

**31<sup>st</sup> ANNUAL REPORT**

**OF**

**SYSCHEM(INDIA) LIMITED**

**AS AT**

**31<sup>ST</sup> MARCH, 2024**

**BOARD OF DIRECTORS**

MR. RANJAN JAIN  
MS. ARSHDEEP KAUR  
MR. SUNINDER VEER SINGH  
MRS. NEENA BATRA  
MRS. RENU RAWAT

**REGISTERED OFFICE**

VILLAGE BARGODAM, TEHSIL KALKA, DISTT  
PANCHKULA – 133 302  
HARYANA  
EMAIL : info@syschem.in

**CORPORATE OFFICE**

SCO 825, 1<sup>ST</sup> FLOOR,  
NAC, MANI MAJRA,  
CHANDIGARH – 160 101  
EMAIL- info@syschem.in  
WEBSITE: [www.syschem.in](http://www.syschem.in)

**AUDITORS**

M/s STAV &Co.  
#3130-P, SECTOR 22-D  
CHANDIGARH – 160022

**COMPANY SECRETARY**

Mrs. ShikhaKataria

**CHIEF FINANCIAL OFFICER**

Mr. Sanjeev Agrawal

**BANKERS**

**HDFC Bank Ltd**  
SCO 844, NAC Manimajra , Chandigarh  
160101

**Yes Bank Ltd**  
SCO 83, Sector 46, Chandigarh-160047



**SYSCHEM (INDIA) LIMITEDs**  
**Regd.Off.:**Village BARGODAM, Tehsil Kalka, Distt.  
Panchkula (Haryana) Tel.No.:0172-5070472;  
CIN:L24219HR1993PLC032195,  
Website:www.syschem.in; Email:info@syschem.in

**NOTICE**

NOTICE is hereby given that 31<sup>st</sup>Annual General Meeting of the shareholders of Syschem (India) Limited will be held on, Wednesday the **07<sup>th</sup> day of August, 2024 at 3:30.00 P.M**through Video Conferencing (VC) / Other Audio Visual Means (OAVM)to transact the following business :-

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Financial Statement for the Financial Year ended 31st March 2024 together with the reports of the Board of Directors and Auditors thereon
2. To appoint a Director in place of Mr. Ranjan Jain (**DIN: 00635274**) who retire by rotation and being eligible, offers himself for re-appointment.

**SPECIAL BUSINESS:**

3. **TO APPROVE MATERIAL RELATED PARTY TRANSACTIONS FOR THE FINANCIAL YEAR 2025-26:**  
*To Consider and, if thought fit, to pass with or without modifications, the following resolution as ordinary resolution.*

**“RESOLVED THAT** pursuant to the provisions of Section 188 of the Companies Act, 2013 read with Companies (Meeting of Board and Its Powers) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 and provisions of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement), 2015 (Listing Regulations) as amended till date and in accordance with the Provisions of Section 188 and all other provisions of Companies Act, 2013 (this Act) if any and the rules made there under(including any statutory modification(s) or re-enactment thereof, for the time being in force) read with Company`s Related Party Transactions Policy, approval of the members be and is hereby accorded for the related party contracts for the transactions of sale and purchase with the related parties as detailed in the Explanatory Statement for the transactions of availing or rendering of any services and other transactions which will be in ordinary course of business and at arm's length upto the maximum value of transactions as mentioned herein below:

<b>S.No</b>	<b>Name of Related Party</b>	<b>Particular of Contract/Arrangement</b>
1	Pharma Care International	Sale, purchase or supply of goods and material, availing and rendering of services, selling or otherwise disposing off or buying properties of any kind, leasing of property of any kind and other transactions in the ordinary course of the company's business upto the maximum value of 1000 Cr(One

		Thousand Crores)
2	JB Khokhani& Co	Sale, purchase, supply of any goods, including raw materials, finished products, scrap and capital goods, carrying out/availing job-workand hire of facilities, availing/ rendering of marketing/ business transfer and other services, leasing of factory/ office premises/facilities/ corporate guarantee or any other transactions of an Amount of Rs. 100 Cr (One Hundred Crore)
3	Indosol Export	Sale, purchase, supply of any goods, including raw materials, finished products, scrap and capital goods, carrying out/availing job-work and hire of facilities, availing/ rendering of marketing/ business transfer and other services, leasing of factory/ office premises/facilities/ corporate guarantee or any other transactions of an amount up to of Rs. 100Cr.(One Hundred Crores)

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do or cause to be done all such acts, deeds and things, settle any queries, difficulties, doubts that may arise with regard to any transactions with the related party, make such changes to the terms and conditions as may be considered necessary or desirable in order to give effect to this resolution in the best interest of the Company.”

**4. TO APPROVE THE REMUNERATION OF THE COST AUDITOR FOR THE FINANCIAL YEAR ENDING MARCH 31<sup>st</sup>, 2025.**

***To Consider and ifthought Fit, To Pass, with or without Modification(s), The Following Resolution as Ordinary Resolution:***

“**RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any Statutory Modification(s) or re-enactment thereof, for the time being in force), **M/s Mohit Aggarwal &Co., Cost Accountant (Firm Reg No.:004301)** appointed by the Board on the recommendation of the Audit Committee of the Company, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2025, be paid the remuneration of Rupee 45000/- as set out in the Statement annexed to the Notice convening this Meeting;

“**RESOLVED FURTHER THAT** the Board of Directors of the Company or the Company Secretary be and are hereby authorized to do all deeds and things which are necessary for the aforesaid appointment and to send the necessary intimation in prescribed form to Registrar of Companies”.

**5. TO APPROVE AND RECTIFY THE RELATED A PARTY TRANSACTIONS BEING CORPORATE GUARANTEE ISSUED BY THE COMPANY ON BEHALF OF PHARMACARE INTERNATIONAL, A PARTNERSHIP CONCERN**

*To Consider and, if thought fit, to pass with or without modifications, the following resolution as ordinary resolution.*

**“RESOLVED THAT** pursuant to the provisions of Section 179, read with Section 186 of the Companies Act, 2013, and the rules made there under, including the statutory modifications and re-enactments thereof, for the time being in force, and subject to the compliance with the provisions of and the limits envisaged under Section 186 of the Companies Act, 2013, Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015, as amended from time to time (“SEBI Listing Regulations”) and subject to such other necessary compliances, permissions and approval as may be required in the matter, the approval of the members be and is hereby accorded to ratify the related party contract/arrangement /transactions to extend the corporate guarantee and provide security (creating charge on the assets of the Company) in respect of credit facilities availed from banks/financial institutions by M/s Pharmacare International, a partnership concern, in which the Directors of the company are not concerned or interested, for an amount not exceeding Rs 50 crores (Rupees Fifty Crores only).

**FURTHER RESOLVED THAT** Mr. Ranjan Jain (DIN: 00635274), Managing Director and/or Mr. Suninder Veer Singh (DIN: 07693557), Whole Time Director of the company be and are hereby jointly and/ or severally authorized to sign all necessary papers, guarantee agreements, deeds, contracts and arrangement letters as may be agreed and required in this regard and to do all such acts, things and deeds as may be required from time to time to give effect to this resolution.”

**6. APPOINTMENT OF MR. VIVEK TREHAN, DIN:03140346(AS (NON –EXECUTIVE ) DIRECTOR OF THE COMPANY**

*To Consider and, if thought fit, to pass with or without modifications, the following resolution as Special resolution*

**“RESOLVED THAT** pursuant to the provisions of Sections 152, 161 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) read with the Companies (Appointment and Qualification of Directors) Rules of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being in force) and relevant provision of Listing Obligations and Disclosures Requirement (LODR), 2015 as amended from time to time and pursuant to the notice received under section 160 of the Act and the recommendation of the Nomination and Remuneration Committee and the Board of Directors, Mr. Vivek Trehan (DIN: 03140346) who was appointed as an Additional Director (Non-Executive) of the Company with effect from July 2, 2024 and who holds office upto the date of this Annual General Meeting, be and is hereby appointed as a Non-executive Director of the Company, liable to retire by rotation, with effect from the original date of appointment i.e. July 2, 2024.

**RESOLVED FURTHER THAT** the Board of Directors of the Company and/or Company Secretary of the company be and are hereby severally authorized to do all such acts, deeds, matters and things as may be considered necessary or expedient for giving effect to this resolution, inter-alia, filings of required forms / documents with the Ministry of Corporate Affairs and Stock Exchanges and / or other authorities as may be required.”

