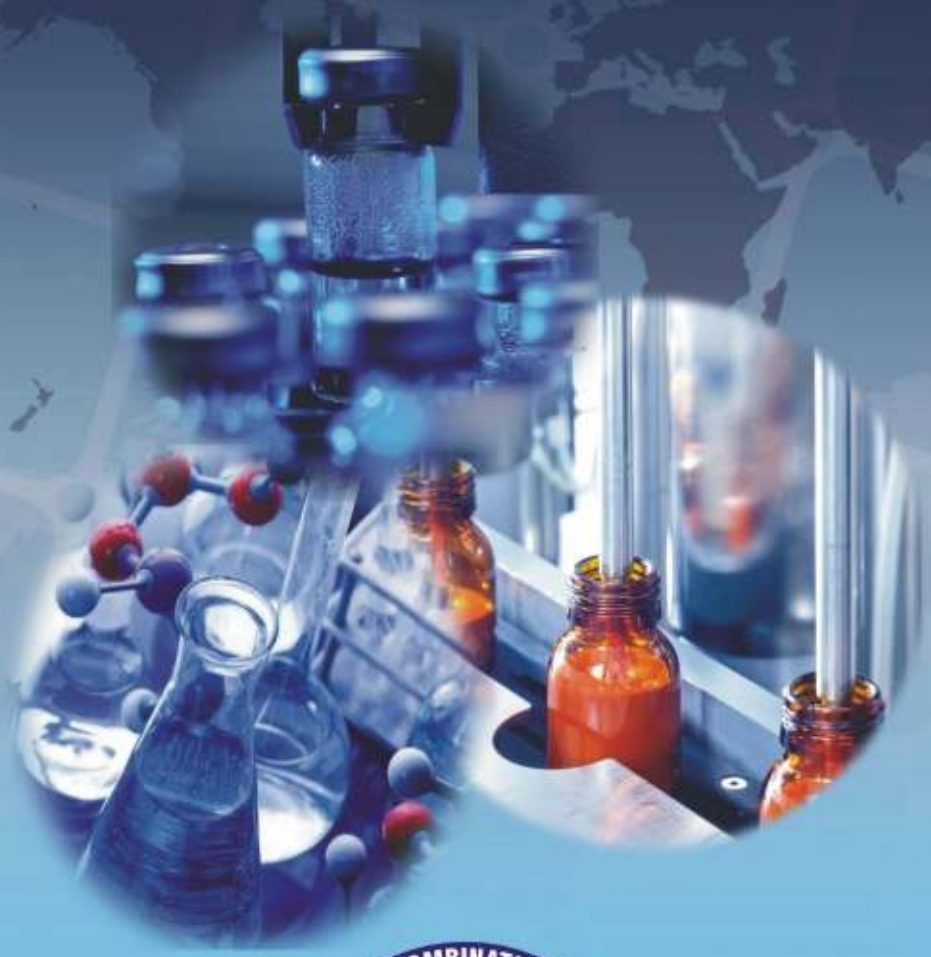
25th ANNUAL REPORT 2012-13



SYNERGISTIC COMBINATION FOR HEALTH
CELEBRATING 25 years SYNCOM

SYNCOM
FORMULATIONS (INDIA) LIMITED

A WHO-GMP & ISO 9001-2008 Certified Company

Synergistic Combination for Health

SYNCOM FORMULATIONS (INDIA) LIMITED

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

Cost Auditors

M. Goyal & Co.
Cost Accountants, Jaipur

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 25th ANNUAL GENERAL MEETING

Notice is hereby given that the **Twenty Fifth Annual General Meeting** of the members of **SYNCOM FORMULATIONS (INDIA) LTD.** will be held on Monday, the 5th day of August, 2013, at 2:30 P.M. at the registered office of the company at 7, Niraj Industrial Estate, Off Mahakali Caves Road, Andheri (East), Mumbai-400093 to transact the following businesses:

I. ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2013 and the Statement of Profit and Loss and Cash Flow Statement for the year ended 31st March 2013 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 Vinod Kumar Kabra, who is liable to retire by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors to hold office from conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

II SPECIAL BUSINESS:

Increase in Authorised Share Capital

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

"RESOLVED THAT pursuant to the provisions of section 94 of the Companies Act, 1956, and other applicable provisions of the Companies Act, 1956, the Authorised Share Capital of the company be and is hereby increased from Rs. 25,00,00,000/- (Rupees Twenty Five Crores) to Rs. 80,00,00,000/- (Rupees Eighty Crores) divided into 80,00,00,000 (Eighty Crores) Equity shares of Rs. 1 (Rupees One Only) each."

Sub Division/Split of Shares

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

"RESOLVED THAT pursuant to the provisions of section 94 of the Companies Act, 1956 other applicable provisions, if any, of the Companies Act, 1956, including any statutory modifications or re-enactments thereof for the time being in force) and in accordance with the Articles of Association of the Company and subject to such approvals, consent, permissions and sanctions, if any, as may be required from any authority and subject to such conditions as may be agreed to by the Board of Directors of the Company (hereinafter referred to as the 'Board', which term shall also include any Committee thereof), consent of the members of the Company be and is hereby accorded for sub-dividing the equity shares of the Company of the face value of Rs. 10/- (Rupees Ten Only) each into Ten equity shares of face value Rs. 1/- (Rupees One only) each and consequently the existing paid up Equity Share Capital of the Company of Rs. 22,30,43,480/- (Rupees Twenty Two Crores Thirty Lakhs Fourty Three Thousand Four Hundred Eighty) would comprise of 22,30,43,480 (Twenty Two Crores Thirty Lakhs Forty Three Thousand Four Hundred Eighty) Equity Shares of Rs. 1/- (Rupees One only) each w.e.f. the Record Date."

"RESOLVED FURTHER THAT pursuant to the sub-division of the Equity Shares of the Company, the issued, subscribed and paid-up equity shares of face value Rs.10/- (Rupees Ten Only) each shall stand sub-divided into Equity Shares of Rs. 1/- (Rupees One only) each, fully paid-up."

"RESOLVED FURTHER THAT no letter of sub-division shall be issued but the share certificates for the sub-divided new equity shares of face value of Rs. 1/- (Rupees One only) each be delivered to the shareholders who hold the existing shares in physical form without calling for surrender of share certificates held by them and the respective beneficiary account be credited with the sub-divided new equity shares of face value of Rs. 1/- (Rupees One only) each for such shareholders who hold the existing shares in dematerialized form."

"RESOLVED FURTHER THAT the sub-division of shares shall be effective simultaneously with the allotment of Bonus Equity Shares by the Board and/or as per the advice of the Stock Exchange"

"RESOLVED FURTHER THAT the Board be and is hereby authorized to do, perform, execute and delegate all such acts, deeds and things as it may consider necessary, expedient, usual or proper to give effect to this resolution including but not limited to fixing of the record date as per the requirement of the Listing Agreement, execution of all the necessary documents with the Stock Exchange(s) and the Depositories, Reserve Bank of India and/or any other relevant statutory authority, if any, cancellation or rectification of the existing physical share certificates in lieu of the old certificates and to settle any question of difficulty that may arise with regard to the sub-division of the Equity Shares as aforesaid or for any matters connected therewith or incidental thereto."

Alteration in the Memorandum of Association

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

"RESOLVED THAT pursuant to Sections 13, 16, 94 and all other applicable provisions, if any, of the Companies Act, 1956, including amendments thereto or re-enactments thereof, the existing Clause V of the Memorandum of Association of the Company be substituted by the following:

V. The Authorised capital of the Company is Rs. 80,00,00,000/- (Rupees Eighty Crores) divided into 80,00,00,000 (Eighty Crores) Equity Shares of Rs. 1/- (Rupees One only) each with the power to increase and reduce the Capital of the Company and to alter, convert, re-classify, into several classes of stock or shares and to divide or sub-divide and consolidate the same with the power to attach thereto respectively such preferential, deferred, or special rights, privileges or conditions or restrictions, as may be determined by or in accordance with the Articles of Association of the Company from time to time.

"RESOLVED FURTHER THAT the Board be and is hereby authorized to do, perform, execute and delegate all such acts, deeds and things as it may consider necessary, expedient, usual or proper to give effect to this resolution including but not limited to filing of the necessary forms with the Registrar of Companies and to comply with all other requirements in this regard and for any matters connected therewith or incidental thereto."

Issue of Bonus Shares

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

"RESOLVED THAT pursuant to the provisions of the Articles of Association of the company and in accordance with applicable provisions, if any, of the Companies Act, 1956, or any amendment or re-enactment thereof and upon recommendation of the Board of Directors and subject to the SEBI (Issue of Capital Disclosure Requirement) Regulations, 2009 (ICDR-Regulations) issued by the Securities and Exchange Board of India (SEBI), compliance of the Reserve Bank of India (RBI) in this behalf and further subject to such approvals, consents, permissions and/or sanctions, as may be necessary, consent of Members, be and is hereby accorded to the Board of directors of the Company ('the Board', which term shall be deemed to include any Committee thereof) for capitalization of such sum standing to the credit of the Capital Reserves, General Reserves and surplus credit balance of the profits laying in the Company's account as may be considered necessary by the Board, for the purpose of issue of 55,76,08,700 (Fifty Five Crores Seventy Six Lakhs Eight Thousand Seven Hundred) bonus equity shares of Rs. 1/- (Rupees One only) each, credited as fully paid-up Equity Shares to the existing eligible holders of the Equity Shares of the Company, whose names shall appear in the Register of Members or in the respective beneficiary accounts with their respective Depository Participants, on the 'Record Date' to be determined by the Board for the purpose, in the proportion of 5 (Five) bonus shares of Rs. 1/- (Rupees One Only) each for every 2 (Two) fully paid-up equity share of Rs. 1/- (Rupees One Only) each held by shareholders and that the bonus shares issued shall, for all purposes, be treated as an increase in the nominal amount in the capital of the company held by each such member, and not as income."

"RESOLVED FURTHER THAT the new equity shares shall be allotted subject to the Memorandum and Articles of Association of the Company and shall rank pari passu with the existing (sub-divided) fully paid-up equity shares of the Company."

"RESOLVED FURTHER THAT that no letter of allotment shall be issued in respect of the bonus shares but in the case of members who hold equity shares (or opt to receive the bonus shares) in dematerialized form, the bonus

shares shall be credited to the respective beneficiary accounts of the members with their respective Depository Participants and in the case of members who hold equity shares in physical certificate form, the share certificates in respect of the bonus shares shall be dispatched, within such time as prescribed by law and/or the relevant authorities."

"RESOLVED FURTHER THAT no fraction, if any, arising out of the issue and allotment of the bonus shares shall be allotted by the Company and the Company shall not issue any certificate or coupon in respect thereof but all such fractional entitlements shall be consolidated and the Bonus Shares, in lieu thereof, shall be allotted by the Board to nominee(s) to be appointed by the Board, who shall hold the same as trustee(s) for the members entitled thereto, and sell the said shares so arising at the prevailing market rate and pay to the company the net sale proceeds thereof, and after adjusting therefrom the cost and expenses in respect of such sale, for distribution to members in proportion to their fractional entitlements."

"RESOLVED FURTHER THAT that for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts/ deeds, matters and things and give such directions as may be necessary or expedient and to settle any question, difficulty or doubt that may arise in this regard as the Board in its absolute discretion may deem necessary or desirable and its decision shall be final and binding."

By order of the Board of Directors

Place: Indore
Date : 08th July, 2013

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 12th July, 2013 to 15th July, 2013 (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 15th July, 2013 in respect of the shares held in dematerialized form, the dividend will be paid to members, whose 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 Shar 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 Agents 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 2005-06 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 divided if any for the year 2005-06 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 Director proposed for re-appointment is being given in a statement containing details of the concerned Director 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 email 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

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 DIRECTOR PROPOSED FOR RE-APPOINTMENT

Name and Designation Of Appointee	Age/ Qualification Year	Expertise/ Experience	Date of Appointment	Other Directorship	No. of shares held & %age
Shri Vinod Kumar Kabra	61 years B.Ed., M.Com., LLB	Experience of more than 35 years years in the eucational field.	30/04/2007	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:

The present Authorized Share Capital of the Company is Rs. 25,00,00,000 (Rupees Twenty Five Crores) divided into 2,50,00,000 (Two Crores Fifty Lakhs) equity shares of Rs. 10 (Rupees Ten only) each. The Board of Directors of the company has proposed to issue bonus shares at their meeting held on 8th July, 2013, therefore, it has become essential to increase the present Authorized Share Capital to give effect to the said proposal. The Resolution is therefore to increase the Authorized Share Capital of the Company to Rs.80,00,00,000 (Rupees Eighty Crores) divided into 80,00,00,000 (Eighty Crores) Equity Shares of Rs.1/- (Rupees One only) Each.

