	42.94	35.53	21.26	7.08
Extraordinary Items	0.00	0.00	0.41	85.76	10.19
<b>PBT</b>	<b>546.08</b>	<b>844.91</b>	<b>1392.64</b>	<b>1563.48</b>	<b>1610.09</b>
Tax Expenses	195.52	279.32	460.98	587.83	574.53
<b>Profit After Tax (PAT)</b>	<b>350.56</b>	<b>565.59</b>	<b>931.66</b>	<b>975.65</b>	<b>1035.56</b>
<b>Equity Dividend</b>	<b>133.83</b>	<b>133.83</b>	<b>156.13</b>	<b>156.13</b>	<b>156.13</b>
Tax on Equity Dividends	21.71	21.71	26.53	31.78	31.78
Dividend Per Share (In Rs.)	0.60	0.60	0.02	0.02	0.02
EPS (Basic and Diluted) on equity share (In Rs.)	1.57	2.54	0.12	0.13	0.13
<b>Share Capital</b>	<b>2230.43</b>	<b>2230.43</b>	<b>7806.52</b>	<b>7806.52</b>	<b>7806.52</b>
Face Value (In Rs.)	10.00	10.00	1.00	1.00	1.00
Book Value (in Rs.)	37.49	39.32	1.22	1.28	1.39

### REVENUE



### PAT





## NOTICE FOR THE 28<sup>th</sup> ANNUAL GENERAL MEETING

Notice is hereby given that **28th Annual General Meeting** of the members of **SYNCOM FORMULATIONS (INDIA) LIMITED** will be held on Friday the 30th day of September, 2016 at 4.30 p.m. at The Supremo Activity Centre & Matoshri Sports Complex, Jogeshwari Vikhroli Link Road Andheri East, Mumbai - 400093 to transact the following businesses:

### ORDINARY BUSINESSES:

- To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements containing the Balance Sheet as at 31st March, 2016, the Statement of Profit & Loss and Cash Flow Statement for the financial year ended 31st March, 2016 and the Reports of the Boards' and Auditors thereon.
- To declare dividend on equity shares of the Company for the financial year ended 31st March, 2016.
- To appoint a director in place of Smt. Rinki Ankit Bankda (DIN:06946754) who is liable to retire by rotation and being eligible, offers herself for re-appointment.
- To ratify the appointment of statutory auditors of the Company, and to fix their remuneration and to pass the following resolution as an Ordinary Resolution thereof:

**RESOLVED THAT** pursuant to section 139, 142 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder and pursuant to the resolution passed by the members at the 26th Annual General Meeting held on 22nd day of September, 2014 for the appointment of M/s S.P. Moondra & Co. Chartered Accountants (Firm Registration No. 004879C) as the Auditors of the Company to hold office till the conclusion of the 29th Annual General Meeting of the Company to be held in the year 2017 be and is hereby ratified their re-appointment for the year 2016-17 and the Board of Directors be and is hereby authorized to fix the remuneration payable to them as may be determined by the Audit Committee in consultation with the Auditors.

### SPECIAL BUSINESSES:

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

**RESOLVED THAT** as recommended by Nomination and Remuneration Committee of the Board and 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 Kedarmal Bankda (DIN: 00023050) as the Chairman & Whole-time Director of the Company for a period of 5 years w.e.f. 3rd May, 2017 on the following terms and condition.

### CATEGORY A:

- Salary: up to Rs.1,25,000/- per month, with the annual increment of Rs.10000/ p.m. only.
- Perquisites: Subject to the ceiling of upto Rs.9,00,000/- per annum:
  - 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.
  - Re-imbursment of medical expenses of the Chairman & Whole-time director and his family, the total cost of which to the Company shall not exceeding one-month salary in the year or three months salary in a block of three years.
  - Leave travel assistance: Expenses incurred for self and family in accordance with the Rules of the Company.
  - Club Fees: subject to a maximum of two clubs this will not include admission and life membership.
  - Personal accident insurance premium not exceeding Rs.50,000/- P.A.

### CATEGORY B:

- Contribution to the Provident Fund, Family Benefit Fund, Superannuating Fund as per Rules of the Company.
- Gratuity not exceeding half a month salary for each completed year of service.
- Earned Privilege Leave: As per the 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:

- Car: The Company shall provide a car with driver for the Company's business and

no car is provided reimbursement of the conveyance shall be as per actual on the basis of claims made by him.

- Telephone: Free use of telephone and Cell and internet facility at his residence provided that personal long distance calls on the telephone shall be billed by the Company to the Chairman & Whole-time 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.

**RESOLVED FURTHER THAT** in the event of there being loss or inadequacy of profit for any financial year, the aforesaid remuneration payable to Shri Kedarmal Bankda, Chairman & Whole-time Director shall not be in excess with the limit prescribed in the Schedule V of the Companies Act, 2013 as may be applicable from time to time during his tenure.

**RESOLVED FURTHER THAT** Shri Kedarmal Bankda, Chairman & Whole-time 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 any from time to time be available to other senior executives of the Company.

