



**SYNCOM**  
Healthcare Limited

Date: 01/02/2016

To, Dept. of Corporate Services, Bombay Stock Exchange Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001	To, The Listing Department, National Stock Exchange of India Limited, Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai 400051
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<b>BSE Scrip Code:</b> 533157	<b>NSE Scrip:</b> SYNCOM
<b>CIN : L51397MH2002PLC136652</b>	<b>ISIN:</b> INE602K01014

**Sub: Notice under Rule 4 of SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 read with Section 15-I of the Securities and Exchange Board of India Act, 1992**

Dear Sir,

With reference to above mentioned subject, the Company has received notice from SEBI regarding non-compliance of Unpublished Price Sensitive Information against company and its officers and the copy of the same is enclosed herewith. The reply of the same shall be sent in due course of time.

Kindly oblige and take the same on your record.

Thanking you,

Yours faithfully,

For SYNCOM HEALTHCARE LIMITED



Akansha Sisodiya  
Company Secretary and Compliance Officer



CIN : L51397MH2002 PLC136652



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**Prasad Jagadale**  
**Adjudicating Officer**  
Tel.: 26449692  
E-mail- prasadj@sebi.gov.in

**By E-mail**

**EAD/PJ/JAK/OW/2015**  
**December 29, 2015**

Ref.No. 35695/1	<b>1. M/s Syncom Health Care Limited,</b> 221, Vyapar Bhavan, P.D'mello Road, <b>Mumbai - 400 009</b>	Ref.No. 35696/2	<b>2. M/s Ajay Bankda, Chairman &amp; Managing Director,</b> <b>M/s Syncom Health Care Limited,</b> 221, Vyapar Bhavan, P.D'mello Road, <b>Mumbai - 400 009</b>
Ref.No. 35698/3	<b>3. Ms. Jyoti Bankda, Director,</b> <b>M/s Syncom Health Care Limited,</b> 221, Vyapar Bhavan, P.D'mello Road, <b>Mumbai - 400 009</b>	Ref.No. 35702/4	<b>4. Mr. J P Bagaria, Non-Executive Director,</b> <b>M/s Syncom Health Care Limited,</b> 221, Vyapar Bhavan, P.D'mello Road, <b>Mumbai - 400 009</b>
Ref.No. 35706/5	<b>5. Mr. J C Paliwal,</b> <b>Compliance Officer, M/s Syncom Health Care Limited,</b> 221, Vyapar Bhavan, P.D'mello Road, <b>Mumbai - 400 009</b>	Ref.No. 35714/6	<b>6. Mr. Atul Thapliyal, Compliance Officer,</b> <b>M/s Syncom Health Care Limited,</b> 221, Vyapar Bhavan, P.D'mello Road, <b>Mumbai - 400 009</b>
Ref.No. 35715/5	<b>7. Mr. Naveen Sood, Compliance Officer, M/s Syncom Health Care Limited,</b> 221, Vyapar Bhavan, P.D'mello Road, <b>Mumbai - 400 009</b>	Ref.No. 35716/5	<b>8. Mr. Subash Chandra Gupta,</b> <b>Compliance Officer, M/s Syncom Health Care Limited,</b> 221, Vyapar Bhavan, P.D'mello Road, <b>Mumbai - 400 009</b>

**Notice under Rule 4 of SEBI (Procedure for Holding Inquiry and imposing Penalties by Adjudicating Officer) Rules, 1995 read with Section 15-I of the Securities and Exchange Board of India Act, 1992**

1. The undersigned has been appointed as Adjudicating Officer, vide Order dated April 24, 2015 (**Annexure-1**) under section 19 of the Securities and Exchange Board of India(SEBI) Act, 1992(hereinafter referred to as "**SEBI Act**") read with 15-I of the SEBI Act and Rule 3 of SEBI(Procedure for holding inquiry and imposing penalties by adjudicating officer) Rules, 1995, to inquire into and adjudge under section 15HA and 15HB(for entities 1 to 5) and Section 15HB(for entities 6 to 8) of the SEBI Act for the alleged aforesaid violations by the said entities.

2. In terms of the provisions of Rule 4 of the Adjudicating Rules requiring it to show cause as to why an inquiry should not be held against the above mentioned entities for the alleged violation
  - Regulation 12(2) read with Clause 2.0 of Schedule II of the SEBI (Prohibition of Insider Trading) Regulations, 1992 and Regulations 12(1) and 12(3) read with Clause 1.2 of Part A of Schedule I of the SEBI (Prohibition of Insider Trading) Regulations, 1992 and Section 12A(c) of SEBI Act, 1992 read with Regulations 3(d), 4(1), 4(2)(f) and 4(2)(r) of SEBI(Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003 (for entities mentioned at 1 to 5).
  - Regulations 12(1) and 12(3) read with Clause 1.2 of Part A of Schedule I of the SEBI (Prohibition of Insider Trading) Regulations, 1992 (for entities at 6 to 8).
3. Based on the complaint received from All Gujarat Investor Protection Trust (AGIPT), recognized Investor Association of SEBI, examination in the scrip of Syncom Healthcare Limited (SHL) was carried out and suspected six entities traded in the scrip with possession of Unpublished Price Sensitive Information(UPSI) i.e. entering into MOU with Advanced Technolab, Congo for undertaking product marketing activities in Congo(announcement made on March 08, 2010).
4. Pursuant to the Investigation, the following were observed:
  - a. SHL made disclosure about entering into MOU with Advanced Technolab on March 08, 2010. The signing of the said MOU was called off on April 12, 2010. Company failed to make disclosure in this regard.
  - b. Although SHL had entered into the agreement with Kilitch Drugs Limited on March 17, 2010, it made corporate announcement on March 29, 2010 i.e. "it is entering into an agreement". Thus it put Corporate Announcement

which was not true. Therefore, it misled the public by the said corporate announcement.