None of the Directors of the Company is in any way interested or concerned in the Resolution, except to the extent of their shareholding and the shareholdings of their relatives, if any.

Your Directors recommend the above Resolution for your approval.

Item No.6:

At present the Equity Share Capital of Rs. 22,30,43,480/- (Rupees Twenty Two Crores Thirty Lakhs Forty Three Thousand Four Hundred Eighty only) of the Company are listed on the BSE Limited, the Face Value of the Equity Shares are Rs. 10/- (Rupees Ten only) each. In order to enhance the liquidity of the Company in the capital market, widen shareholder base and to make the shares affordable to small investors, the Board of directors at their meeting held on 8th July, 2013 have considered that it desirable to sub-divide (split in the face value) the existing face value of the equity shares of the Company form the present Rs. 10/- per Equity Share into 10 (Ten) Equity Shares of Rs. 1/- (Rupees One only) each.

As per the provision of Section 94 of the Companies Act, 1956, approval of the Shareholders are required for the sub-division of the shares. The Board recommends the resolution for approval of the shareholders as a special resolution.

None of the directors is concerned or interested in the resolution, except to the extent of their respective interest as shareholders of the Company.

Item No.7:

Consequent to the approval of resolutions as set-out in Item No.5 and 6, as above, the existing Clause V of Memorandum of Association of the company is required to be altered to reflect the present status of the capital of the company after increase in capital and sub-division/split of shares.

None of the Directors of the Company is in any way interested or concerned in the accompanying resolution, except of their respective shareholding and the shareholdings of their relatives, if any.

Your directors recommend the above Resolution for your approval as a special resolution.

Item No.8:

In order to reward the shareholders at the completion of its 25th years of the Company and in view of the Company's performance and looking to the comfortable reserves position, the Board of directors at their meeting held on 8th July, 2013 has recommended capitalization of a portion of reserves and surplus of the profits available to the extent of Rs.55,76,08,700/- (Rupees Fifty Five Crores Seventy Six Lakhs Eight Thousand Seven Hundred only) by issuance 55,76,08,700 (Fifty Five Crores Seventy Six Lakhs Eight Thousand Seven Hundred) Equity Shares of Rs. 1/- (Rupees One only) each in the proportion of 5:2 (i.e. 5 (Five) fully paid bonus share of face value of Rs. 1/- (Rupees One only) each for every 2 (Two) eligible existing fully paid (sub-divided) equity shares of Rs. 1/- (Rupees One only) each) held by the members as on the record date to be hereafter decided by the Board or its Committee thereof.

The Company has complied with all the conditions and requirements for issue of bonus equity shares contained in Chapter IX of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as presently in force.

None of the Directors of the Company is in any way interested or concerned in the accompanying resolution, except of their respective shareholding and the shareholdings of their relatives, if any.

By order of the Board of Directors

Place: Indore
Date : 08th July, 2013

KEDARMAL BANKDA
CHAIRMAN

DIRECTORS' REPORT

To,
The Members,
Syncom Formulations (India) Limited

Your Directors have pleasure in presenting their 25th Annual Report and Audited Statements of Account for the year ended 31st March 2013.

1. FINANCIAL PERFORMANCE

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

Financial Results (₹ In Lacs)

Particulars	Year ended 31/03/2013	Year ended 31/03/2012
Net Sales and Other incomes	11609.81	11904.77
Profit before interest, depreciation and tax	**1178.86**	**859.35**
Less: Financial Charges	42.95	41.69
Less: Depreciation	291.00	271.58
Profit before Taxation	**844.91**	**546.08**
Provision for Taxation for current year	228.14	109.04
Difference in income tax for previous year	5.42	0.55
Deferred Tax	45.76	85.93
Net Profit after tax	**565.59**	**350.56**
Add: Balance brought forward from previous years	440.71	345.68
Amount available for appropriation	**1006.30**	**696.24**
Appropriation: Transfer to general Reserve	400.00	100.00
Proposed Dividend	**133.83**	**133.83**
Corporate Dividend Tax	21.71	21.71
Balance carried to the Balance Sheet	450.76	440.70
E.P.S. (in Rs.) (Annualized)	**2.54**	**1.57**

2. REVIEW OF OPERATIONS:

During the year under review Company has achieved a total turnover of **Rs.11609.81** lacs as compared to Rs 11904.77 lacs during the previous year. The Company has generated profit after tax of 565.59 lacs as compared to Rs 350.56 lacs during the previous year and registered growth of 61.34% in the profits on YOY basis.

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

3. MARKETING AND EXPORT:

Despite unstable overseas market, during the year under review the company could achieve export turnover of Rs. 7491.54 lacs, as compared to Rs.9096.24 lacs during the previous year. The company has stepped up efforts in increase the export market to new geographical locations/countries and expects significant improvement in future years.

Company's prospects in domestic market

Cratus Life Care, domestic division of company, is now a known name and enjoy a good image in domestic market and has generated turnover of Rs. 3682.93 lacs as compared Rs.2126.28 lacs during previous year. The management is hopeful for further remarkable growth in the domestic market in the coming years.

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

4. DIVIDEND:

Your Company always strives is to enhance stakeholders and customers satisfaction value. In pursuance of the same your directors are pleased to recommend payout of 22nd 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. (Previous year @ Rs 0.60 (6%) Rs.133.83 Lacs).

5. SHARE CAPITAL

In order to provide liquidity and broad base to the investors of the Company, your Board at its meeting held on 8th July, 2013 has decided to sub divide the present equity shares of Rs. 10/- (Rs. Ten only) each to Rs. 1/- (Rs. One only) each.

Further that your Board of directors are pleased to inform that upon completion of the 25th years of the Company, the Board announces for issuance of 55,76,08,700 (Fifty Five Crores Seventy Six Lacs Eight Thousand Seven Hundred only) Equity Shares of Rs. 1/- (Rupees One only) to the existing members in the proportion of 5 (Five) Equity shares of Rs.1/- (Rupees One only) for every 2 (Two) equity shares of Rs. 1/- (Rupees One only) held by the members as on the record date as may be declared by the Board.

6. TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND:

During the year, unclaimed dividend of Rs. 6,69,300/- for the year 2004-05 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. 16,15,438/- as at 31st March, 2013 (from 2005-06 to 2011-12).

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 Vinod Kumar Kabra, 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.

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 and Schedule VI 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, 2013 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 is in receipt of confirmation from them that if they are reappointed, their appointment will be in accordance with the limit mentioned in section 224(1B) of the Companies Act, 1956.

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

13. COST AUDITORS

The Company has appointed M/s M.Goyal & Co., (Membership No. 00051/07/2008) Cost Accountant as the Cost Auditors of the Company for the Financial Year 2012-13 after obtaining approval of the Central Government. The

Cost Audit Report for the year 2011-12 was filed on 30th Sept., 2012, and the Cost Audit Report for the year 2012-13 would be filed within the stipulated time. The Cost Auditors Report is self explanatory and needs no comments.

The Company has re-appointed the above firm as the Cost Auditors for the company for the financial year 2013-14.

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 is set out in the annexure 2 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 : 8th July, 2013

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 (2012-2013)	Previous Year (2011-2012)
1. Electricity (Purchased) Units	18,99,600	23,27,526
Amount (₹)	1,46,67,160	1,61,27,371
Rate/ unit (₹)	7.72	6.73
2. Electricity (Generated) units	6,021	17,525
Amount (₹)	82,500	1,81,357
Unit per Litre of Diesel oil	4.01	4.34
Rate/unit (₹)	13.70	10.35

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 (₹)	2012-13	2011-12
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. 7,181.59 lacs (previous year Rs.8,874.30 lacs) (FOB value) and total foreign outgo was Rs. 37.03 Lacs (previous year Rs.41.15 Lacs).

For and on behalf of the Board of Directors

Place: Indore
Date : 8th July, 2013

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

Indian pharmaceutical industry is expected to grow at 19% in 2013.India is now among the top five pharmaceutical emerging markets.There will be new drug launches, new drug filings, and Phase II clinic trials throughout the year.On back of increasing sales of generic medicines, continued growth in chronic therapies and a greater penetration in rural markets, the domestic pharmaceutical market is expected to register a strong double-digit growth of 13-14 per cent in 2013.

Moreover, the increasing population of the higher-income group in the country will open a potential US$ 8 billion market for multinational companies selling costly drugs by 2015. Besides, the domestic pharma market is estimated to touch US$ 20 billion by 2015, making India a lucrative destination for clinical trials for global giants.

Various Industry body estimates indicate the healthcare market in India to reach US$ 31.59 billion by 2020.

(b) Threats, Risks and Concerns:

Over the past decade, pharmaceutical companies have entered a difficult period where shareholders, the market, and regulators have created significant pressures for change within the industry. The core issues for most of drug companies are declining productivity of in-house R & D, patent expiration of number of blockbuster drugs, increasing legal and regulatory concern, and pricing issue.

Current global financial conditions and the threat of a broad recession accelerated the timetable for implementing transformational changes in global organizations, as the industry confronts lower corporate stock prices and an increasingly cost-averse customer.

(c) Opportunity:

The Indian pharmaceutical industry currently tops the chart amongst India's science-based industries with wide ranging capabilities in the complex field of drug manufacture and technology. A highly organized sector, the Indian pharmaceutical industry is estimated to be worth $ 4.5 billion, growing at about 8 to 9 percent annually.

It ranks very high amongst all the third world countries, in terms of technology,

quality and the vast range of medicines that are manufactured. It ranges from simple headache pills to sophisticated antibiotics and complex cardiac compounds, almost every type of medicine is now made in the Indian pharmaceutical industry.

The Indian pharmaceutical sector is highly fragmented with more than 20,000 registered units. It has expanded drastically in the last two decades

The Pharmaceutical industry in India meets around 70% of the country's demand for bulk drugs, drug intermediates, pharmaceutical formulations, chemicals, tablets, capsules, orals, and injectibles.

(d) Outlook

The Indian Pharmaceutical Industry, particularly, has been the front runner in a wide range of specialties involving complex drugs' manufacture, development, and technology. With the advantage of being a highly organized sector, the pharmaceutical companies in India are growing at the rate of $ 4.5 billion, registering further growth of 8 - 9 % annually.

Your company has a pool of personnel with high managerial and technical competence as also skilled workforce, which provides Professional services.

While keeping its focus on achieving a higher sales growth, the company continues to work on generating cost efficiency in all areas of business management and administration.

Your company is committed to a free market economy and globalization. Above all, it is tapping the 70 million middle class Indian consumer market, which is continuously growing.

We believe that 2013-2014 could be an improvement over the previous years with the economic environment expected to improve on the back of expected government reforms

(e) Internal control systems and their adequacy:

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

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

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

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

(f) Cautionary statement:

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

2. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

The Company has been committed to healthy corporate governance practices. Being a value driven organization, the Company's corporate governance practices and disclosures have been duly complied with the statutory and regulatory requirements of the Companies Act, 1956, 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 2013 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
Shri Krishna Das Neema	Independent/NED	0
Shri Sanjay Mehta*	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 Vinod Kumar Kabra, Director of the company, is liable to retire by rotation and seeks his re-appointment.

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

During the financial year 2012-2013 Six (6) 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	Praveen Jindal	Mr. Krishna Das Neema	Mr. Sanjay Mehta
14/05/2012	Yes	Yes	Yes	NA	Yes	Leave
12/07/2012	Yes	Yes	Yes	NA	Yes	NA
14/08/2012	Yes	Yes	Yes	Yes	Leave	NA
22/08/2012	Yes	Yes	Leave	Yes	Yes	NA
10/11/2012	Yes	Yes	Yes	Yes	Leave	NA
13/02/2013	Yes	Yes	Leave	Yes	Yes	NA

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

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 is ceased to be director and Shri Praveen Jindal was appointed as an Additional Director w.e.f 12th July 2012.

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

(b) Meetings and Attendance during the year:

Name of the Director	Mr. Vinod Kabra	Mr. Praveen Jindal	Mr. Krishna Das Neema	CA Sanjay Mehta
Dates of the Meeting				
14.05.2012	Yes	N.A.	Yes	Leave
14.08.2012	Yes	Yes	Leave	N.A.
22.08.2012	Leave	Yes	Yes	N.A.
10.11.2012	Yes	Yes	Leave	N.A.
13.02.2013	Leave	Yes	Yes	N.A.

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:

(I) Transfer of Shares, transmissions and delay in confirmation in D-mat of shares;

(ii) Non-receipt of Annual Report, etc.