**RESOLVED FURTHER THAT** there shall be clear relation of the Company with Shri Kedarmal Bankda 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.

- 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 197 of the Companies Act, 2013 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 the increase in remuneration of Shri Vijay Bankda (DIN 00023027) Managing Director w.e.f. 1st August, 2016 for the remaining part of his tenure till 30th Nov., 2019 as under.

### CATEGORY A:

- Salary: Rs. 1,25,000/- per month, with the annual increment of Rs.10000/- only.
- Perquisites: Subject to the ceiling of Rs. 9,00,000/- per annum:
  - 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.
  - Re-imbursment of medical expenses of the Managing Director and his family, the total cost of which to the company shall not exceeding one month salary in the year or three months salary in a block of three years.
  - Leave travel assistance: Expenses incurred for self and family in accordance with the rules of the company.
  - Club Fees: Subject to a maximum of two clubs this will not include admission and life membership.
  - Personal accident insurance premium not exceeding Rs.50,000/- P.A.

### CATEGORY B:

- Contribution to the Provident Fund, Family Benefit Fund, Superannuating Fund: as per Rules of the Company.
- Gratuity: not exceeding half a month salary for each completed year of service.
- Earned Privilege 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:

- 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.
- 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 her tenure.

**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.

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

**RESOLVED THAT** pursuant to section 148 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, pursuant to recommendations of the Audit Committee of the Board of Directors and pursuant to the resolution passed by the Board of Directors at their meeting held on 30th May, 2016, M/s M. Goyal & Co., is appointed as the Cost Auditors for conducting Cost Audit for the financial year 2016-17 on a remuneration of Rs. 25,000/- be and is hereby ratified for the Financial year 2016-17.

Place: Indore

**By order of the Board**

Date : 30th July, 2016

**Registered Office :**

CIN: L24239MH1988PLC047759

7, Niraj Ind. Estate, Off Mahakali Caves Road,  
Andheri (East), Mumbai (MH) 400093

**NAFISA VAKIL**  
**Company Secretary**  
**ACS : 41432**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A BLANK FORM OF PROXY IS ATTACHED HERewith AND, IF INTENDED TO BE USED, IT SHOULD BE RETURNED DULY COMPLETED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE SCHEDULED TIME OF THE COMMENCEMENT OF 28TH ANNUAL GENERAL MEETING.
2. A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING 50 IN NUMBERS AND HOLDING IN AGGREGATING NOT MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. HOWEVER, A MEMBER HOLDING MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING 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 annexed and forms part of the Notice.
4. The Company's Register of Members and share transfer books shall remain closed from Monday the September, 26th 2016 to Friday, the September 30th 2016 (both days inclusive) for the purpose of the Annual General Meeting and ascertainment for entitlement of payment of dividend to the members whose names appear in the Register of members and the records of the beneficiaries of the CDSL and NSDL on the date of the Annual General Meeting.
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 correspondence.
  - 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.
6. The report on the Corporate Governance and Management Discussion and Analysis also form part to the report of the Board.
7. Members seeking any information are requested to write to the Company by email at **finance@sfil.in** at least 7 (seven) 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. 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 are being sent in the permitted mode.
10. Members may also note that the Annual Report for FY 2015-16 will be hosted on Company's website [www.sfil.in](http://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. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the members at the AGM.
14. Members who has not received the dividend for the year 2008-09 to 2014-15 are requested to please approach to the Company for obtaining duplicate dividend warrants/ cheque, please note that the amount remained unpaid or unclaimed for the year 2008-09 for a period upto 7 years, i.e. 7th Nov., 2016 shall be transferred to the IEPF of the Central Government and no claim in respect thereof shall be entertained by the Company thereafter.
15. At the ensuing Annual General Meeting, Mrs. Rinki Bankda, Women director is liable to retire by rotation and Shri Kedarmal Bankda being appointed as the Chairman & Whole-time Director and Shri Vijay Bankda, whose remuneration is being increased and their brief resume as required under the Companies Act/SEBI (LODR) Regulation 2015 is annexed with the Notice.

#### 16. Voting through electronic means

In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as amended by the Companies (Management and Administration) Amendment Rules, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the 28th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the 28th Annual General Meeting (AGM) ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).

The facility for voting through polling paper which shall be available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through polling paper.

The members who have cast their vote by remote e-voting prior to the 28th Annual General Meeting (AGM) may also attend the AGM but shall not be entitled to cast their vote again.

The remote e-voting period commences on 26th Sept, 2016 (9:00 am) and ends on 29th Sept, 2016 (5:00 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 23rd Sept 2016, may cast their vote by remote e-voting. The remote 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.