## **7. TO CONSIDER AND APPROVE SYSCHEM INDIA LIMITED EMPLOYEES STOCK OPTION SCHEME – 2024**

To consider and if thought fit, to pass with or without modification(s), the following resolution(s) as **SPECIAL RESOLUTION**:

**“RESOLVED THAT** pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under (including any amendment(s) or modification(s) or re-enactment(s) thereof for the time being in force) and in accordance with the Memorandum of Association and Articles of Association of the Company, the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (*“SEBI LODR Regulations”*) and other applicable provisions of the Securities and Exchange Board of India (Share Based Employee Benefits & Sweat Equity) Regulations, 2021 (*“SEBI SBEB & SE Regulations”*), and subject further to such other approval(s), permission(s) and sanction(s) as may be considered necessary and such conditions and modifications as may be prescribed or imposed while granting such approval(s), permission(s) and sanction(s) and pursuant to the recommendation received from Board of Directors of the Company, the consent of the members of the Company be and is hereby accorded to the introduction and implementation of **“Syschem India Limited Employees Stock Option Scheme– 2024” (“Scheme”)** and the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee, which the Board has constituted to exercise its powers, including the powers, conferred by this resolution) be and is hereby authorized to create, grant, offer, issue and allot under the scheme, in one or more tranches, a maximum of 10,00,000 (Ten Lakh) Employees Stock options (or such other adjusted figure for any bonus, stock splits or consolidations or other reorganization of the capital structure of the Company as may be applicable from time to time) exercisable into not more than 10,00,000 (Ten Lakh) equity shares of face value Rs. 10/- each fully paid up, (or such other adjusted figure for any bonus, stock splits or consolidations or other reorganization of the capital structure of the Company as may be applicable from time to time) to or for the benefit of such eligible employee(s)/ person(s) as designated by the Company, within the Scheme of the Company (other than promoters or persons belonging to the promoter group of the Company, Independent Directors and Directors holding directly or indirectly more than 10% of the outstanding Equity Shares of the Company), on such terms and conditions as may be fixed or determined by the Board in accordance with the Scheme.

**RESOLVED FURTHER THAT** consent of the shareholder of the Company be and is hereby accorded to the Board to create, grant, offer, issue and allot at any time or over a period of time, to or for the benefit of, such persons, who are permanent employees of the Company, whether working in India or outside India, and/or to the Directors of the Company, whether whole-time or not but excluding Independent Director(s), (selected on the basis of criteria decided by the Board in consultation with Nomination and Remuneration Committee) under the **“Syschem India Limited Employees Stock Option Scheme– 2024”** Scheme but excluding employees who are promoters or persons belonging to the promoter group and director(s) who either himself or through his relatives or through anybody corporate, directly or indirectly, holds more than 10% of the outstanding equity shares of the Company, such number of employee stock option not exceeding 10,00,000 in number (Hereinafter referred to as “Options”) ,convertible into equivalent number of equity shares (or such other number adjusted for change in capital structure or corporate actions in terms of **Syschem India Limited Employees Stock Option Scheme– 2024”** Scheme as per applicable law), at such price and on such terms and conditions as may be fixed or determined by the Board in its sole and exclusive discretion.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to formulate, evolve, decide upon and implement the “**Syschem India Limited Employees Stock Option Scheme– 2024**” Scheme on the terms and conditions contained therein and stated in the explanatory statement annexed hereto including instances where such Options shall lapse and to grant such number of Options, to such employees and Directors of the Company, at par or at such other price, at such time and on such terms and conditions as set out in the “**Syschem India Limited Employees Stock Option Scheme– 2024**” Scheme and as the Board may in its absolute discretion think fit, subject to applicable laws and to make any modification(s), change(s), variation(s), alteration(s) or revision(s) in terms and conditions of the “**Syschem India Limited Employees Stock Option Scheme– 2024**” Scheme from time to time including but not limited to amendments with respect to vesting period, exercise price, eligibility criteria, vesting schedule, vesting conditions, withdraw or revive the “**Syschem India Limited Employees Stock Option Scheme– 2024**” Scheme, as the Board may in its absolute discretion think fit, subject to applicable laws.

**RESOLVED FURTHER THAT** as per its Terms of Reference, the Nomination and Remuneration Committee, shall act as the Compensation Committee in terms of Regulation 5(1) and 5(2) of the SEBI SBEB Regulations and shall be authorized to administration, implement, supervise and alter the Syschem India Limited Employees Stock Option Scheme– 2024”Scheme, in the manner as it may deem fit, in accordance with the provisions of the Act, SEBI SBEB Regulations, Listing Regulations, FEMA (including any statutory amendment, modification(s) or re-enactment of the Act or the SEBI SBEB Regulations or Listing Regulations or FEMA for the time being in force) and other rules, regulations and guidelines, if any, Memorandum and Articles of Associations of the Company and authorized to do all acts and deeds, which shall include but not limited to, determine the criteria of the employee who will be eligible to grant of Options under the Syschem India Limited Employees Stock Option Scheme– 2024”, the quantum and type of Options to be granted to employee of the company as defined in the **Syschem India Limited Employees Stock Option Scheme– 2024**”, the number of options to be granted in each tranche, the terms or combination of terms subject to which the said Options are to be granted, the exercise period, the vesting period, the vesting conditions, instances where such Options shall lapse and to grant such number of Options, to such eligible employees of the Company, at par or at such other price, at such time and on such terms and conditions as set out in the **Syschem India Limited Employees Stock Option Scheme– 2024**”Scheme and as the Nomination and Remuneration Committee may in its absolute discretion deem fit, and to do all such acts, deeds and things as may be required, and to execute all such deeds, documents, writings, including but not limited to the grant letter, award agreement and to give such directions and/or instructions as may be necessary for proper administration and implementation of the Syschem India Limited Employees Stock Option Scheme– 2024”Scheme and to determine, in its absolute discretion, all the questions of interpretation, disputes, discrepancy or disagreement which shall arise under, or as a result of, or pursuant to, or in connection with the **Syschem India Limited Employees Stock Option Scheme– 2024**”Scheme.

**“RESOLVED FURTHER THAT** the equity shares so issued and allotted as mentioned hereinbefore shall rank pari -passu with the then existing equity shares of the Company.”

**RESOLVED FURTHER THAT** in case of any corporate action(s) such as rights issues, bonus issues, merger, sale of division or other reorganization of capital structure of the Company, as the case may

be, the number of Options and / or the shares to be allotted upon exercise of Options shall be reasonably adjusted in accordance with the provisions of the “**Syschem India Limited Employees Stock Option Scheme– 2024**” Scheme and in case of sub-division or consolidation of shares then the number of shares and the exercise price shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of Rs. 10/- per Equity Share bears to the revised face value of the Equity Shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the grantees who have been granted options under the Scheme.

**“RESOLVED FURTHER THAT** the Board be and is hereby authorized to take requisite steps for listing of the equity shares allotted under the Plan on the stock exchanges where the equity shares of the Company are listed in due compliance with SEBI SBEB & SE Regulations and other applicable laws.”

**“RESOLVED FURTHER THAT** the Company shall conform to the accounting policies prescribed from time to time under the SEBI SBEB & SE Regulations and any other applicable laws and regulations to the extent relevant and applicable to the Plan.”

**“RESOLVED FURTHER THAT** the Board be and is hereby authorized at any time to modify, change, vary, alter, amend, suspend or terminate the Plan subject to the compliance with the applicable laws and regulations and to do all such acts, deeds, matters and things as it may deem fit at its absolute discretion, for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard without being required to seek any further consent or approval of the Members and further to execute all such documents, writings and to give such directions and or instructions as may be necessary or expedient to give effect to such modification, change, variation, alteration, amendment, suspension or termination of the Plan and do all other things incidental and ancillary thereof in conformity with the provisions of the Companies Act, 2013, SEBI SBEB & SE Regulations, the Memorandum and Articles of Association of the Company and any other applicable laws in force.”

**“RESOLVED FURTHER THAT** the Board, be and is hereby authorized to do all such acts, deeds, and things, as may, at its absolute discretion, deems necessary including authorizing or directing to appoint merchant Bankers, brokers, solicitors, registrars, compliance officer, investors service Centre and other advisors, consultants or representatives, being incidental to the effective implementation and administration of the Plan as also to make applications to the appropriate authorities, parties and the institutions for their requisite approvals and all other documents required to be filed in the above connection and to settle all such questions, difficulties or doubts whatsoever which may arise and take all such steps and decisions in this regard.”