(iii) 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 a member w.e.f 12th July 2012

Shri Devendra Maheshwari, the GM (Accounts) and Compliance officer 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 :

(i) Number of complaints received during the year : 26

(ii) Number of complaints solved during the Year : 26

(iii) Number of complaints pending at the end of the year : NIL

The Company has authorized 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 14 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	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 is ceased to be member and Shri Praveen Jindal was appointed as a member w.e.f 12th July 2012.

No meeting of the remuneration committee was required to be held during the year 2012-13.

(c) Remuneration of Executive and Non Executive Directors:

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

Director	Sitting Fees (₹)	Salary & Perquisites (₹)	Commission (₹)	Total (₹)
Shri Kedarmal Bankda	0	4,20,000	0	4,20,000
Shri Vijay Bankda	0	4,20,000	0	4,20,000
Shri Vinod Kabra	7,500	0	0	7,500
C.A. Sanjay Mehta	0	0	0	0
Shri Krishna Das Neema	7,500	0	0	7,500
Praveen Jindal	7,500	0	0	7,500

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
24th AGM	28th September, 2012	02.30 p.m.	2	-
23rd AGM	30th September, 2011	03.00 p.m.	9	-
22nd AGM	29th September, 2010	02.00 p.m.	1	-

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:

(I) 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.

(ii) During the last three years there were 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 2012-13, no employee has been denied access to the audit committee.

10. CODE OF CONDUCT

1. The Company has in place a code of conduct for prevention of insider trading.

2. The Board has 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 have 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

(i) Date, Time and Venue of Annual General Meeting : 5th Aug., 2013 at 2.30 P.M. at the Registered Office of the Company.

(ii) Financial Calendar :	April 2013 to March 2014
Result for the quarter ended 30.06.2013	Before 14th August, 2013
Result for the quarter ended 30.09.2013	Before 14th Nov., 2013
Result for the quarter ended 31.12.2013	Before 14th Feb., 2014
Result for the quarter ended 31.03.2014	Before 30th May, 2014
(iii) Board meeting for consideration : of Annual Accounts	30th May, 2013
(iv) Posting of Annual Report:	11/07/2013
(v) Last date for receipt of Proxy:	03/08/2013

(vi) Dates of Book Closure: 12/07/2013 to 15/07/2013 (Inclusive both days)
(vii) Date of dispatch of Dividend Warrants/Cheques: On or before 03/09/2013
(viii) Listing on Stock Exchanges : The BSE Limited
(ix) Stock Code: BSE Code 523144
(x) D-mat ISIN No. for CDSL and NSDL: INE312C01017
(xi) No. of Shareholders on 31.03.2013: 5025
(xii) Stock Market Data:
The monthly High and Low stock quotations during the financial year ended 31st March 2013 on BSE are as under (Source the Website: bseindia.com)

Month	High (₹)	Low (₹)	Volume of shares traded	Total No. of shares traded
April, 2012	65.90	45.10	868	2,16,537
May, 2012	48.00	33.50	356	3,54,962
June, 2012	61.60	37.50	1,078	4,86,836
July, 2012	61.10	49.10	905	3,06,996
Aug., 2012	61.75	51.65	1,255	13,62,690
Sep., 2012	59.40	47.30	1,432	15,02,862
Oct., 2012	58.80	34.50	2,015	14,36,584
Nov., 2012	43.00	34.60	383	91,971
Dec., 2012	44.00	35.50	373	92,774
Jan., 2013	72.10	39.30	1,819	2,96,399
Feb., 2013	91.80	61.85	1,925	3,39,653
Mar., 2013	87.65	69.40	861	2,19,394

(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, 2013, the Company's 2,21,40,417 shares are held by shareowners in dematerialized form, aggregating 99.26% of the Equity Share Capital.
CDSL: 84,39,760 forming 37.84% of the total paid up capital
NSDL: 1,37,00,657 forming 61.42% of the total paid up capital.

(xv) Distribution of shareholding pattern as on 31st March' 2013

Shareholding of Nominal Value ₹	No. of shareholder	%	Shares Amount in ₹	%
Up to1000	2,527	50.29	19,97,230	0.90
1001-2000	989	19.68	18,83,580,	0.84
2001-3000	430	8.56	12,36,210	0.55
3001-4000	170	3.38	6,60,740	0.30
4001-5000	283	5.63	13,97,760	0.63
5001- 10000	305	6.07	24,49,250	1.10
10001-20000	140	2.79	22,02,710	0.99
20001-30000	60	1.19	15,61,630	0.70
30001-40000	27	0.54	9,64,290	0.43
40001-50000	18	0.36	8,20,340	0.37
50001-100000	23	0.46	16,23,330	0.73
100000-Above	53	1.05	20,62,46,410	92.47
Total	**5025**	**100.00**	**22,30,43,480**	**100.00**

(xvii) Categories of Shareholders as on 31st March, 2013:

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	41,38,898	18.56
5.	Individual SHs holding nominal sh. cap. up to Rs. 1 Lakh	15,36,057	6.89
6.	Individual SHs holding nominal sh. cap. in excess of Rs. 1 Lakh	25,55,303	11.45
7.	Clearing Members	12,813	0.06
8.	NRI/ OCBs	35,828	0.16
Total		**2,23,04,348**	**100.00**

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

(xvii) 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.

(xviii) 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.

(xix) Location of Registered office : 7, Niraj Industrial Estate, Off Mahakali Caves Road, Andheri (East), Mumbai - 400 093
Phone : 091 22 26873851, 26873895
Fax : 091 22 26870293
E-mail: info@sfil.in

(xx) Location of Plant : 256-257, Sector-I, Pithampur
Dist. Dhar (M.P.) 454 775
Ph.: 091 7295 503122, 507039

(xxi) Location of Corporate Office : 2nd Floor, "Tagore Centre" (Dawa Bazar), 13-14, RNT Marg,
Indore - 452 001
Phone : 091 731 2704381
Fax : 091 731 2704380
E-mail: info@sfil.in

(xxii) Website of the Company : **www.sfil.in**

For and on behalf of the Board of Directors

Place: Indore
Date : 08th July, 2013

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 2012-13 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 **Vijay Bankda** **Devendra Maheshwari**
Date : 08th July, 2013 **Managing Director** **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, 2013 .

Place: Indore
Date : 08th July, 2013

KEDARMAL BANKDA
CHAIRMAN

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

To
The Shareholders
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 2012 and ending on 31st March 2013.

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 2012-13 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 : 08th July, 2013

INDEPENDENT AUDITOR'S OPINION TO THE MEMBERS OF M/S. SYNCOM FORMULATIONS (INDIA) LIMITED REPORTS ON THE FINANCIAL STATEMENTS.

We have audited the accompanying financial statements of **M/s. SYNCOM FORMULATIONS (INDIA) LTD.** which comprise the Balance Sheet as at 31st March , 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") . This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India . Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion.

In our opinion and to the best of our information and according to the explanations given to us, financial statements give the information required by the Act in themanner 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, 2013;
B) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date, and
c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:

a) 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.
b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books.
c) The Balance Sheet, Statement of Profit & Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and the Cash flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act.
e) On the basis of the written representations received from the directors as on 31st March, 2013 taken on record by the Board of Directors , none of the directors is disqualified as on 31st March, 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

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

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

PLACE : INDORE
DATED : 30th May, 2013

ANNEXURE TO THE AUDITOR'S REPORT

With reference to the Annexure referred to in our report of even date to the members of M/S SYNCOM FORMULATIONS (INDIA) LTD., for the year ended on 31st March, 2013, 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 Four 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. 18,18,100 (Number of Parties –01) and the maximum amount involved during the year was Rs. 6,70,39,350 Further Company has granted Loan to one party covered in the register maintained under Section 301 of the Companies Act, 1956. At the year end Outstanding balances of such loans given aggregated to Rs. 6,00,000 (Number of Parties –01) and the maximum amount involved during the year was Rs. 6,00,000.
   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/granted by the Company, the payment of Principal amount is regular.
   d. In respect of Loans taken/granted by the Company, there were no overdue amount.
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 carryout 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.
   b. 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.
   c. 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 followings:

Sr. no.	Name of the Statue	Nature of the Dues	Forum where dispute is pending	Amount for which dispute is pending (₹ In Lacs)	Amount Not Dep -osited (₹ 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
3.	Income Tax Act	Income Tax A.Y.2010-11	Appellate Comm. Income Tax, Mumbai	29.29	0.00
4.	Commercial Tax	Central Sales Tax F.Y.2009-10	D.C. Appeal Sales Tax	0.32	0.00

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 statue 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 raise 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

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

PLACE : INDORE
DATED : 30th May, 2013

Balance Sheet As at 31st March, 2013

(Amount in ₹)

Particulars		As at 31-03-2013	As at 31-03-2012
EQUITY AND LIABILITIES			
Share holders' funds			
Share capital	1	22,30,43,480	22,30,43,480
Reserves and surplus	2	65,40,43,610	61,30,38,487
		87,70,87,090	83,60,81,967
Non-Current Liabilities			
Deferred Tax Liability (Net)	3	6,10,01,176	5,64,25,140
Other long-term liabilities	4	2,18,00,000	1,44,50,000
Current Liabilities			
Short Term Borrowings	5	2,05,33,484	6,45,21,478
Trade Payables	6	19,42,38,842	11,12,92,980
Other Current Liabilities	7	1,71,51,899	1,18,98,973
Short Term Provisions	8	3,69,27,309	3,27,54,366
		26,88,51,534	22,04,67,797
GRAND TOTAL		1,22,87,39,800	1,12,74,24,904
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	9	50,36,79,249	50,62,83,000
Intangible Assets	9	10,10,403	15,12,765
Non-Current Investments	10	6,73,50,733	7,83,50,733
Long Term Loans and Advances	11	5,29,44,722	4,37,81,364
		62,49,85,107	62,99,27,862
Current Assets			
Inventories	12	6,07,46,843	4,45,83,126
Trade Receivables	13	28,93,61,320	23,85,55,899
Cash and Bank Balances	14	3,75,67,042	4,67,98,985
Short-Term Loans and Advances	15	21,39,28,261	16,44,78,032
Other Current Assets	16	21,51,227	30,81,000
		60,37,54,693	49,74,97,042
GRAND TOTAL		1,22,87,39,800	1,12,74,24,904
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 : 30th May, 2013

For and on behalf of the Board of Directors

Kedarmal Bankda
Chairman

Vijay Bankda
Managing Director

Mrs. Shikha Sethi
Company Secretary

Statement Of Profit And Loss For The Year Ended 31st March, 2013

(Amount in ₹)

Particulars	Note	2012 - 13	2011 - 12
INCOME			
Revenue from Operations	17	1,14,94,95,680	1,18,11,21,918
Other Income	18	1,14,85,035	93,55,149
Total Revenue		1,16,09,80,715	1,19,04,77,067
EXPENDITURE			
Cost of materials consumed	19	52,52,12,042	63,48,01,408
Purchase of Stock-in-Trade	20	25,52,17,273	16,42,50,754
Changes in inventories of Finished Goods, Stock-in-Process and Stock-in-Trade	21	(50,45,432)	3,18,98,680
Employee Benefits Expenses	22	10,14,65,971	10,47,38,748
Finance Costs	23	42,94,790	41,69,264
Depreciation and Amortisation Expenses	24	2,91,00,313	2,71,58,424
Other Expenses	25	16,62,44,773	16,88,52,088
Total Expenses		1,07,64,89,729	1,13,58,69,366
Profit / (Loss) before tax		8,44,90,986	5,46,07,701
Tax Expenses			
Current Tax		2,28,14,474	1,09,03,519
Income Tax (Earlier Years)		5,41,750	55,050
Deferred Tax		45,76,036	85,92,940
Profit for the year		5,65,58,726	3,50,56,192
Earning per equity share of Rs. 10 each			
Basic & Diluted (In ₹)		2.54	1.57
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 : 30th May, 2013

For and on behalf of the Board of Directors

Kedarmal Bankda
Chairman

Vijay Bankda
Managing Director

Mrs. Shikha Sethi
Company Secretary

Cash Flow Statement For The Year Ended 31st March, 2013

(₹ in Lacs)

	Particulars	Year Ended 31-03-2013		Year Ended 31-03-2012	
A.	**CASH FLOW FROM OPERATING ACTIVITIES:**				
	Net profit before extraordinary items & tax		**844.91**		546.08
	Adjustments for:				
	Depreciation and amortisation	**282.75**		263.33	
	Amortisation of share issue expenses	**8.26**		8.26	
	Finance costs	**42.95**		41.69	
	Interest income	**(71.20)**		(45.92)	
	Dividend income	**0.00**		(1.11)	
	Rental income from investment properties	**(38.65)**	**224.11**	(37.53)	228.72
	Operating profit before working capital changes		**1069.02**		774.79
	Changes in working capital				
	Adjustments for (increase)/decrease in operating assets:				
	Inventories	**(161.64)**		703.52	
	Trade receivables	**(508.06)**		(45.32)	
	Short term loans and advances	**(494.50)**		(231.04)	
	Long term loans and advances	**(91.63)**		3.34	
	Other current assets	**1.03**		(2.73)	
	Adjustments for (increase)/decrease in operating liabilities:				
	Trade payables	**829.46**		(262.20)	
	Other current liabilities	**52.53**		(147.01)	
	Other long-term liabilities	**73.50**		(53.25)	
	Short-term provisions	**41.73**	**(257.58)**	11.51	(23.17)
			811.44		751.62
	Cash flow from extraordinary items		**0.00**		0.00
	Cash generated from operations		**811.44**		751.62
	Net income tax (paid)	**(233.56)**	**(233.56)**	(109.59)	(109.59)
	Net cash flow from / (used in) operating activities (A)		**577.88**		**642.03**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Capital expenditure on fixed asset	**(251.68)**		(557.04)	
	Purchase of long-term investments	**0.00**		(70.02)	
	Proceeds from sale of long-term investments	**110.00**		33.50	
	Interest received	**71.20**		45.92	
	Dividend received	**0.00**		1.11	
	Rental income from investment properties	**38.65**		37.53	
	Net cash flow (used in) investing activities (B)		**(31.83)**		(509.00)

Contd.

