

BOARD OF DIRECTORS

Managing Director
Anil Nibber

Balbir Chand
Satish Kumar Pandit
Kuldeep Kumar

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

280, Sector 21, Panchkula – 134 112

ADMINISTRATIVE OFFICE

S.C.O. 291, Sector 32-C, Chandigarh – 160 031

BANKERS

The Panchkula Central Co-op. Bank Ltd.
HDFC Bank Ltd.
Union Bank of India

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NOTICE

Notice is hereby given that 17th Annual General Meeting of SYSCHEM (INDIA) LIMITED shall be held at the Registered Office of the Company at Village Bargodam, Tehsil Kalka, Distt. Panchkula – 133 302 on Wednesday, the 29th September, 2010 at 11.00 A.M. to transact the following business :

ORDINARY BUSINESS

1. To receive, consider, approve and adopt the Audited Profit and Loss Account for the year ended 31st march, 2010 and the Balance Sheet as on date and to receive, consider and adopt the Directors' & Auditors' Report thereon.
2. To appoint Director in place of Shri Kuldeep Kumar who retires by rotation and eligible, offers himself for re-appointment.
3. To consider and if thought fit, to pass the following resolution with or without modifications(s) as an Ordinary Resolution :

“RESOLVED THAT pursuant to the provisions of Section 224 and other applicable provisions, if any of the Companies Act, 1956, M/S Bansal Vijay & Associates, Chartered Accountants, the retiring auditors of the Company be and is hereby re-appointed as Statutory Auditors of the Company to hold office from the conclusion of this meeting upto the next Annual General Meeting of the Company and to examine and audit the accounts of the Company for the Financial Year 2010-11 at a remuneration to be decided by the Board of Directors.”

SPECIAL BUSINESS

4. To consider and if thought fit, to pass the following resolution with or without modifications(s) as an Special Resolution :

“RESOLVED THAT Mr Shanti Lal Jain, who was appointed as an Additional Director with effect from 13th August, 2010 on the Board of the Company in terms of Section 260 of the Companies Act, 1956 and Article 94 of Article of Association of the Company and who holds office upto the date of this Annual General Meeting, and in respect of whom a notice has been received, under Section 257 and all other applicable provisions, if any, of the Companies Act, 1956, or any other statutory modification(s) or re-enactment thereof, be and is hereby appointed as a Director of the Company liable to retire by rotation.”

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

“RESOLVED THAT Mr Balwant Singh Sandhu, who was appointed as an Additional Director with effect from 13th August, 2010 on the Board of the Company in terms of Section 260 of the Companies Act, 1956 and Article 94 of Article of Association of the Company and who holds office upto the date of this Annual General Meeting, and in respect of whom a notice has been received, under Section 257 and all other applicable provisions, if any, of the Companies Act, 1956, or any other statutory modification(s) or re-enactment thereof, of the Companies Act, 1956, be and is hereby appointed as a Director of the Company liable to retire by rotation.”

6. To consider and if thought fit, to pass the following resolution with or without modifications(s) as an Special Resolution :

“RESOLVED THAT the Authorised Share Capital of the Company be increased from Rs. 16,00,00,000/- (Rupees Sixteen Crore) divided into 16,00,00,000 (Sixteen Crore) Equity Shares of Re. 1/- each to Rs. 20,00,00,000/- (Rupees Twenty Crore) divided into 20,00,00,000 (Twenty Crore) Equity Shares of Re. 1/- each.

FURTHER RESOLVED THAT in accordance with the provisions of Section 16 and all other applicable provisions of the Companies Act, 1956 (including any statutory modifications and re-enactments thereof for the time being and in force), the existing Clause V of the Memorandum of Association relating to the

Share Capital of the Company be and is hereby altered by deleting the same and instead thereof, substituting the following as new Clause V :

Clause V : The Authorised Share Capital of the Company is Rs. 20,00,00,000/- (Rupees Twenty Crore) divided into 20,00,00,000 (Twenty Crore) Equity Shares of Re. 1/- each.

FURTHER RESOLVED THAT in accordance with the provisions of Section 31 and all other applicable provisions of the Companies Act, 1956 (including any statutory modifications and re-enactments thereof for the time being and in force), the existing Article 3 of the Articles of Association relating to the Share Capital of the Company be and is hereby altered by deleting the same and instead thereof, substituting the following as new Article 3 :

Article 3 : The Authorised Share Capital of the Company is Rs. 20,00,00,000/- (Rupees Twenty Crore) divided into 20,00,00,000 (Twenty Crore) Equity Shares of Re. 1/- each.

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. The Proxy to be effective, should be deposited at the Registered Office of the Company not later than 48 hours before the commencement of the Meeting.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 27.09.2010 to 29.09.2010 (both days inclusive) pursuant to provisions of Section 154 of the Companies Act, 1956 and clauses of Listing Agreement entered into with Stock Exchanges.
3. Members are requested to bring the attendance slip sent with the annual report duly completed and signed and hand it over at the entrance.
4. Copies of all documents referred to in the notice are available for inspection at the Registered Office of the Company between 10.00 a.m. to 1.00 p.m. on all working days till the date of the Meeting.
5. M/S Beetal Financial & Computer Services Pvt. Ltd., New Delhi are the Registrar and Transfer Agent (RTA) of the Company to perform the share transfer work for Shares held in physical and electronic form.
6. Members holding shares in physical form are requested to notify the change in their address / Mandate, if any, immediately to the Registrar and Transfer Agent of the Company, in the prescribed Form 2B for this purpose, quoting their Folio Number(s). Members holding shares in electronic form may update such details with their respective Depository Participant(s).
7. No complimentary or gift of any nature will be distributed at the Annual General Meeting.

By Order of the Board of Directors
for SYSCHEM (INDIA) LIMITED

Place: Panchkula
Date: 13th August, 2010

ANIL NIBBER
MANAGING DIRECTOR

ANNEXURE TO NOTICE

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956.

Item No. 4

The Board of Directors of the Company, at its meeting held on 13th August, 2010 appointed Mr Shanti Lal Jain (Independent) as Additional Director of the Company pursuant to the provision of Section 260 of the Companies Act, 1956, read with Article No. 94 of the Articles of Association of the Company, he vacates his seat at this Annual General Meeting. The appointee has filed his consent to act as Directors of the Company. Moreover, the Company has received notice(as) pursuant to Section 257 of the Companies Act, 1956 signifying the intention to propose the above Director's appointment in the forthcoming Annual General Meeting.

The Board considers that the Company would be benefited by his rich experience and guidance.

The Directors, therefore, recommends the respective resolution for the approval of the members.

None of the Directors, except the respective appointee, is concerned or interested or concerned in the proposed resolution.

Item No. 5

The Board of Directors of the Company, at its meeting held on 13th August, 2010 appointed Mr Balwant Singh Sandhu (Independent) as Additional Director of the Company pursuant to the provision of Section 260 of the Companies Act, 1956, read with Article No. 94 of the Articles of Association of the Company, he vacates his seat at this Annual General Meeting. The appointee has filed his consent to act as Directors of the Company. Moreover, the Company has received notice(s) pursuant to Section 257 of the Companies Act, 1956 signifying the intention to propose the above Director's appointment in the forthcoming Annual General Meeting.

The Board considers that the Company would be benefited by his rich experience and guidance.

The Directors, therefore, recommends the respective resolution for the approval of the members.

None of the Directors, except the respective appointee, is concerned or interested or concerned in the proposed resolution.

Item No. 6

The present Authorised Share Capital of the Company is Rs. 16,00,00,000/-.

The Directors of your Company propose to increase the Authorised Share Capital to meet further capital requirements of the Company by creation of 4,00,00,000 (Four Crores Only) Equity Shares of Re. 1/- each (Rupee One Only).

The Authorised Share Capital of the Company presently stands at Rs 16,00,00,000/- divided into 16,00,00,000 Equity Shares of Re. 1/- each. With the growing expansion of the Company's business, it is desirable to bring to bring the Authorised Share Capital of the Company in proper co-relation with the magnitude of the Company's resources. It is, therefore, considered advisable to increase the Authorised Share Capital of the Company from Rs. 16,00,00,000/- to Rs. 20,00,00,000/- by creation of 4,00,00,000 Equity Shares of Re. 1/- each, which rank pari passu in all respects with the existing equity shares of the Company. The proposed increase of Authorised Capital of the Company requires the approval of members in General Meeting. Consequent upon increase in Authorised Capital of the Company, its Memorandum and Articles of Association will require alteration so as to reflect the increase in share capital. The Board recommends that the resolution be passed.

Consequent upon increase in the Authorised Share Capital of the Company, it is necessary to alter the capital clause of the Articles of Association. The Special Resolution No. 6 seeks to make a corresponding amendment in Article 3 of the Article of Association of the Company to give effect in this resolution.

No Director is interested or concerned in this resolution.

