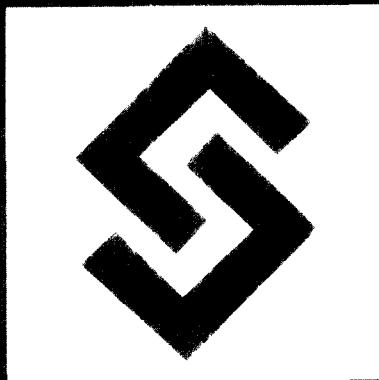


# 11th ANNUAL REPORT



**SYSCHEM**

Report Junction.com

## 2003-2004

***SYSCHEM (INDIA) LIMITED***

(Formerly Anil Pesticides Limited)

**NOTICE**

Notice is hereby given that 11<sup>th</sup> Annual General Meeting of the members of SYSCHEM (INDIA) LIMITED will be held at the Registered Office of the Company at Village Bargodam, Tehsil Kalka, Distt. Panchkula – 133 302 on Thursday, the 30<sup>th</sup> September, 2004 at 11.00 A.M. to transact the following business

**Ordinary Business :**

1. To receive, consider and adopt the Audited Balance sheet as at 31st March, 2004 and the Profit & Loss Account for the year ended on that date alongwith Auditor's & Directors' Report thereon.
2. To appoint a Director in place of Shri Atul Nibber who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri Kashmir Chand Kamboj who retires by rotation and being eligible, offer 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 think fit to pass with or without modification the following resolution a a Special Resolution :

"RESOLVED THAT pursuant to provisions of Section 198, 269, 309 read with Schedule XIII of the companies Act, 1956 and any other applicable provisions of the Act, if any, and subject to approval of Central Government and other agencies if necessary, the consent of the company be and is hereby accorded to re-appointment of Shri Atul Nibber as Executive Director for another period of five years w.e.f. 15.10.2003 to 14.10.2008.

RESOLVED FURTHER THAT consent of the Company be and hereby is also accorded on recommendation of the remuneration committee for payment of remuneration of Rs. 35,000/- per month during the currency of tenure of Sh. Atul Nibber a Executive Director in accordance with provisions of the Schedule XIII of the Companies Act. 1956.

RESOLVED FURTHER THAT consent of the Company be and hereby is also given to Board of Directors of the Company alter and vary any terms and conditions of the said appointment, if any and as may be agreed to between them and Shri Atul Nibber, Executive Director in conformity with the Schedule XIII and other approvals as may be required from time to time under provisions of the said Schedule and the Companies Act, 1956.

RESOLVED FURTHER THAT Board of Directors of the Company be and is hereby authorized to take such steps expedient or desirable to give effect to this resolution".

By Order of the Board  
For SYSCHEM (INDIA) LIMITED

PLACE : PANCHKULA  
DATE : 25.08.2004

Sd/-  
(ANIL NIBBER)  
MANAGING DIRECTOR

**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 & Shares Transfer Books of the Company will remain closed from 28.09.2004 to 30.09.2004 (both days inclusive).
4. Members/proxies are requested to bring the attendance slip sent with the Annual Report duly completed and signed and hand it over at the entrance.

**Item No. 5 :**

The members of the Company at the 9<sup>th</sup> Annual General of the Company approved the re-appointment of Shri Atul Nibber as Executive Director of the Company w.e.f. 15.10.2001 up to 14.10.2003. Therefore the Board of Directors on completion of said period has further re-appointed him for another 5 years w.e.f. 15.10.2003 up to 14.10.2008 subject to your approval at affixed remuneration of Rs. 35,000/- per month.

The remuneration as proposed by the Board was also approved by the remuneration committee at their duly convened meeting on 31.07.2004.

As you are aware, Shri Atul Nibber has very rich experience and the company has also progressed very well under his able leadership, the Board of Directors of the Company has therefore decided to recommend his re-appointment and payment of remuneration as mentioned in the resolution.

Except Shri Anil Nibber, Managing Director who is related to Shri Atul Nibber none of the other Directors are interested in the resolution. This may also be treated as an abstract under Section 302 of the Companies Act, 1956. The Directors commend the above resolution for your approval.

