



FINANCIAL YEAR 2011-12

BOARD OF DIRECTORS

Ajay Bankda
Managing Director

J.P. Bagaria
Director

Bharat Kumar Doshi
Director

Govind Das Pasari
Director

Avichal Kasliwal
Director

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

Bankers:

Bank of India
Saket Nager 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:
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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 Tenth Annual General Meeting of M/S SYNCOM HEALTHCARE LIMITED will be held on Saturday, the 29th Day of September, 2012 at 2.00 PM at VITS - Luxury Business Hotel, Andheri-Kurla Road, International Airport Zone, Andheri (East), Mumbai 400059 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit & Loss Account for the year ended March 31, 2012 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. Bharat Kumar Doshi, who retires by rotation and, being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr. J.P. Bagaria, who retires by rotation and, being eligible, offers himself for reappointment.
4. To appoint Auditors and to fix their remuneration and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

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

SPECIAL BUSINESS :

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

"RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309, 314 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII to the said Act including any statutory modification(s)/ re-enactment thereof from time to time, the approval of the shareholders be and is hereby accorded to the re-appointment of Mr. Ajay S. Bankda as Managing Director of the Company made by the Board of Directors for a further period of five years with effect from 24th July, 2012 on the following remuneration:

1. Salary in the pay scale of Rs. 80,000 – Rs. 10,000 – Rs. 120,000 per month
2. Rent Free House
3. Free Electricity, Gas, Water and Telephone facility
4. Medical Reimbursement for self and family subject to a maximum limit of one month's salary in a year

"RESOLVED FURTHER THAT where in any financial year, the Company has no profits or its profit are inadequate, Mr. Ajay Bankda, Managing Director shall be paid such remuneration not exceeding the ceiling limits specified under Part A of Schedule XIII of the Companies Act, 1956.

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

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

**AJAY BANKDA
Chairman**

Place: Indore
Date: 14 August, 2012



Notes:

- 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.**
- Register of Members and Share Transfer Book shall remain closed from 26th September, 2012 to 29th September, 2012 (both days inclusive).
- 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.
- Corporate members intending to send their authorized 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.
- 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.
- Members are requested to bring their copy of the annual report to the meeting.
- 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.
- 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.
- 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.
- 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.
- 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. Bharat Kumar Doshi	Mr. J. P. Bagaria
Date of birth	21.03.1959	06.10.1947
Date of original appointment	28.05.2008	29.07.2002
Expertise/ Experience	He has more than 25 years' experience in Planning, Designing Pharmaceutical, Biotech & API facilities and design of HVAC with Clean Room and BSL facility in India & Abroad	He has been a director of the Company since inception and has wide experience in purchase & administration.
Qualifications	B.E. (Mech) (Hons.)	B.Com. Part I
No. of Equity Shares held	NIL	100
List of outside Directorships held	Doshi Consultants Pvt. Ltd. DCPL International Pvt. Ltd.	None
Chairman/Member of the Committees of the Board of Directors of the Company	Chairman: a) Share Transfer & Investors Grievance Committee Member: a) Remuneration-cum-Compensation Committee	Nil



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

Item No. 5

Mr. Ajay S. Bankda was reappointed as Managing Director of the Company for five years w.e.f 25th July, 2007 at the remuneration recommended by the remuneration committee. The Remuneration Committee as constituted has decided / recommended at its meeting held on 27th June, 2012 to revise his remuneration on the following terms and conditions which was confirmed by the Board of Directors at their meeting held on 14th August, 2012 where he was reappointed as Managing Director for a period of further five years and which is in consonance with the terms and conditions of Schedule XIII of the Companies Act, 1956:

Salary Rs. 80000/- – Rs. 10000/- – Rs. 120000/- p.m.

Rent Free House

Free Electricity, Gas, Water, Telephone Facility

Medical Reimbursement for self and family subject to the limit of one month's salary in a year"

The aforesaid appointment and payment of remuneration is subject to the approval of members of the company in the general meeting in terms of section 269 read with Schedule XIII of the Companies Act, 1956. Your Directors therefore recommend the members to appoint Mr. Ajay S. Bankda as the Managing Director of the company on the terms and conditions as stated above.

None of the Directors of the Company except Mr. Ajay S. Bankda himself and J.P. Bagaria, Directors being the relative of Mr. Ajay Bankda are concerned or interested in the resolution.

The Directors recommend the Resolution to be passed.

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

**AJAY BANKDA
Chairman**

Place: Indore
Date: 14 August, 2012

DIRECTORS' REPORT

The Shareholders,
Syncom Healthcare Limited,

Your Directors have pleasure in presenting their 10th Annual Report along with the audited annual accounts for the year ended 31st March, 2012 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 31/03/2012	Year ended 31/03/2011
Sales and other income	8986.65	7879.48
Profit before Interest and Depreciation	583.80	458.22
Less : Interest	248.37	196.36
Profit before Depreciation	335.43	261.86
Less : Depreciation & Amortization	231.24	183.54
Profit before Taxation	104.19	78.32
Provision for Taxation	20.83	14.66
Provision for Deferred tax Liability/ (Assets)	58.47	(199.18)
Profit after Taxation	24.89	262.02
Prior year (Income) / Expenses	(6.27)	(0.82)
Balance carried to Balance Sheet	18.62	262.84

REVIEW OF OPEATIONS:

During the year under review, the Company has earned a total income of Rs. 8986.65 Lacs as against the total income of Rs. 7879.48 Lacs in the previous year, thereby registering an increase in turnover of 14%. The Company has earned a profit of Rs. 104.19 Lacs before tax during the year as against the profit of Rs. 78.32 Lacs in the previous year registering a 33% increase in profit. These results could be achieved due to manufacture of a wide range of branded quality of Ethical, OTC, Generic and Herbals products in its own Plant, contract manufacturing & other operations and marketing through an established distribution network. The Company has carried out contract manufacturing for over Rs. 28.00 Crores as against Rs. 17.00 Crores in the previous year from the well known Pharma players in the industry during the year under review. The Company intends to expand the contract manufacturing activities in near future.

DIVIDEND:

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

FUTURE PLANS:

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

The SEZ authority expressed their inability to allot the desired land and instead asked to take alternate land at the remote area which was not convenient for us. The Government also brought all the SEZ units within MAT tax cover. The proposed Direct Tax Code also brought in all the SEZ units within tax net and thus there is no benefit

in putting any unit in SEZ. Thus, the management felt it better to deploy the funds of Rs. 2048 Lacs in the existing unit located in Dehradun by way of modernization and expansion to get the better results out of the funds so deployed more particularly since the Company has obtained WHO certification for this unit and exports is now possible. The management is also thought it better from administrative point of view to have increased productions capacity and all the facilities and control at one place.

The Company has issued notice on 16.01.2012 pursuant to Section 192A of the Companies Act, 1956 read with the companies (Passing of the Resolution by Postal Ballot) Rules, 2001 for seeking the approval of the shareholders for utilization of unutilized portion of the IPO proceeds for the object otherwise than as specified in the Prospectus as contained in the draft resolutions appended below by way of Postal Ballot. The Chairman after ascertaining the procedure declared the approval of the shareholder through postal ballot on 29.02.2012. The Company has utilized Rs. 34.88 Crores on the project up to 31.03.2012. The remaining amount of Rs. 21.37 Crores was invested in short term advances.

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

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

DIRECTORS:

Shri Bharat Kumar Doshi & Shri J.P. Bagaria, Directors are liable to retire by rotation at the ensuing Annual General Meeting and, being eligible, offers themselves for re-appointment. Attention of the Members is invited to the relevant items in the Notice of the Annual General Meeting and the Explanatory Statement thereto in this regard.

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

DEPOSITS:

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

PARTICULARS OF EMPLOYEES:

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

CORPORATE GOVERNANCE:

The spirit of good Corporate Governance remains integral to the Company's corporate philosophy. The Company follows the code of Corporate Governance issued by the Stock exchanges for listed companies. For 2011-12 all information relating to Corporate Governance is given separately to this Report. A compliance certificate from a practising Company Secretary is appended to this Report.

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

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

DIRECTORS' RESPONSIBILITY STATEMENT:

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

- (i) That in the preparation of the annual accounts for the year ended 31st March, 2012, 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 2012 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 31.03.2012 instead of actuarial valuation basis as prescribed under the accounting standard. The Company made the provisions on the basis of accrual basis instead of actuarial valuation the net effect on profit was not felt material. The qualified actuarial valuer was also not available in vicinity. However, we are trying to get the actuarial valuation done and provisions for gratuity will be made on actuarial valuation basis in subsequent years. As regards the persons engaged through contractors, we are insisting them to get themselves registered with the appropriate authorities to discharge their legal responsibilities.

AUDITORS:

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

COST AUDIT:

The Central Government has prescribed that an audit of the cost accounts maintained by the Company in respect of formulations be conducted under Section 233B of the Companies Act, 1956. Consequently, your Company has appointed M. Goyal & Co., Cost accountants, as Cost auditors for 2011-12, with the consent of the Central Government, for the audit of cost accounts maintained by the Company in respect of the formulations.

ACKNOWLEDGEMENT:

Your Directors take this opportunity to express their gratitude for the assistance and continued cooperation extended by Banks, Financial Institutions, Government Authorities, Investors, Customers and Suppliers. The Directors are pleased to record their sincere appreciation for the devotion and sense of commitment shown by the employees at all levels and acknowledges their contribution towards sustained progress and performance of your company. Your Directors are thankful to the esteemed shareholders for their support and encouragement.

For and On Behalf of the
Board of Directors

Place: Indore

Date: 14th August, 2012

Ajay Bankda

Chairman


Annexure - 1
ANNEXURE TO THE DIRECTORS' REPORT

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

FORM A

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

POWER AND FUEL CONSUMPTION	Current Year (2011-2012)	Previous Year (2010-2011)
ELECTRICITY		
Purchased unit (KWH)	1196633	869444
Amount (Rs.)	4,786,532	3904284
Rate/unit (Rs.)	4.00	4.49
Electricity Generation unit (KWH)	136992	180121
Amount (Rs.)	20,18,756	2065616
Unit per Liter of Diesel oil	2.96	3.36
Rate / unit (Rs.)	14.74	11.47
Diesel for Boiler		
Purchased (KG)	96210	38939
Amount (Rs.)	42,09,187	1577207
Rate / unit (Rs.)	43.75	40.50
Gas for Boiler		
Purchased (KG)	9801	48642
Amount (Rs.)	59,7861	2877454
Rate / unit (Rs.)	61.00	59.15

Consumption per unit of production:

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

FORM B

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

Research & Development:

- Specific areas in which the company carries out R&D:
 - ★ The Scope of activities covers process development in pharmaceutical formulations.
- Benefits Derived from R&D:
 - ★ Productivity and quality improvements.
 - ★ Improved process performance and better cost management.
 - ★ Enhancement of safety and better environmental protection.
- Future plan of action :
 - ★ Develop cost effective process for existing and new products.
 - ★ Development of new drug delivery systems.
 - ★ Development of new products for international marketing.
 - ★ Improvement in quality and productivity.

Technology Absorption, Adoption and Innovation:

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

FOREIGN EXCHANGE EARNINGS & OUTGO:

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

For and On Behalf of the
Board of Directors

Place: Indore
Date: 14th August, 2012

Ajay Bankda
Chairman

CORPORATE GOVERNANCE

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

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

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

Corporate Governance Philosophy

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

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

1. Board of Directors

(i) Composition & Category of the Directors

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

Name of Directors	Category	No. of outside Directorship held	No. of Board Committee membership held in other Companies
Mr. Ajay Bankda	Executive	1	None
Mr. J.P. Bagaria	Non- Executive	None	None
Mr. Bharat Kumar Doshi	Independent & Non- Executive	2	None
Mr. Govinddas Pasari	Independent & Non- Executive	1	None
Mr. Avichal Kasliwal	Independent & Non- Executive	1	None

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

Mr. Bharat Kumar Doshi & Mr. J. P. Bagaria, 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 2011-12, six meetings of the Board of Directors were held on 30.5.2011, 12.8.2011, 14.11.2011, 14.12.2011, 16.1.2012 and 14.2.2012. 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 Attended
Mr. Ajay Bankda	6	6	Yes
Mr. J.P. Bagaria	6	6	No
Mr. Bharat Kumar Doshi	6	2	No
Mr. Govinddas Pasari	6	4	Yes
Mr. Avichal Kasliwal	6	2	No

2. Committees of the Board

Syncom has **three** Board level committees:

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

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

a) Audit Committee

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

1. Reviewing of the Company's reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other services.
3. Reviewing with management the annual financial statements before submissions to the board, focusing primarily on: any changes in accounting policies and practices, major accountings entries based on exercise based on judgment by management, qualification in draft audit report, significant adjustments arising out of audit, the going concern assumption, compliance with accounting standards, compliance with stock exchanges and legal requirements concerning financial statements and any related party transaction i.e. transactions of the company of material nature, with promoters or the management, their subsidiaries or relatives, etc, that may have potential conflict with the interest of the Company at large.
4. Reviewing with the management, external and internal auditors, the adequacy of internal control systems and ensure compliance of internal control systems.
5. Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
6. Discussion with internal auditors any significant findings and follow up thereon.
7. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.