#### **Item no. 8**

#### **TO EXTEND THE LIMIT OF RELATED PARTY TRANSACTIONS FOR THE FINANCIAL YEAR 2024-25**

***To Consider and, if thought fit, to pass with or without modifications, the following resolution as ordinary resolution.***



**“RESOLVED THAT** pursuant to the provisions of Section 188 of the Companies Act, 2013 read with Companies (Meeting of Board and Its Powers) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 and provisions of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement), 2015 (Listing Regulations) as amended till date and in accordance with the Provisions of Section 188 and all other provisions of Companies Act, 2013 (this Act) if any and the rules made there under(including any statutory modification(s) or re-enactment thereof, for the time being in force) read with Company’s Related Party Transactions Policy and in supersession of the earlier resolution passed by the shareholders in this respect in their Annual general meeting held on 23<sup>rd</sup> September, 2023, approval of the members of the company be and is hereby accorded to increase the amount of maximum transactions Limit for the related parties contract(s), entered or to be entered for the sale/ purchase/rendering of services etc. with the related parties for the Financial year 2024-25, as detailed in the Explanatory Statement for the transactions of availing or rendering of any services and other transactions which will be in the ordinary course of business and at arm's length upto the maximum value of transactions as mentioned herein below:

Sr. No	Name of Related Party	Particular of Contract/Arrangement	Maximum Transactions limit approved in AGM dated 23 <sup>rd</sup> September 2023	Revised Transactions Limited
1	Pharma Care International	Sale, purchase or supply of goods and material, availing and rendering of services, selling or otherwise disposing off or buying properties of any kind, leasing of property of any kind and other transactions in the ordinary course of the company’s business.	500 Cr (Five Hundred Crores)	1000 Cr (One Thousand Crores)
2	JB Khokhani& Co	Sale, purchase, supply of any goods, including raw materials, finished products, scrap and capital goods, carrying out/availing job-work and hire of facilities, availing/ rendering of marketing/ business transfer and other services, leasing of factory/ office premises/facilities/ corporate guarantee or any other transactions.	100 Cr (Hundred Crores)	100 Cr (One Hundred Crores)
3	Indosol Export	Sale, purchase, supply of any goods, including raw materials, finished products, scrap and capital goods, carrying out/availing job-work and hire of facilities, availing/ rendering of marketing/ business transfer and	50 Cr (Fifty Crores)	100 (One Hundred Crores)

		other services, leasing of factory/ office premises/facilities/ corporate guarantee or any other transactions.		
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**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do or cause to be done all such acts, deeds and things, settle any queries, difficulties, doubts that may arise with regard to any transactions with the related party, make such changes to the terms and conditions as may be considered necessary or desirable in order to give effect to this resolution in the best interest of the Company.”

Place: Chandigarh

Date: 2<sup>nd</sup> July, 2024

By order of the Board of Directors

**SYSCHEM (INDIA) LIMITED**

**Ranjan Jain**

**(Managing Director)**

**DIN:00635274**

## NOTES

1. An Explanatory Statement pursuant to Section 102 and 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, setting out the material facts and reasons for the resolutions in respect of the businesses set out above is annexed hereto. A copy of the Annual General Meeting (AGM) Notice is also available on the company's [www.syschem.in](http://www.syschem.in), CDSL Website [www.evotingindia.com](http://www.evotingindia.com) and at the relevant sections of the websites of the BSE Limited.
2. The shareholders who have not yet registered their email address are requested to get their email addresses registered by following the procedure given below:

Pursuant to the Circulars issued by Ministry of Corporate Affairs, for remote e-voting for this AGM, shareholders who have not registered their email address and in consequence the e-voting notice could not be served to them may temporarily get their email address registered with the Company's Registrar and Share Transfer Agent, **M/s Beetal Financial & Computer Services Private Limited**, having their office at Beetal House, 3rd Floor, 99, Madangir, Bh. Local Shopping Complex, Near Dada Harsukhdas Mandir, New Delhi – 110 062. Ph No. : 011-29961281-82. Shareholders may write the request to register/update their E-mail address with RTA to the email: [beetalrta@gmail.com](mailto:beetalrta@gmail.com). Post successful registration of the email, the shareholder would get soft copy of the notice and the procedure for e-voting along with the User ID and Password to enable e-voting for the AGM.

3. In accordance with the MCA Circulars Nos. 20/2020 Dated 5<sup>th</sup> May 2020, 2/2022 dated 5<sup>th</sup> May 2022 and 10/2022 dated 28<sup>th</sup> December 2022 and subsequent circulars issued in this regard, the latest being 09/2023 dated September 25, 2023 read with circulars issued by the Securities and Exchange Board of India ('SEBI') in this regard, dated May 12, 2020, January 15, 2021, May 13, 2022, January 5, 2023, October 6, 2023 and October 7, 2023 (collectively referred to as 'SEBI Circulars'), the Notice along with the Integrated Report is being sent electronically to only those Members whose email addresses are registered with the Company/ Depositories/Registrar & Transfer Agent/Depository Participants.
4. The deemed venue for the 31<sup>th</sup> AGM will be VILL-Bargodham Tehsil –Kalka DisttPanchkula, Harayana.
5. In Compliance with the aforesaid, this Notice together with annual report 2023-24 is being sent only through electronic mode to those members whose email address are registered with the company/ depositories. Copies of the Notice and annual report will be uploaded on the company's website at [https://www.syschem.in/investors\\_RESOURCES.html](https://www.syschem.in/investors_RESOURCES.html), website of stock exchange of India Ltd. at [www.bseindia.com](http://www.bseindia.com).
6. Members attending AGM through VC/OAVM, shall be counted for the purpose of reckoning the quorum be counted for the purpose of reckoning the quorum under the provisions of the Act.
7. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM shall be counted for the purpose of reckoning the quorum under the provisions of the Act.
8. Since the AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility to appoint proxies by the members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

9. The Statement pursuant to Section 102(1) of the Companies Act, 2013 relating to Special Business to be transacted at the meeting is annexed hereto and forming part of this Notice.
10. The Register of members and share transfer Books of the Company will be closed from **01<sup>th</sup> August, 2024 to 07<sup>th</sup> August 2024 (both days inclusive)**.
11. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and Secretarial Standard on General Meetings as issued by the Institute of Company Secretaries of India ('SS-2'), each as amended, read with other applicable SEBI/MCA Circulars, the Company is providing to its Members the facility of remote e-Voting before the Meeting as well as during the Meeting in respect of the business to be transacted at the AGM as provided in the Notice. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
12. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
13. The attendance of the Members attending the AGM through VC / OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
14. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.syschem.in](http://www.syschem.in). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com). The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).
15. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA. dated 5<sup>th</sup> May, 2020 and subsequent circulars issued in this regards, the latest being general circulars no. 09/2023 dated September, 2023(Collectively referred as MCA circulars)has permitted the holding of the Annual General meeting through other Audio –Visual means('OAVM) without Physical presence of the members..
16. In compliance with the MCA Circulars, the Company has published a public notice by way of an advertisement made dated 03.07.2024in Jansatta (In Hindi) and Financial Express (In English) in Chandigarh and Delhi, advising the members whose e-mail ids are not registered with the Company, its

Registrar and Share Transfer Agent (RTA) or Depository Participant(s) (DPs), as the case may be, to register their e-mail ids with them.

17. The Portal for E-voting will remain open for the Members for exercising their voting from **Sunday 04<sup>th</sup> August, 2024** at 09:00 AM India Standard Time ('IST') till **Tuesday, August 06, 2024 at 05:00 PM** (IST) both days inclusive. The E-voting needs to be exercised by 05:00 PM (IST) on Tuesday, 06<sup>th</sup> August, 2024. Please note that E-voting module will be disabled for e-voting by CDSL after the said date and time. During this period, the Members of the company holding shares either in physical form or dematerialized form, as on Wednesday, 31<sup>st</sup> July, 2024 ('cut-off date'), may cast their vote electronically. Once vote on a resolution is cast by the member, he/she shall not be allowed to change it subsequently or cast the vote again.
18. Since AGM will be held through VC/OAVM, the Route Map is not annexed in the Notice.
19. Members holding shares in physical form are requested to notify / send the following to the Registrar & Transfer Agent (RTA) of the Company M/s Beetal Financial & Computer Services Private Limited, having their office at Beetal House, 3<sup>rd</sup> Floor, 99, Madangir, Bh. Local Shopping Complex, Near Dada Harsukhdas Mandir, New Delhi – 110 062. Ph No. : 011-29961281-82.
  - a. their **E-mail ID**, in case the same have not been sent earlier, for the purpose of receiving the communication electronically
  - b. any change in their address / E-mail ID / ECS Mandate / Bank details
  - c. Share Certificate(s), held in multiple accounts in identical names or joint accounts in the same order of names, for consolidation of such shareholding into one account
  - d. their Bank account details in order to receive payment of dividend, whenever declared, through electronic mode, as and when it would be declared
- B. Members holding shares in dematerialized form are requested to notify to their Depository Participant :-
  - a. their E-mail ID.
  - b. all changes with respect to their address, E-mail ID, ECS mandate and Bank details.
20. The Securities and Exchange Board of India has notified that the shareholders / transferee of shares (including joint holders) holding shares in physical form are required to furnish a certified copy of their Income Tax Permanent Account Number (PAN) Card to the Company / RTA while transacting in the securities market including transfer, transmission or any other corporate action. Accordingly, all the shareholders / transferees of shares (including joint holders) in physical form are requested to furnish a certified copy of their PAN Card to the Company / RTA while transacting in the securities market including transfer, transmission or any other corporate action.
21. The shares of the Company are under compulsory Demat trading. Members holding shares in physical form are requested to convert their shares into dematerialized form in their own interest and convenience purpose.
22. To support the Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form

and with M/s Beetal Financial & Computer Services Private Limited in case the shares are held by them in physical form.

