

FINANCIAL YEAR 2012-13
BOARD OF DIRECTORS

Ajay Bankda
Managing Director

J.P. Bagaria
Director

Bharat Kumar Doshi
Director

Govind Das Pasari
Director

Avichal Kasliwal
Director

Pratik Bankda
Director (w.e.f. 11.06.2013)

Auditors :
Sanjay Mehta & Associates
Chartered Accountants
204-206, Modi Tower
MTH Compound
Indore 452 001

Bankers:

Bank of India
Saket Nagar Branch
Saket Nagar
INDORE

Registered Office:

221, Vyapar Bhawan, P.D'mello Road
MUMBAI – 400 009, INDIA
Tel : (022)23725193

Corporate Office:

“SYNCOM HOUSE”
40, Niranjapur, Dewas Naka
A.B. Road, INDORE (M.P.) - 452 010
TEL: (0731) 2577471 - 73
Rim : (0731) 3200888
Fax : (0731) 2577470
e-mail : shl@syncomhealthcare.com

Works:

D-42, UPSIDC Industrial Area
Selaqui (Dehradun)
Uttarakhand -248 197
Tel : (0135) 2699131, 2699017
Fax : (0135) 2698220
e-mail : works@syncomhealthcare.com
Website: <http://www.syncomhealthcare.com>

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SYNCOM HEALTHCARE LIMITED**Regd. Office: 221, Vyapar Bhawan, P.D. Mello Road, Mumbai - 400 009****NOTICE**

NOTICE is hereby given that the Eleventh Annual General Meeting of M/S SYNCOM HEALTHCARE LIMITED will be held on Monday, the 30th Day of September, 2013 at 12.30 PM at Residency Hotel, Suren Road, Andheri- Kurla Rd., Opp. Cine Magic, Near W.E. Highway Andheri (East), Mumbai- 400 093 to transact the following business:

ORDINARY BUSINESS:

- 1 To receive, consider and adopt the Audited Statement of Profit & Loss Account for the year ended March 31, 2013 and the Balance Sheet as at that date, together with Reports of the Directors and the Auditors thereon.
- 2 To appoint a Director in place of Mr. Govind Das Pasari, who retires by rotation and, being eligible, offers himself for reappointment.
- 3 To appoint a Director in place of Mr. Avichal Kasliwal, who retires by rotation and, being eligible, offers himself for reappointment.
- 4 To appoint Auditors and to fix their remuneration and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT M/s Sanjay Mehta & Associates, Chartered Accountants, be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this annual general meeting until the conclusion of the next annual general meeting of the Company on such remuneration as may be fixed by the Board of Directors.”

SPECIAL BUSINESS :

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

“RESOLVED THAT Mr. Pratik Bankda, who was appointed as an Additional director of the Company w.e.f. 11th June 2013 and who hold said office until the date of this meeting in terms of Section 260 of the Companies Act, 1956, read with Article 171 of the Articles of Association of the Company and in respect of whom Company has received a notice in writing from a Member under section 257 of the Companies Act, 1956, proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company liable to retire by rotation;

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts, deeds and things as may be deemed necessary to give effect to this resolution.”

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

“RESOLVED THAT pursuant to the provisions of the Section 198, 269, 309, 310, 314 and other applicable provisions, if any, of the Companies Act, 1956 (including any Statutory Modification(s) or re-enactments thereof, for the time being in force) read with Schedule XIII of the Act thereto, consent of the Company be and is hereby accorded to the appointment of Mr. Pratik Bankda as an Executive Director of the Company for a period of 5 years with effect from 11.06.2013 on the terms and conditions including remuneration as set out hereunder with the liberty to Board of Directors (hereinafter referred to as “the Board which term shall be deemed to include any committee which the Board may constitute to exercise its powers, including the power conferred by this resolution) to alter and vary the terms and conditions of the said appointment and or remuneration within the parameters of the applicable laws or any amendment thereto:

Tenure: Five years with effect from 11.06.2013.

Remuneration: 40000/- per month.

RESOLVED FURTHER THAT wherein any financial year , the Company has no profits or its profits are inadequate the remuneration payable to him shall not exceed the ceiling limit prescribed in Section II of Part II of Schedule XIII to the Companies Act, 1956, for that year, which will be payable to him as minimum remuneration for that year.

RESOLVED FURTHER THAT the Board or any other person authorized by the board in this regard, be and is hereby authorized to do all such acts, deeds and things as may be deemed necessary to give effect to this resolution .”

