



**FINANCIAL YEAR 2009-10**

**BOARD OF DIRECTORS**

**Ajay Bankda**  
Managing Director

**J.P. Bagaria**  
Director

**Bharat Kumar Doshi**  
Director

**Govind Das Pasari**  
Director

**Avichal Kasliwal**  
Director

**Company Secretary:**  
**J.C. Paliwal**

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

**Bankers:**

**Bank of India**  
**Saket Nagar Branch**  
**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 TO 73**  
**Rim : (0731) 3200888**  
**Fax : (0731) 2577470**  
**e-mail : shl@syncomhealthcare.com**

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

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**SYNCOM HEALTHCARE LIMITED**

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

**NOTICE**

**NOTICE** is hereby given that the Eighth Annual General Meeting of **M/S SYNCOM HEALTHCARE LIMITED** will be held on Thursday, the 5th Day of August, 2010 at 2.00 PM at Hotel Imperial Palace, Plot No. 163, Shere Punjab, Behind Tolani College, Andheri (E), Mumbai 400 093 to transact the following business:

**ORDINARY BUSINESS :**

1. To receive, consider and adopt the Audited Profit & Loss Account for the year ended March 31, 2010 and the Balance Sheet as at that date, together with Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. J.P. Bagaria, who retires by rotation and is being eligible offers himself for reappointment.
3. To appoint a Director in place of Mr. Bharat Kumar Doshi, who retires by rotation and is 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, 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 shall be fixed by the Board of Directors"

**SPECIAL BUSINESS :**

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

"RESOLVED that pursuant to the provisions of section 94, 97 and other applicable provisions, if any, of the Companies Act, 1956 and Article 3(a) of the Articles of Association of the company, the authorised capital of the company be increased from present Rs. 20,00,00,000/- (Rupees Twenty Crore only) divided into 2,00,00,000 (Two Crores) Equity shares of Rs.10/- (Rupees Ten only) each to Rs. 40,00,00,000 (Rupees Forty Crores only) divided into 4,00,00,000 (Four Crores) Equity shares of Rs.10/- (Rupees Ten only) each by the creation of 2,00,00,000 (Two Crore) Equity shares of Rs. 10/- (Rupees Ten only)."

6. To consider and, if thought fit, to pass, with or without modification, the following resolution as Ordinary Resolution:

"RESOLVED that pursuant to the provisions of section 16 and other applicable provisions, if any, of the Companies Act, 1956, the Memorandum of Association of the company be and is hereby altered and amended by substituting the existing clause V by the following clause:

V (a) The Authorised Share Capital of the Company is Rs. 40,00,00,000 (Rupees Forty Crores) divided into 4,00,00,000 (Four Crore) Equity shares of Rs. 10/- (Rupees Ten only) each. The Company shall have the power to increase or reduce the capital. The rights of the holders of any class of shares, for the time being forming part of the capital of the Company, be modified, affected, varied, extended or surrendered either with the consent in writing of the holders of three-fourths of the issued shares of the class or with the sanction of a Special Resolution passed at a separate meeting of the holders of those shares.

7. To consider and, if thought fit, to pass, with or without modification, the following resolution as Ordinary Resolution:

"RESOLVED THAT pursuant to section 31 of the Companies Act, 1956, the Articles of Association be and are hereby altered in following manner:

Substitute the following Article for Article 3(a):

The Authorized Share Capital of the Company is Rs. 40,00,00,000 (Rupees Forty Crores) divided into 4,00,00,000 (Four Crores) Equity shares of Rs.10/- (Rupees Ten) each with power to increase, reduce, consolidate and subdivide its capital in accordance with the provisions of the Companies Act, 1956."

8. To consider and if thought fit to pass, with or without modification, the following resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to Section 81 (1A) and all other applicable provisions of the Companies Act, 1956, (including any statutory modifications or re-enactment thereof, for the time being in force) and enabling provisions of

the Memorandum and the Articles of Association of the Company and the Listing Agreements entered into by the company with the Stock Exchanges where the Company's shares are listed and subject to the provisions of the applicable rules, regulations, guidelines or laws and /or any approval, consent, permission or sanction of the Central Government, Reserve Bank of India, Securities Exchange Board of India and the provisions of the Foreign Exchange Management Act, 1999, the Foreign Exchange Management (Transfer or issue of Security by a person Resident outside India) Regulations, 2000, the issue of Foreign Currency Convertible Bonds and Ordinary shares (through Depository Receipt Mechanism) Scheme, 1993, and subject to the approval, consent, permission and /or sanction of the Ministry of Finance(Department of Economic Affairs) and Ministry of Industry (Foreign Investment Promotion Board / Secretariat for Industrial Assistance) and all other Ministries/ Department of the Government of India, Securities and Exchange Board of India (SEBI) and/ or any other authorities, institutions or

bodies as may be relevant (hereinafter collectively referred to as "the appropriate authorities"), and any other statutory authorities, institutions or bodies granting any such approval, consent, permission, and /or sanction (herein after referred to as the "requisite approval"), the Board of Directors of the Company (hereinafter called the "Board" which term shall be deemed to include any committee which the Board may have constituted or herein after constitute to exercise its powers including the powers conferred by this resolution) be and is hereby authorized to create, offer, issue, and allot, in one or more tranches whether rupee denominated or denominated in foreign currency, in the course of domestic or international offerings to any persons as per the SEBI (issue of Capital and Disclosure Requirements) Regulations, 2009 and other allied regulations, any securities including Global Depositories Receipts and/or American Depository Receipts convertibles into equity shares, preference shares whether Cumulative/Redeemable/convertible at the options of the company and/or holder of the security and/or security linked to equity shares/preference shares and/or any instrument or securities representing convertibles securities such as convertible debentures, bonds or warrants convertible into equity shares/preference shares, (hereinafter referred to as "Securities") to be subscribed by foreign/domestic investors/institutions; corporate bodies/entities including mutual funds, banks, insurance companies, pension funds, Public Indian Companies, and/or individuals, employees of the company, non-resident Indians, or otherwise, whether or not such persons/entities/investors are Members of the Company; through public issues or private placement basis or a combination thereof at such time or times whether in one or more currency, at par or at such price or prices (at a discount or a premium to the market price), and on such terms and conditions and in such manner as the Board may, in its absolute discretion think fit, wherever necessary in consultation with the Lead Managers, Underwriters, Advisors or other intermediaries such that the total amount raised through the aforesaid securities should not exceed Rs.150 Crores (One hundred fifty Crores), including Greenshoe Option, if any, or its equivalent, of incremental funds for the Company.

RESOLVED FURTHER THAT without prejudice to the generality of the above, the aforesaid issue of Securities may have all or any terms or combination of terms including as to conditions in relation to payment of interest, additional interest, premia on redemption, prepayment and any other debt service payments whatsoever, and all such other terms as are provided in Securities offerings of this nature including terms for this issue of such securities or variation of the conversion price of the Security during duration of the Securities

and the Company is also entitled to enter into and execute all such arrangements as the case may be with any lead managers, underwriters, bankers, financial institutions, solicitor, advisors, guarantors, depositories, custodians and other intermediaries in such offerings of Securities and to remunerate all such agencies including the payment of commissions, brokerage, fees or payments of their services or the like, and also to seek the listing of such Securities on one or more stock exchanges including international Stock Exchanges, wherever permissible.

RESOLVED FURTHER THAT the Board may enter into any arrangement with any agency or body on behalf of the Company for the issue of the Securities in registered or bearer form with such features and attributes as are prevalent in capital markets for instruments of this nature and to provide for the tradability or free transferability thereof including but not limited to the terms and conditions in relation to payment of interest, additional interest, premium on redemption, prepayment and any other debt service payments whatsoever including terms for issue of additional Equity Shares or variation of the conversion price of the Securities during the duration of the Securities and the Company be and is hereby authorized in its absolute discretion in such manner as it may deem fit, to dispose off such of the Securities that are not subscribed.

RESOLVED FURTHER THAT the Board may issue Depository Receipts(s) or Certificate(s) or Shares, representing the underlying Securities issued by the Company in registered or bearer form with such features and attributes as are prevalent in Indian and /or international capital markets for the instruments of this nature and to provide for the tradability or free transferability thereof, as per as the Indian/International practices and regulations and under the norms and practices prevalent in the Indian/ International markets.

RESOLVED FURTHER THAT the Board or any committee thereof be and is hereby authorized to issue and allot such number of shares as may be required to be issued and allotted upon conversion of any Securities referred to in

above or as may be necessary in accordance with the terms of the offering, all such shares being pari passu with the then existing shares of the company with all respects, as may be provided under the terms of the issue and in the offering document.

RESOLVED FURTHER THAT the Board be and are hereby authorized on behalf of the Company to finalize the pricing, terms and conditions relating to the issue of aforesaid Securities, determine the form, terms and timing of the issue(s), including the class of investors to whom the Securities are to be allotted, number of Securities to be allotted in each tranche, issue price, face value, premium amount on issue/conversion of Securities/exercise of warrants/redemption of Securities, rate of interest, redemption period, listings on one or more stock exchanges in India and/or abroad as the Board or committee in their absolute discretion deem fit and to make and accept any modifications in the proposal as may be required by the authorities involved in such issues in India and/or abroad, to do all acts, deeds, matters and things and to settle any questions or difficulties that may arise in regard to the issue(s).

RESOLVED FURTHER THAT such of these securities to be issued as are not subscribed may be disposed off by the Board to such persons and in such manner and on such terms as the Board in its absolute discretion thinks fit in the best interest of the company and as is permissible by law.

RESOLVED FURTHER THAT for the purpose of giving effect to any issue or allotment of Securities or instruments representing the same, as described above, the Board or any Committee thereof be and is hereby authorized on behalf of the company to do all such acts, deeds, matters and things as it may at its absolute discretion deem necessary or desirable for such purpose, including without limitation the entering into of underwriting, marketing and depository arrangement and institution/trustees/agent and similar agreements and to remunerate the Managers, (including Lead Managers), Merchant Bankers, Underwriters, Guarantors, Financial and/or Legal Advisors, Depositories, Custodians, Principal paying/Transfer/Conversion agents, Listing Agents, Registrars, Trustees and all other agencies, whether in India or abroad, and to finalize the terms and conditions (including the payment of fees, commission, out of pocket expenses and their charges subject to requisite approvals of Reserve Bank of India) of the aforesaid appointments, as they may in their absolute discretion think fit and also to seek the listing of such Securities on one or more National and International Stock Exchange(s).

RESOLVED FURTHER THAT for the purpose aforesaid, the Board be and is hereby authorized to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of Securities and utilization of the issue proceeds including but without limitation to the creation of such mortgage/charge under section 293(1) (a) of the said Act in respect of the aforesaid Securities either on pari passu basis or otherwise or in the borrowing of loans as it may in its absolute discretion deem fit without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT (i) the Securities to be so created, offered, issued and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Company; and

(ii) the underlying Equity Shares shall rank pari passu with the existing Equity shares of the Company.

