

**12th
ANNUAL REPORT
2013 - 2014**



SYNCOM
Healthcare Limited
2013 - 14

FINANCIAL YEAR 2013-14

Board of Directors:

Ajay Bankda
Managing Director

J.P. Bagaria
Director

Bharat Kumar Doshi
Director

Govind Das Pasari
Director

Avichal Kasliwal
Director

Auditors :
Sanjay Mehta & Associates
Chartered Accountants
338, Saket Nagar,
Indore - 452 001

Bankers:
Bank of India Saket Nagar Branch
Saket Nagar, INDORE

Registrar & Transfer Agent:
M/s Link Intime India Pvt. Ltd.
C-13, Pannalal Silk Mills Compound,
LBS Marg, Bhandup (West),
Mumbai – 400 078

Registered Office:

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

CIN : L51397MH2002PLC136652

Corporate Office:

"SYNCOMHOUSE"

40, Niranjapur, Dewas Naka
A.B. Road, INDORE – 452 010 (M.P.)
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

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SYNCOM HEALTHCARE LIMITED
CIN: L51397MH2002PLC136652
Regd. Office: 221, Vyapar Bhawan, P.D. Mello Road, Mumbai - 400 009
NOTICE

NOTICE is hereby given that the Twelfth Annual General Meeting of M/S SYNCOM HEALTHCARE LIMITED will be held on Tuesday, the 30th Day of September, 2014 at 2.00 PM at Residency Hotel, Suren Road, Andheri Kurla Road, Opp. Cine Magic, Near WE Highway, Andheri (East), MUMBAI 400093 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, 2014 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. Jagdish Prasad Bagaria (DIN 00014106), who retires by rotation and, being eligible, offers himself for reappointment.
- 3 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 pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under, as amended from time to time, M/s. Sanjay Mehta & Associates, Chartered Accountants (Firm Registration No.011524C), be and is hereby re-appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the Next Annual General Meeting of the Company, and that the Board of Directors be and is hereby authorized to fix such remuneration as agreed upon between the Auditors and the Board of Directors."

SPECIAL BUSINESS :

4. 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 sections 149, 152 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed there under, read with Schedule IV to the Act, as amended from time to time, Mr. Bharat Kumar Doshi (Holding DIN 00041045), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company for a term of 5 Year with effect from September 30, 2014 up to September 29, 2019."
5. 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 sections 149, 152 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed there under, read with Schedule IV to the Act, as amended from time to time, Mr. Govind Das Pasari (Holding DIN 01893095), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company for a term of 5 Year with effect from September 30, 2014 up to September 29, 2019."
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 sections 149, 152 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed there under, read with Schedule IV to the Act, as amended from time to time, Mr. Avichal Kasliwal (Holding DIN 01364228), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company for a term of 5 Year with effect from September 30, 2014 up to September 29, 2019."

Place: Indore
 Date: 14th August, 2014
 Registered Office:
 221, Vyapar Bhawan, P.D. Mello Road
 Mumbai - 400 009, India
 CIN: L51397MH2002PLC136652
 E-mail: shl@syncomhealthcare.com

By Order of the Board
 For Syncom Healthcare Limited

Sd/-
Ajay Bankda
 Chairman

NOTES :

1. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (Act) in respect of the business under Item No. 4 to 6 of the Notice, is annexed hereto.
2. A member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote (on a poll only) instead of himself/ herself and the proxy need not be a member of the company. The instrument appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less than FORTY-EIGHT HOURS before the meeting. Proxies submitted on behalf, of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

3. The register of Members and the Share Transfer Books of the Company will remain closed from Tuesday, 23rd September, 2014 to Tuesday, 30th September, 2014 (both days inclusive) for the purpose of Twelfth Annual General Meeting of the Company to be held on 30th September, 2014.
4. Pursuant to the requirements on Corporate Governance under Clause 49 of the Listing Agreements entered into with StockExchange(s), the information about the Director proposed to be re-appointed is given in the Annexure to the Notice.
5. Members / proxies should bring the duly filled Attendance Slip enclosed herewith to attend the meeting.
6. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
7. Link Intime India Private Limited (LIPL) is our Registrar and Transfer Agent of the Company. All the investor related communication may be addressed to them at their following address:

Link Intime India Private Limited

**C-13, Pannalal Silk Mills Compound, LBS Marg,
Bhandup West, Mumbai – 400 078.**

8. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS), mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their Depository Participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Transfer Agents, Link Intime India Private Limited (LIPL) to provide efficient and better services.
9. Members holding shares in physical form are requested to intimate such changes to LIPL. Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company or LIPL for assistance in this regard.
10. In case of joint holders attending the meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
11. Additional information pursuant to Clause 49 of the Listing Agreement with the stock exchanges in respect of the Directors seeking appointment / re-appointment at the AGM is furnished and forms a part of the Notice. The Directors have furnished the requisite consents / declarations for their appointment / re-appointment.
12. The Notice of the AGM along with the Annual Report 2013-14 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
13. Members may also note that the Notice of the Twelfth AGM and the Annual Report 2013-14 will be available on the Company's website, www.syncomhealthcare.com. The physical copies of the aforesaid documents will also be available at the Company's registered office for inspection during normal business hours on working days. Members who require communication in physical form in addition to e-communication, or have any other queries, may write to us at : works@syncomhealthcare.com.
14. Members seeking any information with regard to the Accounts, operations, etc are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the meeting.
15. To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with LIPL/Depositories.
16. Documents referred to in the Notice and Explanatory Statement will be available for inspection by the Members at the Registered Office of the Company on all working days (that is Monday to Friday) between 11.00 a.m. to 1.00 p.m. up to the date of this meeting.
17. The Securities and Exchange Board of India (SEBI) has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participant(s). Members holding shares in physical form shall submit their PAN details to the Company.
18. In compliance with the provisions of section 108 of the Act and the Rules framed there under, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by CDSL, on all resolutions set forth in this Notice. The instructions for members for voting electronically are as under:-

A. In case of members receives an e-mail from CDSL (for Members whose e-mail addresses are registered with the Company/Depositories):

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on "Shareholders" tab.
- (iii) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vi) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form

PAN* Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)

Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field.

In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field. DOB# Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.

Dividend Bank Enter the Dividend Bank Details as recorded in your demat account or in the company records for the Details# said demat account or folio.

Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cutoff date in the Dividend Bank details field.

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for the relevant <SYNCOM HEALTHCARE LIMITED> on which you choose to vote.
- (xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system. Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporate. They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.

After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.

The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

B. In case of members receiving the physical copy:

Please follow all steps from sl. No. (i) to sl. No. (xvi) above to cast vote.

C. Other Instructions:

- (i) The e-voting period begins on Tuesday, September 23, 2014 (9.00 a.m. IST) and ends on Wednesday, September 24, 2014 (6.00 p.m. IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on August 22, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the Member, the same cannot be changed subsequently.
 - (ii) The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on August 22, 2014.
 - (iii) Mr. Manish Maheshwari, Practicing Company Secretary (Membership No. FCS 5174), has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
 - (iv) The Scrutinizer shall, within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favor or against, if any, forthwith to the Chairman of the Company.
 - (v) The results on resolutions shall be declared on or after the Annual General Meeting (AGM) of the Company and the resolutions will be deemed to be passed on the AGM date subject to receipt of the requisite number of votes in favour of the resolutions.
 - (vi) The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.syncomhealthcare.com and on the website of CDSL www.evotingindia.com within two days of the passing of the resolutions at the Twelfth AGM of the Company on September 30, 2014 and communicated to the Bombay Stock Exchange Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.
 - (vii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.
20. Members may please note that briefcase, bag, mobile phone and eatables will not be allowed to be taken inside the venue of the meeting for security reasons.

As required by section 102(1) of the Companies act, 2013, the following Explanatory Statements set out all material facts relating to the special business in accompanied notice.

Item 4, 5 & 6

The Company had, pursuant to the provisions of clause 49 of the Listing Agreements entered with the Stock Exchanges, appointed Mr. Bharat Kumar Doshi, Mr. Govind Das Pasari, and Mr. Avichal Kasliwal, as Independent Directors at various times, in compliance with the requirements of the clause. Pursuant to the provisions of section 149 of the Act, which came in to effect from April 1, 2014, every listed public company is required to have at least one-third of the total number of directors as independent directors, who are not liable to retire by rotation.

The Nominations Committee has recommended the appointment of these directors as Independent Directors from September 30, 2014 up to September 29, 2019, non-executive directors of the Company, have given a declaration to the Board that they meet the criteria of independence as provided under section 149(6) of the Act. In the opinion of the Board, each of these directors fulfil the conditions specified in the Act and the Rules framed thereunder for appointment as Independent Director and they are independent of the management. In compliance with the provisions of section 149 read with Schedule IV of the Act, the appointment of these directors as Independent Directors is now being placed before the Members for their approval.