23. Details under Listing Regulations, 2015 in respect of the Directors seeking appointment / re-appointment at the AGM, is separately annexed hereto. The Directors seeking appointment / re-appointment have furnished the declaration under Rule 14 of the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Section 164(2) of the Companies Act, 2013 and other requisite declarations for their appointment / re-appointment.
24. Members holding shares in physical form and desirous of making a nomination or cancellation / variation in nomination already made in respect of their shareholding in the Company, as permitted under Section 72 of the Companies Act, 2013, are requested to submit to the RTA of the Company M/s Beetal Financial & Computer Services Pvt. Ltd. the prescribed Form SH 13 for nomination and Form SH 14 for cancellation / variation as the case may be. Members holding shares in demat mode may contact their respective Depository Participant for availing this facility.
25. The Board of Directors has appointed CS Kanwaljit Singh, Company Secretary in Practice (Membership No. FCS 5901), as Scrutinizer for scrutinizing the E-voting in a fair and transparent manner.
26. The result of AGM will be posted on the Company's website [www.syschem.in](http://www.syschem.in) CDSL's website [www.evotingindia.com](http://www.evotingindia.com) and will be communicated to be BSE Limited ('BSE').
27. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
28. Members are advised to refer to the Shareholders General Information as provided in the Annual Report.

**THE INTRUCTIONS FOR SHAREHOLDRES FOR REMOTE E-VOTING ARE AS UNDER:**

- (i) The voting period begins on, **04<sup>th</sup>August, 2024** at 9.00 AM and ends on **Tuesday, 06<sup>th</sup>August, 2024** at 5:00 PM. During this period, shareholders 'of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of **Thursday, July 31, 2024** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/ retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

(iii) In terms of **SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020**, on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for **Individual shareholders holding securities in Demat mode** is given below:

Type of shareholders	Login Method
<p>Individual Shareholders holding securities in Demat mode with CDSL</p>	<p>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to remote-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</p> <p>2) After successful login the Easi / Easiest user will be able to see the e-Voting Menu. On clicking the E voting menu, the user will be able to see his/her holdings along with links of the respective e-Voting service provider i.e. CDSL/NSDL/KARVY/LINKINTIME as per information provided by Issuer / Company. Additionally, we are providing links to e-Voting Service Providers, so that the user can visit the e-Voting service providers' site directly.</p> <p>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi./Registration/EasiRegistration">https://web.cdslindia.com/myeasi./Registration/EasiRegistration</a></p> <p>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be provided links for the respective</p>
	<p>ESP where the E Voting is in progress.</p>

<p>Individual Shareholders holding securities in demat mode with NSDL</p>	<p>1) If you are already registered for NSDL IDeAS facility, please visit - Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the homepage of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select "Register Online for IDeAS" Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting</p>
<p>Individual Shareholders (holding securities in demat mode) login through Their Depository</p>	<p>You can also login using the login credentials of your demat account Through your Depository Participant registered with NSDL/CDSL fore-Voting facility. After Successful login, you will be able to see Voting option you click one-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you Can see e-Voting feature. Click on company name or e-Voting service Provider name and you will be redirected to e-Voting service Website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>



<b>Participants</b>	
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**Important note:** Members who are unable to retrieve UserID/Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**HelpdeskforIndividualShareholdersholdingsecuritiesindematmodeforanytechnicalissuesrelated to login through Depository i.e. CDSL and NSDL**

<b>Login type</b>	<b>Helpdesk details</b>
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022-23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call toll free no.: <b>18001020990</b> and 1800 22 44 30

(i) Login method of e-Voting for **shareholders other than individual shareholders & physical shareholders.**

- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- 2) Click on "Shareholders" module.
- 3) Now enter your User ID

- a. For CDSL: 16 digits beneficiary ID,
- b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
- c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged onto [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

	<b>For Shareholders holding shares in Demat form other than individual and Physical Form</b>
PAN	<p>Enter your 10 digit alphanumeric* PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>• Shareholders who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>

Dividend Bank Details <b>OR</b> Date of Birth(DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>
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- (ii) After entering these details appropriately, click on “SUBMIT” tab.
- (iii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (iv) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (v) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (vi) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (vii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (viii) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (ix) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (x) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xi) If a demat account holder has forgotten the login password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

**(xii) Facility for Non – Individual Shareholders and Custodians – Remote Voting**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporate” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favor of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [info@syschem.in](mailto:info@syschem.in), if

they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

**PROCESS FORTHOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **beetalrta@gmail.com**.

2. For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID+CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to **beetalrta@gmail.com**.

If you have any queries or issues regarding e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 022-23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

Place: Chandigarh  
Date: 02, July, 2024

By order of the Board of Directors  
for **SYSCHEM (INDIA) LIMITED**

**SD/-**  
**Ranjan Jain**  
**(Managing Director)**  
**DIN:00635274**

## **EXPLANATORY STATEMENT PURSUANT TO PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013**

### **ITEM NO. 3**

The members are hereby informed that the majority of the businesses of the company are executed with **Pharmacare International**, a partnership concern in which none of the director or their relative is interested as a partner or otherwise. Hence Pharma Care International is not related as per the Companies Act, 2013. However as per the recent amendments in Regulation 2(1)(zb) and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirement), 2015, any person or entity holding 20% or more of the shareholding in the Company shall deemed to be related Party. Further as per amended provision 23(4) of the SEBI (Listing Obligations and Disclosure requirement), 2015 prior permission of members is required for all material related party transactions. Sine Company is doing major business with the Pharmacare, hence permission of the members is hereby sought. The Audit Committee has already approved the same. Further the approval in the previous Annual General Meeting has already been taken for Financial Year 2024-25 and seeking approval for the Financial Year 2025-26 up to a value of 1000 Crores (One Thousands Crore).

The members are hereby informed that the company has executed transactions (Purchase and sale) with **JBK Khokhani& Co**, in which none of the director or their relative is interested as a partner or otherwise, But Promoters are the directors in the Co. Hence JBK Khokhani& Co is not related as per the Companies Act, 2013. However as per the recent amendments in Regulation 2(1)(zb) and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirement), 2015, any person or entity holding 20% or more of the shareholding in the Company shall deemed to be related Party. Further as per amended provision 23(4) of the SEBI (Listing Obligations and Disclosure requirement), 2015 prior permission of members is required for all material related party transactions. Sine Company is doing business with the JBK Khokhani&Co, hence permission of the members is hereby sought. The Audit Committee has already approved the same. Further the approval has already been taken for Financial Year 2024-25 in the previous Annual General Meeting and now Company seek approval for the Financial Year 2025-26 up to a value of 100 Crores (One Hundred Crore).

The members are hereby informed that the company has executed transactions (Purchase and sale) with **Indosol Export**, in which none of the director or their relative is interested as a partner or otherwise, But Promoters are the directors in the Co. Hence Indosol Export is not related as per the Companies Act, 2013. However as per the recent amendments in Regulation 2(1)(zb) and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirement), 2015, any person or entity holding 20% or more of the shareholding in the Company shall deemed to be related Party. Further as per amended provision 23(4) of the SEBI (Listing Obligations and Disclosure requirement), 2015 prior permission of members is required for all material related party transactions. Sine Company is doing business with the Indosol Export; hence permission of the members is hereby sought. The Audit Committee has already approved the same. Further the approval has already taken 2024-25 in the previous Annual General Meeting, and now Company seek approval for the Financial Year 2025-26 up to a value of 100 Crores (One Hundred Crore).

The Board recommends passing of the proposed Ordinary Resolution.

**ITEM NO.4:**

The Board on the recommendation of the Audit Committee has approved the appointment of **M/s. Mohit Agrawal & Associates**, Cost Auditors at remuneration of Rs. 45,000/- plus Goods and Service Tax (GST) as applicable to conduct the audit of the cost records of the Company for the financial year ending March 31, 2025. In accordance with the provisions of the Sec 148 of the Act read with the Companies (Audit & Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company. Accordingly consent of the members is sought. The Directors recommends the resolution for members' approval as an Ordinary Resolution. None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise in this resolution.

**ITEM NO.5:**

The members are hereby informed that Pharmacare International, a partnership concern with whom the Company is having majority of the business transactions of the company are executed, in which none of the Director or their relative is interested as a partner or otherwise. Hence, M/s Pharmacare International is not a related party to the company as per the provisions of Companies act, 2013. However, as per the recent amendment in Regulation 2(1)(zb) and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirement), 2015, any person or entity holding 20% or more of the shareholding in the company shall be deemed to be a related party.

The Company provided corporate guarantee and security on the Credit Facilities taken by Pharmacare International of an amount of Rs 50 Crores only after Shareholders approval in the Extra Ordinary General Meeting dated 9th April, 2022. As the partnership concern being a related party as per SEBI (Listing Obligations and Disclosure Requirement), 2015 So Now Company hereby seeks approval from shareholders to extend their approval for the same. As per recent amendment in the in regulation 23 of LODR, (Listing Obligations and Disclosure Requirement), 2015, prior approval of shareholders is required, so Company hereby seeks approval from the shareholders to extend Corporate guarantee and security for the payment of credit facilities to HDFC Bank on behalf of Pharmacare. As per Regulation 2 (1)(zb) of Listing Regulation and Regulation 23 of SEBI Listing Regulations. Pharmacare International is an entity related to promoter group members of your Company.