8. Discussion with external auditors before the audit commences, nature and scope of audit as well as to have post-audit discussion to ascertain any area of concern.
9. Reviewing the Company's financial and risk management policies.
10. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividend) and creditors.
11. It shall have discussion with the auditors periodically about internal control systems, the scope of audit including the observations of the auditors and review the quarterly, half yearly and annual financial statements.

The Audit Committee of the Company was constituted comprising of the Directors as named below and during the financial year 2011-12, four meetings of the Audit Committee were held on 30.5.2011, 12.8.2011, 14.11.2011, and 14.2.2012. 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	4
Mr. Avichal Kasliwal	Director	Member	4
Mr. Ajay Bankda	Managing Director	Member	4

Members of the Audit Committee have requisite financial and management expertise. The head of internal audit and the representative of the statutory auditors are permanent invitees to the Audit Committee. Mr. J.C. Paliwal, Company Secretary is the Secretary to the Committee.

The Chairman of the Audit Committee attended the Annual General Meeting held on 30th September, 2011 to answer shareholders' queries.

(b) Remuneration cum Compensation Committee

As on March 31, 2012, 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 redressal of shareholders and investors' complaints like:

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

(ii) Composition of Shareholders Grievance & Transfer Committee:

The Composition of Shareholders Grievance & Transfer Committee is given here in below. The Committee during the year 2011-12 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 acted as Secretary of the Committee.

(iii) Name and designation of the Compliance Officer:

Mr. Atul Thapliyal, Dy. Manager (Accounts)

(iv) Status of the investors/ shareholders Complaints:

- | | | |
|---|---|-----|
| (a) Number of complaints received during the year | : | 1 |
| (b) Number of complaints solved during the year | : | 1 |
| (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 is in accordance with the approval of the shareholders and is within the limits of Schedule XIII of the Companies Act, 1956. During the year 2011-12, the Company has paid the following remuneration to the Directors:

Director	Sitting fee	Salary & Perks (Rs.)	Commission	Total (Rs.)
Mr. Ajay Bankda	0	1144759	0	1144759
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 & POSTAL BALLOT :

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

	Date	Time	No. of Special Business	Venue
7th AGM	05.08.2009	12.00 Noon	NIL	Registered Office of the Company
8th AGM	05.08.2010	02.00 PM	8	Registered Office of the Company
9th AGM	30.09.2011	02.00 PM	NIL	Hotel Imperial Residency, Behind Tolani College, Andheri (East) Mumbai - 400 093

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

Members of the Company passed a special resolution through Postal Ballot with requisite majority authorizing utilization of the unutilized portion of the IPO proceeds for expansion & modernization in the existing plant of the Company at Dehradun. The results were also notified to the Stock Exchanges. Mr. Ajit Jain, Practicing Company Secretary, Indore, acted as Scrutinizer for conducting the Postal ballot exercise. 24 valid Postal Ballot forms from holders of 9995581 equity shares were received, 23 Postal Ballots (from holders of 9999091 shares) accorded assent to the Resolution, while 1 Postal Ballot (from holder of 90 shares) dissented to the Resolution. Results of the Postal Ballot were announced on 27th February, 2012. No fresh Special Resolution is proposed to be passed through Postal Ballot.

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 2011-12, no employee was denied access to the audit committee.

7. CODE OF CONDUCT :

- The Company is having code of conduct for prevention of insider trading.
- 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.

9. GENERAL INFORMATION TO SHAREHOLDERS & INVESTORS:

- | | |
|--|---|
| (I) Date, time & Venue of the Annual General Meeting | : 29th September, 2012
2.00PM at VITS - Luxury Business Hotel, Andheri-Kurla Road, International Airport Zone, Andheri (East), Mumbai 400059 |
| (ii) Financial Calendar | : April 2012 to March 2013 |
| Results for the quarter ended 30.06.2012 | : Second week of August 2012 |
| Results for the quarter ended 30.09.2012 | : Second week of November 2012 |
| Results for the quarter ended 31.12.2012 | : Second week of February 2013 |
| Results for the quarter ended 31.03.2013 | : Second week of May 2013 |
| (iii) Board meeting for consideration of Annual A/cs | : 30th May, 2012 |
| (iv) Posting of Annual Report | : On or before 04th September, 2012 |
| (v) Last date for receipt of Proxy | : 27.09.2012 |
| (vi) Dates of Book Closure | : From Wed. 26.09.2012 to Sat. 29.09.2012 |
| (vii) Listing on Stock Exchanges | : The Bombay Stock Exchange &
The National Stock Exchange |
| (viii) Stock Code | : BSE Code 533157
NSE Code SYNCOM |
| (ix) Global Depository Receipts (GDR) are listed at | : Luxembourg Stock Exchange
Bourse de Luxembourg |
| (x) D-mat ISIN No. for CDSL & NSDL | : INE602K01014 |
| (xi) No. of Shareholders on 31.03.2012 | : 14,176 |

(xii) Stock Market Data:

The monthly High & Low stock quotations during the financial year ended 31st March, 2012 on BSE & NSE are as under (Source- the website of BSE & NSE)

Month	Bombay Stock Exchange Limited (Rs. per Share)			National Stock Exchange of India Limited (Rs. per Share)		
	High (Rs)	Low (Rs.)	Volume of Shares Traded	High (Rs)	Low (Rs.)	Volume of Shares Traded
April, 2011	38.90	31.75	467250	39.00	31.70	1319674
May, 2011	32.50	23.30	276542	32.80	23.10	824970
June, 2011	25.95	19.80	155076	27.90	20.00	457888
July, 2011	24.00	19.55	173364	24.00	19.50	476185
Aug, 2011	20.45	13.70	319893	20.00	13.50	846416
Sept, 2011	18.50	13.30	332321	17.40	14.10	528194
Oct, 2011	15.75	13.00	109571	14.95	10.70	281542
Nov, 2011	14.25	9.37	288993	14.50	11.00	206887
Dec, 2011	14.15	10.00	625256	13.80	9.80	744390
Jan, 2012	14.60	10.15	604437	14.35	10.60	812192
Feb, 2012	18.10	13.20	691805	17.80	13.00	1350305
March, 2012	16.80	13.05	427076	16.75	13.00	629875

- (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 Stock Exchanges, Company's shares are traded in electronic form. As on 31st March, 2012, 399,51,532 equity shares of the Company were held by shareholders in dematerialized form, forming 99.88% of the equity share capital issued by the Company.

CDSL : 3,42,66,624 forming 85.67% of the total number of shares issued

NSDL : 56,84,908 forming 14.21% of the total number of shares issued

(xvi) Reconciliation of Share Capital Audit

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

(xvii) Distribution of shareholdings as on 31st March, 2012

Nominal Value of Shareholdings (Rs.)	Shareholders (Numbers)	%	Share Amount (Rs.)	%
1 - 5000	12124	85.5248	17899540	4.47
5001 - 10000	1120	7.9007	8919160	2.23
10001 - 20000	513	3.6188	7743290	1.94
20001 - 30000	150	1.0581	3790800	0.95
30001 - 40000	54	0.3809	1932000	0.48
40001 - 50000	58	0.4091	2715110	0.68
50001 - 100000	77	0.5432	5596830	1.40
Above - 100000	80	0.5643	351403270	87.85
TOTAL	14176	100.00	400000000	100.00


(xviii) Category wise Shareholdings as on 31st March, 2012

S.No.	Categories	No. of % of Shares Held	% of Shareholding
1.	Indian Promoters	9951537	24.88
2.	Persons Acting in concert	0	0
3.	Banks, Financial Institutions	0	0
4.	FII's	54000	0.14
5.	Bodies Corporate	3549554	8.87
6.	NRI/ OCBs	94129	0.24
7.	GDR with Custodian	21050000	52.62
8.	Indian Public	5300780	13.25
	TOTAL	40000000	100.00

(xix) Particulars of the Promoters shares under pledge:

The particulars of the Promoters shares under pledge as on 31.03.2012 are as under:

Name	No. of Shares held	No. of Shares Pledged	% age of own holding	% age of total shares
Mr. Ajay Bankda	6217206	1375000	22.12	3.44
Mrs. Jyoti Bankda	3459101	1000000	28.91	2.50
Total	9676307	2375000	51.03	5.94

(xx) Legal Proceedings:

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

(xxi) Updation of E-mail IDs:

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

(xx) Address for Correspondence:

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

(xxi) Registered Office Location:

221, Vyapar Bhawan,

P.D'Mello Road,

Mumbai – 400 009

Telefax: 022- 23725193

(xxii) 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

(xxiii) Plant Location:

D-42, UPSIDC Industrial Area,

Selaqui (Dehradun), Uttarakhand

Phones: 0135- 2699131, 2699017 & 3246453

Fax: 0135- 2698220

e-mail: works@syncomhealthcare.com

For and On Behalf of the
Board of Directors

Place: Indore

Date: 14th August, 2012

Ajay Bankda
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

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

Industry Structure & Developments:

The Indian pharmaceutical industry ranks among the top five countries by volume (production) and accounts for about 10% of global production. The industry's turnover has grown from a mere US\$ 0.3 bn in 1980 to about US\$ 21.73 bn in 2009-10. Low cost of skilled manpower and innovation are some of the main factors contributing to this growth. Structural demand drivers including rising household income levels, increasing prevalence of lifestyle related diseases, improving healthcare infrastructure/delivery systems and rising penetration in smaller towns and rural areas continue to support long-term growth.

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

Domestic formulations market:

The Domestic formulations market, valued at Rs. 48,200 crore, has grown steadily at CAGR of 14-15% over the past five years. After a period of sustained growth, the domestic formulations market began to decelerate in the year under review largely prompted by intense competition, especially in the acute segments. The growth rates slipped quite sharply on the back of high base effect of the previous year and spill over of pricing pressure even to the chronic segments to some extent. The competitive pressure in the domestic formulations market has been rising steadily for some time now. While on one hand, this has been prompted by significant increase in investments by domestic players in marketing efforts through expansion in field force, on the other, MNC have also renewed their focus on India. Some of the smaller players have also contributed to the competitive intensity by offering huge discounts/incentives to the distribution network and doctors. However, while competitive pressures are unlikely to abate, the growth momentum appears to be back on track with last few months reporting a fairly strong growth across therapy segments. We believe, that the structural demand drivers would continue to support growth in the long-run despite short-term headwinds.

Exports:

Exports have been the major growth enabler of the Indian pharmaceutical industry in recent years. India exports pharmaceutical products, APIs and intermediates to more than 200 countries across the world. Traditionally, Russia, Germany, Nigeria and India's neighboring countries like Sri Lanka, Nepal, and the Middle East were the major markets for Indian pharmaceutical exports. Most of these markets are not highly regulated and are considered to be low-value markets.

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

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

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

Future Prospects :

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

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

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

Risks and Concerns:

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

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

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

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

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

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

Internal control:

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

Syncom Healthcare has a well-defined internal control system which is adequately monitored. Checks and balances and control systems have been established to ensure that assets are safe guarded, utilized with proper authorization and recorded in the books of account. There is a proper definition of roles and responsibilities across the organization to ensure information flow and monitoring. These are supplemented by internal audit carried out by a firm of Chartered Accountants. The Company has an Audit Committee consisting of three Directors, all of whom are independent directors. This Committee reviews the internal audit reports, statutory audit reports, the quarterly and annual financial statements and discusses all significant audit observations and follow up actions arising from them.