- c. From the analysis of KYC of suspected entities, Ministry of Corporate Affairs filings, Common directorships, no connection was observed between Company or Directors/Promoters/persons in possession of UPSI of the company and suspected entities.
  - d. Code of Conduct adopted by SHL on February 06, 2010 was effective from April 01, 2010. Thus, no code of conduct was in force during February 15, 2010 (Listing Day) to March 31, 2010. Further, Code of Conduct adopted by SHL does not contain Clause 1.3, sub-clause (d) of clause 3.2-3, Clauses 3.2-5, 3.2-6, 3.3-1, 3.3-2, 3.3-3, 4.1 and 4.2 of Part A – Model Code of Conduct for Prevention of Insider Trading for Listed Companies specified in Schedule I under Regulation 12(1) of SEBI(Prohibition of Insider Trading) Regulations, 1992(herein after referred as SEBI(PIT) Regulations) and same code of conduct is in force as on September 16, 2014.
5. Based on the observations during the Investigation, Adjudication proceedings has been recommended against SHL, Board of Directors (excluding independent directors) and Company Secretaries for no effective Code of Conduct for prevention of Insider Trading during February 15, 2010 (Listing Day) to March 31, 2010 and thereafter, not adopting Code of Conduct as near thereto Code of Conduct prescribed by SEBI under SEBI (PIT) Regulations.
  6. Adjudication Proceedings against SHL, Board of Directors (excluding independent directors) and Company secretaries during the relevant period has been recommended for non-disclosure when signing of MOU with Advanced Technolab was called off and for making misleading corporate announcement on March 29, 2010



7. Based on the complaint received from AGIPT, examination in the scrip of SHL was carried out and observed that the Company made Corporate announcement on March 8, 2010 up on entering into MOU with Advanced Technolab to undertake product marketing activities and suspected that six entities namely SCB Corporation (Proprietor: Mr. Bamcha Sunil Chimanlal), VFC Share Brokers Pvt. Ltd, Money Tree Media Ventures Pvt. Ltd, Mr. Prakshbhai Narsinhbhai Patel, Mr. Subhakaran Tilokchand Agarwal and Mr. Nilesh Sureshbhai Shah traded in the scrip with possession of UPSI.

#### **8. Observations:**

SCB Corporation, VFC Share Brokers Pvt. Ltd and Money Tree Media Ventures Pvt. Ltd were observed to have bought shares in the pre analysis / pre announcement period. They sold shares in the post announcement period and earned positive square off differences of Rs. 51.23, Rs. 23 lac and Rs. 4.80 lac respectively. Majority of the trading activity of clients was in the scrip only during the period of analysis. Based on the above facts, Investigation relating to buying, selling and dealing in shares of Syncom Healthcare Limited was initiated.

9. The focus of the investigation was to ascertain any violation of SEBI (Prohibition of Insider Trading) Regulations, 1992 by SCB Corporation (Proprietor: Mr. Bamcha Sunil Chimanlal), VFC Share Brokers Pvt. Ltd, Money Tree Media Ventures Pvt. Ltd, Mr. Prakshbhai Narsinhbhai Patel, Mr. Subhakaran Tilokchand Agarwal and Mr. Nilesh Sureshbhai Shah. Company made Corporate Announcement relating to Entering into MOU with Advanced Technolab on March 08, 2010. Hence, the Investigation period is from February 15, 2010 (Listing day) to March 31, 2010. However, wherever deemed necessary, reference has been made to outside this period.

## 10. Background of the Company :

Incorporated in 2002, Syncom Healthcare Limited is a pharmaceutical company based in Mumbai. Syncom is in the business of manufacturing, marketing & trading of pharmaceuticals formulations under its own brands of Ethical, OTC, Generic and Herbal market segment.

Directors and Key personnel of the Company: (Source: Annual Report 2009-10)

Name	Designation
Mr. Ajay Bankda	Chairman & Managing Director
Ms. Jyoti Bankda	Whole Time Director
Mr. J P Bagaria	Non – Executive Director
Mr. Avichal Kasliwal	Independent and Non-Executive Director
Mr. Govind Das Pasari	Independent and Non-Executive Director
Mr. Bharat Kumar Doshi	Independent and Non-Executive Director
Mr. J C Paliwal	Company Secretary

Script was listed on BSE and NSE on February 15, 2010.

### Shareholding Pattern:

Particulars	As per Final Offer Document – Post Issue capital			Quarter ended March 2010			Quarter ended June 2010		
	No. of shareholders	No. Of shares	% of share holding	No. of shareholders	No. Of shares	% of share holding	No. of shareholders	No. Of shares	% of share holding
Promoter Holding	8	1,00,00,000	57.14	8	1,00,00,000	57.14	8	1,00,00,000	57.14
Non Promoter Holding	N.A.	75,00,000	42.86	4330	75,00,000	42.86	15623	75,00,000	42.86

g									
<b>Total</b>	<b>N.A.</b>	<b>1,75,00,000</b>	<b>100.00</b>	<b>4338</b>	<b>1,75,00,000</b>	<b>100.00</b>	<b>15631</b>	<b>1,75,00,000</b>	<b>100.00</b>

From the above table, it can be observed that there is no change in the shareholding of Promoter Group and Public during February 15, 2010 to June 30, 2010.

