

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
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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.

1. Board of Directors

(i) Composition & Category of the Directors

The Board comprises of Five Directors, including Three Independent & Non-Executive Directors:

Name of Director	Category	No. Of Outside Directorships Held	No. Of Board/ Committee Memberships Held in Other Companies
Mr. Ajay Bankda	Executive	1	None
Mr. J.P. Bagaria	Non-Executive	None	None
Mr. Bharat Kumar Doshi	Independent & Non-Executive	2	None
Mr. Govind Das Pasari	Independent & Non-Executive	1	None
Mr. Avichal Kasliwal	Independent & Non-Executive	1	None

(ii) Note on Directors appointment/ re-appointment:

Shri Govind Das Pasari & Shri Avichal Kasliwal Directors of the Company are retiring at the forthcoming Annual General Meeting by rotation and they are eligible for re-appointment.

(iii) Attendance Record of the Directors:

During the financial year 2012-13, six meetings of the Board of Directors were held on 30.05.2012, 14.08.2012, 18.10.2012, 15.11.2012, 11.02.2013 and 14.02.2013. The attendance record of all the Directors in the Board Meetings is as under:

Name of Directors	Board Meeting Held	Board Meetings Attended	Last - AGM Attended
Mr. Ajay Bankda	6	6	Yes
Mr. J.P. Bagaria	6	6	No
Mr. Bharat Kumar Doshi	6	2	No
Mr. Govind Das Pasari	6	4	Yes
Mr. Avichal Kasliwal	6	2	No

2. Committees of the Board

Syncom has **three** Board level committees:

- Audit Committee
- Remuneration cum Compensation Committee
- Shareholders/Investors Grievance and Share Transfer Committee

The Board is responsible for constituting, assigning, co-opting and fixing the terms of reference for members of various committees. Details on the role and composition of these committees, including the number of meetings held during the financial year, the related details are provided below:-

a) Audit Committee

The Audit Committee has been constituted in terms of the provisions of Section 292A of the Companies Act, 1956 and in terms of the Clause 49 of the Listing Agreements with the Stock Exchanges and in fulfilling the Board's overall responsibility. The Audit Committee consisting of two Independent Directors and Managing Director is continuously functioning. The Audit Committee has the following mandate in terms of the Board's authorization:

- 1 Reviewing of the Company's reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- 2 Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other services.
- 3 Reviewing with management the annual financial statements before submissions to the board, focusing primarily on: any changes in accounting policies and practices, major accountings entries based on exercise based on judgment by management, qualification in draft audit report, significant adjustments arising out of audit, the going concern assumption, compliance with accounting standards, compliance with stock exchanges and legal requirements concerning financial statements and any related party transaction i.e. transactions of the company of material nature, with promoters or the management, their subsidiaries or relatives, etc, that may have potential conflict with the interest of the Company at large.
- 4 Reviewing with the management, external and internal auditors, the adequacy of internal control systems and ensure compliance of internal control systems.
- 5 Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- 6 Discussion with internal auditors any significant findings and follow up thereon.
- 7 Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- 8 Discussion with external auditors before the audit commences, nature and scope of audit as well as to have post- audit discussion to ascertain any area of concern.
- 9 Reviewing the Company's financial and risk management policies.
- 10 To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividend) and creditors.
- 11 It shall have discussion with the auditors periodically about internal control systems, the scope of audit including the observations of the auditors and review the quarterly, half yearly and annual financial statements.

The Audit Committee of the Company was constituted comprising of the Directors as named below and during the financial year 2012-13, four meetings of the Audit Committee were held on 30.05.2012, 14.08.2012, 15.11.2012, and 14.02.2013. The attendance of the members in the meetings is as follows:

NAME	DESIGNATION	POSITION IN THE COMMITTEE	NO. OF MEETINGS ATTENDED
Mr. Govind Das Pasari	Director	Chairman	4
Mr. Avichal Kasliwal	Director	Member	4
Mr. Ajay Bankda	Managing Director	Member	4

Members of the Audit Committee have requisite financial and management expertise. The head of internal audit and the representative of the statutory auditors are permanent invitees to the Audit Committee. Mr. Naveen Sood acted as the Secretary of the Committee.

The Chairman of the Audit Committee attended the Annual General Meeting held on 29th September, 2012 to answer shareholders' queries.

(b) Remuneration cum Compensation Committee

As on March 31, 2013, the Remuneration cum Compensation Committee comprises of the following, all of whom are independent Directors:

NAME	DESIGNATION	POSITION IN THE COMMITTEE
Mr. Govind Das Pasari	Director	Chairman
Mr. Bharat Kumar Doshi	Director	Member
Mr. Avichal Kasliwal	Director	Member

No meeting of the Remuneration Committee was held as there was no reference made to the Committee for its approval.

The Remuneration cum Compensation Committee of the Company, inter-alia, recommends to the Board the compensation terms of Managing Director & Executive Director, approves and evaluates the Management compensation plans, policies and programmes of the Company. The responsibilities of the Committee include:

- 1 Framing and implementing, on behalf of the Board and on behalf of the shareholders, a credible and transparent policy on remuneration of Executive Directors, including ESOP, pension rights and any compensation payment.
- 2 Considering, approving and recommending to the Board changes in designation and increase in salary of the Executive Directors.
- 3 Ensuring that the remuneration policy is good enough to attract, retain and motivate the Directors.
- 4 Bringing about objectivity in determining the remuneration package, while striking a balance between the interests of the Company and the shareholders.
- 5 Framing the ESPS/ESOS and recommending the same to the Board/shareholders for their approval and implementing the Scheme approved by the shareholders.
- 6 Suggesting to Board/shareholders changes in the ESPS/ESOS.
- 7 To issue grant/award letters.

Remuneration policy

The remuneration paid to the Directors of the Company is approved by the Board of Directors on the recommendations of the Remuneration cum Compensation Committee. The strategy is in consonance with the existing industry practice and is directed towards rewarding performance, based on review of achievements, on a periodical basis.

(c) Shareholders'/ Investors' Grievance Committee:

(i) Brief description of terms of reference:

The Shareholders'/ Investors' Grievance Committee is at the Board level to look in to the redressal of shareholders and investors' complaints like:

- Transfer & transmission of shares and delay in the process of transfer & transmission.
- Non receipt of Annual Report, etc.
- Non Receipt of any other general/ statutory communication.

(ii) Composition of Shareholders Grievance & Transfer Committee:

The Composition of Shareholders Grievance & Transfer Committee is given here in below. The Committee during the year 2012-13 met four times and the record of attendance of the members in the Committee is as follows:

NAME	DESIGNATION	POSITION THE COMMITTEE	NO. OF MEETING ATTENDED
Mr. Bharat Kumar Doshi	Director	Chairman	4
Mr. Avichal Kasliwal	Director	Member	4
Mr. Ajay Bankda	Managing Director	Member	4

Mr. Naveen Sood, acted as the Secretary of the Committee.

(iii) Name and designation of the Compliance Officer:

Mr. Subhash Chandra Gupta – VP (Finance & Accounts)

(iv) Status of the investors/ shareholders Complaints:

(a)	Number of complaints received during the year	:	3
(b)	Number of complaints solved during the year	:	3
(c)	Number of complaints pending at the end of the year	:	NIL

The Company has authorized to implement transfer, transmission and D-mat of shares of the Company to the Share Transfer Agent M/s Link Intime India Pvt. Ltd., Mumbai and to deal with and resolve the relating problems and the complaints of the shareholder as professional agency.

3. Remuneration of Executive and Non Executive Directors:

The terms of remuneration of Mr. Ajay Bankda, Managing Director is in accordance with the approval of the shareholders and is within the limits of Schedule XIII of the Companies Act, 1956. During the year 2012-13, the Company has paid the following remuneration to the Directors:

Director	Sitting fee	Salary & Perks (Rs.)	Commission	Total (Rs.)
Mr. Ajay Bankda	0	12,28,765	0	12,28,765
Mr. J.P. Bagaria	0	0	0	0
Mr. Bharat Kumar Doshi	0	0	0	0
Mr. Govind Das Pasari	0	0	0	0
Mr. Avichal Kasliwal	0	0	0	0

4. GENERAL MEETINGS AND POSTAL BALLOT:

The last three Annual General Meetings of the Company were held on the following dates and times:

	Date	Time	No. of Special Business	Venue
8 th AGM	05.08.2010	02.00 PM	8	Registered Office of the Company
9 th AGM	30.09.2011	02.00 PM	NIL	Hotel Imperial Residency, Behind Tolani College, Andheri (East), Mumbai – 400 093
10 th AGM	29.09.2012	02.00 PM	1	VITS – Luxury Business Hotel, Andheri Kurla Road, International Airport Zone, Andheri (East), Mumbai-400 059

The Chairman of the Audit Committee was also present at the Annual General Meetings.

5. 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 interest 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 was no penalty, strictures imposed on the Company by Stock Exchanges or SEBI or any Statutory Authority on any matter related to capital markets.

6. 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 conductor ethics policy. The mechanism also provides for adequate safeguard against victimization of employee who avails of the mechanism also provides for direct access to the chairperson of the audit committee in exceptional cases. We further affirm that during the financial year 2012-13, no employee has denied access to the audit committee.

7. CODE OF CONDUCT:

- 1 The Company is having code of conduct for prevention of insider trading.
- 2 The Board has laid down code of conduct for all Board members and senior management of the Company. The code of conduct has been posted on the notice board of the Company and also on the web site of the Company. All Board members and the senior management personnel have affirmed compliance with the code on an annual basis.

8. MEANS OF COMMUNICATION:

Quarterly results of the Company are published in leading newspapers such as Free Press, Nav Shakti, etc. in both the English and Hindi. The results are promptly submitted to the Stock exchanges where the shares of the Company are listed.

9. GENERAL INFORMATION TO SHAREHOLDERS & INVESTORS:

- | | |
|--|--|
| (I) Date, time & Venue of the Annual General Meeting | : 30 th September, 2013 12.30 PM at
Residency Hotel, Suren Road, Andheri
Kurla Road, Opp Cine Magic, Near W.E
Highway Andheri(East), Mumbai- 400093. |
| (ii) Financial Calendar | : April 2013 to March 2014 |
| Results for the quarter ended 30.06.2013 | : Second week of August 2013 |
| Results for the quarter ended 30.09.2013 | : Second week of November 2013 |
| Results for the quarter ended 31.12.2013 | : Second week of February 2014 |
| Results for the quarter ended 31.03.2014 | : Second week of May 2014 |
| (iii) Board meeting for consideration of Annual A/c | : 30th May, 2013 |
| (iv) Posting of Annual Report | : On or before 05 th September, 2013 |
| (v) Last date for receipt of Proxy | : 28 th September, 2013 |
| (vi) Dates of Book Closure | : From Friday 27 th September, 2013
to Monday 30 th September 2013 |
| (vii) Listing on Stock Exchanges | : The Bombay Stock Exchange &
The National Stock Exchange |
| (viii) Stock Code | : BSE Code 533157
: NSE Code SYNCOM |
| (ix) Global Depository Receipts (GDR)
are listed at | : Luxembourg Stock Exchange
Bourse de Luxembourg |

(x) D-mat ISIN No. for CDSL & NSDL : INE602K01014
 (xi) No. of Shareholders on 31.03.2013 : 13,353

(xii) Stock Market Data:

The monthly High & Low stock quotations during the financial year ended 31st March, 2013 on BSE & NSE are as under (Source- the website of BSE & NSE):

Month	Bombay Stock Exchange Limited (Rs. per Share)			National Stock Exchange of India Limited (Rs. per Share)		
	High (Rs)	Low (Rs.)	Volume of Shares Traded	High (Rs)	Low (Rs.)	Volume of Shares Traded
April, 2012	15.58	12.50	200642	15.35	12.25	439910
May, 2012	14.47	10.15	173081	13.25	10.20	209285
June, 2012	11.90	9.00	132235	11.40	9.05	312593
July, 2012	11.90	8.03	163162	11.70	9.65	226283
Aug, 2012	11.44	8.90	79354	11.40	9.00	161335
Sept, 2012	13.35	8.85	262948	13.35	9.00	527880
Oct, 2012	14.35	10.95	1284132	14.90	11.00	1297758
Nov, 2012	18.24	11.00	3358018	19.80	11.10	3764371
Dec, 2012	27.50	16.75	3164571	27.50	16.75	4789839
Jan, 2013	32.30	25.00	7800776	32.30	24.85	10897563
Feb, 2013	26.50	12.20	2622316	26.40	12.15	2914930
March, 2013	13.68	9.25	555194	13.40	9.15	715506

(xiii) **Registrar and Transfer Agent
For Physical and Demat Shares** : M/s Link Intime India Pvt. Ltd.
 C-13, Pannalal Silk Mills Compound,
 LBS Marg, Bhandup (West),
 Mumbai – 400 078

(xiv) Share Transfer System:

The shares lodged for transfers in physical forms are processed by the Shareholders/ Investors' Grievance Committee and the share certificates returned after transfer within a period of 15 days from the date of receipt, subject to the documents being valid and complete in all respects. All requests for dematerialization of securities are processed and confirmation is given to the depositories within 15 days.

(xv) Dematerialization/ Rematerialization:

As per the directives of the Stock Exchanges, Company's shares are traded in electronic form. As on 31st March, 2013 399,51,532 equity shares of the Company were held by shareholders in dematerialized form, forming 99.88% of the equity share capital issued by the Company.

CDSL : 3,02,14,387 forming 75.54% of the total number of shares issued
 NSDL : 97,37,145 forming 24.34% of the total number of shares issued

(xvi) Reconciliation of Share Capital Audit

A qualified practicing Company Secretary carries out reconciliation of share capital every quarter to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and central Depository services (India) Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued / paid up capital is in agreement with the aggregate total number of shares in physical form and the total number of dematerialize shares held with NSDL and CDSL.

(xvii) **Distribution of shareholdings as on 31st March, 2013:**

Nominal Value of Shareholdings (Rs.)	Shareholders (Numbers)	%	Share Amount (Rs.)	%
1 - 5000	11219	84.0186	1,69,3359	4.2334
5001 - 10000	1085	8.1255	8,84,893	2.2122
10001 - 20000	514	3.8493	7,92,965	1.9824
20001 - 30000	180	1.3480	4,56,069	1.1402
30001 - 40000	73	0.5467	2,62,251	0.6556
40001 - 50000	74	0.5542	3,50,350	0.8759
50001 - 100000	97	0.7264	7,21,700	1.8043
Above - 100000	111	0.8313	3,48,38,413	87.0960
TOTAL	13353	100.00	40,00,00,000	100.00

(xviii) **Category wise Shareholdings as on 31st March, 2013:**

S.No.	Categories	No. of Shares Held	% of Shareholding
1.	Indian Promoters	9951537	24.88
2.	Persons Acting in concert	0	0
3.	Banks, Financial Institutions	0	0
4.	FII's	2479000	6.20
5.	Bodies Corporate	3911176	9.78
6.	NRI/ OCBs	741886	1.86
7.	GDR with Custodian	16675000	41.68
8.	Indian Public	6241401	15.60
	TOTAL	40000000	100.00

(xix) **Particulars of the Promoters shares under pledge:**

The particulars of the Promoters shares under pledge as on 31.03.2013 are as under:

Name	No. of Shares Held	No. of Shares Pledged	% age of Own Holding	% age of Total Shares
Mr. Ajay Bankda	6217206	20000	00.32	0.05
Mrs. Jyoti Bankda	3459101	700000	20.24	1.75
Total	9676307	720000	20.56	1.80

(xx) **Legal Proceedings:**

There is no pending case relating to the disputes on the title of the shares.

