



Synergistic Combination for Health...



Syncom Formulations (India) Limited

A WHO-GMP & ISO 9001-2008 Certified Company

24th ANNUAL REPORT 2011-12

**Board of Directors**

Kedarmal Bankda
Chairman

Vijay Bankda
Managing Director

C.A. Sanjay Mehta (upto 12.07.2012)

Vinod Kabra

Krishna Das Neema

Praveen Jindal (from 12.07.2012)

Audit Committee

Krishna Das Neema (Chairman)

C.A. Sanjay Mehta (upto 12.07.2012)

Vinod Kabra

Praveen Jindal (from 12.07.2012)

Shareholders/Investors Grievance Committee

Krishna Das Neema (Chairman)

C.A. Sanjay Mehta (upto 12.07.2012)

Vinod Kabra

Praveen Jindal (from 12.07.2012)

Remuneration Committee

Krishna Das Neema (Chairman)

C.A. Sanjay Mehta (upto 12.07.2012)

Vinod Kabra

Praveen Jindal (from 12.07.2012)

Auditors

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

Company Secretary

Mrs. Shikha Sethi

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: info@sfil.in

Website: www.sfil.in

Corporate Office

2nd Floor, "Tagore Centre", (Dawa Bazar),
13-14, R.N.T. Marg, INDORE (M.P.) - 452 001

P.O. Box No. GPO. 610

Tel. 91-731-3046868

Fax 91-731-3046869

E-mail: info@sfil.in

Works

256-257, Sector 1, PITHAMPUR

(Dhar) M.P. 454 775

Tel./ Fax 91-7292 - 253404, 403122

E-mail: info@sfil.in

Share Transfer Agent

Ankit Consultancy Pvt. Ltd.

Plot No. 60, Electronic Complex,
Pardeshi Pura, INDORE (M.P.)

E-mail: ankit_4321@yahoo.com

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NOTICE FOR THE 24th ANNUAL GENERAL MEETING

Notice is hereby given that the Twenty Fourth Annual General Meeting of the members of SYNCOM FORMULATIONS (INDIA) LTD. will be held on 28th day of September, 2012, at 2:30 P.M. at the registered office of the company at 7, Niraj Industrial Estate, Off Mahakali Caves Road, Andheri (East), Mumbai-400 093 to transact the following businesses:

I. ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2012 and the Profit and Loss Account and Cash Flow Statement for the year ended 31st March 2012 together with the Reports of the Board of Directors and Auditor thereon.
2. To consider and approve the dividend on the equity shares of the Company.
3. To appoint a director in place of Shri Vijay Bankda, who 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 and if thought fit, to pass with or without modification(s) if any, the following ORDINARY RESOLUTION:
RESOLVED THAT Shri Praveen Jindal, who was appointed as an additional director by the Board w.e.f. 12th July, 2012 and in respect of whom a notice under section 257 of the Companies Act, 1956 has been received from members signifying their intention to propose Shri Praveen Jindal as a candidate for the office of the director of the Company at the forth coming annual general meeting be and is hereby elected and appointed as a director and he is liable to retire by rotation.

III. SPECIAL BUSINESS BY SPECIAL RESOLUTION:

6. To consider and if thought fit, to pass with or without modification(s) if any, the following SPECIAL RESOLUTION:
RESOLVED THAT consent of the Company pursuant to the provisions of section 314(1)(b) and other applicable provisions if any of the Companies Act, 1956, be and is hereby accorded for the increase in the remuneration, payable to Mrs. Rinki Bankda, Sr. Executive of the Company w.e.f. 1st April, 2012, upto Rs.50,000/- p.m. who is a relative of the directors of the Company and that she will also be entitled for the reimbursement of traveling, conveyance and other actual out of pocket expenses as per the rules of the Company as applicable to other executives of the same grade for attending the works/assignments of the Company.

For and on behalf of the Board of Directors

Place: Indore
Date : 22nd August, 2012

KEDARMAL BANKDA
CHAIRMAN

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. PROXY IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The Company has already notified closure of Register of Members and Share Transfer Books from 24th Sept., 2012 to 28th Sept., 2012 (both days inclusive) for the determining the names of members eligible for dividend on equity shares, if declared at the meeting.
The Dividend on equity shares if declared at the meeting, will be credited/dispatched to those members whose names shall appear on the Company's Register of Members on 28th Sept., 2012 in respect of the shares held in dematerialized form, the dividend will be paid to members, those names are furnished by NSDL/CDSL as beneficial owners as on that date.
3. Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend, the Company or its Registrar and Transfer Agent cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates, such changes are to be advised only to the depository participant of the members.
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 shares 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.
(c) Non-resident Indian Shareholders are requested to inform Share Transfer Agents immediately:
(i) Change in the residential status on return to India for permanent settlement.
(ii) The particulars of NRE Account with a bank in India, if not furnished earlier.
5. 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 Saturdays between 11.00 A.M. to 1.00 P.M. up to the date of meeting.
6. Members who are holding shares in identical order of names in more than one folio are requested to send to the Company the details of such folios together with the share certificates for consolidating their holdings in one folio. The share certificates will be returned to the members after making requisite changes thereon.
7. Members desirous of obtaining any information concerning Accounts and Operations of the Company are requested to address their questions in writing to the Company at least 7 days before the date of the Meeting so that the information required may be made available at the Meeting.
8. The Company has connectivity with the CDSL & NSDL and equity shares of the Company may also be held in the Electronic form with any Depository Participant (DP) with whom the members/Investors have their depository account. The ISIN for the Equity Shares of the Company is INE312C01017. In case of any query/difficulty, in any matter relating thereto, they may be addressed to the Share Transfer Agent M/s Ankit Consultancy Pvt. Ltd. Plot No. 60, Electronic Complex, Pardeshipura, Indore (M.P.) 452010.
9. As per the provisions of the Companies Act, 1956, facility for making nominations is now available to INDIVIDUALS holding shares in the Company. The Nomination Form-2B prescribed by the Government can be obtained from the Share Transfer Agent or may be downloaded from the website of the Ministry of Company affairs.
10. Pursuant to the provisions of section 205A(5) and 205C of the Companies Act, 1956, the Company shall transfer the unpaid dividend amount for the



year 2004-05 after expiry of 7 years period from transfer of the same to the Unpaid Dividend account. The Members are requested to please submit their request for revalidation of the dividend warrants for the unpaid dividend if any for the year 2004-05 and onward.

11. There is no instance which requires to transfer undelivered shares to the separate escrow account as required under the Listing Agreement.
12. The SEBI has mandated the submission of PAN by every participant in securities market. Members holding shares in electronic form are therefore requested to submit their PAN to their depository participant with whom they are maintaining their D-mat Accounts. Members holding shares in physical form can submit their PAN details to the Company's Share Transfer Agent, M/s Ankit Consultancy Pvt. Ltd.
13. Pursuant to the Clause No.49 of the Listing Agreement, the requirement of the profile of the Directors proposed for appointment/re-appointment is being given in a statement containing details of the concerned Directors and is attached hereto.
14. The Ministry of Corporate Affairs ("MCA") Govt. of India by its Circular Nos. 17/2011 dt. 21.04.2011 & 18/2011 dt. 29.04.2011, has allowed companies to send annual report and other communications through electronic mode at the Registered email address of the members/beneficiaries, keeping in view of the underline and the circulars issued by MCA, we propose to send future communications in electronic mode. Members who hold shares in physical form and desirous of receiving the documents in electronic mode are requested to please promptly provide their details (name, LF No., email ID) to the Registrar and Share Transfer agent of the Company. Accordingly, your Company proposes to henceforth affect electronic delivery of communication/ documents including the Annual Reports and such other necessary communication/documents from time to time to the Members, who have provided their e-mail address to their Depository Participant (DP). E-mail addresses as registered in your respective DP accounts in the records of the Depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) which will be periodically downloaded, will be deemed to be your registered e-mail address for serving the necessary communication/documents. Thus, the necessary communication would be sent in electronic form to the registered e-mail address. Members who wish to inform any updates/changes of their e-mail address, are requested to promptly update the same with their DP. The annual report and other communications/documents sent electronically would also be displayed on the Company's website: www.sfil.in. As a Member of the Company, you will be furnished, free of cost, a printed copy of the Annual Report of the Company, upon receipt of a requisition from you. We request you to support this initiative and opt for the electronic mode of communication by submitting your e-mail address to your DP or to the Company's Registrar, as the case may be, in the interest of the environment.

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
Vijay Bankda Managing Director	53 years B.Com. LLB	32 years experience in Pharmaceutical filed in various capacity. He is the key and founder persons & promoters of the company	01/01/1999	Nil	16,72,965 equity shares, i.e. 7.50% of the total paid up capital.
Praveen Jindal	28 years B.E. (E. & T.C.)	6 yrs. experience in Electronic & IT Field	12/07/2012	Nil	Nil

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:

Shri Praveen Jindal was appointed by the Board as additional director of the Company w.e.f. 12th July, 2012 in order to broad base the Board of directors and to utilize his expert knowledge and advises.

The Company has received a notice u/s 257 of the Companies Act, 1956 from members proposing his appointment for the office of the director of the Company. Looking into his experience and qualifications, your Board recommends the appointment of him as the director of the Company and proposes to pass the respective resolution as set out in item No. 5 of the Notice for approval as an Ordinary Resolution.

Except, Shri Praveen Jindal, none other directors are interested or concerned in the resolution.

ITEM No. 6:

Mrs. Rinki Bankda was appointed by the Board as the Sr. Executive of the Company w.e.f. 1st April, 2012 subject to the approval of members by way of special resolution at the monthly remuneration upto Rs.50,000/- p.m.

The above said executive is a relative of Shri Kedarmal Bankda and Shri Vijay Bankda, therefore her appointment needs approval of the members by way of special resolution as per provisions of section 314(1)(b) of the Companies Act, 1956 read with the Directors Relatives (Office of Profit) Amendment Rules 2011. Your directors propose to pass the resolution No. 6 as stated in the notice of the meeting by way of special resolution.

Shri Kedarmal Bankda and Shri Vijay Bankda are deemed to be concerned or interested in the proposed resolution.

For and on behalf of the Board of Directors

Place: Indore
Date : 22nd August, 2012

KEDARMAL BANKDA
CHAIRMAN



DIRECTORS' REPORT

To,
The Members,
Syncom Formulations (India) Limited
Your Directors have pleasure in presenting their 24th Annual Report and Audited Statements of Accounts for the year ended 31st March 2012.