RESOLVED FURTHER THAT the preliminary as well as the final offer document for the aforesaid issue(s) be finalized, approved and signed by any Director(s), duly authorized by the Board in this regard, for and on behalf of the company with authority to amend, vary, modify the same as may be considered desirable or expedient and for the purpose aforesaid to give such declarations, affidavits, certificates, consents, authorities as may be required from time to time.

RESOLVED FURTHER THAT the Company do open one or more bank accounts in the name of the Company in Indian currency or foreign currency (ies) with such Bank or Banks in India and/or such foreign countries as may be required in connection with the aforesaid issue(s), subject to requisite approvals from Reserve Bank of India and other overseas regulatory authorities, if any, in accordance with the approval of the Board or a Committee thereof duly authorized in this regard by the Board.

RESOLVED FURTHER THAT the Common Seal of the Company, if required, be affixed on any agreement, undertaking, deeds or other documents, in accordance with the Articles of Association of the Company.

RESOLVED FURTHER THAT the Board or a Committee thereof duly authorized in this regard by the Board be and is hereby authorized to do all such acts, deeds, and things as may be necessary in connection with the said issue of Securities, including but not limited to the following:

- i. Finalize the allotment of Securities in respect of the subscriptions received, basis of allotment in case of over-subscription, accept and appropriate the proceeds of the issue,
- ii. Authorizing the maintenance of a Register of holders of Securities, if so required, in India or abroad as may be deemed fit.
- iii. To authorize Directors/ Executives of the Company, including granting of Power of Attorneys to do such acts, deeds and things as may be necessary in connection with the issue and allotment of the Securities.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegates all or any of the powers herein conferred to any Committee of Directors or the Chairman or any other Office/Authorised Representatives of the Company to give effect to the aforesaid resolution”

#### **9. Increase in limits for FII Investment**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution;

“RESOLVED THAT, pursuant to applicable provisions of the FEMA (Transfer of issue of Security by a person resident outside India) Regulations, 2000, Foreign Exchange Management Act 1999, (FEMA), the Companies Act 1956 and all other applicable rules, regulations, guidelines and laws (including any statutory modification or re-enactment for the time being in force) and subject to all requisite approvals, permission and sanctions and subject to such conditions as may be prescribed by any of the concerned authorities while granting such approvals, permissions, sanctions, which may be agreed to by the Board of Directors of the Company and/or a duly authorized committee thereof for the time being exercising the powers conferred by the Board of Directors (herein after referred to as” Board”), the consent of the company be and is hereby accorded for investments by Foreign Institutional Investors including their sub-account (herein after referred as “the FIIs”), in the shares or debentures convertible into shares of the Company, either by direct investment or by purchase or otherwise by acquiring from the market under the Portfolio investments Scheme under FEMA, subject to the condition that the total holding of all FII's put together shall not exceed 74 (seventy four) percent of the paid up equity share capital or paid up value of the respective series of the convertible debentures of the company as may be applicable or such other maximum limit as may be prescribed from time to time.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matter and things and execute all documents or writings as may be necessary, proper or expedient for the purpose of giving effect to this resolution and for the matters connected herewith or incidental thereto.

#### **10. Authority to investment, give loan and extend Guarantee.**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of section 372 A and all other applicable provisions of the Companies Act, 1956, (including any statutory modification or re-enactment thereof, for the time being in force) and subject to the approval/consent of such appropriate authorities, the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company to make any loan(s) to any other body corporate or give any guarantee (s) or provide any security in connection with loan(s) made to and/or acquire by way of subscription, purchase or otherwise the securities of any person or body corporate (other than companies for which specific investment limit have been fixed and approved by the shareholders) which will exceed sixty percent of the paid up share capital and free reserves of this company or hundred percent of the free reserves of this company, whichever is more, provided that the total loan given or guarantee/security provided shall not exceed an amount of Rs. 200 cores (Rupees Two hundred Crores).

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take all such steps as may be required and to do, perform and execute all acts, deeds, matters and things as may be necessary, proper or expedient for giving effect to this Resolution and for matters connected herewith or incidental hereto.

#### **11. Authority to the Board under Section 293(1) (d) of the Companies Act, 1956 to borrow in excess of the present limit:**

To consider and if thought fit to pass, with or without modification, the following resolution as an Ordinary Resolution;

“REVOLVED THAT, in suppression of the resolution passed at the Annual General Meeting of the Company held on 25th June, 2008 and pursuant to the provisions of section of Section 293(1)(d) and all other applicable provisions of the Companies Act, 1956, (including any statutory modification or re-enactment thereof, for the time being in force) the consent of the Company be and is hereby accorded to the Board of Directors of the Company to borrow from time to time all such sum(s) of money (including by way of External Commercial Borrowings in foreign denomination currencies from any foreign sources/foreign countries as prescribed by the guidelines in this regard as the Board may deem requisite for the purpose of the Company, notwithstanding that the money(s) to be borrowed together with the money(s) already borrowed by the company and outstanding (apart from temporary loans obtained or to be obtained from the Company's Bankers in the ordinary course of business), may exceed the aggregate of the paid up capital and its free reserve of the Company, that is to say, reserve not set apart for any specific purpose, and provided that the total amount borrowed/to be borrowed by the Board of Directors and outstanding at any time shall not exceed the limit Rs. 200 Crores (Two hundred Crores) apart from temporary loans obtained by the company from its bankers/other entities in the ordinary course of its business.



RESOLVED FURTHER THAT, for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds matters and things as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in respect of the borrowing(s) aforesaid and further do all such acts, deeds and things and to execute all documents and writing as may be necessary, proper, desirable or expedient to give effect to this resolution.

**12. Authority to the Board under Section 293(1) (a) of the Companies Act, 1956, for creation of charge/mortgages.**

To consider and if though fit to pass, with or without modification, the following resolution as an Ordinary Resolution:

“RESOLVED THAT the consent of the company be and is hereby granted in terms of Section 293 (1) (a) and all other applicable provisions of the Companies Act 1956, (including any statutory modification or re-enactment for the time being in force), to the Board of Directors(herein called the “Board” which term shall be deemed to include any committee which the Board may have constituted for this purpose) to mortgage and/or charge, in addition to the mortgages/charges created/to be created by the Company, in such from and manner and with such ranking and at such time and on such terms as the Board may determine, on all or any of the moveable and/or immovable properties of the company, both present and future and/or the whole and any part of the undertaking(s) of the company in favour of the Lenders for securing the borrowings available/to be availed by the company and/or any of the company’s holding/subsidiary/affiliates/associate company/by way of loan(s) (in foreign currency and/or rupee currency) and Securities(comprising fully/partly convertible Debentures and/or Non-Convertible Debentures with or without detachable or non – detachable Warrants and/or secured premium notes and/or floating rates notes/bonds or other debt instruments), issued/to be issued by the Company, from time to time, subject to the limits of Rs. 200 Crores (Two hundred Crores) together with interest at the respective agreed rates, additional rates and all other costs, charges and expenses, including any increased as a result of devaluation/revaluation/fluctuation in the rate of exchange and all other monies payable by the company in terms of the loan Agreement(s) Head of Agreement(s), Debentures Trust Deed(s) or any other documents, entered into/to be entered into between the Company and the Lenders/Agents and Trustees, in respect of the said loans/borrowings/debentures and containing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board of Directors or Committee thereof and the Lender(s)/Agent(s) and Trustee(s);

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board and/or its duly constituted Committee be and is hereby authorized to finalize, settle and execute such documents/deeds/writings/paper/agreements as may be required and to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubts that may arise in regard to creating mortgages/charges as aforesaid”.

By Order Of the Board of Directors  
 For Syncom Healthcare Limited

Place: Indore

Date: 7th July, 2010

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. Register of Members and Share Transfer Book shall remain closed from 2nd August, 2010 to 5th August, 2010 (both days inclusive).
3. Members are requested to notify to the Company/ Registrar & Transfer Agent of any change in address holding shares in physical form and to their Depository in case of shares held in Demat form.
4. Corporate members intending to send their authorised representatives 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 copy of the annual report to the meeting.
7. In case of the joint shareholders attending the meeting, only such joint shareholder who is higher in the order of the names will be entitled to vote.
8. Members are requested to notify to the Company or to the Registrar and Share Transfer Agent of any change in address holding shares in physical form and to their Depository in case of shares held in Demat Form.

9. 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 down loaded from the web site of the Ministry of the Corporate Affairs.
10. 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 so that the information required may be made available at the meeting.
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. J.P. Bagaria	Mr. Bharat Kumar Doshi
Date of Birth	06.10.1947	21.03.1959
Date of Appointment	29.07.2002	28.05.2008
Expertise/ Experience	He is director of the Company science inception. He is having vide experience in purchase &, administration	He is having more than 25 years of experience in Planning, Designing Pharmaceutical, Biotech & API Facilities and Design of HVAC with Clean Room and BSL facility in India & Abroad.
Qualifications	B.Com Part I	B.E. (Mech) Hons
No. of Equity Shares held	100	NIL
List of out side Directorship held	1	1
Chairman/Member of the Committees of the Board of Directors of the Company	NIL	Chairman: Share Transfer & Investors Grievance Committee
Chairman/Member of the Committees of the Board of Directors of the Company	NIL	Member: Remuneration Committee NIL

By Order Of the Board of Directors  
For Syncom Healthcare Limited

Place: Indore  
Date: 7th July, 2010

AJAY BANKDA  
Chairman

#### **Explanatory Statement Pursuant to Section 173(2) of the Companies Act, 1956**

##### **Item No. 5.**

##### **Increase in authorized Capital:**

The company has proposed to expand its activities and hence it is desirable to increase the authorised share capital, so as to raise the capital whenever is required. Presently the Authorised share capital of the Company is Rs. 20,00,00,000 (Twenty Crores only) divided in to 2,00,00,000 (Two Crores only) Equity Shares of the face value of Rs. 10/- (Rupees ten) each which is required to be increased to Rs. 40,00,00,000 (Forty Crores) divided into 4,00,00,000 (Four Crores) Equity Shares of the face value of Rs. 10/- (Rupees ten) each. The additional 2,00,00,000 (Two Crore) Equity Shares of the face value of Rs. 10/- (Rupees ten) each will rank pari passu in all respects with the existing equity shares in the Company.

Having regard to the anticipated growth of the Company in future it is proposed to increase the Authorised Share Capital of the Company. The proposed increase in Authorised Share Capital requires the approval of members in general meeting. The Board recommends that the resolution be passed as special resolution.

None of the Directors of the Company is any way concerned or interested in the aforesaid resolution.

**Item No. 6. & 7**

The Memorandum and Articles of the company are required to be altered due to change in the authorized capital of the company. The consent of the members is required to be obtained for alteration of the memorandum and Articles of Association and therefore the resolution is to be passed in the Shareholders meeting.

None of the Directors of the Company is any way concerned or interested in the aforesaid resolution.

Your Directors consider the said resolution in the interest of the Company and therefore recommends the same for your approval.