#### The process and manner for remote e-voting are as under:

- A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)] :
  - (i) Open email and open PDF file viz: (Syncom) with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
  - (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) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. 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 remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
  - (vii) Select "EVEN" of Syncom Formulations (India) Limited.
  - (viii) Now you are ready for remote 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 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 finance@sfil.in with a copy marked to evoting@nsdl.co.in

A. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy]:

(I) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM

REMOTE 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 Members and remote e-voting user manual for Members available at the downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990.
- II. If you are already registered with NSDL for remote 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 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 23rd Sept, 2016.
- V. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 23rd Sept, 2016, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or Ankit Consultancy Pvt. Ltd. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details / Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.
- VI. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- VII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- VIII. CS Anish Gupta, Practicing Company Secretary (FCS No.5733, CP-4092) has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- IX. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of polling paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- X. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the 28th AGM a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XI. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company [www.sfil.in](http://www.sfil.in) and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.
- XII. For any other queries relating to the shares of the Company, you may contact the Share Transfer Agents Ankit Consultancy Pvt. Ltd. at the address: Plot No. 60, Electronic Complex, Pardeshipura Indore (M.P.) 452010 Tel-0731-4281333, 4065799 Fax-0731-4065798 Email id: [ankit\\_4321@yahoo.com](mailto:ankit_4321@yahoo.com)

July, 2016 has re-appointed him for the further period of 5 years w.e.f. 3rd May, 2017. 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 appointment and the proposed remuneration will in accordance with provisions of Schedule V of the Act. The Board recommends to pass necessary Special Resolution as set out in Item No. 5 of the notice.

Shri Kedarmal Bankda, being the appointee may be considered as the financially interested in the resolution to the extent of the remuneration as may be paid to him and Shri Vijay Bankda, the Managing Director and Mrs. Rinki Bankda, Women Director and Shri Ankit Bankda, CFO being his 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 Kedarmal Bankda, is also holding 90194650 equity shares of Rs. 1/- each consisting 11.55% of the total paid up capital of the Company.

**ITEM NO. 6**

Shri Vijay Bankda, (DIN 00023027) is Managing director of the Company. He was discharging his duties efficiently and having adequate qualification and experience of 36 years. He was reappointed as the Managing Director w.e.f. 1st Dec., 2014 for a term of 5 years on the remuneration of Salary of Rs.6.00 Lakhs p.a. and perquisite upto Rs. 5.00 p.a.

In view of the increased responsibility and the volume of the business activities, it is considered that the existing remuneration is very low in comparison of the other companies dealing in the same line of business activities, therefore, the Nomination & Remuneration committee at their meeting held on 30th July 2016, has considered and approved for increase in the remuneration suitably and proposed to provide powers to the Board of directors to raise their remuneration as given in the resolution w.e.f 1st August, 2016 as the Board may consider appropriate from time to time within the maximum permissible limit for each employee.

The increase in the remuneration will with be within the ceiling prescribed under Schedule V of the Companies Act, 2013 subject to the approval of members at the general meeting.

Your directors recommend the above said resolution for passing as the special resolution at the forthcoming annual general meeting.

Shri Vijay Bankda, whose remuneration is being increased may be considered as the financially interested in the resolution to the extent of the remuneration as may be paid to him and Shri Kedarmal Bankda, the Chairman & Whole-time Director and Mrs. Rinki Bankda, Women Director and Shri Ankit Bankda, CFO being his 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 Rs. 1/- each consisting 7.50% of the total paid up capital of the Company.

**ITEM NO. 7**

The Company is covered under section 148 of the Companies Act, 2013 and as per the Notification No.1(E) dated 31st December, 2014 on the Cost Audit Rules specified by the MCA, your company is required to have the Cost Audit for the Financial Year 2016-17 and for that purpose your Board of directors at their meeting held on 30th May, 2016 has appointed M/s M. Goyal & Co., Cost Accountants for conducting Cost Audit for the financial year 2016-17 on a remuneration of Rs.25,000/- to the existing Cost Auditors and as per the requirement of the Companies Act, 2013 the remuneration payable to them is required to be ratified by the members at their Annual General Meeting.

Your directors recommend to pass necessary resolution as set out in the Item No. 7 of the notice. None of the directors or Key Managerial Personnel (KMP) or their relatives are concerned or interested in the Resolution.

**EXPLANATORY STATEMENT IN TERMS OF SECTION 102 OF THE COMPANIES ACT, 2013**

**ITEM NO. 5**

Shri Kedarmal Bankda is a Post graduate in commerce and is the core promoter of the company since incorporation and is having 40 years all around working experience and looking into all the manufacturing and administrative function of the Corporate Office of the Company at Indore and Plant at Pithampur. In view of his contribution in the growth and success of the Company, upon the recommendation of Nomination and Remuneration Committee, the Board of directors at their meeting held on 30th



Brief profile of the directors seeking re-appointment as per Item No. 3, 5 and 6 of the notice at the ensuing Annual General Meeting as per SEBI (LODR) Regulations, 2015 and the Companies Act, 2013.