Details of Directors Seeking Re-appointment at the forthcoming Annual General Meeting of the Company (pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges)

| | |
|---|------------------|
| Name of the Director | Mr Kuldeep Kumar |
| Date of Birth | 15.04.1974 |
| Date of Appointment | 31.07.2007 |
| Expertise in specific Functional Area | Marketing |
| Qualification | B.A. |
| Details of Shares held | NIL |
| Listed Company in which outside Directorships held as on 31.03.2010 (excluding Private & Foreign Companies) | NIL |
| Chairman / Member of the Committees of other Company on which he is Director as on 31.03.2010 | N.A. |
| Relationship inter-se between Directors | NIL |

DIRECTOR'S REPORT

Dear Shareholders,

Your Director's have pleasure in presenting the Seventeenth Annual Report together with Audited Profit and Loss Account Statement of the Company for the year ended 31st March 2010 and Balance Sheet as at 31st March, 2010.

FINANCIAL HIGHLIGHTS :

(Rs./Lacs)

| <u>PARTICULARS</u> | <u>31-03-2010</u> | <u>31-03-2009</u> |
|--|-------------------|-------------------|
| Income from Operations | 703.99 | 327.42 |
| Profit Before Interest, Depreciation & Tax (PBIDT) | 407.62 | 0.06 |
| Interest & Financial Expenses | 20.59 | 20.70 |
| Profit Before Depreciation (PBD) | 387.03 | (-) 20.64 |
| Depreciation | 63.84 | 63.13 |
| Profit Before Tax (PBT) | 323.19 | (-) 83.77 |
| Provision for Tax | | |
| — Current (net) | 0.22 | 0.38 |
| — Deferred | (-)127.88 | 31.43 |
| Profit After Tax (PAT) | 195.09 | (-) 52.71 |
| Earning Per Share (EPS) (Rs.) | Nil | Nil |

OPERATIONS & FUTURE PROSPECTS:

The Company achieved a gross turnover of Rs. 709.99 Lacs during 2009-2010 as compared to Rs. 327.42 Lacs in 2008-2009. ***To improve the Margins Company has added new products to its product portfolio. The Company has already shifted its focus to Specialty Chemicals from Fine / Intermediate Chemicals which is more advantageous to the Company in its long time goal.***

DIVIDEND :

Since the Company is in losses, so your Directors have not recommended any dividend.

FIXED DEPOSITS :

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

DIRECTORS :

During the year Mr Kuldeep Kumar retire by rotation from the office of Directorship and being eligible, offers himself for re-appointment. Your Board recommends his re-appointment for your approval.

Mr Santi Lal Jain and Mr Balwant Singh Sandhu were inducted as Additional Directors on 13.08.2010 as per provisions of the Companies Act, 1956. The Additional Directors will hold their office upto the date of forthcoming Annual General Meeting. The Company has received notices under Section 257 of the Companies Act, 1956, proposing the appointment as directors of Mr Shanti Lal Jain and Mr Balwant Singh Sandhu subject to retirement by rotation.

AUDITORS' REMARKS :

The Auditor's Report and notes on accounts referred to in the Auditor's Report are self explanatory and exhaustive, therefore, do not call for any further comments.

AUDITORS :

M/S Bansal Vijay & Associates, Chartered Accountants, the retiring Auditors of the Company are retire at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment for the financial year 2010-11. The Company has received certificate from them as required under Section 224 (1 B) of the Companies Act, 1956. Your Board recommends their appointment for your approval.

DIRECTOR'S RESPONSIBILITY STATEMENT :

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

- (i) In the preparation of the annual accounts for the year ended 31st March 2010 the applicable accounting standards have been followed and no material departures from the same;
- (ii) Appropriate accounting policies have been selected and applied 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 the year under review;
- (iii) We have 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) We have prepared the annual accounts on an on going concern basis.

CORPORATE GOVERNANCE :

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchange(s) a detailed report on Corporate Governance is included in the Annual Report. The Auditors' of the Company have certified the Company's compliance on the requirement of the Corporate Governance in terms of Clause 49 of the Listing Agreement and the same is annexed to the report on Corporate Governance.

PARTICULARS OF EMPLOYEES :

There are no persons employed throughout or part of the financial year from whom information about the particulars required under Section 217(2A) of the Companies Act, 1956, ready with the Companies (Particulars of Employees) Rules, 1975 need to be given.

INFORMATION UNDER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT :

Particulars regarding Conservation of Energy, Technology Absorption, Research and Development as prescribed under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rule 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 year 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 Exchange:

1. Bombay Stock Exchange Limited.
2. Delhi Stock Exchange Limited.

The Listing Fees for the 2009-2010 for all Stock Exchanges have been paid and there being neither delisting nor suspension of shares from trading during the period under review.

ACKNOWLEDGMENT:

Your Directors place on record their appreciation for the support and assistance received from The Panchkula Central Co-operative Bank Ltd., HDFC Bank Ltd. And Union Bank of India during the year under the review. The Directors also place on record their appreciation for the support and assistance extended by the valuable customers and suppliers of the Company for their support and co-operation during the year under review. The Directors also thank to the all employees of the Company for their sincere efforts, active involvement and devoted services rendered for the progress & growth of the Company.

For and on behalf of the Board

PLACE : PANCHKULA
DATE: 13th August, 2010

(KULDEEP KUMAR)
DIRECTOR

(ANIL NIBBER)
MANAGING DIRECTOR

MANAGEMENT DISCUSSION AND ANALYSIS

REPORT OF CORPORATE GOVERNANCE:

In pursuance to the Listing Agreement with the Stock Exchange the Company is furnishing herewith Information on "Corporate Governance" for the benefit of Shareholders:

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

The Company is managed and controlled through a professional & experienced Board of Directors. In order to achieve the objectives 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, Investors' Grievances Committee, Remuneration Committee & Share Transfer Committee to look into aspects relevant to each committee.

2. MANAGEMENT DISCUSSION & ANALYSIS: I) INDUSTRY STRUCTURE & DEVELOPMENT:

The Company has devised a new business model, which offers sustained business volumes, reasonable profitability and optimum utilization of the Company's existing resources. The new business model is an optimum mix of contract manufacturing activities and own manufacturing. Under the contract manufacturing activities the Company manufactures Critical Drug intermediates for various Active Pharma Ingredient (API) manufacturers.

The new business model has been developed and adapted after careful and detailed studies of actual operation over a considerable period of time. The contract manufacturing operations of the Company is considered sustainable in long term as the products manufactured by the Company are key drug intermediates suitable for manufacturing of Antibiotic Drugs, Macrolides Drugs etc. These medicines have witnessed sustained growth of demand in both domestic and overseas markets and include highly prescribed medicines for treatment of various diseases in all major regions of the world.

II) OPPORTUNITIES & THREATS:

The Company keeps exploring new opportunities. In the recent past the Company has started manufacturing some new chemicals. The Company also keeps constant vigil on possible threats and does not foresee any major threat to the existing line of business in the near future.

III) SEGMENT WISE/PRODUCT WISE PERFORMANCE:

During the year the Company was engaged in the manufacturing & selling of chemicals for different applications. The Company presently works under only one segment and hence the overall performance of the Company relates to this one segment.

IV) OUTLOOK :

Last Year Company has added new product like Tetra Hydro Furan (THF) and this new product has been well accepted in the market and shall be the major profit driver in the coming years.

3. BOARD OF DIRECTORS :

The Board of Directors have optimum combination of executive, non executive and independent Directors.

The Board of Directors met seven (07) times during the financial year 2009-2010. The Board Meetings were held on 25th June 2009, 30th June 2009, 31st July 2009, 30th October 2009, 11th November 2009, 29th January 2010, 27th March 2010. The details of Directors and their attendance record of the meetings are given below :

| Sr. No. | Name of the Director | Status | No. of Other Directorship | Attendance at the Board Meeting | Attendance at the last AGM |
|---------|-------------------------------------|-----------------------------|---------------------------|---------------------------------|----------------------------|
| 1. | Shri Anil Nibber, Managing Director | Promoter & Executive | Nil | 07 | Present |
| 2. | Shri Balbir Chand | Non-Executive & Independent | Nil | 03 | Present |
| 3. | Shri Satish Kumar Pandit | Non-Executive & Independent | Nil | 06 | Present |
| 4. | Shri Kuldeep Kumar | Non-Executive & Independent | Nil | 07 | Present |

None of the Director is a member of more than 10 (Ten) Board – level committees or a Chairman of more than 5 (Five) such committees, as required under Clause 49 of the Listing Agreement.

Details of New Directors & Directors appointment / re-appointment :

Relevant details are furnished in the notice convening the Annual General Meeting to be held on 29th September, 2010.