**Details of promoter shareholding** (Post issue holdings as per prospectus and Quarter Ended March and June 2010):

S. No.	Name	No of shares	% of shareholding	Pledged shares	% of promoter share holding	% of total shareholding
1	Mr. Ajay Bankda	62,17,206	35.53	0	0	0
2	Ms. Jyoti Bankda	34,59,101	19.77	0	0	0
3	Mr. Pratik Bankda	2,00,030	1.14	0	0	0
4	Mr. Asha Ghuwalewala	55,000	0.31	0	0	0
5	Ajay Bankda (H.U.F)	50,000	0.29	0	0	0
6	Mr. Aditya Ghuwalewala	18,463	0.11	0	0	0
7	Mr. Jagdish Prasad Bagaria	100	0.00	0	0	0
8	Uma Devi Bagaria	100	0.00	0	0	0
	<b>Ms. Total</b>	<b>10,00,00,000</b>	<b>57.14</b>	<b>0</b>	<b>0</b>	<b>0</b>

It is observed that promoters shareholding remain same during the Quarter ended February 15, 2010 and June 30, 2010. The promoters did not pledge any shares from February 15, 2010 to June 30, 2010.

**Financial Results: (amount in Rs. Crores)**

Particulars	Year Ended			Quarter Ended	
	2008-09 (as per Final Offer document)	2009-10	2010-11	Mar 2010	June 2010
Net Sales	60.57	66.90	75.59	20.63	18.67
Other Income	0.01	0.05	3.20	0.01	0.3
Total Income	60.58	66.95	78.79	20.64	18.97
Profit After Tax	3.81	3.97	2.63	1.53	1.13

From the above table, it can be observed that Total income of the company increased from Rs. 60.57 Crore for the year ended 2009 to Rs. 75.59 Crore for the year ended 2011 and Total income decreased from Rs. 20.63 Crore to 18.67 Crore and Profit after tax decreased from Rs. 1.53 Crore to Rs. 1.13 Crore for the quarter ended March 2010 and June 2010 respectively.

**Corporate Announcements:** Corporate announcements and their impact on the price and volume of the scrip on BSE during Investigation period was as under:

S.No	Date and Time	Announcement/News	Price Impact/Shares Traded	Remarks																
1	Feb 15, 2010 at 08:56	Listed and admitted dealings on the Exchange in the list of B Group Securities	<p>15/02/10 (Mon)</p> <table border="1"> <tr> <th>O</th> <th>H</th> <th>L</th> <th>C</th> </tr> <tr> <td>88.00</td> <td>107.25</td> <td>85.80</td> <td>87.85</td> </tr> </table> <p>No. of shares traded: 2,61,01,821</p> <p>16/02/10 (Tue)</p> <table border="1"> <tr> <th>O</th> <th>H</th> <th>L</th> <th>C</th> </tr> <tr> <td>87.40</td> <td>88.00</td> <td>80.75</td> <td>85.35</td> </tr> </table> <p>No. of shares traded: 78,36,604</p>	O	H	L	C	88.00	107.25	85.80	87.85	O	H	L	C	87.40	88.00	80.75	85.35	The scrip on Feb 16, 2010 closed below 2.85% of the previous day (15/02/2010) closing price.
O	H	L	C																	
88.00	107.25	85.80	87.85																	
O	H	L	C																	
87.40	88.00	80.75	85.35																	
2	March 05, 2010 (Fri) at 11:54:00 and 11:50:00 (2 Corp. Announcements)	Cresta Fund Limited sold 1749960 shares (9.99% of share capital) and Mavi Investment sold 5,00,000 shares (2.85% of share capital). Necessary SAST disclosures were made to Stock Exchange.	<p>04/03/10 (Thu)</p> <table border="1"> <tr> <th>O</th> <th>H</th> <th>L</th> <th>C</th> </tr> <tr> <td>99.95</td> <td>113.80</td> <td>99.25</td> <td>110.40</td> </tr> </table> <p>No. of shares traded: 60,96,750</p> <p>05/03/10 (Fri)</p> <table border="1"> <tr> <th>O</th> <th>H</th> <th>L</th> <th>C</th> </tr> <tr> <td>112</td> <td>113.9</td> <td>109.3</td> <td>111.2</td> </tr> </table> <p>No. of shares traded: 28,26,274</p>	O	H	L	C	99.95	113.80	99.25	110.40	O	H	L	C	112	113.9	109.3	111.2	The scrip on March 05, 2010 closed above 0.72% of the previous day (04/03/2010) closing price.
O	H	L	C																	
99.95	113.80	99.25	110.40																	
O	H	L	C																	
112	113.9	109.3	111.2																	
3	March 08, 2010 (Mon) at 11:35:00	<i>Syncom is entering in an MOU with M/s Advanced Techno Lab, based in Congo who will undertake product marketing activities.</i>	<p>05/03/10 (Fri)</p> <table border="1"> <tr> <th>O</th> <th>H</th> <th>L</th> <th>C</th> </tr> <tr> <td>112</td> <td>113.9</td> <td>109.3</td> <td>111.2</td> </tr> </table> <p>No. of shares traded: 28,26,274</p> <p>08/03/2010</p> <table border="1"> <tr> <th>O</th> <th>H</th> <th>L</th> <th>C</th> </tr> <tr> <td>113</td> <td>116.7</td> <td>111.8</td> <td>115.75</td> </tr> </table> <p>No. of shares traded: 26,01,683</p>	O	H	L	C	112	113.9	109.3	111.2	O	H	L	C	113	116.7	111.8	115.75	<i>The scrip on March 08, 2010 closed above 4.09% of the previous day (05/03/2010) closing price.</i>
O	H	L	C																	
112	113.9	109.3	111.2																	
O	H	L	C																	
113	116.7	111.8	115.75																	
4	March 29, 2010 (Mon) at 12:37:00	In addition to the existing tie ups with Ranbaxy Labs Ltd., Wockhardt Ltd., Piramal Healthcare Ltd., Lupin Pharma etc., Company is entering into agreement with Mumbai based Kilitch Drugs Ltd.	<p>29/03/10</p> <table border="1"> <tr> <th>O</th> <th>H</th> <th>L</th> <th>C</th> </tr> <tr> <td>135</td> <td>135</td> <td>119.65</td> <td>129.5</td> </tr> </table> <p>No. of shares traded: 81,20,681</p> <p>30/03/10</p> <table border="1"> <tr> <th>O</th> <th>H</th> <th>L</th> <th>C</th> </tr> <tr> <td>129.5</td> <td>136.4</td> <td>128.45</td> <td>133.7</td> </tr> </table> <p>No. of shares traded: 31,99,190</p>	O	H	L	C	135	135	119.65	129.5	O	H	L	C	129.5	136.4	128.45	133.7	The scrip on March 30, 2010 closed above 3.24% of the previous day (29/03/2010) closing price.
O	H	L	C																	
135	135	119.65	129.5																	
O	H	L	C																	
129.5	136.4	128.45	133.7																	