1. FINANCIAL PERFORMANCE

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

Particulars	₹ In Lacs	
	Year ended 31/03/2012	Year ended 31/03/2011
Net Sales and Other incomes	11,938.64	7,668.68
Profit before interest, depreciation and tax	859.35	331.41
Less: Financial Charges	41.69	50.18
Less: Depreciation	271.58	236.42
Profit before Taxation	546.08	44.81
Provision for Taxation for current year	109.04	8.31
Difference in income tax for previous year	0.55	11.81
Deferred Tax	86.93	4.28
Net Profit after tax	349.56	20.41
Add: Balance brought forward from previous years	345.68	454.88
Amount available for appropriation	695.24	475.29
Appropriation: Transfer to general Reserve	100.00	0.00
Proposed Dividend	133.83	111.52
Corporate Dividend Tax	21.71	18.09
Balance carried to the Balance Sheet	439.70	345.68
E.P.S. (in Rs.) (Annualized)	1.57	0.14

2. REVIEW OF OPERATIONS:

During the year under review Company could achieve a total turnover of Rs. 11,938.64 lacs as compared to Rs. 7,668.68 Lacs during previous year thereby registering growth of 55.68% in turnover YOY basis. The company generated profit of Rs. 349.56 lacs as compared to Rs 20.41 lacs during the previous year.

Your management is hopeful for further improvement in the business climate in the coming period.

3. MARKETING AND EXPORT:

During the year under review the export sales of the company increased to Rs. 9,130.11 lacs which registered a growth of 79.80% over the previous year sales of Rs. 5,077.43 lacs. The Company has stepped up efforts in increasing the export market to new geographical locations / countries and expects significant improvement in future years.

Company's prospects in domestic market

Cratus Life Care, domestic division of the company is now a known name and enjoys a good image in the domestic market. Generic segment launched during the year under review to enlarge the domestic market share.

The results of OTC & Ethical segment remain satisfactory. It is expected that these segment shall become growth driver of company in coming years.

4. DIVIDEND:

Your Director's philosophy is to enhance stakeholders and customers satisfaction value. In continuation of said philosophy your directors are pleased to recommend payment of 21st dividend @ Rs.0.60 (6%) per equity share of Rs.10/-each, and proposes to pay Rs.133.83 Lacs to the members subject to approval by the members at the coming Annual General Meeting. (Pre. Yr. @ Rs.0.50 (5%) Rs. 111.52 Lacs).

5. TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

During the year, unclaimed dividend of Rs. 1,62,619 for the year 2003-04 was transferred to the Investor Education and Protection Fund (IEPF), as required by the Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001. The Company is having un-paid/ unclaimed dividend amount of Rs. 21,82,648 as at 31st March, 2012 (from 2004-05 to 2010-11).

6. BUSINESS

Setting up of a wholly owned subsidiary in UAE with the object of trading in Pharmaceutical Products, Medical, Surgical Articles & Requisites Trading and Medical, Surgical Equipment & Instruments Trading.

The subsidiary is expected to commence operation in 2013-14.

7. BOARD OF DIRECTORS:

The Board consists of executive and non-executive directors including independent directors who have wide and varied experience in different disciplines of corporate functioning.

Shri Vijay Bankda, the Managing Director is liable to retire by rotation at the ensuing Annual General meeting and being eligible offers himself for re-appointment. Your directors recommend to pass necessary resolution as proposed in the notice of the Annual General Meeting.

Shri Praveen Jindal, was appointed as the Additional Director of the Company w.e.f. 12th July, 2012. The Company has received a notice from a member under section 257 of the Companies Act, 1956, signifying his intention for appointment as a director of the Company at the forthcoming annual general meeting.

Further Mr. Sanjay Mehta has resigned from directorship with effect from 12th July 2012.

8. DIRECTORS RESPONSIBILITY STATEMENT:

In accordance with the provisions of section 217(2AA) of the Companies Act, 1956, your directors state that:

- In the preparation of accounts, the applicable accounting standards have been followed.
- Accounting policies selected were applied consistently. Reasonable and prudent judgments and estimates were made so as to give a true and fair view of the state of affairs of the Company as at the end of March 31, 2012 and the profit of the Company for the year ended on that date.
- Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities.
- The annual accounts of the Company have been prepared on a going concern basis.

9. PARTICULARS OF THE EMPLOYEES:

There were 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.

10. CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTIONS AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The particulars as prescribed under section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988 and particulars of employees are set out in the Annexure 1 attached to this report.

11. PUBLIC DEPOSITS:

Your Company has not accepted any public deposit within the meaning of provisions of section 58A and 58AA of the Companies Act, 1956 and there is no outstanding deposit due for re-payment.

12. AUDITORS AND THEIR REPORT:

M/s S.P. Moondra & Co., the statutory auditors of the Company (R.No. 004879C) will retire at the conclusion of the forthcoming Annual General Meeting and the company has in receipt of confirmation from them that if they are reappointed, their appointment will be in accordance with the limit mentioned in section 224(1B) of the Companies Act, 1956.

Comments of the Auditors in their report and the notes forming part of Accounts are self-explanatory and need no comments.

13. COST AUDITORS

The Company has appointed Cost Auditors M/s M. Goyal & Co., Cost Accountant (Membership No. 00051/07/2008) with the approval of the Central Government for the Financial Year 2011-12. The Cost Audit Report for the year 2010-11 was due on 30th Sept., 2011 which is in process for filing and shall be filed after notifying the XBRL forms by the Central Government. The Company has reappointed the above said firm as the Cost Auditors for the company for the financial year 2012-13 which has already been approved by the Central Government.



14. CORPORATE GOVERNANCE:

Your Company is committed to good Corporate Governance Practices and follows the guidelines prescribed by the SEBI and Stock Exchanges from time to time. The Company has implemented all the mandatory requirements as applicable to the Company. A report on the Corporate Governance together with the Auditors Certificate are set out in the annexure 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, government authorities, customers and suppliers. The directors are pleased to record their sincere appreciation for the devotion and sense of commitment shown by the employees at all levels and acknowledge their contribution towards sustained progress and performance of your company.

For and on behalf of the Board of Directors

Place: Indore
Date : 22nd August, 2012

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 (2011-2012)	Previous Year (2010-2011)
1. Electricity (Purchased) Units	23,27,526	19,02,860
Amount (₹)	1,61,27,371	1,03,50,558
Rate/unit (₹)	6.73	5.44
2. Electricity (Generated) units	17,525	12,587
Amount (₹)	1,81,357	1,46,034
Unit per Litre of Diesel oil	4.34	3.62
Rate/unit (₹)	10.35	11.60

II. CONSUMPTION PER UNIT OF PRODUCTION:

In view of varied nature of products, of their units of measurement and of their packs, it is not feasible to give information on the accurate consumption per unit of production.

III. RESEARCH & DEVELOPMENT:

1 Specific areas in which the company carries out R&D:

The Scope of activities covers process development in drug and pharmaceutical formulations.

2 Benefits Derived from R&D

- Productivity and quality improvements.
- Improved process performance and better-cost management
- Enhancement of safety and better environmental protection

3 Future plan of action

- Develop cost effective 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 :

In Lacs (₹)	2011-12	2010-11
a. Capital	NIL	NIL
b. Revenue	NIL	NIL
c. Total	NIL	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. 8,874.30 lacs (previous year Rs.4,970.38 lacs) (FOB value) and total foreign outgo was Rs. 41.15 Lacs (previous year Rs.13.17 Lacs).

For and on behalf of the Board of Directors

Place: Indore
Date : 22nd August, 2012

KEDARMAL BANKDA
CHAIRMAN

Annexure 2 to the Directors' Report: CORPORATE GOVERNANCE REPORT REPORT OF COMPLIANCE WITH CLAUSE 49 OF THE LISTING AGREEMENT OF THE STOCK EXCHANGES MANAGEMENT DISCUSSIONS AND ANALYSIS:

1. Industry Structure and Developments

(a) Industrial Scenario

India's pharmaceutical sector is gaining its position as a global leader. The Indian pharmaceutical industry accounts for over 8 per cent of global pharmaceutical production. Three out of the top 10 fastest-growing generic companies globally are now from India. Domestic pharma companies are accepted in the world for their command on manufacturing processes, innovation and marketing muscle at a global scale. The industry has over 60,000 generic brands across 60 therapeutic categories and manufactures more than 500 different active pharmaceutical ingredients (APIs). India is a major destination for manufacturing of generic drug.

India's exports of drugs, pharmaceutical and fine chemicals grew by 27 per cent to US\$ 10.85 billion for the year ended March 2012. Moreover, the size of the Indian formulations market, which currently stands at around US\$ 11.21 billion, is growing at 15-20 per cent annually. Due to its cost advantage, India is increasingly becoming a hub for clinical trials with an estimated market value worth US\$ 400 million in 2009.

(b) Threats, Risks and Concerns:

India's own domestic market is among the least developed pharma market in Asia with extremely low per capita consumption. The government drug pricing and reimbursement policy is opaque and biased.

Besides this a considerable counterfeit drug industry is developing which is lowering the brand image of Indian companies in the world market. According to recent reports India is a source of one-third of total counterfeit drug trade in Asia.

Another major concern is that of regulatory changes. In India the companies manufacturing and exporting drugs not only need to adhere to the standards imposed by the state FDA, Indian FDA, DCGL, but also standards set by the FDA of the countries to which the product is being exported. The regime of compliance is becoming stronger as regulators look for greater compliance from the industry given the mounting consumer pressures, and increasing healthcare standards

(c) Opportunity:

The Government of India (GOI) unveiled 'Pharma Vision 2020' aimed at making India a global leader in end-to-end drug manufacture and also reduced approval time for new facilities to boost investments in the sector. The Government allows zero duty for technology upgrades in the pharmaceutical sector through the



Export Promotion Capital Goods (EPCG) Scheme and also facilitates 100 per cent foreign direct investment (FDI) through automatic route. GOI further plans to set up a US\$ 640 million venture capital (VC) fund to boost drug discovery and strengthen the pharma infrastructure.

According to various studies, India is among the leaders in the clinical trial market. Due to a genetically-diverse population and availability of skilled doctors, India has the potential to attract huge investments to its clinical trial market. The Indian clinical trial market is estimated to be worth USD1.5 billion.

With 70 percent of India's population residing in rural areas, there are immense opportunities for pharma companies to tap this market. Your company has very good representation in the rural market and is continuously investing in the distribution network in rural area.

(d) Outlook

The Indian pharmaceutical market is poised to grow to US\$ 55 billion by 2020 from the 2009 levels of US\$ 12.6 billion, The industry further holds potential to reach US\$ 70 billion, at a compound annual growth rate (CAGR) of 17 per cent.