Cash Flow Statement For The Year Ended 31st March, 2013

(₹ in Lacs)

Particulars	Year Ended 31-03-2013		Year Ended 31-03-2012	
C. CASH FLOW FROM FINANCING ACTIVITIES:				
Proceeds from issue of equity shares	**0.00**		0.00	
Proceeds from other short-term borrowings	**0.00**		140.95	
Repayment of other short-term borrowings	**(439.88)**		0.00	
Finance cost	**(42.95)**		(41.69)	
Dividends paid	**(133.83)**		(133.83)	
Tax on dividend	**(21.71)**		(21.71)	
Net cash flow from / (used in) financing activities (C)		**(638.37)**		**(56.28)**
Net increase/(decrease) in cash and cash equivalents (A+B+C)		**(92.32)**		**76.76**
Cash and cash equivalents at beginning of the year		**467.99**		391.23
Cash and cash equivalents at the end of the year		**375.67**		467.99

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 : 30th May, 2013

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, 2013

(Amount in ₹)

Particulars		2012-2013	2011-2012
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
(The company has only one class of equity share. Each share holder is eligible for one vote per share. The dividend proposed by the board is subject to the approval of share holders except in case of interim dividend. In the event of liquidation, the equity share holders are eligible to receive the assests of the company after distribution of all preferential amounts in proportion to their shareholding.			
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:

Name of the Shareholder	As at 31.03.2013		As at 31.03.2012	
	No. of shares	% held	No. of shares	% held
Mr. Kedarmal Bankda	**25,76,990**	**11.55%**	25,76,990	11.55%
Mr. Vijay Bankda	**16,72,965**	**7.50%**	16,72,965	7.50%
Mr. Ankur Vijay Bankda	**12,23,255**	**5.48%**	15,73,255	7.05%
Mr. Ankit Bankda	**13,39,612**	**6.01%**	15,60,612	7.00%
Mrs. Asha Bankda	**13,58,671**	**6.09%**	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%
M/s. Paradise Vyapar Pvt. Ltd.	**13,48,175**	**6.05%**	5,77,175	2.59%

The reconciliation of the number of shares outstanding is set out below:

Particulars	No. of shares	
	As at 31.03.2013	As at 31.03.2012
Equity shares at the beginning of the year	**2,23,04,348**	2,23,04,348
Add: Shares issued	**0**	0
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	c	**30,65,97,996**	30,65,97,996
General reserve			
(As per last balance sheet)		**26,00,00,000**	25,00,00,000
Add: Set aside during the year		**4,00,00,000**	1,00,00,000
	d	**30,00,00,000**	26,00,00,000

Contd.

Notes On Financial Statements For The Year Ended 31st March, 2013

(Amount in ₹)

Particulars	2012-2013	2011-2012
Surplus - Balance in Statement of Profit & Loss		
As per last balance sheet	**4,40,71,191**	3,45,68,602
Add: Profit for the year	**5,65,58,726**	3,50,56,192
Less: Transfer to General Reserve	**4,00,00,000**	1,00,00,000
Less: Proposed Equity Dividend	**1,33,82,609**	1,33,82,609
Less: Tax on Proposed Equity Dividend	**21,70,994**	21,70,994
e	**4,50,76,314**	4,40,71,191
(a to e)	**65,40,43,610**	61,30,38,487
NOTE - 3: DEFERRED TAX LIABILITY		
Deferred Tax Liability on account of		
Depreciation	**6,21,75,933**	5,65,25,780
Deferred Tax Assets on account of		
Provision for Gratuity	**11,74,757**	1,00,640
Net Deferred Tax liability (Assets)	**6,10,01,176**	5,64,25,140
NOTE - 4: OTHER LONG-TERM LIABILITIES		
Trade Deposits	**2,18,00,000**	1,44,50,000
	2,18,00,000	1,44,50,000
NOTE - 5: SHORT TERM BORROWINGS		
Loan repayable on demand		
Secured		
Working Capital Loans (Over Draft)		
From Dena Bank	**1,85,89,863**	2,84,78,092
From State Bank of India	**1,25,521**	3,55,436
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)	**18,18,100**	3,56,87,950
	2,05,33,484	6,45,21,478
NOTE - 6: TRADE PAYABLE (Refer Note No. 26.09)		
Micro, Small and Medium Enterprises	**63,28,294**	10,73,254
Others	**18,79,10,548**	11,02,19,726
	19,42,38,842	11,12,92,980
NOTE - 7: OTHER CURRENT LIABILITIES		
Unclaimed dividend	**16,15,438**	21,82,648
Right issue Refund Payable A/c	**18,717**	18,717
Creditors - Capital Expenditure	**28,62,345**	47,57,868
Advance from Customers	**90,89,754**	18,14,703
Statutory Dues	**35,65,645**	31,25,037
	1,71,51,899	1,18,98,973

Contd.

Notes On Financial Statements For The Year Ended 31st March, 2013

(Amount in ₹)

Particulars	2012-2013	2011-2012
NOTE - 8: SHORT TERM PROVISIONS		
Provision for Bonus, Gratuity and leave encashment	**54,34,268**	47,05,445
Provision for Income Tax- Net of Adv. Tax Rs. 1,61,18,102(Pre.Yr. Rs. 58,06,541)	**66,96,372**	50,96,978
Provision for Expenses	**92,43,066**	73,98,340
Proposed dividend	**1,33,82,609**	1,33,82,609
Corporate Dividend Tax Payable	**21,70,994**	21,70,994
	3,69,27,309	3,27,54,366

NOTE - 9: FIXED ASSETS (AT COST)

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As at 31.03.12	Additions	**As at 31.03.13**	As at 31.03.12	For the Year	**As at 31.03.13**	**As at 31.03.13**	As at 31.03.12
TANGIBLE ASSETS: Own Assets								
Lease hold land	11,86,605	0	**11,86,605**	1,55,818	11,986	**1,67,804**	**10,18,801**	10,30,787
Building Factory	17,64,87,176	66,12,184	**18,30,99,360**	4,63,20,601	58,10,472	**5,21,31,073**	**13,09,68,287**	13,01,66,575
Building others	14,59,75,800	0	**14,59,75,800**	30,59,582	23,79,406	**54,38,988**	**14,05,36,812**	14,29,16,218
Plant & Machineries	26,90,42,589	84,02,938	**27,74,45,527**	10,96,09,732	1,28,87,909	**12,24,97,641**	**15,49,47,886**	15,94,32,857
Electrical Installation	3,36,56,003	16,75,446	**3,53,31,449**	1,02,86,154	16,12,852	**1,18,99,006**	**2,34,32,443**	2,33,69,849
Furniture & Fixtures	4,94,08,659	0	**4,94,08,659**	2,05,62,062	31,27,568	**2,36,89,630**	**2,57,19,029**	2,88,46,597
Office Equipments	2,14,50,944	52,64,847	**2,67,15,791**	85,75,250	10,35,432	**96,10,682**	**1,71,05,109**	1,28,75,694
Computers	1,03,59,263	59,700	**1,04,18,963**	98,86,668	45,494	**99,32,162**	**4,86,801**	4,72,595
Vehicles	80,03,077	31,18,286	**1,11,21,363**	8,31,249	8,26,033	**16,57,282**	**94,64,081**	71,71,828
TOTAL (A)	**71,55,70,116**	**2,51,33,401**	**74,07,03,517**	**2,09,87,116**	**2,77,37,152**	**23,70,24,268**	**50,36,79,249**	**50,62,83,000**
INTANGIBLE ASSETS:								
Software	33,00,230	35,060	**33,35,290**	17,87,465	5,37,422	**23,24,887**	**10,10,403**	15,12,765
TOTAL (B)	**33,00,230**	**35,060**	**33,35,290**	**17,87,465**	**5,37,422**	**23,24,887**	**10,10,403**	**15,12,765**
TOTAL (A+B)	**71,88,70,346**	**2,51,68,461**	**74,40,38,807**	**21,10,74,581**	**2,82,74,574**	**23,93,49,155**	**50,46,89,652**	**50,77,95,765**
Prev. Year	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

NOTE - 10: NON CURRENT INVESTMENTS			
In equity shares - quoted, fully paid up			
M/s Ravi Kumar Distilleries Ltd.			
7,94,250 shares of Rs. 10 each		**4,21,00,733**	4,21,00,733
Market value 69,89,400 (Previous year 91,10,048)			
1,00,000 shares of M/s First Financial Services Ltd. of Rs. 10 each		**20,00,000**	20,00,000
Market value Rs. 2,97,00,000 (previous year 5,10,000)			
	a	**4,41,00,733**	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
Nil (Pr. Yr. 1,10,000) shares of M/s BLC Trading Agency Pvt. Ltd. of Rs. 100 each		**0**	1,10,00,000
	b	**2,28,50,000**	3,38,50,000
Investment in partnership firms (Refer Note No. 26.12)			
M/s Syncom International	c	**4,00,000**	4,00,000
	(a+b+c)	**6,73,50,733**	7,83,50,733

Contd.

Notes On Financial Statements For The Year Ended 31st March, 2013

(Amount in ₹)

Particulars	2012-2013	2011-2012
NOTE - 11: LONG TERM LOANS & ADVANCES (Unsecured Considered Goods)		
Capital advances	1,12,91,748	22,88,330
Deposits	19,52,974	17,93,034
Deposit for Premises (Related parties) (Refer note 26.12)	3,97,00,000	3,97,00,000
	5,29,44,722	4,37,81,364
NOTE - 12: INVENTORIES (At lower of cost or net realizable value)		
Raw Materials	1,71,15,493	1,04,24,233
Stock in Process	1,79,15,076	59,37,759
Finished Goods	1,09,78,794	1,79,10,679
Packing Material	1,24,81,556	77,51,358
Stores & spares and others	22,55,924	25,59,097
	6,07,46,843	4,45,83,126
NOTE - 13: TRADE RECEIVABLE (Unsecured, Considered Goods)		
Within Six Months	28,35,29,281	23,16,94,212
Over Six Months	58,32,039	68,61,687
	28,93,61,320	23,85,55,899
NOTE - 14: CASH & BANK BALANCE		
Cash in hand (As certified)	8,52,383	19,76,798
Balance with Banks		
- In Current Account	45,504	75,85,822
- In Current accounts in respect of unclaimed dividend warrants	16,15,438	21,82,648
- In Current accounts in respect of Right issue refund orders	18,717	18,717
- In Fixed Deposit with Banks (Pledged with Bank and Govt. Dept.)	3,50,35,000	3,50,35,000
	3,75,67,042	4,67,98,985
NOTE - 15: SHORT TERM LOANS AND ADVANCES (Unsecured and considered good)		
Loans and Advance to employees	82,32,300	69,73,800
Loans and Advance to others	10,43,04,733	6,03,37,599
Prepaid Expenses	1,44,489	54,600
Balances with Govt. Authorities		
- Export incentives receivables	4,16,21,353	5,96,01,732
- Excise duty receivable	2,85,68,956	80,67,972
- Balance with Central Excise	1,61,81,628	66,39,141
- VAT receivable	1,48,74,802	2,28,03,188
	21,39,28,261	16,44,78,032

Contd.