Name of Director Designation	Shri Kedarmal Bankda Chairman & Whole-time Director	Mrs. Rinki Bankda Women Director	Shri Vijay Bankda Managing Director
Date of Birth	25.08.1952	14.06.1987	17.09.1958
Date of Appointment	13.04.1992	13.08.2014	01.12.1999
Expertise / Experience in specific functional areas	40 years' experience in Pharma filed in various capacity, he is the core promoter of the company, since its inception.	3 years experience in management field.	36 years filed in various capacity, he is the core promoter of the company, since its inception.
Qualification	M.Com	MBA	B.Com, LLB.
No. & % of Shares held	90194650 i.e. 11.55%	Nil	58553775 i.e. 7.50%
List of outside Company's directorship held	ARP Pharma Pvt. Ltd.	Nil	Nil
Chairman / Member of the Committees of the Board, Directors of other Companies in which he is director	Nil	Nil	Nil
Interse relations with other directors	Brother of Shri Vijay Bankda, Managing Director and father in law of Mrs. Rinki Bankda, Women Director	Daughter in law of Shri Kedarmal Bankda Chairman & Whole-time Director and Shri Vijay Bankda, Managing Director	Brother of Shri Kedarmal Bankda, Chairman & Whole-time Director and uncle in law of Mrs. Rinki Bankda, Women Director

Place: Indore

Date : 30th July, 2016

Registered Office :

CIN: L24239MH1988PLC047759

7, Niraj Industrial Estate,  
Off Mahakali Caves Road,  
Andheri (East), Mumbai (MH) 400093

By order of the Board

**NAFISA VAKIL**  
Company Secretary  
ACS : 41432

## BOARD'S REPORT & MANAGEMENT DISCUSSION AND ANALYSIS

To,

The Members,

**Syncom Formulations (India) Limited**

The Directors take pleasure in presenting their 28th Annual Report together with the audited consolidated and standalone financial statements of the Company (Syncom) for the year ended 31st March, 2016. The Management Discussion and Analysis has also been incorporated in the Report.

### 1. HIGHLIGHTS OF PERFORMANCE

- Consolidated income for the year increased by 6.38% to Rs. 18656.52 Lakhs as compared to Rs. 17536.80 Lakhs in the previous year;
- Consolidated net sales for the year was Rs.18389.70 Lakhs as compared to Rs. 17339.11 Lakhs in the previous year, a growth of 6.06%
- Consolidated profit before tax for the year was Rs. 1610.09 Lakhs as compared to Rs.1563.48 Lakhs in the previous year, a growth of 2.98% Consolidated Profit after tax for the year was Rs. 1035.56 Lakhs as compared to Rs.975.65 Lakhs in 2015, a growth of 6.14%

### 2. Financial Results

(Rs. in Lacs)

Particulars	Consolidated		Stand Alone	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
Revenue from Operations (Net) and Other Income	18656.52	17536.80	18656.52	17536.80
<b>Profit Before Tax (PBT)</b>	1610.09	1563.48	1610.09	1563.48
Provision for Tax	574.53	587.82	574.53	587.82
<b>Profit After Tax (PAT)</b>	1035.56	975.65	1035.56	975.65
Balance brought forward from previous year	708.30	705.84	708.30	705.84
<b>Profit Available for Appropriations</b>	1743.85	1681.49	1743.85	1681.49
<b>Appropriations:</b>				
Proposed Final Equity Dividend	156.13	156.13	156.13	156.13
Tax on Equity Dividend	31.78	31.78	31.78	31.78
Transferred General Reserve	900.00	785.27	900.00	785.27
Surplus carried to the next year's account	655.94	708.30	655.94	708.30
EPS (Basic and Diluted) eq. shares of Rs. 1/-	0.133	0.125	0.133	0.125

### 3. DIVIDEND

Syncom always strives to enhance stakeholders and customers satisfaction value. In pursuance of the same your directors are pleased to recommend payout of 25th dividend @ Rs. 0.02(2%) on the equity share of Re.1 each, (Previous year @ Rs 0.02 (2%) of the equity shares of Rs.1 each) and proposes to pay Rs. 156.13Lacs as dividend (Previous year Rs.156.13 Lacs) subject to approval by the members at the ensuing Annual General Meeting.

### 4. SHARE CAPITAL & RESERVES

The paid up Capital of Syncom as on 31st March, 2016 was Rs. 78,06,52,180 divided into 78,06,52,180 equity shares of Rs. 1 each. During the year under review, Syncom has neither issued shares with differential voting rights nor granted stock options nor sweat equity. As on 31st March, 2016, none of the Directors of Syncom hold convertible instruments. Promoters are not holding any security convertible into equity shares during the year 2015-16.

#### 4.1 Transfer to Reserves

During the year under review your company proposes to transfer Rs.900.00Lakhs to the general reserves (Previous year Rs. 785.28 Lakhs).

### 5. FINANCE, INVESTMENTS & DEPOSITS

Cash and cash equivalent as at 31st March, 2016 was Rs.569.41 Lakhs as compared to Rs. 677.35 Lakhs in previous year. Syncom continues to focus on judicious management of its working capital, Receivables, inventories and other working capital parameters were kept under strict check through continuous monitoring.

#### 5.1 Deposits

Syncom has not accepted any deposit from the public falling within the ambit of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 and there were no remaining unclaimed deposits as on 31st March, 2016. There was no public deposit against the contravention of the Companies Act, 2013 and the rules made their under during the year under review.