The share of generic drugs is expected to continue to increase; it could represent 90 per cent of the prescription drug market by 2015.

The OTC market is forecasted to be worth USD4.7 billion by 2015. The inclusion of various other drugs and cosmetics under the OTC market may provide a further boost to this sector

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

We believe that 2012-13 could be as optimistic with the economic environment getting favorable .

(e) Internal control systems and their adequacy:

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

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

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

The Company has a system for regular review of internal controls to assess its effectiveness and the controls are suitably revised to keep pace with changing business environment. Internal Control Systems and processes are reviewed and tested by internal Auditors on a regular basis. The scope of Audit Program is agreed upon with the Audit Committee. Audit observations and recommendations are reported to the Audit Committee, which monitors the implementation of the said recommendations. Further that the Company is carrying the cost audit from the cost auditors and it reviews the cost audit report and take corrective steps to reduce the cost of production.

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

(f) Cautionary statement:

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

2. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

The Company has been committed to healthy corporate governance practices. Being a value driven organization, the Company's corporate governance practices and disclosures have been duly complied with the statutory and regulatory requirements of the Companies Act, 1956, Securities and Exchange Board of India Act, 1992, together with all the rules and regulations framed there under and the provisions of the listing Agreement and all other applicable laws. The Company's corporate governance policies and practices are in accordance with the provisions of Clause 49 of the Listing Agreement and has complied with all the mandatory requirement as applicable to the Company.

In addition to that the Company has also complied with non-mandatory requirements as given in Annexure – I D, except of submission of half yearly results to the shareholders, training to the Board members and mechanism for evaluation of non executive directors.

3. BOARD OF DIRECTORS:

(a) 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 as on 31st March 2012 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	1
Shri Vijay Bankda	Promoter & Executive	0
Shri Vinod Kumar Kabra	Independent/NED	0
C.A. Sanjay Mehta*	Independent/NED	1
Shri Krishna Das Neema	Independent/NED	0
Shri Praveen Jindal*	Independent/NED	0

*CA Sanjay Mehta has ceased to be director and Shri Praveen Jindal was appointed as an Additional Director w.e.f 12th July 2012

(b) Details of director reappointment/seeking appointment.

Shri Vijay Bankda, Director of the company, is liable to retire by rotation and seeks his re-appointment. Further that the Company has received notice u/s 257 for the appointment of Shri Praveen Jindal at the AGM

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

During the financial year 2011-12, 5 meetings of the Board of directors were held. The following table gives the attendance record of all the directors at the Board Meetings.

Dates of Meetings	Name of Director				
	Mr. Kedarmal Bankda	Mr. Vijay Bankda	Mr. Vinod Kr. Kabra	C.A. Sanjay Mehta	Mr. Krishna Das Neema
14.05.2011	Yes	Yes	Yes	Yes	Yes
11.08.2011	Yes	Yes	Yes	Leave	Yes
22.08.2011	Yes	Yes	Yes	Yes	Yes
14.11.2011	Yes	Yes	Yes	Leave	Yes
14.02.2012	Yes	Yes	Yes	Leave	Yes

4. 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-alias has all the powers and played its role in terms of the Clause 49 of the Listing Agreement:

(a) Composition of the Audit Committee:

The Audit Committee of the Company was constituted comprising of the following independent Directors:



S. No.	Name	Designation	Position in Committee
1.	Shri Krishna Das Neema	Director	Member/Chairman
2.	C.A. Sanjay Mehta*	Director	Member
3.	Shri Vinod Kabra	Director	Member
4.	Shri Praveen Jindal*	Director	Member

*CA Sanjay Mehta has ceased to be director and Shri Praveen Jindal was appointed as an Additional Director w.e.f 12th July 2012.

Shri Devendra Maheshwari, the General Manager (Accounts) and Compliance officer appointed by the Board is also functioning as the Secretary of the Committee. The Chairman and Statutory Auditor of the Company are the special invitee to the meeting of the Audit Committee.

(b) Meetings and Attendance during the year:

Name of the Director	Mr. Vinod Kabra	C.A. Sanjay Mehta	Mr. Krishna Das Neema
Dates of the Meeting			
14.05.2011	Yes	Yes	Yes
11.08.2011	Yes	Leave	Yes
22.08.2011	Yes	Yes	Yes
14.11.2011	Yes	Leave	Yes
14.02.2012	Yes	Leave	Yes

5. SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE:

(a) Brief description of terms of reference:

The Company has a 'Shareholders Grievance & Transfer Committee' at the Board level to look into the redressing of shareholders and investor's complaints like:

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

(b) Composition of Shareholders Grievance and Transfer Committee:

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

* CA Sanjay Mehta has ceased to be director and Shri Praveen Jindal was appointed as an Additional Director w.e.f 12th July 2012

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

(c) Name and designation of Compliance Officer : Shri Devendra Maheshwari, G.M. (Accounts)

(d) Status of the investors/shareholders Complaints :

- Number of complaints received during the year : 22
- Number of complaints solved during the Year : 22
- 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.

6. REMUNERATION/COMPENSATION COMMITTEE:

(a) Brief description of terms of reference:

The terms of reference of the Committee are to review and recommend compensation payable to the executive directors. The Committee also ensures that the compensation policy of the Company provides for performance-oriented incentives to management.

(b) Composition of the Committee

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

* CA Sanjay Mehta has ceased to be director and Shri Praveen Jindal was appointed as an Additional Director w.e.f 12th July 2012

No meeting of the remuneration committee was required to be held during the year 2011-12.

(c) Remuneration of Executive and Non Executive Directors:

The terms of remuneration of Mr. Kedarmal Bankda, The Chairman and Whole-time Director and Mr. Vijay Bankda, the Managing Director are in accordance with the approval of shareholders and are within the limits of Schedule XIII of the Companies Act, 1956.

Director	Sitting Fees (₹)	Salary & Perquisites (₹)	Commission (₹)	Total (₹)
Shri Kedarmal Bankda	0	3,60,000	0	3,60,000
Shri Vijay Bankda	0	3,60,000	0	3,60,000
Shri Vinod Kabra	10,000	0	0	10,000
C.A. Sanjay Mehta	10,000	0	0	10,000
Shri Krishna Das Neema	10,000	0	0	10,000

7. GENERAL MEETINGS:

The last three Annual General Meeting of the Company were held at the registered office of the Company on the following dates and times:

	Date	Time	No. of Special business Transacted	No. of resolutions passed by postal ballot process
23 rd AGM	30 th September, 2011	03.00 p.m.	9	-
22 nd AGM	29 th September, 2010	03.00 p.m.	1	-
21 st AGM	30 th September, 2009	03.00 p.m.	0	-

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

8. DISCLOSURES

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

- There are no material significant related party transactions made by the Company with its promoters, directors or the management, their subsidiaries or relatives that may have potential conflict with the interests of Company at large. The register of contracts containing transactions in which directors are interested is placed before the Board regularly for its approval.
- During the last three years there was no penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any Statutory Authority, on any matter related to capital markets.

9. WHISTLE-BLOWER POLICY:

We have established a mechanism for employee to report concerns about unethical behavior, actual or suspected fraud, or violation of our code of conduct or ethics policy. The mechanism also provides for adequate safeguard against victimization of employee who avails of the mechanism and also provides for direct access to the Chairman of the audit committee in exceptional cases. We further affirm that during the financial year 2011-12, no employee has been denied access to the audit committee.

10. CODE OF CONDUCT

- The Company is having code of conduct for prevention of insider trading.
- The Board shall lay down a code of conduct for all Board members and senior management of the company. The code of conduct has been posted on the notice Board/website of the company and all Board members and senior management personnel has affirmed compliance with the code on an annual basis.

11. MEANS OF COMMUNICATION:

Quarterly results of the Company are published in leading newspapers such as Navshakti Maratha being the Marathi vernacular newspaper and the Free press Journal, English newspaper. The results are promptly submitted to the Stock Exchanges where the shares of the Company are listed.

12. GENERAL INFORMATION TO SHAREHOLDERS & INVESTORS

- Date, Time & Venue of Annual General Meeting : at 28th Sept., 2012, 2.30 P.M. at the Regd. Office of the Company.
- Financial Calendar : April 2012 to March 2013
Result for the quarter ended 30.06.2012 : On 11th Aug., 2012
Result for the quarter ended 30.09.2012 : Before 14th Nov., 2012
Result for the quarter ended 31.12.2012 : Before 14th Feb., 2013
Result for the quarter ended 31.03.2013 : Before 14th May, 2013

Syncom Formulations (India) Limited



- (iii) Board meeting for consideration of Annual A/cs : 22nd August, 2012
 (iv) Posting of Annual Report : On or before 4th Sept., 2012
 (v) Last date for receipt of Proxy : 26th Sept., 2012
 (vi) Dates of Book Closure : From 24th Sept., 2012 to 28th Sept., 2012
 (vii) Date of dispatch of dividend warrants/cheques : on or before 27th Oct., 2012
 (viii) Listing on Stock Exchange: : The Bombay Stock Exchange Ltd.
 (ix) Stock Code : BSE Code 523144
 (x) D-mat ISIN No. For CDSL and NSDL : INE312C01017
 (xi) No. of Shareholders on 31.03.2012 : 5,753
 (xii) Stock Market Data:

The monthly High and Low stock quotations during the financial year ended 31st March 2012 on BSE are as under (Source the Website: bseindia.com)

Month	High (₹)	Low (₹)	Volume of shares traded	Total No. of shares traded
Apr-2011	32.45	29.50	428	90,034
May-2011	31.50	26.70	493	82,233
Jun-2011	31.55	23.90	554	94,324
July-2011	28.85	23.35	350	52,282
Aug-2011	40.00	26.65	2,242	4,31,734
Sep-2011	36.80	28.70	283	46,014
Oct-2011	35.65	31.65	234	46,048
Nov-2011	38.00	28.00	304	47,654
Dec-2011	41.90	31.85	1,019	1,62,808
Jan-2012	46.80	34.65	1,619	2,88,402
Feb-2012	63.50	43.05	2,781	6,54,678
Mar-2012	79.85	46.20	8,654	62,90,236

(xiii) Share Transfer System:

Shareholders/Investors' Grievance Committee also approves share transfers and meets at frequent intervals. The Company's Share Transfers Agent Ankit Consultancy Pvt. Ltd. Process these transfers. Share transfers are registered and returned within a period of 15 days from the date of receipt, if the documents are clear in all respects. In cases where shares are transferred after sending notice to the transferors, in compliance of applicable provisions, the period of transfer is reckoned from the date of expiry of the notice.