4. AUDIT COMMITTEE :

Pursuant to the provisions of the Companies Act, 1956 and the Listing Agreement with the Stock Exchange(s), an qualified & independent Audit Committee has been constituted to cover the matters specified for the Audit Committee under Listing Agreement as well as under the provisions of the Companies Act, 1956. The Audit Committee comprised of Shri Balbir Chand, Shri Satish Kumar Pandit and Shri Kuldeep Kumar (All are Non-Executive and Independent Directors). Shri Satish Kumar Pandit was the Chairman of the Audit Committee have required financial and accounting knowledge. During the financial year 2009-10, four meetings of the Audit Committee were held on 25.06.2009, 31.07.2009, 30.10.2009 and 29.01.2010.

| NAME OF THE DIRECTOR | NUMBER OF MEETINGS HELD | NUMBER OF MEETINGS ATTENDED |
|--------------------------|-------------------------|-----------------------------|
| Shri Satish Kumar Pandit | 04 | 04 |
| Shri Balbir Chand | 04 | 03 |
| Shri Kuldeep Kumar | 04 | 04 |

5. SHAREHOLDERS' / INVESTORS' GRIEVANCE / TRANSFER COMMITTEE :

The Board has delegated the authority for approving transfer, transmission etc. of the Company's equity shares to a Share Transfer Committee. The Share Certificate(s) in physical form are generally processed fortnightly by Registrar and Transfer Agent of the Company and returned within 30 days from the date of receipt, if the documents are proper and valid in all respects. A summary of the transfer / transmission so approved is placed at every Board Meeting. Among other functions, this committee looks into redressal of shareholders complaints in respect of all matters including transfer of shares, non-receipt of Annual Report, non-receipt of Share Certificates and investor's complaint etc. as required under Clause 49 of the Listing Agreement. The committee consist of one Promoter Director and two Non-Executive Independent Directors and one Senior Manager. Shri Kuldeep Kumar, a Non-Executive Independent Director is the Chairman of the Shareholder's / Investor's Grievance Committee. The other members being Shri Anil Nibber (Managing Director), Shri Balbir Chand and Shri Naresh Batra (Senior Manager).

There were no requests for Share Transfer were pending for approval on the date of report.

6. REMUNERATION COMMITTEE :

The Remuneration Committee consists of three Non-Executive Independent Directors of the Company i.e. Shri Balbir Chand as Chairman, Shri Satish Kumar Pandit and Shri Kuldeep Kumar are members of the Committee. The Committee met once during the period under report. Details of remuneration to the Directors is given below :-

| Sr. No. | Name of Director | Sitting Fees | Basic Salary | Perquisites | Commission | Total |
|---------|---------------------------------------|--------------|--------------------|-------------|------------|--------------------|
| 1 | Shri Anil Nibber Managing Director | NIL | 1,00,000/- P.M. | NIL | NIL | 1,00,000/- P.M. |

7. GENERAL BODY MEETINGS FOR THE LAST THREE YEARS :

The Location and the time of the Annual General Meetings are as follows :

| YEAR | VENUE | DATE | TIME | Special Resolution |
|-----------|--|------------|------------|--------------------|
| 2008-2009 | Registered Office at Village Bargodam, Tehsil Kalka, Distt. Panchkula - 133 302 | 29.09.2009 | 11.00 A.M. | |
| 2007-2008 | Registered Office at Village Bargodam, Tehsil Kalka, Distt. Panchkula - 133 302 | 30.09.2008 | 11.00 A.M. | |
| 2006-2007 | Registered Office at Village Bargodam, Tehsil Kalka, Distt. Panchkula – 133 302 | 29.09.2007 | 11.00 A.M. | |

The Special Resolutions were passed by show of hands. The Company has not conducted any business through postal ballot during the year under review. Accordingly, the Company's (Postal Ballot) Rules, 2001 is not applicable to the Company during the period under review.

No Extra-ordinary General Meeting held during the period under review.

8. DISCLOSURES :

(i) Matters related to Finance, Commercial and related Party Transactions

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

(ii) Matters related to Capital Market:

Non compliance by the Company, penalties, strictures imposed on the Company by stock exchange or SEBI or any statutory authority on any matter relating to capital market during the year; NIL

10. MEANS OF COMMUNICATIONS:

The Company has regularly providing Quarterly Financial Results to all the Stock Exchanges where the shares of the Company are listed besides publishing the same in newspapers of repute for the public and members of the Company, as per stipulation of the Listing Agreements and also forwards the same to the Stock Exchange immediately.

DISCLOSURES ON MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS I.E. TRANSACTIONS OF THE COMPANY OF MATERIAL NATURE WITH ITS PROMOTERS, DIRECTORS OR THE MANAGEMENT, WHERE THE SUBSIDIARIES, RELATIVES ETC. THAT MAY HAVE POTENTIAL CONFLICT WITH THE INTEREST OF THE COMPANY AT LARGE.

During the year under review, there had been no materially significant party transactions which may be considered to have potential conflict with the interests of the Company.

11. GENERAL SHAREHOLDERS' INFORMATION :

A. ANNUAL GENERAL MEETING

Date: 29th September 2010

Time: 11.00 A.M.

Place: Village Bargodam, Tehsil Kalka,

Distt. Panchkula (Haryana) -133 302

B) FINANCIAL CALENDER

Financial Year: 1st April to 31st March

| RESULTS | FOR THE YEAR ENDED 31ST MARCH, 2009 WERE ANNOUNCED ON | FOR THE YEAR ENDING 31ST MARCH, 2009 WILL BE ANNOUNCED BY |
|----------------|---|---|
| First Quarter | 31 st July, 2009 | 15 th August, 2010 |
| Second Quarter | 30 th October, 2009 | 15 th November, 2010 |
| Third Quarter | 29 th January, 2010 | 15 th February, 2011 |
| Fourth Quarter | 14 th May, 2010 | 15 th May, 2011 |

C) BOOK CLOSURE

The Company's Register of Members and Share Transfer Books will remain closed from 27.09.2010 to 29.09.2010 (Both days inclusive)

D) LISTING ON STOCK EXCHANGE

The Company's shares are listed at Bombay and Delhi Stock Exchanges.

E) STOCK CODE

-Stock Code : The Stock Code of the Company's shares is as follows :-

Bombay Stock Exchange : 531173

-The ISIN Nos. for the Company's shares in Demat Mode – INE121D01028

F) REGISTRAR & SHARE TRANSFER AGENTS

Transfer Agent for physical transfers and Demat shares :

M/S BEETAL FINANCIAL & COMPUTER SERVICES PVT. LTD.

'Beetal House', 3rd Floor, 99,
MADANGIR, Behind Local Shopping Centre,
Near Dada Harsukh Das Mandir,
NEW DELHI-110 062

G) DISTRIBUTION OF SHAREHOLDING

By ownership as on 31st March, 2010

| SR. NO. | HOLDING PATTERN | NO. OF SHARES OF Re. 1/- EACH | %AGE OF HOLDING |
|---------|----------------------------------|-------------------------------|-----------------|
| 1. | Promoters, Directors & Relatives | 26592500 | 23.3468 |
| 2. | Indian Public | 55668599 | 48.8741 |
| 3. | NRIs | 3033990 | 2.6637 |
| 4. | Banks | 0 | 0.0000 |
| 5. | Mutual Funds | 0 | 0.0000 |
| 6. | Bodies Corporate | 27804159 | 24.4106 |
| 7. | Financial Institutions | 802752 | 0.7048 |
| | TOTAL | 11,39,02,000 | 100.0000 |

By size as on 31st March, 2010

| RANGE OF SHARES | NO. OF SHAREHOLDERS | NO. OF SHARES OF Re. 1/- EACH | %AGE OF HOLDING |
|------------------|---------------------|-------------------------------|-----------------|
| UP TO 5000 | 9,648 | 1,52,38,890 | 13.3789 |
| 5001 TO 10000 | 992 | 84,39,192 | 7.4092 |
| 10001 TO 20000 | 422 | 64,61,454 | 5.6728 |
| 20001 TO 30000 | 144 | 36,62,859 | 3.2158 |
| 30001 TO 40000 | 54 | 19,78,030 | 1.7366 |
| 40001 TO 50000 | 52 | 24,81,699 | 2.1788 |
| 50001 TO 100000 | 91 | 69,10,223 | 6.0668 |
| 100001 AND ABOVE | 85 | 6,87,29,653 | 60.3411 |
| TOTAL | 11,488 | 11,39,02,000 | 100.0000 |

H) DEMATERIALIZATION OF SHARES

As on 31st March 2010, 74.89% (Previous Year 73.22%) of shares were held in dematerialised form and rest in physical form.

I) OUTSTANDING GDRs / ADRs / WARRANTS / CONVERTIBLE INSTRUMENTS

There were 4,40,00,000 Zero Coupon Convertible Warrants have been issued to non-promoter Bodies Corporate and Individuals during the financial year and no warrant has been converted into equity shares on the date of report.

J) PLANT LOCATION

Village Bargodam, Tehsil Kalka, Distt. Panchkula - 133 302 (Haryana)

K) REGISTERED OFFICE

Village Bargodam, Tehsil Kalka, Distt. Panchkula - 133 302 (Haryana)

L) CORPORATE OFFICE

280, Sector21, PANCHKULA - 134 112 (Haryana)

ADMINISTRATIVE OFFICE

S.C.O. 291, Sector 32-C, CHANDIGARH -160 031

CONTACT PERSON

Shri Naresh Batra
Tel. No.: 0172-2562720 Fax No. 0172-2567720
E-Mail : syschem@yahoo.co.in

12. OPPORTUNITIES AND THREAT :

The Company keeps exploring new opportunities. However the Company keep constant vigil on possible threats and does not foresee any major threat to existing line of business in the near future.

13. OUTLOOK :

The Company has added new products like Fexa Fenadine Intermediate and THF etc. The new products have been well accepted in the market and shall be the major profit delivers in the coming years.

14. RISKS & CONCERN :

The management periodically carries out risk assessment exercises wherever possible and necessary. However the management does not perceive any significant technological or financial risk for the Company in near future.

15. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY :

The Company has adequate system of internal controls to ensure all assets are safeguarded and protected and loss from unauthorized use or disposing and those transactions are authorized, recorded and reported correctly.

The internal control is supplemented by documented policies, guidelines and procedures and an extensive programme of internal and external audit and periodic review by the management. The system is designed to ensure that financial and other records are reliable for preparing financial information and other data and for maintaining accountability of assets.

Internal Audit findings and recommendations are reviewed by the top management and Audit Committee of the Board. The Committee review the quarterly, half yearly and annual financial statements before these are submitted by the Board and ensured compliance of internal control system.

16. HUMAN RESOURCES AND INDUSTRIAL RELATIONS :

Human Resources Management is critically owing to a dearth of skills and experience as well as high attrition. The employee base of the Company is a prudent mix of youth and experience. The Company has taken a policy to employ contract labour in its manufacturing unit.

The Company recruited selectively through industry contracts, newspaper advertisements and consultancies. The trainees were selected from reputed i.e. technical as well as professional institutes. The employees attend conferences in the India to enhance their knowledge.

The Company's compensation structure is designed in line with the best in the industry standards, performance linked incentives are paid to outstanding achievers.

MANAGING DIRECTOR'S DECLARATION WITH RESPECT TO CODE OF CONDUCT

I, Anil Nibber, Managing Director of Syschem (India) Limited hereby declare that all the Board Members and Senior Management of the Company have affirmed compliance with the Company's code of conduct for the financial year ended 31st March, 2010.

For SYSCHEM (INDIA) LIMITED

PLACE : PANCHKULA
DATE : 13th August, 2010

(ANIL NIBBER)
MANAGING DIRECTOR

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

Under Clause 49 of the Listing Agreement, the Auditor's Certificate is given below as annexure to the Director's Report.

ANNEXURE TO THE DIRECTOR'S REPORT

To The Members of Syschem (India) Limited

We have examined the compliance of the conditions of Corporate Governance by Syschem (India) Limited, for the year ended on 31st March 2010, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of the 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 explanation given to us, and representations made by the Directors and the management, we certify that the Company has complied with conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that as on 31st March, 2010 there were no investor grievances remaining unattended / pending for a period exceeding one month against the Company as per the records maintained by the Company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

for Bansal Vijay & Associates
Chartered Accountants

Place : Panchkula
Date : 13th August, 2010

Sd/-
(VIJAY KUMAR)
PARTNER

AUDITOR'S REPORT
TO THE MEMBERS OF SYSCEM (INDIA) LIMITED

1. We have audited the attached Balance Sheet of Syschem (India) Limited (Formerly Known as Anil Pesticides Limited), as at 31st March 2010 and also the Profit and Loss Account of the Company for the year ended on that date annexed thereto. These financial statements are responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those statements 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 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.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India, in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in Annexure - 'A', a statement on the matters specified in paragraph 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to in paragraph 3 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 accounts as required by law have been kept by the Company so far as appears from our examination of those books.
 - (iii) The Balance Sheet and Profit And Loss Account dealt with in this report is in agreement with the books of accounts.
 - (iv) In our opinion, the Balance Sheet and Profit & Loss Account dealt with by this report comply with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956.
 - (v) On the basis of written representations received from the Directors and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2010 from being appointed as a Director in terms of Clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet and Profit & Loss Account, read with the notes thereon and subject to Note No. 2.1 : regarding non provision of interest on term loan, give the information required by the Companies Act 1956 in the manner so required and give a true and fair view in conformity with 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 2010.
 - (b) In the case of the Profit and Loss Account, of the loss for the year ended on that date.
 - (c) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

for Bansal Vijay & Associates
Chartered Accountants

Place : Panchkula
Date : 13.08.2010

(VIJAY KUMAR)
PARTNER
M. No. 93412
FRN : 014930N

ANNEXURE 'A' TO THE AUDITOR'S REPORT

[Referred to in paragraph 3 of our Report of even date on the Statement of Accounts of Syschem (India) Limited (Formerly known as Anil Pesticides Limited) as at and for the year ended 31st March 2010].

(i) (a) In our opinion, the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) As explained to us, all fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies have been noticed on such verification.

(c) In our opinion and according to the explanations given to us, during the year the Company has not disposed off any substantial part of its fixed assets and hence the going concern of the Company is not affected.

(ii) (a) As explained to us, physical verification of inventory has been conducted by the management at reasonable intervals.

(b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.

(c) As explained to us no material discrepancies have been noticed on physical verification. The balances of stock as established on physical verification as at the year end have been incorporated in the books of accounts. Consequently, the shortage/excess, if any, have been adjusted in consumption of material.

(iii) (a) In our opinion and according to explanations given to us, the Company has not granted any loans secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.

(b) The Company has not granted loans secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956 and as such Clauses (iii)(b), iii(c) and iii(d) of the Order are not applicable to the Company.

(c) In our opinion and according to the explanations given to us, the Company has not taken any loans secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.

(d) The Company has not granted loans any secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956 and as such Clauses (iii) (f) and iii (g) of the Order are not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, there are adequate internal control system commensurate with the size of the Company and nature of its business for purchase of inventory and fixed assets and for the sale of goods. During the course of our audit, no major weakness has been noticed in the internal control system.

(v) (a) In our opinion and according to the information and explanations given to us, we are of the opinion that during the year there were no transactions that needed to be entered into the register maintained under Section 301 of the Companies Act, 1956.

(b) In our opinion and according to the information and explanations given to us, no transactions were made during the year in pursuance of contracts or arrangements which were required to be entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of the Five Lac rupees in respect of any party at prices which were not reasonable having regard to prevailing market prices at the relevant time.

(vi) In our opinion and according to the information given to us, the Company has not accepted any deposits from the public within the meaning of Sections 58A, 58AA or any other provisions of the Companies Act, 1956 the rules framed thereunder.

(vii) In our opinion, the Company has an adequate internal audit system commensurate with the size of the Company and the nature of its business.

(viii) We were informed that the Central Government has not prescribed the maintenance of cost records in respect of any of the products of the Company.

(ix) (a) According to the records of the Company, the Company is regular in depositing with appropriate undisputed statutory dues applicable to it.

(b) According to the records of the Company, there are no dues of Income Tax, Sales Tax, Service Tax, Wealth Tax, Custom Duty, Excise Duty, Education Cess and Provident Fund which have not been deposited on account of any dispute.

(x) The Company has been registered for a period of more than five years and its accumulated losses at the end of the financial year are not more than 50% of its net worth. It has not incurred cash losses in the financial year under review and it has incurred cash losses in the immediately preceding financial year.

- (xi) In our opinion and according to the information and explanations given to us, the Company was in default in repayment of term loan and cash credit limits. But during the year, the Company has made One Time Settlement (OTS) of term loan to The Panchkula Central Cooperative Bank Ltd. and cash credit from the Canara Bank. The Company had made full and final payment to the Canara Bank under OTS and also made part payment of term loan to The Panchkula Central Cooperative Bank Ltd. as per their OTS proposal. The income on account of waiver of interest and principal has been accounted for as income during the financial year. The Company has not obtained any borrowings from any financial institution or by way of debentures.
- (xii) In our opinion and according to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is neither a chit fund nor nidhi / mutual benefit fund / society and hence Clause (xiii) of the Order is not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Therefore, the provisions of Clause (xiv) of the Order is not applicable to the Company.
- (xv) As informed to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) The Company has not raised any term loan during the year.
- (xvii) As informed to us, the Company has not used funds raised on short term basis for long term investments.
- (xviii) During the year, the Company has not made any preferential allotment of shares to parties and Companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- (xix) The Company has not issued any debentures during the year and therefore the question of creating security in respect thereof does not arise.
- (xx) The Company has not made any public issue during the year and therefore the question of disclosing the end use of money does not arise.
- (xxi) According to the information and explanations given to us by the management, no fraud on or by the Company has been noticed or reported during the course of our audit.