## 5.2 Particulars of Loans, Guarantees or Investments

Details of Loans, Guarantees & Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to Financial Statements. (Please refer Note 10 & 11 to the Standalone Financial Statements)

## 6. ECONOMIC SCENARIO AND OUTLOOK

The Indian economy with GDP in excess of USD 2 trillion is amongst the top 10 economies in the world. India's GDP grew by 7.6% in 2015-16, making the country one of the fastest growing major economies in the world. Inflation remained under control and fiscal and current account deficits continued to remain moderate. India is the largest exporter of formulations with 14% market share and ranks 12th in the world in terms of export value. Over the upcoming years the growth will be more as compared to the current standing position. The World pharmaceuticals market is forecast to grow with approx 12% percent or more from up till 2020 which can be increased if companies invest more in drug research sector as well as promotion. India holds an important position in the World pharmaceutical market. India is expected to rank amongst the top 3 pharma markets in terms of incremental growth by 2020. The Indian pharmaceuticals market is the third largest in terms of volume and thirteenth largest in terms of value. India's generic drugs account for 20% of global exports in terms of volume, making the country the largest provider of generic medicines globally.

## 7. INDUSTRY STRUCTURE AND OPPORTUNITIES

According to a joint study by ASSOCHAM and Tech Sci, India's pharmaceutical market may reach \$20 billion this year and about \$55 billion by 2020 from about \$18 billion as of 2014, clocking a CAGR of over 22%. Export of pharmaceutical products from India is likely to exceed the \$14 billion mark this year and may reach about \$20 billion by 2020 registering a CAGR of about 8%. Government took many initiatives in the previous year like Make in India, Smart Cities Campaign, Pradhan Mantri Jan Dhan Yojana which helped our Indian economy in its overall development. Besides, the Swachh Bharat Abhiyan which brought hygiene, sanitation and awareness regarding cleanliness of our Country as Citizens and make India a clean Country. While these programmes acted on distinct level in Country's growth, the Government's focus has been on enhancing the ease and attractiveness of doing business in India. The Government of India's strong commitment to fiscal targets, focus on infrastructure creation and attracting investments bolstered the confidence of entrepreneurs and investors. The Government of India unveiled 'Pharma Vision 2020' aimed at making India a global leader in end-to-end drug manufacture. Approval time for new facilities has been reduced to get new investors i.e. countries to boost our markets. The government introduced mechanisms like Drug Price Control Order and the National Pharmaceutical Pricing Authority to deal with the issue of affordability and availability of medicines. Also there is a talk of separate Pharma Ministry for the sector for better coordination of the work. In the current competitive market scenario, the drug manufacturers require a high degree of innovation in product development. Only novel products can sustain in the market of longer period of time, India has a large pool of scientists and engineers who have the potential to steer the industry ahead to higher levels.

## 8. RISKS & CONCERNS

The pharmaceutical regulatory environment across the world is becoming more stringent including the Indian Pharma Industry. The industry witnessed many important changes including the Drug Price Control Order policy which was introduced by the government to regulate the prices of large number of pharmaceutical products. The recent amendment was DPCO 2013 which had number of drug formulations with an increase in price control. The other remaining formulations will be soon under the price control, under DPCO 2013. The mandatory generics drive by the State Governments will also pose challenges for pharma companies in the near future.

A few other concerns are poor public healthcare funding & infrastructure, low per capita consumption of medicines, unstable political environment in developing and under developed countries including India, currency fluctuations, regulatory issues, inflation which has resulted in an all round increase in input costs.

Syncom has a Risk Management Policy in force to review and mitigate risks relevant to environmental, operational & business risks to safeguard its interest. Syncom's continued investments in manufacturing facilities and its strategy to remain a vertically integrated pharmaceutical business is a critical differentiator to create sustainable competitive advantage not only for products launched in international markets but also for contractual supplies to global generic companies, with a conscious endeavor for market and customer diversification. To de-risk significant concentration of domestic revenues from few brands, the Company's strategy is for focused promotion of specific brands to increase their share of revenue to overall revenue.

## 9. CSR INITIATIVES

In view of the profits and turnover of Syncom during the previous three years, it is required to undertake social responsibility projects during the year 2015-16 under the provisions of the section 135 of the Companies Act, 2013 and the rules made there under.

As part of its initiatives under "Corporate Social Responsibility" (CSR), Syncom has undertaken projects in the areas of Education and Health. These projects are largely in accordance with Schedule VII of the Companies Act, 2013.

The Annual Report on CSR activities is annexed herewith as "Annexure A" and the CSR policy is available at the website of the Company at [www.sfil.in](http://www.sfil.in).

The Board confirm that the Company has obtained the responsibility statement of the CSR Committee on the implementation and monitoring of the CSR Policy during the year as enclosed to the Board Report.

## 10. OCCUPATIONAL HEALTH & SAFETY (OH&S)

This initiative involved and positively engaged all levels of personnel on the plant and the Company's business. With regard to employees safety, two key areas of focus identified were Facility Management for the employees and Equipment, Tools & Material Management. The Facility Management initiative was implemented to ensure adequate welfare facilities for the employees such as wash rooms with bathing facilities, rest rooms, availability of drinking water etc. The Equipment, Tools & Material Management program ensured that the tools used by the employee were safe. The process of screening of contractors was made more stringent to ensure that the employees were aligned with the Company's objectives to ensure 'Zero Harm'.