Similar price movement in the scrip was observed on NSE.

11. SHL agreement with Kilitch Drugs: With regard to the Corporate Announcement made by the Company on March 29, 2010, from the agreement

provided by the Company vide e-mail dated January 7, 2015, it is observed that although the company had entered into the agreement with Kilitch Drugs Limited on March 17, 2010, it made corporate announcement on March 29, 2010 i.e. "it is entering into an agreement". Thus it put Corporate Announcement which was not true. Therefore, it misled the public by the aforesaid corporate announcement. The agreement was signed by J P Bageria, Non-Executive Director. In this regard, Adjudication proceedings against SHL, Board of Directors (excluding independent directors) and Company secretary during the relevant period are being proposed.

**Price Volume Analysis:** (Scrip was listed on February 15, 2010) (Amount in Rs.)**Price Volume (BSE)**

Particulars		Open	High	Low	Close	Market Volume	Average Daily Volume
Feb 15, 2010 – March 31, 2010 – Investigation Period	Price	88.00 (Feb 15, 2010)	162.40 (Mar 26, 2010)	70.65 (Feb 24, 2010)	119.95 (Mar 31, 2010)	15,26,93,995	49,25,613
	Day Vol	26101821	21974772	2924727	6126379		
April 01, 2010 – April 30, 2010 - One month of Post Investigation Period	Price	122 (April 01, 2010)	126.8 (April 01, 2010)	67.75 (Apr 29, 2010)	69.25 (April 30, 2010)	2,61,31,107	13,06,555
	Day Vol	4521822	4521822	260091	394410		

From the above table, it can be observed that price of the scrip decreased from Rs. 88 as on February 15, 2010 (Listing day) to Rs. 70.65 as on February 24, 2010 and increased to Rs. 162.40 as on March 26, 2010 and closed at Rs. 119.95 as on March 31, 2010. During post investigation period, price of the scrip increased to Rs. 126.80 as on April 01, 2010 and decreased to Rs. 69.25 as on April 30, 2010. During Investigation period, BSE Sensex increased from 16186.90 to 17527.77. As on October 10, 2014, price of the scrip is Rs. 7.00 (Face value Rs. 10/-)

The average daily traded shares decreased from 49,25,613 shares during Investigation period to 13,06,555 shares during post Investigation Period.

**Price Volume (NSE):** (Scrip was listed on February 15, 2010) (Amount in Rs.)

Particulars		Open	High	Low	Close	Market Volume	Average Daily Volume
Feb 15, 2010 – March 31, 2010 – Investigation Period	Price	89.90 (Feb 15, 2010)	162.45 (Mar 26, 2010)	70.00 (Feb 24, 2010)	119.00 (Mar 31, 2010)	23,71,90,040	76,51,292



	Day Vol	52499576	29051177	4185462	9971361		
April 01, 2010 – April 30, 2010 - One month of Post Investigation Period	Price	120 (Apr 01, 2010)	126.5 (Apr 01, 2010)	68.10 (Apr 29, 2010)	69.2 (Apr 30, 2010)	5,58,86,632	27,94,332
	Day Vol	7839956	7839956	642262	939131		

From the above table, it can be observed that price of the scrip decreased from Rs. 89.90 as on February 15, 2010 (Listing day) to Rs. 70.00 as on February 24, 2010 and increased to Rs. 162.45/- as on March 26, 2010 and closed at Rs. 119.00 as on March 31, 2010. During post investigation period, price of the scrip increased to Rs. 126.50 as on April 01, 2010 and decreased to Rs. 69.20 as on April 30, 2010. During Investigation period, CNX Nifty increased from 4827.90 to 5249.10. As on October 10, 2014, price of the scrip is Rs. 7.00/- (Face value Rs. 10/-)

The average daily traded shares decreased from 76,51,292 shares during Investigation period to 27,94,332 shares during post Investigation Period.