for Bansal Vijay & Associates
Chartered Accountants

Place : Panchkula
Date : 13.08.2010

(VIJAY KUMAR)
PARTNER
M. No. 93412
FRN : 014930N

SYSCHEM (INDIA) LIMITED
BALANCE SHEET AS AT 31 MARCH, 2010

| PARTICULARS | SCHEDULE | AS AT 31.03.2010 | | AS AT | |
|---|----------|--------------------|---------------------|--------------------|---------------------|
| | | AMOUNT (Rupees) | AMOUNT (Rupees) | 31.03.2009 | AMOUNT (Rupees) |
| SOURCES OF INCOME | | | | | |
| SHAREHOLDERS FUNDS | | | | | |
| Share Capital | A | 113902000.00 | | 114249000.00 | |
| Share Application Money | | 11050000.00 | | 50000.00 | |
| Reserves and Surplus | | 7627500.00 | 132579500.00 | 7000000.00 | 121299000.00 |
| LOANS FUNDS | B | | | | |
| Secured Loans | | 17052039.00 | | | |
| Unsecured Loans | | 2500000.00 | 19552039.00 | 84884791.00 | 84884791.00 |
| TOTAL | | | 152131539.00 | | 206183791.00 |
| APPLICATIONS OF FUNDS | | | | | |
| FIXED ASSETS | C | | | | |
| Gross Block | | 136239146.00 | | 140101013.00 | |
| Less : Depreciation | | 56802761.00 | | 53217125.00 | |
| Net Block | | 79436385.00 | | 86883888.00 | |
| Capital Work in Progress | | 11558489.00 | 90994874.00 | 50303.00 | 86934191.00 |
| CURRENT ASSETS, LOANS AND ADVANCES | | | | | |
| Inventories | D | 7575000.00 | | 1245000.00 | |
| Sundry Debtors | E | 5113453.00 | | 6097821.00 | |
| Cash and Bank | F | 4597891.00 | | 498674.00 | |
| Loans and Advances | G | 24376958.00 | | 47046809.00 | |
| | | 41663302.00 | | 54888304.00 | |
| Less :Current Liability | H | 26521964.00 | | 15009016.00 | |
| NET CURRENT ASSETS | | | 15141338.00 | | 39879288.00 |
| Deferred Tax Assets | | | 1810076.00 | | 14598325.00 |
| MISCELLANEOUS EXPENDITURE | I | | 427500.00 | | 1505000.00 |
| PROFIT AND LOSS ACCOUNT | | | 43757751.00 | | 63266987.00 |
| TOTAL | | | 152131539.00 | | 206183791.00 |

NOTES ON ACCOUNT

R

Schedules A to S form an Integral part of the Accounts

As Per our report of even date

For and on behalf
of the Board

for BANSAL VIJAY & ASSOCIATES
Chartered Accountants

(VIJAY KUMAR)
PARTNER
M.NO. 093412
FRN : 014930N

**(KULDEEP
KUMAR)**
DIRECTOR

(ANIL NIBBER)
MG. DIRECTOR

PLACE: PANCHKULA
DATE : 13.08.2010

SYSCHEM (INDIA) LIMITED
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDING 31ST MARCH, 2010

| PARTICULARS | SCHEDULE | AS AT 31.03.2010 | | AS AT | |
|--|----------|--------------------|--------------------|------------|-----------------------|
| | | AMOUNT (Rupees) | AMOUNT (Rupees) | 31.03.2009 | AMOUNT (Rupees) |
| INCOME | | | | | |
| Sales & Other Income | J | | 70399177.37 | | 32742124.00 |
| Increase/(Decrease in stock) Finished and semi finished Goods | K | | 772500.00 | | 1000.00 |
| TOTAL | | | 71171677.37 | | 32743124.00 |
| EXPENDITURE | | | | | |
| Material Cost | L | | 5437609.00 | | 1705311.00 |
| Manufacturing Expenses | M | | 16546419.00 | | 22060510.00 |
| Salary Wages & Other Benefits | N | | 3920728.00 | | 5068292.00 |
| Financing Expenses | O | | 2059102.37 | | 2070013.00 |
| Administration & Other Expenses | P | | 3302128.00 | | 3777620.00 |
| Selling & Distribution Expenses | Q | | 1201939.00 | | 126102.00 |
| Depreciation | C | | 6384231.00 | | 6312675.00 |
| TOTAL | | | 38852156.37 | | 41120523.00 |
| Profit / (Loss) Before Tax | | | 32319521.00 | | -8377399.00 |
| Less : Provisions for taxation | | | 0.00 | | 0.00 |
| Less : Provisions for FBT | | | | | |
| Current Year | | | - | | 42500.00 |
| Earlier Years | | | 22,036.00 | | -5000.00 |
| Add/Deduct:Deferred Tax | | | -12788249.00 | | 3143257.00 |
| Profit / (Loss) After Tax | | | 19509236.00 | | (5,271,642.00) |
| Loss brought forward | | | 63266987.00 | | 57995345.00 |
| Net Balance transferred to Balance Sheet | | | 43757751.00 | | 63266987.00 |

NOTES ON ACCOUNT

S

Schedules A to S form an
Integral part of the Accounts

For and on behalf of the Board

As Per our report of even date
for **BANSAL VIJAY &
ASSOCIATES**
Chartered Accountants

(VIJAY KUMAR)
PARTNER
M.NO. 093412
FRN : 014930N

(KULDEEP KUMAR)
DIRECTOR

(ANIL NIBBER)
MG. DIRECTOR

PLACE: PANCHKULA
DATE : 13.08.2010

SYSCHEM (INDIA) LIMITED
SCHEDULES TO THE ACCOUNTS

(Rupees)

| PARTICULARS | As at 31-03-2010 | As at 31-03-2009 |
|---|---------------------|---------------------|
| <u>SCHEDULE - A</u> | | |
| SHARE CAPITAL | | |
| Authorised Capital 160000000 Equity shares of Re.1/- each (Previous Year 150000000 Equity Shares of Re. 1/- each) | 160000000.00 | 15000000.00 |
| Issued & Subscribed Capital 115104000 Equity shares of Re.1/- each (Previous Year 115104000 Equity Shares of Re. 1/- each) | 113902000.00 | 115104000.00 |
| Paid Up Capital | 113902000.00 | 115104000.00 |
| Less Calls in Arrears | 0.00 | 855000.00 |
| Total | 113902000.00 | 114249000.00 |
| <u>SCHEDULE - B</u> | | |
| <u>SECURED LOANS</u> | | |
| FROM BANKS | | |
| Term Loan (from The Panchkula Central Co-operative Bank by way of mortgage of immovable Properties & Specified Movable Properties) | 17052039.00 | 61095483.00 |
| Working Capital facilities from Canara Bank (Secured Against The Current Assets of the Co. & Personal Guarantee of the Directors) | - | 23789308.00 |
| <u>UNSECURED LOANS</u> | | |
| Allychem Organics Pvt Ltd | 2500000.00 | 0.00 |
| TOTAL | 19552039.00 | 84884791.00 |

SYSCHEM (INDIA) LIMITED
SCHEDULES TO THE ACCOUNTS

SCHEDULE C

FIXED ASSETS

| PARTICULARS | GROSS BLOCK | | | | | DEPRECIATION | | | NET BLOCK | |
|------------------------------------|-------------------|----------------|--------------------------|--------------------------|-------------------|----------------|-----------------------|---------------------|---------------------|---------------------|
| | AS ON 1/4/2009 | Sales/ Adj. | ADDITIONS/ ADJUSTMENT | COST AS AT 31-03-2010 | UP TO 1/4/2009 | Sales/ Adj. | DURING THE YEAR | UP TO 31-03-2010 | AS AT 31-03-2010 | AS AT 31-03-2009 |
| Plant & Machinery | 116288722 | 4100565 | 211966 | 112400123 | 45574956 | 2798595 | 5531930 | 48308291 | 64091832 | 70713766 |
| Tools & Equipment | 792083 | 0 | 12900 | 804983 | 248649 | 0 | 38097 | 286746 | 518237 | 543434 |
| Vehicle | 1128284 | 0 | 0 | 1128284 | 729168 | 0 | 107187 | 836355 | 291929 | 399116 |
| Electrical Fittings & Installation | 889732 | 0 | 0 | 889732 | 374706 | 0 | 42262 | 416968 | 472764 | 515026 |
| Building | 18202090 | 0 | 0 | 18202090 | 5874877 | 0 | 607950 | 6482827 | 11719263 | 12327213 |
| Furniture & Fixture | 165432 | 0 | 0 | 165432 | 117708 | 0 | 10472 | 128180 | 37252 | 47724 |
| Land | 1906613 | 0 | 0 | 1906613 | 0 | 0 | 0 | 0 | 1906613 | 1906613 |
| Office Equipments | 728057 | 0 | 13832 | 741889 | 297061 | 0 | 46333 | 343394 | 398495 | 430996 |
| TOTAL | 140101013 | 4100565 | 238698 | 136239146 | 53217125 | 2798595 | 6384231 | 56802761 | 79436385 | 86883888 |
| PREVIOUS YEAR | 137589614 | 0 | 2511399 | 140101013 | 46904450 | 0 | 6312675 | 53217125 | 86883888 | 94043073 |

SYSCHEM (INDIA) LIMITED
SCHEDULES TO THE ACCOUNTS- (Contd.)

