

## **BOARD OF DIRECTORS**

Mr. Kushal Pal Singh  
Mr. Ranjan Jain  
Mr. Jagmohan Arora  
Mr. Rajesh Gupta  
Mr. Shanti Lal Jain  
Mr. Balwant Singh Sandhu  
Mr. Sanjay Gupta

Managing Director  
Wholetime Director  
Wholetime Director  
Wholetime Director  
Independent Director  
Independent Director  
Independent Director

## **AUDITORS**

Bansal Vijay & Associates,  
Chartered Accountants  
SCO 3017-18, Sector 22-D,  
Chandigarh.

## **BANKERS**

HDFC Bank Ltd.  
Union Bank of India  
Punjab National Bank

## **WORKS & REGISTERED OFFICE**

Village Bargodam, Tehsil Kalka,  
Distt Panchkula, 133 302 Haryana

## **CORPORATE OFFICE**

S.C.O. 291, Sector 32C & D,  
Chandigarh – 160 034.

## **COMPLIANCE OFFICER:**

Mr. Naresh Batra

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## NOTICE

Notice is hereby given that Eighteenth Annual General Meeting of Syschem (India) Limited will be held on Friday, 30<sup>th</sup> September, 2011 at 11.00 A.M. at Registered Office Village Bargodam, Tehsil Kalka, Distt Panchkula, Haryana to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the company as on 31st March 2011 and statement of profit and loss during the year ended on that date along with the report of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Shanti Lal Jain who retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment.
3. To appoint a Director in place of Mr. Balwant Singh Sandhu who retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment.
4. To appoint the Statutory auditors of the Company and in this regard to pass the following resolution as ordinary resolution :

“Resolved that M/s Bansal Vijay & Associates, Chartered Accountant, the retiring Statutory Auditors of the Company, be and are hereby reappointed as Statutory Auditors of the Company from the conclusion of this Annual General Meeting until the conclusion of next annual general meeting at a remuneration to be decided by the Board.”

### SPECIAL BUSINESS:

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

To regularize the appointment of Mr. Kushal Pal Singh as Director liable to retire by rotation :

“RESOLVED THAT in accordance with the provisions of Section 260 of the Companies, Act, 1956, Mr.Kushal Pal Singh, who was appointed as an Additional Director (Promoter) of the Company w.e.f. 31<sup>st</sup> August 2011 and holds office upto the date of ensuing AGM and in respect of whom the company has received a notice in writing in terms of section 257 of the Companies Act, be and is hereby appointed as director of the Company, liable to retire by rotation.”

#### **6. To consider and if thought fit to pass with or without modification following resolution as Ordinary resolution :**

To regularize the appointment of Mr. Ranjan Jain as Director liable to retire by rotation :

“RESOLVED THAT in accordance with the provisions of Section 260 of the Companies, Act, 1956, Mr. Ranjan Jain, who was appointed as an Additional Director (Promoter) of the Company w.e.f. 31<sup>st</sup> August 2011 and holds office upto the date of ensuing AGM and in respect of whom the company has received a notice in writing in terms of section 257 of the Companies Act 1956, be and is hereby appointed as director of the Company, liable to retire by rotation.”

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

To regularize the appointment of Mr. Jagmohan Arora as Director liable to retire by rotation :

“RESOLVED THAT in accordance with the provisions of Section 260 of the Companies, Act, 1956, Mr. Jagmohan Arora, who was appointed as an Additional Director (Promoter) of the Company w.e.f. 31<sup>st</sup> August 2011 and holds office upto the date of ensuing AGM and in respect of whom the company has received a notice in writing in terms of section 257 of the Companies Act 1956, be and is hereby appointed as director of the Company, liable to retire by rotation. “

**8. To consider and if thought fit to pass with or without modification following resolution as Ordinary resolution :**

To regularize the appointment of Mr. Rajesh Gupta as Director liable to retire by rotation :

“RESOLVED THAT in accordance with the provisions of Section 260 of the Companies, Act, 1956, Mr. Rajesh Gupta, who was appointed as an Additional Director (Promoter) of the Company w.e.f. 31<sup>st</sup> August 2011 and holds office upto the date of ensuing AGM and in respect of whom the Company has received a notice in writing in terms of section 257 of the Companies Act 1956, be and is hereby appointed as director of the Company, liable to retire by rotation. “