HUMAN RESOURCES:

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

OUTLOOK

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

For and on behalf of the Board of Directors

Place: Indore

Date: 14th August, 2012

Ajay Bankda
Chairman

MANAGEMENT RESPONSIBILITY STATEMENT:

The financial statements are in full conformity with the requirements of the Companies Act, 1956 and the Accounting Standards issued by the Institute of Chartered Accountants of India. The Management of company accepts responsibility for the integrity and objectivity of these financial statements, as well as, for estimates and judgments relating to matters not concluded by the year-ended 31st March, 2012. The management believes that the financial statements reflect fairly the form and substance of transactions and reasonably presents the Company's financial condition, and results of operations. To ensure this, the company has installed a system of internal controls, which is reviewed evaluated and updated on an ongoing basis. Our internal auditors have conducted periodic audits to provide reasonable assurance that the company's established policies and procedures have been followed. However, there are inherent limitations that should be recognized in weighing the assurances provided by any system of internal controls. These financial statements have been audited by M/s Sanjay Mehta & Associates, Chartered Accountants, Statutory Auditors of the Company.

Place: Indore
14th August, 2012

Ajay Bankda
Managing Director

**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, 2012 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

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

Place: Indore
30th May, 2012

CEO CERTIFICATION**PURSUANT TO CLAUSE 49(V) OF THE LISTING AGREEMENT FOR THE ACCOUNTING
YEAR 2011-12**

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

1. We have reviewed the financial statement and the cash flow statement for the accounting year ended 31st March, 2012 and that to the best of our knowledge and belief:
 - i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. These statements together present a true & fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the company during accounting year which are fraudulent, illegal or violative of the Company's code of conduct.
3. We accept responsibility for establishing and maintaining internal control for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies.
4. We have indicated to the auditors and the audit committee:
 - i. Significant changes in internal control over financial reporting during the accounting year;
 - ii. Significant changes in accounting policies during the accounting year and that the same have been disclosed in the notes to the financial statements; and
 - iii. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Place: Indore

Date: 14th August, 2012

Ajay Bankda

Managing Director

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, 2012 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 as 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, 2011, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2012 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, 2012; 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

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 31 st March 2012, 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, 2012 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.

(c) In our opinion and according to the information and explanations given to us, the company has maintained proper records of inventory. The discrepancies noticed between physical stock and book stock during periodic physical verification of stock by the management were not material having regard to the size of operations of the company and have been properly dealt with in Books of accounts.
- (iii) (a) The Company has granted loan to a company registered and based in Dubai which is wholly owned subsidiary of the company during the year of which Rs. 1023520831 was outstanding as on 31/03/12. No interest has been charged on the above, however since the company is a 100% subsidiary of the company the same are not considered as prejudicial to the interest of the company.

(b) The company has not taken any loans, secured or unsecured to or from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act 1956.
- (iv) In our opinion and according to explanation given to us there are adequate internal control procedures commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods. During the course of audit we have not observed any major weakness 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 been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956. The Company has appointed Cost Auditor and no report has been received from the agency till the date of this report.

- (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 :
- (a) The company has made certain labour payments for its Dehradun plant through unregistered labour contractors and the liability of provident fund on the same has not been determined and thus remains unpaid. The liability as and when determined shall have unpaid liability for the year under report and also for previous years.
- (b) 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 31 st March 2012 for a period of more than 6 months from the date they became payable.
- (c) 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.
- (d) The company has short deducted and paid Professional Tax from the salary of employees to the extent of Rs. 27396.
- (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) As per the management, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) 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 31/3/2012 are as investment of surplus funds of the company. The outstanding shares held and owned by the company as on 31/3/2012 are held in the own name of company.
- (xv) The company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) In our opinion, the term loans have been applied for the purpose for which they were raised.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the no funds raised on short-term basis have been used for long-term investment.
- (xviii) The company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- (xix) No debentures have been issued during the year.
- (xx) The management has disclosed the end use of the money raised by public issues in its annual accounts and the same had been verified by us.
- (xxi) To the best of our knowledge and belief and as per the information given to us, no fraud on or by the company has been noticed or reported during the year.

For **Sanjay Mehta & Associates**
Chartered Accountants
Firm Regn. No. 011524C

Manish Mittal
(Partner)
M .No. 079452
Indore, 30/05/2012



SYNCOM HEALTHCARE LIMITED
BALANCE SHEET AS AT 31/03/2012

AMOUNT IN Rupees(₹)

	Particulars	Note No.	Figures for the Year Ended 31/03/2012	Figures for the Year Ended 31/03/2011
	1	2	3	4
I	EQUITY AND LIABILITIES			
	Shareholders' funds			
	Share capital	2	400000000	400000000
	Reserves and surplus	3	1431723378	1317461978
	Non-current liabilities			
	Long-term Borrowings	4	78471749	27498678
	Current liabilities			
	Short-term Borrowings	5	145702694	148854235
	Trade Payables	6	264773248	87960610
	Other Current Liabilities	7	5801941	936149
	Short-term Provisions	8	10494046	11264306
	TOTAL		2336967056	1993975956
II	ASSETS			
	Non-current assets			
	Fixed assets			
	Tangible assets	9	159456815	172089278
	Intangible assets		682368	1156696
	Capital work-in-progress		10828988	0
	Non-current Investments	10	42622586	40210416
	Deferred Tax Assets (net)	11	14071277	19917896
	Other Non-current Assets	12	1388012120	314172708
	Current assets			
	Inventories	13	123260956	110293758
	Trade Receivables	14	578757043	430849463
	Cash and Bank Balances	15	2910555	895803435
	Short-term Loans and Advances	16	8481431	9482306
	Other Current Assets	17	7882917	0
	TOTAL		2336967056	1993975956

Significant Accounting Policies 1
NOTES AND EXPLANATIONS REFERRED TO HEREIN FORM
AN INTEGRAL PART OF BALANCE SHEET
AS PER OUR REPORT ANNEXED
FOR **M/S SANJAY MEHTA & ASSOCIATES**
CHARTERED ACCOUNTANTS
REGN NO. 011524C

FOR AND ON BEHALF OF BOARD

MANISH MITTAL
PARTNER
M.NO. 079452
Place: Indore
Date:30/05/2012

AJAY BANKDA
MANAGING
DIRECTOR

J.P. BAGARIA
DIRECTOR



SYNCOM HEALTHCARE LIMITED
Profit and Loss statement for the year ended 31/03/2012

Amount in
Rupees(₹)

	Particulars	Note No.	Figures for the Year	Figures for the Year Ended
	1	2	3	4
I.	Revenue From Operations			
	Sale of Goods		858392364	755907814
II.	Other income	18	40272727	32040518
III.	Total Revenue (I + II)		898665091	787948331
IV.	Expenses:			
	Cost of materials consumed	19	300000997	183612768
	Purchases of Stock-in-Trade	20	378923818	379106433
	Changes in inventories of Finished Goods & Work-in-Progress & Goods Traded		(3992959)	1607908
	Employee benefits expense	21	73636037	68235358
	Finance costs	22	24837316	19636222
	Depreciation and amortization expense	23	23124244	18354210
	Other expenses	24	91716658	109563499
	Total expenses		888246112	780116397
V.	Profit before exceptional and extraordinary items and tax (III-IV)		10418979	7831935
VI.	Exceptional items (INCOME)/EXPENSES		0	0
VII.	Profit before extraordinary items and tax (V - VI)		10418979	7831935
VIII.	Extraordinary Items		0	0
IX.	Profit before tax (VII- VIII)		10418979	7831936
X.	Tax expense:			
	Current tax		2083077	1466200
	Deferred Tax Liability / (Assets)		5846619	(19917896)
	Prior Period Taxes		627080	0
XI.	Profit (Loss) for the period from continuing operations (VII-VIII)		1862203	26283632
XII.	Profit/(loss) from discontinuing operations		0	0
XIII.	Tax expense of discontinuing operations		0	0
XIV.	Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)		0	0
XV.	Profit (Loss) for the period (XI + XIV)		1862203	26283632
XVI.	Earnings per equity share:	24.5		
	(1) Basic		0.05	0.86
	(2) Diluted		0.05	0.86

Significant Accounting Policies 1
NOTES AND EXPLANATIONS REFERRED TO HEREIN FORM
AN INTEGRAL PART OF PROFIT AND LOSS ACCOUNT
AS PER OUR REPORT ANNEXED

FOR **M/S SANJAY MEHTA & ASSOCIATES** FOR AND ON BEHALF OF BOARD
CHARTERED ACCOUNTANTS
REGN NO. 011524C

MANISH MITTAL
PARTNER
M.NO. 079452
Place: Indore
Date:30/05/2012

AJAY BANKDA
MANAGING
DIRECTOR

J.P. BAGARIA
DIRECTOR



SYNCOM HEALTHCARE LIMITED
Cash Flow Statement for the year ended March 31, 2012

Particulars	2011-12	2010-11
A. Cash Flow Provided / (Required) by operating Activities		
Profit after tax	1862203	26283632
Adjustment for:		
Depreciation	22705377	18144776
Profit on Sale of Fixed Assets /Investments / Dividend Income	(7630)	(5479)
Amortization expenditure	418867	209434
Tax expense	5846619	(19917896)
Interest & Financial Charge	24837316	19636222
Operating Profit before working capital changes	55662752	44350689
Adjustment for:		
(Increase)/Decrease in Trade Recievables	(147907580)	46763470
(Increase)/Decrease in other Current Assets	(7882917)	0
(Increase)/Decrease in other Non Current Assets	(1074258279)	0
(Increase)/Decrease in Inventories	(12967198)	(3218794)
(Increase)/decrease in Loans & Advances	1000875	(102169085)
Increase/(decrease) in Current Liabilities except provison for Dividend & Dividend Tax	180908170	(68367680)
Net Cash (Required) /provided by Operations	(1005444177)	(82641399)
B. Cash Flow (Provided) / Required by Investing Activities		
Addition to Fixed Assets	9598585	21732938
Purchase / (Sale) of Investments	2412170	0
(Increase)/ Decrease in Capital WIP	10828988	0
Foreign Exchange Translating Reserve	(112399196)	0
Miscellaneous Expenses		
Dividend Income	(7630)	(5479)
Proceeds from Sale of Assets	0	
Net Cash Provided (Required) by Investing activities	89567083	(21727459)
C. Cash Flow Provided/ (Required) by Financing Activities		
SOURCES OF FUND		
Proceeds from Share Capital (Net of Bonus shares Issued)	0	225000000
Unsecured Loan obtained	53219550	211594919
Term Loans Obtained	0	0
Increase in Working Capital Facilities	39477960	0
Proceeds from Share Premium	0	742500000
TOTAL	92697510	1179094919
Repayment of Unsecured Loans	31302636	208811009
Repayment of Term Loans	13573344	22257221
Decrease in Working Capital Facilities	0	47751433
Share issue expenses incurred	0	40139694
Interest Paid	24837316	19636222
TOTAL	69713296	338595579
D. Net Cash Surplus / (Required) by Financing activities	22984214	840499340
E. Net Increase/(Decrease) in Cash and Cash Equivalents	(892892880)	736130482
F. Cash and Cash Equivalents at beginning of Period	895803435	159672953
Cash and Cash Equivalents at end of Period	2910555	895803435

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

FOR AND ON BEHALF OF BOARD

MANISH MITTAL
PARTNER
M.NO. 079452
Place: Indore
Date:30/05/2012

AJAY BANKDA
MANAGING
DIRECTOR

J.P. BAGARIA
DIRECTOR

Note - 1
Significant Accounting Policies
(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 31/03/2012 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:

All revenues and expenses are accounted for on accrual basis except to the extent stated otherwise.

(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 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

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

(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

Opening balance of Preliminary expenses has been fully amortised in the current year as against miscellaneous expenditure being amortised over a period of five years upto previous year. Consequently the profit of the financial Year 2011-12 is lower by ₹ 209433/- due to the change in accounting policy in this regard.


(x) Foreign Currency Transactions

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

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

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

(xi) Impairment of Assets:

No asset whose carrying cost exceeds its recoverable value is held by the company as on 31/03/2012

Note - 2	31/03/2012	31/03/2011
Share Capital		
Authorised Capital		
40000000 Equity Shares Of ₹10 Each	400000000	400000000
Issued, Subscribed And Paid Up Capital		
40000000 Equity Shares Of ₹10 Each	400000000	400000000
Fully Paid Up		
Total	400000000	400000000

No Shares Have Been Allotted For Consideration Other Than Cash.