**Item No. 8: Raising of Resources through issue of securities.**

The Board of Directors of the Company ("the Board") has been examining opportunities to further strengthen and/or consolidate the company's business. This can be achieved through investing in existing business, enlarging the proposed plan in hand and/or launching new business and/or acquisition opportunities. Such plans demand that the Company augments its funds position so that as and when an opportunity(s) arises the same can be materialized by the Company.

The resolution in the accompanying Notice being proposed as a Special Resolution is essentially an enabling and relates to a proposal to offer, issue and allot Equity Shares/Depository Receipts and/or other appropriate securities upto an amount not exceeding Rs.150 Crores (Rs. One hundred fifty Crores) or its equivalent in foreign currency, inclusive of premium on Equity Shares, in the course of domestic/international offerings. Such securities are proposed to be issued to any eligible person as per SEBI(ICDR) Regulations, 2009 including but not limited to resident investors and foreign investors (whether individuals, mutual funds, incorporated bodies, institutions or otherwise), Foreign Institutional Investors and Qualified Institutional Buyers, etc. The detailed terms and conditions of the offer will be determined by the Board in consultation with the advisor(s), lead manager(s), underwriter(s), and such other authority(ies) and agency(ies) as may be required. This will be done after considering the prevailing market conditions and all other relevant factors. To the extent applicable, the pricing of the offering(s) will be market related subject to "Floor Price" as determined in accordance with applicable laws. As the pricing of the offering(s) will be decided at a later stage the exact number of securities to be issued will depend upon the price so decided.

Securities issued through such proposed offering, if required, may be listed on either International Stock Exchange(s) and/or Indian Stock Exchanges, as appropriate.

The proposed issue requires the approval of Shareholders through a Special Resolution as per the provisions of Section 81 (1A) of the Companies Act, 1956 and the Listing Agreement entered into by the Company with the Stock Exchanges.

Your Directors recommend the resolution for your approval.

The Directors of the Company are deemed to be concerned or interested in the resolution only to the extent of shares held by them in the Company.

**Item No. 9: Increase in limits for FII investment**

The Reserve Bank of India had through its Master circular dated July1, 2006 on Foreign Investments in India permitted the companies to increase limit of investments by Foreign Institutional Investors (FII) upto the sectoral cap or statutory limit as applicable, by passing a resolution by its Board of Directors followed by a special resolution to that effect by its General body. The Sectoral cap applicable to the company is 100% of its paid up capital. The resolution at item no.9 of the notice seeks shareholder approval for increases in the permitted FII investment limits upto 74%. The Board considers the increased investment by FII to be in the interest of the company.

The Board recommends the resolution for increasing the maximum limit of FII investment in the company to 74% of the paid up equity capital of the company.

Your Directors recommend the resolution for your approval. None of the Directors of the Company is, in any way, concerned or interested in the said resolution.

**Item No. 10: Authority to investment, give loan and extend Guarantee**

The Company may explore making investments in areas of business(s) similar to that of the company. To achieve greater financial flexibility and to enable optimal financial structuring to facilitate any such proposal, it is proposed that the Board of Directors be authorized to invest upto Rs.200 Crores over and above the higher of (a) 60% of the paid up share capital & free reserves or (b) 100% of the free reserves by way of subscription and/or purchase of equity/equity related securities and/or debentures, grant of loan, guarantee and/or providing or security from time to time to a body corporate.



As per Section 372A of the Companies Act, 1956, a Company can not make investment, give loan or guarantee or provide any security in excess of the limits set out therein unless it is previously authorized by a special resolution. Hence, it is necessary to obtain approval for the same from the Members by passing a resolution. The funds required for the investment may be sourced through internal accruals, equity proceeds and/or borrowings.

Your Directors recommend the resolution for your approval. None of the Directors of the Company is, in any way, concerned or interested in the said resolution.

**Item No. 11: Authority to the Board under Section 293(1) (d) of the Companies Act, 1956 to borrow in excess of the present limit.**

As per the provisions of Section 293(1) (d) of the Companies Act, 1956, the Board of Directors of the company can not, except with the permission of the Shareholders in General Meeting, borrow money in excess of the aggregate of the paid up capital of the company and its free reserves.

The increasing business operations and future growth plans of the Company necessitate restructuring of the borrowing limits by authorizing the Board of Directors to borrow monies which may exceed at any time the aggregate of the paid up capital of the company and its free reserves but not exceeding an aggregate of Rs. 200 Crores.

Your Directors recommend the resolution for your approval. None of the Directors of the Company is, in any way, concerned or interested in the said resolution.

**Item No. 12: Authority to the Board under Section 293(1) (a) of the Companies Act, 1956 for creation of charge/mortgages.**

The borrowings by a company, in general, is required to be secured by mortgage or charge on all or any of the movable or immovable properties of the company in such form, manner and ranking as may be determined by the Board of Directors of the Company from time to time, in consultation with the lender(s).

The mortgage and/or charge on any of the movable and/or immovable properties and/or the whole or any part of the undertaking(s) of the company, to secure borrowings of the company or of any of its holding, subsidiary, affiliate or associate company, with a power to the charge holders to take over the management of the business and concern of the company in certain events of default, may be regarded as disposal of the Company's undertaking(s) within the meaning of section 293(1) (a) of the Companies Act, 1956. Hence, it is necessary for the Members to pass a resolution under the said Section.

The Board of Directors accordingly recommends the resolution set out in the accompanying Notice for the approval of the Members.

None of the Directors of the Company is, in any way, concerned or interested in the said resolution.

By Order Of the Board of Directors  
For Syncom Healthcare Limited

Place: Indore  
Date: 7th July, 2010

AJAY BANKDA  
Chairman

## Director's Report

The Shareholders,  
**Syncom Healthcare Limited,**  
 Mumbai- 400 009

Your Directors have pleasure in presenting their Eighth Annual Report along with the audited annual accounts for the year ended 31st March 2010 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 31/03/2010	Year ended 31/03/2009
Sales and other income	6842.93	6057.50
Profit before Interest and Depreciation	906.00	975.74
Less : Interest	267.61	337.73
Profit before Depreciation	638.39	638.01
Less : Depreciation	186.85	203.75
Profit before Taxation	451.54	434.26
Provision for Taxation	81.11	51.00
Provision for Fringe Benefit Tax	-	5.22
Provision for deferred tax Liability	-	-
Profit after Taxation	370.43	378.04
Prior year Income/ (Expenses)	-	3.27
Balance carried to Balance Sheet	370.43	381.31

### REVIEW OF OPERATIONS :

During the year under review the Company has achieved a total turnover of Rs. 6842.93 Lacs as against the turnover of Rs. 6057.50 Lacs in the previous year thereby registering an increase in turnover of 13%. The Company has earned a net profit of Rs. 451.54 Lacs before tax during the year as against the profit of Rs. 434.26 Lacs in the previous year registering a marginal increase of profit. These results could be achieved due to manufacture of a wide range branded quality of Ethical, OTC, Generic and Herbals products in its own Plant, contract manufacturing & other operations and marketing through an established distribution network. However, the operating profit was slightly lower due to increase in the prices of raw materials. The Company has carried out contract manufacturing for Rs. 10.00 Crores 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 PLAN

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 got good response of the market and subscribed over 5 times. The issue proceeds are proposed to be utilized for setting up a Unit for Pharmaceutical Formulation in SEZ at Pithampur for catering the needs of global requirement. The Company also planned to broad base its marketing net work by opening its own office in Mumbai to cater the overseas marketing operations. The Company also planned to add 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 carried almost complete upgradation in the existing unit at Dehradun as scheduled. The SEZ authority already confirmed for the allotment of land and the same is being allotted and necessary steps for setting up the Unit for Pharmaceutical Formulation at Pithampur is initiated. The Company has utilized up to 31.03.2010 Rs. 24.59 Crores on the project. The remaining amount was lying in the current account with the Bank (Rs. 15.54 Crores) and in the temporary deposits (Rs. 16.12 Crores)

**DIRECTORS :**

Shri J.P. Bagaria & Shri Bharat Kumar Doshi, Directors are liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offers them selves for re-appointment.

None of the Directors of the company are 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.

**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, 2010, 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 2010 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 31.03.2010 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 have the actuarial valuation 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 them selves 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 they are re-appointed their appointment will be within the limits of section 224(1B) of the Companies Act, 1956.

**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.

For and On Behalf of the  
Board of Directors

Place: Indore  
Date: 28th June, 2010

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)

<b>POWER AND FUEL CONSUMPTION</b>	<b>Current Year (2009-2010)</b>	<b>Previous Year (2008-2009)</b>
<b>ELECTRICITY</b>	623783	630806
Purchased unit (KWH)	2744645	2873900
Amount (Rs.)	4.40	4.56
Rate/unit (Rs.)	154551	55938
Own Generation unit (KWH)		
Amount (Rs.)	1601767	728397
Unit per Liter of Diesel oil	3.30	2.66
Rate / unit (Rs.)	10.36	13.02
<b>GAS</b>		
Purchased Units (KG)	41281	38808
Amount (Rs.)	2074745	1977046
Rate / unit (Rs.)	50.26	50.94

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 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 and total foreign outgo was Rs. NIL

For and On Behalf of the  
Board of Directors

Place: Indore  
Date: 28th June, 2010

Ajay Bankda  
Chairman

## Report on 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 Six Directors, including Three Independent & Non-Executive Directors:

Name of Directors	Designation	Category	No. of Outside Directorship Held
Mr. Ajay Bankda	Chairman & Managing Director	Executive	11
Mrs. Jyoti Bankda	Whole Time Director	Executive	11
Mr. J.P. Bagaria	Director	Non- Executive	1
Mr. Bharat Kumar Doshi	Director	Independent & Non- Executive	1
Mr. Govinddas Pasari	Director	Independent & Non- Executive	1
Mr. Avichal Kasliwal	Director	Independent & Non- Executive	1



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

Mr. J.P. Bagaria & Mr. Bharat Kumar Doshi, 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 2009-10, seven meeting of the Board of Directors were held on 08.05.2009, 08.06.2009, 23.09.2009, 10.12.2009, 30.12.2009, 02.02.2010 & 06.02.2010. The attendance record of all the Directors in the Board Meetings is as under :

Name of Directors	Board Meetings Held	Board Meetings Attended	Last AGM
Mr. Ajay Bankda	7	7	Yes
Mrs. Jyoti Bankda	7	7	Yes
Mr. J.P. Bagaria	7	5	Yes
Mr. Bharat Kumar Doshi	7	4	No
Mr. Govinddas Pasari	7	5	Yes
Mr. Avichal Kasliwal	7	5	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 2009-10, five meeting of the Audit Committee were held on 06.06.2009, 18.09.2009, 03.12.2009, 21.01.2009 & 26.03.2010. The attendance of the members in the meetings is as follows:

NAME	DESIGNATION	POSITION IN THE COMMITTEE	NO. OF MEETINGS ATTENDED
Mr. Govinddas Pasari	Director	Chairman	5
Mr. Avichal Kasliwal	Director	Member	5
Mr. Ajay Bankda	Managing Director	Member	5

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. J.C. Paliwal, Company Secretary is the Secretary to the Committee.

