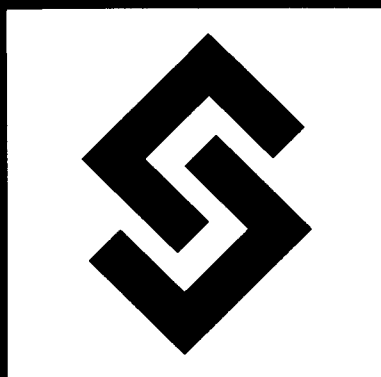


# 10th ANNUAL REPORT



***SYSCHEM***

Report Junction.com

## 2002-2003

***SYSCHEM (INDIA) LIMITED***

(Formerly Anil Pesticides Limited)

## **BOARD OF DIRECTORS**

Managing Director  
Anil Nibber

Executive Director  
Atul Nibber

Lekh Raj  
Balbir Chand  
Kashmir Chand  
Same Ram Hooda (Nominee of The Panchkula Central Co-op. Bank Ltd.)  
Mahavir Singh (Nominee of HSIDC)

## **AUDITORS**

Bansal Vijay & Associates  
Chartered Accountants  
S.C.O. No. 3017 – 3018,  
Sector 22 – D,  
CHANDIGARH – 160 022.

## **WORKS & REGISTERED OFFICE**

Village Bargodam, Tehsil Kalka, Distt. Panchkula – 133 302

## **CORPORATE OFFICE**

Kaiser Hospital Bldg., IIIrd Floor,  
Sector 21, PANCHKULA – 134 112

## **BANKERS**

The Panchkula Central Co-operative Bank Ltd.  
Canara Bank

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**SYSCHM (INDIA) LIMITED**

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**NOTICE**

Notice is hereby given that 10<sup>th</sup> Annual General Meeting of **SYSCHM (INDIA) LIMITED** shall be held at the Registered Office of the Company at Village Bargodam, Tehsil Kalka, Distt. Panchkula-133 302 on Tuesday, the 30<sup>th</sup> September, 2003 at 11.30 A.M. to transact the following business :-

**Ordinary Business :**

1. To consider, receive and adopt the Balance Sheet as at 31.03.2003 and the Profit & Loss Account for the year ended on that date alongwith Auditor's & Director's Report thereon.
2. To appoint a Director in place of Shri Lekh Raj who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri Balbir Chand who retires by rotation and being eligible, offers himself for re-appointment.
4. To re-appoint M/s Bansal Vijay & Associates, Chartered Accountants as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until conclusion of the next Annual General Meeting and to fix their remuneration.

**Special Business :**

5. To consider and if thought fit to pass with or without modification (s) the following resolutions as special resolutions :
  - A) "RESOLVED THAT the listing of the securities with The Delhi Stock Exchange Association Ltd. (Delhi Stock Exchange) be and is hereby cancelled and the shares of the Company be delisted on the Delhi Stock Exchange subject to the approval of shareholders of the Company and other relevant authority, as per the guidelines issued by SEBI."
  - B) "RESOLVED THAT the listing of the securities with The Stock Exchange - Ahmedabad (Ahmedabad Stock Exchange) be and is hereby cancelled and the shares of the Company be delisted on the Stock Exchange - Ahmedabad subject to the approval of shareholders of the Company and other relevant authority, as per the guidelines issued by SEBI."
  - C) "RESOLVED THAT the listing of the securities with Madras Stock Exchange Ltd., Chennai be and is hereby cancelled and the shares of the Company be delisted on the Madras Stock Exchange subject to the approval of shareholders of the Company and other relevant authority, as per the guidelines issued by SEBI."