(xxi) **Updation of E-mail IDs:**

The Ministry of Corporate Affairs has taken a 'Green Initiative' in the Corporate Governance by allowing paperless compliances by the Companies. As a result, Companies are allowed to send all communications / documents in electronic mode to its members. In order to support the green initiative and to reduce the uses of the papers, your Company requests all the shareholders to update their e-mail ids with their respective depository participant, where they hold shares in electronic form and to the Company Registrar and Share Transfer agent, if the shares are held in physical form.



(xxii) **Address for Correspondence:**

Shareholders/ Investors should address their communication to the Registrar and Share Transfer Agent M/s Link Intime India Pvt. Ltd., C- 13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (W), Mumbai – 400 078 and may also contact the Company at the Corporate Office at Indore at the address given herein below.

(xxiii) **Registered Office Location:**

221, Vyapar Bhawan,
P.D'Mello Road,
Mumbai – 400 009
Telefax: 022- 23725193

(xxiv) **Corporate Office Location:**

“Syncom House”
40, Niranjapur, Dewas Naka,
AB Road, Indore – 452 010
Phones: 0731- 2577471 to 3 & 3200888
Fax: 0731- 4038712
e-mail: shl@syncomhealthcare.com

(xxv) **Plant Location:**

D-42, UPSIDC Industrial Area,
Selaqui (Dehradun), Uttarakhand
Phones: 0135- 2699131, 2699017 & 3246453
Fax: 0135- 2698220
e-mail: works@syncomhealthcare.com

For and On Behalf of the
Board of Directors

Place: Indore
Date: 14th August, 2013

Ajay Bankda
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

Your Company is making steady progress with a strong determination with a view to building a strong foundation leading to continued growth for the organization. Though the overall macro environment continues to be challenging, your Company is confident that with sustained efforts, it will emerge stronger as a leading player in the Pharmaceutical industry.

Industry Structure & Developments:

The Indian pharmaceutical industry ranks among the top five countries by volume (production) and accounts for about 15% of global production. The industry's turnover has grown from a mere US\$ 0.3 bn in 1980 to about US\$ 25.76 bn in 2010-11. Low cost of skilled manpower and innovation are some of the main factors contributing to this growth. Structural demand drivers including rising household income levels, increasing prevalence of lifestyle related diseases, improving healthcare infrastructure/delivery systems and rising penetration in smaller towns and rural areas continue to support long-term growth.

India's low as per capital expenditure on health is expected to correct to the global average, owing to steady economic growth, disposable income and growing health awareness.

During the year under review, the general sentiment in the pharma industry remained subdued on account of slowing domestic economic growth, coupled with global turbulence. This resulted in a challenging environment for the industry due to increased cost pressures on the one hand and depressed prices on the other.

Domestic formulations market :

The Domestic formulations market, valued at Rs. 51,500 crores, has grown steadily at CAGR of 17-18% over the past five years. After a period of sustained growth, the domestic formulations market began to decelerate in the year under review largely prompted by intense competition, especially in the acute segments. The growth rates slipped quite sharply on the back of high base effect of the previous year and spill over of pricing pressure even to the chronic segments to some extent. The competitive pressure in the domestic formulations market has been rising steadily for some time now. While on one hand, this has been prompted by significant increase in investments by domestic players in marketing efforts through expansion in field force, on the other, MNCs have also renewed their focus on India. Some of the smaller players have also contributed to the competitive intensity by offering huge discounts/incentives to the distribution network and doctors. However, while competitive pressures are unlikely to abate, the growth momentum appears to be back on track with last few months reporting a fairly strong growth across therapy segments. We believe, that the structural demand drivers would continue to support growth in the long-run despite short-term headwinds.

Exports:

Exports have been the major growth enabler of the Indian pharmaceutical industry in recent years. India exports pharmaceutical products, APIs and intermediates to more than 230 countries across the world. Traditionally, Russia, Germany, Nigeria and India's neighboring countries like Sri Lanka, Nepal, and the Middle East were the major markets for Indian pharmaceutical exports. Most of these markets are not highly regulated and are considered to be low-value markets.

Remarkably, the proportion of exports in domestic turnover has been increasing over the years, despite the growing domestic demand. Currently, exports constitute 48% of estimated turnover of the industry as compared to nearly 35% during the year 2002.

Over the years, India has shown better regulatory awareness and superior technical skills, which has enabled Indian companies to penetrate the high-value markets like the US and EU. Regulated markets, though difficult to penetrate due to stringent regulations, are known to give better value and margin to exporters.

The increasing presence in high-value markets like the USA and Europe has strongly boosted the overall growth of the Indian pharmaceutical industry. However, with competition getting stiffer in the regulated markets and the consequent pressure on margins, Indian players are also expanding their geographical reach to high-growth regions such as the CIS, Africa, Middle-east and Latin American countries. Although considered as low-value markets, these markets are witnessing impressive growth and therefore it provides great opportunity for Indian players.

Your Company plans to make a foray in the near future into export markets, particularly in Africa, Sri Lanka and Middle-East, where the Company sees a good business opportunity.

Future Prospects

The Indian pharmaceuticals market is expected to reach US\$ 55 billion in 2020 from around US\$ 15 billion at present. In an aggressive growth scenario, the pharma market has further potential to reach US\$ 70 billion by 2020.

Due to increase in the population of high income group, there is every likelihood that they will open a potential US\$ 8 billion market for multinational companies selling costly drugs by 2015. This was estimated in a report by Ernst & Young. The domestic pharma market is estimated to touch US\$ 20 billion by 2015. The healthcare market in India to reach US\$ 31.59 billion by 2020. Thus India would really become a lucrative destination for clinical trials for global giants.

Your Company has set up a strong distribution network in most cities in India where it operates. We are still in process of expanding distribution network in the remaining areas. The increasing spending on healthcare worldwide will help to grow sales. Moreover, your company has recently obtained WHO-GMP certification which will go a long way in expanding sales in quality sensitive markets.

Risks and Concerns:

Government policy especially in relation to price control and taxation remains unclear and this continues to be an area of concern for the industry. The absence of a clear objective and transparent policy on drug pricing continues to impact the overall industry direction.

Slower consumer off-take resulting from the global and domestic economic turbulence may result in poor prescription compliance, namely postponing treatment and/or buying less than the prescribed dosage.

Syncom Healthcare is in a competitive market and the challenges are from manufacturers who have similar production facilities. Human resources with similar skills, talents and experiences in the industry are mobile between competing companies. Yet, it must be appreciated that Indian manufacturers in general, have made an impact and have worked hard to get shelf space.

Price sensitivities get tested in a crowded market where price tends to sag while volume business gets done. Competing pharmaceutical companies have several similar products in the same market manufactured at facilities that have been approved by the highest regulatory authorities. All of them stay focused on the same markets with the result price elasticity is tested and margins get eroded.

Syncom Healthcare endeavors to neutralize these threats by exercising control over raw material sourcing. The Company has been able to control its quality, save on timelines, control its costs and has the ability to deliver at short notice. Pricing power i.e. the ability to price lower and yet manage to get higher return on sales than the competitors, is a potent strength. Key strengths of the Company include its manufacturing infrastructure and the ability to deal successfully with its process chemistry strengths. All the strengths have been tested from the perspective plan to manufacturing plant and later in the market place. There is a powerful marketing infrastructure backed up by state-of-the-art manufacturing systems that are driving the business.

In addition to the foregoing, the Company has unmatched strengths to cope with the challenges of the market such as experienced staff with ability to anticipate market needs, plan for product launches and execute plans within tight cost and time budgets. The professionals within the Company have been trained to create opportunities, replicate the successes and drive business growth.

Internal control:

The Company has implemented ERP which not only adds to the controls, but has led to faster information, analysis and improved decision making.

Syncom Healthcare has a well-defined internal control system which is adequately monitored. Checks and balances and control systems have been established to ensure that assets are safe guarded, utilized with proper authorization and recorded in the books of account. There is a proper definition of roles and responsibilities across the organization to ensure information flow and monitoring. These are supplemented by internal audit carried out by a firm of Chartered Accountants. The Company has an Audit Committee

consisting of three Directors, all of whom are independent directors. This Committee reviews the internal audit reports, statutory audit reports, the quarterly and annual financial statements and discusses all significant audit observations and follow up actions arising from them.

HUMAN RESOURCES

The company has crafted its human resource philosophy both in terms of HR Vision and Mission. These have been formulated and practiced across the organization. In brief, the HR policy of the Company is aimed at maintaining congenial relations with employees and to attract, build and retain right talent at all levels, so as to achieve sustained business performance through progressive talent management. This reflects in the cordial relations the Company has enjoyed with its workforce throughout its existence.

OUTLOOK

Syncom Healthcare has set ambitious goals for the years through to 2020 in expectation of a moderate upward trend in the global economy. The management team has set in motion a set of strategic initiatives to improve the revenues and profitability of the Company. The focus will be on expanding the markets and the profitability of the portfolio will be analyzed on a continual basis. By implementing these strategies, Syncom Healthcare aims to increase its revenues, EBITDA margin and Return on Investment higher than the industry average.

For and on behalf of the
Board of Directors

Place: Indore
Date: 14th August, 2013

Ajay 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-ended 31st March, 2013. The management believes that the financial statements 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 Sanjay Mehta & Associates, Chartered Accountants, Statutory Auditors of the Company.

Place: Indore
14th August, 2013

Ajay Bankda
Managing Director

**CERTIFICATE OF PRACTISING COMPANY SECRETARIES ON
CLAUSE 49 OF THE LISTING AGREEMENT WITH
THE STOCK EXCHANGES**

To,
The Members of
Syncom Healthcare Limited,
Mumbai

We have examined the compliance of conditions of Corporate Governance by Syncom Healthcare Limited (the Company) for the year ended on 31st March, 2013 as stipulated in Clause 49 of Listing Agreement of the Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

Place: Indore
30th May, 2013

For Ajit Jain & CO.
Company Secretaries

Ajit Jain
Proprietor
Membership No. FCS- 3933
CP No. 2876

CEO CERTIFICATION

PURSUANT TO CLAUSE 49(V) OF THE LISTING AGREEMENT FOR THE ACCOUNTING YEAR 2012-13

To,
The Board of Directors
Syncom Healthcare Limited
Mumbai – 400 009

- 1 We have reviewed the financial statement and the cash flow statement for the accounting year ended 31st March, 2013 and that to the best of our knowledge and belief:
 - i These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii These statements together present a true & fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- 2 There are, to the best of our knowledge and belief, no transactions entered into by the company during accounting year which are fraudulent, illegal or violative of the Company's code of conduct.
- 3 We accept responsibility for establishing and maintaining internal control for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies.
- 4 We have indicated to the auditors and the audit committee:
 - i Significant changes in internal control over financial reporting during the accounting year;
 - ii Significant changes in accounting policies during the accounting year and that the same have been disclosed in the notes to the financial statements; and
 - iii Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Place: Indore
Date: 14th August, 2013

Ajay Bankda
Managing Director

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF SYNCOM HEALTHCARE LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **SYNCOM HEALTHCARE LIMITED**, which comprise the Balance Sheet as at 31ST March 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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 is in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956. 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.

Auditor's 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 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 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 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 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, the financial statements hereto give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet, of the statement of affairs of the Company as at 31st March 2013;
- (b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows 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 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:
 - i We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit
 - ii In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
 - iii The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account
 - iv In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956 subject to the Note 1(B) (i) (1) of notes to the accounts.
 - v On the basis of written representations received from the directors as on 31st March 2013, and 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 Companies Act, 1956.
 - vi Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For Sanjay Mehta & Associates
Chartered Accountants
Firm Regn. 011524C

Manish Mittal
Partner
M.No. 079452
Indore, 30/05/2013

ANNEXURE TO THE AUDITOR'S REPORTS

(Referred point (1) of our report on Other Legal and Regulatory Requirements of even date)

With reference to the Annexure referred in our report of even date to the members of Syncom Healthcare Limited for the year ending 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:

- (i)
 - (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets. Controls regarding electronic form of records for fixed asset register are sufficient for the company to secure it from unauthorized access.
 - (b) As explained to us physical verification of a major portion of fixed assets as at 31 March, 2013 was conducted by the management during the year. In our opinion the frequency of physical verification is reasonable having regard to the size of the Company and nature of its Assets. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
 - (c) The Company has not undertaken disposal of a substantial part of fixed assets of the Company during the year.
- (ii)
 - (a) As explained to us, the inventories were physically verified during the year by management at periodic intervals. In our opinion frequency of verification is reasonable.
 - (b) In our opinion and according to the information and explanations given to us, 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) In our opinion and according to the information and explanations given to us, the company has maintained proper records of inventory. The discrepancies noticed between physical stock and book stock during periodic physical verification of stock by the management were not material having regard to the size of operations of the company. Consequently no effect of discrepancies has been given in Books of accounts.
- (iii) The Company has not granted or taken any loans, secured or unsecured to or from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act 1956.
- (iv) In our opinion and according to explanation given to us there are adequate internal control procedures commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods. During the course of audit we have not observed any major weaknesses in internal controls.
- (v) Based on the audit procedures applied by us and according to information and explanations given to us, there were no transactions /contract or arrangement which have been entered into with parties who are covered under section 301 of the Companies Act, 1956 during the year.



- (vi) During the year, the company has not accepted any deposits from public, which fall within the purview of section 58A or 58AA of the Companies Act 1956 and the rules framed there under. There have been no proceedings before Company Law Board in this matter nor has any order been passed.
- (vii) In our opinion, the company has an internal audit system commensurate with its size and the nature of its business.
- (viii) The maintenance of cost records has been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 and has appointed Cost Auditor for financial year 2012-13. 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.
- (ix) According to information and explanations given to us in respect of statutory dues:
- (1) the company is regular in depositing undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty and other material statutory dues applicable to it, except as stated as under
- (a) The company has made certain labour payments for its Dehradun plant through unregistered labour contractors and the liability of provident fund on the same has not been determined and thus remains unpaid. The liability as and when determined shall include unpaid liability for the year under report and also for previous years.
- (b) There is a deficit in the professional tax on employees paid by the company to the extent of Rs. 17138. No Provision for payment of the shortfall has been made in the books of account.
- (c) The company has not paid nor provided for the amount of service tax liable to it under reverse charge mechanism. Following are the details of services on which service tax has not paid:

Particulars	Value of Services Received	Service Tax to be paid by Company as a service receiver
Man Power Supply (Wages)	6549831	607169
Man Power Supply (Security Services)	236675	21940
Payment to Advocates	605070	74787

- (d) The company has not paid any interest on late deduction of TDS Which is estimated for an amount of Rs.8238 and which has not been provided for in books of account as on the reporting date.
- (2) According to information and explanations given to us and records of company examined by us, there are no dues of sales tax, wealth tax and excise duty which are outstanding as at 31st March 2013, which have not been deposited on account of any dispute. The particulars of various statutory dues as at 31st March 2013, which have not been deposited on account of a dispute are as follows.



S. No.	Statute	Nature of Dues	Amount of Tax Demand	Amount Paid against Demand	Unpaid Amount
1	Income Tax Act 1961	Income Tax Demand 2005-06	Rs. 845268	Rs. 436600 is deposited against this in previous years.	Rs. 408668

- (x) In our opinion, the company has no accumulated losses and has not incurred cash losses in the financial year covered by our audit and in the immediately preceding financial year.
- (xi) In our opinion and according to information and explanation given to us the company has not defaulted in repayment of dues to any financial institution or bank. The company did not issue any debentures during the year and nor had outstanding debentures from previous year.
- (xii) As per the management, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the company is not a Chit funds, Nidhis, or Mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the accounts under report.
- (xiv) The company is not dealing in or trading in shares, securities, debentures, or other investments. The only investments in shares which are outstanding as on 31st March 2013 are as investment of surplus funds of the company. The outstanding shares held and owned by the company as on 31st March 2013 are held in the own name of company.
- (xv) The company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) In our opinion, the term loans have been applied for the purpose for which they were raised.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the no funds raised on short-term basis have been used for long-term investment.
- (xviii) The company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- (xix) No debentures have been issued during the year.
- (xx) The management has disclosed the end use of the money raised by public issues in its annual accounts and the same had been verified by us.
- (xxi) To the best of our knowledge and belief and as per the information given to us, no fraud on or by the company has been noticed or reported during the year.

