

Enter the dragon



It's natural that an industry leader keeps taking pioneering steps in its journey. It keeps reinventing itself, re-engineering processes and discovering new frontiers. No wonder Synthite Industries Limited is expanding its footprint outside India. The company, in its true style, has opened a full-fledged subsidiary in China to make the most of the opportunities the country offers. It has erected a plant in record time and started production. It's a moment the whole industrial sector in Kerala can be proud of.

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Synthite Industries Director Dr Viju Jacob attends the 44th session of Codex Committee on Food and Hygiene held at New Orleans, Louisiana, between November 11 and 16, 2012. Dr Jacob, who is also a member of the Spices Board, represented India at the meet

It pays to play safe



Various units of Synthite bagged the government's industrial safety awards this year also. B I Synthite Valley, Kadayiruppu, won the Outstanding Safety Performance Award (Large Size Industries – Chemical) of National Safety Council. (In Pic) Mr Pramod Simon-Lead Production & Maintenance and Mr Amruth Das, Sr. Specialist- TPM & EHS receive the award. (Below) Mr Lijo George, Specialist-EHS receives second prize in the the State government's safety award from Labour Minister Shibu Baby John on behalf of B I Synthite Valley. B I Calicut also won the State government award for small factories.



SYNTHITE ENTERS HARVARD

It's a rare honour for an Indian company to make it to the Harvard curriculum; and Synthite Industries has it now. A case study "Recipes for success – Inventory Management of Pepper Oleoresin Production at Synthite", prepared by Mr Sunil Chopra and Mr Arun Saxena of Indian School of Business-Hyderabad, will now be published and distributed through Harvard Publishing. The case study will also be included in the curriculum of ISB and Harvard Business School.

Reason every Synthitian to be proud of their institution!



Oath-taking ceremony as part of Safety Day celebrations at Synthite Calicut



Dr Viju Jacob, Director, inaugurates the Delhi office of Synthite Industries Limited on February 15, 2013. The address: Synthite Industries Limited, 208, Second Floor, Akashdeep Building, Barakhamba Road, Connaught Place, New Delhi – 110 001



The chilli cultivation under Farmtech initiative in Bedia in Madhya Pradesh



Senior management team of Synthite, Bayer Crop Science and Nunhems in a discussion on next year's chilli cultivation at Nunhems office in Indore

New frontiers

Farmtech division works in non-traditional areas of Madhya Pradesh to expand IPM chilli cultivation

That was an experiment worth spending money, time and energy on. Last year when the World Spice Organisation, a platform of spice farmers, manufacturers and exporters, started an experimental project in IPM chilli farming in the non-traditional areas in Madhya Pradesh, Synthite Industries Ltd was an active partner in it. The project worked well, and the result from around 50 acres was encouraging.

It was a new dawn for a company which was looking to expand the cultivation area of quality raw material. "We are taking the process forward this year by expanding the project,"

said Mr George Paul, director. "We have to augment the availability of quality raw material." This year, the company looks forward to expand the area of cultivation to 500 acres in Bhikangaon in the Khargone district.

The Farmtech division of the company is now working with three

It organises workshops to train the farmers in IPM standards. The State government's Horticulture Mission is also on board the project. The Spices Board supports the project by providing free IPM kits

other stake-holders for the project: Nunhems Seeds Private Ltd which supplies quality seeds to the farmers, Bayer CropScience, which makes IPM pesticides and fertilisers available to the farmers and Vaibhav Exports which takes care of post-harvest collection and storage of the produce.

"We have already started identifying farmers who have up to five acres for chilli farming for this year's project," Mr Kapil Bhattacharya of Farmtech said. "The last year's experience has worked well with the farmers, who have benefitted from it. We

have been proactive with them, which created a reputation for us. They now come forward on their own to associate with us."

Being from a non-traditional area, most farmers here do not cultivate chilli. And those who do, do so using traditional methods. There has been very little restriction on the usage of pesticides and fertilisers. The indiscriminate use of even banned pesticides was prevalent in the region.

The Farmtech division is now ushering in new, safe farming methods in the community. It organises workshops to train the farmers in IPM standards. The State government's Horticulture Mission is also on board the project, advising the farmers on the farming practices. The Spices Board of India supports the project by providing IPM kits.

The field executives visit the farms at regular intervals and ensure that the farmers follow the prescribed norms. They also monitor the harvest and post-harvest practices which are critical to avoiding contamination.

Once the harvest is over, the company purchases the produce at a premium price. There would be a decrease in the final product due to limited usage of fertilisers and pesticides, but the company compensates it with better pricing. "The easy process and premium pricing also work with the farmers," Mr Bhattacharya said.

Project Chilli

Location: Bedia, Madhya Pradesh

Area: 500 acres

Crop: IPM chilli

Partners: Nunhems Seeds Private Ltd, Bayer CropScience, Vaibhav Exports

Synthite



Scaling the wall

Plant in the largest paprika-growing area in China has started trial production



Xinjiang province in China does not crop up in the discussions of global businessmen when they deliberate on the prospects of the dragon land. It is not a port city like Shanghai, manufacturing hub such as Jiangsu or industrial enclave such as Shenzhen.