By Order of the Board  
For SYSCHM (INDIA) LIMITED

sd/-

( ANIL NIBBER )  
MANAGING DIRECTOR

PLACE : PANCHKULA  
DATE : August 22, 2003

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**NOTES :**

1. A Member entitled to attend and vote at the meeting is entitled to appoint proxy to attend and vote instead of himself. The proxy need not be a member. Proxies in order to be effective must be received by the Company not less than 48 hours before the meeting.
2. In respect of Item No. 5 of the Notice, the explanatory statement under Section 173 (2) of the Companies Act, 1956 is annexed hereto.
3. The Register of Members & Share Transfer Books of the Company will remain closed from 27.09.2003 to 30.09.2003 both days inclusive.
4. Members are requested to bring the attendance slip sent with the Annual Report duly completed and signed and hand it over at the entrance.

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

Delisting of shares on The Delhi Stock Exchange Ltd., The Stock Exchange - Ahmedabad and Madras Stock Exchange limited.

The Equity Shares of the Company are listed on four major Stock Exchanges namely The Stock Exchange – Mumbai, The Delhi Stock Exchange Association Ltd., The Stock Exchange – Ahmedabad and Madras Stock Exchange Limited at the time of Company's maiden Public Issue in the month of August, 1995. However, the Company has observed that trading is taking place only in The Stock Exchange – Mumbai, whereas in all other Stock Exchanges, it is almost nil and in some cases it is not there since the date of listing. Considering all these aspects, Board is of the opinion that facility of listing with Delhi, Ahmedabad and Chennai has not been utilized by the Company's investors / shareholders and instead it is only incurring additional expenditure to the Company. Under the circumstances necessary steps need to be taken to de-list the shares from these Exchanges. Further to improve the Company's liquidity position, it is necessary to economise the operation by reducing the expenses which according to the management can be avoided without effecting the Company's operations significantly.

The Company's securities would continue to be listed on The Stock Exchange – Mumbai. With nationwide and extensive network of trading terminals set up by The Stock Exchange – Mumbai, investors have access to online dealings in the Company's securities. The proposed voluntary delisting will, therefore, not adversely affect any investors including the shareholders located in the regions where the said exchanges are situated. In view of this and also in accordance with the guidelines, an exit opportunity is not required to be given to the shareholders.

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Accordingly the Board of Directors have decided to delist the shares on The Delhi Stock Exchange Association Ltd., The Stock Exchange – Ahmedabad and Madras Stock Exchange Ltd. as per the guidelines issued by SEBI to All Stock Exchanges and other applicable guidelines issued by SEBI from time to time.

The Board recommends the resolution for your approval. None of the Directors of the Company is concerned or interested in this resolution.

By Order of the Board  
For SYSCHEM (INDIA) LIMITED

Sd/-  
( ANIL NIBBER )  
MANAGING DIRECTOR

PLACE : PANCHKULA  
DATE : August 22, 2003

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**DIRECTORS REPORT****To the Members**

Your Directors have pleasure in presenting the 10<sup>th</sup> Annual Report together with Accounts of the Company for the year ended 31<sup>st</sup> March, 2003.

**FINANCIAL HIGHLIGHTS :**

<b>PARTICULARS</b>	<b>31.03.2003</b>	<b>31.03.2002</b>
Income from Operations	1189.72	1515.08
Profit Before Interest, Depreciation & Tax (PBIDT)	110.04	150.58
Interest & Financial Expenses	111.54	98.80
Profit Before Depreciation (PBD)	(-) 1.50	51.78
Depreciation	41.11	38.80
Profit Before Tax (PBT)	(-) 42.61	12.98
Provision for Tax		
Current (Net)	NIL	1.02
Deferred	14.24	4.07
Profit After Tax (PAT)	(-) 28.37	7.89
Earning Per Share (EPS) Rs.	NIL	1.82

**OPERATIONS & FUTURE PROFITS**

The Company's turnover during the year under consideration is Rs. 1,189.72 lacs as compared to last year of Rs. 1,515.08 lacs which is due to shifting of Company's focus to Speciality Chemicals from Commodity Chemicals which is more advantageous to the Company in its long time goal.