Company made corporate announcement on March 08, 2010 at 11:33:00 and 11:35:00 on NSE and BSE respectively about *entering into an MOU with M/s Advanced Techno Lab* who will undertake product marketing activities in Congo, Africa and expected growth of top line from 25% to 30% to approx Rs. 90 cores in next financial year.

*Chronology of events relating to MOU with Advanced Techno Lab:*

Date	Persons involved	Event
February 06, 2010	Board of Directors	Board of Directors accorded approval to enter into an understanding with M/s Advanced Technolab and authorized Mr. Pratik Bankda to discuss and finalize the contours of the understanding with M/s Advanced Technolab, Congo and to sign MOU.
February 15 - 16, 2010	Mr. Pratik Bankda	Company listed on BSE and NSE on Feb 15, 2010.
		Mr. Pratik Bankda travelled to Congo to give final shape to the discussions.
February 18, 2010		Mr. Pratik Bankda returned to India after discussions with M/s Advanced Technolab.
		Submission of Internal Assessment Report on Advanced Technolab by Pratik bankda
Feb 20, 2010 – March 03, 2010	Mr. Shriraj Ramchandani, Mr. Nikhil Roy (Advanced Technolab) and Mr. Ajay Bankda, Mr. Pratik Bankda (Syncom)	1. Discussions with Advanced Technolab and Syncom 2. Requests from Advanced Technolab for quotations
March 08, 2010	Mr. Shriraj Ramchandani (Advanced Technolab) and Mr. Pratik Bankda (Syncom)	Company received letter from Advanced Technolab, Congo showing interest to buy products and requesting for quotations
		Corporate Announcement was disclosed on BSE (at 11:35:00) and NSE (at 11:33:00).
March 18, 2010	Mr. Shriraj Ramchandani, Mr. Nikhil Roy (Advanced Technolab) and Mr. Pratik Bankda (Syncom)	Quotations sent to Advanced Technolab
March 26 - 27, 2010		Revised quotations sent by Syncom to Advanced Technolab based on the discussions with Advanced Technolab

April 07, 2010	Mr. Shiraj Ramchandani (Advanced Technolab) and Mr. Pratik Bankda (Syncom), Mr. JC Paliwal (Company Secretary & VP Finance of Syncom)	Discussions with Advanced Technolab representative. Syncom requesting security in form of Letter of Credit for 60% of order value and Cheque for 40% of order value.
April 12, 2010		Advanced Technolab informed that providing Letter of Credit was not suitable to them and called off the deal.

With regard to the aforesaid corporate announcement following can be observed:

- (i) Syncom made an announcement to exchanges considering the information as material and price sensitive
- (ii) Company in its announcement stated that it expects top line increase of 25% to 30% due to this MOU
- (iii) Company extending its business to foreign country i.e., Republic of Congo.

In view of the above, Corporate announcement with regard to Entering into MOU with Advanced Technolab is a PSI under Clause (vii) – Significant changes in policies, plans or operations of the company under Explanation of Regulation 2(ha) of SEBI (PIT) Regulations, 1992.

Further, from the corporate announcements on exchanges, no announcement with regard to failure of the proposal of entering into MOU was observed in violation of Clause 2.0 of Schedule II – Code of Corporate Disclosures for Prevention of Insider Trading prescribed under Regulation 12(2) of SEBI (PIT) Regulations, 1992. Company vide its e-mail dated October 09, 2014 confirmed that no disclosure with regard to failure of entering into MOU was made to the exchange. Hence, Adjudication under Section 15HB of SEBI Act is recommended against SHL, Board of Directors (excluding independent directors) and Company secretary during the relevant period i.e. as on April 12, 2010.

12. Board of Directors accorded their approval to enter into understanding with Advanced Technolab and Mr. Pratik Bankda was authorized to visit and finalize the details of understanding and sign the MOU on February 06, 2010.

Hence, PSI came into existence on February 06, 2010. However, Company listed on BSE and NSE on February 15, 2010.

The Corporate Announcement made by the Company was disclosed to the public on BSE and NSE on March 08, 2010 at 11:35:00 and 11:33:00 respectively.

The PSI was unpublished during February 06, 2010 to 11:33:00 of March 08, 2010. However, company listed on BSE and NSE on February 15, 2010.

Hence, the UPSI period is considered from February 15, 2010 to March 08, 2010.

From the chronology of the events, it can be observed that Board of Directors of Syncom Healthcare Limited, Pratik Bankda, Shriraj Ramchandani, Nikhil Roy were involved in the discussions between Syncom and Advanced Technolab. Hence, the said entities were in possession of UPSI.

- 13.** From the trading analysis, no trading by Promoters or Directors of SHL or Pratik Bankda or Shriraj Ramchandani or Nikhil Roy was observed. Further, trade details of entities is as under:

Name of the Entity	Before UPSI (February 15, 2010 to March 08, 2010) – 11:33:00		After UPSI (March 08, 2010 – 11:34:00 to March 31, 2010)	
	Buy	Sell	Buy	Sell
Mr. Prakashbhai Narsinhbhai Patel	766593	455123	687260	917296
Mr. Subhakaran Tilokchand Agarwal	298438	92348	121519	326638
Mr. Nilesh Sureshbhai Shah	294200	205000	25000	114200
Money Tree Media Ventures Private Limited	100000	51000	0	49000
SCB Corporation	1700214	214	0	170000
VFC Stock Brokers	57500	2500	0	55000