Shareholders Holding Capital Of 5% Or Above

Name of the Holder	31.03.2012		31.03.2011	
	Holding	Pledged	Holding	Pledged
The Bank of New York	21050000	0	21050000	0
Ajay Bankda	6217206	1375000	6217206	625000
Joyti Bankda	3459101	1000000	3459101	650000

(i) End Use of Proceeds of the Public Issue :

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

Activity	Total Fund Raised and Budgeted	Fund Deployed
To Undertake the up gradation/modernization at the existing unit at Dehradun	271000000	77369288
To meet Working Capital Requirement	150000000	150000000
For Opening Export office at Mumbai	40000000	49350000
For Brand & Product Registration and Approvals	30000000	2179000
General Corporate Purpose	16825000	16825000
Issue Expenses	54675000	53112965
TOTAL	562500000	348836253



Utilisation of the Un-deployed Fund		AMOUNT
- Invested in Short term advances		213663747
TOTAL		213663747

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

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

The actual usages of the above for previous year were as under:-

Activity	₹
GDR Proceeds	967500000
Usage	
Issue Expenses	40139694
Exchange Loss/(Gain)	(83873129)
Invested in overseas Subsidiary	
In Share Capital	2412170
In Advances	1008821265
TOTAL	967500000

Note - 3

31/03/2012

31/03/2011

Reserve & Surplus
Securities Premium

Opening Balance	1143359010	440998704
Received During The Year	0	742500000
Less :- Issue Expenses Written Off Incurred During The Previous Year	0	40139694
Closing Balance	1143359010	1143359010

Capital Subsidy

3000000

3000000

(From State Government Of Uttarakhand)

Foreign Exchange Translation Reserve

112399196

0

General Reserve

Opening Balance	880306	880306
Set Aside During The Year	0	0
Sub total	880306	880306

Profit & Loss Account

Opening Balance	170222663	143939031
Profit For The Year	1862203	26283631
Less :- Issue Expenses Written Off Incurred During The Previous Year	0	0
Closing Balance	172084866	170222662

Total

1431723378**1317461978**



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

Note - 4
31/03/2012 31/03/2011
Long Term Borrowings
Term Loans Due For Repayment After One Year
Secured Loans
HDFC Car Loan

0 187355

 (Secured By First Charge In The Form Of
 Hypothecation Of Car)

Unsecured Loans
From Banks And Financial Institutions

ICICI Mortgage Loan	34304159	
India Bulls Housing Finance Ltd	14238053	
Religare Fininvest Limited	2795430	
ICICI Bank	27134107	27311323

 The Above Are Secured By Way Of Personal
 Guaranties Of The Directors

Total
78471749 27498678
Note -5
31/03/2012 31/03/2011
Short Term Borrowings
Secured Loans

Working Capital Facilities From Bank Of India

Cash Credit Facilities	126295809	86817849
------------------------	-----------	----------

 (The Working Capital Facilities Are Secured
 Against First Charge On Current Assets Of
 The Company)

Instalments Of Term Loans Payable In Next 12 Months:
HDFC Car Loan

187516 684019

 (Secured By First Charge In The Form Of
 Hypothecation Of Car)

Term Loan From Bank Of India

0 13573344

 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
 Dehradun

Unsecured Loans

From Directors And Relatives	5760215	14841249
Inter-corporate Deposits	11400000	32900000
<u>From Banks And Financial Institutions</u>		
Religare Fininvest Limited	1119961	0
India Bulls Housing Finance Ltd	761947	0
ICICI Bank	177246	37774

 (All The Above Are Secured By Way
 Of Personal Guarantees Of The Directors)

Total
145702694 148854235



- 5.1 The Unsecured Loans from Promoters have been brought in to meet the fund requirements of the Company's business and project at Selaqui, near Dehradun in pursuance to and in accordance with terms and conditions stipulated by working capital lenders to the company that is Bank of India. Hence these loans are exempt from the company deposit rules notified under section 58A of the Companies Act 1956 vide sub clause I of rule 2 of the company deposit rules notified therein.
- 5.2 In respect of the unsecured Loans from Promoters and inter-corporate there are no written agreements entered into with the Lenders for the terms of repayment and interest and therefore the Loans are considered as repayable on demand and hence classified under current liabilities.

Note -6

Trade Payables

	31/03/2012	31/03/2011
- For Supplies	261718574	84439640
- For Services	2571571	3520970
- For MSME Industries		
Baddi Foils Pvt Ltd.	483103	0
	264773248	87960610

6.1 Payments to Micro/Small Enterprises

The only due outstanding to any Micro/Small enterprises for a period over 15 days as on 31/03/2012 is for Baddi Foils Pvt. Ltd. Amounting ₹ 4,83,103/-. Interest of ₹ 54383/- is payable upto 31/03/2012 on the overdue amount in accordance with provisions of the Micro, Small and Medium Enterprises Act 2006 which has not been provided accounts nor has been paid. The company has also not received any claims in respect of interest from any undertaking.

Note -7

Other Current Liabilities

	31/03/2012	31/03/2011
- Creditors For Capital Goods	4895782	407477
- Customer Credit Balance	906159	528672
Total	5801941	936149

Note -8

Short Term Provisions

	31/03/2012	31/03/2011
Provision For Expenses	6470091	7061234
Provision For Statutory Dues	3985409	2736872
Provision For Income Tax	38546	1466200
Total	10494046	11264306



Note - 9

Note Of The Fixed Assets For The Period 01/04/2011 To 31/03/2012

Particulars	Original Cost					Depreciation			Net Book Value	
	Op.Bal. As On 1.4.2011	Additions During The Year	Sold/Rev/ Disposed During Year	Gross Total Balance	Closing Balance As On 31/03/2012	Opening Balance As On 01/04/11	For The Year	Total	Net Block 31/03/2012	Net Block 31/03/2011
Tangible Assets										
Land	2927498	0	0	2927498	2927498	0	0	0	2927498	2927498
Factory Building Plant &	112250369	0	0	112250369	112250369	30178680	8207169	38385849	73864520	82071689
Machinery Electrical	87485749	7360565	0	94846314	94846314	27744254	9158135	36902389	57943925	59741495
Installation Furniture And	693606	0	0	693606	693606	434004	46988	480992	212614	259602
Fixtures	5440821	555031	0	5995852	5995852	2811143	511398	3322541	2673311	2629678
Vehicles	5978208	0	0	5978208	5978208	2485448	904276	3389723	2588485	3492760
Computers	5305251	305501	0	5610752	5610752	4583821	364158	4947978	662774	721430
Office And										
Factory Equipments	37125001	1287488	0	38412489	38412489	16879875	2948926	19828801	18583688	20245126
Sub total	257206503	9508585	0	266715088	266715088	85117224	22141049	107258273	159456815	172089279
Intangible Assets										
Computer (Software)	2443134	90000	0	2533134	2533134	1626586	293560	1920146	612988	816548
Patents & Copyrights	2857300	0	0	2857300	2857300	2517152	270768	2787920	69380	340148
Sub total	5300434	90000	0	5390434	5390434	4143738	564328	4708066	682368	1156696
Total	262506937	9598585	0	272105522	272105522	89260962	22705377	111966339	160139183	173245975
Previous Year	206249453	56257484	0	262506937	262506937	71116186	18144776	89260962	173245975	135133267


Note - 10
31/03/2012 31/03/2011
Non Current Investments
Investment In Quoted Shares

968 Equity Shares Of D. B. Corp Limited 205216 205216

Investment In Unquoted Shares
Investment In Foreign Subsidiaries

2 Shares Of Syncom International FZE 2412170 0

Other Investments

20000 Equity Shares Of Sound Craft Ind. Ltd 5200 5200

40000 Equity Shares Of Savit Capital Limited 40000000 40000000

Of ₹1000/- Each

Total
42622586 40210416
Note - 11
31/03/2012 31/03/2011
Deferred Tax Liability /
(Assets)
Timing Differences
Difference Of Wdv Of Fixed Assets

- Wdv As Per Income Tax Act 159613744 173633397

- Wdv As Per Companies Act 160139183 173245975

(525439) 387422

Unabsorbed Depreciation C/F 6234277 8316364

Expenses To Be Allowed On
Payment Basis

- Bonus Payable 1104840 598925

- Balance Of Leave Encashment 244320 724260

- Gratuity Payable 877818 793817

Preliminary Expenses
Allowable U/S 35d In Next
Years 35433816 37660794 49136755

Total 43369632 59957543

 Deferred Tax Assets @ 32.45% **14071277 19917896**
Note - 12
31/03/2012 31/03/2011
Other Non Current Assets
A) Security And Other Deposits

Advances To Subsidiaries 41597601 41384219

Product Registration Advances 1022758690 677141

Advances For Capital Goods 2178990 0

65415665 55561025

Sub-Total (A)

1131950947 97622385
B) Preliminary Expenses
(To The Extent Not Written Off Or Adjusted)

Opening Balance 418867 628301

Add :-

Expenditure Incurred During The Year 0 0

(To The Extent Not Written Off Or Adjusted)

Less :-

Written Off During The Year 418867 209434

(1/5th Every Year)

Sub-Total (B) 0 418867


C) Preoperative Expenditure

Opening Balance	0	0
Add :-		
Public Issue Expenditure Incurred During The Year	0	40139694
(To The Extent Not Written Off Or Adjusted)		
Less :-		
Written Off During Previous Year Against Security Premium	0	40139694
Sub-Total (C)	<u>0</u>	<u>0</u>
Total (A+B+C)	<u>1131950947</u>	<u>98041252</u>

12.1 Product Registration Expenses

Product Registration expenses are expenses incurred for registration of product for proposed export in the companies and shall be written off suitably over a period of time after commencement of exports.

Note - 13
Inventory

	31/03/2012	31/03/2011
Raw Material	27116091	19764995
Packing Material	17384274	16078234
Work In Progress	14449757	15343730
Finished Goods	40523322	49675702
Traded Goods	14039312	0
Gifts Items	9748200	9431098
Total	<u>123260956</u>	<u>110293758</u>

Note - 14
Trade Receivables

(Unsecured Considered Good):

	31/03/2012	31/03/2011
A) Debts Outstanding For A Period Within Six Months	423039503	226982650
B) Debts Outstanding For A Period Over Six Months	155717540	203866813
Total	<u>578757043</u>	<u>430849463</u>

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

14.2 Debtors are subject to confirmation



Note - 15	31/03/2012	31/03/2011
Cash And Bank Balances		
Cash In Hand	2060967	999683
Bank Balances (With Scheduled Bank)		
- In Current Accounts	512590	434303
- In Fixed Deposit Accounts	336998	111089
(Pledged With Government Against Export Obligation Undertaken Under EPCG Scheme)		
- With Foreign Bank		
- In Current Accounts	0	811859
- In Money Market Deposit Account	0	893446501
Total	2910555	895803435

Note - 16	31/03/2012	31/03/2011
Short Term Loan And Advances		
(Unsecured Considered Good)		
Advances Recoverable In Cash Or In Kind Or For Value To be Received	6763976	6843542
Tax Deducted At Source /Advance Tax / Vat	1717455	2638764
Other Loans & Advances	256061173	216131456
Total	264542604	225613762

16.1 Other Loans & advances are short term Inter Corporate Deposits/Advances to private parties and there are no written agreements for them . However the management certifies that all such loans are good , unsecured and are repayable on demand and carry interest at the prevailing market rates adjusted as per the creditworthiness of the parties.