The Particulars of Corporate Guarantee/ Related Party transactions are given below:

<b>Name of Related Party</b>	<b>Description of Corporate Guarantee / Transaction</b>	<b>Total Transaction Value (Rs. in Crore)</b>
Pharmacare International	Corporate guarantee and/ created charge on the assets of the Company to secure the due repayment of the credit facility(ies) granted in favor of HDFC Bank Limited of Rs.50 crore by HDFC Bank Limited	50

The other particulars of aforesaid Corporate Guarantee/Related Party Transaction are as below:

Name of Related Party	Name of Director or Key Managerial Personnel of the Company who is related Party, if any	Nature of Relationship/ position in Pharmicare International	Material Terms of the Corporate Guarantee / contract or arrangement	Any other information relevant or important for the members to take a decision on the proposed resolution
Pharmacare International	NIL	Pharmacare International is an entity related to Promoters group members of the Company	Guarantee is provided by company to repay the Loan if the Related party fails to repay, Exclusive charge by way of hypothecation of 1. all the plant and machinery consisting of all movable assets being movable properties now stored at or being stored or which may hereafter be brought into or stored at or at present installed at all the locations. 2. all the security providers moveable properties including its moveable plant and machinery, machinery spares, tools and Accessories and other moveable's)	-

#### **ITEM NO.6**

The Board of Directors, on the recommendation of the Nomination & Remuneration/Compensation committee (NRC), had appointed Mr. Vivek Trehan (DIN: 03140346) as an Additional Director (Independent) of the Company as per the provisions of Sections 152 and 161 of the Companies Act, 2013 ("the Act") with effective from 2nd July 2024, subject to the approval of the members. In terms of Regulation 17(1C) of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 ("Listing Regulations"), the listed entity shall ensure that approval of shareholders for appointment of a person on the Board of Directors is taken at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier.

Mr. Vivek Trehan is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given her consent to act as Director. The Company has also received declarations and Disclosure of Interests from him that he meets the criteria under the provisions of Listing Regulations. In the opinion of the Board, he fulfills the conditions for appointment as Director as specified in the Act and the rules made there under, and the Listing Regulations and is also independent of the management. The Company received the Notice in written from a member proposing his recommendation for the appointment as Director

The Board is of the view that he is having rich experience in corporate affairs would prove of immense benefit to the Company in its various engagements with regulatory authorities. Considering his expertise and knowledge, it is in the interest of the Company that he is appointed as Director (Non Executive) of the Company. The details required under the provisions of Secretarial Standard-2 on General Meetings read with Listing Regulations are provided as Annexure 1 hereto.

Except Mr. Vivek Trehan, none of the Directors, Key Managerial Personnel of the Company and any of their relatives are not in any way, concerned or interested in the resolution, except to the extent of shares in the company that may be held by them or their relatives or any entity in which they may be deemed to be concerned or interested.

The Board recommends the Special Resolution set out at Item No. 6 of this Notice for approval of the shareholders

None of the Directors and Key Managerial Personnel of the Company or their relatives is directly or indirectly concerned or interested in this Resolution.

#### **ITEM NO.7**

In the present competitive scenario, equity based compensation is considered to be an integral part of employee benefits which enables alignment of personal goals of the employees with the organizational objectives by giving them an opportunity to participate in the ownership of the Company through share based compensation scheme/plan. The Board of Directors of the Company (hereinafter referred to as the “**Board**”) has identified the need to enhance the employee engagement, to reward the employees for their association and performance as well as to motivate them to contribute to the overall growth and profitability of the Company and to create a sense of ownership and participation amongst them.

In view of this, the Company has formulated “**Syschem India Limited Employees Stock Option Scheme– 2024**”, for the present and/or future permanent employees of the Company in accordance with the applicable laws.

Hence, in terms of the provisions of Securities and Exchange Board of India (Share Based Employee Benefits & Sweat Equity) Regulations, 2021 and Section 62 and other applicable provisions of the Companies Act, 2013, issue of Shares to persons other than the existing Members of the Company requires an approval of the existing Members by way of a Special Resolution and accordingly, the **Special Resolution at Item No. [7], seeks your approval** for the issue of further Equity Shares under the “**Syschem India Limited Employees Stock Option Scheme– 2024**”(“Scheme”), to the eligible employees of the Company, as may be determined by the Board.

**The main features and other details of the Scheme as per Regulation 6(2) read with Part C of Schedule I of SEBI (SBEB & SE) Regulations, 2021 and Section 62 of the Companies Act, 2013 read with Rule 12 of Companies (Share capital and Debentures) Rules, 2014 are as under:**

**1. Brief description of the Scheme**

**“Syschem India Limited Employees Stock Option Scheme– 2024”** is intended to reward the eligible employees as selected by the Nomination and Remuneration Committee (also referred to as “NRC Committee”/Compensation Committee)], for their performance and to motivate them to contribute to the growth and profitability of the Company and also to retain them by way of issuing employee stock options. Subject to applicable law and terms and conditions of the Scheme, the eligible employees shall be entitled to subscribe to the equity shares within certain time period (“Exercise Period”) upon fulfillment of such conditions (“Vesting”) and payment of an exercise price (“Exercise Price”).

**2. The Objective of the Scheme are:**

The Objective of the Scheme includes the followings:

- To attract relevant talent into the Company to drive its growth plans;
- To motivate the Employees to contribute to the growth and profitability of the Company;
- To retain the Employees and reduce the attrition rate of the Company;
- To achieve sustained growth and the creation of shareholder value by aligning the interests of the Employees with the long-term interests of the Company;
- To create a sense of ownership and participation amongst the Employees to share the value they create for the Company in the years to come; and
- To provide additional deferred rewards to Employees.

**3. Total number of Options to be granted under the Scheme.**

The maximum number of options to be granted under Scheme shall not exceed 10,00,000 (Ten Lakh) options convertibles into equal number of equity shares of the Company of face value Rs. 10/- each.

It is clarified that, in case of any corporate action(s) such as rights issues, bonus issues, merger, sale of division or other reorganization of capital structure of the Company, as the case may be, the number of Stock Options and/or the shares to be allotted upon exercise of Stock Options, the issue/ exercise price, shall be reasonably adjusted in accordance with the provisions of the **“Syschem India Limited Employees Stock Option Scheme– 2024”**, the SEBI Regulations and other applicable laws.



#### **4. Identification of classes of employees entitled to participate and be beneficiaries in Scheme.**

An Employee shall be eligible to participate in the Scheme, as determined by the NRC Committee. Only Employees as defined herein are eligible under “**Syschem India Limited Employees Stock Option Scheme– 2024**”. Subject to this, the Committee shall, at its sole discretion, determine, which Employee or category of employees shall be eligible for Grant of Options and the terms of Grant thereof and accordingly, the company would offer the Options to the identified Eligible Employees based on the performance, experience, loyalty, etc.

The definition of Employees for the purpose of “**Syschem India Limited Employees Stock Option Scheme– 2024**” shall mean:

- (i) a permanent employee on the rolls of the company as designated by the Company from time to time, who is exclusively working in India or out of India; or
- (ii) a director of the company, whether a whole-time director or not, including a non-executive director, who is not a promoter and member of the promoter group, but excluding an independent director; or

but does not include:

- (a) a contractual employee of the Company; or
- (b) an Employee or Director who is a Promoter or a person belonging to the Promoter Group of the Company; or
- (c) a Director who either himself or through his Relative or through any Body Corporate directly or indirectly, holds more than ten percent of the outstanding equity shares of the Company; or
- (d) an Independent Director and Non- Executive Director of the Company;

#### **5. Requirement of Vesting and period of Vesting**

The details of vesting and vesting period are as under:

- 5.1 Vesting Period shall commence from the Grant Date subject to minimum of 1 (One) year from the Grant Date and a maximum of 4 (Four) years from the Grant Date, at the discretion of and in the manner prescribed by the Committee and set out in the Grant Letter.
- 5.2 Vesting of Options can vary from Grantee to Grantee as per the discretion of the Committee whose decision shall be final and binding.
- 5.3 The vesting schedule will be clearly defined in their Grant Letter of respective Grantees subject to minimum and maximum Vesting Period as specified in article 5.1 above.