## 11. HUMAN RESOURCES

Many initiatives have been taken to support business through organizational efficiency, process change support and various employee engagement programmes which has helped the Organization achieve higher productivity levels. A significant effort has also been undertaken to develop leadership as well as technical/ functional capabilities in order to meet future talent requirement.

Syncom's HR processes such as hiring and on-boarding, fair transparent online performance evaluation and talent management process, state-of-the-art workmen development process, and market aligned policies have been seen as benchmark practices in the Industry. During the year under review, the following Human Resources initiatives received greater focus:

- **Employer of Choice:** Employees are encouraged to express their views and are empowered to work independently. Employees are given the opportunity to learn through various small projects which make them look at initiatives from different perspectives and thus provide them with a platform to become result oriented. This has helped greatly in overall development of the employee and has significantly arrested the attrition rate.
- **Leadership Development:** As a part of leadership development, talented employees have been seconded to the senior leadership team to mentor them and prepare them for the next higher role.
- **Gender Equality :** Syncom as a company has a policy to promote Gender equality. We hire female employees and mentor and groom them to take higher managerial positions. We also encourage our female employee to have a good work life balance.

## 11.1 Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. No complaint was received during the year under review.

## 12. RISK MANAGEMENT POLICY AND INTERNAL ADEQUACY

Syncom has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. These are discussed at the meetings of the Audit Committee and the Board of Directors of Syncom.

Syncom has an Internal Control System, commensurate with the size, scale and complexity of its operations. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board.

Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of





the Board. The risk management policy of the Company is available at the website at [www.sfil.in](http://www.sfil.in).

### 13. VIGIL MECHANISM/WHISTLE BLOWER POLICY

Syncom has a vigil mechanism named vigil mechanism/whistle blower Policy to deal with instance of fraud and mismanagement, if any. The details of the Risk Management Policy is explained in the Corporate Governance Report and also posted on the website at [www.sfil.in](http://www.sfil.in). Vigil mechanism/whistle blower Policy is attached with the Annual Report as "Annexure B".

### 14. AUDITED FINANCIAL STATEMENTS OF THE COMPANY'S SUBSIDIARY

As on 31st March, 2016, Syncom has Trade Services FZE foreign subsidiary which is 100% Wholly Owned Subsidiary Company. Except that the Company does not have any associate or joint venture company at the beginning or any time during the year 2015-16.

There has been no change in the number of subsidiaries or in the nature of business of the subsidiaries, during the year under review. In accordance with Section 129(3) of the Companies Act, 2013, your Company has prepared a consolidated financial statement of Syncom which is forming part of the Annual Report. A statement containing salient features of the financial statements of the subsidiary company in the Form AOC-1 is also included in the Annual Report as the "Annexure C".

In accordance with third proviso of Section 136(1) of the Companies Act, 2013, the Annual Report of your Company, containing therein its standalone and the consolidated financial statements has been placed on the website of the Company, [www.sfil.in](http://www.sfil.in). Further, as per fourth proviso of the said section, audited annual accounts of the subsidiary company have also been placed on the website of the Company, [www.sfil.in](http://www.sfil.in). Shareholders interested in obtaining a copy of the audited annual accounts of the subsidiary company may write to the Company Secretary at the Company's registered office.

### 15. BOARD OF DIRECTORS & KMPs AND MEETINGS OF THE BOARD

#### 15.1 Independent Directors

At the Annual General Meeting (AGM) of Syncom held on September 22nd Sept., 2014, the Members had re-appointed all the existing independent directors viz Shri Krishna Das Neema, (DIN 02294270), Shri Vinod Kumar Kabra (DIN 01816189) and Shri Praveen Jindal (05327830) under the Companies Act, 2013 for a term of 5 years with effect from 1st April 2014, and they are not liable to retire by rotation.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013. Further that the Board confirmed that all the independent directors fulfill the criteria laid under the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015.

#### 15.2 Directors seeking re-appointment

In accordance with the provisions of the Companies Act, 2013 and in terms of the Articles of Association of the Company, Mrs. Rinki Ankit Bankda (DIN 06946754) director is liable to retire by rotation and she is eligible for re-appointment. Your Board of directors recommend to pass necessary resolution for her re-appointment.

The tenure of Shri Kedarmal Bankda, being the Chairman & Whole-time director will be lapsed on 2nd May, 2017, therefore, upon the recommendation of the Nomination and Remuneration Committee of the Board, the Board of directors at their meeting held on 30th July, 2016 has re-appointed him for a further term of 5 years w.e.f. 3rd May, 2017 subject to the approval of members at the forthcoming annual general meeting and recommend to pass necessary special resolution as set out in the notice of the annual general meeting.

The Company also proposes to increase in the remuneration payable to Shri Vijay Bankda w.e.f. 1st August, 2016 for the remaining part of his tenure till 30th Nov., 2019 as provided in the notice of the annual general meeting and recommend to pass necessary special resolution.