For Sanjay Mehta & Associates
Chartered Accountants
Firm Regn. 011524C

Manish Mittal
Partner
M .No. 079452
Indore, 30/05/2013



SYNCOM HEALTHCARE LIMITED
BALANCE SHEET AS AT 31/03/2013

Amount in Rupees

	Particulars	Note No.	Figures for the Year Ended 31/03/2013	Figures for the Year Ended 31/03/2012
	1	2	3	4
I	EQUITY AND LIABILITIES			
	Shareholders' funds			
	Share capital	2	400000000	400000000
	Reserves and surplus	3	1323419058	1431723378
	Non-current liabilities			
	Long-term Borrowings	4	116097710	78471749
	Current liabilities			
	Short-term Borrowings	5	190655424	143272333
	Trade Payables	6	435804701	264956939
	Other Current Liabilities	7	44210119	8052778
	Short-term Provisions	8	12189327	10489879
	TOTAL		2522376339	2336967056
II	ASSETS			
	Non-current assets			
	Fixed assets			
	Tangible assets	9	255677605	159456815
	Intangible assets		587427	682368
	Capital work-in-progress		0	10828988
	Non-current Investments	10	908071171	42622586
	Deferred Tax Assets (net)	11	14692015	14071277
	Long term Loans & Advances	12	210692441	107494087
	Other Non-current Assets	13	9456446	1024937680
	Current assets			
	Inventories	14	194944634	123260956
	Trade Receivables	15	663050329	578757043
	Cash and Bank Balances	16	11068669	2910555
	Short-term Loans and Advances	17	248778094	264061784
	Other Current Assets	18	5357508	7882917
	TOTAL		2522376339	2336967056

Significant Accounting Policies

1

Notes and explanations referred to herein form
an integral part of Balance Sheet

As Per Our Report Annexed

FOR **SANJAY MEHTA & ASSOCIATES**

CHARTERED ACCOUNTANTS

REGN NO. 011524C

FOR AND ON BEHALF OF BOARD

MANISH MITTAL

PARTNER

M.NO. 079452

Place: Indore

Date:30/05/2013

AJAY BANKDA

MANAGING

DIRECTOR

J.P. BAGARIA

DIRECTOR



SYNCOM HEALTHCARE LIMITED
Statement of Profit and Loss for the year ended 31/03/2013

Amount in Rupees

	Particulars	Note No.	Figures for the Year Ended 31/03/2013	Figures for the Year Ended 31/03/2012
	1	2	3	4
I.	Revenue From Operations			
	Sale of Goods & Job Work Receipts		941447284	858392364
II.	Other income	19	24170057	40272727
III.	Total Revenue (I + II)		965617341	898665091
IV.	Expenses:			
	Cost of materials consumed	20	336536243	300000997
	Purchases of Stock-in-Trade	21	465956807	378923818
	Changes in inventories of Finished Goods & Work-in-Progress & Stock-in-trade		(29751608)	(3992959)
	Employee benefits expense	22	67142356	74780796
	Finance costs	23	36764644	24837316
	Depreciation and amortization expense	9 & 24	22827216	23124244
	Other expenses	25	64017507	90571900
	Total expenses		963493165	888246112
V.	Profit before exceptional and extraordinary Items and tax (III-IV)		2124176	10418979
VI.	Exceptional items (Income)/Expenses		0	0
VII.	Profit before extraordinary items and tax (V-VI)		2124176	10418979
VIII.	Extraordinary Items		0	0
IX.	Profit before tax (VII- VIII)		2124176	10418979
X.	Tax expense:			
	Current tax		404163	2083077
	Deferred Tax Liability / (Assets)	11	(620738)	5846619
	Prior Period Taxes		0	627080
XI.	Profit (Loss) for the period from continuing operations (IX-X)		2340751	1862203
	There are no Exceptional Items, Extra Ordinary Items and Discontinuing Operations			
XII.	Earnings per equity share:	26		
	(1) Basic		0.06	0.05
	(2) Diluted		0.06	0.05

Significant Accounting Policies

1

Notes and explanations referred to herein form an integral part of Statement of Profit and Loss As Per Our Report Annexed

FOR **SANJAY MEHTA & ASSOCIATES**
CHARTERED ACCOUNTANTS
REGN NO. 011524C

FOR AND ON BEHALF OF BOARD

MANISH MITTAL
PARTNER
M.NO. 079452
 Place: Indore
 Date:30/05/2013

AJAY BANKDA
 MANAGING
 DIRECTOR

J.P. BAGARIA
 DIRECTOR

SYNCOM HEALTHCARE LIMITED
Cash Flow Statement for the year ended 31/03/2013

		Amount in Rupees	
Particulars	2012-13	2011-12	
A. Cash Flow Provided /(Required) by operating Activities			
Profit after tax	2340751	1862203	
Adjustment for:			
Depreciation	22827216	22705377	
Profit on Sale of Fixed Assets /Investments / Dividend Income	(1612251)	(7630)	
Amortization expenditure	0	418867	
Deferred Tax expense	(620738)	5846619	
Interest & Financial Charge	36764644	24837316	
Operating Profit before working capital changes	59699622	55662752	
Adjustment for:			
(Increase)/Decrease in Trade Receivables	(84293286)	(147907580)	
(Increase)/Decrease in other Current Assets	2525409	(7882917)	
(Increase)/Decrease in other Non Current Assets	912282880	(1034328562)	
(Increase)/Decrease in Inventories	(71683678)	(12967198)	
(Increase)/decrease in Loans & Advances	15283690	(38928842)	
Increase/(decrease) in Current Liabilities except provision for Dividend & Dividend Tax	203470344	180908170	
Net Cash (Required) /provided by Operations	1037284981	(1005444177)	
B. Cash Flow (Provided) / Required by Investing Activities			
Addition to Fixed Assets	119010535	9598585	
Purchase / (Sale) of Investments	865441981	2412170	
(Increase)/ Decrease in Capital WIP	(10828988)	10828988	
Effect of Exchange Differences on Translation of Foreign Currency	110645071	(112399196)	
Dividend Income	(1563117)	(7630)	
Proceeds from Sale of Assets	(100000)	0	
Net Cash Provided (Required) by Investing activities	(1082605482)	89567083	
C. Cash Flow Provided/ (Required) by Financing Activities			
SOURCES OF FUND			
Unsecured Loans obtained	198515004	53219550	
Increase in Working Capital Facilities	27477512	39477960	
TOTAL	225992516	92697510	
Repayment of Unsecured Loans	135749257	44875980	
Interest Paid	36764644	24837316	
TOTAL	172513901	69713296	
D. Net Cash Surplus /(Required) by Financing activities	53478615	22984214	
E. Net Increase/(Decrease) in Cash and Cash Equivalents	8158114	(892892880)	
F. Cash and Cash Equivalents at beginning of Period	2910555	895803435	
Cash and Cash Equivalents at end of Period	11068669	2910555	

FOR SANJAY MEHTA AND ASSOCIATES
CHARTERED ACCOUNTANTS
REGN NO. 011524C

FOR AND ON BEHALF OF BOARD

MANISH MITTAL
PARTNER
M .No. 079452
Indore, May 30, 2013

AJAY BANKDA
MANAGING
DIRECTOR

J. P. BAGARIA
DIRECTOR

SYNCOM HEALTHCARE LIMITED**Notes to the Standalone Financial Statements for the year ended 31 March 2013****NOTE – 1****(A) Company Overview:**

Syncom Healthcare Limited ('the Parent company') is a public company incorporated under provisions of the Companies Act 1956 together with its one wholly owned foreign subsidiary operates as an integrated international pharmaceutical organisation with businesses encompassing the entire value chain in the marketing, production and distribution of pharmaceutical products along with job work for the other companies. The Company's shares are listed for trading on the National Stock Exchange and the Bombay Stock Exchange in India. Its Global Depository Receipts (GDR) (Each GDR representing 5 equity shares of the Company) are listed on the Luxembourg Stock Exchange.

(B) Significant Accounting Policies

The accounting policies set out below have been applied consistently to the periods presented in these financial statements.

(I) Basis of Preparation of financial statements

1. The financial statements are prepared in accordance with generally accepted accounting principles in India. The company is following the accrual system of accounting as per the provisions of sec. 209 (3)(b) of the companies Act, 1956 and its accounts are in compliance with the mandatory accounting standards notified under the Companies (Accounting Standards) Rules, 2006 as amended vide Companies (Accounting Standards) Amendment Rules, 2009 except to the extent that the Leave encashment provision is made after deducting 30 days from the leave encashment entitlement of the employees on a cumulative basis for the tenure of the employment. This deduction of 30 days is paid only on retirement and/or termination of employee & is retained by the company if the Employee resigns without requisite notice to the company as per the company's rules.

The provision for gratuity has been made only for the employees eligible for gratuity as on 31/03/2013 and not on the basis of actuarial valuation as laid down under AS 15 notified under the said rules.

2. There is no change in method of accounting during the year.
3. The company is maintaining separate books of accounts for a) Dehradun Industrial unit which is treated as a separate division within the company and b) trading activities which are head quartered at Indore.

(ii) Use of Estimates

The preparation of financial statements requires the Management of the Company to make estimates and assumptions that affect the reported balance of assets and liabilities, revenue and expenses and disclosures relating to contingent liabilities. The Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates. Any revision of accounting estimates is recognised prospectively in the current and future periods.

(iii) Revenue Recognition

i. Revenue from Sales and Job work receipts is recognised on generation of invoices of the goods after completion of packing of goods against confirmed orders though actual dispatch of goods may follow the invoice date.

ii. Dividend income on investment is accounted when the right to receive is established.

iii. All other incomes are accounted on accrual basis.

(iv) Fixed Assets

Fixed assets are stated at cost of acquisition/construction.

Cost of acquisition is inclusive of freight, duties, and taxes but net of CENVAT and inclusive of other incidental expenses of bringing the asset to its working condition for its intended use and interest attributable to construction, production or acquisition of qualifying assets. Subsequent expenditure related to an item of tangible fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

(v) Depreciation on fixed and movable assets

Has been charged on Written Down Value (WDV) basis on pro-rata basis on the rates prescribed in Schedule XIV of the Companies Act 1956 except to the extent that assets costing up to Rs. 5000/- are not capitalised and fully charged to Profit and loss account in the year of purchase.

(vi) Investments

Long term investments are stated at cost less diminution other than temporary diminution in value, if any. Current investments are stated at lower of cost and fair value. An investment in foreign subsidiary is stated at cost by converting at exchange rate prevailing at the time of remittance against such investment.

(vii) Expensing out of Intangible Assets

In accordance with Accounting Standard 26 –“Intangible assets “ the useful life of company's patents , trademarks and designs have been amortised over a period of 10 years. Cost of computer software is amortised/expensed out equally over a period of five years.

(viii) Valuation of Inventories

- a) Closing stocks of finished goods is valued at cost or net realizable value which ever is lower. Closing Stock of Raw Materials, Packing Materials is valued at the weighted average cost or net realizable value which ever is lower.
- b) Closing stock of Gifts item to be used as part of sale promotion is valued at cost.
- c) Closing Stock of Work in process is valued at the cost of materials used there in plus conversion cost depending on the stage of completion.

(ix) Borrowing cost:

Borrowing Cost directly attributable to the acquisition or construction of qualifying assets is capitalised as a part of the cost of the assets, up to the date the assets are put to use. Other borrowing costs are charged to the Profit and Loss Account in the year in which they are incurred.

(x) Foreign Currency Transactions

- (a) Transactions in foreign exchange which are covered by forward contracts are accounted for at the contracted rates, the difference between the contracted rate and the exchange rate on the date of transaction is recognized in Profit & Loss Account. Difference relating to transactions involving more than one financial year are carried over the period of transaction. In respect of forward contracts which are entered into to hedge highly probable forecasted transactions the cost of these contracts, if any, is expensed at the end of the contract. However there were no forward contracts taken by the company during the year.

Transactions other than those covered by forward contracts are recognized at the exchange rate prevailing on date of transaction. Gains & losses arising on account of realization are accounted for in Profit & Loss Account.

- (b) Monetary Assets & Liabilities in foreign currency that are outstanding at the year end and are not covered by forward contracts are translated at the year end exchange rates.

(xi) Impairment of Assets:

Fixed assets are reviewed at each reporting date to determine if there is any indication of impairment however there is no asset whose carrying cost exceeds its recoverable value is held by the company as on 31/03/2013.

(xii) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised only when there is present obligation as a result of past events and when a reliable estimate of the amount of obligation can be made. Contingent liability is disclosed for (i) Possible obligations which will be confirmed only by future events not wholly within the control of the Company or (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of amount of the obligation cannot be made. Contingent assets are not recognised in the financial statements since this may result in the recognition of income that may never be realised.

(xiii) Current Income Tax and Deferred Tax

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the provisions of local Income Tax Laws as applicable to the financial year.

Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income of the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date.

(xiv) Employee Benefits**(a) Short Term Employee Benefits:**

Liability on account of short term employee benefits is recognised on an undiscounted and accrual basis during the period when the employee renders service/vesting period of the benefit.

(b) Post Employment Benefits:

Post retirement contribution plans such as Provident Fund & ESIC are charged to the Statement of Profit and Loss for the year when the contributions to the respective funds accrue. Post retirement benefit plans such as gratuity is provided on the employees which are eligible as on 31/03/2013 for gratuity and leave encashment are determined on the basis of actual leaves outstanding at the year end.

(xv) Segment Information

The company operates exclusively in the Pharmaceutical business segment and as such there is no reportable segment information as per Accounting Standard 17.

(xvi) The Company has also regrouped and re-classified and rearranged the previous year figures in accordance with the requirements applicable in the current year.

(xvii) All the figures have been rounded off to nearest of Rupee.



SYNCOM HEALTHCARE LIMITED
NOTES FORMING PART OF THE BALANCE SHEET AS AT 31/03/2013

PARTICULARS	Amount in Rupees 31/03/2013	Amount in Rupees 31/03/2012
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NOTE - 2
SHARE CAPITAL

Authorised Capital

40000000 Equity Shares of Rs. 10 each

400000000	400000000
-----------	-----------

Issued, Subscribed and Paid Up Capital

40000000 Equity Shares of Rs. 10 each fully paid up

400000000	400000000
-----------	-----------

Total

No Shares Have Been Allotted For Consideration Other Than Cash.