The Company has already identified Bulk Drugs & Bulk Drug Intermediates as the key growth drives in the future and already manufacturing high growth of APIs. The Company has already produced at laboratory scale 7-ADCA key Drug Intermediate for Cephalosporin Family of Bulk Drugs. The commercial production of the same will commence shortly. These products are "High Value and High Margin" and will be growth engines of the Company.

The Company has very ambitious business plans for the next 4 – 5 years backed by products in pipeline and growth prospects of existing products, Company has a target to double its turnover in the next 2 years.

**SHARE CAPITAL**

During the period under report, the Authorised Share Capital was increased from Rs. 5.50 crores to Rs. 8.00 crores. Further the share of the Company having nominal and paid up value of Rs. 10/- each was sub-divided into ten share having nominal and paid up value

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of Re. 1/- each. The Company also resolved to allot 1,40,00,000 Equity Shares on preferential basis and 1,10,00,000 Equity Shares on swap basis. Consequently 1,40,00,000 Shares of Re. 1/- each were allotted on 24.06.2003 on preferential basis @ Rs. 1.50 per share.

**CORPORATE GOVERNANCE**

A report on Corporate Governance as per Clause 49 of the Listing Agreement is annexed.

**FIXED DEPOSITS**

The Company has not accepted any deposits within the meaning of section 58-A of the Companies Act, 1956.

**DIRECTORS**

During the year Shri Balbir Chand and Shri Lekh Raj retire by rotation from the Board and being eligible offer themselves for re-appointment.

**AUDITORS**

M/S BANSAL VIJAY & ASSOCIATES, Chartered Accountants, Auditors of the Company were appointed as Statutory Auditors of the Company at the Extra Ordinary General Meeting held on 15.02.2003 in place of M/S NAVEEN JAND & ASSOCIATES, Chartered Accountants on their resignation. They can hold office upto the conclusion of ensuing Annual General Meeting. M/S BANSAL VIJAY & ASSOCIATES, Chartered Accountants are eligible for re-appointment. The Company has received certificate from them to the effect that their re-appointment if made would be within the prescribed limits under Section 224 (1B) of the Companies Act, 1956.

**DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors confirm :

- I) That in the preparation of Annual Accounts for the year ended 31<sup>st</sup> March, 2003 the applicable accounting standards has been followed alongwith proper explanation in relation to material departure.
- II) That the Directors had selected such accounting policies and applied them consistently and made judgements 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 ended 31<sup>st</sup> March, 2003 and of the Profit or Loss of the Company for the period.
- III) That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the 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.

**PARTICULARS OF EMPLOYEES :**

None of the Employees were getting remuneration more than the limits prescribed under the provisions of Section 217 (2A) of the Companies Act, 1956.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN**

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**EXCHANGE EARNINGS AND OUTGO**

Particulars to be given under Section 217(1)(e) in respect of the above activities under the Companies (Disclosures of Particulars in the report of Directors) Rules, 1988 are given below :

**1. CONSERVATION OF ENERGY**

The Company has been taking adequate care for conservation of energy from time to time and has been making use of latest means to ensure optimal use of energy. The Company has provided efficient insulations during the year to prevent loss of energy. The information regarding disclosure of particulars with respect to conservation of energy given in the form 'A' in the Annexure.

**2. TECHNOLOGY ABSORPTION AND ADOPTION**

The existing technology of the Company is indigeneous. The Company has developed in-house technologies and has adopted them to develop new products which have been launched in the market and have proved to meet the required standards.

**3. FOREIGN EXCHANGE**

During the period under review, the Company has not earned and incurred any foreign exchange for Company's business.

**LISTING OF SHARES**

The Equity Shares of the Company are listed on following Stock Exchanges :

The Stock Exchange – Mumbai

The Delhi Stock Exchange Association Ltd.

The Stock Exchange – Ahmedabad

Madras Stock Exchange Ltd.

The Listing Fee for the year 2003-04 for all Stock Exchanges have been paid and there being neither delisting nor suspension of shares from trading during the period under review.