Note - 17	31/03/2012	31/03/2011
Other Current Assets		
Interest Receivable	7882917	0
Total	7882917	0

Note - 18	31/03/2012	31/03/2011
Other Income		
Foreign Exchange Gain	11921474	0
Dividend Received	7630	5479
Misc. Income	79266	0
Provision For Gratuity Written Back	759548	0
Misc. Balances W/ Off	219873	50832
Commission Received	0	1020725
Interest Received	27284936	30963481
Total	40272727	32040518

Note - 19	31/03/2012	31/03/2011
Cost Of Material Consumed		
Opening Stock		
Raw Material	19764995	18693224
Packing Material	16078234	12300381
Add :-		
Raw Materials Purchased	203686264	110287568
Packing Material Purchased	102217424	76117671
Other Store Consumption	1725112	1395637
Freight And Cartage	1029333	661515
Less: Closing Stock		
Raw Material	27116091	19764995
Packing Material	17384274	16078234
Total	300000997	183612768



Note - 20	31/03/2012	31/03/2011
Purchases Of Stock In Trade		
Purchases (Net Of Return)	378791213	378928358
Freight And Cartage	132605	178075
Total	378923818	379106433
Note - 21	31/03/2012	31/03/2011
Employee Benefits Expense		
Staff Salary, Wages And Other Benefits	68204757	64220134
Contribution To Provident And Other Funds	1390078	1240743
Staff Welfare	4041202	2774481
Total	73636037	68235358
Note - 22	31/03/2012	31/03/2011
Finance Cost		
Interest On Unsecured Loans	4113477	2459003
Interest On Term Loan	6495295	6611126
<u>Interest On Working Capital Facilities</u>		
- Cash Credit Facilities	12600314	8719933
- Demand Loan	0	1026836
Other Interest	302344	308518
Interest On Vehicle Loan	85041	180666
Bank Charges And Commission	1240845	330140
Total	24837316	19636222
Note - 23	31/03/2012	31/03/2011
Depreciation And Amortization Expenses		
Preliminary Expenses Written Off	418867	209434
Depreciation (Refer Note-9)	22705377	18144776
Total	23124244	18354210
Note - 24	31/03/2012	31/03/2011
Other Expenses		
Foreign Exchange Loss	0	41291531
Sales Promotional Expenses	9800724	8122060
Other Sales And Marketing Expenses	2210391	3763300
Breakage Damages And Expired Goods	23776557	4315863
Advertisement	59119	5051815
Directors Remuneration And Benefits	1144759	1239672
Power And Fuel	11641259	11150452
Office And Godown Rent	1610000	1651000
Insurance Expenses	521834	361475
Repair And Maintenance	6868784	5491503
Travelling And Conveyance - Directors	263296	666425
Travelling And Conveyance -Others	18288680	14052529
Vehicle Running And Maintenance	634575	534368
Postage Telegram And Telephone	1686417	1629773
Legal And Professional Expenses	5310069	3150614
Rates And Taxes	107267	180868



Freight	3810448	3044535
Sundry Expenses	3982480	3865718

Total	91716658	109563499
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24.2 Auditor's Remuneration

(Amount in ₹)

PARTICULARS	2011-12	2010-11
a. For Statutory Audit fees	70000	62000
b. For Tax Audit	15000	15000
c. For company law matters	20000	7250
d. For Certification and other matters	10000	11500
Total:	115000	95750
Add :- Service tax	14214	9863
Total	129214	105613

24.3 Director's Remuneration

Sn. No.	Particular	Ajay Bankda		Jyoti Bankda	
		31/03/12	31/03/11	31/03/12	31/03/11
1.	Salaries	600000	600000	Nil	127742
2.	Other perquisites/Benefits	544759	511930	Nil	Nil

24.4 Prior Period Items

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

Particulars	2011-12	2010-11
Incomes		
Excess Provisions Written Back		
Gratuity	759548	
Legal & Professional Expenses		52120
Office Expenses		2750
Freight		11585
Repairs & Maintenance Exps.		2079
Salary		7451
Sales Incentive		31927
Sales Promotional Exps.		8000
Trademark & Reg. Expenses		5000
Other Stores Consumption		3436
Machine Repairs		10350
Total (a)	759548	134698
Expenses		
Auditor's Remuneration	103958	
Income Tax Demand A.Y. 2009-10	627080	
Provident Fund Demand	580606	
Sales Incentive		52849
Total (b)	1311644	52849
Balance (a-b) Income/(Expenses)	(552096)	81849

NOTE 24.5
EARNING PER SHARE

AMOUNT AVAILABLE TO EQUITY SHAREHOLDERS	1862202.74	26283631.66
WEIGHTED AVERAGE NUMBER OF EQUITY SHAREHOLDERS	40000000	30506849
FACE VALUE PER EQUITY SHARE (₹)	10	10
EARNING PER EQUITY SHARE BASIC AND DILUTED (₹)	0.05	0.86

25 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 ₹ 589326/- (previous year ₹ 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 ₹ 5.00 lacs. The company has deposited the demand under protest as security money and has filed an appeal against the captioned order. (Previous year ₹ 5.00 Lacs)
3. There is an Export Obligation of ₹ 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 ₹ 7.50 Lacs).
4. There is demand outstanding of ₹ Nil raised by Assistant Commissioner of Provident Fund in previous year against which company has filed appeal but the payment regarding demand is made in current year which is recorded as Legal and Professional Expenses. (Previous Year outstanding ₹ 580606/-)
5. Bank guarantees issues by the Lenders to the company , against which counter guarantee of the Company is outstanding , and which are in force as on 31/3/2012 are of total value ₹ 10,59,500/- (Previous year ₹ 10,00,000)
6. There is demand of ₹ 854268/- raised by Income Tax Department for A.Y. 2005-06. Company has filed appeal against this demand and deposited ₹ 426234/- against it. (Previous Year- ₹ 426234/-).

There were no significant events and contingencies which have occurred after 31/03/2012 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 31/03/2012 and which results in any contingent loss for which provision has to be done in the profit and loss account for the year.

26 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.

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

1. Enterprises that directly or indirectly control (through subsidiaries) or are controlled by or are under common control with the reporting enterprise
 - a. Syncom Healthcare International FZE – Subsidiary
2. **Individuals owning voting power giving control or significant influence; Nil**
3. **Key management personnel and their relatives;**

a. Key Managerial Personnel

- i. Shri Ajay Bankda
- ii. Smt Jyoti Bankda

b. Relatives of Key Managerial Persons

- i. Ajay Bankda
 1. Shri Prateek Bankda – Son
 2. Shri Pranav Bankda – Son
 3. Ajay Bankda HUF – HUF of Director
- ii. Smt Jyoti Bankda
 1. Shri Prateek Bankda – Son
 2. Shri Pranav Bankda – Son
 3. Ajay Bankda HUF – HUF of Husband who is a Director of the Company.
 4. Shri J.P. Bagaria - Father
 5. Smt. Umadevi Bagaria - Mother

4. Enterprises over which any of the persons in (iii) or (iv) are able to exercise significant influence over the Company till January 2012

- 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. Styler Textiles Private Limited.



Transactions with the related persons during the year

2011-12	Loans Received	Repayment of Loans	Advances Given	Repayment Received	Salary Credited	Office Rent	Rent Free House	Other Benefits'	Balance Receivable	Balance Payable
Ajay Bankda	84504339	81813582	13727864	24016411	600000	360000	456000	88759	9268857	0
Jyoti Bankda	230000	7865000	0	0	0	360000	0	0	9041392	0
J P Bagaria	0	7500	0	0	0	90000	0	0	0	0
Pratik Bankda	2090000	2723925	0	0	480000	132000	0	0	3761171	0
Pranav Bankda	0	2866	0	0	0	0	0	0	0	183691
Ajay Bankda HUF	0	3500000	0	0	0	360000	0	0	11058047	0
Syncom Healthcare FZE	0	0	1022758690	0	0	0	0	0	1022758690	0
2010-11	Loans Received	Repayment of Loans	Advances Given	Repayment Received	Salary Credited	Office Rent	Rent Free House	Other Benefits'	Balance Receivable	Balance Payable
Ajay Bankda	16084646	127328088	0	0	600000	360000	424000	87930	22235625	0
Jyoti Bankda	11450707	10224253	0	0	127742	360000	0	0	1670951	0
J P Bagaria	0	0	0	0	0	90000	0	0	0	7500
Pratik Bankda	7959996	100000	0	0	340000	132000	0	0	3199644	0
Pranav Bankda	186557		0	0	0	0	0	0	0	186557
Ajay Bankda HUF	900000	1200000	0	0	0	360000	0	0	7842211	0
Syncom Healthcare FZE	0	0	677141	0	0	0	0	0	677141	0

- 28 Balances of Debtors, Creditors and Loans and advances are subject to confirmation
- 29 The figures in the Balance Sheet & Profit & Loss Account have been rounded-off to nearest rupee. The previous year figures have been regrouped and reclassified and rearranged according to Revised Schedule VI of The Companies Act 1956
- 30 Additional information pursuant to schedule VI of the companies Act, 1956

30.1 Quantitative details

Particulars	Consumption 2011-12	Consumption 2010-11
Raw Material Consumed For Production	196335168	108937330
Packing Materials	100911384	72339818
Total	297246552	181277148
Purchase of Goods Traded:		
Basic Drugs & Chemicals		
Caustic Soda	30699080	53658165
Potassium Hydroxide	118686405	143275970
Butyl Acetate	114184310	117133365
Others	115221418	64860858
Total	378791213	365216067



	Particulars	Sales Values		Closing Inventory	Closing Inventory
A	Manufactured Goods	2011-12	2010-11	2011-12	2010-11
	Tablet	250365725	182347758	21555208	23161258
	Capsules	47889108	24580472	2851414	7378645
	Dry Powder	24486281	19626467	2687608	251159
	Liquid Orals	78205510	67406143	2985586	6895384
	Ointment	47680191	45579105	5178058	8140101
	Vial/Drops	22686226	25676122	183061	3658984
	Others	0	0	0	190171
		471313041	365216067	35440934	49675702

B	Traded Goods				
	Caustic Soda	30772675	53739920	0	0
	Potassium Hydroxide	118187315	143415000	0	0
	Butyl Acetate	114242340	117233195	0	0
	Others	123966312	68082799	14039312	0
		387168642	(382470914)	14039312	49675702

Particulars	2011-12	2010-11
Work In Progress		
Capsules	2464044	1710595
Tablets	9524614	8981079
Dry Powder	127709	0
Others	2333388	4652056
Total	14449757	15343730

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

30.2 Other Details

Particulars	2011-2012	2010-2011
a) CIF VALUE OF IMPORTS	Nil	Nil
b) EARNING IN FOREIGN EXCHANGE	Nil	9158295/-
c) EXPENDITURE IN FOREIGN EXCHANGE	Nil	35742375/-
d) REMITTANCE IN FOREIGN CURRENCY	22360/-	35616814/-

**AS PER OUR REPORT OF EVEN DATE
ATTACHED
FOR SANJAY MEHTA AND ASSOCIATES
CHARTERED ACCOUNTANTS
Regn. No. 011524C**

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

MANISH MITTAL
PARTNER
M. No. 079452
Indore, 30/05/2012

AJAY BANKDA
MANAGING
DIRECTOR

J. P. BAGARIA
DIRECTOR

AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS OF SYNCOM HEALTHCARE LTD. WITH ITS SUBSIDIARY SYNCOM HEALTHCARE INTERNATIONAL, FZE.

We have audited the attached Consolidated Balance Sheet of M/S SYNCOM HEALTHCARE LIMITED (Holding Company) & its Foreign Subsidiary SYNCOM HEALTHCARE INTERNATIONAL, FZE (Subsidiary) as at 31st March, 2012 and also the Consolidated Profit and Loss Account for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. 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.

We did not audit the financial statements of Subsidiary Company whose financial statements reflect total assets (net) of ₹ 3.55 Lakhs as at March 31, 2012, total revenues of ₹ 49.09 crores and net cash inflow amounting to ₹ 15.51 Lakhs for the year ended on that date. These financial statement and other financial information has been audited by other auditor whose report have been furnished to us, and our opinion in so far as it relates to the amounts included in respect of these subsidiary is based solely on the report of other auditor. We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of the Accounting Standard (AS) 21, Consolidated Financial Statements Prescribed by the Central Government under Section 211 (3C) of the Companies Act, 1956 and other recognized accounting practices and policies.

Based on our audit and on consideration of the separate audit report on the individual financial statements of the Company and the aforesaid subsidiary and other financial information of the components, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India.

- a. in the case of the Consolidated Balance Sheet, of the state of affairs of the Syncom Healthcare Limited & its Subsidiary Syncom Healthcare International, FZE as at 31st March, 2012; and
- b. in the case of Consolidated Statement of Profit and Loss, of the Profit of Syncom Healthcare Limited & its Subsidiary Syncom Healthcare International, FZE for the year ended on that date and
- c. in the case of Consolidated Cash flow statement, of the cash flows of Syncom Healthcare Limited & its Subsidiary Syncom Healthcare International, FZE for the year ended on that date.