400000000	400000000
------------------	------------------

2.1 Shareholders holding more than 5% of aggregate shares.

Name of the Holder	31.03.2013		31.03.2012	
	Holding	Pledged	Holding	Pledged
The Bank of New York	16675000	0	21050000	0
	41.69%		52.63%	
Ajay Bankda	6217206	20000	6217206	1375000
	15.54%		15.54%	
Jyoti Bankda	3459101	700000	3459101	1000000
	8.65%		8.65%	

2.2 Reconciliation of equity shares outstanding at the commencement and at the end of the year

Particulars	As at 31 March 2013		As at 31 March 2012	
	No. of Equity Shares	Amount	No. of Equity Shares	Amount
At the commencement of year	40000000	400000000	40000000	400000000
Add:				
Shares Issued	0	0	0	0
Less:				
Shares Buy Back	0	0	0	0
At the end of Year	40000000	400000000	40000000	400000000

2.3 End Use of Proceeds of the Public Issue

(a) The company has issued to public 75.00 Lacs equity shares of Rs 10/- each at a premium of Rs. 65/- per share and has received total proceeds of Rs. 56.25 Crores in the financial year 2009-10. The same has been utilized as under:-

Activity	(Rs. in Lacs)	
	Projected utilization	Actual deployment
To undertake the upgradation / modernization at the existing Unit at Dehradun	2710	2401
To meet Working Capital Requirement	1500	1500
For opening Export Office at Mumbai	400	494
For Brand & Product Registration & approvals	300	35
General Corporate Purpose	168	168
Issue Expenses	547	531
Total	5625	5129

Utilization of the Un-deployed Fund	(Rs. in Lacs)
- Invested in Short term advances	496
Total	496

(b) The company came out with its GDR issue of 45 Lac GDR underlying 2.25 Crores equity shares of Rs.10/- each at a premium of Rs. 33/- per share in the year 2010-11 has received total proceeds of Rs. 9675 Crores and the same were received in USD amounting to USD 20.745 million. The usage of the same as per prospectus were as under:

- I Capital expenditure
- ii Long term working capital requirement
- iii Investment in proposed overseas subsidiary companies in UAE

The actual usage of the above as under:-

Activity	Amount in Rs.
GDR Proceeds	967500000
Usage	
Issue Expenses	40139694
Exchange Loss/(Gain)	12093832
Invested in overseas Subsidiary	
In Share Capital	908065971
In Advances	7200503
Total	967500000

NOTE - 3

RESERVE & SURPLUS

	31/03/2013	31/03/2012
<u>Securities Premium</u>		
Opening Balance	1143359010	1143359010
Addition during the year	0	0
Deductions during the year	0	0
Closing Balance	1143359010	1143359010
<u>Capital Subsidy</u>	3000000	3000000
(From State Government of Uttarakhand)		
<u>Foreign Exchange Translation Reserve</u>		
Opening Balance	112399196	112399196
Add/(Less)	0	0
Change In Carrying Amount of Exchange Gain of Holding Company	(110645071)	0
Closing Balance	1754125	112399196
<u>General Reserve</u>		
Opening Balance	880306	880306
Add: Transferred from Statement of Profit & Loss	0	0
Closing Balance	880306	880306
<u>Surplus in the Statement of Profit & Loss</u>		
Opening Balance	172084866	170222663
Profit for the year	2340751	1862203
Less:- Issue Expenses Written off Incurred During the Previous Year	0	0
Closing Balance	174425617	172084866
Total	1323419058	1431723378

- 3.1 The cash subsidy received in the year 2007-08 and 2008-09 from the government for set up of the Dehradun Industrial unit of the company has been disclosed as Capital reserve in the balance sheet.
- The Company had advanced a sum of USD 20118899 to its subsidiary Syncom Healthcare International, FZE in United Arab Emirates in the financial year 2011-12 as an advance towards share application money in pursuance of an agreement for allotment of equity shares against this advance. The equity shares against this amount to the extent of USD 20000000 were allotted on 26/03/2013 i.e. in the financial year 2012-13. On 31/3/2012, the reporting date for the F.Y. 2011-12,



this advance was considered as a Monetary Item under the AS-11. Consequently the difference in exchange rate on the said reporting date, and ,the date(s) of transaction of payment of this advance in the Financial year 2011-12 was recorded in Foreign exchange translation reserve.

- 3.2** In the Financial year 2012-13, the subsidiary company has allotted 735 equity shares against the said Advance for an amount of USD 20000000. Consequently this investment has now been reclassified from the date of the underlying transaction of payment as Non Monetary item as per AS-11 and the resultant asset that is the said equity investment has been stated in the books of the company at the exchange rate price on the date of payment of such sum to the subsidiary company. This has resulted in recalculation and recording of the Foreign exchange translation reserve at Rs.1754125/- proportionate to the amount of advance to the Subsidiary company outstanding as on 31/03/2013.

NOTE - 4
LONG TERM BORROWINGS
Secured Loans
Term Loans from Bank
Against Vehicles

31/03/2013 31/03/2012

2197709 0

Unsecured Loans
Term Loans from Banks and Financial Institutions

113900001 78471749

Total
116097710 78471749

4.1 Vehicles loans are secured against vehicles acquired under schemes.

4.2 Terms of Repayment of above loans are as follows:

S.NO.	LOAN AMOUNT	TENURE OF LOAN	INSTALMENTS REMAINING	RATE OF INTEREST	EMI	PAYABLE IN NEXT 12 MONTHS	SECURED AGAINST	BAL. AS ON 31/03/2013
RELIGARE FINVEST LTD.								
1	40300000.00	123 months	115	14.50%	637896	2056474	SECURED BY WAY OF THE PERSONAL GURANTEES OF PROMOTERS	39526851
2	4000000.00	36 months	23	18.00%	144610	1339056		2795430
ICICI BANK								
1	35000000.00	118 months	102	13.00%	522588	2265108		32433611
2	28500000.00	282 months	250	13.00%	373056	177246		27134107
INDIA BULLS								
1	5000000	120 months	109	13.50%	76138	287251		4768502
2	15000000	120 months	108	13.50%	228412	871419		14238054
BANK OF INDIA								
1	2900000	60 Months	54	10.95%	62981	484323	SECURED AGAINST VEHICLE	2682032

NOTE -5
SHORT TERM BORROWINGS
Secured Loans

Cash Credit Facilities

31/03/2013 31/03/2012

153773321 126295809

Unsecured Loans

From Related Parties

26962103 5576524

Intercompany Deposits

9920000 11400000

Total
190655424 143272333

- 5.1** Cash Credit Facility are secured against first charge on current assets of the company both current & future and Mortgage of Factory Building, Plant and Machinery of Dehradun Manufacturing Unit of the company.



- 5.2** The Unsecured Loans from Promoters have been brought in to meet the fund requirements of the Company's business and Project at Selaqui, near Dehradun in pursuance to and in accordance with terms and conditions stipulated by working capital lenders to the company that is Bank of India. Hence these loans are exempt from the company deposit rules notified under section 58A of the companies Act 1956 vide sub clause I of rule 2 of the company deposit rules notified therein.

5.3 Unsecured Loans from related parties pertain to :

S.No.	Name of Related Parties	2012-13	2011-12
1	Ajay Bankda (Managing Director)	4507827	2690757
2	Ajay Bankda (HUF)	344000	100000
3	Jyoti Bankda (wife of director)	21613253	2589253
4	Pratik Bankda (Son of Director)	497023	196514
Total		26962103	5576524

- 5.4** All the facilities above are short term borrowings repayable on demand

- 5.5** In respect of the unsecured loans there are no written agreement entered into with the lenders for the terms of repayment and interest hence they are considered as repayable on demand and hence classified under current liabilities.

NOTE -6

TRADE PAYABLES

	31/03/2013	31/03/2012
- For Supplies	432189233	261718574
- For Expenses & Services	3615468	2755262
- For MSME Industries		
Baddi Foils Pvt. Ltd.	0	483103

Total

435804701 264956939

- 6.1** There are no dues towards Micro and Small Enterprises in the current year which are outstanding for more than 45 days as at 31st March, 2013. Previous year there was an outstanding overdue for more than 15 days to one of the party covered under MSME industries which has been paid off during the financial year 2012-13 without any interest as payable under the act. Interest not provided on late payment to MSME current year Nil ,previous year 54383/- This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

- 6.2** Trade payables for supplies includes creditors worth Rs. 35119854 to whom Letter of Credit has been issued, and secured against Current assets of company along with the FDR of Rs. 30 lakhs.

NOTE -7

OTHER CURRENT LIABILITIES

- Current maturities of Long Term Borrowings(Refer Note 4.2)

Secured

Against Vehicles	484323	187516
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Unsecured

- Term Loans from Banks & Financial Institutions	6996554	2059154
- Creditors for Capital Goods	2079666	4895782
- Customer Credit balance	34459576	706159
- Interest Payable	90000	4167
- Security Deposit Against Supply	100000	200000

Total

44210119 8052778

NOTE -8

SHORT TERM PROVISIONS

	31/03/2013	31/03/2012
Provision for Expenses	1408237	1128900
Provision for Employee Benefits	10670959	7848084
Provision for Statutory Dues	110131	1512895

Total

12189327 10489879



SYNCOM HEALTHCARE LIMITED

NOTE - 9

NOTE OF THE FIXED ASSETS FOR THE PERIOD 01/04/2012 to 31/03/2013
REFER NOTE-1(B)(iv)

(AMOUNT IN Rs.)

PARTICULARS	GROSS BLOCK					DEPRECIATION				NET BLOCK	
	OP. BAL. As ON 01/04/2012	ADDITIONS DURING THE YEAR	SOLD/REV/ DISPOSED DURING YEAR	GROSS TOTAL BALANCE	CLOSING BALANCE AS ON 31/03/2013	OPENING BALANCE AS ON 01/04/2012	ACCUMULATED DEPRECIATION ON DISPOSAL OF ASSETS	FOR THE YEAR	TOTAL	NET BLOCK 31/03/2013	NET BLOCK 31/03/2012
FIXED ASSETS											
TANGIBLE ASSETS											
LAND	2927498	0	0	2927498	2927498	0	0	0	0	2927498	2927498
FACTORY BUILDING	112250369	6024893	0	118275262	118275262	38385849	0	7662188	46048037	72227225	73864520
PLANT & MACHINERY	94846314	107566176	0	202412490	202412490	36902389	0	10185161	47087550	155324940	57943925
ELECTRICAL INSTALLATION	693606	0	0	693606	693606	480992	0	38483	519475	174131	212614
FURNITURE AND FIXTURES	5995852	209850	0	6205702	6205702	3322541	0	503063	3825604	2380098	2673311
VEHICLES	5978208	4325000	398470	9904738	9904738	3389723	341000	1260078	4308801	5595937	2588485
COMPUTERS	5610752	0	0	5610752	5610752	4947978	0	265109	5213087	397665	662774
OFFICE AND FACTORY EQUIPMENTS	38412489	680616	0	39093105	39093105	19828801	0	2614193	22442994	16650111	18583688
TOTAL	266715088	118806535	398470	385123153	385123153	107258273	341000	22528275	129445548	255677605	159456815
PREVIOUS YEAR	257206503	9508585	0	266715088	266715088	85117224	0	22141049	107258273	159456815	172089279
INTANGIBLE ASSETS											
COMPUTER (SOFTWARE)	2533134	204000	0	2737134	2737134	1920146	0	267561	2187707	549427	612988
PATENTS & COPYRIGHTS	2857300	0	0	2857300	2857300	2787920	0	31380	2819300	38000	69380
TOTAL	5390434	204000	0	5594434	5594434	4708066	0	298941	5007007	587427	682368
PREVIOUS YEAR	5300434	90000	0	5390434	5390434	4143738	0	564328	4708066	682368	1156696

**NOTE - 10****NON CURRENT INVESTMENTS**

31/03/2013 31/03/2012

Investments in Quoted Shares

968 Equity Shares of D.B. Corp.Ltd.	0	205216
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Investments in Unquoted SharesInvestment in Foreign Subsidiaries

737 Equity Shares (Previous Year 2) of Syncom Healthcare International FZE of Face Value AED 100000 each, fully paid	908065971	2412170
--	-----------	---------

Other Investments

20000 Equity Shares of Sound Craft Ind. Ltd.	5200	5200
40000 Equity share of Savit Capital Ltd. of Rs. 1000/- each	0	40000000

Total	908071171	42622586
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NOTE- 11**DEFERRED TAX ASSETS**

REFER NOTE 1(B)(viii)

Particulars	2012-13	2011-12
Deferred Tax Assets		
Timing Differences		
Difference of WDV of Fixed Assets		
- WDV as per Income Tax Act	248949029	159613744
- WDV as per Companies Act	256265032	160139183
	(7316003)	(525439)
Unabsorbed Depreciation C/f	26966911	6234277
Expenses Disallowed to be allowed on payment basis		
- Sundry Expenses	1281417	0
- Bonus Payable	933327	1104840
- Balance of Leave encashment	591185	244320
- Gratuity Payable	1095119	877818
- Preliminary Expenses allowable U/s 35D	21730878	35433816
Total	45282834	43369632
Deferred Tax Assets @ 32.45%	14692015	14071277

NOTE-12**LONG TERM LOANS & ADVANCES**

31/03/2013 31/03/2012

Capital Advances(for Capital Goods)	93888020	65415666
Security & Other Deposits	116323601	41597601
Others	480820	480820

Total	210692441	107494087
--------------	------------------	------------------

12.1 Long term advances to others includes the tax paid under protest for AY 2005-06 and against which income tax appeal is pending.

NOTE - 13**OTHER NON CURRENT ASSETS**

31/03/2013 31/03/2012

A) Advances to Subsidiary

Towards Share Application	6459818	1022758690
Product Registration Advances	2996628	2178990

SUB-TOTAL (A)	9456446	1024937680
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B) Preliminary Expenses**(to the extent not written off or adjusted)**

Opening Balance	0	418867
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Add:-		
-------	--	--

Expenditure incurred during the year	0	0
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(to the extent not written off or adjusted)

Less:-		
--------	--	--

Written off during the year	0	418867
-----------------------------	---	--------

SUB-TOTAL (B)	0	0
----------------------	----------	----------

Total (A+B)	9456446	1024937680
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13.1 Product Registration advance are advance towards expenses for registration of products to be exported in various countries and application for which are under consideration as at 31/03/13.


NOTE - 14
INVENTORY

Refer Note-1(viii)

	31/03/2013	31/03/2012
Raw Material	43380298	27116091
Packing Material	38984336	17384274
Work in Progress	20514829	14449757
Finished Goods	14329390	35426636
Traded Goods	63919780	19135998
Gift Items	13816001	9748200

Total**194944634****123260956****NOTE - 15****TRADE RECEIVABLES**

(Unsecured Considered Good Subject to Note Below)

	31/03/2013	31/03/2012
A) Debts Due for a period within six months	309775972	423039503
B) Debts Due for a period over six months	353274357	155717540

Total**663050329****578757043**

15.1 There are Debtors to the extent of Rs.84089026/- (Previous Year Rs. 42096057) against whom cases u/s 138 of the Negotiable Instrument Act, are filed by the company. In the opinion of the management, except above debtors, other current assets, Loans and Advances are realizable at the values at which they are stated in the balance sheet, if realized in the ordinary course of business. The provision for Depreciation and for all known liabilities is adequate and not in excess of the amount reasonably necessary. No provision has been made for the bad and doubtful debts against debtors against whom proceeding u/s 138 have been initiated by the company.

15.2 Debtors are subject to confirmation.

NOTE - 16**CASH AND BANK BALANCES**

	31/03/2013	31/03/2012
Cash in hand	589822	2060967

BANK BALANCES (WITH SCHEDULED BANK)

- In Current Accounts	6934581	512590
- In Fixed Deposit Accounts	3414108	216752
- Fixed Deposits (having maturities more than 12 months)	130158	120246

Total**11068669****2910555**

16.1 FDR amounting Rs.30 lakhs is pledged against Letter of Credit sanctioned to the company & remaining FDR's are pledged with government against export obligation undertaken EPCG Scheme.