**ACKNOWLEDGEMENT**

The Directors place on record their appreciation for the support and assistance received from Canara Bank and The Panchkula Central Co-operative Bank Ltd. during the year. The Directors also place on record their appreciation for the support and assistance extended by valuable customers of the Company. The Directors also thank to all the employees of the Company for their contribution and dedication for the progress and growth of the Company.

By Order of the Board

For SYSCHEM (INDIA) LIMITED

Sd/-

Sd/-

PLACE : PANCHKULA

(ATUL NIBBER)

(ANIL NIBBER)

DATE : August 22, 2003

DIRECTOR

MANAGING DIRECTOR



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**FORM "A"**

Form for Disclosure of particulars with respect to conservation of energy

**A. ELECTRICITY AND FUEL CONSUMPTION**

SR. No.	PARTICULARS	YEAR ENDED 31.03.2003	YEAR ENDED 31.03.2002
1.	<b>ELECTRICITY</b>		
	A) Purchased Units (KWH)	1706624	1574625
	Total Amount (Rs./lacs)	71.28	63.59
	Rate/unit (Rs.)	4.18	4.04
	b) own generation		
	1) Through diesel		
	Generated Units (KWH)	115163	47200
	Unit Per Litre of Diesel Oil	2.64	2.65
	Cost/Unit (Rs.)	6.50	6.38
2.	<b>OTHERS (RICE HUSK)</b>		
	Quantity Consumed (Quintals)	17021	12781
	Steam Generated in Kg.	6808200	5080400
	Units Generated / Quintals of Husk	400 KG.	397 KG.
	Cost of Steam (Rs./Kg.)	50/100	50/100

**B. CONSUMPTION PER UNIT OF PRODUCTION**

SR. No.	PARTICULARS	YEAR ENDED 31.03.2003	YEAR ENDED 31.03.2002
	1. Electricity (KWH)	2.125	1.761
	2. Steam (Kgs.)	8.5	5.5

**ANNEXURE TO THE DIRECTORS REPORT****REPORT ON CORPORATE GOVERNANCE :****1. Company's Philosophy on code of Governance**

The Board of Directors supports the Broad principles of Corporate Governance and it is the philosophy of the Company to strive whole heartedly to attain the highest levels of transparency, accountability and equity in all facets of operations.

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**2. BOARD OF DIRECTORS**

The Company is managed and controlled through a professional and experienced Board of Directors. In order to achieve the objective of good Corporate Governance the matters of policy and other relevant and significant information are regularly made available to the Board. The Board has constituted Audit Committee, Investor Grievance Committee, Remuneration Committee and Share Transfer Committee to look into aspect, relevant to each committee.

The Board of Directors have optimum combination of executive, non-executive and Independent Directors. During the year 2002-03 (11) Board Meetings were held. The details of Directors and their attendance record of the meetings are given below :-

SR. No.	NAME OF THE DIRECTOR S/Shri	STATUS	NO. OF OTHER DIRECTOR SHIP	ATTENDANCE AT THE BAORD MEETING	ATTENDANCE AT THE LAST A.G.M.
1.	Anil Nibber Managing Director	Executive	NIL	11	Yes
2.	Atul Nibber Executive Director	Executive	NIL	11	Yes
3.	Lekh Raj	Non-Executive & Independent	NIL	2	
4.	Balbair Chand	Non-Executive & Independent	NIL	9	
5.	Kashmir Chand	Non-Executive & Independent	NIL	8	Yes
6.	Same Ram Hooda Nominee of Panchkula Central Co-op. Bank Ltd.	Non-Executive & Independent	NIL	NIL	
7.	Mahavir Singh Nominee of H.S.I.D.C.	Non-Executive & Independent	Seventeen	NIL	

**3. Particulars of New Directors & Directors retiring by rotation and being re-appointed**

No new Director was appointed during the period under report. Shri Lekh Raj and Shri Balbair Chand are retiring by rotation and being eligible offered themselves for re-appointment.