The Chairman of the Audit Committee attended the Annual General Meeting held on 5th August, 2009 to answer shareholders' queries.

#### **(b) Remuneration cum Compensation Committee**

As on March 31, 2010, the Remuneration cum Compensation Committee comprises of the followings and all are independent Directors.

NAME	DESIGNATION	POSITION IN THE COMMITTEE
Mr. Govinddas 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 redressing 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 met four times and the record of attendance of the members in the Committee is as follows:

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

Mr. J.C. Paliwal, Company Secretary of the Company is also functioning as the Secretary of the Committee.

**(iii) Name and designation of the Compliance Officer :**

Mr. J.C. Paliwal, V.P. Finance & Company secretary

**(iv) Status of the investors/ shareholders Complaints :**

- |     |   |   |     |
|-----|---|---|-----|
| (a) | Number of complaints received during the year       | : | 41  |
| (b) | Number of complaints solved during the year         | : | 41  |
| (c) | Number of complaints pending at the end of the year | : | NIL |

The Company has authorised 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 and Mrs. Jyoti Bankda, Whole Time Director are in accordance with the approval of the shareholders and are within the limits of Schedule XIII of the Companies Act, 1956. During the year 2009-10 the Company has paid the following remuneration to the Directors :

Director	Sitting fee	Salary & Perks (Rs.)	Commission	Total (Rs.)
Mr. Ajay Bankda	0	600000.00	0	600000.00
Mrs. Jyoti Bankda	0	962017.00	0	962017.00
Mr. J.P. Bagaria	0	0	0	0
Mr. Bharat Kumar Doshi	0	0	0	0
Mr. Govinddas Pasari	0	0	0	0
Mr. Avichal Kasliwal	0	0	0	0

**4. GENERAL MEETINGS:**

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

	Date	Time	No. of Special Business
5th AGM	29.09.2007	11.30 am	5
6th AGM	18.08.2008	12.30 pm	3
7th AGM	05.08.2009	12.00 noon	NIL

There was no resolution passed by postal ballot process during the last three Annual General meetings. The Chairman of the Audit Committee was also present at the Annual General Meeting.

**5. DISCLOSURES**

The Board of Directors of the Company do hereby state and confirm that:

- 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.
- 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 behaviour, 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 2009-10, 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 Business Standard in both the English and Hindi edition. 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 : 5th August, 2010  
2.00 PM at the Hotel Imperial Palace  
Plot No. 163, Sher-e-Punjab, Behind Tolani  
College, Andheri (E), Mumbai - 400 093
- (ii) Financial Calendar : April 2010 to March 2011  
Results for the quarter ended 30.06.2010 : Second week of August 2010  
Results for the quarter ended 30.09.2010 : Second week of November 2010  
Results for the quarter ended 31.12.2010 : Second week of February 2011  
Results for the quarter ended 31.03.2011 : Second week of May 2011
- (iii) Board meeting for consideration of Annual A/cs : 25th June, 2010
- (iv) Posting of Annual Report : On or before 10th July, 2010
- (v) Last date for receipt of Proxy : 03.08.2010
- (vi) Dates of Book Closure : From 02.08.2010 to 05.08.2010
- (vii) Listing on Stock Exchanges : The Bombay Stock Exchange &  
The National Stock Exchange
- (viii) Stock Code : BSE Code 533157  
NSE Code SYNCOM  
INE602K01014
- (ix) D-mat ISIN No. for CDSL & NSDL : 4,338
- (x) No. of Shareholders on 31.03.2010 : 4,338
- (xi) Stock Market Data :

The monthly High & Low stock quotations during the financial year ended 31st March, 2010 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
Feb-2010	107.25	70.65	56424999	107.20	70.00	99610067
Mar-2010	162.40	94.00	96268996	162.45	94.70	137579973

- (xiii) **Registrar and Transfer Agent** : M/s link Intime India Pvt. Ltd.  
**For Physical and Demat Shares** 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 dematerialisation of securities are processed and confirmation is given to the depositories within 15 days.

## (xv) Dematerialisation/ Rematerialisation :

As per the directives of the BSE, Company's shares are traded in electronic form. As on 31st March, 2010, 74,99,995 equity shares of the Company are held by the shareholders in dematerialisation form, consisting of 42.86% equity shares capital of the Company.

- CDSL : 43,60,945 forming 24.92% of the total paid up capital  
NSDL : 31,39,050 forming 17.94% of the total paid up capital


**(xvi) Distribution of shareholdings as on 31st March, 2010**

Nominal Value of Shareholdings (Rs.)	Shareholders (Numbers)	%	Share Amount (Rs.)	%
1 - 5000	3784	87.2291	3977880	2.2731
5001 - 10000	212	4.8870	1705920	0.9748
10001 - 20000	126	2.9046	1901070	1.0863
20001 - 30000	49	1.1296	1235870	0.7062
30001 - 40000	29	0.6685	1036460	0.5923
40001 - 50000	17	0.3919	751930	0.4297
50001 - 100000	50	1.1526	3695640	2.1118
Above - 100000	71	1.6367	160695230	91.8258
<b>TOTAL</b>	<b>4338</b>	<b>100.0000</b>	<b>175000000</b>	<b>100.0000</b>

**(xvii) Category wise Shareholdings as on 31st March, 2010**

S.No.	Categories	No. of Shares Held	% of Shareholdings
1.	Indian Promoters	10000000	57.1429
2.	Persons Acting in concert	0	0
3.	Banks, Financial Institutions	0	0
4.	FII's	588970	3.3655
5.	Bodies Corporate	4125059	23.5718
6.	NRI/ OCBs	11051	0.0631
7.	Indian Public	2774920	15.8567
	<b>TOTAL</b>	<b>17500000</b>	<b>100.0000</b>

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

None of the shares of the Company held by the Promoters have been pledged by them to any bank, financial Institution or any other body.

**(xix) 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 Company Secretary of the Company at the Corporate Office at Indore at the address given herein below.

**(xx) Registered Office Location:**

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

**(xxi) 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

**(xxii)**
**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: 28th June, 2010

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-end. 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  
28th June, 2010

Ajay Bankda  
Managing Director

J.C. Paliwal  
V.P. (Finance & Accounts)

## CERTIFICATE OF PRACTICING 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, 2010 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.

For Ajit Jain & CO.  
Company Secretaries

Place: Indore  
25th June, 2010

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 2009-10**

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 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: 28th June 2010

Ajay Bankda  
Managing Director

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **(i) Industry Structure and Developments:**

India is now one of the fastest growing economies in the world, with a projected growth of over 7 to 7.5% in 2009-10. It has recorded an average growth of over 7% since 1996, reducing overall poverty by about 10%. The year 2008-09 was a period of uncertainty in many fronts. Rapidly deteriorating economy in the developed world placed tremendous strain on the business environment in India. From the third quarter of last year, almost all sectors of Indian economy have shown signs of slow down. According to IMF World Economic Outlook April 2009, the global economy is expected to decline by 1.3% in 2009 and will start reviving from 2010. It is interesting to note that in the "Servcorp International Business Confidence Survey", India has been ranked as the third most promising country to survive the economic crisis. Despite global financial meltdown, the GDP of India has grown by 6.7% in 2008-09.

However it is worth noting that within such an adverse overall economic scenario, Indian Pharmaceutical Market has remained almost insulated from the global financial crisis.

Two key primary focus area of the Government, as many will agree, should be education and health of its citizen. The current National Health Policy has planned an overall increase in health spending of the Country as 6% of GDP by 2010. However, in 2008, India spent both public and private sector put together, around 5% of GDP on health.

India has 16% of the world's population, 18% of its mortality, 20% of morbidity, yet the country's healthcare expenditure is a miniscule, just 1% of global expenditure. As one of the fastest growing economies, India cannot continue to be ranked 171 out of the 175 countries surveyed by WHO based on percentage of GDP spent on public sector healthcare.

If we look at only the spending by the Government of India towards healthcare, it is just 1.2% of GDP, against 2% of GDP in China and 1.6% of GDP in Sri Lanka, as reported in the World Health Report 2006. It is therefore high time for India to give the necessary impetus to grow for the healthcare sector.

Strong GDP growth and significant cost advantages have resulted in the Indian Pharmaceutical industry growing significantly by 20% from around US \$ 6.9 Bn in 2002-03 to around US \$ 17 Bn in 2007-08. Indian participation in the international pharmaceutical market has increased and with more products going generic in the developed economies, the country's domestic formulations and bulk drug exports have grown significantly. In addition,

increasing cost pressures on global innovator companies has resulted in appreciable growth in Contract Research and Manufacturing Services (CRAMS) business in India. Driven by all these factors, Indian Pharmaceutical exports have grown at a CAGR of 27% in last six years to reach US \$ 8.6 Bn in 2007-08

**(ii) Threats, Risks and Concerns:**

Lack of clarity on the Government's future policy especially in relation to price control continues to be an area of major concern for the industry. The absence of a clear objective and transparent policy on drug pricing continues to impact the overall industry direction.

Introduction of new taxes and changes in existing tax laws as well as other statutes particularly in the pharmaceutical sector continue to pose challenge to the industry. The Direct Tax Code, 2009 is also not clear about the income tax exemption for the units set up in SEZ.

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

**(iii) Opportunity :**

The Indian middle class is growing rapidly with increasing prospects for greater health insurance coverage. The Indian market is under-insured with less than 4% of the population covered by State Health Insurance. The Private Health Insurance market is limited to a miniscule number. It is estimated that the number of Indians who can afford quality private healthcare stands at about 100 million, which is about 1/3rd of the middle class population and 1/10th of the total Population. Increasing penetration of health Insurance coupled with rising purchasing power is expected to stimulate the market. Healthcare reforms are also expected to expand the coverage of organized healthcare to rural areas leading to increased supply of secondary care. Your company has set up a strong distribution network in most of the cities in India where it operates. We are still in process of expanding distribution network in the remaining areas. The increasing spending on healthcare world wide will help to grow sales. Also your company has created an excellent base in the huge and potential Indian Pharma market. This gives your company an excellent opportunity to grow in domestic as well as international market.

**(iv) Outlook :**

Your company has invested in manpower in sales and marketing to consolidate and accelerate its growth. While keeping its focus on achieving a higher sales growth, the company continues to work on generating cost related efficiency in areas of Supply Chain, administrative expenses, selling expenses and Manufacturing expenses.

The company's strategies for enhancement in key areas have presented an optimistic growth path to look forward. To create a sharper focus on market share expansion globally, the company is in process of establishing a pharmaceutical formulation unit in SEZ. On the growth front, we express cautious optimism against the backdrop of an unsatisfactory and progressively adverse economic environment.

**(v) Segmental Analysis :**

The company is working under single segment pharmaceuticals.

**(vi) Internal control systems and their adequacy :**

The company has an adequate system of internal controls which ensures that its assets are protected against loss from unauthorized use or disposition and all transactions are authorized, recorded and reported in conformity with generally accepted accounting principles.