Notes On Financial Statements For The Year Ended 31st March, 2013

(Amount in ₹)

Particulars		2012-2013	2011-2012
NOTE - 16: Other Current Assets			
a. Accruals			
Interest Accrued but not due on fixed deposits with bank	a	10,27,554	11,31,588
b. Miscellaneous Expenditure (To the extent not written off or adjusted)			
Share issue expenses			
As per last balance sheet		19,49,412	27,75,151
Add: Incurred during the period		0	0
Less: Written off during the year		8,25,739	8,25,739
	b	11,23,673	19,49,412
	(a+b)	21,51,227	30,81,000
NOTE - 17: REVENUE FROM OPERATIONS			
Sales			
- Export Sales		74,91,53,798	90,96,23,841
- Domestic Sales		36,82,93,282	21,26,28,472
		1,11,74,47,080	1,12,22,52,313
Less: Excise Duty		2,44,115	3,01,619
	Total	1,11,72,02,965	1,12,19,50,694
Export Incentives		3,22,92,715	5,91,71,224
	Total	1,14,94,95,680	1,18,11,21,918
NOTE - 17(a): REVENUE FROM OPERATIONS			
Sales of Product Comprises of Manufactured Goods			
- Tablets		44,90,08,157	60,28,47,731
- Capsules		14,63,20,936	16,09,59,453
- Liquids		5,95,59,150	7,91,37,580
- Injectable		6,86,36,452	4,69,69,471
- Ointment		92,35,644	69,75,709
- Dry Powder		1,14,45,958	84,86,134
- Inhaler		35,81,764	24,64,391
	Total of Manufactured Goods (a)	74,77,88,061	90,78,40,469
Traded Goods			
- Mentha Oil		15,02,03,136	11,77,45,296
- Tablets		10,23,39,068	4,56,42,385
- Liquids		6,98,16,790	2,98,61,439
- Capsules		2,16,75,234	1,38,87,266
- Others		2,56,24,791	72,75,458
	Total of Traded Goods (b)	36,96,59,019	21,44,11,844
	Grand Total (a+b)	1,11,74,47,080	1,12,22,52,313
NOTE - 18: OTHER INCOME			
Interest received			
Others		37,35,378	19,87,461
Bank		33,84,250	26,04,621
Dividend Income			
From Long Term Investment		0	1,11,225

Notes On Financial Statements For The Year Ended 31st March, 2013

(Amount in ₹)

Particulars	2012-2013	2011-2012
Other non operating income		
Rent	**38,65,312**	37,52,824
Miscellaneous Income	**4,98,845**	8,50,482
Commission	**1,250**	48,536
	1,14,85,035	93,55,149
NOTE - 19: PARTICULARS OF MATERIALS CONSUMED		
Paracetamol	**10,77,94,876**	10,77,19,091
Ibuprofen	**1,41,77,643**	1,52,42,557
Chloroquine Phasphate	**2,95,18,934**	3,14,09,129
Cefixime Trihydrate	**1,80,06,320**	2,36,47,215
Packing Material	**17,95,44,890**	24,77,43,291
Others	**17,61,69,379**	20,90,40,125
	52,52,12,042	63,48,01,408

NOTE - 19(a): COST OF MATERIALS CONSUMED

		2012-13		2011-12		
	Amount	**%**	**Amount**	**%**		
Imported	**0**	**0**	0	0	**0**	0
Indigenous	**52,52,12,042**	**100.00**	63,48,01,408	100	**52,52,12,042**	63,48,01,408
Total	**52,52,12,042**	**100.00**	63,48,01,408	100	**52,52,12,042**	63,48,01,408

NOTE - 20: PURCHASE OF STOCK-IN-TRADE				
Mentha Oil			**15,02,90,342**	11,78,39,792
Tablets			**2,14,64,727**	2,14,64,727
Liquids			**1,52,22,918**	1,52,22,918
Capsules			**52,84,926**	52,84,926
Others			**6,29,54,360**	44,38,391
			25,52,17,273	16,42,50,754
NOTE - 21: CHANGES IN INVENTORIES OF FINISHED GOODS,				
STOCK-IN-PROCESS AND STOCK- IN- TRADE				
Inventories (at close)				
Finished Goods			**1,09,78,794**	1,79,10,679
Stock in Process			**1,79,15,076**	59,37,759
		a	**2,88,93,870**	2,38,48,438
Inventories (at commencement)				
Finished Goods			**1,79,10,679**	2,33,68,343
Stock in Process			**59,37,759**	3,23,78,775
		b	**2,38,48,438**	5,57,47,118
(Increase) / Decrease in stock		(b-a)	**(50,45,432)**	3,18,98,680

Contd.

Notes On Financial Statements For The Year Ended 31st March, 2013

(Amount in ₹)

Particulars	2012-2013	2011-2012
NOTE - 22: EMPLOYEE BENEFITS EXPENSES		
Salary and Wages	**9,35,50,978**	9,59,43,162
Salaries and Allowances to Directors	**8,40,000**	7,20,000
Contribution to provident and other fund	**38,09,493**	36,98,187
Gratuity	**11,19,982**	5,16,211
Workmen and Staff welfare	**21,45,518**	38,61,188
	10,14,65,971	10,47,38,748
As per Accounting standard 15 "Employee benefits" the disclosures as defined in the Accounting Standard are given below:		

Defined Contribution Plans	**2012-13**	2011-12
Employer's Contribution to Provident Fund	**24,82,597**	27,03,388
Employer's Contribution to E.S.I.	**13,26,896**	9,94,799
	38,09,493	36,98,187

NOTE-23: FINANCE COST		
Interest Expenses		
Bank	**15,67,324**	16,24,715
Other	**27,27,466**	25,44,549
	42,94,790	41,69,264
NOTE-24: DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation (As per Note No. 9)	**2,82,74,574**	2,63,32,685
Amortisation of share issue expenses	**8,25,739**	8,25,739
	2,91,00,313	2,71,58,424
NOTE-25: OTHER EXPENSES		
Manufacturing Expenses		
Power and Fuel	**1,75,66,385**	1,96,94,929
Repairs to Machineries	**29,58,900**	25,27,390
Vehicle hire charges	**6,83,594**	12,80,940
Factory Expenses	**19,09,739**	13,25,706
Insurance Expenses	**3,31,487**	6,91,584
Security charges	**8,06,860**	8,48,988
a	**2,42,56,965**	2,63,69,537
Selling & Distribution expenses		
Ocean Freight	**2,00,16,836**	2,17,60,347
Export Expenses	**1,58,25,312**	1,60,34,819
Selling Expenses	**2,15,91,538**	1,41,11,946
Sales Promotion Expenses	**1,70,22,839**	2,55,35,365
b	**7,44,56,525**	7,74,42,477

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Notes On Financial Statements For The Year Ended 31st March, 2013

(Amount in ₹)

Particulars	2012-2013	2011-2012
Establishment expenses		
Traveling Expenses	**5,11,57,890**	5,14,44,012
Legal & Professional	**32,76,607**	22,28,759
Rent	**18,96,000**	22,86,000
Electricity & Water	**17,24,502**	14,36,435
Sundry Expenses	**57,91,229**	46,92,521
Telephone & Postage	**17,13,349**	15,82,164
Payment to Auditors		
- Audit Fee	**67,416**	56,180
- Tax Audit Fee	**16,854**	11,236
- Certification Fee	**3,372**	6,620
Membership & Subscription	**93,062**	47,208
Bank Charges	**9,54,202**	9,90,831
Repairs & Maintenance	**5,65,773**	1,87,460
Vehicle Running & Maintenance	**2,71,027**	70,648
c	**6,75,31,283**	6,50,40,074
(a+b+c)	**16,62,44,773**	**16,88,52,088**

Notes On Financial Statements For The Year Ended 31st March, 2013

(Amount in ₹)

NOTE - 26

26.01	**Derivative contracts entered into by the Company and outstanding as on 31st March, 2013**			
	a) Nominal amounts of Forwarded contracts entered into by the Company and outstanding as on 31.03.2013			
	Rs. 633.61 lacs Previous Year Rs.160.08 lacs category wise breakup is below:			(Rs. in Lacs)
	Sr. No.	**Particular**	**31.03.2013**	31.03.2012
	1	US $	**633.61**	160.08
	b) Foreign currency exposures that are not hedged by forward cover Rs. 1138.09 lac (Previous Year 1501.53 lac)			
26.02	**Earning in Foreign Exchange:** Export Sales (FOB Value) Rs. 7181.59 lac (Prev. Year 8874.30 lac)			
	Expenditure in Foreign Exchange:		**31.03.2013**	31.03.2012
	Capital Goods			
	Machines		**8,72,625**	26,49,356
	Others			
	Commission on sales		**86,312**	0
	Traveling Exp. (Foreign)		**27,43,686**	13,40,629
	Product registration charges		**0**	1,25,116
26.03	**Details of Government grants**			
	Particulars		**31.03.2013**	31.03.2012
	Government grants received by the Company during the Year towards			
	- Export incentive (DEPB) \ Duty Draw Back		**3,22,92,715**	5,91,71,224
			3,22,92,715	5,91,71,224
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)	Incom Tax demand for A.Y. 2010-11	**29.29**	0.00
	(iv)	Appelle with D C Commercial Tax F.Y. 2009-10	**0.32**	0.00
	(v)	Capital commitments	**150.62**	24.80
	b) Bank Guarantees		**0**	0
26.06	**Segment Information:** The Company is operating in single segment.			
26.07	**Earning per share**		**31.03.2013**	**31.03.2012**
	Weighted average number of equity shares outstanding during the year		**2,23,04,348**	2,23,04,348
	Net profit after tax available for equity shareholders		**5,65,58,726**	3,50,56,192
	Basic & Diluted Earnings (in Rupees) per share		**2.54**	1.57
	Face value per share (in Rupees)		**10.00**	10.00
26.08	Income tax assessment have been completed up to Assessment Year 2011-12			
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. 63.28 lacs is due to Micro, Small and Medium Enterprises as detailed below:			

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Notes On Financial Statements For The Year Ended 31st March, 2013

(Amount in ₹)

S.No.	Name of the Party	Current Year	Previous Year
1	Ideal Cures Pvt. Ltd., Mumbai	**0.41**	0.00
2	Lux Flavours	**0.71**	0.73
3	P.G. Holographic Products, Indore	**2.96**	0.44
4	Packwell Packaging	**24.38**	2.39
5	Packwell Products	**0.00**	0.53
6	Panna Flex Pack, Indore	**11.95**	4.88
7	Shree Packers	**0.00**	1.76
8	Shree Packers (MP) PVT LTD.	**22.87**	0.00
	TOTAL	**63.28**	10.73

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), CA Sanjay Mehta Mr. Vinod Kabra, Mr. K.D. Neema, Mr. Praveen Jindal
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, Mrs. Rinki 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	**4.20**	3.60	**2.16**	1.80	**0.48**	2.40
	Mr. Vijay Bankda	**4.20**	3.60	**2.16**	1.80	**0.00**	0.60
B	**Relative of Director**						
	Mrs. Vimla Bankda	**3.00**	2.40	**2.16**	1.80	**0.60**	1.44
	Mrs. Asha Bankda	**3.00**	2.40	**4.32**	3.60	**0.96**	1.20
	Mr. Rahul Bankda	**3.60**	3.00	**2.16**	1.80	**0.96**	1.20
	Mrs. Sulabh Bankda	**3.00**	2.40	**0.00**	0.00	**0.00**	0.00
	Mr. Ankur Bankda	**3.60**	3.00	**0.00**	0.00	**0.00**	0.00
	Mrs. Payal Bankda	**3.00**	2.40	**0.00**	0.00	**0.00**	0.00

Contd.

Notes On Financial Statements For The Year Ended 31st March, 2013

(Amount in ₹)

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.
	Mr. Ankit Bankda	**3.60**	3.00	**0.00**	0.00	**0.00**	0.00
	Mrs. Rinki Bankda	**3.00**	0.00	**0.00**	0.00	**0.00**	0.00
	Shankarlal Bankda (HUF)	**0.00**	0.00	**2.40**	1.80	**0.00**	0.00
	Kedarmal Bankda (HUF)	**0.00**	0.00	**0.00**	5.40	**0.00**	0.00
	Vijay Bankda (HUF)	**0.00**	0.00	**3.60**	3.00	**0.00**	0.00
	Rahul Bankda (HUF)	**0.00**	0.00	**0.00**	1.80	**0.00**	0.00

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**						
	Mr. Praveen Jindal	**0.075**	0.10	**0.00**	0.00	**0.00**	0.00
	Mr. Vinod Kabra	**0.075**	0.10	**0.00**	0.00	**0.00**	0.00
	Mr. Krishna Das Neema	**0.075**	0.10	**0.00**	0.00	**0.00**	0.00
B	**Unsecured Loan received**						
	Strand Developers Pvt. Ltd.	**0.00**	0.00	**0.00**	0.00	**0.25**	21.87
	Paradise Vyapaar Pvt. Ltd.	**0.00**	0.00	**0.00**	0.00	**33.69**	279.03
	ARP Pharma Pvt. Ltd.	**0.00**	0.00	**0.00**	0.00	**321.18**	0.30
	Vijay Bankda	**100.00**	0.00	**0.00**	0.00	**0.00**	0.00
C	**Unsecured Loan repaid**						
	Strand Developers Pvt. Ltd.	**0.00**	0.00	**0.00**	0.00	**21.37**	0.75
	ARP Pharma Pvt. Ltd.	**0.00**	0.00	**0.00**	0.00	**303.00**	0.00
	Paradise Vyapaar Pvt. Ltd.	**0.00**	0.00	**0.00**	0.00	**369.45**	50.57
	Vijay Bankda	**100.00**	0.00	**0.00**	0.00	**0.00**	0.00

C) Balances outstanding as at 31st March, 2013

Sr. No.	Nature of Transactions	Key Managerial Personnel		Relative of Director		Parties with whom control exist	
A	**Assets**	Curr. Yr.	Prev. Yr.	Curr. Yr.	Prev. Yr.	Curr. Yr.	Prev. Yr.
	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
	Short Term Loans & Advances						
	Trade Services FZE, Rakia	**0.00**	0.00	**0.00**	0.00	**6.00**	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**	0.00
	Synmax Pharma	**0.00**	0.00	**0.00**	0.00	**0.00**	0.00

Contd.