(Rupees)

| PARTICULARS | As at 31-03-2010 | As at 31-03-2009 |
|--|---------------------|---------------------|
| <u>SCHEDULE - D</u> | | |
| INVENTORY | | |
| Raw - Material - At Cost | 5584500.00 | 524000.00 |
| Stock in Progress-At Estimated Cost | 850500.00 | 128000.00 |
| Finished Goods-At cost or realisable value whichever is less | 62000.00 | 12000.00 |
| Consumables Stores- At cost | 1078000.00 | 581000.00 |
| Total | 7575000.00 | 1245000.00 |
| <u>SCHEDULE - E</u> | | |
| SUNDRY DEBTORS | | |
| (Unsecured considered good) | | |
| Debts exceeding Six months | 493874.00 | 2766321.00 |
| Less than Six Months | 4619579.00 | 3331500.00 |
| Total | 5113453.00 | 6097821.00 |
| <u>SCHEDULE - F</u> | | |
| CASH AND BANK BALANCES | | |
| Cash in hand | 1780617.00 | 204904.00 |
| Balances with Scheduled Banks | 142274.00 | 293770.00 |
| Cheque Pending Realisation | 2675000.00 | 0.00 |
| Total | 4597891.00 | 498674.00 |
| <u>SCHEDULE - G</u> | | |
| LOANS AND ADVANCES | | |
| (unsecured -considered good) | | |
| Advances recoverable in Cash or in kind of for value to be received | 4659645.00 | 2487919.00 |
| Security Deposits | 1266801.00 | 1266801.00 |
| Advances to Suppliers | 18445340.00 | 43289417.00 |
| Excise Duty Advance | 3672.00 | 1172.00 |
| Service Tax Advance | 1500.00 | 1500.00 |
| Total | 24376958.00 | 47046809.00 |
| <u>SCHEDULE - H</u> | | |
| CURRENT LIABILITIES AND PROVISION | | |
| A. CURRENT LIABILITIES | | |
| Advances from Customers | 6461684.00 | 1309031.00 |
| Sundry Creditors | 16468206.00 | 7959057.00 |
| Cheques Pending Encashment | 1770891.00 | 417627.00 |
| Other Liabilities | 1144967.00 | 4614585.00 |
| Total | 25845748.00 | 14300300.00 |
| B. PROVISION | | |
| Provision for Gratuity | 676216.00 | 666216.00 |
| Provision for Income Tax | 0.00 | 0.00 |

| | | |
|----------------------------------|--------------------|--------------------|
| Provision for Fringe Benefit Tax | 0.00 | 42500.00 |
| TOTAL | 26521964.00 | 15009016.00 |

SYSCHEM (INDIA) LIMITED
SCHEDULES TO THE ACCOUNTS- (Contd.)

(Rupees)

| PARTICULARS | | As at 31-03-2010 | | As at 31-03-2009 |
|---|-----------|---------------------|-----------|---------------------|
| <u>SCHEDULE - I</u> | | | | |
| MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted) | | | | |
| Deferred revenue Expenditure | | 1505000.00 | | 3232500.00 |
| Less: Written off (1/5) | | 1077500.00 | | 1727500.00 |
| Total | | 427500.00 | | 1505000.00 |
| <u>SCHEDULE - J</u> | | | | |
| SALES & OTHER INCOME | | | | |
| Sales of Intermediate & Chemicals | | 4941368.00 | | 693972.00 |
| Processing Charges | | 24224330.00 | | 32037566.00 |
| Income from One Time Settlement | | 40813621.00 | | 0.00 |
| Other Incomes | | 419858.37 | | 10586.00 |
| Total | | 70399177.37 | | 32742124.00 |
| <u>SCHEDULE - K</u> | | | | |
| INCREASE/DECREASE IN STOCKS | | | | |
| OPENING STOCKS | | | | |
| Finished goods | 12000.00 | | 23000.00 | |
| Work-in-process | 128000.00 | 140000.00 | 116000.00 | 139000.00 |
| CLOSING STOCKS | | | | |
| Finished Goods | 62000.00 | | 12000.00 | |
| Work-in-process | 850500.00 | 912500.00 | 128000.00 | 140000.00 |
| Total | | 772500.00 | | 1000.00 |
| <u>SCHEDULE - L</u> | | | | |
| MATERIAL COST | | | | |
| Opening Stock | | 524000.00 | | 506000.00 |
| Add: Purchases | | 10498109.00 | | 1723311.00 |
| | | 11022109.00 | | 2229311.00 |
| Less : Closing Stock | | 5584500.00 | | 524000.00 |
| Total | | 5437609.00 | | 1705311.00 |

SCHEDULE - M**DIRECT MANUFACTURING EXPENSES**

| | | | |
|-----------------------------------|--|--------------------|--------------------|
| Power & Fuel | | 12117992.00 | 15919826.00 |
| Carriage Inward | | 102310.00 | 101368.00 |
| Excise Duty | | 471664.00 | 74421.00 |
| Oils & Lubricants | | 132550.00 | 131493.00 |
| Repairs & Maintenance - Machinery | | 177730.00 | 381308.00 |
| Material Handling Expenses | | 2150750.00 | 4235400.00 |
| Other Consumables Store & Spares | | 1393423.00 | 1216694.00 |
| Total | | 16546419.00 | 22060510.00 |

SYSCHEM (INDIA) LIMITED
SCHEDULES TO THE ACCOUNTS - (Contd.)

(Rupees)

| PARTICULARS | | As at 31-03-2010 | | As at 31-03-2009 |
|--|------------|-----------------------------|------------|-----------------------------|
| SCHEDULE - N | | | | |
| SALARY, WAGES AND OTHER BENEFITS | | | | |
| Salary, Wages, Bonus and other Benefits | | 2432643.00 | | 2945846.00 |
| Staff Welfare | | 61779.00 | | 253368.00 |
| Contribution to Provident Fund & Other Funds | | 136306.00 | | 131578.00 |
| Provision for Gratuity | | 90000.00 | | 90000.00 |
| Remuneration to Directors | | 1200000.00 | | 1647500.00 |
| Total | | 3920728.00 | | 5068292.00 |
| SCHEDULE - O | | | | |
| FINANCING EXPENSES | | | | |
| <u>Interest On</u> | | | | |
| -Fixed Loans (WC & TL) | 1790295.00 | | 2010927.00 | |
| -Others | 209896.00 | 2000191.00 | 8569.00 | 2019496.00 |
| Bank charges | 58911.37 | 58911.37 | 50517.00 | 50517.00 |
| Total | | 2059102.37 | | 2070013.00 |
| SCHEDULE - P | | | | |
| ADMINISTRATION AND OTHER EXPENSES | | | | |
| Advertisement | | 24570.00 | | 21735.00 |
| Auditors Remuneration | | 50000.00 | | 50000.00 |
| Books & Periodicals | | 4405.00 | | 3694.00 |
| Business Promotion | | 22213.00 | | 48612.00 |
| Conveyance, Maintenance & Travelling | | 297363.00 | | 492096.00 |
| Fees and Taxes | | 501070.00 | | 125570.00 |
| Forfeiture of Earnest Security | | 0.00 | | 19000.00 |
| Insurance | | 83193.00 | | 141091.00 |
| Legal & Professional Charges | | 392662.00 | | 67500.00 |
| Misc. Expenditure written off | | 1077500.00 | | 1727500.00 |
| Office Expenses | | 15303.00 | | 16507.00 |
| Postage and Telephone | | 20176.00 | | 77270.00 |
| Printing & Stationary | | 70402.00 | | 50525.00 |
| Rent (Office) | | 60000.00 | | 65250.00 |
| Rent (D.G) | | 75000.00 | | 300000.00 |
| Security Charges (Works) | | 183000.00 | | 0.00 |
| Service Tax | | 5960.00 | | 6972.00 |

| | | |
|--|-------------------|-------------------|
| Telephone Expenses | 177205.00 | 227326.00 |
| Travelling Expenses | 25378.00 | 72734.00 |
| Vehicle Running & Maintenance | 26797.00 | 24533.00 |
| Water/Electricity Charges | 189931.00 | 218048.00 |
| Total | 3302128.00 | 3755963.00 |
| Previous Year Expenses | 0.00 | 21657.00 |
| Total | 3302128.00 | 3777620.00 |
| <u>SCHEDULE - Q</u> | | |
| SELLING AND DISTRIBUTION EXPENSES | | |
| Carriage Outward | 137745.00 | 126102.00 |
| Discount & Commission | 1064194.00 | 0.00 |
| Total | 1201939.00 | 126102.00 |

SCHEDULE - R

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES

1) BASIS OF ACCOUNTING

The accompanying financial statements are prepared under the historical cost conventions following accrual basis of accounting. Accounting policies not specifically referred to otherwise are consistent and in consonance with generally accepted accounting principles.

2) REVENUES RECOGNITION

The incomes and expenditures are accounted for on accrual basis. The sales are net of returns and inclusive of applicable excise duties.

3) FIXED ASSETS AND DEPRECIATION

The fixed assets are stated at historical cost less depreciation. The cost includes the cost of purchase or construction together with interest on borrowing for the purpose of acquiring fixed assets up to the date of commissioning of fixed assets and other incidental expenses incurred up to that date. Depreciation has been provided on straight-line method, on single shift basis, at the rates provided in Schedule xiv of the Companies Act, 1956.

4) EXCISE DUTY

CENVAT credits are taken into account at the time of purchase of Capital Goods and raw materials, to the credit of respective purchases and utilised for the clearance of goods manufactured. Expenditure in respect of excise duty on finished products is accounted for as and when the clearance is made from factory premises. The amount of excise duty payable on the finished goods, not cleared from the factory as at 31st March 2010, has not been added to the value of closing stocks of finished goods. However, the non-provision of such excise duty will not affect the profits for the year.

5) INTANGIBLE ASSETS

The preliminary and public issue expenses are written off over a period of ten years. The deferred revenue expenses are written off over a period of ten subsequent years.

6) BORROWING COSTS

Borrowing costs attributable to the acquisition, construction or production of an asset is capitalized as part of the cost of that asset. The borrowing costs, which are not related to fixed assets, are recognized as an expense in the period in which they are incurred.