#### 15.3 Change in the Key Managerial Personnel's

Syncom has appointed CS Nafisa Vakil as the Company Secretary and Compliance Officer as the Key Managerial Personnel w.e.f. 7th November, 2015. CS Praniti Porwal, Company Secretary and Key Managerial Personnel had resigned from the office w.e.f. 31st October, 2015 due to her personal reasons.

#### 15.4 Key Managerial Personnel's

Syncom has appointed Shri Ankit Kedarmal Bankda as the Chief Financial Officer, Shri Vijay Shankarlal Bankda, as the Managing Director and Shri Kedarmal Shankarlal Bankda as the Whole-time director of the Company and CS Nafisa Vakil is also functioning as the Key Managerial Personnel under section 203 of the Companies Act, 2013.

#### 15.5 Composition of the Board

Syncom is having total 6 directors in the Board including 3 independent directors and

meeting the requirement of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015 as applicable to the Company. Shri Kedarmal Bankda is the Chairman of the Board and the Company's meetings.

#### 15.6 Number of meetings of the Board

The Board meets at regular intervals to discuss and decide on Company/business policy and strategy apart from other Board business. However, in case of a special and urgent business need, the Board's approval is taken by passing resolutions through circulation, as permitted by law, which are confirmed in the subsequent Board meeting.

The notice of Board meeting is given well in advance to all the Directors. Usually, meetings of the Board are held at the Corporate Office at Indore (M.P.). The Agenda of the Board/Committee meetings is circulated at least a week prior to the date of the meeting. The Agenda for the Board and Committee meetings includes detailed notes on the items to be discussed at the meeting to enable the Directors to take an informed decision.

The Board met **4(four)** times in financial year 2015-16 viz., on **30th May, 2015, 13th August, 2015, 7th Nov., 2015 and 13th Feb., 2016**. The maximum interval between any two meetings did not exceed 120 days. The Company has complied with all the requirements of the Secretarial Standard-1 in respect of the Board and the Committee Meetings.

#### 15.7 Board independence

The definition of 'Independence' of Directors is derived from SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Section 149(6) of the Companies Act, 2013. Based on the confirmation/disclosures received from the Independent Directors and on evaluation of the relationships disclosed, Shri Krishna Das Neema, Shri Praveen Jindal and Shri Vinod Kumar Kabra are the Non-Executive and Independent Directors in terms of Regulation 17(10) of the SEBI (LODR) Regulations, 2015 and Section 149(6) of the Companies Act, 2013.

#### 15.8 Policy on Directors' appointment and remuneration

The Policy of Syncom on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under section 178(3), is appended as "Annexure D" to this Report and has also placed on the website at [www.sfil.in](http://www.sfil.in).

#### 15.9 Annual evaluation by the Board

The evaluation frame work for assessing the performance of Directors comprises of the following key areas:

- Attendance of Board Meetings and Board Committee Meetings
- Quality of contribution to Board deliberations
- Strategic perspectives or inputs regarding future growth of Company and its performance
- Providing perspectives and feedback going beyond information provided by the management
- Commitment to shareholder and other stakeholder interests

The evaluation involves Self-Evaluation by the Board Member and subsequently assessment by the Board of Directors. A member of the Board will not participate in the discussion of his/her evaluation.

### 16. DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- that in the preparation of the annual financial statements for the year ended 31st March, 2016, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- that such accounting policies as mentioned in Note 27.21 of the Standalone Notes to the Financial Statements have been selected and applied consistently and judgement and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March, 31st 2016 and of the profit of the Company for the year ended on that date;
- that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- that the annual financial statements have been prepared on a going concern basis;
- that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.



## 17. COMMITTEES OF THE BOARD

During the year, the Board has the five Committees, as required under the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, as follows:

- (a) Audit Committee
- (b) CSR Committee
- (c) Nomination and Remuneration Committee
- (d) Stakeholders' Relationship Committee
- (e) Risk management Committee

Details of all the Committees along with their charters, composition and meetings held during the year, are provided in the "Report on Corporate Governance", a part of this Annual Report and placed on the website at [www.sfil.in](http://www.sfil.in).

## 18. RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by Syncom with Promoters, Directors, Key Managerial Personnel, or other designated persons which may have a potential conflict with the interest of Syncom. Therefore, there is no requirement to furnish any details in the Form AOC-2.

All Related Party Transactions are placed before the Audit Committee and the Committee has accorded its Omni Bus Approval and also reviewed the same periodically also the Board for approval on a quarterly basis. The statement is supported by a Certificate from the MD and the CFO. The Company has developed a Related Party Transactions Policy, Standard Operating Procedures for purpose of identification and monitoring of such transactions.

The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website at [www.sfil.in](http://www.sfil.in).

## 19. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

Except that the SEBI has issued an Ex-Party Ad- Interim Order No. WTM/RKA/ISD/2014 dated 19th December, 2014 in the matter of First Financial Services Limited, and has restrain the company to access the capital market till the further order. The Company has also filed an application before the SEBI for deletion of the name of the Company and SEBI has granted an Interim Relief vide letter SEBI/HO/ISD/ISD/OW/P/2016/0000001565 dated 22nd January, 2016 in the aforesaid matter. Except that there are no significant material orders passed by the Regulators/Courts which would impact the going concern status of the Company and its future operations.