By Order of the Board  
For SYSCHEM (INDIA) LIMITED

PLACE : PANCHKULA

DATE : 25.08.2004

Sd/-  
(ANIL NIBBER)  
MANAGING DIRECTOR

*(Formerly Anil Pesticides Ltd.)***DIRECTORS REPORT****To the Members**

Your Directors have pleasure in presenting the 11<sup>th</sup> Annual Report together with Accounts of the Company for the year ended 31<sup>st</sup> March 2004.

**FINANCIAL HIGHLIGHT :****(Rupees in Lacs)**

<b>PARTICULARS</b>	<b>31.03.2004</b>	<b>31.03.2003</b>
Income From Operations	677.47	1189.72
Profit Before Interest,	(-) 184.52	110.04
Depreciation & Tax (PBIDT)		
Interest & Financial Expenses	97.22	111.54
Profit Before Depreciation (PBD)	(-) 281.74	(-) 1.50
Depreciation	44.70	41.11
Profit Before Tax (PBT)	(-) 326.44	(-) 42.61
Provision For tax		
Current (Net)	NIL	NIL
Deferred	119.18	14.24
Profit After Tax (PAT)	(-) 207.26	(-) 28.37
Earning Per Share (EPS) Rs.	NIL	NIL

**OPERATIONS & FUTURE PROFITS**

The Company's turnover during the year under consideration is Rs. 677.47 Lacs as compared to last year of Rs. 1,189.72 Lacs which is due to shifting of Company's focus to Speciality Chemicals from Fine / Intermediate 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 started commercial production of 7-ADCA key Drug Intermediate for Cephalosporin family of Bulk Drugs. 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.

**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 Atul Nibber and Shri Kashmir Chand Kamboj retire by rotation from the Board and being eligible offer themselves for re-appointment.

**AUDITORS**

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**

Pursuant to Section 217 (2AA) of the Companies Act 1956, the Directors confirm :

- 1) That in the preparation of Annual Accounts for the year ended 31st March 2004 the applicable accounting standards have been followed along with proper explanation in relation to material departure.
- 2) 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 31st March 2004 and of the Profit or Loss of the Company for the period.
- 3) 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.
- 4) 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 EXCHANGE EARNING AND OUTGO**

Particulars to be given under section 217(1)(e) in respect of the above activities under the Companies (Disclosures of Particulars in 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 indigenous. 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 2004-05 for all Stock Exchange still to be 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

PLACE : PANCHKULA  
DATE : 25.08.2004

Sd/-  
(ATUL NIBBER)  
DIRECTOR

Sd/-  
(ANIL NIBBER)  
MANAGING DIRECTOR



(Formerly Anil Pesticides Ltd.)

**FORM "A"**

Form for Disclosure of particulars with respect to conservation of energy

**A. ELECTRICITY AND FUEL CONSUMPTION**

SR NO.	PARTICULARS	YEAR ENDED 31.03.2004	YEAR ENDED 31.03.2003
1.	ELECTRICITY		
	A) Purchased Unit (KWH)	12,26,357	17,06,624
	Total Amount (Rs./Lacs)	52.31	71.28
	Rate/Unit (Rs.)	4.26	4.18
	b) Own Generation		
	1) Through diesel		
	Generated Unit (KWH)	1,15,973	1,15,163
	Unit Per Litre Of Diesel Oil	2.65	2.64
	<b>Cost /Unit (Rs.)</b>	<b>8.50</b>	<b>6.50</b>
2.	OTHER (RICE HUSK)		
	Quantity Consumed (Quintals)	13,572	17,021
	Steam Generated in Kg.	54,28,600	68,08,200
	Unit Generated/Quintals		
	of Husk	400 KG.	400 KG.
	<b>Cost of Steam (Rs./Kg.)</b>	<b>50/100</b>	<b>50/100</b>

**B. CONSUMPTION PER UNIT OF PRODUCTION**

SR. NO.	PARTICULARS	YEAR ENDED 31.03.2004	YEAR ENDED 31.03.2003
	1. Electricity (KWH)	2.766	2.125
	2. Steam (Kgs.)	12.25	8.5