However, the Vesting schedule shall be as follows until and unless changed by the Committee:

<b>Time Period</b>	<b>% of Options to be vested</b>
At the end of 1st year from the grant date	25% of the Options Granted
At the end of 2nd year from the grant date	25% of the Options Granted
At the end of 3rd year from the grant date	25% of the Options Granted
At the end of 4th year from the grant date	25% of the Options Granted

- 5.4 The Board shall have the freedom to specify a lock-in period for the equity Shares issued pursuant to the Exercise of Option. Such lock-in period, if any, may be specified in the Offer Letter.
- 5.5 As a pre-requisite of vesting, the Grantee is required to be in employment or service of the Company on the date of vesting and must neither be serving the notice of termination of employment / service, nor be subject to any disciplinary proceedings pending against the Grantee on such date of vesting. In case of any disciplinary proceedings against any Grantee, the Committee can keep the relevant vesting in abeyance until disposal of the proceedings and such Vesting shall be determined accordingly.
- 5.6 The Vesting would be subject to the continued employment of the Grantee and may further be linked with the certain performance and other criteria's, as determined by the Committee and mentioned in the Grant Letter.
- 5.7 Further any fraction entitlement, to which the Grantee would become entitled to upon Vesting of Options (other than the last tranche of vesting), then the Options to be actually vested be rounded off to the nearest lower integer. Accordingly, in the last vesting, the number of the Options to be vested shall include the Options which were not earlier vested due to fraction adjustment.
- 5.8 The Vesting of Options shall be communicated to the eligible Grantees in writing through vesting letter.
- 5.9 The Grantee is not required to pay any amount at the time of Vesting of Options.

**6. Maximum period within which the options shall be vested**

The options granted under Scheme shall vest as may be decided by the Committee subject to maximum period of 4 (Four) years. Vesting of Options would be subject to continued employment with the Company, or as the case may be, on the date of vesting.

**7. Exercise Price or Pricing Formula:**

The Exercise Price shall be based on the Market Price of the Company which shall mean the latest closing price on a recognized stock exchange on which the shares of the company are listed on the date immediately prior to the date of meeting of committee on which grant is to be made.

The Committee has a power to provide suitable discount on such price as arrived above. However, in any case the Exercise Price shall not go below the par value of equity share of the Company.

**8. Exercise period and process of Exercise:**

The Vested Options shall be exercisable according to the terms and conditions as determined and set forth under the scheme and the details of which are given as under.

8.1 After Vesting, Options can be Exercised either wholly or partly, during the exercise window, within the overall exercise period of 3 (Three) years from the date of respective Vesting, through Cash Mechanism after submitting the Exercise application along with payment of the Exercise Price, applicable taxes and other charges, if any.

8.2 For para8.1, Exercise window within which vested options can be exercised shall be opened as per timeline as stated in the SOP as may be decided by the Committee from time to time.

8.3 Failure to comply within this time period, shall result in lapsing of Vested Options in the hands of Grantee. The amount paid by the Employee, if any, for the Exercise of Options may be refunded, if the Options are not Exercised by the Employee within the Exercise Period.

8.4 The mode and manner of the Exercise shall be communicated to the Grantees individually as decided by the Committee from time to time.

8.5 Upon valid exercise the Company will allot requisite number of Shares to the Grantee. Shares so allotted shall rank pari-passu to the existing Shares of the Company.

8.6 Upon such allotment, the Grantee shall become a member of the Company.

8.7 Subject to the approval of the Recognized Stock Exchanges, the Shares issued and allotted pursuant to Exercise shall be listed on the Recognized Stock Exchanges on which the Shares of the Company are listed or proposed to be additionally listed.

8.8 Notwithstanding anything contained elsewhere in the Scheme, the Company, may not allot Shares, in the event of the Grantee being found to be involved in fraud, misfeasance, moral turpitude, misconduct, gross negligence, breach of trust and in such an event(s) the rights under the Options (whether vested or not) shall lapse, forthwith, without any claim on, or recourse to the Company.

- 8.9 If the Vesting or Exercise of Options is prevented by any law or regulation in force and/or the Company is forbidden to allot the Shares pursuant to Exercise of Options under such law or regulation, then in such an event the Company shall not be liable to compensate the Grantee.
- 8.10 The Committee shall have the power to cancel all or any of the Options Granted under the Scheme, if so required, under any law for the time being in force or the order of any jurisdictional court. In the event of any such cancellation, the Company shall not be liable to compensate the Grantee.
- 8.11 In order to Exercise the Options of the deceased Grantee, the legal heirs / Nominee have to submit the documents as stated in the SOP which the company will intimate from time to time, to the satisfaction of the Committee.

Exercise of the Options shall take place at the time and place designated by the Committee or the Company and by executing such documents as may be required under the Applicable Laws to pass a valid title to the relevant Shares to the Participant, free and clear of any liens, encumbrances and transfer restrictions save for those set out therein.

An Option shall be deemed to be exercised only when the Committee receives notice of exercise and the Exercise Price in accordance with Scheme from the person entitled to exercise the Option.

On exercise, the Participant can subscribe to the shares on the full payment of the Exercise price and taxes, if any, required to be deducted by the company in respect of exercise of the Option, and the Company shall allot the Shares to the Participants after completing the necessary formalities in this regard, or, if requested in writing by the Participant, to the Participant jointly with another person, provided the Committee / Company finds the Exercise form complete and conditions of the Scheme are complied with. Subsequent to allotment, no Participant should seek to sell or otherwise transfer the Shares until there is a confirmation from the Company that the listing procedures with respect to the allotted Shares have been completed.

In order to make the "Syschem India Limited Employees Stock Option Scheme– 2024" more attractive to the employee, there would not be any lock-in period for the shares issued consequent upon exercising the options under the "Syschem India Limited Employees Stock Option Scheme– 2024".

Notwithstanding anything else contained in this Scheme, if the Participant does not Exercise his Vested Options within the time specified in this Scheme, such unexercised, the Options shall lapse.

There shall be no cashless exercise of the Options. Further there shall not be any funding of financing by the Company for Exercise of Options.

**Exercise in certain special cases:**

<b>S. No.</b>	<b>Events of Separation</b>	<b>Vested Options</b>	<b>Unvested Options</b>
1.	<b>Death</b>	All the vested Options Granted as on date of death would vest in the legal heirs / nominee of the Grantee on that day. The Options would be exercisable by the legal heirs /nominee during the exercise window, within the overall exercise period of 1 (One) year from the date of death, failing which all the Unexercised Options shall lapse irrevocably and the rights there under shall Be extinguished.	All the unvested Options as on date of death would vest in the legal heirs/nominee of the Grantee on that day. The Options would be exercisable by the legal heirs /nominee during the exercise window, within the overall exercise period of 1 (One) year from the date of death, failing which all the Unexercised Options shall lapse irrevocably and the rights there under shall Be extinguished.
2.	<b>Permanent Incapacity</b>	All Vested Options Granted to Grantee as on date of Permanent Incapacity would vest in Grantee on that day. The Options would be exercisable by the Grantee during the exercise window, within the overall exercise period of 1 (One) year from the date of permanent incapacity, failing which all the Unexercised Options shall lapse irrevocably and the rights there under shall be Extinguished	All Unvested Options Granted to Grantee as on date of Permanent Incapacity would vest in Grantee on that day. The Options would be exercisable by the Grantee during the exercise window, within the overall exercise period of 1 (One) year from the date of permanent incapacity, failing which all the Unexercised Options shall lapse irrevocably and the rights there under shall be extinguished

3.	<b>Resignation</b>	All Vested Options shall be exercisable by the Grantee in the upcoming exercise window from the last working day failing which all the Unexercised Options shall lapse irrevocably and the rights there under shall be extinguished.	All Unvested Options, on the date of last working day shall expire and terminated with effect from that date unless otherwise determined by the Committee whose decision will be final and binding.
4.	<b>Retirement /Superannuation</b>	All Vested Options shall be exercisable by the Grantee in the upcoming exercise window from the last working day failing which all the Unexercised Options shall lapse irrevocably and the rights there under shall be extinguished	All the Unvested Options would continue to vest in accordance with the respective vesting schedules even after the last working day. The Options upon getting vest would be exercisable during the exercise window as applicable in case of vested options, failing to which all the unexercised options shall lapse irrevocably and the rights there under shall be extinguished
5.	<b>Termination</b> <i>(not due to misconduct, moral turpitude or ethical/compliance violations or like event)</i>	All Vested Options shall be exercisable by the Grantee in the upcoming exercise window from the last working day failing which all the Unexercised Options shall lapse irrevocably and the rights there under shall be Extinguished	All Unvested Options, on the date of termination, shall expire and stand terminated with immediate effect.
6.	<b>In the event of cessation of employment due to termination</b> <i>(due to misconduct ,moral turpitude or ethical compliance violations or like event)</i>	All the vested Options at the time of such termination shall stand cancelled with effect from the date of such termination.	All the Unvested Options at the time of such termination shall stand cancelled with effect from the date of such termination.

**9. Appraisal process for determining the eligibility of the Employees to Scheme:**

The Nomination and Remuneration Committee may on the basis of all or any of the following criteria, decide on the Employees / Grantees who are eligible for the grant / vesting of Options under the Scheme and the terms and conditions thereof.

- Loyalty: It will be determined on the basis of tenure of employment of an Employee / Grantee in the Company/ Subsidiary Company (ies)/ Associate Company (ies)/ Holding Company.
- Performance of Employee / Grantee: Employee's / Grantee's performance during the financial year in the Company/ Subsidiary Company (ies)/ Associate Company (ies)/ Holding Company on the basis of the parameters decided by the Board of Directors.
- Performance of Company: Performance of the Company as per the standards set by the Board of Directors.
- Any other criteria as decided by the Nomination and Remuneration Committee in consultation with Board of Directors from time to time.