**9. To consider and if thought fit to pass with or without modification following resolution as Ordinary resolution :**

To regularize the appointment of Mr. Sanjay Gupta as Director liable to retire by rotation :

“RESOLVED THAT in accordance with the provisions of Section 260 of the Companies, Act, 1956, Mr. Sanjay Gupta, who was appointed as an Additional Director (Independent) of the Company, holds office upto the date of ensuing AGM and in respect of whom the Company has received a notice in writing in terms of section 257 of the Companies Act, 1956, be and is hereby appointed as director of the Company, liable to retire by rotation. “

**10. To consider and if thought fit to pass with or without modification following resolution as Special resolution :**

"RESOLVED THAT subject to the provisions of section 198, 269, 309, 310, 311 and Schedule XIII of the Companies Act, 1956 and other applicable provisions of the Companies Act, 1956 the consent of the shareholders be and is hereby accorded for the appointment of Mr. Kushal Pal Singh as Managing Director for a period of Five years w.e.f. 05/09/2011 on the following terms & conditions as decided by the remuneration committee.

Salary : Rs. 1,00,000/- per month payable w.e.f. 05.09.2011

RESOLVED FURTHER THAT Managing Director shall also be entitled for reimbursement of actual entertainment, traveling, boarding and lodging expenses incurred in connection with the company's business and such other benefits/amenities, perquisites and other privileges, as may from time to time, be available to other Senior Executives of the Company .

**11. To consider and if thought fit to pass with or without modification following resolution as Special resolution :**

"RESOLVED THAT subject to the provisions of section 198, 269,309, 310,311 and Schedule XIII of the Companies Act, 1956 and other applicable provisions of the Companies Act, 1956 the consent of the shareholders be and is hereby accorded for the appointment of Mr.Ranjan Jain as Wholetime Director for a period of Five years w.e.f. 05/09/2011 on the following terms & conditions as decided by the remuneration committee :

Salary : Rs. 1,00,000/- per month payable w.e.f. 05.09.2011

RESOLVED FURTHER THAT Wholetime Director shall also be entitled for reimbursement of actual entertainment, traveling, boarding and lodging expenses incurred in connection with the company's business and such other benefits/amenities, perquisites and other privileges, as may from time to time, be available to other Senior Executives of the Company . "

**12. To consider and if thought fit to pass with or without modification following resolution as Special resolution :**

"RESOLVED THAT subject to the provisions of section 198, 269,309, 310,311 and Schedule XIII of the Companies Act, 1956 and other applicable provisions of the Companies Act, 1956 the consent of the shareholders be and is hereby accorded for the appointment of Mr. Jagmohan Arora as Wholetime Director for a period of Five years w.e.f. 05/09/2011 on the following terms & conditions as decided by the remuneration committee.

Salary : Rs. 1,00,000/- per month payable w.e.f. 05.09.2011

RESOLVED FURTHER THAT Wholetime Director shall also be entitled for reimbursement of actual entertainment, traveling, boarding and lodging expenses incurred in connection with the company's business and such other benefits/amenities, perquisites and other privileges, as may from time to time, be available to other Senior Executives of the Company . "

**13. To consider and if thought fit to pass with or without modification following resolution as Special resolution :**

"RESOLVED that subject to the provisions of section 198, 269,309, 310,311 and Schedule XIII of the Companies Act, 1956 and other applicable provisions of the Companies Act, 1956 the consent of the shareholders be and is hereby accorded for the appointment of Mr. Rajesh Gupta as Wholetime Director for a period of Five years w.e.f. 05/09/2011 on the following terms & conditions as decided by the remuneration committee :

Salary : Rs. 1,00,000/- per month payable w.e.f. 05.09.2011

RESOLVED FURTHER THAT Wholetime Director shall also be entitled for reimbursement of actual entertainment, traveling, boarding and lodging expenses incurred in connection with the company's business and such other benefits/amenities, perquisites and other privileges, as may from time to time, be available to other Senior Executives of the Company."