**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.

**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 2003-04(11) Board Meeting 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 BOARD MEETING	ATTENDANCE AT THE LAST A.G.M.
1.	Anil Nibber Managing Director	Executive	NIL	9	Yes
2.	Atul Nibber Executive Director	Executive	NIL	11	Yes
3.	Lekh Raj	Non – Executive & Independent	NIL	2	No
4.	Balbir Chand	Non – Executive & Independent	NIL	8	No
5.	Kashmir Chand Kamboj	Non-Executive & Independent	NIL	4	Yes
6.	Same Ram Hooda Nominee of The Panchkula Central Co-Op Bank Ltd.	Non – Executive & Independent	NIL	NIL	No
7.	Mahavir Singh Nominee of H.S.I.D.C	Non-Executive & Independent	17	NIL	No



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

No new Director was appointed during the period under report. Shri Atul Nibber and Shri Kashmir Chand Kamboj are retiring by rotation and being eligible offered themselves for re-appointment.

**4. AUDIT COMMITTEE**

The Audit Committee consists of three qualified and independent Directors under the Chairmanship of Shri Kashmir Chand Kamboj, Director. The other members of the Committee are Shri Balbir Chand and Shri Lekh Raj. The Chairman of the Audit Committee Shri Kashmir Chand Kamboj was present at the last Annual General Meeting and answered the shareholders enquiries. The Committee met thrice on 24.07.2003, 23.09.2003 and 26.11.2003 and reviewed financial reporting system, financial and risk management policies of the Company in accordance with Clause 49 of the Listing agreement. All the members were present at the meetings. The Company Secretary acts as Secretary of the Committee.

**5. SHARE TRANSFER COMMITTEE**

The Share Transfer Committee consists of Shri Anil Nibber (Managing Director), Chairman, the other members being Shri Inderneel Sethi (Company Secretary), Shri Ashok Jolly (Manager Accounts) and Shri Naresh Batra (Secretarial Executive). The business of the Committee includes Transfer and Dematerialization of shares and the Committee meets as and when the need arises.

**6. INVESTOR GRIEVANCE COMMITTEE**

Shri Balbir Chand, a Non-Executive Director is heading the Committee. The other members being Shri Anil Nibber (Managing Director), Shri Kashmir Chand Kamboj and Company Secretary of the Company who is also the Compliance Officer of the Company. Seven complaints were received regarding dematerialisation of shares which were resolved to the satisfaction of the shareholders. There was no pending share transfer on the date of the report.

**7. REMUNERATION COMMITTEE**

The Committee consists of three independent & non-executive directors of the company. Shri Balbir Chand, Director being its Chairman and Shri Lekh Raj & Shri Kashmir Chand Kamboj Directors as other members of the Committee. The Committee met once during the period under report. Details of remuneration to all the Directors is given below :

Sr. No.	Name of Director S/Shri	Sitting Fee	Basic Salary(in Rs.)	Perquisites	Commission	Total
1	Anil Nibber Managing Director	Nil	40,000/-P.M.	Nil	Nil	40,000/- P.M.
2.	Atul Nibber Executive Director	Nil	35,000/- P.M.	Nil	Nil	35,000/- P.M.

*(Formerly Anil Pesticides Ltd.)***8. GENERAL MEETINGS**

The details of the last three Annual General Meetings are as under :-

YEAR	VENUE	DATE	TIME
2000-2001	Registered Office at Village Bargodam, Tehsil Kalka, Distt . Panchkula (Haryana)	10.09.2001	11.30 A.M.
2001-2002	Registered Office at Village Bargodam, Tehsil Kalka, Distt . Panchkula (Haryana)	30.09.2002	11.30 A.M.
2002-2003	Registered Office at Village Bargodam, Tehsil Kalka, Distt . Panchkula (Haryana)	30.09.2003	11.30. A.M.

No resolution was put to vote through Postal Ballot last year. No Extra Ordinary General Meeting was held during the period under review.

**9. DISCLOSURES**Matters related to finance, commercial and related party transactions

The Company does not have any business transactions of material nature with its Promoters, Directors of the management or their relatives that may have potential conflicts with the interest of the company.

Matters related to Capital Market

Non-Compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any other Statutory authority on any matter relating to capital Market during the year : NIL

**10. MEANS OF COMMUNICATION**

The Company published its Unaudited Quarterly Financial Results in the two newspapers of repute as stipulated in the Listing Agreement(s) and also forwarded the same to the Stock Exchange concerned immediately. The Unaudited Financial Results have also been shown on website of SEBI for the quarter(s) ending September 2003, December 2003, March 2004 and June 2004.