For Sanjay Mehta & Associates

Chartered Accountants

Manish Mittal

Partner

M.No. 079452

Firm Regn. 011524C

Indore, 30/05/2012



CONSOLIDATED BALANCE SHEET OF SYNCOM HEALTHCARE LIMITED AND ITS SUBSIDIARY SYNCOM HEALTHCARE INTERNATIONAL, FZE AS AT 31/03/2012

Amount in
Rupees(₹)

	Particulars	Note No.	Figures for the Year Ended 31/03/2012
	1	2	3
I	EQUITY AND LIABILITIES		
	Shareholders' funds		
	Share capital	2	400000000
	Reserves and surplus	3	1432332325
	Non-current liabilities		
	Long-term Borrowings	4	78471749
	Current liabilities		
	Short-term Borrowings	5	145702694
	Trade Payables	6	264773248
	Other Current Liabilities	7	5801941
	Short-term Provisions	8	10494046
	TOTAL		2337576004
II	ASSETS		
	Non-current assets		
	Fixed assets		
	Tangible assets	9	159812056
	Intangible assets		682368
	Capital work-in-progress		10828988
	Non-current Investments	10	40210416
	Deferred Tax Assets (net)	11	14071277
	Other Non-current Assets	12	109261291
	Current assets		
	Inventories	13	665108359
	Trade Receivables	14	1060696127
	Cash and Bank Balances	15	4461604
	Short-term Loans and Advances	16	264560600
	Other Current Assets	17	7882917
	TOTAL		2337576004

Significant Accounting Policies
NOTES AND EXPLANATIONS REFERRED TO HEREIN FORM
AN INTEGRAL PART OF BALANCE SHEET
AS PER OUR REPORT ANNEXED
FOR **M/S SANJAY MEHTA & ASSOCIATES**
CHARTERED ACCOUNTANTS
REGN NO. 011524C

MANISH MITTAL
PARTNER
M.NO. 079452
Place: Indore
Date:30/05/2012

FOR AND ON BEHALF OF BOARD

AJAY BANKDA **J.P. BAGARIA**
MANAGING DIRECTOR
DIRECTOR



**CONSOLIDATED STATEMENT OF PROFIT & LOSS OF SYNCOM HEALTHCARE LIMITED AND ITS
SUBSIDIARY SYNCOM HEALTHCARE INTERNATIONAL, FZE FOR THE YEAR ENDED 31/03/2012**

Amount in Rupees(₹)

	Particulars	Note No.	Figures for the Year Ended 31/03/2012
	1	2	3
I.	Revenue From Operations		
	Sale of Goods		1349308316
II.	Other income	18	40351751
III.	Total Revenue (I + II)		1389660067
IV.	Expenses:		
	Cost of materials consumed	19	300000997
	Purchases of Stock-in-Trade	20	1342792046
	Changes in inventories of Finished Goods & Work-in-Progress & Goods Traded		(545840362)
	Employee benefits expense	21	89272577
	Finance costs	22	24971178
	Depreciation and amortization expense	23	23190940
	Other expenses	24	113256479
	Total expenses		1347643856
V.	Profit before exceptional and extraordinary items and tax (III-IV)		42016211
VI.	Exceptional items (INCOME)/EXPENSES		0
VII.	Profit before extraordinary items and tax (V - VI)		42016211
VIII.	Extraordinary Items		0
IX.	Profit before tax (VII- VIII)		42016211
X.	Tax expense:		
	Current tax		2083077
	Deferred Tax Liability / (Assets)		5846619
	Prior Period Taxes		627080
XI.	Profit (Loss) for the period <u>from</u> continuing operations (VII-VIII)		33459435
XII.	Profit/(loss) from discontinuing operations		0
XIII.	Tax expense of discontinuing operations		0
XIV.	Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)		0
XII.	Share of Minority		0
XIII.	Profit (Loss) for the period (XI + XIV)		33459435
XIV.	Earnings per equity share:	24.4	
	(1) Basic		0.84
	(2) Diluted		0.84

Significant Accounting Policies

1

NOTES AND EXPLANATIONS REFERRED TO HEREIN FORM
AN INTEGRAL PART OF PROFIT AND LOSS ACCOUNT
AS PER OUR REPORT ANNEXED
FOR **M/S SANJAY MEHTA & ASSOCIATES**
CHARTERED ACCOUNTANTS
REGN NO. 011524C

FOR AND ON BEHALF OF BOARD

MANISH MITTAL
PARTNER
M.NO. 079452
Place: Indore
Date:30/05/2012

AJAY BANKDA
MANAGING
DIRECTOR

J.P. BAGARIA
DIRECTOR



**CONSOLIDATED CASH FLOW STATEMENT OF SYNCOM HEALTHCARE LIMITED AND ITS SUBSIDIARY
SYNCOM HEALTHCARE INTERNATIONAL, FZE FOR THE YEAR ENDED 31/03/2012**

Particulars	2011-12
A. Cash Flow Provided /(Required) by operating Activities	
Profit after tax	33420647
Adjustment for:	
Depreciation	22810861
Profit on Sale of Fixed Assets /Investments / Dividend Income	(7630)
Amortization expenditure	418867
Tax expense	5846619
Interest & Financial Charge	24837316
Operating Profit before working capital changes	87326680
Adjustment for:	
(Increase)/Decrease in Trade Recievables	(629846664)
(Increase)/Decrease in other Current Assets	(7969948)
(Increase)/Decrease in other Non Current Assets	(1074258279)
(Increase)/Decrease in Inventories	(554814601)
(Increase)/decrease in Loans & Advances	1000875
Increase/(decrease) in Current Liabilities except provison for Dividend & Dividend Tax	180908170
Net Cash (Required) /provided by Operations	(1997653767)
B. Cash Flow (Provided) / Required by Investing Activities	
Addition to Fixed Assets	10020522
Purchase / (Sale) of Investments	2412170
(Increase)/ Decrease in Capital WIP	10828988
Foreign Exchange Translating Reserve	(81410911)
Miscellaneous Expenses	
Dividend Income	(7630)
Proceeds from Sale of Assets	0
Net Cash Provided (Required) by Investing activities	58156861
C. Cash Flow Provided/ (Required) by Financing Activities	
SOURCES OF FUND	
Proceeds from Share Capital (Net of Bonus shares Issued)	2412170
Unsecured Loan obtained	1075978241
Term Loans Obtained	0
Increase in Working Capital Facilities	39477960
Proceeds from Share Premium	0
TOTAL	1117868370
Repayment of Unsecured Loans	31302636
Repayment of Term Loans	13573344
Decrease in Working Capital Facilities	0
Share issue expenses incurred	0
Interest Paid	24837316
TOTAL	69713296
D. Net Cash Surplus /(Required) by Financing activities	1048155074
E. Net Increase/(Decrease) in Cash and Cash Equivalents	(891341832)
F. Cash and Cash Equivalents at beginning of Period	895803435
Cash and Cash Equivalents at end of Period	4461604

FOR **SANJAY MEHTA AND ASSOCIATES**
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF BOARD OF DIRECTORS

MANISH MITTAL
PARTNER
M.No. 079452
Indore, May 30, 2012

AJAY BANKDA
MANAGING DIRECTOR

J. P. BAGARIA
DIRECTOR

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENT**NOTE – 1****SIGNIFICANT ACCOUNTING POLICIES (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 31/03/2012 and not on the basis of actuarial valuation as laid down under AS 15 notified under the said rules.
2. There is no change in method of accounting during the year.
3. The company is maintaining separate books of accounts for a) Dehradun Industrial unit which is treated as a separate division within the company and b) trading activities which are head quartered at Indore.

(ii) Principals of Consolidation

The financial statements of the subsidiary company used in the consolidation are drawn up to the same reporting date as of the Company.

The consolidated financial statements have been prepared on the following basis:

1. In respect of subsidiary Company, the financial statements have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after as far as possible eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses in accordance with Accounting Standard 21 – Consolidated Financial Statements prescribed by Companies (Accounting Standards) Rules, 2006.
2. Assets and Liabilities of the foreign subsidiaries are translated into Indian Rupees at the rate of exchange prevailing as at the balance sheet date. Revenue and expense are translated into Indian Rupees at the average exchange rate prevailing during the year and the resulting net translation adjustment has been disclosed as foreign exchange translation reserve in Reserves and Surplus.
3. The consolidated financial statements are prepared using uniform accounting policies followed by the holding company for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.
4. The excess of cost to the Group of its investments in subsidiary companies over its share of the equity of the subsidiary companies at the dates on which the investments in the subsidiary companies are made, is recognised as 'Goodwill (on Consolidation)' being an asset in the consolidated financial statements. Alternatively, where the share of equity in the subsidiary companies as on the date of investment is in excess of cost of investment of the Group, it is recognised as 'Capital Reserve (on Consolidation)' and shown under the head 'Reserves and Surplus', in the consolidated financial statements. Since Syncom Healthcare Limited has full 100% interest over its subsidiary company from commencement of company hence no Goodwill/Capital Reserve account is recognised in the consolidated financial statements.
5. Minority interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the Group in the subsidiary companies and further movements in their share in the equity, subsequent to the dates of investments, however in case of Syncom Healthcare International, FZE 100% Shares are held by the company therefore there is no Minority Interest.
6. On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

(iii) Revenue Recognition

All revenues and expenses are accounted for on accrual basis except to the extent stated otherwise.

(iv) Fixed Assets**Fixed assets are stated at cost of acquisition/construction.**

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

(v) 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 ₹ 5000/- are fully depreciated in the year of purchase.

(vi) Investments

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

(vii) Expensing out of Intangible Assets

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

(viii) Inventory Valuation

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

(ix) Borrowing cost:

Borrowing 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.

(x) Preliminary expenses

Opening balance of Preliminary expenses has been fully amortised in the current year as against miscellaneous expenditure being amortised over a period of five years upto previous year. Consequently the profit of the financial Year 2011-12 is lower by ₹ 209433/- due to the change in accounting policy in this regards.

(xi) Foreign Currency Transactions

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

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

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

(XII) Impairment of Assets:

No asset whose carrying cost exceeds its recoverable value is held by the company as on 31/03/2012.


SYNCOM HEALTHCARE LIMITED
NOTES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31/03/2012

PARTICULARS	Amount in Rupees(₹) 31/03/2012
-------------	--------------------------------------

NOTE - 2
SHARE CAPITAL
AUTHORISED CAPITAL

40000000 EQUITY SHARES OF ₹10 EACH

400000000

400000000

ISSUED, SUBSCRIBED AND PAID UP CAPITAL

40000000 EQUITY SHARES OF ₹10 EACH FULLY PAID UP

400000000

TOTAL

400000000

No Shares Have Been Allotted For Consideration Other Than Cash.