**By Order Of the Board of Directors
For Syncom Healthcare Limited**

Place: Indore
Date: 14 August, 2013

**AJAY BANKDA
Chairman**

Notes:

- 1 A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF, AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY SHOULD, HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- 2 The Register of Members and the Share Transfer Books of the Company will remain closed from Friday the 27th September, 2013 to Monday the 30th September 2013 (both days inclusive) to ascertain the entitlement of Dividend declared, if any.
- 3 Members are requested to notify immediately any change in their address & E-mail Id to their respective Depository Participant's (DP) in respect of their electronic share accounts and to the Registrar and Share Transfer Agent of the Company.
- 4 Corporate members intending to send their authorized representative to attend the meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
- 5 An explanatory statement pursuant to Section 173(2) of the Companies Act, 1956, relating to the Special Business to be transacted at the meeting is annexed hereto.
- 6 Members are requested to bring their copies of the Annual Report & Attendance Slip to the Meeting.
- 7 In case of joint shareholders attending the meeting, only such joint shareholder who is higher in the order of the names will be entitled to vote.
- 8 As per the provisions of the Companies Act 1956, facility for making nominations is available to individuals holding shares in the Company. The nomination forms-2B prescribed by the Government can be obtained from the Share Transfer Agent or can be downloaded from the website of the Ministry of the Corporate Affairs.
- 9 Members desires 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 in writing so that the information required may be made available at the meeting.
- 10 The report on the Corporate Governance and management Discussion and Analysis also form part of the Report of the Directors.
- 11 Pursuant to Clause 49 of the Listing Agreement, profile of the directors proposed for re-appointment at the ensuing annual general meeting is annexed hereto.

Details of the Directors seeking re-appointment in the ensuing Annual General Meeting:

Name of the Directors	Mr. Govind Das Pasari	Mr. Avichal Kasliwal	Mr. Pratik Bankda
Date of Birth	29.01.1955	05.11.1958	17.11.1987
Date of Appointment	28.05.2008	02.06.2008	11.06.2013
Expertise/Experience	H is having more than 30 years experience in the field of marketing of the pharmaceuticals products. He is also working as C & F Agent of various leading pharmaceutical Companies.	He is having more than 18 years of experience in the field of furnishing. He has promoted Beleza Furnishing Pvt. Ltd engaged in marketing of the furnishing materials.	He is having more than 5 years experience in marketing and manufacturing of Pharmaceutical products etc.
Qualifications	B.Com	B.Com & LLB (Hons.)	B.A.(Hons.) in Business Studies
No. of Equity Shares Held	Nil	Nil	225030 Shares
List of outside Directorship held	Neeta Medicos Private Limited	Beleza Furnishing Private Limited	Indore Institutional Clothing Pvt. Ltd. Warner Life Sciences (India) Ltd. Deepa Textiles Private Ltd.
Chairman/Member of the Committee of the Board of Directors of the Company	Chairman: a) Audit Committee b) Remuneration Committee	Member: a) Share Transfer & Investors Grievance Committee b) Remuneration Committee c) Audit Committee	Nil

EXPLANATORY STATEMENT PURSUANT TO PROVISIONS OF SECTION 173(2) OF COMPANIES ACT, 1956

Item No. 5:

Mr. Pratik Bankda was appointed as an additional director of the Company on 11TH June, 2013 and as such he holds his office till the date of ensuing Annual General Meeting.

The Company has received a Notice from a shareholder proposing his name for appointment as Director of the Company liable to retire by rotation in terms of Section 257 of the Companies Act, 1956. Accordingly, a resolution is placed before the Members for his appointment for the approval of the Members.

The Board of Directors recommends the proposed resolutions for your approval none of the directors is interested except Mr. Ajay Bankda and Mr. J.P. Bagaria in the resolution.

Item No. 6:

Mr. Pratik Bankda is proposed to be appointed as Executive Director of the Company for five years as recommended by remuneration committee looking to his experience, knowledge and qualifications.

The appointment of Mr. Pratik Bankda as Executive Director and his remuneration is in accordance with the



provisions of Schedule XIII of the Companies Act, 1956 and requires approval of the members.

The Board of Directors also appointed Mr. Pratik Bankda as Executive Director in terms of provisions of Section 269 of the Companies Act, 1956, for a period of five years with effect from 11th June, 2013 on the following terms and conditions:

- 1 Basic salary: Rs. 40000/- per month.
- 2 Medical expenses: Reimbursement of expenses incurred for self and family are subject to a maximum of Rs 5000/- per month.
- 3 Leave travel expenses: As per policy of the company subject to a ceiling of two months' salary in a year.
- 4 Gratuity: As per policy of the Company but shall not exceed one half months salary for each completed year of the service.