**10. The Maximum number of Options to be granted per employee and in aggregate**

The maximum number of Options that can be granted to any eligible Employee during any one year shall not be equal to or exceed 1% of the issued capital of the Company at the time of grant. The Committee may decide to grant such number of Options equal to or exceeding 1% of the issued capital to any eligible employee as the case may be, subject to the obtaining separate approval of the shareholders in a general meeting.

The maximum number of options to be granted under this scheme shall not exceed 10,00,000 (Ten Lakh), which shall be convertible into equal number of Equity Shares.

**11. The Maximum quantum of benefits to be provided per Employee under the scheme**

The maximum quantum of benefits that will be provided to every eligible Employee under the Scheme will be the difference between the market value of Company's Share on the Stock Exchanges as on the date of exercise of Options and the Exercise Price paid by the Employee.

**12. Whether the scheme(s) is to be implemented and administered directly by the company or through a Trust:**

It is clarified that "Syschem India Limited Employees Stock Option Scheme– 2024", is not proposed to be implemented through Trust. There won't be any secondary market acquisition for the purpose of implementation of the Scheme. The Scheme will be implemented directly by the Company.

**13. Whether the scheme involves new issue of shares by the company or secondary acquisition by the Trust or both**

Implementation of the Scheme would involve new issue of equity shares. There won't be any secondary market acquisition for the purpose of implementation of the Scheme.

**14. The amount of loan to be provided for implementation of the scheme by the company to the Trust, its tenure, utilization, repayment terms, etc.;**

Subject to Applicable Law, the company may make available a bridge loan to assist the employee to pay up and exercise the vested Options. This loan shall be subject to the terms and conditions as the company may stipulate at the time of grant of loan.

**15. The Maximum percentage of secondary acquisition (subject to limits specified under the regulations) that can be made by the Trust for the purposes of the scheme.**

There won't be any secondary market acquisition for the purpose of implementation of the Scheme.

**16. Disclosure and accounting policies:**

The Company shall make all the necessary disclosures required under the provisions of the SEBI (SBEB & SE) Regulations, the relevant parts of Schedule I of SEBI (SBEB & SE) Regulations, The Companies Act, 2013, and any other Applicable Law for the time being in force. The Company shall comply with the requirements of IND – AS 102 and shall use Fair value method and the fair value of Options would be calculated as per the prescribed method under the applicable regulations.

The Company shall comply with the accounting policies prescribed under Regulation 15 of the SEBI (SBEB & SE) Regulations or as may be prescribed by regulatory authorities from time to time.

**17. The method which the Company shall use to value its Options.**

The Company shall comply with the requirements of IND-AS and shall use Fair Value method.

**18. Statement with regard to Disclosure in Director's Report.**

As the company is adopting fair value method, presently there is no requirement for disclosure in director's report. However, if in future, the Company opts for expensing of share based employee benefits using the intrinsic value, then the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value, shall be disclosed in the Directors' report and the impact of this difference on profits and on earnings per share ("EPS") of the company shall also be disclosed in the Directors' report.'

**19. Period of Lock In**

There shall be a minimum vesting period of one year between grant and vesting. Options Granted to an Employee shall not be transferable to any person. Subject to special provisions relating to the case of death of an employee before exercise of options (as mentioned above), no person, other than the



Participant, shall be entitled to the benefit arising out of under “**Syschem India Limited Employees Stock Option Scheme– 2024**”.

It is also clarified that the stock options granted under the “**Syschem India Limited Employees Stock Option Scheme– 2024**” shall not be pledged, hypothecated, mortgaged or otherwise alienated in any manner.

There would not be any lock-in period for the shares issued consequent upon exercising the options under the “**Syschem India Limited Employees Stock Option Scheme– 2024**”.

**20. Terms & conditions for buyback, if any, of specified securities covered under these regulations**

There is no buyback arrangement or commitment by the Company in respect of any shares or securities issued/ allotted under “**Syschem India Limited Employees Stock Option Scheme– 2024**”.

**21. Conditions under which option vested in employees may lapse**

In the event of cessation of employment due to Termination (due to misconduct or ethical/ compliance violations), all Options, whether vested or unvested shall be dealt with as under in accordance with Scheme.

<b>In the event of cessation Of employment due to termination</b> <i>(due to misconduct, moral turpitude or ethical/compliance Violations or like event)</i>	All the vested Options at the time of such termination shall stand cancelled with effect from the date of such termination.	All the Unvested Options at the time of such termination shall stand cancelled with effect from the date of such termination.
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**22. Specified time period within which the employee shall exercise the vested options in the event of a proposed termination of employment or resignation of employee**

In the event of cessation of employment due to Resignation or Termination (not due to misconduct or ethical/ compliance violations) all Options, whether vested or unvested shall be dealt with as under in accordance with Scheme.

<b>Retirement /Superannuation</b>	All Vested Options shall be exercisable by the Grantee in the upcoming exercise window from the last working day failing which all the Unexercised Options shall lapse irrevocably and the rights there under shall be extinguished	All the Unvested Options would continue to vest in accordance with the respective vesting schedules even after the last working day. The Options upon getting vest would be exercisable during the exercise window as applicable in case of vested options, failing to which all the unexercised options shall lapse irrevocably and the rights there under shall be extinguished
<b>Termination(not due to misconduct, moral turpitude or ethical/compliance violations or like event)</b>	All Vested Options shall be exercisable by the Grantee in the upcoming exercise window from the last working day failing which all the Unexercised Options shall lapse irrevocably and the rights there under shall be Extinguished	All Unvested Options, on the date of termination, shall expire and stand terminated with immediate effect.

In terms of Section 62 of the Companies Act, 2013 and Regulation 6(1) of Securities and Exchange Board of India (Share Based Employee Benefits & Sweat Equity) Regulations, 2021, the approval of the Shareholders is sought by way of Special Resolution for the approval of the “**Syschem India Limited Employees Stock Option Scheme– 2024**” and issuance of shares under this Scheme.

**Item no.8**

The Company had already taken approval of the Related Party transactions under section 188 of Companies Act, 2013 and other relevant provisions of the SEBI (listing Obligations and Disclosures requirements), 2015 in the previous Annual General Meeting held on 23<sup>rd</sup> of September, 2023 for the financial year 2024-25. However in view of ongoing transaction with the related parties, it is desirable to increase the transaction limit and on the recommendations of the Audit Committee in its meeting dated 1<sup>st</sup> July, 2024, the Board of Directors of the company in its meeting held on 2<sup>nd</sup> July, 2024 approved the increase in transaction limit and details of the revised approved transaction limit are as under

<b>Name of the Party</b>	<b>Original Maximum Transaction Limit approved</b>	<b>Revised Maximum Transaction Limit</b>
Pharmacare International	500 Cr(Five hundred crores)	1000 Cr(One thousand crores)

		in one or more tranches
Indosol Export	from 50 Cr(Fifty crores)	100 Cr(One hundred crores) in one or more tranches

**Annexure****Details of Director seeking appointment/re-appointment at the Annual General Meeting**

(Pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SS-2 on General Meeting)

<b>Name of the Director</b>	Ranjan Jain
<b>Date of Birth and Age</b>	09.11.1966
<b>Date of Appointment</b>	13.01.2015
<b>Qualifications</b>	Graduate in Economics with Working Experience in the Pharma field for more than 22 Years.
<b>Expertise in Specific functional areas</b>	Mr. Ranjan Jain, the Executive Managing Director of the Company having a degree in Economics and has over 22 years of experience in the Industry and associated from 2011 in Syschem India Limited, has spearheaded the Company's growth and diversification into its respective business areas. He is deeply involved in the day to day affairs of the Company and mainly in Finance sector. He is part of shareholders committee also, in the long duration with the Company he has been in various leadership positions including Whole Time Director, Managing Director.
<b>No. of Board Meetings attended during the Financial Year 2023-24</b>	11
<b>Remuneration last drawn</b>	27 Lakhs (Twenty Seven Lakhs)
<b>Relationship with any Director(s) and Key Managerial Personnel of the Company</b>	Not Related
<b>Directorship of other Companies as on 31<sup>st</sup> March, 2024</b>	NIL
<b>Chairmanship(s)/Membership(s) of Committees of other Companies as on 31<sup>st</sup> March, 2024</b>	1, Member of Stakeholders Committee
<b>Number of Shares held in the Company</b>	34,80,386

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For other details such as number of shares held, number of meetings of the Board attended during the year remuneration drawn in respect of the aforesaid Director; please refer to the Corporate Governance Report.