7) INVENTORIES

The stocks of Raw Material and Stores & Spares are valued at cost price. The Finished Goods have been valued at cost or net realizable value whichever is less, work-in process is valued at estimated cost as certified by management. Goods in transit are carried at cost.

8) EMPLOYEE TERMINAL BENEFITS

The contribution to provident fund, under the defined contribution plans is charged to revenue. The Company has also provided towards the Gratuity benefits, of the eligible employees. No provision is made towards bonus during the year. No provision is made towards Leave encashment. The provisions for the above benefit relating to the current year are charged to the revenue.

9) INCOME TAXES

- a. No provision is made for income tax for the current year.
- b. Deferred income tax is provided using the asset method on all timing differences at the balance sheet date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes.
- c. Deferred tax assets are recognized only to the extent that there is reasonable / virtual certainty of their realization.
- d. Deferred tax assets and liabilities are measured using the tax laws that have been enacted or subsequently enacted at the balance sheet date.

B) NOTES TO ACCOUNTS

1. SHARE CAPITAL

1.1 The Call in arrears is NIL (Previous year Rs. 8,55,000/-). No amount is due from Directors and shareholders.

2. Secured Loans

2.1 The Term Loan from The Panchkula Central Cooperative Bank Limited is secured by first charge created by way of mortgage of Land, Building and other Fixed Assets present as well as future and by personal guarantees of two Directors of the Company. The Company has entered into an agreement on 26.09.2009 with the bank for the One Time Settlement (OTS) and the benefits arising from OTS has been accounted during the current year.

2.2 The Working Capital Loan from Canara Bank has been paid off fully during the financial year under one time settlement (OTS) with the bank vide their letter no. MSPNA: SYS: 10159:2007 dated 06.04.2007.

3. Current Liabilities and Provisions

3.1 The sundry creditors includes a sum of Rs. 57,44,990/- (Previous year Rs. 1,90,192/-) for creditors against Capital Goods and a sum of Rs. 39,78,394/- (Previous year Rs. 77,68,865/-) for other creditors. The balance of the sundry creditors are subject to confirmation.

3.2 The amount due to Small Scale Industrial undertakings is Rs. NIL (Previous year Rs. NIL) This has been compiled on the basis of information available with the Company, in respect of suppliers form Small Scale Industries.

3.3 Other Liabilities includes the tax deducted/collected at source amounting to Rs. 4,21,489/- (Previous year Rs. 3,31,138/-) and provident fund dues of Rs. 21,925/- (Previous year Rs. 21,992/-)

4. Fixed Assets

4.1 During the year the Company has made additions of Rs. 2,38,698/- (Previous year Rs. 25,11,399/-) till the time the assets were put to use and discarded and scrapped old assets worth Rs. 41,00,565/- (Previous Year NIL) from the fixed assets.

4.2 The management has certified the fixed assets installed and put to use & relied upon by the auditors, being a technical matter.

5. Loan & Advances

5.1 The amount of loans and advances in cash or kind or value to be received includes Rs. 2,16,694/- (Previous Year Rs. 2,16,694/-) as pending claims of the Company for Excise Duty refunds, which have not been accepted by the department. The Company has preferred an appeal to the Commissioner of Central Excise (Appeals) Gurgaon and CESAT New Delhi. In the matter, which is pending for consideration/ decision.

5.2 The Security Deposit include Earnest Money Deposit with customers/suppliers in the ordinary course of the business of the Company.

5.3 In the opinion of the Directors, the current assets, loan and advances are of the value stated, if realized in the ordinary course of business and the provisions for depreciation and all known liabilities is adequate and considered reasonable.

5.4 The inventory of stocks, stores and spares has been taken, valued and certified by the management.

5.5 The balance of sundry debtors are subject to confirmation.

6. Miscellaneous Expenditure

(to the extent not written off or adjusted)

| PARTICULARS | AS AT 31.03.2010 | AS AT 31.03.2009 |
|----------------------------|-----------------------------|-----------------------------|
| -Deferred Revenue Expenses | 4,82,650 | 15,05,000 |
| Total | 4,82,650 | 15,05,000 |

7. Contingent Liabilities

7.1

(Rs. / Lacs)

| Particulars | Current Year | Previous year |
|--|--------------|---------------|
| i) Disputed demands/show Cause Notice under Sales Tax, Customs and Excise / Income Tax | 164.26 | 4.60 |
| ii) Commitments on capital account | NIL | NIL |
| iii) Claim against the Company not acknowledged as debt | 45.28 | 45.28 |

7.2 The Company has received Eligibility Certificate for an amount of Rs. 411.00 lacs for Sales Tax Exemption for the period from 18.02.1997 to 17.02.2006 from The Commissioner of Industries Haryana based on which the Sales Tax Exemption Certificate was to be issued by the competent Sales Tax Authority. However, the Sales Tax Department filed a writ petition with the Hon'ble High Court of Punjab & Haryana, against the orders of the Commissioner of Industries, Haryana. The writ of the department has been dismissed by the Hon'ble High Court in its judgment pronounced on 05.08.2002. The Sales Tax Department has filed on appeal with Hon'ble Supreme Court of India against the orders of Hon'ble High Court of Haryana & Punjab. The Hon'ble Supreme Court of India has decided the case in the favour of Company vide their order dated 06.05.2010.

8. Sales & other Incomes

8.1 The processing charges pertain to the job work revenue earned by the Company during the year.

9. Material Cost

9.1 The Profit/Loss on sale of Raw Material has been included in Raw Material consumption.

10. Direct Factory Expenses

10.1 Repairs and Maintenance Machinery includes the following Expenses:

(Amount in Rupees)

| PARTICULARS | Current Year | Previous Year |
|---|--------------|---------------|
| -Repair & Maintenance Boiler | 38,778 | 12,399 |
| -Repair & Maintenance General | 27,894 | 13,310 |
| -Repair & Maintenance Building Including Tubewell | 14,454 | 21,015 |
| -Repair & Maintenance Electrical/Mechanical | 96,604 | 87,524 |
| Total | 1,77,730 | 1,34,248 |

11. Director's Remuneration

11.1 The following remuneration has been paid to Directors

(Amount in Rupees)

| PARTICULARS | Current Year | Previous Year |
|--|--------------|---------------|
| Managing / Whole Time Directors | | |
| Salary | 12,00,000 | 16,47,500 |
| Perquisites | NIL | NIL |
| Total | 12,00,000 | 16,47,500 |

12. Auditor's Remuneration

12.1 The remuneration paid to auditor is detailed as under:

(Amount in Rupees)

| PARTICULARS | Current Year | Previous Year |
|-----------------|--------------|---------------|
| Statutory Audit | 37,500 | 37,500 |
| Tax Audit | 12,500 | 12,500 |
| Total | 50,000 | 50,000 |

13. Related Party Disclosures

13.1 Key Managerial Personnel
Mr. Anil Nibber, Managing Director

13.2 No transaction of any nature was conducted with any party related to the key personnel, except for the remuneration paid to them, as reported in para 11.1 above.

14. Segment Reporting

The Company is working under one business segment only i.e. chemicals. These chemicals are having different applications. Besides there is not any significant variances on geographical basis, so the segment reporting defined under Accounting Standard 17 is not applicable to the Company.

15. Earning per share

| PARTICULARS | Current Year | Previous Year |
|--|--------------|---------------|
| Net profit After Tax Available for Equity Shareholders | 3,22,97,485 | (-) 83,77,399 |
| Number of Equity Shares at the beginning of the Year | 11,51,04,000 | 11,51,04,000 |
| Number of Equity Shares at the end of the Year | 11,39,02,000 | 11,51,04,000 |
| Basic Earning (in Rs.) Per Shares | 0.28 | NIL |
| Diluted Earning (in Rs.) Per Shares | 0.28 | NIL |

16. Deferred Taxes:

16.1 In accordance with Accounting Standard 22, "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India, the Company has provided for deferred tax during the year.

The accumulated net deferred tax assets is Rs. 18.10 lacs as on 31st March 2010 (Previous year for Rs. 145.98 Lacs)

A. Additional information pursuant to the provisions of paragraph 3, 4C and 4D of Part II of Schedule VI of the Companies Act, 1956 :

Particulars of Licensed Capacity, Installed Capacity & Production.

a) Licensed Capacity - Not Applicable

b) Installed Capacity per annum

| Products | Unit of Measure | Current Year | Previous Year |
|----------------------------|-----------------|--------------|---------------|
| Liquid Bromine | M.T. | 0.00 | 180.00 |
| Fexa Fenadine Intermediate | M.T. | 42.00 | 42.00 |
| Azacyclonol | M.T. | 24.00 | 24.00 |
| Atorva Intermediate | M.T. | 12.00 | 12.00 |
| Tetra Hydro Furan | M.T. | 720.00 | 720.00 |

c) Actual Production during the year

| Products | Unit of Measure | Current Year | Previous Year |
|--------------------------------|-----------------|----------------|---------------|
| Liquid Bromine | Kg. | 0 | 0 |
| THF | Kg. | 34920 | 0 |
| Other Chemicals & Intermediate | Kg. | 92414 | 63850 |
| Total | Kg. | #127334 | #63850 |

Excludes production of 2,77,517 Kgs. (Previous year 3,10,941.2 Kg) of various chemicals on job work basis.