The appointment of Mr. Pratik Bankda as Executive Director and his remuneration is in accordance with the provisions of Schedule XIII of the Companies Act, 1956 and requires approval of the members.

The explanatory statement together with the accompanying notice should be treated as an abstract of the terms of the contract of appointment of the Director in terms of provisions of Sub-Section (2) of Section 302 of the Companies Act, 1956.

The Board of Directors recommends the proposed resolutions for your approval none of the directors is interested except Mr. Ajay Bankda and Mr. J.P. Bagaria in the resolution.

**By order of the Board of Directors
For Syncom Healthcare Limited**

**Place: Indore
Date: 14th August, 2013**

**AJAY BANKDA
CHAIRMAN**

DIRECTORS' REPORT

The Shareholders,
 Syncom Healthcare Limited,

Your Directors have pleasure in presenting their 11th Annual Report along with the audited annual accounts for the year ended 31st March, 2013 to the members of the Company.

FINANCIAL RESULTS:

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

(Rs. in Lacs)

	Year ended 31/03/2013	Year ended 31/03/2012
Sales and other income	9656.17	8986.65
Profit before Interest and Depreciation	617.15	583.80
Less : Interest	367.64	248.37
Profit before Depreciation	249.51	335.43
Less : Depreciation & Amortization	228.27	231.24
Profit before Taxation	21.24	104.19
Provision for Taxation	4.04	20.83
Provision for Deferred tax Liability/ (Assets)	(6.20)	58.47
Profit after Taxation	23.40	24.89
Prior year (Income) / Expenses	0.00	(6.27)
Balance carried to Balance Sheet	23.40	18.62

REVIEW OF OPERATIONS:

During the year under review, the Company has earned a total income of Rs. 9656.17 Lacs as against the total income of Rs. 8986.65 Lacs in the previous year, thereby registering an increase in turnover of 7.45%. The Company has earned a net profit of Rs. 21.24Lacs before tax during the year as against the profit of Rs104.19 Lacs in the previous year registering a 79.61% decrease in profit. The Company has carried out contract manufacturing for over Rs. 36.00 Crores as against Rs. 28.00 Crores in the previous year from the well known Pharma players in the industry during the year under review. The Company intends to expand the contract manufacturing activities in near future.

DIVIDEND:

In order to conserve the financial resources for the future plans the Directors do not recommend any dividend to the members.

FUTURE PLANS:

The Company entered in the capital market at the end of January, 2010 through Initial Public Issue of 7500000 equity shares of Rs. 10/- each at an issue price of Rs. 75/- per equity shares aggregating Rs.56.25 Crores. The issue proceeds were proposed to be utilized for additional equipments in the existing Plant at Dehradun in Uttarakhand for smoothening of the existing production facilities. The provision for meeting the working capital needs and general corporate use also envisaged. The Company has completed up gradation in the existing unit at Dehradun.

The Company has utilized Rs. 51.29 Crores on the project up to 31.03.2013. The remaining amount of Rs. 4.96 Crores was invested in short term advances.

The Company has established a wholly owned subsidiary in the name and style of Syncom Healthcare International FZE in Ras Al Khaimah Free Trade Zone, Dubai with a nominal capital of AED 200000. All the facilities are procured from Ras Al Khaimah, Free Trade Zone in a Flexi rental Office in RAK. The office is used for the trading purpose only. The General Trading License was given by the RAK Free Trade Zone Authority on 27th April, 2011.

As required under the Listing Agreement with the Stock Exchanges, Consolidated Financial Statements of the Company and its aforesaid subsidiary are attached. Pursuant to the provisions of Section 212(8) of the Companies Act, 1956 (Act), the Ministry of Corporate Affairs vide its General Circular No 2/2011 dated February 8, 2011, has granted a general exemption subject to certain conditions to holding companies from complying with the provisions of Section 212 of the Act, which requires the attaching of the Balance Sheet, Profit & Loss Account and other documents of its subsidiary companies to its Balance Sheet. Accordingly, the said documents are not being included in this Annual Report. The main financial summary of the subsidiary company is provided under a separate section in the Annual Report. The Company will make available the said annual accounts and related detailed information of the subsidiary company upon the request by any member of the Company or its subsidiary company. These accounts will also be kept open for inspection by any member at the Registered Office of the Company and the subsidiary company. During the year, no changes have taken place in subsidiary companies.