Notes On Financial Statements For The Year Ended 31st March, 2013

(Amount in ₹)

Sr. No.	Nature of Transactions	Key Managerial Personnel		Relative of Director		Parties with whom control exist	
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	**0.00**	21.12
	Paradise Vyapaar Pvt. Ltd.	**0.00**	0.00	**0.00**	0.00	**0.00**	335.76
	ARP Pharma Pvt. Ltd.	**0.00**	0.00	**0.00**	0.00	**18.18**	0.00

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%

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	**6,21,75,933**	5,65,25,780
	Less: Tax effect of items constituting deferred tax assets		
	Unabsorbed Depreciation	**0**	0
	Provision for Gratuity	**11,74,757**	1,00,640
	Net Deferred Tax Liabilities	**6,10,01,176**	5,64,25,140

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 Balace sheet & that the provisions for known liabilities is adequate and not in excess of amount reasonably necessary.
26.15	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. 4,47,43,197 (Previous Year 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, 2013.

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 contract.

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 ertainty 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 : 30th May, 2013

For and on behalf of the Board of Directors

Kedarmal Bankda
Chairman

Vijay Bankda
Managing Director

Mrs. Shikha Sethi
Company Secretary

INDEPENDENT AUDITOR'S OPINION
TO THE MEMBERS OF M/S. SYNCOM FORMULATIONS (INDIA) LIMITED
REPORTS ON THE CONSOLIDATED FINANCIAL STATEMENTS.

We have audited the accompanying consolidated financial statements of **M/s. SYNCOM FORMULATIONS (INDIA) LTD** (the "Company") and its foreign subsidiary TRADE SERVICES FZE (Subsidiary), which comprise the Consolidated Balance Sheet as at 31st March , 2013, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India . Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control relevant to the Subsidiary's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of the reports of other auditors on the financial statement / consolidated financial statements of the subsidiary and associates as noted below, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

a) In case of Consolidated Balance Sheet of the state of affairs of the Syncom Formulations (India) Limited and its subsidiary Trade Services FZE as at 31st March, 2013;

b) In case of Consolidated Statement of Profit and Loss of the Profit of the Syncom Formulations (India) Limited and its subsidiary Trade Services FZE for the year ended on that date and

c) In the case of Consolidated Cash Flow Statement cash flows of the Syncom Formulations (India) Limited and its subsidiary Trade Services FZE for the year ended on that date

Other matters

We did not audit the financial statements of its Subsidiary Company whose financial statement reflect total assest (net) of Rs.Nil Lakhs as at 31st March, 2013, total revenues of Rs. Nil Lakhs and net cash inflow amounting to Rs. Nil .Lakhs for the year ended on that date. These financial statement and other financial information has been audited by other auditors whose report have been furnished to us, and our opinion in so far as it relates to the amounts included in respect of these subsidiary is based solely on report of other auditor.

Our opinion is not qualified in respect of other matters.

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 : 30th May, 2013

For and on behalf of the Board of Directors

Kedarmal Bankda
Chairman

Vijay Bankda
Managing Director

Mrs. Shikha Sethi
Company Secretary

Consolidated Balance Sheet As at 31st March, 2013

(Amount in ₹)

Particulars	Note	As at 31-03-2013
EQUITY AND LIABILITIES		
Share holders' funds		
Share capital	1	22,30,43,480
Reserves and surplus	2	65,40,43,610
		87,70,87,090
Non-Current Liabilities		
Deferred Tax Liability (Net)	3	6,10,01,176
Other long-term liabilities	4	2,18,00,000
Current Liabilities		
Short Term Borrowings	5	2,05,33,484
Trade Payables	6	19,42,50,078
Other Current Liabilities	7	1,71,51,899
Short Term Provisions	8	3,69,27,309
		26,88,62,770
GRAND TOTAL		1,22,87,51,036
ASSETS		
Non-Current Assets		
Fixed Assets		
Tangible Assets	9	50,36,79,249
Intangible Assets	9	10,10,403
Non-Current Investments	10	6,73,50,733
Long Term Loans and Advances	11	5,29,44,722
		62,49,85,107
Current Assets		
Inventories	12	6,07,46,843
Trade Receivables	13	28,93,61,320
Cash and Bank Balances	14	3,75,67,042
Short-Term Loans and Advances	15	21,33,28,261
Other Current Assets	16	27,62,463
		60,37,65,929
GRAND TOTAL		1,22,87,51,036
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 : 30th May, 2013

For and on behalf of the Board of Directors

Kedarmal Bankda
Chairman

Vijay Bankda
Managing Director

Mrs. Shikha Sethi
Company Secretary

Consolidated Statement Of Profit And Loss For The Year Ended 31st March, 2013

(Amount in ₹)

Particulars	Note	2012-13
INCOME		
Revenue from Operations	17	1,14,94,95,680
Other Income	18	1,14,85,035
Total Revenue		1,16,09,80,715
EXPENDITURE		
Cost of materials consumed	19	52,52,12,042
Purchase of Stock-in-Trade	20	25,52,17,273
Changes in inventories of Finished Goods, Stock-in-Process and Stock-in-Trade	21	(50,45,432)
Employee Benefits Expenses	22	10,14,65,971
Finance Costs	23	42,94,790
Depreciation and Amortisation Expenses	24	2,91,00,313
Other Expenses	25	16,62,44,773
Total Expenses		1,07,64,89,729
Profit / (Loss) before tax		8,44,90,986
Tax Expenses		
Current Tax		2,28,14,474
Income Tax (Earlier Years)		5,41,750
Deferred Tax		45,76,036
Profit for the year		5,65,58,726
Earning per equity share of Rs. 10 each		
Basic & Diluted (In ₹)		2.54
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 : 30th May, 2013

For and on behalf of the Board of Directors

Kedarmal Bankda
Chairman

Vijay Bankda
Managing Director

Mrs. Shikha Sethi
Company Secretary

Consolidated Cash Flow Statement For The Year Ended 31st March, 2013

(₹ in Lacs)

	Particulars	Year Ended 31-03-2013	
A.	**CASH FLOW FROM OPERATING ACTIVITIES:**		
	Net profit before extraordinary items & tax		844.91
	Adjustments for:		
	Depreciation and amortisation	282.75	
	Amortisation of share issue expenses	8.26	
	Finance costs	42.95	
	Interest income	(71.20)	
	Dividend income	0.00	
	Rental income from investment properties	(38.65)	224.11
	Operating profit before working capital changes		1069.02
	Changes in working capital		
	Adjustments for (increase)/decrease in operating assets:		
	Inventories	(161.64)	
	Trade receivables	(508.06)	
	Short term loans and advances	(488.50)	
	Long term loans and advances	(91.63)	
	Other current assets	(5.08)	
	Adjustments for (increase)/decrease in operating liabilities:		
	Trade payables	829.57	
	Other current liabilities	52.53	
	Other long-term liabilities	73.50	
	Short-term provisions	41.73	(257.58)
			811.44
	Cash flow from extraordinary items		0.00
	Cash generated from operations		811.44
	Net income tax (paid)	(233.56)	(233.56)
	Net cash flow from / (used in) operating activities (A)		577.88
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Capital expenditure on fixed asset	(251.68)	
	Purchase of long-term investments	0.00	
	Proceeds from sale of long-term investments	110.00	
	Interest received	71.20	
	Dividend received	0.00	
	Rental income from investment properties	38.65	
	Net cash flow (used in) investing activities (B)		(31.83)

Contd.

Consolidated Cash Flow Statement For The Year Ended 31st March, 2013

(₹ in Lacs)

Particulars	Year Ended 31-03-2013	
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from issue of equity shares	0.00	
Proceeds from other short-term borrowings	0.00	
Repayment of other short-term borrowings	(439.88)	
Finance cost	(42.95)	
Dividends paid	(133.83)	
Tax on dividend	(21.71)	
Net cash flow from / (used in) financing activities (C)		(638.37)
Net increase/(decrease) in cash and cash equivalents (A+B+C)		(92.32)
Cash and cash equivalents at beginning of the year		467.99
Cash and cash equivalents at the end of the year		375.67

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 : 30th May, 2013

For and on behalf of the Board of Directors

Kedarmal Bankda
Chairman

Vijay Bankda
Managing Director

Mrs. Shikha Sethi
Company Secretary

Notes On Consolidated Financial Statements For The Year Ended 31st March, 2013 (Amount in ₹)

Particulars		2012-2013
NOTE - 1: SHARE CAPITAL		
Authorized Share Capital		
2,50,00,000 equity shares of Rs. 10 each		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
(The company has only one class of equity share. Each share holder is eligible for one vote per share. The dividend proposed by the board is subject to the approval of share holders except in case of interim dividend. In the event of liquidation, the equity share holders are eligible to receive the assests of the company after distribution of all preferential amounts in proportion to their shareholding.		
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:

Name of the Shareholder	As at 31.03.2013 No. of shares	As at 31.03.2013 % held	As at 31.03.2012 No. of shares	As at 31.03.2012 % held
Mr. Kedarmal Bankda	**25,76,990**	**11.55%**	25,76,990	11.55%
Mr. Vijay Bankda	**16,72,965**	**7.50%**	16,72,965	7.50%
Mr. Ankur Vijay Bankda	**12,23,255**	**5.48%**	15,73,255	7.05%
Mr. Ankit Bankda	**13,39,612**	**6.01%**	15,60,612	7.00%
Mrs. Asha Bankda	**13,58,671**	**6.09%**	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%
M/s. Paradise Vyapar Pvt. Ltd.	**13,48,175**	**6.05%**	5,77,175	2.59%

The reconciliation of the number of shares outstanding is set out below:

Particulars	No. of shares As at 31.03.2013	No. of shares As at 31.03.2012
Equity shares at the beginning of the year	**2,23,04,348**	2,23,04,348
Add: Shares issued	**0**	0
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**
On account of forfeiture of shares / warrant		
As per last balance sheet	b	**16,19,300**
Securities Premium Reserve		
As per last balance sheet	c	**30,65,97,996**
General reserve		
(As per last balance sheet)		**26,00,00,000**
Add: Set aside during the year		**4,00,00,000**
	d	**30,00,00,000**

Contd.

Notes On Consolidated Financial Statements For The Year Ended 31st March, 2013 (Amount in ₹)

Particulars	2012-2013
Surplus - Balance in Statement of Profit & Loss	
As per last balance sheet	4,40,71,191
Add: Profit for the year	5,65,58,726
Less: Transfer to General Reserve	4,00,00,000
Less: Proposed Equity Dividend	1,33,82,609
Less: Tax on Proposed Equity Dividend	21,70,994
e	4,50,76,314
(a to e)	65,40,43,610
NOTE - 3: DEFERRED TAX LIABILITY	
Deferred Tax Liability on account of	
Depreciation	6,21,75,933
Deferred Tax Assets on account of	
Provision of Gratuity	11,74,757
Net Deferred Tax liability (Assets)	6,10,01,176
NOTE - 4: OTHER LONG-TERM LIABILITIES	
Trade Deposits	2,18,00,000
	2,18,00,000
NOTE - 5: SHORT TERM BORROWINGS	
Loan repayable on demand	
Secured	
Working Capital Loans (Over Draft)	
From Dena Bank	1,85,89,863
From State Bank of India	1,25,521
Security:	
Overdrafts from banks are secured against the pledge of fixed deposit receipts	
Unsecured	
From Related Parties (Note: Refer Note no. 26.13 for details)	18,18,100
	2,05,33,484
NOTE - 6: TRADE PAYABLE (Refer Note No. 26.10)	
Micro, Small and Medium Enterprises	63,28,294
Others	18,79,21,784
	19,42,50,078
NOTE - 7: OTHER CURRENT LIABILITIES	
Unclaimed dividend	16,15,438
Right issue Refund Payable A/c	18,717
Creditors - Capital Expenditure	28,62,345
Advance from Customers	90,89,754
Statutory Dues	35,65,645
	1,71,51,899

Contd.