NOTE - 17**SHORT TERM LOAN AND ADVANCES**

(Unsecured Considered Good)

	31/03/2013	31/03/2012
Advances recoverable in cash or in kind or for value to be received.	21579394	6389829
Advances to related parties	740685	0
Other Loan and Advances		
Advance Tax/ VAT Receivable	2443204	1236635
Prepaid Expenses	309774	374147
Others	223705037	256061173

Total**248778094****264061784**



17.1 Other Loans and advances are short term Inter-corporate Deposits /Advances to private parties and there are no written agreements for them. However the management certifies that all such loans are good, unsecured and are repayable on demand. No interest is charged on advances of Rs.82602970 (Previous year Rs. 128615470) other advances carry interest at the at prevailing market rates adjusted as per the creditworthiness of the parties.

17.2 Advances recoverable in cash or kind includes the advances for supply, expenses & services, advances given to employees.

17.3 Advances to Related party pertains to expenses incurred on behalf of Subsidiary Company.

S.No.	Name of Related Party	31/03/2013	31/03/2012
1	Syncom Healthcare International FZE	740685	0

NOTE-18

OTHER CURRENT ASSETS

	31/03/2013	31/03/2012
Interest Receivable	5357508	7882917
Total	5357508	7882917

SYNCOM HEALTHCARE LIMITED

NOTES FORMING PART OF THE STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31/03/2013

NOTE - 19

OTHER INCOME

	31/03/2013	31/03/2012
Foreign Exchange Gain / (Loss)	(18997)	11921474
Dividend Received	1563117	7630
Misc. Income	62688	79266
Provision Written Back	163729	759548
Profit on Sale of Investments & Fixed asset	49134	219873
Interest Received	22350386	27284936
Total	24170057	40272727

NOTE - 20

COST OF MATERIAL CONSUMED

	31/03/2013	31/03/2012
Opening Stock		
Raw Material	27116091	19764995
Packing Material	17384274	16078234
Add:-		
Raw Material Purchased	268690622	203686264
Packing Material Purchased	106365699	102217424
Other Store Consumption	2463069	1725112
Freight and Cartage	1301853	1029333
Less: Material Sold		
Raw Material	2729105	0
Packing Material	1691626	0
Less: Closing Stock		
Raw Material	43380298	27116091
Packing Material	38984336	17384274
Total	336536243	300000997

NOTE - 21

PURCHASES OF STOCK IN TRADE

	31/03/2013	31/03/2012
Purchases (Net of Return)	465854768	378791213
Freight and Cartage	102039	132605
Total	465956807	378923818


NOTE - 22
EMPLOYEE BENEFITS EXPENSE

	31/03/2013	31/03/2012
Staff Salary, Wages, Welfare and Other Benefits	64639615	72245959
Remuneration to Directors	1228765	1144759
Contribution to Provident Fund and ESIC	1273976	1390078
Total	67142356	74780796

22.1 Director's Remuneration

S.	Particular	Ajay Bankda	
		31/03/2013	31/03/2012
1	Salaries	600000	600000
2	Other perquisites/Benefits	628765	544759

NOTE - 23
FINANCE COST

	31/03/2013	31/03/2012
Interest expense	33340804	23596471
Other borrowing cost	3423840	1240845
Total	36764644	24837316

NOTE - 24
DEPRECIATION AND AMORTIZATION EXPENSES

	31/03/2013	31/03/2012
Preliminary expenses written off	0	418867
Depreciation and amortisation (Refer Note 9)	22827216	22705377
Total	22827216	23124244

NOTE - 25
OTHER EXPENSES

	31/03/2013	31/03/2012
Audit fees	196630	129214
Sales promotional and gift expenses	1274322	9800724
Other sales and marketing expenses	6944111	1513780
Breakage damage and expired goods	598804	23776557
Advertisement	74907	59119
Power and fuel	13729768	11683838
Office and godown rent	1521800	1610000
Insurance expenses	413492	521834
Repairs and Maintenance	5677637	6868784
Travelling, lodging and conveyance - Directors	302527	263296
Travelling, lodging and conveyance - Others	14826608	18288680
Vehicle running and maintenance	735415	634575
Postage telegram and telephone	1130143	1686417
Legal and professional expenses	5855976	5310069
Rates and taxes	274910	107267
Freight and packing expenses	3329356	3810448
Cash discount in sales	1816149	696611
Sundry expenses	5314952	3810687
Total	64017507	90571900

25.1 Auditor's Remuneration

PARTICULARS	2012-13	2011-12
a. For Statutory Audit fees	70000	70000
b. For Tax Audit	15000	15000
c. For Company law matters	20000	20000
d. For Certification and other matters	414000	160000
Total:	519000	265000
Add :- Service tax	64148	29664
Total	583148	294664


25.2 Prior Period Items

Following are the prior period incomes/ Expenses included in the current year income and expenses.

Particulars	2012-13	2011-12
Incomes		
Excess Provisions Written Back		
Gratuity		759548
Bonus	163729	
Total (a)	163729	759548
Expenses		
Cost of Material Consumed (Packing Material)	3569	
Staff Salary	2980	
Legal & Professional Expenses	281791	
Leave Encashment	37761	
House Keeping Expenses	1650	
Travelling Expenses	10071	
Purchase Gift Article	54896	
Misc. Expenses	7446	
Printing & Stationary	5615	
Auditor's Remuneration		103958
Income Tax Demand A.Y. 2009-10		627080
Provident Fund Demand		580606
Total (b)	405779	1311644
Balance (a-b) Income/(Expenses)	(242050)	(552096)

NOTE - 26
EARNING PER SHARE

Amount Available to Equity Shareholders	2340751	1862203
Weighted Average Number of Equity Shares	40000000	40000000
Face Value per Equity Share	10	10
Earning per Equity Share Basic and Diluted	0.06	0.05

Note - 27
CLAIM, DEMANDS AND CONTINGENCIES:

Disputed and / or contingent liabilities are either provided for or disclosed depending on the management's judgment of the outcome. However for the year under report there are no disputed liabilities at all outstanding on the company.

Following Contingent Liabilities were not provided in the books.

1. Legal suits filed by past employees towards salary claims with total Financial impact Rs. 589326/- . (Previous year Rs. 589326/-)
2. A legal suit filed against the company for ownership of certain trademark where an ex-parte decree has been passed against the company for Rs. 5.00 lacs. The company has deposited the demand under protest as security money and has filed an appeal against the captioned order.(Previous year Rs. 5.00 Lacs)
3. There is an Export Obligation of Rs. 7.50 Lacs on the company towards exemption of Custom Duty availed by the company on import of machinery under the EPCG Scheme of the government. (Previous year Rs. 7.50 Lacs).
4. Bank guarantees issues by the Lenders to the company , against which counter guarantee of the Company is outstanding , and which are in force as on 31/3/2013 are of total value Rs. 6,36,600/- (Previous year Rs. 10,59,500)
5. There is demand of Rs. 854268/- raised by Income Tax Department for A.Y. 2005-06. Company has filed appeal against this demand and deposited Rs. 436600/- against it. (Previous Year Rs.4,36,600)

There were no significant events and contingencies which have occurred after 31/03/2013 up to the date of signing of these final accounts which result in the impairment of any asset of the company outstanding and owned by the company as on 31/03/2013 and which results in any contingent loss for which provision has to be done in the profit and loss account for the year.



Note – 28

Related party Disclosure under Accounting Standard (AS-18). The List of the related parties as identified and certified by the management is as under:-

1. Enterprises that directly or indirectly control (through subsidiaries) or are controlled by or are under common control with the reporting enterprise
 - a. Syncom Healthcare International FZE – Subsidiary
2. **Individuals owning voting power giving control or significant influence; Nil**
3. **Key management personnel and their relatives;**
 - a. **Key Managerial Personnel**
 - i. Shri Ajay Bankda
 - b. **Relatives of Key Managerial Persons**
 - I. Shri Ajay Bankda
 1. Shri Pratik Bankda – Son
 2. Shri Pranav Bankda – Son
 3. Ajay Bankda HUF – HUF of Director
 4. Smt. Jyoti Bankda – Wife
4. **Enterprises over which any of the persons in (2) or (3) are able to exercise significant influence over the Company**
 - I. Sinorita Biotech Private Limited
 - ii. Warner Life Sciences (India) Ltd.
 - iii. Giriraj Buildcon



Transactions with the related persons during for the Financial Year 2012-13

2012-13	Ajay Bankda	Jyoti Bankda	J.P. Bagaria	Pratik Bankda	Pranav Bankda	Ajay Bankda HUF	Syncom Healthcare FZE
Relation	Key managerial Person	Wife of Shri Ajay Bankda	Key managerial Person	Son of Shri Ajay Bankda	Son of Shri Ajay Bankda	HUF of Shri Ajay Bankda	Subsidiary
Loans received	103274438	29590000	0	8875000	0	0	0
Repayment of Loans	101457368	10890000	0	8574491	0	116000	0
Payment towards Expenses	1610796	104917	0	162950	8939	39187	740685
Foreign Exchange Translating Reserve adjusted	0	0	0	0	0	0	(110645071)
Shares Allotment received	0	0	0	0	0	0	905653801
Dividend Received	0	0	0	0	0	0	1559971
Salary credited	600000	0	0	480000	0	0	0
Rent Deposit Given	22500000	22500000	0	7500000	0	22500000	0
Office Rent	360000	360000	90000	132000	0	360000	0
Rent Free House	450000	0	0	0	0	0	0
Other Benefits	178765	0	0	0	0	0	0
Balance Receivable	17973818	12586309	0	6991612	0	33353234	7200503
Balance Payable	0	0	0	0	174752	0	0

Transactions with the related persons during for the Financial Year 2011-12

2011-12	Ajay Bankda	Jyoti Bankda	J.P. Bagaria	Pratik Bankda	Pranav Bankda	Ajay Bankda HUF	Syncom Healthcare FZE
Relation	Key Managerial Person	Key Managerial Person	Key Managerial Person	Son of Shri Ajay Bankda	Son of Shri Ajay Bankda	HUF of Shri Ajay Bankda	Subsidiary
Loans received	84504339	230000	0	2090000	0	0	0
Repayment of Loans	81813582	7865000	7500	2723925	2866	3500000	0
Advances Given	13727864	0	0	0	0	0	0
Foreign Exchange Translating Reserve adjusted	0	0	0	0	0	0	112399196
Advances towards share application Given	0	0	0	0	0	0	912094523
Shares Allotment received	0	0	0	0	0	0	2412170
Repayment	24016411	0	0	0	0	0	0



2011-12	Ajay Bankda	Jyoti Bankda	J.P. Bagaria	Pratik Bankda	Pranav Bankda	Ajay Bankda HUF	Syncom Healthcare FZE
Salary credited	600000	0	0	480000	0	0	0
Office Rent	360000	360000	90000	132000	0	360000	0
Rent Free House	456000	0	0	0	0	0	0
Other Benefits	88759	0	0	0	0	0	0
Balance Receivable	9268857	9041392	0	3761171	0	11058047	1022758690
Balance Payable	0	0	0	0	183691	0	0

NOTE- 29

Additional information pursuant to schedule VI of the companies Act, 1956

(Amount in Rs)

Particulars	Consumption 2012-13	Consumption 2011-12
Raw Material Consumed for Production	249697310	196335168
Packing Materials Consumed for Production	83074011	100911384
Total	332771321	297246552
Purchase of Goods Traded:		
Basic Drugs & Chemicals		
Caustic Soda	0	30699080
Potassium Hydroxide	0	118686405
Butyl Acetate	0	114184310
Others	32328245	115221418
Linear Alkyl Benzene	87646070	0
Titanium Dioxide	170209354	0
Diapers	48990866	0
L.S. Pills	126680233	0
Total	465854768	378791213

	Particulars	Sales Values (Net of Sales Return)		Closing Inventory	Closing Inventory
A	Manufactured Goods	2012-13	2011-12	2012-13	2011-12
	Tablet	289273641	250638390	5360801	21540909
	Capsules	51263223	47889108	2090171	2851414
	Dry Powder	19754929	24486281	4484	2687608
	Liquid Orals	83930600	78205510	2747533	2985586
	Ointment	38868604	47680191	3567835	5178058
	Vial/Drops	19465215	22686226	558566	183061
	Less				
	Rate Difference	0	(50842)		
		502556212	471534864	14329390	35426636



	Particulars	Sales Values (Net of Sales Return)		Closing Inventory (Traded goods)	Closing Inventory (Traded goods)
B	Traded Goods	2012-13	2011-12	2012-13	2011-12
	Caustic Soda	0	30772675	0	0
	Potassium Hydroxide	0	118187315	0	0
	Butyl Acetate	0	114242340	0	0
	Linear Alkyl Benzene	87686645	0	0	0
	Titanium Dioxide	170261886	0	0	0
	Diapers	49181140	0	0	0
	L.S. Pills	98311740	0	63502544	14039312
	Others	33501420	123966312	417236	5096686
	Less				
	Rate Difference	(51759)	0	0	0
		438891072	387168642	63919780	19135998

Particulars	2012-13	2011-12
Work In Progress		
Capsules	657595	2464044
Tablets	17200629	9524614
Dry Powder	0	127709
Others	2656605	2333388
Total	20514829	14449757

Note- 30

Other Details

Particulars	2012-2013	2011-2012
a) CIF value of Imports	Nil	Nil
b) Earning in Foreign Exchange (Interim Dividend)	Rs. 1559971/-	Nil
c) Expenditure in Foreign Exchange	Rs. 251466/-	Nil
d) Remittance in Foreign Currency	Rs. 948044/-	Rs. 22360/-

**AS PER OUR REPORT OF EVEN DATE
ATTACHED**

FOR SANJAY MEHTA AND ASSOCIATES
CHARTERED ACCOUNTANTS
Regn. No. 011524C

**FOR AND ON BEHALF OF BOARD OF
DIRECTORS**

MANISH MITTAL
PARTNER
M. No. 079452
Indore, 30/05/2013

AJAY BANKDA
MANAGING
DIRECTOR

J. P. BAGARIA
DIRECTOR

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SYNCOM HEALTHCARE LIMITED

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of **SYNCOM HEALTHCARE LIMITED, (Holding Company)** and **SYNCOM HEALTHCARE INTERNATIONAL, FZE (Subsidiary Company)** which comprise the consolidated Balance Sheet as at 31ST March 2013, and the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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 is in accordance with the Accounting Principles generally accepted in India. 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.

Auditor's 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 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 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 internal control relevant to the Company'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 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.

- a) We did not audit the financial statements of overseas subsidiary included in the consolidated Annual financial results, whose consolidated interim financial statements reflect total assets of Rs. 109.73 Crores as at 31/03/2013; as well as the total revenue of Rs. 110.19 Crores as at the year ended 31/03/2013. These interim financial statements and other financial information have been audited by other auditors whose report has been furnished to us, and our opinion on the annual financial results, to the extent they have been derived from such interim financial statements is based solely on the report of such other auditors.

- b) That in the parent company the provision for gratuity has been made only for employees eligible for gratuity as at 31/03/2013 and not on actuarial valuation as laid down under AS-15 notified under said rules;

Opinion

Based on our audit and on consideration of the separate audit report on individual financial statements of the Company, its subsidiaries and read with our comments above, and to the best of our information and according to the explanations given to us In our opinion, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the consolidated Balance Sheet, of the statement of affairs of the Company as at 31st March 2013;
- (b) In the case of the consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) In the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21 (Consolidated Financial Statements), Accounting Standard 23 (Accounting for Investment in Associates in Consolidated Financial Statements) and Accounting Standard 27 (Financial Reporting of Interests in Joint Ventures) as notified under the Companies (Accounting Standards) Rules, 2006.