(xiv) Dematerialisation / Rematerialisation:

Based on a SEBI directive, Company's shares are traded in electronic form. As on 31st March, 2012, the Company's 2,21,37,717 shares are held by share owners in dematerialized form, aggregating 99.25% of the Equity Share Capital. CDSL: 65,22,845 forming 29.24% of the total paid up capital
 NSDL: 1,56,14,872 forming 70.01% of the total paid up capital.

(xv) Distribution of shareholding pattern as on 31st March' 2012:

Shareholding of Nominal Value ₹	No. of shareholder	%	Shares Amount in ₹	%
Up to 1000	2,756	47.90	21,96,890	0.98
1001-2000	1,136	19.75	21,55,530	0.97
2001-3000	499	8.67	14,33,610	0.64
3001-4000	185	3.22	7,19,800	0.32
4001-5000	341	5.93	16,81,380	0.75
5001-10000	399	6.94	32,68,590	1.47
10001-20000	190	3.30	29,87,840	1.34
20001-30000	71	1.23	17,81,140	0.80
30001-40000	32	0.56	11,50,370	0.52
40001-50000	26	0.45	11,99,710	0.54
50001-100000	54	0.94	37,99,620	1.70
100000-Above	64	1.11	20,06,69,000	89.97
Total	5,753	100	22,30,43,480	100

(xvi) Categories of Shareholders as on 31st March, 2012:

S.No.	Categories	No. of Shares Held	% of Share holding
1.	Indian promoters	1,40,25,449	62.88
2.	Foreign promoters	0	0
3.	Institutions	0	0
4.	Bodies Corporate	42,53,388	19.08
5.	Individual SHs holding nominal sh. cap. up to Rs. 1 Lakh	20,31,213	9.11
6.	Individual SHs holding nominal sh. cap. in excess of Rs. 1 Lakh	18,62,459	8.35
7.	Clearing Members	99,348	0.45
8.	NRI/OCBs	32,491	0.14
Total		2,23,04,348	100.00

(xvii) Details of the promoter's shares under pledge: NIL

(xviii) Details of shares credited in the suspense account:

There were no instance for returning the undelivered shares therefore, no shares were credited in the escrow account as per Clause 5(a) of the Listing Agreement.

(xix) Address for Communication:

Shareholders should address their correspondence to the Company's Share Transfer Agent Ankit Consultancy Pvt. Ltd., Plot No. 60, Electronic Complex, Pardeshi Pura, Indore (M.P.) and may also contact at the Corporate & Head office of the Company.

(xx) Location of Registered office : 7, Niraj Industrial Estate, Off Mahakali Caves Road, Andheri (East), Mumbai - 400 093
 Phone : 091 22 30887744-54
 Fax : 091 22 30887755
 E-mail: sfil87@hotmail.com

(xxi) Location of Plant : 256-257, Sector-I, Pithampur Dist. Dhar (M.P.) 454 775
 Phone / Fax : 091 7292 253404

(xxii) Location of Corporate Office : 2nd Floor, "Tagore Centre" (Dawa Bazar), 13-14, RNT Marg, Indore - 452 001
 Phone : 091 731 3046868-71
 Fax : 091 731 3046869
 E-mail: info@sfil.in

(xxiii) Website of the Company : www.sfil.in

For and on behalf of the Board of Directors

Place: Indore

Date : 22nd August, 2012

KEDARMAL BANKDA
 CHAIRMAN

MANAGEMENT RESPONSIBILITY STATEMENT

The financial statements are in full conformity with the requirements of the Companies Act, 1956 and the Accounting Standards issued by the Institute of Chartered Accountants of India. The Management of Company accepts responsibility for the integrity and objectivity of these financial statements, as well as, for estimates and judgments relating to matters not concluded by the year-end. The management believes that the financial statements for the year 2011-12 reflect fairly the form and substance of transactions and reasonably presents the Company's financial condition, and results of operations. To ensure this, the Company has installed a system of internal controls, which is reviewed, evaluated and updated on an ongoing basis. Our internal auditors have conducted periodic audits to provide reasonable assurance that the Company's established policies and procedures have been followed. However, there are inherent limitations that should be recognized in weighing the assurances provided by any system of internal controls. These financial statements have been audited by M/s. S.P. Moondra & Co., Chartered Accountants, Statutory Auditors of the Company.

Place : Indore

Date : 22nd August 2012

Vijay Bankda
 Managing Director

Devendra Maheshwari
 G.M. (Accounts)



DECLARATION

This is to confirm that all the members of the Board of Directors and the Senior Management personnel have affirmed compliance with the Code of Conduct, applicable to them as laid down by the Board of Directors in terms of clause 49(1)(D)(ii) of the Listing Agreement entered into with the Stock Exchanges, for the year ended March, 31, 2012.

Place: Indore
Date : 22nd August, 2012

KEDARMAL BANKDA
CHAIRMAN

CERTIFICATE OF STATUTORY AUDITORS ON CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGES

To
The Board of directors
Syncom Formulations (India) Ltd.

We have examined the compliance of conditions of Corporate Governance procedures as stipulated in Clause 49 of Listing Agreement entered into by the Company with the Stock Exchanges, for the financial year beginning 1st April 2011 and ending on 31st March 2012.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is either an audit or an expression of opinion on the financial statements of the Company.

We have conducted our review on the basis of the relevant records and documents maintained by the Company and furnished to us for review and the information and explanations given to us by the Company. Based on such review, in our opinion, the Corporate Governance Report of the Company, referred to above, reflects on a fair basis the status of compliance by the Company with the Clause 49 of the Listing Agreement of the Stock Exchanges, relating to Corporate Governance, for the FY 2011-12 and that no investors grievances is pending for a period exceeding one months against the Company as per the records mentioned by the Share Department/Share Transfer Agent of the Company.

We further state that such compliance is neither an assurance or as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For S.P. MOONDRA & Co.,
CHARTERED ACCOUNTANTS

(S.P. MOONDRA)
PROPRIETOR
M.No. 073747
F.R. No. 004879C

PLACE : INDORE
DATED : 22nd August, 2012

AUDITOR'S REPORT TO THE MEMBERS OF M/S. SYNCOM FORMULATIONS (INDIA) LIMITED.

We have audited the attached Balance Sheet of M/S. SYNCOM FORMULATIONS (INDIA) LIMITED., INDORE (M.P.) as at March 31, 2012 and also Profit & Loss Account of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditor's Report) order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the annexure, a statement on the matters specified in paragraphs 4 and 5 of the said order.
3. Further to our comments in the Annexure referred to above, we report that:
 - i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - ii) In our opinion and according to the information and explanations given to us, rate of Interest and other terms and conditions of the aforesaid unsecured loans taken by the Company are not prima facie prejudicial to the interest of the Company.
 - iii) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of accounts.
 - iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - v) On the basis of information and explanations given to us, we report that none of the directors is disqualified as on the date of Balance Sheet from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012; and
 - (b) In the case of the Profit and Loss Account, of the Profit for the year ended on that date; and
 - (c) In the case of Cash flow Statement of the Cash Flows of the Company for the year ended on that date.

For S.P. MOONDRA & Co.,
CHARTERED ACCOUNTANTS

(S.P. MOONDRA)
PROPRIETOR
M.No. 073747

PLACE : INDORE
DATED : 22nd August, 2012



ANNEXURE TO THE AUDITOR'S REPORT

With reference to the Annexure referred to in paragraph 2 of our report of even date to the members of M/S SYNCOM FORMULATIONS (INDIA) LTD., for the year ended on 31st March, 2012, We report that, in our opinion and to the best of our information and explanations furnished to us and the books and records examined by us in the normal course of Audit:

1. a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
- b. As explained to us, the fixed assets have been physically verified by the management during the year, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. We were informed that no material discrepancies were noticed on such physical verification.
- c. There has been no disposal of substantial part of the Fixed Assets during the year & the going concern status of the company is not affected.
2. a. Inventories have been physically verified by the management at reasonable intervals during the year.
- b. In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- c. The Company has maintained proper records of inventories. The discrepancies noticed on verification between physical stock and book stock were not material having regard to the size of the operations of the company and have been properly dealt with in Books of Accounts.
3. a. The Company has taken Loans from Two parties covered in the register maintained under section 301 of the Act. At the year end Outstanding balances of such loans taken aggregated to Rs. 3,56,87,950 (Number of Parties-02) and the maximum amount involved during the year was Rs. 3,57,62,950 Further Company has not granted Loans to Companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
- b. In our opinion and according to the information and explanations given to us, rate of Interest and other terms and conditions of the aforesaid Unsecured loans taken by the Company are not prima facie prejudicial to the interest of the Company.
- c. In respect of Loans taken by the Company, the payment of Principal amount is regular.
- d. In respect of Loans taken by the Company, there were no overdue amount. The Company has not given the Loan.
4. In our opinion and according to the information and explanation given to us, there is adequate internal control procedure commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and also for the sale of goods. During the course of our audit, we have not observed any major weaknesses in internal controls.
5. Based on the Audit Procedures applied by us and according to the information and explanations given to us, there were no transactions that need to be entered into the register maintained in pursuance of section 301 of the Companies Act, 1956.
6. The Company has not accepted any deposits from the public within the meaning of Section 58 A and 58 AA of the Companies Act, 1956 and the rules framed there under. Accordingly, there have been no proceedings before the Company Law Board in this matter nor any order has been passed.
7. In our opinion the Company has an internal Audit system commensurate with the Size and nature of business.
8. The Central Government has prescribed maintenance of Cost Records under Section 209 (1) (d) of the Companies Act, 1956 in respect of manufacturing activity of the Company. We have broadly reviewed the accounts and records of the Company in this connection and are of the opinion, that prima facie, the prescribed accounts and records have been

made and maintained. However, we are neither required to carry out nor have carried out any detailed examination of such Accounts and records.

