

# **20<sup>th</sup> ANNUAL REPORT**

**AS AT 31<sup>ST</sup> MARCH 2013**

**SYSCHEM (INDIA) LIMITED**

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# **SYSCHEM (INDIA) LIMITED**

## **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. Jagir Singh  
Mr. Satish Chand Aggarwal

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

## **AUDITORS**

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

## **BANKERS**

Punjab National Bank  
Sector 22-D, Chandigarh

## **WORKS & REGISTERED OFFICE**

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

## **CORPORATE OFFICE**

S.C.O. 291, 1<sup>st</sup> Floor, Sector 32-D,  
Chandigarh 160 031.

## **COMPANY SECRETARY:**

Mrs. Amarjeet Kaur

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## NOTICE

Notice is hereby given that Twentieth Annual General Meeting of Syschem (India) Limited will be held on Friday, 27<sup>th</sup> September, 2013 at 11.00 A.M. at Registered Office Village at 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 31<sup>st</sup> March 2013 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. Jagir Singh 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. Satish Chand Aggarwal 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 Accountants, 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.”

For Board of Directors  
Syschem India Limited

DATE : 12.08.2013  
PLACE : Chandigarh

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 24<sup>th</sup> September, 2013 to 27<sup>th</sup> September, 2013 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

### Important communication to members

The Ministry of Corporate Affairs has, pursuant to its Green Initiative in the Corporate Governance, allowed paperless compliances by companies. It has issued circulars allowing the companies to service notice/documents including Annual Report by email to its members. We request the shareholders, who have not registered their email addresses so far, may, as a support to this initiative, register their email addresses, in respect of electronic holdings, with the Depository through their respective Depository Participant. Members who hold shares in physical mode are requested to register their email address with Beetal Financial & Computer Services Private Limited, New Delhi, the share transfer agent of the Company. The Form for opting to receive notice/documents including Annual Report by email is also available at company's website at [www.syschem.in](http://www.syschem.in).

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

#### LISTING AGREEMENT

As required under Clause 49 (IV) G of the Listing Agreement, given below are the details of the Directors who retire by rotation and are eligible for re-appointment:

#### ITEM NO. 2 & 3

- |           |                             |   |
|-----------|-----------------------------|---|
| <b>A.</b> | Name                        | : Mr. Jagir Singh   |
|           | Age                         | : 62 years (Date of Birth : 15.05.1951)                                     |
|           | Qualification               | : B. Sc.  |
|           | Expertise                   | : Retired as Chief Manager, Punjab National Bank after serving for 35 years |
|           | Other Directorships         | : NIL   |
|           | Committee membership        | : Audit Committee of Syschem (India) Limited                                |
|           | Shareholding in the company | : NIL   |
| <b>B.</b> | Name                        | : Mr. Satish Chand Aggarwal   |
|           | Age                         | : 45 years (Date of Birth : 15.07.1967)                                     |
|           | Qualification               | : B.A. (Economics)  |
|           | Expertise                   | : Running own business and having 6-7 years of experience.                  |
|           | Other Directorships         | : NIL   |
|           | Committee membership        | : N.A.  |
|           | Shareholding in the company | : NIL   |

## DIRECTORS REPORT

The Directors are pleased to present their Twentieth Annual Report for the financial year ended on 31st March 2013.

### FINANCIAL RESULTS

PARTICULARS	31.03.2013	31.03.2012
Sales (Inclusive of excise duty and other income)	1718.16	1105.14
Profit/(loss) before intt, dep & tax	378.98	141.20
Interest	130.36	20.33
Profit/(loss) before dep & tax	248.62	120.87
Depreciation	111.26	60.12
Profit/(loss) before tax	137.36	60.75
Tax including deferred/ provision for tax	39.31	26.29
Net Profit/(loss) after tax	98.05	34.46
Amount of loss transferred to balance sheet	343.91	441.96

### BUSINESS AND PERFORMANCE

During the year under review, the turnover of the company has risen to 1718.16 lacs which is 55.47% higher than the previous year's turnover. This resulted in increase in profit to 98.05 lacs which is 187.53% higher as compared to the previous year. This is mainly because the sales of the company's products under the brand name Kaarigar has started during the year and the company has also started doing job work of a new product 7-ACCA during the year under review.