For Sanjay Mehta & Associates
Chartered Accountants
Firm Regn. 011524C

Manish Mittal
Partner
M.No. 079452
Indore, 30/05/2013

CONSOLIDATED BALANCE SHEET OF SYNCOM HEALTHCARE LIMITED AND ITS SUBSIDIARY SYNCOM HEALTHCARE INTERNATIONAL, FZE AS AT 31/03/2013

Amount in Rupees				
	Particulars	Note No.	Figures for the Year Ended 31.03.2013	Figures for the Year Ended 31.03.2012
	1	2	3	4
I	EQUITY AND LIABILITIES			
	Shareholders' funds			
	Share capital	2	400000000	400000000
	Reserves and surplus	3	1505333489	1432332325
	Non-current liabilities			
	Long-term Borrowings	4	116097710	78471749
	Current liabilities			
	Short-term Borrowings	5	190655424	143272333
	Trade Payables	6	435940527	264956939
	Other Current Liabilities	7	44210119	8052778
	Short-term Provisions	8	12189327	10489879
	TOTAL		2704426596	2337576003
II	ASSETS			
	Non-current assets			
	Fixed assets			
	Tangible assets	9	255997448	159812055
	Intangible assets		587427	682368
	Capital work-in-progress		0	10828988
	Non-current Investments	10	5200	40210416
	Deferred Tax Assets (net)	11	14692015	14071277
	Long term Loans & Advances	12	210766222	107563122
	Other Non-current Assets	13	2996628	2178990
	Current assets			
	Inventories	14	194944634	665108359
	Trade Receivables	15	1759915737	1060696127
	Cash and Bank Balances	16	11126368	4461604
	Short-term Loans and Advances	17	248037409	264079780
	Other Current Assets	18	5357508	7882917
	TOTAL		2704426596	2337576003.0000

Significant Accounting Policies

1

Notes and explanations referred to herein form an integral part of Balance Sheet

As Per Our Report Annexed

FOR **SANJAY MEHTA & ASSOCIATES**

CHARTERED ACCOUNTANTS

REGN NO. 011524C

OR AND ON BEHALF OF BOARD

MANISH MITTAL

PARTNER

M.NO. 079452

Place: Indore

Date:30/05/2013

AJAY BANKDA

MANAGING

DIRECTOR

J.P. BAGARIA

DIRECTOR



**CONSOLIDATED STATEMENT OF PROFIT & LOSS OF SYNCOM HEALTHCARE LIMITED AND ITS
SUBSIDIARY SYNCOM HEALTHCARE INTERNATIONAL, FZE AS AT 31/03/2013**

Amount in Rupees

	Particulars	Note No.	Figures for the Year Ended 31/03/2013	Figures for the Year Ended 31/03/2012
	1	2	3	4
I.	Revenue From Operations			
	Sale of Goods & Job Work Receipts	6	2043313481	1349308316
II.	Other income	19	22616990	40351751
III.	Total Revenue (I + II)		2065930471	1389660067
IV.	Expenses:			
	Cost of materials consumed	20	336536243	300000997
	Purchases of Stock-in-Trade	21	943210993	1342792046
	Changes in inventories of Finished Goods & Work-in-Progress & Stock-in-trade		512095795	(545840362)
	Employee benefits expense	22	85528808	90417336
	Finance costs	23	36780681	24971178
	Depreciation and amortization expense	24	22887034	23190940
	Other expenses	25	89022863	112111721
	Total expenses		2026062417	1347643856
V.	Profit before exceptional and extraordinary item and tax (III-IV)		39868054	42016211
VI.	Exceptional items (Income)/Expenses		0	0
VII.	Profit before extraordinary items and tax (V-VI)		39868054	42016211
VIII.	Extraordinary Items		0	0
IX.	Profit before tax (VII- VIII)		39868054	42016211
X.	Tax expense:			
	Current tax		404163	2083077
	Deferred Tax Liability / (Assets)		(620738)	5846619
	Prior Period Taxes		0	627080
XI.	Profit (Loss) for the period from continuing operations (VII-VIII)		40084629	33459435
XII.	Profit (Loss) for the period (XI + XIV)		40084629	33459435
XIII.	Earnings per equity share:	26		
	(1) Basic		1.00	0.84
	(2) Diluted		1.00	0.84

Significant Accounting Policies

1

Notes and explanations referred to herein form
an integral part of Statement of Profit and Loss
As Per Our Report Annexed

FOR SANJAY MEHTA & ASSOCIATES
CHARTERED ACCOUNTANTS
REGN NO. 011524C

FOR AND ON BEHALF OF BOARD

MANISH MITTAL
PARTNER
M.NO. 079452
 Indore, May 30, 2013

AJAY BANKDA
 MANAGING
 DIRECTOR

J.P. BAGARIA
 DIRECTOR

SYNCOM HEALTHCARE LIMITED
Cash Flow Statement for the year ended 31/03/2013

	Amount in Rupees	
Particulars	2012-13	2011-12
A. Cash Flow Provided /(Required) by operating Activities		
Profit after tax	40084629	33420647
Adjustment for:		
Depreciation	22891618	22810861
Profit on Sale of Fixed Assets /Investments / Dividend Income	(52280)	(7630)
Amortization expenditure	0	418867
Deferred Tax expense	(620738)	5846619
Interest & Financial Charge	36780681	24837316
Operating Profit before working capital changes	99083910	87326680
Adjustment for:		
(Increase)/Decrease in Trade Receivables	(699219610)	(629846664)
(Increase)/Decrease in other Current Assets	2525409	(7969948)
(Increase)/Decrease in other Non Current Assets	(104020738)	(1074258279)
(Increase)/Decrease in Inventories	470163725	(554814601)
(Increase)/decrease in Loans & Advances	16042371	1000875
Increase/(decrease) in Current Liabilities except provision for Dividend & Dividend Tax	203606170	180908170
Net Cash (Required) /provided by Operations	(11818763)	(1997653767)
B. Cash Flow (Provided) / Required by Investing Activities		
Addition to Fixed Assets	119039540	10020522
Purchase / (Sale) of Investments	(40211820)	0
(Increase)/ Decrease in Capital WIP	(10828988)	10828988
Effect of exchange differences on translation of Foreign currency	(32916535)	(81410911)
Dividend Income	(3146)	(7630)
Proceeds from Sale of Assets	(100000)	0
Net Cash Provided (Required) by Investing activities	(34979051)	60569031
C. Cash Flow Provided/ (Required) by Financing Activities		
SOURCES OF FUND		
Unsecured Loans obtained	198515004	1075978241
Increase in Working Capital Facilities	27477512	39477960
TOTAL	225992516	1115456201
Repayment of Unsecured Loans	135749257	44875980
Interest Paid	36780681	24837316
TOTAL	172529938	69713296
D. Net Cash Surplus /(Required) by Financing activities	53462578	1045742905
E. Net Increase/(Decrease) in Cash and Cash Equivalents	6664764	(891341831)
F. Cash and Cash Equivalents at beginning of Period	4461604	895803435
Cash and Cash Equivalents at end of Period	11126368	4461604

FOR **SANJAY MEHTA AND ASSOCIATES**
CHARTERED ACCOUNTANTS
REGN NO. 011524C

FOR AND ON BEHALF OF BOARD

MANISH MITTAL
PARTNER
M .No. 079452
Indore, May 30, 2013

AJAY BANKDA
MANAGING DIRECTOR

J. P. BAGARIA
DIRECTOR

SYNCOM HEALTHCARE LIMITED

Notes to the Consolidated Financial Statements for the year ended 31 March 2013

NOTE – 1

(A) Company Overview:

Syncom Healthcare Limited ('the Company') is a public company incorporated under provisions of the Companies Act 1956 together with its one wholly owned foreign subsidiary operates as an integrated international pharmaceutical organization with businesses encompassing the entire value chain in the marketing, production and distribution of pharmaceutical products along with job work for the other companies. The Company's shares are listed for trading on the National Stock Exchange and the Bombay Stock Exchange in India. Its Global Depository Receipts (GDR) (Each GDR representing 5 equity shares of the Company) are listed on the Luxembourg Stock Exchange.

(B) Significant Accounting Policies

The accounting policies set out below have been applied consistently to the periods presented in these consolidated financial statements.

(i) Basis of Preparation of consolidated financial statements

- 1 The consolidated financial statements are prepared in accordance with generally accepted accounting principles in India. The company is following the accrual system of accounting as per the provisions of sec. 209 (3)(b) of the companies Act, 1956 and its accounts are in compliance with the mandatory accounting standards notified under the Companies (Accounting Standards) Rules, 2006 as amended vide Companies (Accounting Standards) Amendment Rules, 2009 except to the extent that the Leave encashment provision is made after deducting 30 days from the leave encashment entitlement of the employees on a cumulative basis for the tenure of the employment This deduction of 30 days is paid only on retirement and/or termination of employee & is retained by the company if the Employee resigns without requisite notice to the company as per the company's rules.

The provision for gratuity has been made only for the employees eligible for gratuity as on 31/03/2013 and not on the basis of actuarial valuation as laid down under AS 15 notified under the said rules.

- 2 There is no change in method of accounting during the year.
- 3 The company is maintaining separate books of accounts for a) Dehradun Industrial unit which is treated as a separate division with in the company and b) trading activities which are head quartered at Indore.

(ii) Use of Estimates

The preparation of consolidated financial statements requires the Management of the Company to make estimates and assumptions that affect the reported balance of assets and liabilities, revenue and expenses and disclosures relating to contingent liabilities. The Management believes that the estimates used in the preparation of the consolidated financial statements are prudent and reasonable. Future results could differ from these estimates. Any revision of accounting estimates is recognised prospectively in the current and future periods.

(iii) Principals 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 adding 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 Statements prescribed by Companies (Accounting Standards) Rules, 2006.
2. Assets and Liabilities of the foreign subsidiary are translated into Indian Rupees at the rate of exchange prevailing as at the balance sheet date. Revenue and expense are translated into Indian Rupees at the average exchange rate prevailing during the year and the resulting net translation adjustment has been accounted as foreign exchange translation reserve in Reserves and Surplus. Operations of subsidiary are considered as “Non Integral”.
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 subsidiary 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 equity in the subsidiary companies as on the date of investment is in excess of 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 Healthcare 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 statements.
5. Minority interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the dates on which investments 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 Syncom Healthcare International, FZE 100% Shares are held by the company therefore there is no Minority Interest.

(iv) Revenue Recognition

- i Revenue from Sales and Job work receipts is recognised on generation of invoices of the goods after completion of packing of goods against confirmed orders order though actual dispatch of goods may follow the invoice date.
- ii Dividend income on investment is accounted when the right to receive is established.
- iii All other incomes are accounted on accrual basis.

However the Subsidiary Company accounts all the revenue and expenses on accrual basis except to the extent stated otherwise.

(v) Fixed Assets

Fixed assets are stated at cost of acquisition/construction. Cost of acquisition is inclusive of freight, duties, and taxes but net of CENVAT and inclusive of other incidental expenses of bringing the asset to its working condition for its intended use and interest attributable to construction, production or acquisition of qualifying assets. Subsequent expenditure related to an item of tangible fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.



(vi) Depreciation on fixed and movable assets

Has been charged on Written Down Value (WDV) basis on pro-rata basis on the rates prescribed in Schedule XIV of the Companies Act 1956 except to the extent that assets costing up to Rs. 5000/- are not capitalised and fully charged to Profit and loss account in the year of purchase.

(vii) Investments

Long term investments are stated at cost less diminution other than temporary diminution in value, if any. Current investments are stated at lower of cost and fair value.

(viii) Expensing out of Intangible Assets

In accordance with Accounting Standard 26 –“Intangible assets “ the useful life of company's patents , trademarks and designs have been amortised over a period of 10 years. Cost of computer software is amortised/expensed out equally over a period of five years.

(ix) Valuation of Inventories

- a) Closing stocks of finished goods is valued at cost or net realizable value whichever is lower. Closing Stock of Raw Materials, Packing Materials is valued at the weighted average cost or net realizable value whichever is lower.
- b) Closing stock of Gifts item to be used as part of sale promotion is valued at cost.
- c) Closing Stock of Work in process is valued at the cost of materials used there in plus conversion cost depending on the stage of completion.

(x) Borrowing cost:

Borrowing Costs directly attributable to the acquisition or construction of qualifying assets are capitalised as a part of the cost of the assets, up to the date the assets are put to use. Other borrowing costs are charged to the Profit and Loss Account in the year in which they are incurred.

(xi) Foreign Currency Transactions

- (a) Transactions in foreign exchange which are covered by forward contracts are accounted for at the contracted rates, the difference between the contracted rate and the exchange rate on the date of transaction is recognized in Profit & Loss Account. Difference relating to transactions involving more than one financial year are carried over the period of transaction. In respect of forward contracts which are entered into to hedge highly probable forecasted transactions the cost of these contracts, if any, is expensed at the end of the contract. However, there were no forward contracts taken by the company during the year.

Transactions other than those covered by forward contracts are recognized at the exchange rate prevailing on date of transaction. Gains & losses arising on account of monetary item realization are accounted for in Profit & Loss Account.

- (b) Monetary Assets & Liabilities in foreign currency that are outstanding at the year end and are not covered by forward contracts are translated at the year end exchange rates.
- (c) Non Monetary items are recorded on the rates as exists on date of transaction i.e. at spot rate.

(xii) Impairment of Assets:

Fixed assets are reviewed at each reporting date to determine if there is any indication of impairment however there is no asset whose carrying cost exceeds its recoverable value is held by the company as on 31/03/2013.

(xiii) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised only when there is present obligation as a result of past events and when a reliable estimate of the amount of obligation can be made. Contingent liability is disclosed for (i) Possible obligations which will be confirmed only by future events not wholly within the control of the Company or (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of amount of the obligation cannot be made. Contingent assets are not recognised in the consolidated financial statements since this may result in the recognition of income that may never be realised.

(xiv) Current Income Tax and Deferred Tax

Current income tax of Holding Company is measured at the amount expected to be paid to the tax authorities in accordance with the provisions of local Income Tax Laws as applicable to the financial year.

Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income of the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date.

No Income tax & deferred income tax expense is provided in the Consolidated financial statement for Subsidiary company.

(xv) Employee Benefits**(a) Short Term Employee Benefits:**

Liability on account of short term employee benefits is recognised on an undiscounted and accrual basis during the period when the employee renders service/vesting period of the benefit.

(b) Post Employment Benefits:

Post retirement contribution plans such as Provident Fund & ESIC are charged to the Statement of Profit and Loss for the year when the contributions to the respective funds accrue. Post retirement benefit plans such as gratuity is provided on the employees which are eligible as on 31/03/2013 for gratuity and leave encashment are determined on the basis of actual leaves outstanding at the year end.

(xvi) The Company has also regrouped and re-classified and rearranged the previous year figures in accordance with the requirements applicable in the current year.



SYNCOM HEALTHCARE LIMITED
NOTES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31/03/2013

PARTICULARS	Amount in Rupees 3/31/2013	Amount in Rupees 3/31/2012
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NOTE - 2
SHARE CAPITAL

Authorised Capital

40000000 Equity Shares of Rs. 10 each

400000000

400000000

Issued, Subscribed and Paid Up Capital

40000000 Equity Shares of Rs. 10 each fully paid up

400000000

400000000

Total

400000000

400000000

No Shares Have Been Allotted For Consideration Other Than Cash.