For Board of Directors  
Syschem India Limited

DATE : 05.09.2011  
PLACE : BARGODAM

Managing Director

**NOTES :**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and such proxy need not to be the member of the Company.
2. Proxies in order to be effective must be received by the Company at its Registered Office not less than 48 hours before the meeting.
3. Members who holds shares in physical form are requested to notify any change in their registered address to Registrar and share transfer agent i.e. Beetal Financial & Computer Services Private Limited, New Delhi.
4. Members are requested to bring the copy of annual report and attendance slip duly filled in the meeting. Members who are holding shares in demat form are requested bring their Client Id and DP Id for easing identification of attendance.
5. Register of members and register of transfer will remain closed from 28th September 2011 to 30th September 2011 both days inclusive.
6. Relevant explanatory statement pursuant to section 173 of the Companies Act 1956 is attached and forms part of the notice.
7. Nomination forms for availing the nomination facility are available at Registered Office.

## **EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF COMPANIES ACT 1956**

### **ITEM NO. 5, 6, 7,8 & 9**

Consequent to completion of public offer process under SEBI (Substantial Acquisition and Takeover) Regulations 1997) the management of the Company has changed hands. The Company has inducted Mr. Kushal Pal Singh, Mr. Ranjan Jain, Mr. Jagmohan Arora, Mr. Rajesh Gupta and Mr. Sanjay Gupta as Additional directors w.e.f. 31<sup>st</sup> August 2011. In terms of the provisions of section 260 of the Act they hold office upto the date of ensuing AGM. The company has received notice u/s 257 of the Act for their confirmation as regular directors. The resolutions are put before members for their approval.

None of the director except for those being appointed above are interested in the resolution.

### **ITEM NO. 10**

The new promoters have been inducted on the Board of the Company. Considering the administrative knowledge and expertise of Mr. Kushal Pal Singh in the field of pharma industry, the Board has appointed him as the Managing Director of the Company w.e.f. 5<sup>th</sup> September 2011 & pay him a remuneration of Rs. 1,00,000/- per month alongwith other benefits and perquisites as mentioned in the resolution for a period of five years w.e.f. 05.09.2011 within the limit specified in schedule XIII of the Companies Act, 1956.

Taking into account the present effective capital of the Company as per Schedule XIII of the Companies Act, 1956, the company can pay remuneration upto Rs. 1,00,000/- per month to the executive directors , subject to the approval of the members in the general meeting. As such the proposed remuneration shall be within the limit provided under the above schedule. The company solicits the consent of share holders by way of special resolution within limit provided under clause 1(B) of section II of Part II of schedule XIII of the Companies Act, 1956

Mr. Kushal Pal Singh is interested in the resolution.

### **ITEM NO. 11**

Considering the expertise of Mr. Ranjan Jain in financial and other administrative matters the Board has considered it appropriate to appoint Mr. Ranjan Jain as Whole time Director of the Company for a period of five years w.e.f. 5<sup>th</sup> September 2011 at a remuneration of Rs. 1,00,000/- p.m. Mr. Ranjan Jain will look after the financial affairs of the Company.

Taking into account the present effective capital of the Company as per schedule XIII of the Companies Act, 1956, the company can pay remuneration upto Rs. 100000/- per month to the executive directors , subject to the approval of the members in the general meeting. As such the proposed remuneration shall be within the limit provided under the above schedule. The company solicits the consent of share holders by way of special resolution within limit provided under clause 1(B) of section II of Part II of schedule XIII of the Companies Act, 1956

Mr. Ranjan Jain is interested in the resolution.

**Item No. 12**

The Board is of the view that Mr. Jagmohan Arora be appointed as the Wholetime Director of the Company and look after the marketing area of the Company at a remuneration of Rs. 1,00,000/- per month.

Taking into account the present effective capital of the Company as per schedule XIII of the Companies Act, 1956, the company can pay remuneration upto Rs. 100000/- per month to the executive directors, subject to the approval of the members in the general meeting. As such the proposed remuneration shall be within the limit provided under the above schedule. The company solicits the consent of share holders by way of special resolution within limit provided under clause 1(B) of section II of Part II of schedule XIII of the Companies Act, 1956

Mr. Jagmohan Arora is interested in the resolution.

**Item No. 13**

The Board is of the view that Mr. Rajesh Gupta be appointed as the Wholetime Director (Commercial) of the Company at a remuneration of Rs. 1,00,000/- per month.

Taking into account the present effective capital of the Company as per schedule XIII of the Companies Act, 1956, the company can pay remuneration upto Rs. 100000/- per month to the executive directors , subject to the approval of the members in the general meeting. As such the proposed remuneration shall be within the limit provided under the above schedule. The company solicits the consent of share holders by way of special resolution within limit provided under clause 1(B) of section II of Part II of schedule XIII of the Companies Act, 1956

Mr. Rajesh Gupta is interested in the resolution.