**Code of Conduct:** SHL vide Letter dated March 10, 2014 submitted the Code of Conduct for Prevention of Insider Trading. From the analysis of code of conduct, following were observed:

- (i) From clause II of TITLE, COMMENCEMENT AND EXTENT, it is observed that adopted code of conduct came into force on April 1, 2010.
- (ii) Clause 1.3, sub-clause (d) of clause 3.2-3, Clauses 3.2-5, 3.2-6, 3.3-1, 3.3-2, 3.3-3, 4.1 and 4.2 of Part A – Model Code of Conduct for Prevention of Insider Trading for Listed Companies specified in Schedule I under Regulation 12(1) of SEBI(Prohibition of Insider Trading) Regulations, 1992 were not incorporated in the Code of Conduct framed by the SHL which is violation of Regulation 12(1) and 12(3) of SEBI (PIT) Regulations, 1992.

From the above, it can be observed that there was no code of conduct for Prevention of Insider Trading in force during February 15, 2010 (Listing Day) to March 31, 2010. Further, code of conduct adopted by the company which came into force from April 01, 2010 was not as near thereto Code of Conduct prescribed by SEBI under its SEBI (PIT) Regulations, 1992. Vide Letter dated September 16, 2014, SHL confirmed that code of conduct was adopted on February 6, 2010 and had come into force from April 01, 2010. Further, it was also confirmed that code of conduct is in force as on September 16, 2014. During February 15, 2010 to September 16, 2014, details of the non-independent directors and compliance officers are as follows:

S. No.	Name	Designation	Period
1	Mr. Ajay Bankda	Chairman & Managing Director	FY 2009 – FY 2014
2	Ms. Jyoti Bankda	Whole Time Director	FY 2009 – FY 2010
3	Mr. J P Bagaria	Non – Executive Director	FY 2009 – FY 2014
4	Mr. J C Paliwal	Compliance Officer	FY 2009 – May 24, 2012
5	Mr. Atul Thapliyal	Compliance Officer	July 12, 2012 – Sep 01, 2012
6	Mr. Naveen Sood	Compliance Officer	Sep 01, 2012 – March 22, 2013
7	Mr. Subash Chandra Gupta	Compliance Officer	March 22, 2013 – Aug 30, 2014
8	Mr. J.C. Paliwal	Compliance Officer	w.e.f. Aug 30, 2014

14. In view of the above, Adjudication proceedings against Board of Directors (excluding independent directors) and Compliance Officers of the company during February 15, 2010 to September 16, 2014 has been proposed.

Code of Conduct for prevention of insider trading had come into force from April 01, 2010. Hence, the closure of trading window during the Investigation was not applicable. From the trading analysis, no trades by promoters or directors of SHL were observed.

Based on the observations during Investigation the recommended table of actions is as under:

Name of the Entities	Nature of findings in brief	Violation
<p>1. Syncom Healthcare Limited (SHL) (PAN: AAKCS3247G) and</p> <p><u>Non-Independent Directors</u></p> <p>2. Ajay Bankda (PAN: ADHPB2851J)</p> <p>3. Jyoti Bankda (PAN: ADHPB2855N)</p> <p>4. J.P. Bagaria (PAN: AAEPB0276F)</p> <p><u>Compliance officers</u></p> <p>5. J C Paliwal (PAN: AFYPP3780M)</p> <p>6. Atul Thapliyal (PAN: AAWPT5187D)</p> <p>7. Naveen Sood (PAN: AEXPS9104G)</p> <p>8. Subash Chandra Gupta (PAN: AGKPG7678J)</p>	<p>Code of Conduct adopted by SHL on February 06, 2010 was effective from April 01, 2010. Thus, no code of conduct was in force during February 15, 2010 (Listing Day) to March 31, 2010. Further, Code of Conduct adopted by SHL does not contain Clause 1.3, sub-clause (d) of clause 3.2-3, Clauses 3.2-5, 3.2-6, 3.3-1, 3.3-2, 3.3-3, 4.1 and 4.2 of Part A – Model Code of Conduct for Prevention of Insider Trading for Listed Companies specified in Schedule I under Regulation 12(1) of SEBI(Prohibition of Insider Trading) Regulations, 1992 and same code of conduct is in force as on September 16, 2014. (date of SHL Letter to SEBI)</p>	<p>Regulations 12(1) and 12(3) read with Clause 1.2 of Part A of Schedule I of the SEBI (Prohibition of Insider Trading) Regulations, 1992.</p>
<p>9. Syncom Healthcare Limited (SHL) (PAN: AAKCS3247G)</p> <p><u>Non-Independent Directors</u></p> <p>10. Ajay Bankda (PAN: ADHPB2851J)</p> <p>11. Jyoti Bankda (PAN: ADHPB2855N)</p> <p>12. J.P. Bagaria (PAN: AAEPB0276F)</p> <p><u>Compliance officer</u></p> <p>13. J C Paliwal (PAN: AFYPP3780M)</p>	<p>SHL made disclosure about entering into MOU with Advanced Technolab on March 08, 2010. The signing of the said MOU was called off on April 12, 2010. Company failed to make disclosure in this regard.</p> <p>Although SHL had entered into the agreement with Kilitch Drugs Limited on March 17, 2010, it made corporate announcement on March 29, 2010 i.e. "it is entering into an agreement". Thus it put Corporate Announcement which was not true. Therefore, it misled the public by the aforesaid corporate announcement.</p>	<p>Regulation 12(2) read with Clause 2.0 of Schedule II of the SEBI (Prohibition of Insider Trading) Regulations, 1992.</p> <p>Section 12A(c) of SEBI Act, 1992 read with Regulations 3(d), 4(1), 4(2)(f) and 4(2)(e) of SEBI(Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003.</p>