The terms and conditions of appointment of the above Directors shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

Mr. Bharat Kumar Doshi, Mr. Govind Das Pasari, and Mr. Avichal Kasliwal, are interested in the resolution set out respectively at Item nos. 4, 5 & 6 of the notice with regard to their respective appointments.

Save and except the above, none of the other directors/Key managerial personnel of the company/their relatives are in any way concerned or interested, financially or otherwise, in this resolution.

The Board commends the Ordinary Resolution set out at Item nos. 4, 5 & 6 of the notice for approval by the shareholders.

Place: Indore
 Date: 14th August, 2014
 Registered Office:
 221, Vyapar Bhawan, P. D. Mello Road
 Mumabai – 400 009, India
 CIN:L51397MH2002PLC136652
 E-mail: shl@syncomhealthcare.com

By Order of the Board
 For Syncom Healthcare Limited

Ajay Bankda
 Chairman

Details of Directors seeking Appointment /Re-appointment at the forthcoming Annual General Meeting (In pursuance of Clause 49 of the Listing Agreement)

Name of the Directors	Mr. Jagdish Prasad Bagaria	Mr. Bharat Kumar Doshi
Date of Birth	06.10.1947	21.03.1959
Date of Appointment	29.07.2002	28.05.2008
Expertise/Experience	He has been a director of the Company since inception and has wide experience in purchase and administration.	He has more than 25 years experience in Planning, Designing Pharmaceutical, Biotech & API facilities and design of HVAC with Clean Room and BSL facility in India & Abroad.
Qualifications	B.Com. Part I	B.E. (Mech) (Hons.)
No. of Equity Shares Held	100	Nil
List of outside Directorship held	None	Doshi Consultants Pvt. Ltd. DCPL International Pvt. Ltd.
Chairman/Member of the Committee of the Board of Directors of the Company	Nil	Chairman Share Transfer & Investors Grievance Committee Member Remuneration-cum-Compensation Committee
Name of the Directors	Mr. Govind Das Pasari	Mr. Avichal Kasliwal
Date of Birth	29.01.1955	05.11.1958
Date of Appointment	28.05.2008	02.06.2008
Expertise/Experience	He 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.
Qualifications	B.Com	B.Com & LLB (Hons.)
No. of Equity Shares Held	Nil	Nil
List of outside Directorship held	Neeta Medicos Private Limited	Beleza Furnishing Private Limited
Chairman/Member of the Committee of the Board of Directors of the Company	Chairman: Audit Committee Remuneration Committee Member: Share Transfer & Investors Grievance Committee	Member: Share Transfer & Investors Grievance Committee Remuneration Committee Audit Committee

DIRECTORS' REPORT

The Shareholders,

Syncom Healthcare Limited,

Your Directors have pleasure in presenting their 12th Annual Report along with the audited annual accounts for the year ended 31st March, 2014 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 31/03/2014	Year Ended 31/03/2013
Sales and other income	6667.46	9656.17
Profit before Interest and Depreciation	15.39	617.15
Less : Interest	418.34	367.64
Profit before Depreciation	(402.95)	249.51
Less : Depreciation & Amortization	376.85	228.27
Profit before Taxation	(779.80)	21.24
Less Provision for Taxation	0.00	4.04
Less Provision for Deferred tax Liability/(Assets)	321.49	(6.20)
Profit after Taxation	(458.31)	23.40
Prior year (Income)/ Expenses	0.00	0.00
Balance carried to Balance Sheet	(458.31)	23.40

REVIEW OF OPERATIONS:

During the year under review, the Company has earned a total income of Rs. 6667.46 Lacs as against the total income of Rs. 9656.17 Lacs in the previous year, there by registering fall in turnover by 30.95%. The decline in sales is mainly due to decline in the trading sales. The Company during the year under review has incurred a loss of Rs. 779.80 Lacs as against the profit of Rs. 21.24 Lacs in the previous year. The Company during the year under review has added one new marketing segment named 'Syncom Wellness' a direct Marketing set up. The Company has incurred expenses of app. Rs. 300 Lacs in this account towards marketing and salary expenses for developing this market segment. The impact will accrue from next year onward. The Company has also developed the Export market and incurred expenses for setting and developing the market during the year. During the year under review the Company has made exports of Rs. 75 Lacs (Previous year Rs. NIL) and the exports will be increased in the subsequent years. The Depreciation is also increased by Rs. 150 Lacs. As a cumulative effect, the Company has incurred the above losses. However, with the opening of the new avenues like 'Syncom Wellness' set up and Export market the Company will turn back with better results.

DIVIDEND:

The Board of Directors of the company has not recommended any dividend for the financial year 2013-14.