But the north-western region of China figures prominently in the scheme of things of the government: it holds the key to strengthening the nation's agricultural sector.

The government is proactive in promoting farming, offering a lot of incentives. In this rain-deficit region, canals bring meltwater – water formed by melting ice or snow – for irrigation. By making available the latest knowhow in farming practices, and giving various sops, the government has instilled confidence in the farming community about their vocation. As a result, the region is now gaining prominence as an agricultural production hub. Production of vegetables and cotton has gone up several fold in recent years. And more importantly, it has become the largest paprika-growing area in the country.

It's in this prosperous land that Synthite Industries Limited has anchored its foray into the dragon land with the setting up of its arm, Synthite (Xinjiang) Biotech Co. Ltd.

The company has invested close to ₹30 crore in the project which includes a plant to process dried chilli in the first year.

The new unit will help the company serve its Chinese as well as international markets better. "It makes sense to go to the place of origin and set up a processing plant," said Dr Viju Jacob, director. "It will ensure a steady supply of our various products."

The company has many a reason to set up the plant in China, the most important being the availability of raw materials. "The region is the top producer of paprika in the country, which is an important raw material for us," Mr Aju Jacob, director, said. "We also factored in the rising cost of transportation."

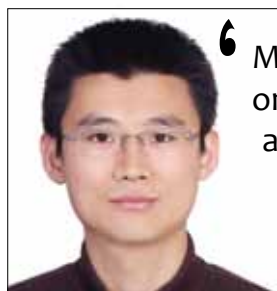
The new plant will help Synthite face the challenges Chinese companies pose in the international market.

"We will be able to make use of the various incentives the government offers to investors in China. The excellent industrial infrastructure will add to our process excellence, and together, they will make Synthite a strong player. We can assure our customers that we take steps that bring value to them as well," Mr Jacob said.

With the entry into the China, Synthite hopes to match Chinese companies on price competitiveness in the global market.

Synthite has all along been a strong player in the western market, and has established durable linkages with most of the global players. Of late, the company has been exploring the Indian market as well. "The new plant will help us explore the Chinese market also," Mr Jacob said.

For a company which has fought off many an odd in its forty years



“My team, young and hardworking, was on the job 24x7 to make it happen. We are dreaming it big for China, and are working towards realising them”
--Roy Chu, who heads the unit



From the
Chairman's desk
Future ready

Every growing organisation must anticipate the future and be ready for it. Synthite has till now taken every effort to foresee the twists and turns in the journey, and successfully negotiated the curves, some steep.

One of the reasons why we set up plants in Harihar, Marudur and Ongole is that we wanted to be as closest as possible to the place of cultivation of our raw material. This is very im-

portant in our industry as there is a huge difference in the cost of transportation of the raw material and the final products.

Our entry into China is necessitated by several factors. We sell our products in a highly competitive global market. We need to cut costs wherever possible, without affecting the product quality. We find the challenge posed by the Chinese companies formidable. With the support of the government, farmers can reduce the input costs, and hence can afford to sell it at lower prices. This low raw material cost gets directly reflected in the pricing, making it difficult for us to compete with them.

Our China plant will help us overcome this challenge. I am very confident in our superior and tested processes, and the people who run it.

It is a moment of pride for me, personally, too. For a small company from a village, we have grown to enter the fastest growing economy with products and processes that can match the best in the world. I am sure that our team there will rise to our collective expectation and do us all proud.

I must also congratulate the team that made it possible there. They were able to plan it well and meet the deadlines in an alien land. I am sure they will be able to keep the good work going.



The team which runs the Chinese operations

of history in its homeland, China offered a different experience. One of the challenges was weather: there is severe cold in the October–March period, when no outdoor activities are possible. “We planned our project well and started the work in June 2012 and finished it in December,” Mr Jacob said. Trial production has started and the facility is awaiting a formal launch soon.

The overall government support was exceptional, he said. “Once they are convinced that we are serious investors, then the government officials and the local government leaders open up. They are even willing to go the extra mile,” he said, recounting a

warm experience. “We wanted a small office space before we started working. We could not find a suitable place to rent out. When we told the local government (panchayat) officials of the difficulty, they offered their meeting hall for our exclusive use. That too, free of rent! They also said we can use their discussion room whenever we

wanted.”

The Chinese authorities are mindful of the problems a foreign company might encounter while erecting a plant there, and hence set up systems in place to monitor the progress of the projects carefully. “A civil engineer was tasked to assess the progress of our project and help us if we come across any impediments,” Mr Jacob said.

The task was quite tough, remembers Mr Roy Chu, who heads the unit. “This is the most important, and tough, time in my professional life. And my team, young and hardworking, was on the job 24x7 to make it happen.” The head office, directors and colleagues extended timely help, he said. “We are dreaming it big for the China operation, and are working towards realising them.

China has no dearth of qualified human resource to run the plant. “We would like to be a Chinese company, and except for highly specialised jobs, we do not send people from here. We hire locally,” Mr Jacob said. “We want it to grow steadily in the domestic and international market as a Chinese company.”