Notes On Consolidated Financial Statements For The Year Ended 31st March, 2013 (Amount in ₹)

Particulars		2012-2013
NOTE - 8: SHORT TERM PROVISIONS		
Provision for Bonus, Gratuity and leave encashment		54,34,268
Provision for Income Tax- Net of Adv. Tax Rs. 1,61,18,102(Pre.Yr. Rs. 58,06,541)		66,96,372
Provision for Expenses		92,43,066
Proposed dividend		1,33,82,609
Corporate Dividend Tax Payable		21,70,994
		3,69,27,309

NOTE - 9: FIXED ASSETS (AT COST)

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As at 31.03.12	Additions	As at 31.03.13	As at 31.03.12	For the Year	As at 31.03.13	As at 31.03.13	As at 31.03.12
TANGIBLE ASSETS: Own Assets								
Lease hold land	11,86,605	0	**11,86,605**	1,55,818	11,986	**1,67,804**	**10,18,801**	10,30,787
Building Factory	17,64,87,176	66,12,184	**18,30,99,360**	4,63,20,601	58,10,472	**5,21,31,073**	**13,09,68,287**	13,01,66,575
Building others	14,59,75,800	0	**14,59,75,800**	30,59,582	23,79,406	**54,38,988**	**14,05,36,812**	14,29,16,218
Plant & Machineries	26,90,42,589	84,02,938	**27,74,45,527**	10,96,09,732	1,28,87,909	**12,24,97,641**	**15,49,47,886**	15,94,32,857
Electrical Installation	3,36,56,003	16,75,446	**3,53,31,449**	1,02,86,154	16,12,852	**1,18,99,006**	**2,34,32,443**	2,33,69,849
Furniture & Fixtures	4,94,08,659	0	**4,94,08,659**	2,05,62,062	31,27,568	**2,36,89,630**	**2,57,19,029**	2,88,46,597
Office Equipments	2,14,50,944	52,64,847	**2,67,15,791**	85,75,250	10,35,432	**96,10,682**	**1,71,05,109**	1,28,75,694
Computers	1,03,59,263	59,700	**1,04,18,963**	98,86,668	45,494	**99,32,162**	**4,86,801**	4,72,595
Vehicles	80,03,077	31,18,286	**1,11,21,363**	8,31,249	8,26,033	**16,57,282**	**94,64,081**	71,71,828
TOTAL (A)	**71,55,70,116**	**2,51,33,401**	**74,07,03,517**	**2,09,87,116**	**2,77,37,152**	**23,70,24,268**	**50,36,79,249**	**50,62,83,000**
INTANGIBLE ASSETS:								
Software	33,00,230	35,060	**33,35,290**	17,87,465	5,37,422	**23,24,887**	**10,10,403**	15,12,765
TOTAL (B)	**33,00,230**	**35,060**	**33,35,290**	**17,87,465**	**5,37,422**	**23,24,887**	**10,10,403**	**15,12,765**
TOTAL (A+B)	**71,88,70,346**	**2,51,68,461**	**74,40,38,807**	**21,10,74,581**	**2,82,74,574**	**23,93,49,155**	**50,46,89,652**	**50,77,95,765**
Prev. Year	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

NOTE - 10: NON CURRENT INVESTMENTS		
In equity shares - quoted, fully paid up		
M/s Ravi Kumar Distilleries Ltd.		
7,94,250 shares of Rs. 10 each		4,21,00,733
Market value 69,89,400 (Previous year 91,10,048)		
1,00,000 shares of M/s First Financial Services Ltd. of Rs. 10 each		20,00,000
Market value Rs. 2,97,00,000 (previous year 5,10,000)		
	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
Nil (Pr. Yr. 1,10,000) shares of M/s BLC Trading Agency Pvt. Ltd. of Rs. 100 each		0
	b	2,28,50,000
Investment in partnership firms (Refer Note No. 26.13)		
M/s Syncom International	c	4,00,000
	(a to c)	6,73,50,733

Notes On Consolidated Financial Statements For The Year Ended 31st March, 2013 (Amount in ₹)

Particulars	2012-2013
NOTE - 11: LONG TERM LOANS & ADVANCES (Unsecured Considered Goods)	
Capital advances	1,12,91,748
Deposits	19,52,974
Deposit for Premises (Related parties) (Refer note 26.13)	3,97,00,000
	5,29,44,722
NOTE - 12: INVENTORIES (At lower of cost or net realizable value)	
Raw Materials	1,71,15,493
Stock in Process	1,79,15,076
Finished Goods	1,09,78,794
Packing Material	1,24,81,556
Stores & spares and others	22,55,924
	6,07,46,843
NOTE - 13: TRADE RECEIVABLE (Unsecured, Considered Goods)	
Within Six Months	28,35,29,281
Over Six Months	58,32,039
	28,93,61,320
NOTE - 14: CASH & BANK BALANCE	
Cash in hand (As certified)	8,52,383
Balance with Banks	
- In Current Account	45,504
- In Current accounts in respect of unclaimed dividend warrants	16,15,438
- In Current accounts in respect of Right issue refund orders	18,717
- In Fixed Deposit with Banks (Pledged with Bank and Govt. Dept.)	3,50,35,000
	3,75,67,042
NOTE - 15: SHORT TERM LOANS AND ADVANCES (Unsecured and considered good)	
Loans and Advance to employees	82,32,300
Loans and Advance to others	10,37,04,732
Prepaid Expenses	1,44,489
Balances with Govt. Authorities	
- Export incentives receivables	4,16,21,353
- Excise duty receivable	2,85,68,956
- Balance with Central Excise	1,61,81,628
- VAT receivable	1,48,74,802
	21,33,28,261

Notes On Consolidated Financial Statements For The Year Ended 31st March, 2013 (Amount in ₹)

Particulars		2012-2013
NOTE - 16: Other Current Assets		
a. Accruals		
Interest Accrued but not due on fixed deposits with bank	a	10,27,554
b. Miscellaneous Expenditure (To the extent not written off or adjusted)		
Share issue expenses		
As per last balance sheet		19,49,412
Less: Written off during the year		8,25,739
		11,23,673
Preliminary Expenses		
During the period		6,00,000
Pre Operative Expenses		
During the Period		11,236
		6,11,236
	b	17,34,909
	(a+b)	27,62,463
NOTE - 17: REVENUE FROM OPERATIONS		
Sales		
- Export Sales		74,91,53,798
- Domestic Sales		36,82,93,282
		1,11,74,47,080
Less: Excise Duty		2,44,115
	Total	1,11,72,02,965
Export Incentives		3,22,92,715
	Total	1,14,94,95,680
NOTE - 17(a): REVENUE FROM OPERATIONS		
Sales of Product Comprises of Manufactured Goods		
- Tablets		44,90,08,157
- Capsules		14,63,20,936
- Liquids		5,95,59,150
- Injectable		6,86,36,452
- Ointment		92,35,644
- Dry Powder		1,14,45,958
- Inhaler		35,81,764
	Total of Manufactured Goods (a)	74,77,88,061
Traded Goods		
- Mentha Oil		15,02,03,136
- Tablets		10,23,39,068
- Liquids		6,98,16,790
- Capsules		2,16,75,234
- Others		2,56,24,791
	Total of Traded Goods (b)	36,96,59,019
	Grand Total (a+b)	1,11,74,47,080

Notes On Consolidated Financial Statements For The Year Ended 31st March, 2013 (Amount in ₹)

Particulars	2012-2013
NOTE-18: OTHER INCOME	
Interest received	
Others	37,35,378
Bank	33,84,250
Other non operating income	
Rent	**38,65,312**
Miscellaneous Income	**4,98,845**
Commission	**1,250**
	1,14,85,035
NOTE - 19: PARTICULARS OF MATERIALS CONSUMED	
Paracetamol	**10,77,94,876**
Ibuprofen	**1,41,77,643**
Chloroquine Phasphate	**2,95,18,934**
Cefixime Trihydrate	**1,80,06,320**
Packing Material	**17,95,44,890**
Others	**17,61,69,379**
	52,52,12,042
NOTE - 19(a): COST OF MATERIALS CONSUMED	

		2012-13	
	Amount	**%**	
Imported	**0**	**0**	**0**
Ingenous	**52,52,12,042**	**100.00**	**52,52,12,042**
Total	**52,52,12,042**	**100.00**	**52,52,12,042**

NOTE - 20: PURCHASE OF STOCK-IN-TRADE	
Mentha Oil	**15,02,90,342**
Tablets	**2,14,64,727**
Liquids	**1,52,22,918**
Capsules	**52,84,926**
Others	**6,29,54,360**
	25,52,17,273
NOTE - 21: CHANGES IN INVENTORIES OF FINISHED GOODS,	
STOCK-IN-PROCESS AND STOCK- IN- TRADE	
Inventories (at close)	
Finished Goods	**1,09,78,794**
Stock in Process	**1,79,15,076**
a	**2,88,93,870**

Notes On Consolidated Financial Statements For The Year Ended 31st March, 2013 (Amount in ₹)

Particulars		2012-2013
Inventories (at commencement)		
Finished Goods		1,79,10,679
Stock in Process		59,37,759
	b	2,38,48,438
(Increase) / Decrease in stock	(b-a)	(50,45,432)
NOTE - 22: EMPLOYEE BENEFITS EXPENSES		
Salary and Wages		9,35,50,978
Salaries and Allowances to Directors		8,40,000
Contribution to provident and other fund		38,09,493
Gratuity		11,19,982
Workmen and Staff welfare		21,45,518
		10,14,65,971
As per Accounting standard 15 "Employee benefits" the disclosures as		
defined in the Accounting Standard are given below:		

Defined Contribution Plans	**2012-13**
Employer's Contribution to Provident Fund	24,82,597
Employer's Contribution to E.S.I.	13,26,896
	38,09,493

NOTE-23: FINANCE COST		
Interest Expenses		
Bank		15,67,324
Other		27,27,466
		42,94,790
NOTE-24: DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation (As per Note No. 9)		2,82,74,574
Amortisation of share issue expenses		8,25,739
		2,91,00,313
NOTE-25: OTHER EXPENSES		
Manufacturing Expenses		
Power and Fuel		1,75,66,385
Repairs to Machineries		29,58,900
Vehicle hire charges		6,83,594
Factory Expenses		19,09,739
Insurance Expenses		3,31,487
Security charges		8,06,860
	a	2,42,56,965

Notes On Consolidated Financial Statements For The Year Ended 31st March, 2013 (Amount in ₹)

Particulars	2012-2013
Selling & Distribution expenses	
Ocean Freight	2,00,16,836
Export Expenses	1,58,25,312
Selling Expenses	2,15,91,538
Sales Promotion Expenses	1,70,22,839
b	7,44,56,525
Establishment expenses	
Traveling Expenses	5,11,57,890
Legal & Professional	32,76,607
Rent	18,96,000
Electricity & Water	17,24,502
Sundry Expenses	57,91,229
Telephone & Postage	17,13,349
Payment to Auditors	
- Audit Fee	67,416
- Tax Audit Fee	16,854
- Certification Fee	3,372
Membership & Subscription	93,062
Bank Charges	9,54,202
Repairs & Maintenance	5,65,773
Vehicle Running & Maintenance	2,71,027
c	6,75,31,283
(a+b+c)	16,62,44,773

Notes On Consolidated Financial Statements For The Year Ended 31st March, 2013

(Amount in ₹)

NOTE - 26

26.01 **Derivative contracts entered into by the Company and outstanding as on 31st March, 2013**

a) Nominal amounts of Forwarded contracts entered into by the Company and outstanding as on 31.03.2013 Rs. 633.61 lacs Previous Year Rs. 160.08 lacs category wise breakup is below: (Rs. in Lacs)

Sr. No.	Particular	31.03.2013	31.03.2012
1	US $	**633.61**	160.08

b) Foreign currency exposures that are not hedged by forward cover Rs. 1138.09 lac (Previous Year 1501.53 lac)

26.02 **Earning in Foreign Exchange:** Export Sales (FOB Value) Rs. 7181.59 lac (Prev. Year 8874.30 lac)

Expenditure in Foreign Exchange:	**31.03.2013**	31.03.2012
Capital Goods		
Machines	**8,72,625**	26,49,356
Others		
Commission on sales	**86,312**	0
Traveling Exp. (Foreign)	**27,43,686**	13,40,629
Product registration charges	**0**	1,25,116

26.03 **Details of Government grants**

Particulars	**31.03.2013**	31.03.2012
Government grants received by the Company during the Year towards		
- Export incentive (DEPB) \ Duty Draw Back	**3,22,92,715**	5,91,71,224
	3,22,92,715	5,91,71,224

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) Incom Tax demand for A.Y. 2010-11	**29.29**	0.00
(iv) Appelle with D C Commercial Tax F.Y. 2009-10	**0.32**	0.00
(v) Capital commitments	**150.62**	24.80
b) Bank Guarantees	**0**	0

26.06 **Segment Information:** The Company is operating in single segment.