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 utilized the full amount of the IPO proceeds of Rs. 56.25 Crores on the project as envisaged by 31.03.2014.

The Company has entered in to a different distribution segment of direct marketing under the banner of 'Syncom Wellness' a direct marketing set up with a plan to launch various herbal preparations of healthcare. The response of the market is very much encouraging and this segment is going to be accepted with tremendous positivity by the wide spread masses and expected to be a great success.

The Company has also explored the possibilities to enter in to the global market and started export of the products. This is a long process of documentations, certifications, approvals, etc. and thus, needs constant efforts and followups to develop and establish the export activities. We are hopeful to enlarge the platform of the export potential substantially and will be able to add many countries to our customer fold to take maximum advantage for the betterment of the Company.

As required under the Listing Agreement with the Stock Exchanges, Consolidated Financial Statements of the Company and its a for esaid 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. The accounts will also be kept to the perusal of 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:

In accordance with Section 152 of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Jagdish Prasad Bagaria will retire by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.

Pursuant to Section 149 of the Companies Act, 2013, the Board at its meeting held on 14th August 2014, recommended appointment of Mr. Bharat Kumar Doshi, Mr. Govind Das Pasari, and Mr. Avichal Kasliwal as independent Directors of the Company, not liable to retire by rotation for a period of five years from the 12th Annual General Meeting subject to approval of the Members of the Company.

The Company has received declarations from all the independent Directors of the Company confirming that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act as well as under clause 49 of the Listing Agreement with the Stock Exchanges.

Mr. Pratik Bankda has resigned from the Directorship of the Company on 30th May 2014. Your Directors place on record his deep appreciation for the guidance received from the out-going Director.

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 part to the Company's corporate philosophy. The Company follows the code of Corporate Governance issued by the Stock exchanges for listed companies. For 2013-14 all information relating to Corporate Governance is given separately 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, 2014, the applicable accounting standards had been followed along with proper explanations relating to material departures;
- (ii) That the Director has elected 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 safe guarding 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:

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 141(3) (g) of the Companies Act, 2013. And that they are not disqualified for re-appointment.

The Audit Committee and the Board of Directors recommended the re-appointment of M/s Sanjay Mehta & Associates, Chartered Accountants, as the Auditors of the Company for the fiscal year ending on March 31, 2015.

AUDITORS' REPORT:

The Board has duly reviewed the Statutory Auditors' Report on the Accounts. The observations appearing in the Auditors' Report, does not call for any further explanation/clarification by the Board of Directors.

The report of the auditors of the company on the annual accounts of the company for the financial year ending on 31st March 2014 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 31.03.2014 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 valuar 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.

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 its 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. (Section 148) Consequently, your Company has appointed M. Goyal & Co., Cost accountants, as Cost auditors for 2014-15, 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.

Place: Indore
Date: 14th August, 2014
Registered Office:
221, VyaparBhawan, P.D. Mello Road
Mumabai – 400 009, India
CIN:L51397MH2002PLC136652
E-mail: shl@syncomhealthcare.com

By Order of the Board
For Syncom Healthcare Limited

Sd/-
(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 (2013-2014)	Previous Year (2012-2013)
ELECTRICITY		
Purchased unit (KWH)	11,27,634	9,49,146
Amount (Rs.)	45,10,536	37,96,584
Rate/unit (Rs.)	4.00	4.00
Electricity Generation unit (KWH)	1,81,896	2,09,635
Amount (Rs.)	2,83,2332	26,34,136
Unit per Litre of Diesel oil	3.5	3.66
Rate / unit (Rs.)	15.57	12.57
Diesel for Boiler		
Purchased (kg.)	1,77,609	1,25,426
Amount (Rs.)	96,21,079	58,38,969
Rate / unit (Rs.)	54.17	46.55
Gas for Boiler		
Purchased (KG)	627	825
Amount (Rs.)	49,533	58,781
Rate / unit (Rs.)	79	71.25

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.

Benefits Derived from R&D:

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

2. 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 (inflow) by effecting exports sales worth of Rs. Rs. 52,32,732/- (Previous year: Rs. - Nil -) and total foreign outgo was Rs. 8,36,505/- (Previous year: Rs. 9,48,044/-).

Place: Indore

Date: 14th August, 2014

Registered Office:

221, VyaparBhawan, P.D. Mello Road

Mumbai - 400 009, India

CIN:L51397MH2002PLC136652

E-mail: shl@syncomhealthcare.com

By Order of the Board
For Syncom Healthcare Limited

Sd/-
(Ajay Bankda)
Chairman