## 20. AUDITORS

### 20.1 Statutory Auditors

Your Company's Auditors, M/s S.P.Moondra & Co., Chartered Accountants, who were appointed for a term of three years at the Annual General Meeting of the Company held on 22nd Sept., 2014 are eligible for ratification of their appointment. They have confirmed their eligibility under Section 141(3)(g) of the Companies Act, 2013 and the Rules framed there under for ratification for appointment as Auditors of the Company. The Company has obtained their eligibility letter as required under the Companies Act, 2013 and confirmation that they have valid Peer Review Certificate from the Institute of Chartered Accountants of India as required under the SEBI (LODR) Regulations, 2015.

Your Board is pleased to inform that there is no such observation made by the Auditors in their report which needs any explanation by the Board.

### 20.2 Cost Auditors

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the cost audit records maintained by the Company in respect of its drug formulation activity is required to be audited. Your Directors had, on the recommendation of the Audit Committee, appointed M/s M.Goyal & Co. Cost Accountants to audit the cost accounts of the Company for the financial year 2016-17 on a remuneration of Rs.25,000/-. As required under the Companies Act, 2013, the remuneration payable to the cost auditor is required to be placed before the Members in a general meeting for their ratification. Accordingly, a Resolution seeking Member's ratification for the remuneration payable to M/s M.Goyal & Co, Cost Auditors is included at Item No. 7 of the Notice convening the Annual General Meeting.

Your Company has filed the Cost Audit Report for the year 2014-15 to the Central Government on 05/10/2015, which was self explanatory and needs no comments.

### 20.3 Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the

Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Board of directors has appointed M/s D.K.Jain & Co., Company Secretaries to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit Report is annexed here with as "Annexure E". The Secretarial Audit Report for the Financial Year ended March 31, 2016 is self explanatory and needs no comments as such, except the following comments:

1. 11,44,92,015 equity shares of Rs. 1/- each consisting of 14.66% of the total paid up capital were sold by the persons associated with promoters during the financial year 2015-16 without complying with the Regulation 5 of SEBI (Prohibition of Insider Trading) Regulations, 2015 relating to submission of the Trading Plans.

Management Comments: The promoters and their associates have obtained opinion of the Lead Manager Hence it can be concluded that the persons who are not in possession of unpublished price sensitive information and the persons other than persons who by virtue of his/her designation in the company are perpetually in possession of unpublished price sensitive information can trade in securities of such listed company without complying the Regulation 5 of SEBI (Prohibition of Insider Trading) Regulations, 2015 relating to the Trading Plan.

2. Interim Order Issued by the SEBI in 2014 in the matter of First Financial Services and relaxation for dealing in the investment subject to certain conditions:

Management Comments: The Company has submitted its reply to the SEBI and the SEBI has pleased to provide Interim Relief vide letter SEBI/HO/ISD/ISD/OW/P/2016/0000001565 dated 22nd January, 2016 in the aforesaid matter.

3. The Index of Charges on the website of the MCA is showing 6 Charges outstanding for the IOB and Saraswat Co-op Bank since 1989 these have already been satisfied long back, but no corrective steps were taken to delete these charge IDs or to file Form CHG-4 to satisfy them.

Management Comments: Since the Charges are too old, the Company is verifying the relevant documents and taking necessary action to remove these charge IDs from the portal of the MCA.

## 21. ENHANCING SHAREHOLDERS VALUE

Your Company believes that its Members are among its most important stakeholders. Accordingly, your Company's operations are committed to the pursuit of achieving high levels of operating performance and cost competitiveness, consolidating and building for growth, enhancing the productive asset and resource base and nurturing overall corporate reputation. Syncom is also committed to creating value for its other stakeholders by ensuring that its corporate actions positively impact the socio-economic and environmental dimensions and contribute to sustainable growth and development.

## 22. CORPORATE GOVERNANCE

As per Securities Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 a separate section on corporate governance practices followed by the Company, together with a certificate from the Company's Auditors confirming compliance forms an integral part of this Report ("Annexure F").

### 22.1 MD & CFO certification

Certificate obtained from Shri Vijay Bankda Managing Director and Mr. Ankit Kedarmal Bankda, Chief Financial Officer, pursuant to Regulation 17(8) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and for the year under review was placed before the Board at its meeting held on 30th May, 2016.

A copy of the certificate on the financial statements for the financial year ended March, 31, 2016 is annexed along with this Report as "Annexure G".

## 23. CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements of the Company prepared in accordance with relevant Accounting Standards (AS) viz. AS 21, AS 23 and AS 27 issued by the ICAI form part of this Annual Report.

## 24. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule, 8 of The Companies (Accounts) Rules, 2014, is annexed here with as "Annexure H".

## 25. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There have been no material changes and commitments, if any, affecting the financial position of the Company since the close of financial year i.e. since 31st March, 2016. Further, it is hereby confirmed that there has been no change in the nature of business of the Company.