The internal control systems are documented with clearly defined authority limits. These systems are designed to ensure accuracy and reliability of accounting data, promotion of operation efficiency and adherence to the prescribed management policies. These policies are periodically updated to meet current business requirements.

The Company has a system for regular review of internal Controls to assess its effectiveness and the controls are suitably revised to keep pace with changing business environment. Internal Control System and processes are reviewed and tested by internal auditors on a regular basis. The scope of "audit Program is agreed upon with the Audit Committee. Audit observations and recommendations are reported to the Audit Committee, which monitors the implementation of the said recommendations. Cost control measures on major cost determinants have been implemented. The Company's internal audit team also carries out extensive audits throughout the year, across all functional areas.

**(vii) Cautionary statement :**

Statement in the management discussion and analysis describing company's objectives, projections, estimates and expectations may constitute "forward looking statement" within the meaning of applicable laws and regulations. Actual result might differ materially from those either expressed or implied.

For and on behalf of the Board of Directors  
For SYNCOM HEALTHCARE LIMITED

## AUDITOR'S REPORT TO THE SHAREHOLDERS OF M/S SYNCOM HEALTHCARE LIMITED

We have audited the attached Balance Sheet of M/S SYNCOM HEALTHCARE LIMITED as at 31st March, 2010 and also the Profit and Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further and subject to our comments in the Annexure referred to above, 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 purposes 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, Profit and Loss Account and Cash flow statement dealt with by this report are in agreement with the books of account;
- iv. In our opinion, the Balance Sheet, Profit and Loss Account and Cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 subject to the Note (A) (i) (1) and (2) of the Notes to the Account;

On the basis of written representations received from the directors, as on 31st March, 2010, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;

In our opinion and to the best of our information and according to the explanations given to us, the accounts read with notes thereon give the information required by the Companies Act, 1956 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 state of affairs of the company as at 31st March, 2010; and
- b. in the case of Profit and Loss Account, of the Profit for the year ended on that date; and
- c. in the case of Cash flow statement, of the cash flows for the year ended on that date.

For **Sanjay Mehta & Associates**

Chartered Accountants

Manish Mittal  
Partner  
M .No. 079452  
Firm Regn. 011524C  
Indore, June 28, 201

## ANNEXURE TO THE AUDITOR'S REPORTS (Referred to in Paragraph (3) of our report of even date)

With reference to the Annexure referred to in paragraph 3 of our report of even date to the members of M/s Syncom Healthcare Limited for the year ending 31st March 2010, 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.
  - (b) As explained to us physical verification of a major portion of fixed assets as at 31 March, 2010 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 the management at periodic intervals.
  - (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.0



- (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 on 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 and have been properly dealt with 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. As the Company has neither granted nor taken any loans, secured or unsecured, to or from parties listed 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 control.
- (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. Also 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 a formal internal Audit system commensurate with its size and the nature of its business.
- (viii) The maintenance of cost records has not been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956.
- (ix) According to information and explanations given to us, 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
- (b) 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 company has also not paid the advance income taxes in the first three quarters and overall advance tax paid was short by Rs.32.09 Lacs as on 31/03/2010.
- (c) According to information and explanations given to us, no undisputed amounts payable except stated as above in respect of the statutory dues were outstanding as at 31st March 2010 for a period of more than 6 months from the date they became payable.
- (d) According to the information and explanation given to us, there are no dues of income tax, sales tax, wealth tax, service tax, customs duty and excise duty which have not been deposited on account of any dispute.
- (x) 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) The company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The Provisions of any special statute applicable to Chit funds, Nidhis or Mutual benefit funds/Societies are not applicable to the company.
- (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 31/3/2010 are as investment of surplus funds of the company. The outstanding shares held and owned by the company as on 31/3/2010 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 on the end use of money raised by public issues and the same has 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

Manish Mittal  
(Partner)  
M .No. 079452  
Firm Regn. 011524C  
Indore, June 28, 2010





**SYNCOM HEALTHCARE LIMITED**  
**Balance Sheet as on 31 March 2010**

Particulars	Schedule No.	Amount in Rs. 31/03/2010	Amount in Rs. 31/03/2009
<b>SOURCES OF FUND</b>			
<b>1 Shareholders Funds</b>			
(a) Share Capital	1	175000000	100000000
(b) Reserves and Surplus	2	588818042	117387974
<b>2 Loan Funds</b>			
(a) Secured	3	171271221	199588449
(b) Unsecured	4	72306436	110474874
<b>Total</b>		<b>1007395699</b>	<b>527451297</b>
<b>APPLICATION OF FUNDS</b>			
<b>1 Fixed Assets</b>	5		
(a) Gross Block		206249453	198720596
(b) Less - Depreciation		71116185	52431129
(c) Net Block		135133268	146289467
(d) Capital Work-in-Progress		34524546	0
<b>2 Investments</b>	6	40210416	37418
<b>3 Current Assets Loans And Advances</b>	7		
Inventory		107074965	96284448
Sundry Debtors		477612933	284891240
Cash And Bank Balances		159672953	1450172
Loans & Advances		219600862	54178522
<b>Total (a)</b>		<b>963961713</b>	<b>436804382</b>
<b>Less : Current Liabilities And Provisions</b>	8		
Liabilities		150406842	45734957
Provisions		16655703	14391989
<b>Total (b)</b>		<b>167062545</b>	<b>60126946</b>
Net Current Assets		<b>796899168</b>	<b>376677437</b>
<b>4 Miscellaneous Expenditure</b>	9	628301	4446975
( To the Extent not written off Or Adjusted)			
<b>Total</b>		<b>1007395699</b>	<b>527451297</b>

**5 Accounting Policies and Notes of Accounts** 10  
Schedules referred to herein form an integral part of the Balance Sheet

FOR M/S SANJAY MEHTA AND ASSOCIATES  
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF BOARD OF DIRECTORS

MANISH MITTAL  
PARTNER

AJAY BANKDA  
MANAGING DIRECTOR

JYOTI BANKDA  
DIRECTOR

M. No. 079452  
Indore, June 28, 2010

JAGDISH CHANDR PALIWAL  
COMPANY SECRETARY

**SYNCOM HEALTHCARE LTD.**  
**Profit and Loss Account for the year ended on 31/03/2010**

Particulars	Schedule No.	Amount in Rs. 31/03/2010	Amount in Rs. 31/03/2009
<b>INCOME</b>			
1 Sales		668514851	605646642
2 Other Income	11	523201	102970
3 Increase /(Decrease) In Stock		15255141	(101024)
<b>TOTAL</b>		<b>684293193</b>	<b>605648588</b>
<b>EXPENDITURE:</b>			
1 Material Consumed	12	161181714	116663181
2 Finished Goods Purchased	13	332576832	299180341
3 Manufacturing & Other Expenses	14	99725108	90471096
4 Interest And Finance Charges	15	26760840	33772680
5 Depreciation	5	18685056	20375648
6 Preliminary Expenses written off		209434	209434
7 Deferred Revenue Expenditure W/Off		0	1550263
<b>TOTAL</b>		<b>639138984</b>	<b>562222643</b>
<b>Profit/(-)Loss Before Tax</b>		<b>45154209</b>	<b>43425945</b>
Provision For Tax			
8 Current Tax		8111176	5100000
9 Deferred Tax		0	0
10 Fringe Benefit Tax		0	522265
<b>Profit/(-)Loss after tax</b>		<b>37043033</b>	<b>37803680</b>
11 (Add)/Less: Prior Year (Income)/Expenses	16	0	(327608)
Net Profit		37043033	38131288
Add Balance Brought Forward From Previous Year		106895998	68764710
Amount Available For Appropriation		143939031	106895998
<b>12 Appropriations</b>			
Balance carried to Balance Sheet		143939031	106895998
		143939031	106895998
<b>13 EARNINGS PER SHARE</b>			
a) Basic	Rupees	3.29	3.85
b) Diluted	Rupees	3.29	3.81
14 Accounting Policies and Notes of Accounts	10		

FOR M/S SANJAY MEHTA AND ASSOCIATES  
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF BOARD OF DIRECTORS

MANISH MITTAL  
PARTNER

AJAY BANKDA  
MANAGING DIRECTOR

JYOTI BANKDA  
DIRECTOR

M. No. 079452  
Indore, June 28, 2010

JAGDISH CHANDR PALIWAL  
COMPANY SECRETARY



**SYNCOM HEALTHCARE LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31/03/2010**

Particulars	2009-2010	2008-2009
<b>A. Cash Flow Provided /(Required) by operating Activities</b>		
Profit after tax	37043033	38131288
Adjustment for:		
Depreciation	18685056	20375648
Profit on Sale of Fixed Assets /Investments / Dividend Income	(318343)	(63237)
Amortization expenditure	209434	1759697
Tax expense		
Interest & Financial Charge	26760840	33772680
<b>Operating Profit before working capital changes</b>	<b>82380020</b>	<b>93976075</b>
Adjustment for:		
(Increase)/Decrease in Trade Receivables	(192721693)	(40024572)
(Increase)/Decrease in other Current Assets	0	0
(Increase)/Decrease in Inventories	(10790517)	(10783347)
(Increase)/decrease in Loans & Advances	(165422341)	(49304280)
Increase/(decrease) in Current Liabilities except provision for Dividend & Dividend Tax	106935599	22165729
Subsidy received	0	52000
<b>Net Cash (Required) /provided by Operations</b>	<b>(179618931)</b>	<b>16081605</b>
<b>B. Cash Flow (Provided) / Required by Investing Activities</b>		
Addition to Fixed Assets	42053403	3549273
Purchase / (Sale) of Investments	39925380	0
Miscellaneous Expenses	0	700000
Dividend Income	(70725)	(10215)
Proceeds from Sale of Assets	0	(260000)
<b>Net Cash Provided (Required) by Investing activities</b>	<b>(81908058)</b>	<b>(3979058)</b>
<b>C. Cash Flow Provided/ (Required) by Financing Activities</b>		
<b>SOURCES OF FUND</b>		
Proceeds from Share Capital (Net of Bonus shares Issued)	75000000	19000000
Unsecured Loans obtained	281167819	156698427
Term Loans Obtained	66512000	0
Increase in Working Capital Facilities	11743357	30718878
Proceeds from Share Premium	487500000	0
<b>TOTAL</b>	<b>921923176</b>	<b>206417305</b>
<b>APPLICATION OF FUNDS</b>		
Repayment of Unsecured Loans	319336257	148510011
Repayment of Term Loans	106572585	39768092
Decrease in Working Capital Facilities	0	0
Share issue expenses incurred	49503725	3609240
Interest Paid	26760840	26761422
<b>TOTAL</b>	<b>502173407</b>	<b>218648765</b>
<b>Net Cash Surplus /(Required) by Financing activities</b>	<b>419749769</b>	<b>(12231460)</b>
<b>D. Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>158222781</b>	<b>(128913)</b>
<b>E. Cash and Cash Equivalents at beginning of Period</b>	<b>1450172</b>	<b>1579085</b>
<b>F. Cash and Cash Equivalents at end of Period</b>	<b>159672953</b>	<b>1450172</b>