B. Particulars of Stocks & Sales

Amount in Rs. / Lacs

| Products | Unit | Opening Stocks | | Closing Stocks | | Sales | |
|---------------------------------|----------------|----------------|-------------|----------------|-------------|--------------|--------------|
| | | Current | Previous | Current | Previous | Current | Previous |
| Liquid Bromine | Kg. | 615 | 621 | 0 | 615 | 615 | 6 |
| | Rs./Lac | 0.12 | 0.12 | 0 | 0.12 | 0.15 | 0.01 |
| Tetra Hydro Furan (THF) | Kg. | NIL | NIL | NIL | NIL | 34920 | NIL |
| | Rs./Lac | NIL | NIL | NIL | NIL | 29.02 | NIL |
| Other Chemicals & Intermediates | Kg. | NIL | NIL | 4294 | NIL | 88120 | 63850 |
| | Rs./Lac | NIL | NIL | 0.62 | NIL | 19.27 | 6.93 |
| Total | Kg. | 615 | 621 | 4294 | 615 | 63856 | 63856 |
| | Rs./Lac | 0.12 | 0.12 | 0.62 | 0.12 | 48.29 | 6.94 |

C. Consumption of Raw Material (Indigenous)

Amount in Rs. / Lacs

| Product | Current Year | | Previous year | |
|--------------|---------------|--------------|---------------|--------------|
| | Qty (Kg.) | Value | Qty (Kg.) | Value |
| Others | 157733 | 45.87 | 42221 | 17.05 |
| Total | 146297 | 45.87 | 42221 | 17.05 |

D. Consumption of Raw Material (Imported)

Amount in Rs. / Lacs

| Product | Current Year | | Previous year | |
|---------------------|--------------|------------|---------------|------------|
| | Qty (Kg.) | Value | Qty (Kg.) | Value |
| Others Raw Material | NIL | NIL | NIL | NIL |
| Total | NIL | NIL | NIL | NIL |

E. Value of import on CIF basic

Amount in Rs. / Lac

| Product | Current Year | Previous year |
|--------------|--------------|---------------|
| Raw Material | NIL | NIL |
| Total | NIL | NIL |

F. Expenditure in Foreign Currency

Amount in Rs. / Lac

| Product | Current Year | Previous year |
|-----------------------------|--------------|---------------|
| Foreign Travelling Expenses | NIL | NIL |

| | | |
|--------------------------|-----|-----|
| Other Payment / Expenses | NIL | NIL |
|--------------------------|-----|-----|

H. Value of Imported/indigenous Raw Material Consumed

Amount in Rs. / Lac

| Product | Current Year | | Previous year | |
|--------------|--------------|-------------|---------------|-------------|
| | Amount | %age | Amount | %age |
| Indigenous | 45.87 | 100% | 17.05 | 100% |
| Imported | NIL | NIL | NIL | NIL |
| Total | 45.87 | 100% | 17.05 | 100% |

17. Previous year's figures have been re-arranged and reclassified wherever necessary to make them comparable with the current year's figures. The amount have been rounded off to nearest rupee.

As per our attached report of even date
for BANSAL VIJAY & ASSOCIATES
Chartered Accountants

For & on behalf of the Board

(VIJAY KUMAR)
PARTNER
M.NO. 093412
FRN : 014930N
PLACE : PANCHKULA
DATE : 13.08. 2010

(KULDEEP KUMAR)
DIRECTOR

(ANIL NIBBER)
MG. DIRECTOR

**ADDITIONAL INFORMATION AS REQUIRED UNDER PART IV
BY SCHEDULE IV TO THE COMPANIES ACT, 1956**

1. Registration Details

| | | |
|--------------------------|-----------------|-------------------------------------|
| Registration No. : 32195 | State Code : 05 | Balance Sheet Date : March 31, 2010 |
|--------------------------|-----------------|-------------------------------------|

2. Capital Raised during the year (Amount in Rs. / Lacs)

| | | | |
|--------------|-----|-------------------|--------|
| Public Issue | Nil | Right Issue | Nil |
| Bonus Issue | Nil | Private Placement | 110.00 |

3. Position of Mobilization and Deployment of Funds (Amount in Rs. / Lacs)

| | | | |
|-------------------------|---------|-----------------------------|---------|
| Total Liabilities | 1521.31 | Total Assets | 1521.31 |
| Sources of Funds | | Application of Funds | |
| Paid-up Capital | 1139.02 | Net Fixed Assets | 909.95 |
| Share Application Money | 110.50 | Net Current Assets | 152.41 |
| Reserves & Surplus | 76.27 | Deferred Tax Assets | 18.10 |
| Secured Loan | 170.52 | Misc. Expenditure | 4.27 |
| Unsecured Loan | 25.00 | Profit and Loss Balance | 437.58 |

4. Performance of the Company (Amount in Rs. / Lacs)

| | | | |
|-------------------------|--------|-------------------|--------|
| Turnover | 703.99 | Total Expenditure | 388.52 |
| Profit Before Tax | 323.20 | Profit After Tax | 322.98 |
| Earning Per Share (Rs.) | 0.28 | Dividend @ % | Nil |

5. Generic Name of One Principal Products of Company

| | |
|---------------------|-------------------|
| Item Code No. | -- |
| Product Description | Tetra Hydro Furan |

For & on behalf of the Board

PLACE : PANCHKULA
DATE : 13.08.2010

(KULDEEP KUMAR)
DIRECTOR

(ANIL NIBBER)
MG. DIRECTOR

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

| PARTICULARS | YEAR ENDED 31.03.2010 | YEAR ENDED 31.03.2009 |
|--|--------------------------------------|--------------------------------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net Profit before tax and extraordinary items | 32319521 | -8377399 |
| Add : | | |
| Depreciation | 6384231 | 6312675 |
| Deferred Revenue Expenses w/off | 1077500 | 1727500 |
| Interest Charged | 2000191 | 2019496 |
| Operating Profit before working capital changes | 41781443 | 1682272 |
| Adjustment for :- | | |
| Inventories | -6330000 | -2000 |
| Receivables | 984368 | 5087437 |
| Trade Payables | 11512948 | 5808972 |
| Other Receivable / Advances | 22669851 | 1570949 |
| Cash Generated from operations | 70618610 | 14147630 |
| Deduct : | | |
| Income Tax / FBT Paid | 22036 | 50000 |
| Interest Paid | 2000191 | 2019496 |
| Net Cash from Operating Activities | 68596383 | 12078134 |
| B. CASH FROM INVESTING ACTIVITIES | | |
| Purchase / Sale of Fixed Assets (Net) | -10444914 | -2526075 |
| Deferred Revenue Expense | 0 | 0 |
| Net Cash used in investing activities | -10444914 | -2526075 |
| C. CASH FLOW FROM FINANCIAL ACTIVITIES | | |
| Proceeding from Share Capital | 11280500 | 0 |
| Repayment / Receipt of loans (Net) | -65332752 | -10189073 |
| Net Cash used from Financing Activities | -54052252 | -10189073 |
| Net Increase in Cash and Cash Equivalent | 4099217 | -637014 |
| Cash and Cash Equivalent as at 31.03.2009 (Opening Balance) | 498674 | 1135688 |
| Cash and Cash Equivalent as at 31.03.2010 (Closing Balance) | 4597891 | 498674 |

SYSCHEM (INDIA) LIMITED

Registered Office : VILLAGE Bargodam, Tensil. Kalka, Distt. PANCHKULA – 133 302

ATTENDANCE SLIP

SEVENTEENTH ANNUAL GENERAL MEETING
Wednesday, September 29, 2010 at 11.00 A.M.

Name and Address

*DP ID No. : _____

Folio No. / *Client ID No. : _____ No. of Shares held : _____

I/We hereby record my presence at the Seventeen Annual General Meeting of the Company held on Wednesday, Sepember 29, 2010 at 11.00 A.M. at Village Bargodam, Tensil Kalka, Distt. Panchkula – 133 302.

Member's / Proxy's Signature

* Applicable for the members holding shares in electronic form.

Note : Shareholder / Proxy holder wishing to attend the meeting must bring the Admission Slip to the meeting and hand over at the entrance, duly signed.

SYSCHEM (INDIA) LIMITED

Registered Office : VILLAGE Bargodam, Tensil. Kalka, Distt. PANCHKULA – 133 302

FORM OF PROXY

I/We _____ of _____
being Member (s) of SYSCHEM (INDIA) LIMITED, hereby appoint _____ of _____
_____ or failing him / her _____ of _____
_____ or failing him / her _____ of _____
_____ as my/our Proxy to vote for me/us on my/our behalf at the
Seventeenth Annual General Meeting of the Company to be held on Wednesday, 29th September, 2010 at
11.00 A.M. and at any adjournment(s) thereof.

Signed this ____ day of _____ 2010.

Affix
Rs. 1/-
Revenue
Stamp

- NOTE :**
1. The Proxy Form should be signed across the Revenue Stamp as per specimen signature(s) r registered with the Company.
 2. The Proxy Form must be deposited at the Registered Office of the Company not later than FORTY EIGHT HOURS before the time fixed for holding the aforesaid Meeting.
 3. A Proxy need not be a Member.