## DIRECTORS REPORT

Your Directors are pleased to present their Eighteenth Annual Report for the financial year ended on 31st March 2011.

### FINANCIAL RESULTS

(Amount in Lacs)

PARTICULARS	31.03.2011	31.03.2010
Sales	591.30	703.99
Profit/(loss) before intt, dep & tax	21.59	407.03
Interest	18.77	20.00
Profit/(loss) before dep & tax	2.82	387.03
Depreciation	58.48	63.84
Profit/(loss) before tax	(55.66)	323.19
Tax including deferred/provision for tax	(16.83)	128.10
Net Profit/(loss) after tax	(38.83)	195.09
Amount of loss transferred to balance sheet	476.41	437.58

During the financial year the sales of the Company has been dropped by 16% as compare to last year as production facilities were under renovation and upgradation and plant was not working up to its optimum level.

### TAKEOVER

The takeover process of the company as per SEBI (Substantial Acquisition of Shares and Takeover) Regulations 1997 is complete in the running fiscal year. Subsequently the new promoters have been inducted on the Board of the Company and old promoters have resigned from directorship.

### DIVIDEND

Due to the losses incurred during the current financial year, the Directors have not recommended any dividend.

### FIXED DEPOSIT

The Company has not accepted any deposit from the public within the meaning of Section 58-A of the Companies Act, 1956.



## **DIRECTORS**

Mr. Shanti Lal Jain and Mr. Balwant Singh Sandhu, Directors of the Company who retire at the ensuing Annual General Meeting and being eligible offer themselves for reappointment. Mr. Kushal Pal Singh, Mr. Ranjan Jain, Mr. Jagmohan Arora and Mr. Rajesh Gupta have been inducted as additional directors (Promoter) of the Company and Mr. Sanjay Gupta has been inducted as independent additional director of the Company. The Board has also appointed as Mr. Kushal Pal Singh as Managing Director and Mr. Ranjan Jain, Mr. Jagmohan Arora and Mr. Rajesh Gupta as wholetime directors of the Company.

## **LISTING**

The shares of the Company is listed in Bombay Stock Exchange Limited and Delhi Stock Exchange Limited. It is regular in complying with other listing requirements. The shares of the Company are being regularly traded in Bombay Stock Exchange.

## **AUDITORS**

M/s Bansal Vijay & Associates, Chartered Accountants, Chandigarh, the retiring Auditors of the Company retire at the ensuing Annual General Meeting and being eligible offer themselves for reappointment for the Financial Year 2011-12. The Company received a certificate from them as required under Section 224 (1B) of the Companies Act, 1956. Your Board recommends their appointment for your approval.

## **CORPORATE GOVERNANCE REPORT**

As required under clause 49 of Listing Agreement the Corporate Governance Report along with Auditors certificate regarding compliance of conditions of corporate governance report is enclosed.

## **AUDIT COMMITTEE**

Pursuant to provisions of section 292A and Listing Agreement the Company has constituted the Audit Committee of the company in the financial year ending 31<sup>st</sup> March 2011. The following are the members of the committee.

Mr. Satish Kumar Pandit  
Mr. Balbir Chand  
Mr. Kuldeep Kumar

## **AUDITORS REPORT**

Observations in the Auditors Report are dealt with in the notes to the Accounts and being self explanatory need no further explanation.

## **PARTICULARS OF EMPLOYEES**

None of the employees is covered Under Section 217(2A) of the Companies Act,1956 read with Companies (Particulars of Employees) Rules,1975 as amended.

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

### **a. Conservation of energy:**

The Company is taking utmost care in conserving the energy resources. All the existing resources are being used up to the optimum capacity. The Company has provided effective insulation to conserve the wastage of energy.

### **b. Technology Absorption:**

The Company is using indigenous technologies in the manufacturing of process. The updation of technology is an ongoing process and Company is complying with all the statutory guidelines in this regard.

### **c. Foreign Exchange earnings and Outgo:**

The Company has not earned any income or incurred any expenditure in foreign exchange during the financial year.

## **DIRECTORS RESPONSIBILITY STATEMENT**

As required u/s 217 ( 2AA) of the companies Act ,1956 the Directors states that :

1. That in the preparation of annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
2. That 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 or loss of the company for that period.
3. That Directors have 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 Directors have prepared the annual accounts on going concern basis.