Shareholders Holding Capital Of 5% Or Above

Name of the Holder	31.03.2012		31.03.2011	
	Holding	Pledged	Holding	Pledged
The Bank of New York	21050000	0	21050000	0
Ajay Bankda	6217206	1375000	6217206	625000
Jyoti Bankda	3459101	1000000	3459101	650000

(i) End Use of Proceeds of the Public Issue:

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

Activity	Total Fund Raised and Budgeted	Fund Deployed
To Undertake the up gradation/modernization at the existing unit at Dehradun	271000000	77369288
To meet Working Capital Requirement	150000000	150000000
For Opening Export office at Mumbai	40000000	49350000
For Brand & Product Registration and Approvals	30000000	2179000
General Corporate Purpose	16825000	16825000
Issue Expenses	54675000	53112965
TOTAL	562500000	348836253

Utilisation of the Un-deployed Fund	AMOUNT
- Invested in Short term advances	213663747
TOTAL	213663747

- b) The company came out with its GDR issue of 45 Lac GDR underlying 2.25 Crores equity shares of ₹ Rs. 10/- each at a premium of ₹ Rs. 33/- per share in the last year and has received total proceeds of ₹ Rs. 96.75 Crores and the same were received in USD amounting to USD 20.745 million. The usage of the same as per prospectus were as under:
- Capital expenditure
 - Long term working capital requirement
 - Investment in proposed overseas subsidiary companies in UAE



SYNCOM HEALTHCARE LIMITED
NOTES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31/03/2012

PARTICULARS	Amount in Rupees(₹) 31/03/2012
--------------------	---

The actual usages of the above for previous year were as under:-

Activity	Rs.
GDR Proceeds	967500000
Usage	
Issue Expenses	40139694
Exchange Loss/(Gain)	(83873129)
Invested in overseas Subsidiary	
In Share Capital	2412170
In Advances	1008821265
TOTAL	967500000

NOTE - 3
RESERVE & SURPLUS

SECURITIES PREMIUM

OPENING BALANCE	1143359010
RECEIVED DURING THE YEAR	0
LESS :- ISSUE EXPENSES WRITTEN OFF INCURRED DURING THE PREVIOUS YEAR	0
CLOSING BALANCE	1143359010

CAPITAL SUBSIDY

(FROM STATE GOVERNMENT OF UTTARAKHAND)	3000000
--	---------

FOREIGN EXCHANGE TRANSLATION RESERVE

OPENING BALANCE	0
<u>ADDITION:</u>	
FROM HOLDING COMPANY	112399196
FROM FOREIGN SUBSIDIARY SYNCOM HEALTHCARE INTERNATIONAL FZE	(30988285)
	81410911

GENERAL RESERVE

OPENING BALANCE	880306
SET ASIDE DURING THE YEAR	0
SUBTOTAL	880306

PROFIT & LOSS ACCOUNT

OPENING BALANCE	170222663
PROFIT FOR THE YEAR	33459435
LESS :- ISSUE EXPENSES WRITTEN OFF INCURRED DURING THE PREVIOUS YEAR	0
CLOSING BALANCE	203682098

TOTAL	1432332325
--------------	-------------------

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

SYNCOM HEALTHCARE LIMITED
NOTES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31/03/2012

PARTICULARS	Amount in Rupees(₹) 31/03/2012
-------------	--------------------------------------

NOTE - 4
LONG TERM BORROWINGS
TERM LOANS DUE FOR REPAYMENT AFTER ONE YEAR
SECURED LOANS
HDFC CAR LOAN

0

(SECURED BY FIRST CHARGE IN THE FORM OF HYPOTHECATION OF CAR)

UNSECURED LOANS
FROM BANKS AND FINANCIAL INSTITUTIONS

ICICI MORTGAGE LOAN

34304159

INDIA BULLS HOUSING FINANCE LTD

14238053

RELIGARE FININVEST LIMITED

2795430

ICICI BANK

27134107

THE ABOVE ARE SECURED BY WAY OF PERSONAL GUARANTEES OF THE DIRECTORS

TOTAL
78471749
NOTE -5
SHORT TERM BORROWINGS
SECURED LOANS

WORKING CAPITAL FACILITIES FROM BANK OF INDIA

CASH CREDIT FACILITIES

126295809

(THE WORKING CAPITAL FACILITIES ARE SECURED AGAINST FIRST CHARGE ON CURRENT ASSETS OF THE COMPANY)

INSTALLMENT OF TERM LOANS PAYABLE IN NEXT 12 MONTH
HDFC CAR LOAN

187516

(SECURED BY FIRST CHARGE IN THE FORM OF HYPOTHECATION OF CAR)

TERM LOAN FROM BANK OF INDIA

0

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

UNSECURED LOANS

FROM DIRECTORS AND RELATIVES

5760215

INTERCORPORATE DEPOSITS

11400000

FROM BANKS AND FINANCIAL INSTITUTIONS

RELIGARE FININVEST LIMITED

1119961

INDIA BULLS HOUSING FINANCE LTD

761947

ICICI BANK

177246

(ALL THE ABOVE ARE SECURED BY WAY OF PERSONAL GUARANTEES OF THE DIRECTORS)

TOTAL
145702694

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

5.2 In respect of the unsecured Loans from Promoters and inter-corporate there are no written agreements entered into with the Lenders for the terms of repayment and interest and therefore the Loans are considered as repayable on demand and hence classified under current liabilities.

SYNCOM HEALTHCARE LIMITED
NOTES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31/03/2012

PARTICULARS	Amount in Rupees(₹) 31/03/2012
-------------	--------------------------------------

NOTE -6
TRADE PAYABLES

- FOR SUPPLIES	261718574
- FOR SERVICES	2571571
- FOR MSME INDUSTRIES	
BADDI FOILS PVT LTD.	483103
	264773248

6.1 Payments to Micro/Small Enterprises

The only due outstanding to any Micro/Small enterprises for a period over 15 days as on 31/03/2012 is for Baddi Foils Pvt. Ltd. amounting Rs.4,83,103/-. Interest of Rs. 54383/- is payable upto 31/03/2012 on the overdue amount in accordance with provisions of the Micro, Small and Medium Enterprises Act 2006 which has not been provided in accounts nor has been paid. The company has also not received any claims in respect of interest from any undertaking.

NOTE -7
OTHER CURRENT LIABILITIES

- CREDITORS FOR CAPITAL GOODS	4895782
- CUSTOMER CREDIT BALANCE	906159

TOTAL
5801941
NOTE -8
SHORT TERM PROVISIONS

PROVISION FOR EXPENSES	6470091
PROVISION FOR STATUTORY DUES	3985409
PROVISION FOR INCOME TAX	38546
TOTAL	10494046

SYNCOM HEALTHCARE LIMITED
NOTE - 9

NOTE OF THE FIXED ASSETS FOR THE PERIOD 01/04/2011 to 31/03/2012

(AMOUNT IN ₹)

PARTICULARS	GROSS BLOCK					DEPRECIATION			NET BLOCK	
	OP.BAL. AS ON 1.4.2011	ADDITIONS DURING THE YEAR	SOLD/REV/ DISPOSED DURING YEAR	GROSS TOTAL BALANCE	CLOSING BALANCE AS ON 31/03/2012	OPENING BALANCE AS ON 01/04/11	FOR THE YEAR	TOTAL	NET BLOCK 31/03/2012	NET BLOCK 31/03/2011
FIXED ASSETS										
TANGIBLE ASSETS										
LAND	2927498	0	0	2927498	2927498	0	0	0	2927498	2927498
FACTORY BUILDING	112250369	0	0	112250369	112250369	30178680	8207169	38385849	73864520	82071689
PLANT & MACHINERY	87485749	7360565	0	94846314	94846314	27744254	9158135	36902389	57943925	59741495
ELECTRICAL INSTALLATION	693606	0	0	693606	693606	434004	46988	480992	212614	259602
FURNITURE AND FIXTURES	5440821	745665	0	6186486	6186486	2811143	545915	3357058	2829428	2629678
VEHICLES	5978208	0	0	5978208	5978208	2485448	904276	3389723	2588485	3492760
COMPUTERS	5305251	305501	0	5610752	5610752	4583821	364158	4947978	662774	721430
OFFICE AND FACTORY EQUIPMENTS	37125001	1518791	0	38643792	38643792	16879875	2981105	19860980	18782812	20245126
	257206503	9930522	0	267137025	267137025	85117224	22207745	107324969	159812056	172089279
INTANGIBLE ASSETS										
COMPUTER (SOFTWARE)	2443134	90000	0	2533134	2533134	1626586	293560	1920146	612988	816548
PATENTS & COPYRIGHTS	2857300	0	0	2857300	2857300	2517152	270768	2787920	69380	340148
	5300434	90000	0	5390434	5390434	4143738	564328	4708066	682368	1156696
TOTAL	262506937	10020522	0	272527459	272527459	89260962	22772073	112033035	160494424	173245975
PREVIOUS YEAR	206249453	56257484	0	262506937	262506937	71116186	18144776	89260962	173245975	135133267



SYNCOM HEALTHCARE LIMITED
NOTES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31/03/2012

PARTICULARS	Amount in Rupees(₹) 31/03/2012
--------------------	---

NOTE - 10

NON CURRENT INVESTMENTS

INVESTMENT IN QUOTED SHARES

968 EQUITY SHARES OF D.B.CORP LIMITED 205216

INVESTMENT IN UNQUOTED SHARES

20000 EQUITY SHARES OF SOUND CRAFT IND. LTD. 5200

40000 EQUITY SHARES OF SAVIT CAPITAL LIMITED OF ₹1000/- EACH 40000000

TOTAL

40210416

NOTE-11

DEFERRED TAX LIABILITY / (ASSETS)

Timing Differences

Difference Of Wdv Of Fixed Assets

- Wdv As Per Income Tax Act

159613744

- Wdv As Per Companies Tax Act

160139183

(525439)

6234277

Unabsorbed Depreciation C/F

Expenses To Be Allowed On Payment Basis

- Bonus Payable

1104840

- Balance Of Leave Encashment

244320

- Gratuity Payable

877818

Preliminary Expenses Allowable U/S 35d In Next Years

35433816

Total

43369632

Deferred Tax Assets @ 32.45%

14071277

NOTE - 12

OTHER NON CURRENT ASSETS

A) SECURITY AND OTHER DEPOSITS

41666636

PRODUCT REGISTRATION ADVANCES

2178990

ADVANCES FOR CAPITAL GOODS

65415665

SUB-TOTAL (A)

109261291

B) PRELIMINARY EXPENSES

(TO THE EXTENT NOT WRITTEN OFF OR ADJUSTED)

OPENING BALANCE

418867

ADD :-

EXPENDITURE INCURRED DURING THE YEAR

0

(TO THE EXTENT NOT WRITTEN OFF OR ADJUSTED)

LESS :-

WRITTEN OFF DURING THE YEAR

418867

(1/5TH EVERY YEAR)

SUB-TOTAL (B)

0

C) PREOPERATIVE EXPENDITURE

OPENING BALANCE

0

ADD :-

PUBLIC ISSUE EXPENDITURE INCURRED DURING THE YEAR

0

(TO THE EXTENT NOT WRITTEN OFF OR ADJUSTED)

LESS :-

WRITTEN OFF DURING IN PREVIOUS YEAR AGAINST SECURITY PREMIUM

0

SUB-TOTAL (C)

0

TOTAL (A+B+C)

109261291

12.1 Product Registration Expenses

Product Registration expenses are expenses incurred for registration of product for proposed export in the companies and shall be written off suitably over a period of time after commencement of exports.



SYNCOM HEALTHCARE LIMITED
NOTES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31/03/2012

PARTICULARS	Amount in Rupees(₹) 31/03/2012
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NOTE - 13

INVENTORY

RAW MATERIAL	27116091
PACKING MATERIAL	17384274
WORK IN PROGRESS	14449757
FINISHED GOODS	40523322
TRADED GOODS	555886715
GIFTS ITEMS	9748200
TOTAL	665108359

NOTE - 14

TRADE RECEIVABLES

(UNSECURED CONSIDERED GOOD):

A) DEBTS OUTSTANDING FOR A PERIOD WITHIN SIX MONTHS	904978587
B) DEBTS OUTSTANDING FOR A PERIOD OVER SIX MONTHS	155717540
TOTAL	1060696127

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

14.2 Debtors are subject to confirmation

NOTE - 15

CASH AND BANK BALANCES

CASH IN HAND	2060967
--------------	---------

BANK BALANCES (WITH SCHEDULED BANK)

- IN CURRENT ACCOUNTS	512590
- IN FIXED DEPOSIT ACCOUNTS	336998

(PLEDGED WITH GOVERNMENT AGAINST EXPORT OBLIGATION UNDERTAKEN UNDER EPCG SCHEME)

- WITH FOREIGN BANK

- IN CURRENT ACCOUNTS	1551049
- IN MONEY MARKET DEPOSIT ACCOUNT	0

TOTAL	4461604
--------------	----------------

NOTE - 16

SHORT TERM LOAN AND ADVANCES

(UNSECURED CONSIDERED GOOD)

ADVANCES RECOVERABLE IN CASH OR IN KIND OR FOR VALUE TO RECEIVED	6781972
TAX DEDUCTED AT SOURCE /ADVANCE TAX / VAT	1717455
OTHER LOANS & ADVANCES	256061173

TOTAL	264560600
--------------	------------------

16.1 Other Loans & advances are short term Inter Corporate Deposits/Advances to private parties and there are no written agreements for them . However the management certifies that all such loans are good , unsecured and are repayable on demand and carry interest at the prevailing market rates adjusted as per the creditworthiness of the parties.