DIRECTORS:

Shri Govind Das Pasari & Shri Avichal Kasliwal, Directors are liable to retire by rotation at the ensuing Annual General Meeting and, being eligible, offers themselves for re-appointment. Attention of the Members is invited to the relevant items in the Notice of the Annual General Meeting and the Explanatory Statement thereto in this regard.

None of the Directors of the company is disqualified under section 274(1) (g) of the Companies Act, 1956 from being appointed as a Director of any other public company.

DEPOSITS:

During the year under review, the Company neither accepted nor invited any deposits from the public in terms of section 58A of the Companies Act, 1956 read with the Companies (Acceptance of Deposits) Rules, 1975. Therefore the information relating thereto is NIL.

PARTICULARS OF EMPLOYEES:

There was no employee in the Company who, if employed throughout the financial year, was in receipt of remuneration, whose particulars if so employed, are required to be included in the Report of the Directors in accordance with the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

CORPORATE GOVERNANCE:

The spirit of good Corporate Governance remains integral to the Company's corporate philosophy. The Company follows the code of Corporate Governance issued by the Stock exchanges for listed companies. For 2012-13 all information relating to Corporate Governance is given separately to this Report. A compliance certificate from a practicing Company Secretary is appended to this Report.

MANAGEMENT DISCUSSION AND ANALYSIS :

The Management Discussion and Analysis report covering the matters listed in clause 49 of the Listing Agreement for the year under review is given as separate statement in the Annual Report.

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

The particulars of conservation of energy, technology absorption, foreign exchange earnings and outgo are enclosed as Annexure 1.

DIRECTORS' RESPONSIBILITY STATEMENT:

As required by sub-section (2AA) of Section 217 of the Companies Act, 1956, your Directors state and confirm as under:-

- (i) That in the preparation of the annual accounts for the year ended 31st March, 2013, the applicable accounting standards had been followed along with proper explanations relating to material departures;

- (ii) That the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period;
- (iii) That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) That the directors had prepared the annual accounts on a going concern basis.

AUDITORS' REPORT:

The report of the auditors of the company on the annual accounts of the company for the financial year ending on 31st March 2013 is attached herewith and the same is self-explanatory and needs no comments, except the note of the auditor that the provisions for the gratuity was made only for the employees eligible for gratuity as on 31.03.2013 instead of actuarial valuation basis as prescribed under the accounting standard. The Company made the provisions on the basis of accrual basis instead of actuarial valuation the net effect on profit was not felt material. The qualified actuarial valuer was also not available in vicinity. However, we are trying to get the actuarial valuation done and provisions for gratuity will be made on actuarial valuation basis in subsequent years. As regards the persons engaged through contractors, we are insisting them to get themselves registered with the appropriate authorities to discharge their legal responsibilities.

AUDITORS:

The auditors, M/s Sanjay Mehta & Associates, Chartered Accountants, Indore, retire at the conclusion of the ensuing Annual General Meeting and are eligible for reappointment. A certificate has been received from them to the effect that if re-appointed, their appointment will be within the limits of section 224(1B) of the Companies Act, 1956.

CONSOLIDATED FINANCIAL STATEMENTS :

The Consolidated Financial Statement of the company prepared as per the Accounting standards AS-21, AS-23, & AS-27, Consolidated the company's account with it's Subsidiary have also been included as part of this Annual Report.

COST AUDIT:

The Central Government has prescribed that an audit of the cost accounts maintained by the Company in respect of formulations be conducted under Section 233B of the Companies Act, 1956. Consequently, your Company has appointed M. Goyal & Co., Cost accountants, as Cost auditors for 2013-14, with the consent of the Central Government, for the audit of cost accounts maintained by the Company in respect of the formulations.

ACKNOWLEDGEMENT:

Your Directors take this opportunity to express their gratitude for the assistance and continued cooperation extended by Banks, Financial Institutions, Government Authorities, Investors, 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 acknowledges their contribution towards sustained progress and performance of your company. Your Directors are thankful to the esteemed shareholders for their support and encouragement.

For and on behalf of the
Board of Directors

Place: Indore
Date: 14th August, 2013

Ajay Bankda
Chairman

Annexure - 1
ANNEXURE TO THE DIRECTORS' REPORT

Information under section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of Directors' Report.