15. In view of the above, this show cause notice is being issued to you as to why an inquiry should not be held against you for the alleged violation of
- Regulation 12(2) read with Clause 2.0 of Schedule II of the SEBI (Prohibition of Insider Trading) Regulations, 1992 and Regulations 12(1) and 12(3) read with Clause 1.2 of Part A of Schedule I of the SEBI (Prohibition of Insider Trading) Regulations, 1992 and Section 12A(c) of SEBI Act, 1992 read with Regulations 3(d), 4(1), 4(2)(f) and 4(2)(r) of SEBI(Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003 (for entities mentioned at 1 to 5).
  - Regulations 12(1) and 12(3) read with Clause 1.2 of Part A of Schedule I of the SEBI (Prohibition of Insider Trading) Regulations, 1992 (for entities at 6 to 8).
16. Regulation 12 (1) of SEBI(PIT) Regulations, 1992 states that all listed companies and organisations associated with securities markets including :
- (a) the intermediaries as mentioned in section 12 of the Act, asset management company and trustees of mutual funds ;
  - (b) the self-regulatory organisations recognised or authorised by the Board;
  - (c) the recognised stock exchanges and clearing house or corporations;
  - (d) the public financial institutions as defined in section 4A of the Companies Act, 1956; and
  - (e) the professional firms such as auditors, accountancy firms, law firms, analysts, consultants, etc., assisting or advising listed companies, shall frame a code of internal procedures and conduct as near thereto the Model Code specified in Schedule I of these Regulations [without diluting it in any manner and ensure compliance of the same].

Regulation 12 (2) of SEBI(PIT) Regulations, 1992 states that the entities mentioned in sub-regulation (1), shall abide by the code of Corporate Disclosure Practices as specified in Schedule II of these regulations.

Regulation 12 (3) of SEBI(PIT) Regulations, 1992 states that all entities mentioned in sub-regulation (1), shall adopt appropriate mechanisms and procedures to enforce the codes specified under sub-regulations (1) and (2).

Section 12A(c) of SEBI Act and Regulation 3(d) of SEBI(PFUTP) Regulations 2003 states that no person shall directly or indirectly engage in any act, practice, course of business which operates or would operate as fraud or deceit upon any person, in connection with the issue, dealing in securities which are listed or proposed to be listed on a recognised stock exchange, in contravention of the provisions of this Act or the rules or the regulations made there under;

Regulation 4(1) of SEBI(PFUTP) Regulations 2003 states that without prejudice to the provisions of regulation 3, no person shall indulge in a fraudulent or an unfair trade practice in securities.

Regulation 4(2)(f) of SEBI(PFUTP) Regulations 2003 states that publishing or causing to publish or reporting or causing to report by a person dealing in securities any information which is not true or which he does not believe to be true prior to or in the course of dealing in securities;

Regulation 4(2)(r) of SEBI(PFUTP) Regulations 2003 states that planting false or misleading news which may induce sale or purchase of securities.

Clause 1.2 of Part A of Schedule I of the SEBI (PIT) Regulations states that the compliance officer shall be responsible for setting forth policies, procedures, monitoring adherence to the rules for the preservation of “Price Sensitive Information”, pre-clearing; of designated employees’ and their dependents’ trades (directly or through respective department heads as decided

by the company), monitoring of trades and the implementation of the code of conduct under the overall supervision of the Board of the listed company.

Explanation : For the purpose of this Schedule, the term 'designated employee' shall include :—

- (i) officers comprising the top three tiers of the company management
- (ii) the employees designated by the company to whom these trading restrictions shall be applicable, keeping in mind the objectives of this code of conduct.

17. You are, therefore, called upon to show cause as to why an inquiry should not be held against you for the above mentioned violations in terms of Rule 4 of SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 and penalty be not imposed under sections 15HA and 15HB of the SEBI Act.

18. 15HA of SEBI Act, 1992 states that if any person indulges in fraudulent and unfair trade practices relating to securities, he shall be liable to a penalty [which shall not be less than five lakh rupees but which may extend to twenty-five crore rupees or three times the amount of profits made out of such practices, whichever is higher].

19. Section 15HB of the SEBI Act, 1992 states that whoever fails to comply with any provision of this Act, the rules or the regulations made or directions issued by the Board thereunder for which no separate penalty has been provided, shall be [liable to a penalty which shall not be less than one lakh rupees but which may extend to one crore rupees.

20. Your reply, if any, should reach the undersigned, at the address given below, as well as through email at 'prasadj@sebi.gov.in' within 14 days from the

date of receipt of this notice, failing which it shall be presumed that you have no reply to submit and the matter would be further proceeded with on the basis of the evidence available on record in terms of sub-rule (7) of rule (4) of SEBI (Procedure For Holding Inquiry and imposing penalties by Adjudicating Officer) Rules,1995. You may also indicate whether you desire a personal hearing in the matter.

**Securities and Exchange Board of India**

**SEBI Bhavan**

C4-A, 'G'Block

Bandra Kurla Complex, Bandra (East)

**Mumbai- 400 051**

**Phone No. 26449692**

21. You are also advised to submit a photocopy of your Permanent Account Number card for our records.
  
22. As the proceedings as informed above are in progress you are advised to keep the undersigned informed about the change in your correspondence address, if any, till the proceedings complete.