26.07 **Earning per share**	**31.03.2013**	**31.03.2012**
Weighted average number of equity shares outstanding during the year	**2,23,04,348**	2,23,04,348
Net profit after tax available for equity shareholders	**5,65,58,726**	3,50,56,192
Basic & Diluted Earnings (in Rupees) per share	**2.54**	1.57
Face value per share (in Rupees)	**10.00**	10.00

26.08 The subsidiary considered in the consolidated financial statement is

Sr. No.	Name	Country of incorporation	Proporation of Ownership as on 31/03/13
1.	Trade services FZE	United Arab Emirates	100%

This is the first financial year of the subsidiary & therefore the previous years figures are nor given in the consolidated financial statement.

26.09 Income tax assessment have been completed up to Assessment Year 2011-12

Notes On Consolidated Financial Statements For The Year Ended 31st March, 2013 (Amount in ₹)

26.10 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. 63.28lacs 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	**0.41**	0.00
2	Lux Flavours	**0.71**	0.73
3	P.G. Holographic Products, Indore	**2.96**	0.44
4	Packwell Packaging	**24.38**	2.39
5	Packwell Products	**0.00**	0.53
6	Panna Flex Pack, Indore	**11.95**	4.88
7	Shree Packers	**0.00**	1.76
8	Shree Packers (MP) PVT LTD.	**22.87**	0.00
	TOTAL	**63.28**	10.73

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.

26.11 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.

26.12 The outstanding balances of the debtors, creditors, advances and unsecured loans are as per books of accounts and subject to confirmation from respective parties.

26.13 **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), CA Sanjay Mehta Mr. Vinod Kabra, Mr. K.D. Neema, Mr. Praveen Jindal
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, Mrs. Rinki 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	**4.20**	3.60	**2.16**	1.80	**0.48**	2.40
	Mr. Vijay Bankda	**4.20**	3.60	**2.16**	1.80	**0.00**	0.60
B	**Relative of Director**						
	Mrs. Vimla Bankda	**3.00**	2.40	**2.16**	1.80	**0.60**	1.44
	Mrs. Asha Bankda	**3.00**	2.40	**4.32**	3.60	**0.96**	1.20
	Mr. Rahul Bankda	**3.60**	3.00	**2.16**	1.80	**0.96**	1.20
	Mrs. Sulabh Bankda	**3.00**	2.40	**0.00**	0.00	**0.00**	0.00
	Mr. Ankur Bankda	**3.60**	3.00	**0.00**	0.00	**0.00**	0.00
	Mrs. Payal Bankda	**3.00**	2.40	**0.00**	0.00	**0.00**	0.00
	Mr. Ankit Bankda	**3.60**	3.00	**0.00**	0.00	**0.00**	0.00
	Mrs. Rinki Bankda	**3.00**	0.00	**0.00**	0.00	**0.00**	0.00

Contd.

Notes On Consolidated Financial Statements For The Year Ended 31st March, 2013

(Amount in ₹)

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.
	Shankarlal Bankda (HUF)	**0.00**	0.00	**2.40**	1.80	**0.00**	0.00
	Kedarmal Bankda (HUF)	**0.00**	0.00	**0.00**	5.40	**0.00**	0.00
	Vijay Bankda (HUF)	**0.00**	0.00	**3.60**	3.00	**0.00**	0.00
	Rahul Bankda (HUF)	**0.00**	0.00	**0.00**	1.80	**0.00**	0.00

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**						
	Mr. Praveen Jindal	**0.075**	0.10	**0.00**	0.00	**0.00**	0.00
	Mr. Vinod Kabra	**0.075**	0.10	**0.00**	0.00	**0.00**	0.00
	Mr. Krishna Das Neema	**0.075**	0.10	**0.00**	0.00	**0.00**	0.00
B	**Unsecured Loan received**						
	Strand Developers Pvt. Ltd.	**0.00**	0.00	**0.00**	0.00	**0.25**	21.87
	Paradise Vyapaar Pvt. Ltd.	**0.00**	0.00	**0.00**	0.00	**33.69**	279.03
	ARP Pharma Pvt. Ltd.	**0.00**	0.00	**0.00**	0.00	**321.18**	0.30
	Vijay Bankda	**100.00**	0.00	**0.00**	0.00	**0.00**	0.00
C	**Unsecured Loan repaid**						
	Strand Developers Pvt. Ltd.	**0.00**	0.00	**0.00**	0.00	**21.37**	0.75
	ARP Pharma Pvt. Ltd.	**0.00**	0.00	**0.00**	0.00	**303.00**	0.00
	Paradise Vyapaar Pvt. Ltd.	**0.00**	0.00	**0.00**	0.00	**369.45**	50.57
	Vijay Bankda	**100.00**	0.00	**0.00**	0.00	**0.00**	0.00

C) Balances outstanding as at 31st March, 2013

Sr. No.	Nature of Transactions	Key Managerial Personnel		Relative of Director		Parties with whom control exist	
A	**Assets**	Curr. Yr.	Prev. Yr.	Curr. Yr.	Prev. Yr.	Curr. Yr.	Prev. Yr.
	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**	0.00
	Synmax Pharma	**0.00**	0.00	**0.00**	0.00	**0.00**	0.00
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	**0.00**	21.12
	Paradise Vyapaar Pvt. Ltd.	**0.00**	0.00	**0.00**	0.00	**0.00**	335.76
	ARP Pharma Pvt. Ltd.	**0.00**	0.00	**0.00**	0.00	**18.18**	0.00

Contd.

Notes On Consolidated Financial Statements For The Year Ended 31st March, 2013 (Amount in ₹)

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%

26.14	**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	**6,21,75,933**	5,65,25,780
	Less: Tax effect of items constituting deferred tax assets		
	Unabsorbed Depreciation	**0**	0
	Provision for Gratuity	**11,74,757**	1,00,640
	Net Deferred Tax Liabilities	**6,10,01,176**	5,64,25,140

26.15 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 Balace sheet & that the provisions for known liabilities is adequate and not in excess of amount reasonably necessary.

26.16 Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the year's classification/ disclosure.

26.17 Sales Tax and Purchase Tax Assessment are at various stages. According to company's management the provision for the same is sufficient.

26.18 Excise duty is net of Excise duty refund received against export under the central excise rules amounting to Rs. 4,47,43,197 (Previous Year Rs. 5,76,77,458)

26.19 Figures have been rounded off to the nearest rupee.

26.20 Significant Accounting Policies followed by the Company are as stated in the statement annexed as Annexure-I.

26.21 Discloser under clause 32 of the listing agreement
Amount of loans and advances in nature of loan outstanding from subsidiaries as at March 31st 2013.

Sr. No.	Subsidiary Company	Outstanding as at 31/03/2013	Maximum Outstanding during the year
1.	Trade Services FZE	6,00,000	6,00,000

26.22 **Information related to subsidiary companies consoliated**

Name of subsidiary	Trade Services FZE
Reporting currency	INR
Capital	0
Reserves	0
Total Assests	6,11,236
Total Liabilities	6,11,236
Details of Investment	0
(except in case of invetment in subsidiaries)	
Turnover	0
Profit/(Loss) before Taxation	0
Provision for Taxation	0
Profit/(Loss) after Taxation	0
Proposed Dividend	0

Contd.

26.23 Statement pursuant to section 212 of the companies Act, 1956 relating to subsidiaries.

Sr. No.	Particulars	Name of Subsidiary
1	Financial year of Subsidiary	01-04-2012 to 31-03-2013
2	Shares of the subsidiary held by the company on the above date	
	a) Number and face value	0
	b) Extent of Holding	0
3	Net aggregated amount of profit/losses of the subsidiary for the above financial year of the	
	subsidiary not delt with in the Company's account	
	a) For the Financial year of the subsidiary - Profit / (Loss)	0
	b) For the preious financial years since it became a subsidiary - Profit/(Loss)	0
4	Net aggregated amount of profit/losses of the subsidiary for the above financial year of the	
	subsidiary delth with in the Company's account	
	a) For the Financial year of the subsidiary - Profit/(Loss)	0
	b) For the previous Financial Years since it became a subsidiary - Profit/(Loss)	0

ANNEXURE - I

Statement referred to in Note No. 26.20 to the Financial Statements for the year ended 31st March, 2013.

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) **Principles of Consolidation:**

The financial statements of the subsidiary company used in the consolidation are drawn up to the same reporting date as of the Company.

The consolidated financial statements have been prepared on the following basis;

1 In respect of subsidiary Company, the financial statements have been consolidated on a line-by-line basis by additing together the book values of like items of assets, liabilities, income and expenses, after as far as possible eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses in accordance with Accounting Standard 21 - consolidated financial Statemetns prescribed by Companies (Accounting Standards) Rules 2006.

2. Assets and liabilities of the foreign subsidiaries are in the Indian Rupees

3 The consolidated financial statements are prepared using uniform accounting policies followed by the holding company for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.

4 The excess of cost to the Group of its investments in subsidiary companies over its share of the equity of the subsidary companies at the dates on which the investments in the subsidiary companies are made is recognised as Goodwill (on Consolidation) being an asset in the consolidated financial statements.

Alternatively, where the share of the equity in the subsidiary companies as on the date of investment is in excess of the cost of investment of the Group, it is recognised as Capital reserve (on Consolidation)' and shown under the head 'Reserves and Surplus', in the consolidated financial statements. Since Syncom Formulations (India) Limited has full 100% interest over its subsidiary company from commencement of company hence no Goodwill/Capital Reserve account is recognised in the consolidated financial statement

5 Minority interest in the net assets of consolidated subidiary consist of the amount of equity attributable to the minority shareholders at the dates on which investment are made by the Group in the subsidiary companies and further movements in their share in the equity, subsequent to the dates of investments, however in case of Trade services FZE, no shares have been issued sofar, therefore there is no minority interest.

6 On disposal of a subsidiary, the attributabel amount of goodwill is included in the determination of the On disposal of a subsidiary, the attributabel amount of goodwill is included the determination of the profit or loss on disposal.

iii) **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.

iv) **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.

v) **Depreciation :**

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

vi) **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.

vii) **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.

viii) **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 contract.

ix) **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.

x) **Sales :**

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

xi) **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.

xii) **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.

xiii) **Treatment of retirement benefit :**

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

xiv) **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.

xv) **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.

xvi) **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 ertainty that the assets will be realised in future.

xvii) **Contingent liabilities :**

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

xviii) **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 : 30th May, 2013

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 FIFTH ANNUAL GENERAL MEETING - 05th AUGUST, 2013
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 FIFTH 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 25th Annual General Meetings of the company to be held on 05th August, 2013 and or at any adjournment thereof.

Signed this _____ day of _____ 2013.

Affix Rs. One Revenue Stamp

_____
Signature of Proxy

(Signature of Member)

Name in Block Letters _____

Ledger Folio No. _____

DPID* _____

Client ID* _____

*** Applicable for investers 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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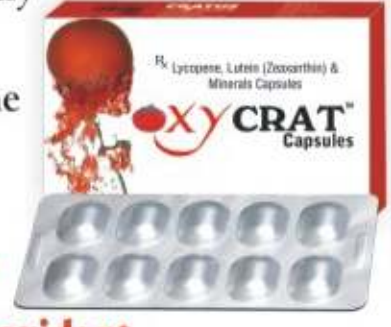

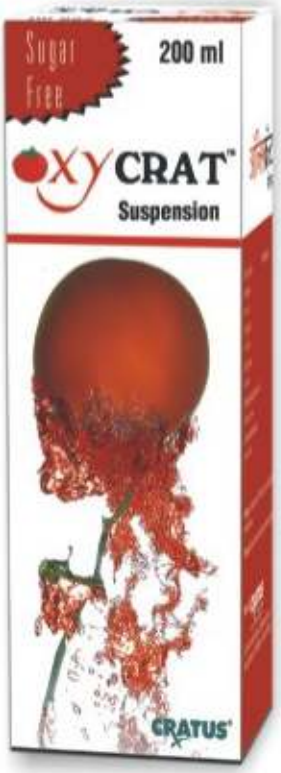

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