9. a. According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees state Insurance, Income Tax, Sales Tax, Wealth Tax, Customs Duty, Excise Duty, Cess and other statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as on the date of Balance sheet for a period of more than six months from the date they become payable.
- b. According to the information and explanations given to us, the dues in respect of Sales Tax, Income Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess that have not been deposited with the appropriate authorities on account of disputes as on the date of Balance Sheet and the forum where the disputes are pending are as follows:

Sr. no.	Name of the Statute	Nature of the Dues	Forum where dispute is pending	Amount for which dispute is pending (₹ In Lacs)	Amount Not Deposited (₹ In Lacs)
1.	Income Tax Act	Income Tax A.Y. 2006-07	Appellate Comm. Income Tax, Mumbai	45.30	45.30
2.	Provident Fund Act	Provident Fund	High Court Indore	7.55	3.78

10. The Company does not have accumulated losses at the year end and has not incurred any cash losses during the financial year covered by our audit or in the immediately preceding financial year.
11. According to the information and explanations given to us and based on our observation during the audit, The Company did not have any outstanding debentures.
12. According to the information and explanations given to us, The Company during the year has not granted Loans and Advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a nidhi/mutual benefit fund/ society to which the provisions of special statute relating to chit fund are applicable.
14. The Company is dealing in Share/Securities. Investments are hold in the name of the company & entries have been made in the register.
15. According to the information and explanation given to us, The Company has not given any guarantees for Loans taken by others from Banks or Financial Institutions.
16. The company has not raised any term loans & therefore this clause is not applicable
17. According to the information and explanation given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that Prima facie the Company has not utilised the funds raised from short term sources towards Long term investment and vice versa.
18. During the year, the Company has not made any preferential allotment of equity shares to parties & Companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
19. The company did not have issued debentures and therefore question of creating of Securities does not arise.
20. The company has not raised any money by way of public issue during the year.
21. In our opinion and according to the information and explanation given to us, no fraud on or by the Company has been noticed or reported during the year that causes the financial statements to be materially misstated.

For S.P. MOONDRA & Co.,
CHARTERED ACCOUNTANTS

PLACE : INDORE
DATED : 22nd August, 2012

(S.P. MOONDRA)
PROPRIETOR
M.No. 073747



BALANCE SHEET

(Amount in ₹)

As at 31st March	Note	2012	2011
EQUITY AND LIABILITIES			
Share holders' funds			
Share capital	1	22,30,43,480	22,30,43,480
Reserves and surplus	2	61,30,38,487	59,35,35,898
		83,60,81,967	81,65,79,378
Non-Current Liabilities			
Deferred Tax Liability (Net)	3	5,64,25,140	4,78,32,200
Other long-term liabilities	4	1,44,50,000	1,97,75,000
Current Liabilities			
Short Term Borrowings	5	6,45,21,478	5,04,26,209
Trade Payables	6	11,12,92,980	13,75,13,248
Other Current Liabilities	7	1,18,98,973	2,65,99,488
Short Term Provisions	8	3,27,54,366	3,16,03,363
		22,04,67,797	24,61,42,308
GRAND TOTAL		1,12,74,24,904	1,13,03,28,886
ASSETS			
Non-Current Assets			
Fixed Assets			
(i) Tangible Assets	9	50,62,83,000	46,90,99,709
(ii) Intangible Assets	9	15,12,765	19,25,526
(iii) Capital Work-in-Progress	9	0	73,99,604
Non-Current Investments	10	7,83,50,733	7,46,98,283
Long Term Loans and Advances	11	4,37,81,364	4,41,15,625
		62,99,27,862	59,72,38,747
Current Assets			
Inventories	12	4,45,83,126	11,49,35,444
Trade Receivables	13	23,85,55,899	23,40,23,903
Cash and Bank Balances	14	4,67,98,985	3,91,23,119
Short-Term Loans and Advances	15	16,44,78,032	14,13,74,330
Other Current Assets	16	30,81,000	36,33,342
		49,74,97,042	53,30,90,138
GRAND TOTAL		1,12,74,24,904	1,13,03,28,886
Notes & significant accounting policies, forming part of financial statements	1-26		

As per our report of even date annexed

For S.P. Moondra & Co.
Chartered Accountants

(S.P.Moondra)
Proprietor

M. No. : 073747
F.R. No. : 004879C
Place : Indore
Dated the : 22nd August, 2012

For and on behalf of the Board of Directors

Kedarmal Bankda
Chairman

Vijay Bankda
Managing Director

Mrs. Shikha Sethi
Company Secretary



PROFIT AND LOSS ACCOUNT

(Amount in ₹)

For the Year Ended 31st March	Note	2012	2011
INCOME			
Revenue from Operations	17	1,18,45,08,631	76,32,36,640
Other Income	18	93,55,149	36,31,592
Total Revenue		1,19,38,63,780	76,68,68,232
EXPENDITURE			
Cost of materials consumed	19	63,48,01,408	37,97,26,321
Purchase of Stock-in-Trade	20	16,42,50,754	9,74,27,853
Changes in inventories of Finished Goods, Stock-in-Process and Stock-in-Trade	21	3,18,98,680	(1,05,41,403)
Employee Benefits Expenses	22	10,47,38,748	10,37,97,169
Finance Costs	23	41,69,264	39,94,285
Depreciation and Amortisation Expenses	24	2,71,58,424	2,44,67,322
Other Expenses	25	17,22,38,801	16,35,15,965
Total Expenses		1,13,92,56,079	76,23,87,511
Profit/(Loss) before tax		5,46,07,701	44,80,721
Tax Expenses			
Current Tax		1,09,03,519	8,30,725
Income Tax (Earlier Years)		55,050	11,80,548
Deferred Tax		85,92,940	4,27,955
Profit for the year		3,50,56,192	20,41,493
Earning per equity share of Rs. 10 each			
Basic & Diluted (In)		1.57	0.14
Notes & significant accounting policies, forming part of financial statements	1-26		

As per our report of even date annexed

For S.P. Moondra & Co.
Chartered Accountants

(S.P.Moondra)
Proprietor

M. No. : 073747
F.R. No. : 004879C
Place : Indore
Dated the : 22nd August, 2012

For and on behalf of the Board of Directors

Kedarmal Bankda
Chairman

Vijay Bankda
Managing Director

Mrs. Shikha Sethi
Company Secretary



CASH FLOW STATEMENT

(Amount in ₹)

Particulars	For the year ended 2012		For the year ended 2011	
A. CASH FLOW FROM OPERATING ACTIVITIES:				
Net profit before extraordinary items & tax		546.08		44.81
<i>Adjustments for:</i>				
Depreciation and amortisation	263.33		236.42	
Amortisation of share issue expenses	8.26		8.26	
Finance costs	41.69		39.94	
Interest income	(45.92)		(19.89)	
Dividend income	(1.11)		0.00	
Rental income from investment properties	(37.53)	228.72	(2.86)	261.86
Operating profit before working capital changes		774.79		306.67
<i>Changes in working capital</i>				
Adjustments for (increase)/decrease in operating assets:				
Inventories	703.52		(374.99)	
Trade receivables	(45.32)		(17.07)	
Short term loans and advances	(231.04)		(114.25)	
Long term loans and advances	3.34		189.01	
Other current assets	(2.73)		50.23	
Adjustments for (increase)/decrease in operating liabilities:				
Trade payables	(262.20)		(286.27)	
Other current liabilities	(147.01)		120.66	
Other long-term liabilities	(53.25)		177.25	
Short-term provisions	11.51	(23.17)	(85.01)	(340.45)
		751.62		(33.78)
Cash flow from extraordinary items		0.00		0.00
Cash generated from operations		751.62		(33.78)
Net income tax (paid)	(109.59)	(109.59)	(20.11)	(20.11)
Net cash flow from / (used in) operating activities (A)		642.03		(53.89)
B. Cash flow investing activities				
Capital expenditure on fixed asset	(557.04)		(1862.63)	
Purchase of long-term investments	(70.02)		(742.98)	
Proceeds from sale of long-term investments	33.50		0.00	
Interest received	45.92		19.89	
Dividend received	1.11		0.00	
Rental income from investment properties	37.53		2.86	
Net cash flow (used in) investing activities (B)		(509.00)		(2582.86)

Contd.



CASH FLOW STATEMENT

(Amount in ₹)

Particulars	For the year ended 2012		For the year ended 2011	
C. CASH FLOW FROM FINANCING ACTIVITIES:				
Proceeds from issue of equity shares	0.00		2770.32	
Proceeds from other short-term borrowings	140.95		0.00	
Repayment of other short-term borrowings	0.00		(425.44)	
Finance cost	(41.69)		(39.94)	
Dividends paid	(133.83)		(111.52)	
Tax on dividend	(21.71)		(18.09)	
Net cash flow from / (used in) financing activities (C)		(56.28)		2175.33
Net increase/(decrease) in cash and cash equivalents (A+B+C)		76.76		(461.42)
Cash and cash equivalents at beginning of the year		391.23		852.65
Cash and cash equivalents at the end of the year		467.99		391.23

As per our report of even date annexed

For S.P. Moondra & Co.
Chartered Accountants

(S.P.Moondra)
Proprietor

M. No. : 073747
F.R. No. : 004879C
Place : Indore
Dated the : 22nd August, 2012

For and on behalf of the Board of Directors

Kedarmal Bankda
Chairman

Vijay Bankda
Managing Director

Mrs. Shikha Sethi
Company Secretary



Notes

ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2012

(Amount in ₹)

Particulars	2011-2012		2010-2011	
NOTE - 1: SHARE CAPITAL				
Authorized Share Capital				
2,50,00,000 equity shares of Rs. 10 each	25,00,00,000		25,00,00,000	
Issued, Subscribed & Paid up				
2,23,04,348 equity shares of Rs. 10 each fully paid up	22,30,43,480		22,30,43,480	
1.1 Of the above shares, 75,000 equity shares were allotted as fully paid up bonus shares by capitalisation of General Reserve				
1.2 Of the above shares, 49,24,000 shares have been allotted for consideration other than cash				
The details of Shareholders holding more than 5% shares:				
	As at 31.03.2012		As at 31.03.2011	
Name of the Shareholder	No. of shares	% held	No. of shares	% held
Mr. Kedarmal Bankda	25,76,990	11.55%	30,76,990	13.80%
Mr. Vijay Bankda	16,72,965	7.50%	21,97,965	9.85%
Mr. Ankur Vijay Bankda	15,73,255	7.05%	15,73,255	7.05%
Mr. Ankit Bankda	15,60,612	7.00%	15,60,612	7.00%
Mrs. Asha Bankda	15,58,671	6.99%	15,58,671	6.99%
Mr. Rahul Bankda	11,64,569	5.22%	11,64,569	5.22%
M/s Odyssey Corp. Ltd.	18,00,000	8.07%	18,00,000	8.07%
The reconciliation of the number of shares outstanding is set out below:				
	As at 31.03.2012	As at 31.03.2011		
Name of the Shareholder	No. of shares	No. of shares		
Equity shares at the beginning of the year	2,23,04,348	1,24,10,348		
Add: Shares issued	0	98,94,000		
Equity shares at the end of the year	2,23,04,348	2,23,04,348		
NOTE - 2: RESERVES & SURPLUS				
Capital Reserve				
State capital subsidy				
As per last balance sheet	a	7,50,000	7,50,000	
On account of forfeiture of shares / warrant				
As per last balance sheet	b	16,19,300	16,19,300	
Securities Premium Reserve				
As per last balance sheet		30,65,97,996	12,85,05,996	
Add: During the year		0	17,80,92,000	
	c	30,65,97,996	30,65,97,996	
General reserve				
(As per last balance sheet)		25,00,00,000	25,00,00,000	
Add: Set aside during the year		1,00,00,000	0	
	d	26,00,00,000	25,00,00,000	

Contd.