FOR M/S SANJAY MEHTA AND ASSOCIATES  
CHARTERED ACCOUNTANTS

MANISH MITTAL  
PARTNER

M. No. 079452  
Indore, June 28, 2010

FOR AND ON BEHALF OF BOARD OF DIRECTORS

AJAY BANKDA  
MANAGING DIRECTOR

JYOTI BANKDA  
DIRECTOR

JAGDISH CHANDR PALIWAL  
COMPANY SECRETARY



**SYNCOM HEALTHCARE LTD.  
SCHEDULES FORMING PART OF THE BALANCE SHEET AS ON 31/03/2010**

Particulars	Amount in Rs. 31/03/2010	Amount in Rs. 31/03/2009
<b>SCHEDULE - 1</b>		
<b>SHARE CAPITAL</b>		
<b>AUTHORISED CAPITAL</b>		
20000000 EQUITY SHARES OF (PREVIOUS YEAR 10000000 EQUITY SHARES) OF RS 10 EACH	200000000	200000000
<b>PAID UP CAPITAL</b>		
17500000 EQUITY SHARES OF RS 10 EACH (PREVIOUS YEAR 10000000 EQUITY SHARES OF RS.10/- EACH) FULLY PAID UP	175000000	100000000
<b>TOTAL</b>	<b>175000000</b>	<b>100000000</b>
<b>SCHEDULE - 2</b>		
<b>RESERVE &amp; SURPLUS</b>		
<b>SECURITIES PREMIUM ACCOUNT</b>		
OPENING BALANCE	6611670	6611670
RECEIVED DURING THE YEAR	487500000	0
LESS :- ISSUE EXPENSES WRITTEN OFF INCURRED DURING THE YEAR	53112965	0
CLOSING BALANCE	440998705	6611670
<b>CAPITAL SUBSIDY</b>		
(FROM STATE GOVERNMENT OF UTTARAKHAND)	3000000	3000000
<b>GENERAL RESERVE</b>		
OPENING BALANCE	880306	880306
SET ASIDE DURING THE YEAR	0	0
<b>SUBTOTAL</b>	<b>880306</b>	<b>880306</b>
<b>PROFIT &amp; LOSS ACCOUNT</b>		
	143939031	106895998
<b>TOTAL</b>	<b>588818042</b>	<b>117387974</b>
<b>SCHEDULE - 3</b>		
<b>SECURED LOAN</b>		
<b>TERM LOAN FROM BANK OF INDIA</b>		
(PAYABLE WITHIN A YEAR 19048800/-)	35241701	60094524
SECURED AGAINST FIRST CHARGE IN THE FORM OF MORTGAGE OF LAND & BUILDING AND HYPOTHECATION OF PLANT AND MACHINERY OF THE COMPANY'S UNIT AT SELAQUI NEAR DEHRADOON)		
<b>HDFC CAR LOAN</b>		
(SECURED BY FIRST CHARGE IN THE FORM OF HYPOTHECATION OVER THE VEHICLE PURCHASED DURING THE YEAR. REPAYABLE WITH IN ONE YEAR RS.589288/-)	1460238	0
<b>WORKING CAPITAL FACILITIES FROM BANK OF INDIA</b>		
A. CASH CREDIT FACILITIES	117905282	106161925
B. WORKING CAPITAL DEMAND LOAN	16664000	33332000
(PAYABLE WITHIN A YEAR 16664000/-)		
(THE WORKING CAPITAL FACILITIES ARE SECURED AGAINST FIRST CHARGE ON CURRENT ASSETS OF THE COMPANY)		
<b>TOTAL</b>	<b>171271221</b>	<b>199588449</b>
<b>SCHEDULE - 4</b>		
<b>UNSECURED LOAN</b>		
FROM DIRECTORS AND RELATIVES	33337276	81874874
INTERCORPORATE DEPOSITS	10900000	28600000
ICICI Bank	28069160	0
(AN AMOUNT OF Rs.720063/- IS PAYABLE WITHIN NEXT TWELVE MONTHS)		
<b>TOTAL</b>	<b>72306436</b>	<b>110474874</b>



**SCHEDULE - 5**  
**SCHEDULE OF THE FIXED ASSETS FOR THE YEAR ENDED 31/3/2010**  
**(AMOUNT IN RUPEES)**

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 1.4.2009	ADDITIONS DURING THE YEAR	SOLD/REV/ DISPOSED DURING YEAR	GROSS TOTAL BALANCE	CLOSING BALANCE AS ON 31.03.10	OPENING BALANCE AS ON 01.04.09	FOR THE YEAR	TOTAL	NET BLOCK 31.3.2010	NET BLOCK 31.3.2009
FIXED ASSETS										
LAND	2927498	0	0	2927498	2927498.00	0.00	0.00	0.00	2927498.00	2927498.00
FACTORY BUILDING	87108324	0	0	87108324	87108324.00	16816309.35	7029201.00	23845510.35	63262813.65	70292014.65
PLANT & MACHINERY	57341353	1886537	0	59227890	59227890.00	15968238.63	5879044.00	21847282.63	37380607.37	41373114.37
ELECTRICAL INSTALLATION	687806	0	0	687806	687806.00	308052.00	68734.00	376786.00	31020.00	379754.00
FURNITURE AND FIXTURES	4015143	1286084	0	5301227	5301227.00	1806599.89	439763.00	2246362.89	3054864.11	2208543.11
VEHICLES	1422750	3055458	0	4478208	4478208.00	1113161.30	568449.35	1681610.65	2796597.35	309588.70
COMPUTERS	4910924	160887	0	5071811	5071811.00	3396317.60	638942.00	4035259.60	1036551.40	1514606.40
OFFICE AND FACTORY EQUIPMENTS	35908528	939891	0	36848419	36848419.00	9892636.91	3690177.00	13582813.91	23265605.09	26015891.09
INTANGIBLE ASSETS	4398270	200000	0	4598270	4598270.00	3129813.37	370746.00	3500559.37	1097710.63	1268456.63
TOTAL	198720596	7528857	0	206249453	206249453	52431129	18685056	7116185	135133268	146289467
PREVIOUS YEAR	192179557	7298498	757459	198720596	198720596	32605962	20375648	52431129	146289467	





**SYNCOM HEALTHCARE LTD.  
SCHEDULES FORMING PART OF THE BALANCE SHEET AS ON 31/03/2009**

Particulars	Amount in Rs. 31/03/2010	Amount in Rs. 31/03/2009
<b>SCHEDULE - 6</b>		
<b>INVESTMENTS</b>		
<b>INVESTMENT IN QUOTED SHARES</b>		
968 EQUITY SHARES OF D.B.CORP LIMITED	205216	0
NIL EQUITY SHARES OF ARIHANT CAPITAL (previous year 5675 shares)	0	32218
<b>INVESTMENT IN UNQUOTED SHARES</b>		
20000 EQUITY SHARES OF SOUND CRAFT IND. LTD.	5200	5200
40000 EQUITY SHARES OF SAVIT CAPITAL LIMITED (Rs.1000/- EACH)	40000000	0
<b>TOTAL</b>	<b>40210416</b>	<b>37418</b>
<b>SCHEDULE - 7</b>		
<b>CURRENT ASSETS</b>		
<b>LOANS AND ADVANCES</b>		
<b>INVENTORY</b>		
RAW MATERIAL	18693224	23541270
PACKING MATERIAL	12300381	13955910
WORK IN PROGRESS	13662492	15317014
FINISHED GOODS	52964848	36055185
GIFTS ITEMS	9454021	7415069
<b>SUB-TOTAL(A)</b>	<b>107074965</b>	<b>96284448</b>
<b>SUNDRY DEBTORS</b>		
(UNSECURED CONSIDERED GOOD):		
A) DEBTS OUTSTANDING FOR A PERIOD WITHIN SIX MONTHS	337312554	163462007
B) DEBTS OUTSTANDING FOR A PERIOD OVER SIX MONTHS	140300379	121429233
<b>SUB-TOTAL(B)</b>	<b>477612933</b>	<b>284891240</b>
<b>CASH &amp; BANK BALANCES</b>		
CASH IN HAND	4048755	1234363
BANK BALANCES (WITH SCHEDULED BANK)		
- IN CURRENT ACCOUNTS	155521569	20537
- IN FIXED DEPOSIT ACCOUNTS	102629	94813
(PLEGDED WITH GOVERNMENT AGAINST EXPORT OBLIGATION UNDERTAKEN UNDER EPCG SCHEME)		
BANK BALANCES (WITH NON SCHEDULED BANK)		
- IN CURRENT ACCOUNTS	0	100459
<b>SUB-TOTAL(C)</b>	<b>159672953</b>	<b>1450172</b>
<b>LOANS AND ADVANCES</b>		
(UNSECURED CONSIDERED GOOD)		
ADVANCES RECOVERABLE IN CASH OR IN KIND OR FOR VALUE TO BE RECEIVED	170889674	13508572
TAX DEDUCTED AT SOURCE /ADVANCE TAX / VAT	4497131	6393
SECURITY AND OTHER DEPOSITS	44214057	40663557
INTER BRANCH BALANCES	0	0
<b>SUB-TOTAL(D)</b>	<b>219600862</b>	<b>54178522</b>
<b>TOTAL(A+B+C+D)</b>	<b>963961713</b>	<b>436804382</b>



**SYNCOM HEALTHCARE LTD.**  
**SCHEDULES FORMING PART OF THE BALANCE SHEET AS ON 31/03/2010**

Particulars	Amount in Rs. 31/03/2010	Amount in Rs. 31/03/2009
<b>SCHEDULE -8</b>		
<b>CURRENT LIABILITIES AND PROVISIONS</b>		
<b>CURRENT LIABILITIES</b>		
SUNDRY CREDITOR		
- FOR SUPPLIES	126919685	42307235
- FOR CAPITAL GOODS	18004311	1072981
- FOR EXPENSES	5309309	2354741
CUSTOMER CREDIT BALANCE	173537	0
<b>TOTAL(A)</b>	<b>150406842</b>	<b>45734957</b>
<b>PROVISIONS</b>		
PROVISION FOR EXPENSES	6671976	6965069
PROVISION FOR STATUTORY DUES	1872551	1804655
PROVISION FOR INCOME TAX	8111176	5100000
PROVISION FOR FRINGE BENEFIT TAX	0	522265
<b>TOTAL(B)</b>	<b>16655703</b>	<b>14391989</b>
<b>GROSS TOTAL (A+B)</b>	<b>167062545</b>	<b>60126946</b>
<b>SCHEDULE - 9</b>		
<b>MISCELLANEOUS EXPENDITURE</b>		
(TO THE EXTENT NOT WRITTEN OFF OR ADJUSTED )		
<b>A) PRELIMINARY EXPENSES</b>		
OPENING BALANCE	837735	347169
ADD :-		
EXPENDITURE INCURRED DURING THE YEAR	0	700000
(TO THE EXTENT NOT WRITTEN OFF OR ADJUSTED)	837735	1047169
LESS :-		
WRITTEN OFF DURING THE YEAR	209434	209434
( 1/5TH EVERY YEAR )		
SUB-TOTAL (A)	628301	837735
<b>B) DEFERRED REVENUE EXPENDITURE</b>		
OPENING BALANCE	0	1550263
ADD :-		
EXPENDITURE INCURRED DURING THE YEAR	0	0
(TO THE EXTENT NOT WRITTEN OFF OR ADJUSTED)	0	1550263
LESS :-		
WRITTEN OFF DURING THE YEAR ( 1/5TH EVERY YEAR FOR EXPENDITURE INCURRED)	0	1550263
<b>SUB-TOTAL (B)</b>	<b>0</b>	<b>0</b>
<b>C) PREOPERATIVE &amp; PRELIMINARY EXPENDITURE</b>		
OPENING BALANCE	3609240	0
ADD :-		
EXPENDITURE INCURRED DURING THE YEAR	49503725	3609240
(TO THE EXTENT NOT WRITTEN OFF OR ADJUSTED)		
LESS :-		
WRITTEN OFF DURING THE YEAR	53112965	0
<b>SUB-TOTAL (C)</b>	<b>0</b>	<b>3609240</b>
<b>TOTAL (A+B+C)</b>	<b>628301</b>	<b>4446975</b>