The first experience has come out well with Synthite, and it has already started chalking out expansion plans in the dragon land. “The expansion will be in terms products as well as facilities,” Mr Jacob said.

The company:
Synthite (Xinjiang)
Biotech Co. Ltd.
Region: Xinjiang province
Town: Ba Run Ha Er Mo Dun
Investment: US\$6.5 million

Spreading cheer

Synthite's CSR arm bags Excellence Award



Mrs Aleyamma Jacob, chairperson of CVJ Foundation, receives the Rotary Binani Zinc CSR Excellence Award 2012 from Mr Roshan Menon, vice-president of Binani Zinc Limited

Awards are a recognition for the work well done. So when the Rotary Binani Zinc CSR Excellence Award-2012 was conferred on the CVJ Foundation, it was a public acknowledgment of the me-

ticulous work the people behind it did in the previous years.

CVJ Foundation, the CSR arm of Synthite Industries Limited, has been working with various organisations to identify the needy persons in society

“There is a lot of requirement for dialysis these days, and many people cannot afford the recurring costs,” said Ms Silvy Mani, secretary of the Foundation. “So we extend our help.”

and extend help. One of the biggest projects it undertook was to construct a building for the government hospital at Kadayiruppu in 2009. The hospital which had just one doctor then has now become a full-fledged hospital, with the government appointing six doctors. It also has an X-ray unit. The multiplier effect, indeed!

“There is a lot of requirement for dialysis these days, and many people cannot afford the recurring costs,” said Ms Silvy Mani, secretary of the Foundation. “So we extend our help.” As much as 90 per cent of the Foundation’s budget goes for helping such patients, she said. The Foundation spends close to ₹1 crore a year on CSR activities, which it gets from Synthite.

The Foundation also works with Maithri, an NGO working among the people with suicidal tendencies, alcoholics and the mentally challenged. “Over 8 lakh people have attended the classes we conducted,” she said.

The Foundation recently donated an ambulance to Aikaranadu Grama Panchayath.

The Foundation is working outside Kerala also. It works with the Bangalore based NGO for the benefit of the school children in Ongole district in Andhra Pradesh.



Synthite Industries Limited Chairman Mr C V Jacob hands over the keys of the ambulance the CVJ Foundation donated to Aikaranadu Grama panchayath to Mr V P Sajeendran, MLA. Synthite Director Dr Viju Jacob and members of the Foundation were also present





Chairman & Managing Director Mr C V Jacob inaugurates the new Lutein plant at Synthite Maradur on March 19, 2013



Chairman Mr C V Jacob launches the TPM (total productive maintenance) programme of the company with fanfare at Synthite headquarters on February 5, 2013 in the presence of the directors. Mr V T Moorthy and Mr S Narasimhan, assessors, were also present



Participants of the Annual Sales Meet-2013 held in January at Ramada Resort Cochin with Dr Viju Jacob, Director and Mr Praveen V, COO



The Synthite team with Director Dr Viju Jacob and family at Gulfood 2013, the four-day food trade show held at the Dubai World Trade Centre in February 2013. The show attracted 4,200 exhibitors from 110 countries, showcasing their products to distributors and manufacturers.



Participants of the two-day Annual HR Summit that began on February 15, 2013 at Riviera Suites, Kochi, with Mr George Paul, Director



Family@Work is an innovative programme Team HR of Synthite conceived as a tool to forge a strong bonding between the families of the employees and the company. On a pre-appointed day, the family members arrive at the factory, visit the plants and other facilities and interact with the management. They return after a sumptuous lunch with a better understanding of the company and its functioning. (In pic): Visiting family members at the Synthite Centre for Learning and Development



Participants of the 'Be Good to Yourself' workshop with chief operating officer, Bio-Ingredients division, Mr Praveen Venkataraman and trainer Mr Kesav Mallia. (Below) The participants with trainer Mr Kesav Mallia and Mr Pramod Simon-Lead Production & Maintenance



The Good Samaritans

Employees of Synthite Calicut have collected ₹10,650 to help Sreejesh, a 14-year old boy suffering from a serious heart disease. Doctors have suggested that an implantable cardioverter-defibrillator (ICD) be implanted in his body to help him overcome the serious heart disease. ICD costs about ₹5 lakh. As the parents could not afford it, the local people have formed a committee to raise the money required.

When the stars glitter



Mr N K George of Production department, Kadayiruppu, receives the Synthite Star Award for December 2012



Mr P V Varghese (Production), Synthite Kadayiruppu, receives the Synthite Star Award for January 2013 from Chairman Mr C V Jacob

Mr Unni M Jacob, Synthite Kadayiruppu, receives the Synthite Star Award for February 2013 from Director, Mr Aju Jacob



Mr Allen Baby of Production department has won the first prize in 200 meters race organised as a part of Escape 2013, Corporate Fun Fest



Employees of Synthite Calicut celebrate Tea @ 3



Mr V N Lavakumar (Engineering), Mr M K Mathai (Finance), Mr Jacob P V (Production) and Mr T V Thampi (Operational Procurement) with Mr Praveen Venkataraman, COO, Bio-ingredients Division and Mr Aju Jacob, director, on their retirement. Synthesis wishes them a happy retired life