Notes

ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2012

(Amount in ₹)

Particulars	2011-2012	2010-2011
Surplus - Balance in Statement of Profit & Loss		
As per last balance sheet	3,45,68,602	4,54,88,445
Add: Profit for the year	3,50,56,192	20,41,492
Less: Transfer to General Reserve	1,00,00,000	0
Less: Proposed Equity Dividend	1,33,82,609	1,11,52,174
Less: Tax on Proposed Equity Dividend	21,70,994	18,09,161
e	4,40,71,191	3,45,68,602
a+b+c+d+e	61,30,38,487	59,35,35,898
NOTE - 3: DEFERRED TAX LIABILITY		
Deferred Tax Liability on account of		
Depreciation	5,65,25,780	5,06,23,695
Deferred Tax Assets on account of		
Unabsorbed Depreciation	0	27,91,495
Provision of Gratuity	1,00,640	0
Net Deferred Tax liability (Assets)	5,64,25,140	4,78,32,200
NOTE - 4: OTHER LONG-TERM LIABILITIES		
Trade Deposits	1,44,50,000	1,97,75,000
	1,44,50,000	1,97,75,000
NOTE - 5: SHORT TERM BORROWINGS		
Loan repayable on demand		
Secured		
Working Capital Loans (Over Draft)		
From Dena Bank	2,84,78,092	3,96,96,209
From State Bank of India	3,55,436	0
Security:		
Overdrafts from banks are secured against the pledge of fixed deposit receipts		
Unsecured		
From Related Parties (Note: Refer Note no. 26.12 for details)	3,56,87,950	1,07,30,000
	6,45,21,478	5,04,26,209
NOTE - 6: TRADE PAYABLE (Refer Note No. 26.09)		
Micro, Small and Medium Enterprises	10,73,254	71,12,542
Others	11,02,19,726	13,04,00,706
	11,12,92,980	13,75,13,248
NOTE - 7: OTHER CURRENT LIABILITIES		
Unclaimed dividend	21,82,648	22,69,921
Right issue Refund Payable A/c	18,717	19,567
Creditors - Capital Expenditure	47,57,868	47,16,202
Advance from Customers	18,14,703	1,53,20,512
Statutory Dues	31,25,038	42,73,287
	1,18,98,973	2,65,99,488

Contd.



Notes

ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2012

(Amount in ₹)

Particulars	2011-2012	2010-2011
NOTE - 8: SHORT TERM PROVISIONS		
Provision for Bonus, Gratuity and leave encashment	47,05,445	46,22,554
Provision for Income Tax- Net of Adv. Tax Rs. 58,06,541 (Pre. Yr. Rs. 3,32,435)	50,96,978	4,98,290
Provision for Expenses	73,98,340	1,35,21,183
Proposed dividend	1,33,82,609	1,11,52,174
Corporate Dividend Tax Payable	21,70,994	18,09,162
	3,27,54,366	3,16,03,363

NOTE - 9:

FIXED ASSETS (AT COST)								(In ₹)	
PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As at 31.03.11	Additions	As at 31.03.12	As at 31.03.11	For the Year	As at 31.03.12	As at 31.03.12	As at 31.03.11	
TANGIBLE ASSETS:									
Own Assets									
Lease hold land	11,86,605	0	11,86,605	1,43,832	11,986	1,55,818	10,30,787	10,42,773	
Building Factory	16,79,79,989	85,07,187	17,64,87,176	4,07,75,921	55,44,680	4,63,20,601	13,01,66,575	12,72,04,068	
Building others	13,78,72,000	81,03,800	14,59,75,800	7,20,286	23,39,296	30,59,582	14,29,16,218	13,71,51,714	
Plant & Machineries	24,15,61,691	2,74,80,898	26,90,42,589	9,74,63,237	1,21,46,495	10,96,09,732	15,94,32,857	14,40,98,454	
Electrical Installation	2,58,29,313	78,26,690	3,36,56,003	90,40,883	12,45,271	1,02,86,154	2,33,69,849	1,67,88,430	
Furniture & Fixtures	4,67,70,233	26,38,426	4,94,08,659	1,75,86,063	29,75,999	2,05,62,062	2,88,46,597	2,91,84,170	
Office Equipments	1,83,79,159	30,71,785	2,14,50,944	76,70,733	9,04,517	85,75,250	1,28,75,694	1,07,08,426	
Computers	1,01,03,293	2,55,970	1,03,59,263	98,71,820	14,848	98,86,668	4,72,595	2,31,473	
Vehicles	28,94,118	51,08,959	80,03,077	2,03,917	6,27,332	8,31,249	71,71,828	26,90,201	
TOTAL (A)	65,25,76,401	6,29,93,715	71,55,70,116	18,34,76,692	2,58,10,424	20,92,87,116	50,62,83,000	46,90,99,709	
INTANGIBLE ASSETS:									
Software	31,90,730	1,09,500	33,00,230	12,65,204	5,22,261	17,87,465	15,12,765	19,25,526	
TOTAL (B)	31,90,730	1,09,500	33,00,230	12,65,204	5,22,261	17,87,465	15,12,765	19,25,526	
TOTAL (A+B)	65,57,67,131	6,31,03,215	71,88,70,346	18,47,41,896	2,63,32,685	21,10,74,581	50,77,95,765	47,10,25,235	
Prev. Year	47,69,03,907	17,88,63,225	65,57,67,132	16,11,00,313	2,36,41,583	18,47,41,896	47,10,25,236	31,58,03,594	
Capital Work-in-Progress							0	73,99,604	
Capital Work-in-Progress include:							Current Year	Previous Year	
Plant & Machinery							0	73,99,604	
							0	73,99,604	

NOTE - 10: NON CURRENT INVESTMENTS

In equity shares - quoted, fully paid up		
M/s Ravi Kumar Distilleries Ltd.		
7,94,250 (previous year 4,42,900) shares of Rs. 10 each	4,21,00,733	3,70,98,283
Market value 91,10,048 (Previous year 1,55,23,645)		
1,00,000 shares of M/s First Financial Services Ltd. of Rs. 10 each		
Market value Rs. 5,10,000(previous year Nil)	20,00,000	0
	a	4,41,00,733
In equity shares - unquoted, fully paid up		
2,28,500 shares of M/s Bharosemand Commodities Pvt. Ltd. of Rs. 100 each		
	2,28,50,000	2,28,50,000
1,10,000 shares of M/s BLC Trading Agency Pvt. Ltd. of Rs. 100 each		
	1,10,00,000	1,10,00,000
Nil (Pr. Yr. 33,500) shares of M/s Padma Impex Pvt. Ltd. of Rs. 100 each		
	0	33,50,000
	b	3,38,50,000
Investment in partnership firms (Refer Note No. 26.12)		
M/s Syncom International		
	4,00,000	4,00,000
	c	4,00,000
	a+b+c	7,83,50,733
		7,46,98,283

Contd. →



Notes

ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2012

(Amount in ₹)

Particulars	2011-2012	2010-2011
NOTE - 11: LONG TERM LOANS & ADVANCES (Unsecured Considered Goods)		
Capital advances	22,88,330	28,83,738
Deposits	17,93,034	15,31,887
Deposit for Premises (Related parties) (Refer note 26.12)	3,97,00,000	3,97,00,000
	4,37,81,364	4,41,15,625
NOTE - 12: INVENTORIES (At lower of cost or net realizable value)		
Raw Materials	1,04,24,233	2,80,65,506
Stock in Process	59,37,759	3,23,78,775
Finished Goods	1,79,10,679	2,33,68,343
Packing Material	77,51,358	2,84,21,546
Stores & spares and others	25,59,097	27,01,274
	4,45,83,126	11,49,35,444
NOTE - 13: TRADE RECEIVABLE (Unsecured, Considered Goods)		
Within Six Months	23,16,94,213	21,84,38,153
Over Six Months	68,61,687	1,55,85,750
	23,85,55,899	23,40,23,903
NOTE - 14: CASH & BANK BALANCE		
Cash in hand (As certified)	19,76,798	21,80,798
Balance with Banks		
- In Current Account	75,85,823	46,17,833
- In Current accounts in respect of unclaimed dividend warrants	21,82,648	22,69,921
- In Current accounts in respect of Right issue refund orders	18,717	19,567
- In Fixed Deposit with Banks (Pledged with Bank and Govt. Dept.)	3,50,35,000	3,00,35,000
	4,67,98,985	3,91,23,119
NOTE - 15: SHORT TERM LOANS AND ADVANCES (Unsecured and considered good)		
Loans and Advance to employees	69,73,800	71,99,653
Loans and Advance to others	6,03,37,599	4,83,74,803
Prepaid Expenses	54,600	36,081
Balances with Govt. Authorities		
- Export incentives receivables	5,96,01,732	3,55,84,305
- Excise duty receivable	80,67,971	2,78,02,962
- Balance with Central Excise	66,39,141	1,14,57,094
- VAT receivable	2,28,03,188	1,09,19,432
	16,44,78,032	14,13,74,330

Contd. →



Notes

ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2012

(Amount in ₹)