NOTE - 17

OTHER CURRENT ASSETS

INTEREST RECEIVABLE	7882917
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TOTAL	7882917
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SYNCOM HEALTHCARE LIMITED
NOTES FORMING PART OF THE CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED
31/03/2012

PARTICULARS	Amount in Rupees(₹) 31/03/2012
--------------------	---

NOTE - 18

OTHER INCOME

FOREIGN EXCHANGE GAIN	11921474
DIVIDEND RECEIVED	7630
MISC. INCOME	158290
PROVISION FOR GRATUITY WRITTEN BACK	759548
MISC. BALANCES W/ OFF	219873
COMMISSION RECEIVED	0
INTEREST RECEIVED	27284936

TOTAL	40351751
--------------	-----------------

NOTE - 19

COST OF MATERIAL CONSUMED

OPENING STOCK

RAW MATERIAL	19764995
PACKING MATERIAL	16078234

ADD :-

RAW MATERIALS PURCHASED	203686264
PACKING MATERIAL PURCHASED	102217424
OTHER STORE CONSUMPTION	1725112
FREIGHT AND CARTAGE	1029333

LESS: CLOSING STOCK

RAW MATERIAL	27116091
PACKING MATERIAL	17384274

TOTAL	300000997
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NOTE - 20

PURCHASES OF STOCK IN TRADE

PURCHASES (NET OF RETURN)	1342659441
FREIGHT AND CARTAGE	132605

TOTAL	1342792046
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NOTE - 21

EMPLOYEE BENIFITS EXPENSE

STAFF SALARY, WAGES AND OTHER BENEFITS	83841297
CONTRIBUTION TO PROVIDENT AND OTHER FUNDS	1390078
STAFF WELFARE	4041202

TOTAL	89272577
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NOTE - 22

FINANCE COST

INTEREST ON UNSECURED LOANS	4113477
INTEREST ON TERM LOAN	6495295
<u>INTEREST ON WORKING CAPITAL FACILITIES</u>	
- CASH CREDIT FACILITIES	12600314
- DEMAND LOAN	0
OTHER INTEREST	436206
INTEREST ON VEHICLE LOAN	85041
BANK CHARGES AND COMMISSION	1240845

TOTAL	24971178
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SYNCOM HEALTHCARE LIMITED
NOTES FORMING PART OF THE CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED
31/03/2012

PARTICULARS	Amount in Rupees(₹) 31/03/2012
--------------------	---

NOTE - 23

DEPRECIATION AND AMORTIZATION EXPENSES

PRELIMINARY EXPENSES WRITTEN OFF	418867
DEPRECIATION	22772073

TOTAL	23190940
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NOTE - 24

OTHER EXPENSES

FOREIGN EXCHANGE LOSS	0
SALES PROMOTIONAL EXPENSES	26682346
OTHER SALES AND MARKETING EXPENSES	2210391
BREAKAGE DAMAGES AND EXPIRED GOODS	23776557
ADVERTISEMENT	59119
DIRECTORS REMUNERATION AND BENEFITS	1144759
POWER AND FUEL	11641259
OFFICE AND GODOWN RENT	1610000
INSURANCE EXPENSES	521834
REPAIR AND MAINTENANCE	6868784
TRAVELLING AND CONVEYANCE - DIRECTORS	263296
TRAVELLING AND CONVEYANCE -OTHERS	19112541
VEHICLE RUNNING AND MAINTENANCE	634575
POSTAGE TELEGRAM AND TELEPHONE	2416742
LEGAL AND PROFESSIONAL EXPENSES	5310069
RENT, RATES AND TAXES	1312167
FREIGHT	3810448
SUNDRY EXPENSES	5881593

TOTAL	113256479
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24.1 Auditor's Remuneration

PARTICULARS	2011-12
a. For Statutory Audit fees	70000
b. For Tax Audit	15000
c. For company law matters	20000
d. For Certification and other matters	10000
Total:	115000
Add :- Service tax	14214
Total	129214

24.2 Director's Remuneration

Sn. No.	Particular	Ajay Bankda		Jyoti Bankda	
		31/03/12	31/03/11	31/03/12	31/03/11
1.	Salaries	600000	600000	Nil	127742
2.	Other perquisites/Benefits	544759	511930	Nil	Nil

SYNCOM HEALTHCARE LIMITED
NOTES FORMING PART OF THE CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31/03/2012

PARTICULARS	Amount in Rupees(₹) 31/03/2012
-------------	--------------------------------------

24.3 Prior Period Items

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

Particulars	2011-12
Incomes	
Excess Provisions Written Back	
Gratuity	759548
Total (a)	759548
Expenses	
Auditor's Remuneration	103958
Income Tax Demand A.Y. 2009-10	627080
Provident Fund Demand	580606
Sales Incentive	
Total (b)	1311644
Balance (a-b) Income/(Expenses)	(552096)

NOTE 24.4
EARNING PER SHARE

AMOUNT AVAILAIBLE TO EQUITY SHAREHOLDERS

33459434.74

NUMBER OF EQUITY SHAREHOLDERS

40000000

FACE VALUE PER EQUITY SHARE (₹)

10

EARNING PER EQUITY SHARE BASIC AND DILUTED (₹)

0.84

NOTE 25. The Subsidiary considered in the consolidated financial statement is:

Sr. No.	Name	Country of Incorporation	Proportion of Ownership as at 312March 2011	Proportion of Ownership as at 31 March 2012
1 .	SYNCOM HEALTHCARE INTERNATIONAL, FZE	UNITED ARAB EMIRATES	100%	100%

This is the first financial year of the Subsidiary and therefore the previous year's figures are not given in the consolidated financial statements.

26. 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.

- Legal suits filed by past employees towards salary claims with total Financial impact ₹ 589326/- (Previous year ₹ 589326/-)
- A legal suit filed against the company for ownership of certain trademark where an ex-parte decree has been passed against the company for ₹ 5.00 lacs. The company has deposited the demand under protest as security money and has filed an appeal against the captioned order. (Previous year ₹ 5.00 Lacs)
- There is an Export Obligation of ₹ 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 ₹ 7.50 Lacs).
- There is demand outstanding of ₹ Nil raised by Assistant Commissioner of Provident Fund in previous year against which company has filed appeal but the payment egarding demand is made in current year which is recorded as Legal and Professional Expenses. (Previous Year outstanding ₹ 580606/-)
- Bank guarantees issues by the Lenders to the company, against which counter guarantee of the Company is outstanding , and which are in force as on 31/3/2012 are of total value ₹ 10,59,500/- (Previous year ₹ 10,00,000)



6. There is demand of ₹ 854268/- raised by Income Tax Department for A.Y. 2005-06. Company has filed appeal against this demand and deposited ₹ 426234/- against it. (Previous Year-₹ 426234/-).

There were no significant events and contingencies which have occurred after 31/03/2012 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 31/03/2012 and which results in any contingent loss for which provision has to be done in the profit and loss account for the year.

NOTE – 27
Segment information

The Group operates mainly in two segments as under

1. Pharmaceuticals Manufacturing and trading
2. Other Trading

Income for each segment has been specifically identified. Expenditure, assets and liabilities are either specifically identified with individual segments or have been allocated to segments on a systematic basis. Based on such allocations, segmental balance sheet as at 31 March 2012 and segmental statement of profit and loss for the yearended 31 March 2012 have been prepared.

	Pharmaceutical Manufacturing and trading	Other trading
	2011-12	2011-12
Revenue	858392364	490915952
Inter Segment Sales	0	0
Total Revenue		
Segment results before dividend and other income, interest, Depreciation & Amortisation ,tax and exceptional items	18107812	31718766
Dividend and other income,	40272727	79024
Interest & Financial Charges	24837316	133862
Amortisations	23124244	105484
Profit before Tax	10418979	31558444
Provision for Taxes	2710157	0
Deferred Taxes	5846619	0
Profit after Taxes	1862203	31558444
Other Information		
Segment Assets	1311796196	1025741019
Segment Liabilities	505243679	0
Capital Expenditure	272105522	421936
Depreciation	111966339	105484
Non Cash Expenditure other than depreciation	418867	0

NOTE – 28

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

1. Enterprises that directly or indirectly control (through subsidiaries) or are controlled by or are under common control with the reporting enterprise
 - a. Syncom Healthcare International FZE – Subsidiary

2. **Individuals owning voting power giving control or significant influence; Nil**

3. **Key management personnel and their relatives;**

- a. **Key Managerial Personnel**

- i. Shri Ajay Bankda
 - ii. Smt Jyoti Bankda

- b. **Relatives of Key Managerial Persons**

- i. Ajay Bankda
 1. Shri Prateek Bankda – Son
 2. Shri Pranav Bankda – Son
 3. Ajay Bankda HUF – HUF of Director
 - ii. Smt Jyoti Bankda
 1. Shri Prateek Bankda – Son
 2. Shri Pranav Bankda – Son
 3. Ajay Bankda HUF – HUF of Husband who is a Director of the Company.
 4. Shri J.P. Bagaria - Father
 5. Smt. Umadevi Bagaria - Mother

4. **Enterprises over which any of the persons in (iii) or (iv) are able to exercise significant influence over the Company till January 2012**

- 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. Styler Textiles Private Limited



Transactions with the related persons during the year
(Amount in ₹)

2011-12	Loans received	Repayment of Loans	Advances Given	Repayment received	Salary credited	Office Rent	Rent Free House	Other Benefits'	Balance Receivable	Balance Payable
Ajay Bankda	84504339	81813582	13727864	24016411	600000	360000	456000	88759	9268857	0
Jyoti Bankda	230000	7865000	0	0		360000	0	0	9041392	0
J.P. Bagaria	0	7500	0	0	0	90000	0	0	0	0
Pratik Bankda	2090000	2723925	0	0	480000	132000	0	0	3761171	0
Pranav Bankda	0	2866	0	0	0	0	0	0	0	183691
Ajay Bankda HUF	0	3500000	0	0	0	360000	0	0	11058047	0

2010-11	Loans received	Repayment of Loans	Advances Given	Repayment received	Salary credited	Office Rent	Rent Free House	Other Benefits	Balance Receivables	Balance Payable
Ajay Bankda	16084646	127328088	0	0	600000	360000	424000	87930	22235625	0
Jyoti Bankda	11450707	10224253	0	0	127742	360000	0	0	16 70951	0
J.P. Bagaria	0	0	0	0	0	90000	0	0	0	7500.00
Pratik Bankda	7959996	100000	0	0	340000	132000	0	0	3199644	0
Pranav Bankda	186557		0	0	0	0	0	0	0	186557.00
Ajay Bankda HUF	900000	1200000	0	0	0	360000	0	0	7842211	0

Note – 29

Balances of Debtors, Creditors and Loans and advances are subject to confirmation.

Note – 30

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

Note-31
Disclosure under Clause 32 of the Listing Agreement

Amount of loans and advances in nature of loans outstanding from subsidiaries as at March 31, 2012

(Amount in ₹)

	Subsidiary Company	Outstanding as at 31/03/2012	Maximum outstanding during the year
1	Syncom Healthcare International, FZE	1022758690	1022758690



Note-32

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

Sr. No.	1
Name of the subsidiary company	SYNCOM HEALTHCARE INTERNATIONAL, FZE
Reporting currency	USD
Exchange Rate	50.84
Capital	2412170
Reserves	570159
Total Assets	1025741019
Total Liabilities	1022758690
Investment other than Investment in Subsidiary	-
Turnover	490,994,976
Profit before Taxation	31,558,444
Provision for Taxation	0
Profit after taxation	31,558,444
Proposed Dividend	0
Country	UAE

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

3. Assets and Liabilities other than capital and reserves on the exchange rates as on 31.03.2012
4. Revenue receipts and expenses on the basis of average exchange rates for the year 2011-12.
5. Share Capital on the value recorded in the Books of Parent at the time of remittance of the capital.
6. The difference arising on conversion as above is transferred to foreign exchange translation reserve.

As Per Our Report Annexed

For **M/S Sanjay Mehta & Associates**
Chartered Accountants
Regn No. 011524c

For And On Behalf Of Board

Manish Mittal
Partner
M.No. 079452
Place: Indore
Date:30/05/2012

AJAY BANKDA
MANAGING
DIRECTOR

J.P. BAGARIA
DIRECTOR



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 **29th day of September, 2012** and at any adjournment thereof.

Affix
Stamp

Signed this _____ day of September, 2012