2.1 Shareholders holding more than 5% of aggregate shares.

Name of the Holder	31.03.2013		31.03.2012	
	Holding	Pledged	Holding	Pledged
The Bank of New York	16675000	0	21050000	0
	41.69%		52.63%	
Ajay Bankda	6217206	20000	6217206	1375000
	15.54%		15.54%	
Jyoti Bankda	3459101	700000	3459101	1000000
	8.65%		8.65%	

2.2 Reconciliation of equity shares outstanding at the commencement and at the end of the year

Particulars	As at 31 March 2013		As at 31 March 2012	
	No. of Equity Shares	Amount	No. of Equity Shares	Amount
At the commencement of year	4000000	40000000	4000000	40000000
Add:				
Shares Issued	0	0	0	0
Less:				
Shares Buy Back	0	0	0	0
At the end of Year	4000000	40000000	4000000	40000000

2.3 End Use of Proceeds of the Public Issue

(a) The company has issued to public 75.00 Lacs equity shares of Rs 10/- each at a premium of Rs. 65/- per share and has received total proceeds of Rs. 56.25 Crores in the financial year 2009- 10. The same has been utilized as under:-

Activity	(Rs. in Lacs)	
	Projected utilization	Actual deployment
To undertake the upgradation / modernization at the existing Unit at Dehradun	2710	2401
To meet Working Capital Requirement	1500	1500
For opening Export Office at Mumbai	400	494
For Brand & Product Registration & approvals	300	35
General Corporate Purpose	168	168
Issue Expenses	547	531
Total	5625	5129

Utilization of the Un-deployed Fund	(Rs. in Lacs)
- Invested in Short term advances	496
Total	496



- (b) The company came out with its GDR issue of 45 Lac GDR underlying 2.25 Crores equity shares of Rs.10/- each at a premium of Rs. 33/- per share in the YEAR 2010-11 has received total proceeds of Rs. 96.75 Crores and the same were received in USD amounting to USD 20.745 million. The usage of the same as per prospectus were as under:

- i Capital expenditure
- ii Long term working capital requirement
- iii Investment in proposed overseas subsidiary companies in UAE

The actual usage of the above as under:-

Activity	Amount in Rs.
GDR Proceeds	967500000
Usage	
Issue Expenses	40139694
Exchange Loss/(Gain)	(169664367)
Invested in overseas Subsidiary	
In Share Capital	1089824170
In Advances	7200503
TOTAL	967500000

NOTE - 3

RESERVE & SURPLUS

	31/03/2013	31/03/2012
<u>Securities Premium</u>		
Opening Balance	1143359010	1143359010
Addition during the year	0	0
Deductions during the year	0	0
Closing Balance	1143359010	1143359010
<u>Capital Subsidy</u>	3000000	3000000
(From State Government of Utrakhand)		
<u>Foreign Exchange Translation Reserve</u>		
Opening Balance	81410911	0
Add/(Less)		
Change In Carrying Amount Of Exchange Gain Of Holding Company	(110645071)	112399196
Exchange Gain/(Loss) arising on Translation of Foreign Operations	143561606	(30988285)
Closing Balance	114327446	81410911
<u>General Reserve</u>		
Opening Balance	880306	880306
Add: Transferred from Statement Of Profit & Loss	0	0
Closing Balance	880306	880306
<u>Surplus in the Statement of Profit & Loss</u>		
Opening Balance	203682098	170222663
Profit for the year	40084629	33459435
Less:- Issue Expenses Written Off Incurred During the Previous Year	0	0
Interim Dividend Declared By Subsidiary	0	0
Closing Balance	243766727	203682098
Total	1505333489	1432332325

3.1 The cash subsidy received in the year 2007-08 and 2008-09 from the government for set up of the Dehradun Industrial unit of the company has been disclosed as Capital reserve in the balance sheet.

3.2 The Company had advanced a sum of USD 20,118,899 to its subsidiary Syncom Healthcare International, FZE in United Arab Emirates in the financial year 2011-12 as an advance towards share application money in pursuance of an agreement for subsequent allotment of equity shares against this advance. The equity shares against this amount to the extent of USD 20,000,000 were allotted on 26/03/2013 i.e. in the financial year 2012-13. On 31/3/2012, the reporting date for the F.Y. 2011-12, this advance was considered as a Monetary item under the AS-11. Consequently the difference in exchange rate on the said reporting date, and, the date(s) of transaction of payment of this advance in the Financial year 2011-12 was recorded in Foreign exchange translation reserve. In the Financial Year 2012-13, the subsidiary company has allotted 735 equity shares against the said Advance for an amount of USD 20,000,000. Consequently this investment has now been reclassified from the date of the underlying transaction of payment as Non Monetary item as per AS-11 and the resultant asset that is the said equity investment has been stated in the books of the company at the exchange rate price on the date of payment of such sum to the subsidiary company. This has resulted in recalculation and recording of the Foreign exchange translation reserve at Rs.17,54,125/- proportionate to the amount of advance to the Subsidiary company outstanding as on 31/03/2013.

NOTE - 4**LONG TERM BORROWINGS****Secured Loans**

Term Loans from Banks
Against Vehicles

31/03/2013	31/03/2012
2197709	0

Unsecured Loans

Term Loans from Banks and Financial Institutions

113900001	78471749
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Total

116097710	78471749
------------------	-----------------

4.1 Vehicles loans are secured against vehicles acquired under schemes.

4.2 Terms of Repayment of above loans are as follows:

S.NO.	LOAN AMOUNT	TENURE OF LOAN	INSTALMENTS REMAINING	RATE OF INTERES	EMI	PAYABLE IN NEXT 12 MONTHS	SECURED AGAINST	BAL. AS ON 31/03/2013
RELIGARE FINVEST LTD.								
1	40300000.00	123 months	115	14.50 %	637896	2056474	SECURED BY WAY OF THE	39526851
2	4000000.00	36 months	23	18.00%	144610	1339056		2795430
ICICI BANK								
1	35000000.00	118 months	102	13.00 %	522588	2265108	PERSONAL GURANTEES OF	32433611
2	28500000.00	282 months	250	13.00%	373056	177246		27134107
INDIA BULLS								
1	5000000	120 months	109	13.50%	76138	287251	PROMOTERS	4768502
2	15000000	120 months	108	13.50%	228412	871419		14238054
BANK OF INDIA								
1	2900000	60 Months	54	10.95%	62981	484323	SECURED AGAINST VEHICLE	2682032

NOTE -5**SHORT TERM BORROWINGS****Secured Loans**

Cash Credit Facilities

31/03/2013	31/03/2012
153773321	126295809

Unsecured Loans

From Related Parties
Intercompany Deposits

26962103	5576524
9920000	11400000

Total

190655424	143272333
------------------	------------------

5.1 Cash Credit Facility are secured against first charge on current assets of the company both current & future and Mortgage of Factory Building, Plant and Machinery of Dehradun Manufacturing Unit of the company.

5.2 The Unsecured Loans from Promoters have been brought in to meet the fund requirements of the Company's business and Project at Selaqui, near Dehradun in pursuance to and in accordance with terms and conditions stipulated by working capital lenders to the company that is Bank of India. Hence these loans are exempt from the company deposit rules notified under section 58A of the companies Act 1956 vide sub clause I of rule 2 of the company deposit rules notified therein.

5.3 Unsecured Loans from related parties pertain to :

	Name of Related Parties	2012-13	2011-12
1	Ajay Bankda (Managing Director)	4507827	2690757
2	Ajay Bankda (HUF)	344000	100000
3	Jyoti Bankda (wife of director)	21613253	2589253
4	Pratik Bankda (Son of Director)	497023	196514
	Total	26962103	5576524

5.4 All the facilities above are short term borrowings repayable on demand.

5.5 In respect of the unsecured loans there are no written agreement entered into with the lenders for the terms of repayment and interest hence they are considered as repayable on demand and hence classified under current liabilities.

NOTE -6**TRADE PAYABLES**

- For Supplies
- For Expenses & Services
- For MSME Industries
Baddi Foils Pvt. Ltd.

31/03/2013	31/03/2012
432189233	261718574
3751294	2755262
0	0
0	483103

Total

435940527	264956939
------------------	------------------



- 6.1 There are no dues towards Micro and Small Enterprises in the current year which are outstanding for more than 45 days as at 31st March, 2013. Previous year there was an outstanding overdue for more than 15 days to one of the party covered under MSME industries which has been paid off during the financial year 2012-13 without any interest as payable under the act. Interest not provided on late payment to MSME current year Nil ,previous year 54,383/- This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.
- 6.2 Trade payables for supplies includes creditors worth Rs. 3,51,19,854 to whom Letter of Credit has been issued, and secured against Current assets of company along with the FDR of Rs. 30 Lacs.

NOTE -7

OTHER CURRENT LIABILITIES

Current maturities of Long Term Borrowings(Refer Note 4.2)

Secured

Against Vehicles

31/03/2013 31/03/2012

484323 187516

Unsecured

0 0

- Term Loans from Banks & Financial Institutions

6996554 2059154

- Creditors for Capital Goods

2079666 4895782

- Customer Credit balance

34459576 706159

- Interest Payable

90000 4167

- Security Deposit Against Supply

100000 200000

Total

44210119 8052778

NOTE -8

SHORT TERM PROVISIONS

Provision for Expenses

1408237 1128900

Provision for Employee Benefits

10670959 7848084

Provision for Statutory Dues

110131 1512895

Total

12189327 10489879



SYNCOM HEALTHCARE LIMITED

NOTE - 9

(AMOUNT IN Rs.)

NOTE OF THE FIXED ASSETS FOR THE PERIOD 01/04/2012 to 31/03/2013

PARTICULARS	G R O S S B L O C K					D E P R E C I A T I O N					N E T B L O C K	
	OP. BAL. As ON 01/04/2012	ADDITIONS DURING THE YEAR	SOLD/REV/ DISPOSED DURING YEAR	TRANSLATION ADJUSTMENTS	GROSS TOTAL BALANCE AS ON 31/03/2013	OPENING BALANCE AS ON 01/04/12	TRANSLATION ADJUSTMENTS	ACCUMULATED DEPRECIATION ON DISPOSAL OF ASSETS	FOR THE YEAR ENDED 31/03/2013	TOTAL BALANCE 31/03/2013	NET BLOCK 31/03/2013	NET BLOCK 31/03/2012
FIXED ASSETS												
TANGIBLE ASSETS												
LAND	2927498	0	0	0	2927498	0	0	0	0	0	2927498	2927498
FACTORY BUILDING	112250369	6024893	0	0	118275262	38385849	0	0	7662188	46048037	72227225	73864520
PLANT & MACHINERY	94846314	107566176	0	0	202412490	36902389	0	0	10165162	47087551	155324939	57943925
ELECTRICAL INSTALLATION	693606	0	0	0	693606	480992	0	0	38483	519475	174131	212614
FURNITURE AND FIXTURES	6186486	209850	0	13105	6409441	3357058	2373	0	533271	3892702	2516739	2829428
VEHICLES	5978208	4325000	398470	0	9904738	3389723	0	341000	1260078	4308801	5595937	2588485
COMPUTERS	5610752	0	0	0	5610752	4947978	0	0	265109	5213087	397665	662774
OFFICE AND FACTORY EQUIPMENTS	38643792	680616	0	15900	39340308	19860980	2212	0	2643802	22506994	16833314	18782812
TOTAL	267137025	118806535	398470	29005	385574095	107324969	4585	341000	22588093	129576647	255997448	159812056
PREVIOUS YEAR	257206503	9930522	0	0	267137025	85117224	0	0	22207745	107324969	159812056	172089279
INTANGIBLE ASSETS												
COMPUTER (SOFTWARE)	2533134	204000	0	0	2737134	1920146	0	0	267561	2187707	549427	612988
PATENTS & COPYRIGHTS	2857300	0	0	0	2857300	2787920	0	0	31380	2819300	38000	69380
TOTAL	5390434	204000	0	0	5594434	4708066	0	0	298941	5007007	587427	682368
PREVIOUS YEAR	5300434	90000	0	0	5390434	4143738	0	0	564328	4708066	682368	1156696



NOTE - 10

NON CURRENT INVESTMENTS

Investments in Quoted Shares

968 Equity Shares of D.B. Corp.Ltd.

31/03/2013 31/03/2012

0 205216

Other Investments

20000 Equity Shares of Sound Craft Ind. Ltd.

5200 5200

40000 Equity Shares of Savit Capital Limited of Rs.1000/- each

0 40000000

Total

5200 40210416

NOTE- 11

DEFERRED TAX ASSETS

Timing Differences	2012-13	2011-12
Difference Of Wdv Of Fixed Assets		
- Wdv As Per Income Tax Act	248949029	159613744
- Wdv As Per Companies Tax Act	256265032	160139183
	(7316003)	(525439)
Unabsorbed Depreciation C/F	26966911	6234277
Expenses To Be Allowed On Payment Basis		
- Sundry Expenses	1281417	0
- Bonus Payable	933327	1104840
- Balance of Leave encashment	591185	244320
- Gratuity Payable	1095119	877818
- Preliminary Expenses allowable U/s 35D	21730878	35433816
Total	45282834	43369632
Deferred Tax Assets @ 32.45%	14692015	14071277

NOTE-12

LONG TERM LOANS & ADVANCES

Capital Advances(for Capital Goods)

31/03/2013 31/03/2012

Security & Other Deposits

93888020 65415666

Others

116397382 41666636

480820 480820

Total

210766222 107563122

12.1 Long term advances to others includes the tax paid under protest for AY 2005-06 and income tax appeal is pending

NOTE - 13

OTHER NON CURRENT ASSETS

A) Product Registration Advances

31/03/2013 31/03/2012

2996628 2178990

SUB-TOTAL (A) **2996628 2178990**

B) Preliminary Expenses

(to the extent not written off or adjusted)

Opening Balance

0 418867

Add:-

Expenditure incurred during the year

0 0

(to the extent not written off or adjusted)

Less:-

Written off during the year

0 418867

(1/5th every year)

SUB-TOTAL (B) 0 0

Total (A+B)

2996628 2178990

13.1 Product Registration advance are advance towards expenses for registration of products to be exported in various countries and application for which are under consideration as at 31/03/13.


NOTE - 14
INVENTORY

	31/03/2013	31/03/2012
Refer Note-1(viii)		
Raw Material	43380298	27116091
Packing Material	38984336	17384274
Work in Progress	20514829	14449757
Finished Goods	14329390	35426636
Traded Goods	63919780	560983401
Gift Items	13816001	9748200
Total	194944634	665108359

NOTE - 15
TRADE RECEIVABLES

	31/03/2013	31/03/2012
(Unsecured Considered Good Subject to Note Below)		
A) Debts Due for a period within six months	1406641380	904978587
B) Debts Due for a period over six months	353274357	155717540
Total	1759915737	1060696127

15.1 There are Debtors to the extent of Rs.84089026 (Previous Year Rs.42096057/-) against whom cases u/s 138 of the Negotiable Instrument Act, are filed by the company. In the opinion of the management, except above debtors, other current assets, Loans and Advances are realizable at the values at which they are stated in the balance sheet, if realized in the ordinary course of business. The provision for Depreciation and for all known liabilities is adequate and not in excess of the amount reasonably necessary. No provision has been made for the bad and doubtful debts against debtors against whom proceeding u/s 138 have been initiated by the company.

15.2 Debtors are subject to confirmation.

NOTE - 16
CASH AND BANK BALANCES

	31/03/2013	31/03/2012
Cash in hand	589822	2060967

BANK BALANCES (WITH SCHEDULED BANK)

- In Current Accounts	6934581	512590
- In Fixed Deposit Accounts	3414108	216752
- Fixed Deposits (having maturities more than 12 months)	130158	120246
- With Foreign Bank		
- In Current Accounts	57699	1551049

Total	11126368	4461604
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16.1 FDR amounting Rs.30 Lacs is pledged against Letter of Credit sanctioned to the company & remaining FDR's are pledged with government against export obligation undertaken EPCG Scheme.