**SYNCOM HEALTHCARE LTD.**
**SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDING ON 31/03/2010**

Particulars	Amount in Rs. for the year ended 31/03/2010	Amount in Rs. for the year ended 31/03/2009
<b>SCHEDULE - 11</b>		
<b>OTHER INCOME</b>		
DIVIDEND RECEIVED	70725	10215
PROFIT ON SALE OF CAR	0	53022
INSURANCE CLAIM RECEIVED	0	39733
MISC. INCOME	204858	0
PROFIT ON SALE OF SHARES	247618	0
<b>TOTAL</b>	<b>523201</b>	<b>102970</b>
<b>SCHEDULE - 12</b>		
<b>RAW MATERIAL CONSUMED</b>		
OPENING STOCK		
RAW MATERIAL	23541270	18108179
PACKING MATERIAL	13955910	13224467
ADD :-		
RAW MATERIALS PURCHASED	88442799	68330253
PACKING MATERIAL PURCHASED	63819425	53067922
OTHER STORE CONSUMPTION	793029	744511
FREIGHT AND CARTAGE	1622885	685029
LESS: CLOSING STOCK		
RAW MATERIAL	18693224	23541270
PACKING MATERIAL	12300381	13955910
<b>CONSUMPTION</b>	<b>161181714</b>	<b>116663181</b>
<b>SCHEDULE - 13</b>		
<b>PURCHASE FINISHED GOODS</b>		
PURCHASES (NET OF RETURN)	331733561	298617033
PURCHASE PACKING MATERIALS	10296	0
FREIGHT AND CARTAGE	832975	563308
<b>TOTAL</b>	<b>332576832</b>	<b>299180341</b>
<b>SCHEDULE - 14</b>		
<b>MANUFACTURING &amp; OTHER EXPENSES</b>		
STAFF SALARY, WAGES AND OTHER BENEFITS	45356002	45849376
CONTRIBUTION TO PROVIDENT AND OTHER FUNDS	991586	1058708
STAFF WELFARE	2139765	704737
DIRECTORS REMUNERATION AND BENEFITS	1527943	1326848
POWER AND FUEL	7694569	6706209
RENT AND VEHICLE HIRE CHARGES	1873000	1838500
INSURANCE EXPENSES	304772	183784
REPAIR AND MAINTENANCE	3463571	3283732
TRAVELLING AND CONVEYANCE	11081932	11535185
SALES EXPENSES	18281485	12363966
VEHICLE RUNNING AND MAINTENANCE	517677	160549
POSTAGE TELEGRAM AND TELEPHONE	1353792	1074928
LEGAL AND PROFESSIONAL EXPENSES	2063640	1318075
RATES AND TAXES	124718	136138
SUNDRY EXPENSES	2950656	2930362
	<b>99725108</b>	<b>90471096</b>



**SYNCOM HEALTHCARE LTD.**

**SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDING ON 31/03/2010**

Particulars	Amount in Rs. for the year ended 31/03/2010	Amount in Rs. for the year ended 31/03/2009
<b>SCHEDULE - 15</b>		
<b>INTEREST &amp; FINANCE CHARGES</b>		
INTEREST ON UNSECURED LOANS	7466871	8556081
INTEREST ON TERM LOAN	8832295	8796441
INTEREST ON WORKING CAPITAL FACILITIES		
- CASH CREDIT FACILITIES	11015217	10784910
- DEMAND LOAN	2803011	5174149
OTHER INTEREST	0	3890
BANK CHARGES AND COMMISSION	599495	566804
<b>SUB-TOTAL</b>	<b>30716889</b>	<b>33882275</b>
LESS INTEREST RECEIVED DURING THE YEAR	3956050	109595
<b>TOTAL</b>	<b>26760840</b>	<b>33772680</b>
<b>SCHEDULE - 16</b>		
<b>PRIOR YEAR ITEMS</b>		
PRIOR YEAR EXPENSES	0	0
<b>LESS:</b>		
<b>PRIOR YEAR INCOME</b>		
VAT CREDIT RELATED TO 2007-08 CLAIMED NOW	0	128665
EXCESS PROVISION OF INCOME TAX WRITTEN BACK	0	198943
<b>TOTAL</b>	<b>0</b>	<b>(327608)</b>

**SCHEDULE – 10**  
**ACCOUNTING POLICIES AND NOTES OF ACCOUNTS**  
**YEAR: - 2009-2010**

**(A) ACCOUNTING POLICIES:**

**(i) System of accounting.**

1. 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 provision for gratuity has been made only for the employees eligible for gratuity as on 31/03/2010 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) REVENUE RECOGNITION:**

1. All revenues and expenses are accounted for on accrual basis except to the extent stated otherwise.
2. Dividend incomes are accounted on getting the right to receive the dividend.
3. Interest income is accounted on accrual basis.

**(iii) Fixed Assets**

Fixed assets are stated at cost of acquisition/construction.

Cost of acquisition is inclusive of freight, duties, taxes but net of CENVAT and inclusive of other incidental expenses and interest attributable to construction, production or acquisition of qualifying assets.

- (iv) Depreciation on fixed and movable assets has been charged on WDV basis on pro-rata basis on the rates prescribed in Schedule XIV of the Companies Act 1956. Assets costing up to Rs.5000/- are fully depreciated in the year of purchase.

**(v) Investments:**

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

**(vi) 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.

**(vii) Inventory Valuation**

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.

Closing stock of Gifts item to be used as part of sale promotion expenses is valued at cost.

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.

**(viii) 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.

**(ix) Preliminary expenses**

Preliminary expenses are shown as miscellaneous expenditure in the balance sheet. Expenditure incurred for increase in authorised capital has also been included in this head as and when the same are incurred. The same are being amortised over a period of five years.

**(x) Share Issue Expenses**

The company had come out with its maiden public issue during the year and has issued 75,00,000 equity share of Rs. 10 each at a premium of Rs. 65 each, during the year 2009-10. Share issue Expenses of Rs. 53112965/- (including expenses incurred up to 31/03/2009 Rs. 3658706/-) represents the expenses incurred by the company in respect of public issue for equity shares which have been written off against the security premium received by the company on allotment of shares in the said public issue.

**(XI) Impairment of Assets:**

No asset whose carrying cost exceeds its recoverable value is held by the company as on 31/03/2010

- (xii) 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.




**(B) NOTES OF ACCOUNTS:**
**(i) 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.
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).

There were no significant events and contingencies which have occurred after 31/03/2010 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 31/03/2010 and which results in any contingent loss for which provision has to be done in the profit and loss account for the year.

**(ii) End Use of Proceeds of the Public Issue:**

The company has issued to public 75 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 during the year. The same has been utilised as under:-

(Amount In Rs.)

Activity	Total Fund Requirements	Funds Deployed
To set up new Unit in SEZ, Pithampur	204800000	0
To undertake the up gradation/ modernization at the existing Unit at Dehradun		
a) Civil Work	12000000	12678856
b) Plant & Machines	41700000	29075177
c) WHO Certification & Product Registration	12500000	0
To meet Working Capital Requirement	150000000	123824401
For opening Export Office at Mumbai	40000000	0
For Brand & Product Registration and Approvals	30000000	0
General Corporate Purpose	16825000	27236299
Issue Expenses	54675000	53112965
<b>TOTAL</b>	<b>562500000</b>	<b>245927698</b>

- (iii) 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 of sanction of Term Loan and other facilities from 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.

**(iv) Auditor's Remuneration**

(Amount in Rs.)

PARTICULARS	2009-10	2008-09
a. For Statutory Audit fees	55000	42500
b. For Tax Audit	15000	12500
c. For company law matters	Nil	Nil
d. For Certification and other matters	35000	5500
Total:	105000	60500
Add :- Service tax	10815	6345
<b>Total</b>	<b>115815</b>	<b>66845</b>

(iv) **Director's Remuneration**

Sn. No.	Particular	Ajay Bankda		Jyoti Bankda	
1	Salaries	600000	510000	480000	420000
2.	Other perquisites/Benefits	Nil	Nil	482017	396848

(vi) **Deferred Tax Liability**

The net profit of the company is derived from the operations of the Dehradun Industrial unit of the company, the taxable income derived from which is subject to a tax holiday/deduction U/s 80IC for a continuous period of 5 years starting from year 2006-07. Consequently the timing differences existing as on the balance sheet date are expected to reverse during the stated period of tax holiday to a substantial extent, hence no provision of deferred tax liability has been done in accordance with accounting standard.

(vii) **Segment information**

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

(viii) **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. Individuals owning voting power giving control or significant influence;
  - i. Shri Ajay Bankda.
  - ii. Smt. Jyoti Bankda.
2. Key management personnel and their relatives;
  - a. Key Managerial Personnel
    - i. Shri Ajay Bankda
    - ii. Smt Jyoti Bankda
    - iii. Shri J. P. Bagaria
  - b. Relatives of Key Managerial Persons
    - i. Shri Prateek Bankda
    - ii. Shri Pranav Bankda
    - iii. Smt. Umadevi Bagaria
3. Enterprises over which any of the persons in (i) or (ii) are able to exercise significant influence over the Company.
  - i. Sinorita Biotech Private Limited
  - ii. Ajay Jyoti Estate Private Limited.
  - iii. Bankda Estate Private Limited.
  - iv. Bankda Reality Private Limited.
  - v. Vimla Housing Private Limited.
  - vi. Bankda Developers Private Limited.
  - vii. Bankda Housing Private Limited.
  - viii. Kedar Vijay Housing Private Limited.
  - ix. Ajay Laxmi Housing Private Limited.
  - x. Ultratech Energy Private Limited
  - xi. Styler Textiles Private Limited

Transactions with the related persons during the year

(Amount in Rs.)