Particulars	2011-2012	2010-2011
NOTE - 16: Other Current Assets		
a. Accruals		
Interest Accrued but not due on fixed deposits with bank	11,31,588	8,58,191
b. Miscellaneous Expenditure (To the extent not written off or adjusted)		
Share issue expenses		
As per last balance sheet	27,75,151	21,11,246
Add: Incurred during the period	0	14,89,644
Less: Written off during the year	8,25,739	8,25,739
	19,49,412	27,75,151
	30,81,000	36,33,342
NOTE - 17: REVENUE FROM OPERATIONS		
Sales		
- Export Sales	91,30,10,554	50,77,42,971
- Domestic Sales	21,26,28,472	22,24,84,902
	1,12,56,39,026	73,02,27,873
Less: Excise Duty	3,01,619	2,86,615
Total	1,12,53,37,407	72,99,41,258
Export Incentives	5,91,71,224	3,32,95,382
Total	1,18,45,08,631	76,32,36,640
NOTE - 17(a): REVENUE FROM OPERATIONS		
Sales of Product Comprises of Manufactured Goods		
- Tablets	60,50,96,682	30,14,53,268
- Capsules	16,15,59,905	12,02,18,971
- Liquids	7,94,32,799	4,26,98,834
- Injectable	4,71,44,689	3,20,44,703
- Ointment	70,01,732	76,36,580
- Dry Powder	85,17,792	74,18,316
- Inhaler	24,73,584	23,54,805
Total of Manufactured Goods (a)	91,12,27,182	51,38,25,477
Traded Goods		
- Menta Oil	11,77,45,296	0
- Tablets	4,56,42,385	10,22,98,198
- Liquids	2,98,61,439	6,31,85,980
- Capsules	1,38,87,266	2,49,44,853
- Others	72,75,458	2,59,73,365
Total of Traded Goods (b)	21,44,11,844	21,64,02,396
Grand Total (a+b)	1,12,56,39,026	73,02,27,873
NOTE - 18: OTHER INCOME		
Interest received		
Others	19,87,461	4,92,373
Bank	26,04,621	14,96,915
Dividend Income		
From Long Term Investment	1,11,225	0

Contd. →



Notes

ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2012

(Amount in ₹)

Particulars	2011-2012	2010-2011
NOTE - 22: EMPLOYEE BENEFITS EXPENSES		
Salary and Wages	9,59,43,162	9,18,21,233
Salaries and Allowances to Directors	7,20,000	6,00,000
Contribution to provident and other fund	36,98,187	35,85,177
Gratuity	5,16,211	4,73,894
Workmen and Staff welfare	38,61,188	73,16,865
	10,47,38,748	10,37,97,169
As per Accounting standard 15 "Employee benefits" the disclosures as defined in the Accounting Standard are given below:		
Defined Contribution Plans	2011-12	2010-11
Employer's Contribution to Provident Fund	27,03,388	27,04,481
Employer's Contribution to E.S.I.	9,94,799	8,80,696
	36,98,187	35,85,177
NOTE-23: FINANCE COST		
Interest Expenses		
Bank	16,24,715	16,72,718
Other	25,44,549	23,21,567
	41,69,264	39,94,285
NOTE-24: DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation (As per Note No. 9)	2,63,32,685	2,36,41,583
Amortisation of share issue expenses	8,25,739	8,25,739
	2,71,58,424	2,44,67,322
NOTE-25: OTHER EXPENSES		
Manufacturing Expenses		
Power and Fuel	1,96,94,929	1,26,96,328
Repairs to Machineries	25,27,390	13,79,241
Vehicle hire charges	12,80,940	8,68,843
Factory Expenses	13,25,706	13,79,818
Insurance Expenses	6,91,584	3,34,380
Security charges	8,48,988	7,50,541
	a	1,74,09,151
Selling & Distribution expenses		
Sales Promotion Expenses	2,55,35,365	3,73,40,598
Selling Expenses	1,74,98,659	78,68,040
Ocean Freight	2,17,60,347	1,04,53,588
Export Expenses	1,60,34,819	88,83,729
	b	6,45,45,955

Contd.



Notes

ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2012

(Amount in ₹)

Particulars	2011-2012	2010-2011
Establishment expenses		
Traveling Expenses	5,14,44,012	6,54,58,269
Legal & Professional	22,28,759	18,98,711
Rent	22,86,000	14,60,750
Electricity & Water	14,36,435	11,87,902
Sundry Expenses	46,92,521	62,33,873
Telephone & Postage	15,82,164	27,68,156
Payment to Auditors		
- Audit Fee	56,180	55,150
- Tax Audit Fee	11,236	11,030
- Certification Fee	6,620	11,582
Membership & Subscription	47,208	47,345
Bank Charges	9,90,831	20,80,443
Repairs & Maintenance	1,87,460	92,831
Vehicle Running & Maintenance	70,648	2,54,817
	c	
	6,50,40,074	8,15,60,859
	a+b+c	16,35,15,965



Notes

ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2012

(Amount in ₹)

NOTE - 26			
26.01	Derivative contracts entered into by the Company and outstanding as on 31st March, 2012		
	a) Nominal amounts of Forwarded contracts entered into by the Company and outstanding as on 31.03.2012		
	Rs. 160.08 lacs Previous Year Rs. 506.16 lacs category wise breakup is below:		(Rs. in Lacs)
	Sr. No.	Particular	31.03.2012
	1	US \$	160.08
			31.03.2011
			506.16
	b) Foreign currency exposures that are not hedged by forward cover Rs. 1501.53 lac (Previous Year 629.35 lac)		
26.02	Earning in Foreign Exchange: Export Sales (FOB Value) Rs. 8874.30 lac (Prev. Year 4970.38 lac)		
	Expenditure in Foreign Exchange:		31.03.2012
			31.03.2011
	Capital Goods		
	Machines		26,49,356
			0
	Others		
	Traveling Exp. (Foreign)		13,40,629
			5,72,926
	Product registration charges		1,25,116
			7,43,740
26.03	Details of Government grants		
	Particulars		31.03.2012
			31.03.2011
	Government grants received by the Company during the Year towards		
	-	Export incentive (DEPB)	5,91,71,224
			3,32,95,382
			5,91,71,224
			3,32,95,382
26.04	Borrowing costs capitalised during the year - Nil (Previous Year Nil)		
26.05	Contingent liabilities and commitments (to the extent not provided for)		
	Contingent liabilities		Rs. in lacs
			Rs. in lacs
	a) Claims against the Company not acknowledged as debt		
	(i)	Income Tax demand for A.Y. 2006-07	45.30
			45.30
	(ii)	Provident Fund demand	7.55
			7.55
	(iii)	Capital commitments	24.80
			7.00
	b) Bank Guarantees		0
			3.68
26.06	Segment Information: The Company is operating in single segment.		
26.07	Earning per share		31.03.2012
			31.03.2011
	Weighted average number of equity shares outstanding during the year		2,23,04,348
			1,49,26,272
	Net profit after tax available for equity shareholders		3,50,56,192
			20,41,493
	Basic & Diluted Earnings (in Rupees) per share		1.57
			0.14
	Face value per share (in Rupees)		10.00
			10.00
26.08	Income tax assessment have been completed up to Assessment Year 2009-10		
26.09	The company has addressed letters to suppliers seeking confirmations as to registration under the "Micro, Small and Medium Enterprises Development Act, 2006". Based on the information available with the company, an amount of Rs. 10.73 lacs is due to Micro, Small and Medium Enterprises as detailed below:		
	S.No.	Name of the Party	Current Year
			Previous Year
	1	Ideal Cures Pvt. Ltd., Mumbai	0.00
			0.51
	2	Lux Flavours	0.73
			0.78
	3	P.G. Holographic Products, Indore	0.44
			2.82
	4	Packwell Packaging	2.38
			3.31

Contd. →



Notes

ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2012

(Amount in ₹)

26.09	S.No.	Name of the Party	Current Year	Previous Year				
	5	Packwell Products	0.53	0.53				
	6	Panna Flex Pack, Indore	4.88	25.74				
	7	Shree Packers	1.76	37.44				
		TOTAL	10.73	71.13				
All the amounts outstanding are due for a period less than that prescribed under the Act and all the payments during the year have been paid within the period less than that prescribed under the Act. Interest Paid / Payable is Rs. Nil.								
26.10	Computation of Net Profit in accordance with Section 349 of the Companies Act, 1956 has not been given, as commission by way of percentage of Profit is not payable for the year to any of the director of the company.							
26.11	The outstanding balances of the debtors, creditors, advances and unsecured loans are as per books of accounts and subject to confirmation from respective parties.							
26.12	RELATED PARTY DISCLOSURES							
	As per Accounting Standard 18, the disclosures of transactions with the related parties are given below:							
	a) Details of related parties:							
	Description of relationship	Name of Related Parties						
	Parties with whom control exist	Syncom International, Mumbai / Synmax Pharma, Indore M/s Trade Services FZE- Subsidiary, ARP Pharma Pvt. Ltd., Strand Developers Pvt. Ltd., Paradise Vyapar Pvt. Ltd.						
	Key Management Personnel (KMP)	Mr. Kedarmal Bankda (Chairman) Mr. Vijay Bankda (Managing Director) Mr. Vinod Kabra, CA Sanjay Mehta, Mr. K.D. Neema						
	Relative of Director	Mrs. Vimla Bankda, Mr. Ankit Bankda, Kedarmal Bankda HUF, Mrs. Asha Bankda, Mr. Rahul Bankda, Mrs. Sulabh Bankda, Mr. Ankur Bankda, Ankur Bankda HUF, Vijay Bankda HUF, Mrs. Payal Bankda, Rahul Bankda HUF						
	Other related parties	Nil						
	b) Transactions during the year with related parties:		(Rs. in Lacs)					
	Sr. No.	Nature of Transactions (Excluding reimbursements)	Employee Benefits Expenses		Rent		Car Lease Rent	
			Curr. Yr.	Prev. Yr.	Curr. Yr.	Prev. Yr.	Curr. Yr.	Prev. Yr.
	A	Key Managerial Personnel						
		Mr. Kedarmal Bankda	3.60	3.00	1.80	1.44	2.40	3.36
		Mr. Vijay Bankda	3.60	3.00	1.80	1.44	0.60	0.60
	B	Relative of Director						
		Mrs. Vimla Bankda	2.40	1.80	1.80	1.44	1.44	1.44
		Mrs. Asha Bankda	2.40	1.80	3.60	1.44	1.20	1.20
		Mr. Rahul Bankda	3.00	1.80	1.80	0.00	1.20	1.20
		Mrs. Sulabh Bankda	2.40	1.80	0.00	0.00	0.00	0.00
		Mr. Ankur Bankda	3.00	1.80	0.00	0.00	0.00	0.00
		Mrs. Payal Bankda	2.40	0.00	0.00	0.00	0.00	0.00
		Mr. Ankit Bankda	3.00	1.80	0.00	0.00	0.00	0.00
		Shankarlal Bankda (HUF)	0.00	0.00	1.80	1.44	0.00	0.00
		Kedarmal Bankda (HUF)	0.00	0.00	5.40	3.00	0.00	0.00
		Vijay Bankda (HUF)	0.00	0.00	3.00	2.40	0.00	0.00
		Rahul Bankda (HUF)	0.00	0.00	1.80	0.00	0.00	0.00

Contd. →



Notes

ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2012

(Amount in ₹)