NOTE - 17
SHORT TERM LOAN AND ADVANCES

	31/03/2013	31/03/2012
(Unsecured Considered Good)		
Advances recoverable in cash or in kind or for value to be received	21579394	6407825
Advances to related parties		
Other Loan and Advances	0	0
Advance Tax/ VAT Receivable	2443204	1236635
Prepaid Expenses	309774	374147
Others	223705037	256061173
Total	248037409	264079780

17.1 Other Loans and advances are short term Inter-corporate Deposits /Advances to private parties and there are no written agreements for them. However the management certifies that all such loans are good, unsecured and are repayable on demand. No interest is charged on advances of Rs.82602970 (Previous year Rs. 128615470) other advances carry interest at the at prevailing market rates adjusted as per the creditworthiness of the parties.

17.2 Advances recoverable in cash or kind includes the advances for supply, expenses & services, advances given to employees.

NOTE-18
OTHER CURRENT ASSETS

	31/03/2013	31/03/2012
Interest Receivable	5357508	7882917
Total	5357508	7882917



SYNCOM HEALTHCARE LIMITED
NOTES FORMING PART OF THE STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31/03/2013

NOTE - 19	31/03/2013	31/03/2012
OTHER INCOME		
Foreign Exchange Gain / (Loss)	(18997)	11921474
Dividend Received	3146	7630
Misc. Income	69592	158290
Provision Written Back	163729	759548
Profit on Sale of Investments & Assets	49134	219873
Interest Received	22350386	27284936
Total	22616990	40351751

NOTE - 20	31/03/2013	31/03/2012
COST OF MATERIAL CONSUMED		
Opening Stock		
Raw Material	27116091	19764995
Packing Material	17384274	16078234
Add:-		
Raw Material Purchased	268690622	203686264
Packing Material Purchased	106365699	102217424
Other Store Consumption	2463069	1725112
Freight and Cartage	1301853	1029333
Less: Material Sold		
Raw Material	2729105	0
Packing Material	1691626	0
Less: Closing Stock		
Raw Material	43380298	27116091
Packing Material	38984336	17384274
Total	336536243	300000997

NOTE - 21	31/03/2013	31/03/2012
PURCHASES OF STOCK IN TRADE		
Purchases (Net of Return)	943108954	1342659441
Freight and Cartage	102039	132605
Total	943210993	1342792046

NOTE - 22	31/03/2013	31/03/2012
EMPLOYEE BENEFITS EXPENSE		
Staff Salary, Wages, Welfare and Other Benefits	83026067	87882499
Remuneration to Directors	1228765	1144759
Contribution to Provident Fund and ESIC	1273976	1390078
Total	85528808	90417336

22.1 Director's Remuneration

Sn.	Particular	Ajay Bankda	
		3/31/2013	3/31/2012
1	Salaries	600000	600000
2	Other perquisites/Benefits	628765	544759

NOTE - 23	31/03/2013	31/03/2012
FINANCE COST		
Interest expense	33340804	23596471
Other borrowing cost	3439877	1374707
Total	36780681	24971178

NOTE - 24	31/03/2013	31/03/2012
DEPRECIATION AND AMORTIZATION EXPENSES		
Preliminary expenses written off	0	418867
Depreciation and amortisation (Refer Note 9)	22887034	22772073
Total	22887034	23190940



NOTE - 25

OTHER EXPENSES

	31/03/2013	31/03/2012
Audit fees	196630	129214
Sales promotional and gift expenses	1274322	26682346
Other sales and marketing expenses	26829584	1513780
Breakage damage and expired goods	598804	23776557
Advertisement	74907	59119
Power and fuel	13729768	11683838
Office and godown rent	3162161	2814900
Insurance expenses	413492	521834
Repairs and Maintenance	5677637	6868784
Travelling, lodging and conveyance - Directors	302527	263296
Travelling, lodging and conveyance - Others	15835287	19112541
Vehicle running and maintenance	735415	634575
Postage telegram and telephone	1130143	1686417
Legal and professional expenses	5855976	5310069
Rates and taxes	274910	107267
Freight and packing expenses	3329356	3810448
Cash discount in sales	1816149	696611
Sundry expenses	7785795	6440125

Total

89022863

112111721

25.1 Auditor's Remuneration

PARTICULARS	2012-13	2011-12
a. For Statutory Audit fees	211123	70000
b. For Tax Audit	15000	15000
c. For Company law matters	20000	20000
d. For Certification and other matters	414000	10000
Total:	660123	115000
Add :- Service tax	64148	14214
Total	724271	129214

25.2 Prior Period Items

Following are the prior period incomes/ Expenses included in the current year income and expenses.

Particulars	2012-13	2011-12
Incomes		
Excess Provisions Written Back		
Gratuity		759548
Bonus	163729	
Total (a)	163729	759548
Expenses		
Cost of Material Consumed (Packing Material)	3569	
Staff Salary	2980	
Legal & Professional Expenses	281791	
Leave Encashment	18141	
House Keeping Expenses	1650	
Travelling Expenses	10071	
Short Provision of Leave Encashment	18141	
Purchase Gift Article	54896	
Misc. Expenses	7446	
Printing & Stationary	5615	
Auditor's Remuneration		103958
Income Tax Demand A.Y. 2009-10		627080
Provident Fund Demand		580606
Total (b)	404300	1311644
Balance (a-b) Income/(Expenses)	(240571)	(552096)

NOTE - 26

Earning Per Share

	31/03/2013	31/03/2012
Amount Available to Equity Shareholders	40084629	33459435
Weighted Average Number of Equity Shares	40000000	40000000
Face Value per Equity Share	10	10
Earning per Equity Share Basic and Diluted	1.00	0.84

Note - 27

The Subsidiary considered in the consolidated financial statement is:

Sr. No.	Name	Country of Incorporation	Proportion of Ownership as at 31 March 2013	Proportion of Ownership as at 31 March 2012
1	SYNCOM HEALTHCARE INTERNATIONAL, FZE	UNITED ARAB EMIRATES	100% (737 Equity Shares of AED 100000 each)	100% (2 Equity Shares of AED 100000 each)

Note - 28
CLAIM, DEMANDS AND CONTINGENCIES:

Disputed and / or contingent liabilities are either provided for or disclosed depending on the management's judgment of the outcome. However for the year under report there are no disputed liabilities at all outstanding on the company.

Following Contingent Liabilities were not provided in the books.

1. Legal suits filed by past employees towards salary claims with total Financial impact Rs. 589326/- . (Previous year Rs. 589326/-)
2. A legal suit filed against the company for ownership of certain trademark where an ex-parte decree has been passed against the company for Rs. 5.00 lacs. The company has deposited the demand under protest as security money and has filed an appeal against the captioned order. (Previous year Rs. 5.00 Lacs)
3. There is an Export Obligation of Rs. 7.50 Lacs on the company for towards exemption of Custom Duty availed by the company on import of machinery under the EPCG Scheme of the government. (Previous year Rs. 7.50 Lacs).
4. Bank guarantees issues by the Lenders to the company , against which counter guarantee of the Company is outstanding , and which are in force as on 31/03/2013 are of total value Rs. 6,36,600/- (Previous year Rs. 10,59,500)
5. There is demand of Rs. 854268/- raised by Income Tax Department for A.Y. 2005-06. Company has filed appeal against this demand and deposited Rs. 436600/- against it.

There were no significant events and contingencies which have occurred after 31/03/2013 up to the date of signing of these final accounts which result in the impairment of any asset of the company outstanding and owned by the company as on 31/03/2013 and which results in any contingent loss for which provision has to be done in the profit and loss account for the year.

Note - 29
Segment information

Income for each segment has been specifically identified. Expenditure, assets and liabilities are either specifically identified with individual segments or have been allocated to segments on a systematic basis. Based on such allocations, segmental balance sheet as at 31 March 2013 and segmental statement of profit and loss for the year ended 31 March 2013 have been prepared.

The Group operates mainly in two segments as under

1. Pharmaceuticals Manufacturing and trading
2. Other Trading

	Pharmaceutical Manufacturing and trading		Other trading	
	2012-13	2011-12	2012-13	2011-12
Revenue	941447284	858392364	1101866197	490915952
Inter Segment Sales	0	0	0	0
Total Revenue	941447284	858392364	1101866197	490915952
Segment results before dividend and other income, interest, Depreciation & Amortisation ,tax and exceptional items	37545979	18107812	39379704	31718766
Dividend and other income,	22606940	40272727	6904	79024
Interest & Financial Charges	36764644	24837316	16037	133862
Depreciation & Amortisations	22827216	23124244	59818	105484
Profit before Tax	561059	10418979	39310753	31558444
Provision for Taxes	404163	2710157	0	0
Deferred Taxes	(627403)	5846619	0	0
Profit after Taxes	784299	1862203	39310753	31558444
Other Information				
Segment Assets	2522383004	1311796196	1097316731	1025741019
Segment Liabilities	798957281	505243679	876511	0
Capital Expenditure	390717587	272105522	450942	421936
Depreciation	134452555	111966339	131099	105484
Non Cash Expenditure other than depreciation	0	418867	0	0

Note – 30

Related party Disclosure under Accounting Standard (AS-18). The List of the related parties as identified and certified by the management is as under:-

1. Enterprises that directly or indirectly control (through subsidiaries) or are controlled by or are under common control with the reporting enterprise
 - a. Syncom Healthcare International FZE – Subsidiary
2. **Individuals owning voting power giving control or significant influence;**
NIL
3. **Key management personnel and their relatives;**
 - a. **Key Managerial Personnel**
 - i. Shri Ajay Bankda
 - ii. Shri J.P.Bagaria

b. Relatives of Key Managerial Persons
I. Shri Ajay Bankda

1. Shri Pratik Bankda – Son
2. Shri Pranav Bankda – Son
3. Ajay Bankda HUF – HUF of Director
4. Smt. Jyoti Bankda – Wife

4. Enterprises over which any of the persons in (2) or (3) are able to exercise significant influence over the Company.

- i. Sinorita Biotech Private Limited
- ii. Warner Life Sciences (India) Ltd.
- iii. Giriraj Buildicon

Transactions with the related persons during for the Financial Year 2012-13

<u>2012-13</u>	Ajay Bankda	Jyoti Bankda	J.P. Bagaria	Pratik Bankda	Pranav Bankda	Ajay Bankda HUF
Relation	Key managerial Person	Wife of Shri Ajay Bankda	Key managerial Person	Son of Shri Ajay Bankda	Son of Shri Ajay Bankda	HUF of Shri Ajay Bankda
Loans received	103274438	29590000	0	8875000	0	0
Repayment of Loans	101457368	10890000	0	8574491	0	116000
Payment towards Expenses	1610796	104917	0	162950	8939	39187
Foreign Exchange Translating Reserve Adjusted	0	0	0	0	0	0



Shares Allotment received	0	0	0	0	0	0
Dividend Received	0	0	0	0	0	0
Salary credited	600000	0	0	480000	0	0
Rent Deposit Given	22500000	22500000	0	7500000		22500000
Office Rent	360000	360000	90000	132000	0	360000
Rent Free House	450000	0	0	0	0	0
Other Benefits	178765	0	0	0	0	0
Balance Receivable	17973818	12586309	0	6991612	0	33353234
Balance Payable	0	0	0	0	174752	0

Transactions with the related persons during for the Financial Year 2011-12

2011-12	Ajay Bankda	Jyoti Bankda	J.P. Bagaria	Pratik Bankda	Pranav Bankda	Ajay Bankda HUF
Relation	Key Managerial Person	Key Managerial Person	Key Managerial Person	Son of Shri Ajay Bankda	Son of Shri Ajay Bankda	HUF of Shri Ajay Bankda
Loans received	84504339	230000	0	2090000	0	0
Repayment of Loans	81813582	7865000	7500	2723925	2866	3500000
Advances Given	13727864	0	0	0	0	0



Foreign Exchange Translating Reserve adjusted	0	0	0	0	0	0
Advances towards share application Given	0	0	0	0	0	0
Shares Allotment received	0	0	0	0	0	0
Repayment received	24016411	0	0	0	0	0
Salary credited	600000	0	0	480000	0	0
Office Rent	360000	360000	90000	132000	0	360000
Rent Free House	456000	0	0	0	0	0
Other Benefits	88759	0	0	0	0	0
Balance Receivable	9268857	9041392	0	3761171	0	11058047
Balance Payable	0	0	0	0	183691	0

Note – 31

The figures in the Balance Sheet & Statement of Profit & Loss have been rounded-off to nearest rupee. The previous year figures have been regrouped and reclassified and rearranged according to Revised Schedule VI of The Companies Act 1956.

Note-32
Disclosure under Clause 32 of the Listing Agreement

Amount of loans and advances in nature of loans outstanding from subsidiaries as at March 31, 2013



(Amount in Rs.)

	Subsidiary Company	Outstanding as at 31/03/2013	Maximum outstanding during the year
1	Syncom Healthcare International, FZE	740685	1022758690

Note-33

Statement Pursuant to general exemption received under Section 212(8) of the Companies Act, 1956 relating to subsidiary companies

Name of the subsidiary company	SYNCOM HEALTHCARE INTERNATIONAL, FZE
Reporting currency	USD
Exchange Rate	54.33
Capital	908065971
Reserves	181914431
Total Assets	1097316731
Total Liabilities	1097316731
Investment other than Investment in Subsidiary	-
Turnover	1,101,866,197
Profit before Taxation	39,303,849
Provision for Taxation	0
Profit after taxation	39,303,849
Proposed Dividend /Interim Dividend	1559971
Country	UAE

Indian rupee equivalents of the figures given in foreign currencies in the accounts of the subsidiary companies are based conversion rates adopted as under

1. Assets and Liabilities other than capital and reserves on the exchange rates as on 31.03.2013
2. Revenue receipts and expenses on the basis of average exchange rates for the year 2012-13.
3. Share Capital on the value recorded in the Books of Parent at the time of remittance of the capital.
4. The difference arising on conversion as above is transferred to foreign exchange translation reserve.

As per our report annexed
For **Sanjay Mehta and Associates**
Chartered Accountants
Regn. No. 01152C

For and on behalf of Board

Manish Mittal
Partner
M. No. 079452
Indore, 30/05/2013

Ajay Bankda
Managing Director

J.P.Bagaria
Director



SYNCOM HEALTHCARE LIMITED

Regd. Office : 221, Vyapar Bhawan, P.D. Mello Road, Mumbai, - 400 009

PROXY FORM

Regd. Folio No. / Client ID No.....

No. of Shares held.....

(To be filled by the Members)

I / We of in the district of being a member/members of Syncom Healthcare Limited hereby appoint Mr/Mrs..... of in the district of or falling him/her, Mr. / Mrs of in the district of as my/our proxy to attend and vote for me/us, on my/our behalf at the Eleventh Annual General Meeting of the Company to be held on, Manday, 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 and at any adjournment there of.

Signed this.....day of.....2013

Signature.....

Notes:

A member is entitled to attend and vote is also entitled to appoint a proxy and vote instead of himself. The proxy need not to be member of the company.

This proxy form in order to be effective, should be duly stamped, completed, signed and deposited at the Registered Office of the Company, not less than 48hours before the commencement of the meeting.



SYNCOM HEALTHCARE LIMITED

Regd. Office : 221, Vyapar Bhawan, P.D. Mello Road, Mumbai, - 400 009

ATTENDANCE SLIP

Regd. Folio No. / Client ID No.....

No. of Shares held.....

(To be filled by the Members)

I certify that I am registered shareholder/proxy for the registered shareholder of the Company.

I hereby accord my presence at the Eleventh Annual General Meeting of the Company to 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 .

.....
Member's/Proxy name in BLOCK letters

.....
Member's/Proxy Signature

Notes:

1. A Member/Proxy attending the meeting must complete this Attendance Slip and hand it over at the entrance.
2. Members are requested to bring their copy of Annual Report.