Particular	Key Managerial Persons		Relatives of Key Managerial Persons	
	2009-10	2008-09	2009-10	2008-09
<b>Debits</b>				
Repayment of Unsecured Loans	160943223	129873011	4607668	8137000
Security Deposit for Office	0	24000000	0	16000000
<b>Credits</b>				
Directors Remuneration/Salary	1080000	930000	240000	0
Traveling Expenses	212137	321800		
Interest Paid	6923927	7211291		
Office Rent	810000	801000	582000	492000
Car Rent	240000	240000	180000	180000
Rent Free House	390000	360000		
Other Benefits	92017	36848		
Unsecured Loan received	107953059	118974790	31795000	27723637
<b>Balances at Year End</b>				
Balance Payable	0	38724192	2975735	4296702
Balance Receivable	8289670	0	607164	0

There were no transactions or loans and advances /investments in the Subsidiary companies, Associate concerns and other concerns where the Directors of the company are interested.



- (ix) Payments to Micro/Small Enterprises  
There are no dues outstanding to any Micro/Small enterprises for a period over 15 days as on 31/03/2010 nor was outstanding at any time during the year ended on 31/3/2010 hence there is no liability for interest which would be payable under the Micro, Small and Medium Enterprises Act 2006. Moreover, the company has also not received any claims in respect of interest from any undertaking.
- (x) Computation of net profit in accordance with section 349 of the Companies Act is not disclosed as commission by way of percentage of profit is not payable for the year to any of the directors of the company.
- (xi) The previous year figures have been regrouped and reclassified and rearranged wherever necessary.
- (xii) Balances of Debtors, Creditors and Loans and advances are subject to confirmation.
- (xiii) In the opinion of the management, 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.
- (xiv) The figures in the Balance Sheet & Profit & Loss Account have been rounded-off to nearest rupee.
- (C) Additional information pursuant to paragraph 6 & 7 of part II of schedule VI of the companies Act, 1956
- (a) Capacity:

	ITEMS	UNIT	2009-10	2008-09
I	<b>Licensed Capacity</b>		Not Applicable	Not Applicable
II	<b>Installed Capacity</b> (Annual on single shift working ; as assessed and certified By Management)			
	Tablet	Nos. (Crores)	150.00	150.00
	Capsule	Nos. (Crores)	10.00	10.00
	Liquid Oral	Ltrs. (Lacs)	15.00	15.00
	Ointment	Kg (Lacs)	1.50	1.50
	Eye /Ear Drop	Ltrs. (Lacs)	0.80	0.80
	Dry Powder	Kg (Lacs)	6.00	6.00

	ITEMS	UNIT	2009-10	2008-09
III	<b>Production</b>			
	Tablet	Nos.	398437910	386414373
	Capsules	Nos.	24764590	17948316
	Dry Powder	Kg	239825	212809
	Liquid Orals	Ltrs.	289400	442698
	Ointment	Kg	151794	95725
	Vial/Drops	Ltrs.	34139	33614

(Amount in Rs.)

IV Turnover :		2009-10		2008-09	
		Quantity	Value	Quantity	Value
<b>A. Manufactured Goods</b>					
Tablet	Nos.	273120218	119026303	447726270	159761666
Capsules	Nos.	23721296	34633050	21926692	27086343
Dry Powder	Kg	249583	32062611	204034	21648955
Liquid Orals	Ltrs.	391382	44760853	360125	33799104
Ointment	Kg	144789	80506238	94894	39569973
Vial/Drops	Ltrs.	28958	24161985	32984	17194302
Add/(Less) Rate Difference Allowed			324006		0
<b>Net Sales</b>	<b>Total</b>		<b>335475045</b>		<b>299060343</b>
<b>B. Traded Goods</b>					
Caustic Soda	Kg	4372800	90647573	3428100	74329880
Potassium Hydroxide	Kg	4122900	233216912	3244900	192928622
Others			9175320	NA	39076123
Add/(Less) Rate Difference Charged (Allowed )				0	251674
<b>Net Sales</b>	<b>Total</b>		<b>333039805</b>		<b>306586299</b>

V. Stocks :		2009-10		2008-09	
		Quantity	Value	Quantity	Value
<b>Opening Stock</b>					
Tablet	Nos.	57508408	18614683	118875105	27004423
Capsules	Nos.	5884836	4355322	9863212	6612192
Dry Powder	Kg	9932	877312	1157	90897
Liquid Orals	Ltrs.	159142	8849219	80209	7146003
Ointment	Kg	3283	2384597	2452	2145997
Vial/Drops	Ltrs.	3458	974053	2828	1033184
Dry Powder oral	Kg			2260	240923
<b>Total</b>		<b>36055186</b>		<b>44273619</b>	
<b>Closing Stock</b>					
Tablet	Nos.	182826100	23267272	57508408	18614683
Capsules	Nos.	6928130	11509373	5884836	4355322
Dry Powder	Kg	174	75060	9932	877312
Liquid Orals	Ltrs.	57161	5849925	159142	8849219
Ointment	Kg	10288	8613174	3283	2384597
Vial/Drops	Ltrs.	8639	3266333	3458	974053
Others			383711		
<b>Total</b>		<b>52964848</b>		<b>36055186</b>	

VI. Materials		2009-10		2008-09	
		Quantity	Value	Quantity	Value
A) Raw Material Consumed For Production*			93290845		62897162
B) Packing Materials * (Individual Items Each Being Less Than 10% Of Total consumption)			65474955		52336479
<b>Total</b>			<b>158765800</b>		<b>115233641</b>
C) Purchase Of Goods Traded Basic Drugs & Chemicals Caustic Soda	Kg	4372800	90428933	3428100	72205485
Potassium Hydroxide	Kg	4122900	233010766	3244900	187335425
Others			8293862		39076123
<b>Total</b>			<b>331733561</b>		<b>298617033</b>

Note: 1. Amount of sales (quantity and value) are net of sales return.

2. The quantities of sales as above are inclusive of samples distributed free for sales promotional efforts.

	Particular	2009-2010	2008-2009
a)	CIF VALUE OF IMPORTS	Nil	Nil
b)	EARNING IN FOREIGN EXCHANGE	Nil	Nil
c)	EXPENDITURE IN FOREIGN EXCHANGE	188798/-	Nil
d)	REMITTANCE IN FOREIGN CURRENCY	188798/-	Nil

AS PER OUR REPORT OF EVEN DATE ATTACHED  
FOR SANJAY MEHTA AND ASSOCIATES  
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF BOARD OF DIRECTORS

MANISH MITTAL  
PARTNER

AJAY BANKDA  
MANAGING DIRECTOR

JYOTI BANKDA  
DIRECTOR

M. No. 079452  
Indore, June 28, 2010

JAGDISH CHANDR PALIWAL  
COMPANY SECRETARY



The Companies Act ( 1 of 1956 )

SCHEDULE IV - PART IV

**BALANCE SHEET ABSTRACT AND A COMPANY'S GENERAL BUSINESS PROFILE\***

I. Registration Details :

Registration No. 

1	3	6	6	5	2
---	---	---	---	---	---

 State Code 

1	1
---	---

 (Refer Code List)

Balance Sheet 

3	1
---	---

0	3
---	---

2	0	1	0
---	---	---	---

Date Date Month Year

II. Capital Raised during the year (Amount in Rs. Thousands)

Public Issue

7	5	0	0	0	.	0	0
---	---	---	---	---	---	---	---

Rights Issue

					N	I	L
--	--	--	--	--	---	---	---

Bonus Issue

					N	I	L
--	--	--	--	--	---	---	---

Private Placement

					N	I	L
--	--	--	--	--	---	---	---

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities

1	0	0	7	3	9	5	.	7	0
---	---	---	---	---	---	---	---	---	---

Total Assets

1	0	0	7	3	9	5	.	7	0
---	---	---	---	---	---	---	---	---	---

Sources of Funds

Paid-up Capital

1	7	5	0	0	0	.	0	0
---	---	---	---	---	---	---	---	---

Reserves and Surplus

5	8	8	8	1	8	.	0	4
---	---	---	---	---	---	---	---	---

Secured Loans

1	7	1	2	7	1	.	2	2
---	---	---	---	---	---	---	---	---

Unsecured Loans

	7	2	3	0	6	.	4	4
--	---	---	---	---	---	---	---	---

Application of Funds

Net Fixed Assets

1	6	9	6	5	7	.	8	1
---	---	---	---	---	---	---	---	---

Investments

	4	0	2	1	0	.	4	2
--	---	---	---	---	---	---	---	---

Net Current Assets

7	9	6	8	9	9	.	1	7
---	---	---	---	---	---	---	---	---

Misc. Expenditure

			6	2	8	.	3	0
--	--	--	---	---	---	---	---	---

Accumulated Losses

						N	I	L
--	--	--	--	--	--	---	---	---

IV. Performance of Company (Amount in Rs. Thousands)

Turnover

6	6	9	0	3	8	.	0	5
---	---	---	---	---	---	---	---	---

Total Expenditure

6	2	3	8	8	3	.	8	4
---	---	---	---	---	---	---	---	---

+ / - Profit/Loss Before tax

	4	5	1	5	4	.	2	1
--	---	---	---	---	---	---	---	---

+ / - Profit/Loss After tax

	3	7	0	4	3	.	0	3
--	---	---	---	---	---	---	---	---

Please tick appropriate box + for profit - for loss)

Earning per share in Rs.

					3	.	2	9
--	--	--	--	--	---	---	---	---

Dividend

0	0							
---	---	--	--	--	--	--	--	--

V. Generic Names of Three Principal Products/Services of company ( as per monetary terms)

Item Code No. (ITC Code)

3	0	0	4	9	0	6	1				
---	---	---	---	---	---	---	---	--	--	--	--

Product Description

PARACETAMOL - FORMULATIONS THEREOF, IN TABLETS ETC.
---

Item Code No. (ITC Code)

3	0	0	4	9	0	3	1				
---	---	---	---	---	---	---	---	--	--	--	--

Product Description

CETEIRZINE - FORMULATIONS THEREOF, IN TABLETS ETC.
--

Item Code No. (ITC Code)

3	0	0	4	9	0	2	9				
---	---	---	---	---	---	---	---	--	--	--	--

Product Description

ANTI HISTAMINICS DRUGS
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**SCHEDULE IX  
FORM OF PROXY  
SYNCOM HEALTHCARE LIMITED**

I / We \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ being a  
member / members of the above - named company hereby appoint \_\_\_\_\_ of  
\_\_\_\_\_ in the district of \_\_\_\_\_ or failing him \_\_\_\_\_ of  
\_\_\_\_\_ in the district of \_\_\_\_\_ as my /our proxy to vote for me /us on  
my / our behalf at the annual general meeting / general meeting (not being an annual general meeting) of  
the company to be held on the 5th day of August, 2010 and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2010

Affix Stamp
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