### FUTURE PROSPECTUS

Presently the company is engaged in the manufacturing of Drug Intermediates and chemicals. During the current financial year, the company is planning to venture into APIs, and will begin the manufacturing of Cefixime, Cefaclor, Cefprozil and Cefpodoxime Proxetil. The market demand for these products is very high. The company is also shifting its focus to manufacture and market the products under its own name and tapering off the job work activities.

The company has got the trade mark 'Kaarigar' registered during the year 2012-13. Under this brand name, the company is selling wood coatings and complete range of wood finishes. The Company is getting a very favourable response for these products from the market wherever it is being marketed up till now. The company is foreseeing significant growth for these products in the current financial year and likely to market the products in the northern region of the country particularly in Chandigarh, Punjab, Haryana, Himachal Pradesh, J & K etc

The economic conditions in the country are not very conducive but still the management is confident that the company will continue to grow further as there is demand for its products in the market. The company is also planning to set up a new plant to manufacture Cefixime, Cefaclor, Cefprozil and Cefpodoxime Proxetil so that pendency can be curtailed.

### DIVIDEND

In the absence of adequate profit for the year, your directors have not recommended any dividend for the financial year 2012-13.

### FIXED DEPOSIT

During the year the Company has accepted deposit from the public within the meaning of Section 58-A of the Companies Act, 1956 in compliance with the Companies (Acceptance of Deposits) Rules, 1975.

## **DIRECTORS**

Mr. Jagir Singh and Mr. Satish Chand Aggarwal, Directors of the Company shall retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for reappointment. As stipulated in terms of Clause 49 of the Listing Agreement, the brief resume of Mr. Jagir Singh and Mr. Satish Chand Aggarwal is provided in the Explanatory Statement annexed to the notice of the meeting.

## **LISTING**

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

The Board of Directors in its meeting held on 14.08.2012 had approved the voluntary delisting of its Equity Shares from Delhi Stock Exchange Ltd. in terms of SEBI (Delisting of Equity Shares) Regulations, 2009. The Company had filed application to Delhi Stock Exchange Ltd. for voluntary delisting of Equity Shares and their approval is still awaited.

## **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 2013-14. The Company received a certificate from them as required under Section 224 (1B) of the Companies Act, 1956. The Board recommends their appointment for your approval.

## **COST AUDITORS**

Cost Audit records have been maintained for the year 2012-13. Pursuant to the directives of the Central Government and provisions of Section 233B of the Companies Act, 1956, qualified Cost Auditors have been appointed to conduct the cost audit for the year 2012-13.

## **CORPORATE GOVERNANCE REPORT**

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

## **MANAGEMENT DISCUSSION & ANALYSIS REPORT**

As required under clause 49 (E) of Listing Agreement the Management Discussion & Analysis forms an integral part of the Directors Report.

## **AUDIT COMMITTEE**

Pursuant to provisions of section 292A and Listing Agreement the Company has constituted the Audit Committee of the company. The following are the members of the committee, Mr. Shanti Lal Jain is the Chairman of the Audit Committee.