**Prasad Jagadale**

**Encl: Annexure-1**

## SECURITIES AND EXCHANGE BOARD OF INDIA

### Proceedings of the Whole Time Member Appointing Adjudicating Officer

- (i) Whereas Securities and Exchange Board of India (hereinafter referred to as "the Board/ SEBI") has conducted investigation in the scrip of Syncom Healthcare Ltd. and into the possible violation of the provisions of the Securities and Exchange Board of India Act, 1992 (SEBI Act) and various Rules and Regulations made there under,
- (ii) And whereas it prima-facie appeared to the Whole Time Member that the entities:
1. Syncom Healthcare Ltd. (PAN: AAKCS3247G), having registered address at 221, Vyapar Bhavan, P. D'mello Road, Mumbai- 400 009.  
Alternate address: "Syncom House", 40, Niranjapur, A.B Road, Indore, Madhya Pradesh - 452010.
  2. Ajay Bankda (PAN: ADHPB2851J), Chairman and Managing Director of Syncom Healthcare Ltd. having registered address at 221, Vyapar Bhavan, P. D'mello Road, Mumbai- 400 009.  
Alternate address: "Syncom House", 293/1,, Niranjapur, A.B Road, Indore, Madhya Pradesh - 452001.
  3. Jyoti Bankda (PAN: ADHPB2855N), Whole Time Director of Syncom Healthcare Ltd. having registered address at 221, Vyapar Bhavan, P. D'mello Road, Mumbai- 400 009.  
Alternate address: "Syncom House", 40, Niranjapur, A.B Road, Indore, Madhya Pradesh - 452010.
  4. J.P. Bagaria (PAN: AAEPB0276F), Non- Executive Director of Syncom Healthcare Ltd. having registered address at 221, Vyapar Bhavan, P. D'mello Road, Mumbai- 400 009.  
Alternate address: 294/17, Shival Nagar So., Pant Nagar, Ghatkopar East, Mumbai 400051- Maharashtra
  5. J.C Paliwal (PAN: AFYPP3780M), Compliance Officer of Syncom Healthcare Ltd. having registered address at 221, Vyapar Bhavan, P. D'mello Road, Mumbai- 400 009.



Alternate address: 24-C, Sewa Sardar Nagar, Indore, Madhya Pradesh-452001.

have violated the provisions of Regulation 12(2) read with Schedule II Clause 2 of SEBI (Prohibition of Insider Trading) Regulations, 1992 and Regulations 12(1) and 12(3) read with Schedule I Part A Clause 1.2 of SEBI (Prohibition of Insider Trading) Regulations, 1992 and Section 12 A(c) of SEBI Act, 1992 read with Regulations 3(d), 4(1), 4(2)(f) and 4(2)(r) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Markets) Regulations, 2003

6. Atul Thapliyal (PAN: AAWPT5187D), Compliance Officer of Syncom Healthcare Ltd. having registered address at 221, Vyapar Bhavan, P. D'mello Road, Mumbai- 400 009.
7. Naveen Sood (PAN: AEXPS9104G), Compliance Officer of Syncom Healthcare Ltd. having registered address at 221, Vyapar Bhavan, P. D'mello Road, Mumbai- 400 009.
8. Subhash Chandra Gupta (PAN: AGKPG7678J) Compliance Officer of Syncom Healthcare Ltd. having registered address at 221, Vyapar Bhavan, P. D'mello Road, Mumbai- 400 009.

have violated the provisions of Regulations 12(1) and 12(3) read with Schedule I Part A Clause 1.2 of SEBI (Prohibition of Insider Trading) Regulations, 1992.

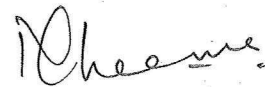
(iii) And whereas the Whole Time Member is satisfied that there are sufficient grounds to inquire into the affairs and adjudicate upon for the alleged violations of the aforesaid entities under the following provisions of law:

- a. Securities and Exchange Board of India Act, 1992.
- b. SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Markets) Regulations, 2003.
- c. SEBI (Prohibition of Insider Trading) Regulations, 1992

(iv) The Whole Time Member has, therefore, in exercise of the powers conferred upon him, under Section 19 of the SEBI Act, 1992 read with Section 15 I (1) of the SEBI Act, 1992 and Rule 3 of SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 (the Rules), appointed **Shri Prasad Jagadale**, Deputy General Manager as **Adjudicating Officer** vide an Order dated **April 24, 2015** to inquire into and adjudge under Section 15HA and 15 HB (for entities at 1 to 5) and Section 15HB (for entities at 6 to 8) of the SEBI Act, 1992 for the alleged violations by the said entities.

- (v) The said proceedings of appointment are hereby communicated to the Adjudicating Officer to conduct the Adjudication Proceedings in the manner specified under Rule 4 of the Rules read with sub-section (2) of Section 15 I(1) of the SEBI Act, 1992. The Adjudicating Officer shall inquire into and adjudicate the alleged violations as stated above and if satisfied that the entities have become liable to penalty, may impose such penalty, as the Adjudicating Officer thinks fit, in terms of Rule 5 of the said Rules and the provisions of Section 15HA and 15HB of the SEBI Act, 1992.

Dated at Mumbai, this – 18<sup>th</sup> day of December, 2015.



**MANINDER CHEEMA  
GENERAL MANAGER  
SECURITIES AND EXCHANGE BOARD OF INDIA**