FORM A

(Form of the Disclosure of particulars with respect to conservation of energy)

POWER & FUEL CONSUMPTION	Current Year (2012-2013)	Previous Year (2011-2012)
ELECTRICITY		
Purchased unit (KWH)	949146	1196633
Amount (Rs.)	37,96,584	47,86,532
Rate/unit (Rs.)	4.00	4.00
Electricity Generation unit (KWH)	209635	136992
Amount (Rs.)	26,34,136	20,18,756
Unit per Litre of Diesel oil	3.66	2.96
Rate / unit (Rs.)	12.57	14.74
Diesel for Boiler		
Purchased (kg.)	125426	96210
Amount (Rs.)	58,38,969	42,09,187
Rate / unit (Rs.)	46.55	43.75
Gas for Boiler		
Purchased (KG)	825	9801
Amount (Rs.)	58,781	5,97,861
Rate / unit (Rs.)	71.25	61.00

Consumption per unit of production :

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

FORM B

Form for disclosure of particulars with respect to the technology absorption:

Research & Development:

- 1 Specific areas in which the company carries out R&D:**
 The Scope of activities covers process development in 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.
 - Improvement in quality and productivity.

Technology Absorption, Adoption and Innovation : The company has so far not imported any technology. The company manufactures standard products for which technology is established, and therefore, no further research is being done to confirm to the changing quality requirement of customers.

FOREIGN EXCHANGE EARNINGS & OUTGO : During the year company has earned foreign exchange by effecting exports sales worth of Rs. - Nil - (Previous year: Rs. - Nil -) and total foreign outgo was Rs. - Nil- (Previous year: Rs. - Nil -).

For and on behalf of the
Board of Directors

Place: Indore
 Date: 14th August, 2013

Ajay Bankda
 Chairman

Corporate Governance

Corporate Governance refers to the blend of law, regulations and voluntary practices that are able to attract the best of capital and talent. Strong corporate governance is indispensable for safeguarding interests of shareholders and other stakeholders. The Company understands and respects its fiduciary role and responsibility towards shareholders and strives hard to meet their expectations.

Effective Corporate Governance needs to internalize and adopt a core set of values which further strengthen the Management and the decision-making process, resulting in creation of value and wealth for the shareholders on sustainable and long-term basis. Corporate Governance is the key factor in attaining fairness for all stakeholders and achieving organizational efficiency. A detailed policy is established to provide a direction and framework for managing and monitoring the Company in accordance with the principles of good Corporate Governance, thus ensuring fairness in all transactions within and outside the Company with investors, customers, employees, partners, competitors and the society at large.

Syncom's Board of Directors and Management are deeply committed to pursuing growth by adhering to the highest national and international standards of Corporate Governance. As a Company, Syncom believes good Corporate Governance and transparency in actions of the Management to be the key to building strong trust with the Company's stakeholders. Good governance practices in the Company include adoption of best Board practices, respect and protection of minority views and interests and institutionalization of fair and transparent reporting systems in true spirit, beyond merely complying with mandatory requirements. The Company's commitment towards adoption of sound governance at par with global standards, on a sustained basis is evident from the fact that it had put in place systems and procedures well before these become mandatory. This attitude of Syncom has strengthened the bond of trust with its stakeholders and also with the society at large.

Corporate Governance Philosophy

Syncom's philosophy of Corporate Governance is based on preserving core values and ethical business conduct. Corporate Governance is integral to the philosophy of the Company in its pursuit of excellence, growth and value creation. The Company's philosophy is to achieve business excellence and optimize long-term value for its shareholders on a sustained basis through ethical business conduct. It envisages attainment of the highest level of transparency, accountability and equity in all facets of its operations and all its interactions with shareholders, employees, lenders and government.

In line with Syncom's commitment to good Corporate Governance practices, the main role of the Company's Board of Directors is to oversee how the Management is serving the interests of all stakeholders. The Company has been focusing and always will focus on long-term value creation for all its shareholders, employees, creditors and regulatory bodies. Commitment to maximizing shareholder value on a sustained basis, while looking after the welfare of multiple stakeholders is a fundamental shared value of Syncom's Board of Directors, Management and employees and critical to the Company's success. This value system translates into institutionalizing structures and procedures that enhance the efficacy of the Board and inculcate a culture of transparency, accountability and integrity across the Company. Syncom's initiatives towards this end include: professionalization of the Board; fair and transparent process and reporting systems; and going beyond the mandated Corporate Governance Code requirements of SEBI.