Mr. Shanti Lal Jain  
Mr. Satish Chand Aggarwal  
Mr. Ranjan Jain

## **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:**

Information required under Section 217(1)(e) of the companies Act, 1956, read with Companies (Disclosure of Particulars in the report of Directors) Rules, 1988 with respect to conservation of energy, technology absorption and foreign exchange earnings and outgo is as follows:

#### **FORM A**

Disclosure of Particulars with respect to Conservation of Energy:

<b>A. Power and fuel consumption</b>	<b>2012-13</b>	<b>2011-12</b>
1. Electricity		
a) Purchased		
Units	3944369	365598
Total amount	18599567	1517231.70
Rate/unit	4.72	4.15
(b) Own generation		
(i) Through diesel generator		
Unit	637250	1410000
Units per ltr. of diesel oil	3.40	4.49
Cost/unit	14.60	8.90
(ii) Through steam turbine/generator		NIL
2. Coal Pet coke		
Quantity (tonnes)	1391.60	NIL
Total cost	9240178	NIL
Rate/unit	6.64	NIL
3. Furnance oil	NIL	NIL
4. Others/internal generation	NIL	NIL
<b>B. Consumption per unit of production</b>		
Electricity	4.16	5.63
Coal-Pet cock	1.47	NIL

#### **a. 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.

#### **b. 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.

## **ACKNOWLEDGEMENT**

The Board expresses its deep gratitude and thanks to its clients, bankers, associates and shareholders for their valuable contributions towards growth of the company. The directors particularly wish to place on record their sincere appreciation for the best efforts put in by the employees towards upliftment of the Company.

For Board of Directors  
M/S SYSCHEM INDIA LIMITED

DATE : 12.08.2013  
PLACE : Chandigarh

Managing Director

## CORPORATE GOVERNANCE REPORT

### 1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Your Company firmly believes in the principal of good Corporate Governance and is committed in adopting the best global practice of Corporate Governance. The Company fully realises the rights of its shareholders to information on the performance of the Company and considers itself a trustee of its shareholders. The Company provides detailed information on various issues concerning the Company's business and financial performance, to its shareholders.

The Company continues to commit itself to maintain the standards of integrity, transparency, accountability and equity in all facets of its operations and all its interactions with its stakeholders including the shareholders, employees and government. The basic philosophy of Corporate Governance in the Company is to achieve business excellence and dedicate itself for increasing long-term shareholders value, keeping in view the needs and interests of all its stakeholders.

The Company is committed to transparency in all its dealings and places emphasis on business ethics.

### 2. BOARD OF DIRECTORS

The Company's Board has an appropriate mix of Executive and Non-Executive Directors, which ensures independent judgments in its deliberations and decisions. The Board of Directors of the company as on 31.03.2013 comprised of 8 Directors consisting of one Managing Director, three Wholetime Directors and four Non-executive Independent Directors, thus complying fully with the Corporate Governance Regulations.

None of the Directors on the Company's Board is member of more than 10 Committees and Chairman of more than 5 Committees across all the companies in which he is a director. All the directors have made necessary disclosures regarding Committee positions held by them in other companies. Also none of the Directors on the Board hold office of Director in more than 15 companies.

The Board met 12 times during the year under review on 24.04.12, 30.05.12, 15.06.12, 14.08.12, 28.08.12, 27.09.12, 27.10.12, 30.10.12, 12.11.12, 31.01.13, 12.02.13 and 30.03.13. The gap between two Board Meetings did not exceed 3 months. The composition of the Board of Directors is as follows:-

S. No.	Name of the Director	Category	No. of Board Meetings attended	Attendance at last AGM	No. of other director-ships	No. of Committee Membership
1	Mr. Kushal Pal Singh	Managing Director	12	Yes	2	Nil
2	Mr. Ranjan Jain	Wholetime Director	12	Yes	4	2
3	Mr. Jagmohan Arora	Wholetime Director	10	Yes	2	1
4	Mr. Rajesh Gupta	Wholetime Director	12	Yes	Nil	Nil
5	Mr. Shanti Lal Jain	Independent Director	4	Yes	1	3
6	Mr. Balwant Singh Sandhu	Independent Director	4	Yes	Nil	1
7	Mr. Jagir Singh	Independent Director	6	Yes	Nil	1
8	Mr. Satish Chand Aggarwal	Independent Director	7	Yes	Nil	1