Sr. No.	Nature of Transactions	Key Managerial Personnel		Relative of Director		Parties with whom control exist	
		Curr. Yr.	Prev. Yr.	Curr. Yr.	Prev. Yr.	Curr. Yr.	Prev. Yr.
A	Sitting Fees						
	C A Sajay Mehta	0.10	0.05	0.00	0.00	0.00	0.00
	Mr. Vinod Kabra	0.10	0.00	0.00	0.00	0.00	0.00
	Mr. Krishna Das Neema	0.10	0.00	0.00	0.00	0.00	0.00
B	Unsecured Loan received						
	Strand Developers Pvt. Ltd.	0.00	0.00	0.00	0.00	21.87	4.32
	Paradise Vyapaar Pvt. Ltd.	0.00	0.00	0.00	0.00	279.03	289.17
C	Unsecured Loan repaid						
	Strand Developers Pvt. Ltd.	0.00	0.00	0.00	0.00	0.75	623.32
	ARP Pharma Pvt. Ltd.	0.00	0.00	0.00	0.00	0.00	101.38
	Paradise Vyapaar Pvt. Ltd.	0.00	0.00	0.00	0.00	50.57	181.87
C) Balances outstanding as at 31st March, 2012							
Sr. No.	Nature of Transactions	Key Managerial Personnel		Relative of Director		Parties with whom control exist	
		Curr. Yr.	Prev. Yr.	Curr. Yr.	Prev. Yr.	Curr. Yr.	Prev. Yr.
A	Assets						
	Investments						
	Syncom International (Capital)	0.00	0.00	0.00	0.00	4.00	4.00
	Long term Loan & Advances						
	Mr. Kedarmal Bankda	118.00	118.00	0.00	0.00	0.00	0.00
	Mr. Vijay Bankda	103.00	103.00	0.00	0.00	0.00	0.00
	Mrs. Asha Bankda	0.00	0.00	88.00	88.00	0.00	0.00
	Mrs. Vimla Bankda	0.00	0.00	88.00	88.00	0.00	0.00
	Trade Receivable						
	Syncom International (Capital)	0.00	0.00	0.00	0.00	9.45	9.45
	ARP Pharma	0.00	0.00	0.00	0.00	0.00	5.63
	Synmax Pharma	0.00	0.00	0.00	0.00	0.00	0.06
B	Liabilities						
	Short Term Borrowings						
	Unsecured Loans	0.00	0.00	0.00	0.00	0.00	0.00
	Strand Developers Pvt. Ltd.	0.00	0.00	0.00	0.00	21.12	0.00
	Paradise Vyapaar Pvt. Ltd.	0.00	0.00	0.00	0.00	335.76	107.30
Note: No amount has been provided as doubtful debts or advances/written off or written back in the year in respect of debts due from or to above related parties.							
d) Particulars Regarding Firm in which the Company is a Partner							
Name of the Firm & Partner						Share %	
1. M/s Syncom International							
a) M/s Syncom Formulations (I) Ltd.						99%	
b) Mr. Vijay Bankda						1%	

Contd. →



Notes

ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2012

(Amount in ₹)

26.13	DEFERRED TAX LIABILITY (Net)		
	Tax effect of items constituting deferred tax liability		
	Related to Fixed Assets		
	Timing differences on account of: Difference between Book & Tax Depreciation	5,65,25,780	5,06,23,695
	Less: Tax effect of items constituting deferred tax assets		
	Unabsorbed Depreciation	0	27,91,495
	Provision for Gratuity	1,00,640	0
	Net Deferred Tax Liabilities	5,64,25,140	4,78,32,200
26.14	In the opinion of the Board Current Assets, Loans & Advances have a value on realisation in the ordinary course of business at least equal to the amount at which these are stated in the Balance sheet & that the provisions for known liabilities is adequate and not in excess of amount reasonably necessary.		
26.15	The revised Schedule VI has become effective from 1 April, 2011 for the preparation of financial. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the year's classification / disclosure.		
26.16	Sales Tax and Purchase Tax Assessment are at various stages. According to company's management the provision for the same is sufficient.		
26.17	Excise duty is net of Excise duty refund received against export under the central excise rules amounting to Rs. 5,76,77,458.		
26.18	Figures have been rounded off to the nearest rupee.		
26.19	Significant Accounting Policies followed by the Company are as stated in the statement annexed as Annexure-I.		



ANNEXURE - I

Statement referred to in Note No. 26.19 to the Financial Statements for the year ended 31st March, 2012.

SIGNIFICANT ACCOUNTING POLICIES :

i) Basis of Accounting:

The financial statements have been prepared under the historical cost convention in accordance with the generally accepted accounting principles and the provisions of the Companies Act, 1956. The company generally follow mercantile system of accounting and recognizes significant items of income and expenditure to accrual basis.

All the assets and liabilities have been classified as current or non-current as per the company's normal operating cycle and other criteria set out in schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash & cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current/non current classification of assets and liabilities.

ii) Use of estimates :

The presentation of financial statements is in conformity with generally accepted accounting principles requires estimates and assumptions to be made, that affect the reported amount of assets and liabilities on the date of financial statements and the reported amount of revenues and expenses during the period. Differences between the actual result and estimates are recognised in the period in which the results are known/materialised.

iii) Fixed Assets :

Fixed assets are stated at cost net of modvat/cenvat on construction and includes proportionate financial cost till commencement of production less accumulated depreciation.

iv) Depreciation :

Depreciation on all Assets is being provided on straight line basis as per schedule XIV of the Companies Act, 1956.

v) Impairment of Assets

An asset is treated as impaired when the carrying cost of Assets exceeds its recoverable value. An impairment loss is charged to the Profit & loss Account in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

vi) Inventory valuation :

a) Stock of raw materials/packing materials are valued at cost (net of modvat credit) on FIFO basis or net realisable value which ever is Lower.

b) Stores & Spares and gift articles are valued at cost or net realisable value which ever is Lower.

c) Semi finished goods are valued at approximate cost of input, depending on the stage of completion or net realisable value which ever is Lower.

d) Finished goods are valued at cost or net realisable value which ever is lower. Cost for this purpose is determined by reducing the estimated gross margin from the billing price.

vii) Foreign Currency Transaction :

a) Transactions denominated in foreign currencies are normally recorded on exchange rate prevailing at the time of the transaction. Current liabilities related to foreign currency transaction are being converted at the year end at the closing rates for revenue transactions and exchanges gains/ losses in fluctuations of exchange rate are being dealt in the profit & loss account.

b) Monetary items denominated in foreign currencies and covered by forward exchange contracts are translated at the rate ruling on the date of transaction as increased or decreased by the proportionate difference between the forward rate and exchange rate on the date of transaction, such difference have been recognised over the life of the

viii) Investments :

The Investments are long term & stated at cost. Provision for diminution in the value of long term investment is made only if such a decline is other than temporary in the opinion of the management.

ix) Sales :

The company recognises sales at the point of dispatch of goods to the customer.

x) Modvat/cenvat :

Modvat/cenvat credit is accounted on accrual basis on purchase of materials and capital goods and appropriated against payment of excise duty on clearance of the finished goods.

xi) Excise Duty :

Excise duty has been accounted on the basis of both, payments made in respect of goods cleared as also provision made for goods lying in bonded warehouses.

xii) Treatment of retirement benefit :

Retirement benefit to employees viz, gratuity is being accounted for on actuarial basis.

xiii) Borrowing cost :

Borrowing cost that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

xiv) Earning per share :

Basic EPC is computed using the weighted average number of equity shares outstanding during the year. Equivalent shares Diluted EPS is computed using the weighted average number of equity and diluted equity outstanding during the year except where the results would be anti-dilutive.

xv) Provision for current and deferred Tax :

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income tax Act, 1961.

Deferred tax resulting from "timing differences" between book and taxable profits is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognised and carried forward only to the extent that there is a reasonable certainty that the assets will be realised in future.

xvi) Contingent liabilities :

Contingent liabilities are not provided for. These are being disclosed by way of a note in the notes to Accounts.

xvii) Miscellaneous expenditure :

Miscellaneous expenditure is written off to the profit and loss account over a period of up to five years, depending upon the nature and expected future benefits of such expenditure. The management reviews the amortization period on a regular basis and if expected future benefits from such expenditure are significantly lower from previous estimates, the amortization period is accordingly changed.

**As per our report of even
date annexed
For S.P. Moondra & Co.
Chartered Accountants**

**(S.P.Moondra)
Proprietor**

M. No. : 073747

F.R. No. : 004879C

Place : Indore

Dated the : 22nd August, 2012

**For and on behalf of the
Board of Directors**

**Kedarmal Bankda
Chairman**

**Vijay Bankda
Managing Director**

**Mrs. Shikha Sethi
Company Secretary**



SYNCOM FORMULATIONS (INDIA) LIMITED

Registered Office : 7, Niraj Industrial Estate, Off Mahakali Caves Road, Andheri (East), Mumbai-400 093

TWENTY FOURTH ANNUAL GENERAL MEETING - 28th SEPTEMBER, 2012 ADMISSION SLIP

(To be handed over at the entrance of the Meeting hall)

Folio No. _____

DPID* _____

No. of Share held _____

Client ID* _____

I certify that I am a Registered Share holder of the Company
I hereby record my presence at the TWENTY FOURTH ANNUAL GENERAL MEETING of the company.

Name of the member in BLOCK LETTERS

Member's Signature

* Applicable for investors holding shares in electronic form.

Notes :

1. A member/proxy wishing to attend the meeting must complete this Admission Slip and hand it over at the entrance.
2. If you intend to appoint a proxy, please complete the proxy-form given below and deposit it at the Company's Registered Office at least 48 hours before the meeting.

SYNCOM FORMULATIONS (INDIA) LIMITED

Registered Office : 7, Niraj Industrial Estate, Off Mahakali Caves Raod, Andheri (East), Mumbai-400 093

PROXY FORM

I/We _____

of _____

being the Member / Members of SYNCOM FORMULATIONS (INDIA) LIMITED hereby appoint _____

_____ Of _____ or failing

him _____ of _____

as my / our proxy attend and vote for me / us and on my / our behalf at the 24th Annual General Meetings of the company to be held on 28th September, 2012 and or at any adjournment thereof.

Signed this _____ day of _____ 2012.

Affix Rs.
One
Revenue
Stamp

Signature of Proxy

(Signature of Member)

Name in Block Letters _____

Ledger Folio No. _____

DPID* _____

Client ID* _____

* Applicable for investors holding shares in electronic form.

Note : The proxy must be deposited at the Registered Office of the company not less than 48 hours before the time of holding the meeting.

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- भूख बढ़ाए



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