**Information of Directors seeking appointment/change in remuneration**

**Details of Mr. Vivek Trehan, DIN: DIN: 03140346, for appointment as the Director of the Company**

<b>Particulars</b>	Mr. Vivek Trehan
<b>Date of Birth</b>	28.04.1961
<b>Age</b>	62 years
<b>Date of Appointment</b>	2 <sup>nd</sup> July, 2024
<b>Qualification</b>	Member of institute of Company Secretaries of India.(Professional)
<b>Expertise in specific Functional area/Brief Profile</b>	Having more than three decades of Professional and 9 years of pre-qualification experience in Secretarial, Legal and other allied fields. Have gained rich experience in all secretarial matters, legal fields, Board, Audit and Committee Meetings, Corporate Governance, Arrangements and mergers, Arbitration matters, listing, Organizing meetings and conferences, public issues and various others allied fields. Have exhibited ability to quickly assess and prioritize issue of importance to the organizations and respond to needs effectively. Demonstrated strong leaderships and team building skills. Also have steered Secretarial and Legal departments of many organizations successfully. Having worked with a Central Govt. Public Sector Undertaking as Company Secretary and Legal Head, had liaison with Union Ministers, Secretaries, Additional and Joint Secretaries and other high profile personnel of Central and State Govt., Public and Private Sector.
<b>Name of the Listed entity in which he/she hold Interest in the previous 3 years.</b>	NIL
<b>Directorship in all other public Companies except foreign companies and companies under Section 8 of the Companies Act, 2013</b>	NIL
<b>Membership/ Chairman of the Committees of the Board of other public limited companies (Membership/Chairmanships of only Audit Committees and stakeholders Relationship Committees in other public</b>	NIL

<b>limited Companies have been considered)</b>	
<b>Number of shares held in the Company</b>	NIL
<b>Shareholding of non-executive directors In the listed entity, including shareholding as beneficial owner</b>	NIL
<b>Terms and Conditions of appointment</b>	As decided by the Board
<b>Number of meetings of the Board attended during the financial year 2023-24</b>	As appointed with effect from 2 <sup>nd</sup> July, 2024, So NIL
<b>Sitting Fee proposed to be paid</b>	60000 P.A.
<b>Relationship with directors/Promoters inter-se</b>	Not Related

## DIRECTORS' REPORT

Dear Members,

The Directors have pleasure in presenting before you the 31<sup>st</sup> Annual Report together with the Audited Accounts of the Company for the year ended 31<sup>st</sup> March, 2024.

### FINANCIAL RESULTS :-

The financial results of the Company for the year under review are summarized for your consideration:

<b>Particulars</b>	<b>2023-2024 (Amount in Lakh)</b>	<b>2022-2023 (Amount in Lakh)</b>
Gross Income(Operations)	23347.69	13037.69
Expenses	22953.39	12447.44
Profit / Loss Before Interest and Depreciation	711.13	887.29
Interest	20.95	1.96
Depreciation	278.87	270.26
Exceptional Item		
Net Profit / (Loss) Before Tax	411.31	615.07
Provision for Tax		
Deferred Tax	135.17	163.76
Net Profit / (Loss) After Tax	276.14	451.31

### STATE OF COMPANY'S AFFAIRS / BRIEF DESCRIPTION OF THE COMPANY'S WORKING DURING THE YEAR / HIGHLIGHTS / OPERATIONS

During the year under review, your Company registered total revenue of **23364.69 lakhs** as compared to last year figure as **13062.51 Lakhs** respectively. The net profit of the Company this year is **Rs. 276.14 Lakhs** as compared to previous year where Company incurred a **Profit of Rs451.31Lakhs** due to management optimistic approach Company is able to grow and convert its losses into profits.

### DIVIDEND :-

Your Directors have not recommended any dividend in the current financial year.

### GENERAL RESERVE:

The Company has not transferred any amount to any reserves.

### TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

The provisions of Section 125(2) of the Companies Act, 2013 do not apply to the Company as there were no amounts due to be transferred to the fund during the year under review.

### DIRECTORS

In accordance with the provisions of the Companies Act, 2013 and Articles of Association of the Company, Mr. Ranjan Jain (DIN: 00635274), Managing Director of the Company retire by rotation in the ensuing Annual General Meeting and being eligible offer himself for re-appointment. During the financial Year 2023-24, there is no change in the Board of Directors of the Company.



.The Company recently received the Letter of resignation from Ms. Neena Batra having DIN:07846399 dated 27.06.2024. The Company took note of the same at the Board Meeting dated 2<sup>nd</sup> July, 2024. The Company appointed Mr. Vivek Trehan having DIN: 03140346 as the Additional Non Executive Director of the Company in the same Board Meeting held on 02.07.2024.

### **DECLARATION BY INDEPENDENT DIRECTORS**

All Independent Directors of the Company have given declarations that they meet the criteria of Independence as laid down under Section 149 (6) of the Companies Act, 2013 read with Regulation 16(b) of Securities and Exchange Board of India (Listing Obligations and Disclosure requirements), 2015.

The Independent Directors have confirmed the compliance of relevant provisions of Rule 6 of the Companies Act (Appointments and Qualifications of Director) Rule, 2014 as amended from time to time.

### **KEY MANAGERIAL PERSONNEL**

The Key Managerial Personnel (KMP) in the Company as per Section 2(51) and 203 of the Companies Act, 2013 are as follows:

<b>Name</b>	<b>Designation</b>
Mr. Ranjan Jain	Managing Director
Mr. Suninder Veer Singh	Whole Time Director
Ms. Shikha Kataria	Company Secretary
Mr. Sanjeev Agrawal	Chief Financial Officer

### **SHARE CAPITAL**

The Authorized capital of the Company is Rs. 50,00,00,000 comprising of 4,80,00,000 equity shares of Rs. 10/- each and 2,00,00,000 preference shares of Rs. 1/- each. Issued, paid up and subscribed Share Capital of the Company is Rs. 39,86,30,000 comprising of 3,98,63,000 shares of Rs. 10/- each. During the year the Company has increased the authorized share Capital as under:

- From Rs. 34,00,00,000/- (Rupees Thirty Four Crore Only) divided into 3,20,00,000/- (Thirty Two Crore only) equity shares of Rs. 10/- (Rupees Ten only) each and 2,00,00,000/- Preference Shares of Rs 1/- each to Rs. 50,00,00,000/- (Rupees Fifty Crore only) divided into 4,80,00,000 equity shares of Rs 10/- each and 2,00,00,000/- Preference Shares of Rs.1/-each by approval of shareholders in the e-voting through Postal Ballot dated 19<sup>th</sup> day of April, 2023.
  - During the year Company has allotted 79,72,600 (Seventy Nine Lakhs Seventy Two Thousand Six Hundred Only) Equity shares of Rs 10/-each through right issue of shares at a price of Rs. 40 including premium of Rs 30 and Rs 10 as the Face value.
- The Company has not bought back any of its securities during the year under review.
  - The Company has not issued any Sweat Equity Shares during the year under review.
  - No Bonus Shares were issued during the year under review.

## **OBLIGATION OF COMPANY UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

Your Company has zero tolerance policy in case of sexual harassment at workplace and is committed to provide a healthy environment to each and every employee of the Company. The Company has in place “Policy for Prevention and Redressal of Sexual Harassment” in line with the requirements of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (hereinafter referred to as ‘the said Act’) and Rules made there under. As per the provisions of Section 4 of the said Act, the Board of Directors has constituted the Internal Complaints Committee (ICC) at the Registered Office of the Company to deal with the Complaints received by the Company pertaining to gender discrimination and sexual harassment at workplace.

Further, as per the provisions of Section 21& 22 of the aid Act, the Report in details of the number of cases filed under Sexual Harassment and their disposal for the financial year under review, is as under:

Sr. No	No. of cases pending as on the beginning of the financial year under review	No. of complaints filed during the financial year under review	No. of cases pending as on the end of the financial year under review
1.	NIL	NIL	NIL

## **EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS**

Resignation of Ms. Neena Batra from the Board of Director with effect from dated 27 June, 2024 due to her personal engagement and appointment of Mr. Vivek Trehan as the additional Director of the Company with effect from 2<sup>nd</sup> July, 2024

The Company has approved the Syschem (India) Limited ESOP Scheme 2024 in the Board Meeting dated 2<sup>nd</sup> July, 2024.

## **MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAS OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT:**

The company has initiated the process of ESOP for which approval of the Board in the meeting dated 2<sup>nd</sup> July, 2024 is taken subject to the approval of Shareholder in the Annual General Meeting.

## **MAJOR CHANGES HAPPENING DURING THE FINANCIAL YEAR**

Your Directors wish to inform that there have not been any changes during the Financial Year under review:

- a. In the nature of Company’s business
- b. Generally in the class of business in which the Company has an interest.

## **LISTING WITH BSE LIMITED**

The Equity Shares of the Company are listed at BSE Limited and are being regularly traded on the Main Board of Exchange.

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

The requisite information has been given by way of an Annexure D-1 to this Report.

## **INSIDER TRADING**

The Board of Directors has adopted The Code of Conduct for Prevention of Insider Trading in accordance with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015. The Insider trading policy of the Company lays down guidelines and procedures to be followed and disclosures to be made while dealing with shares of the Company, as well as the consequences of violation. Company has also installed software for PIT disclosures that records UPSI transactions from time to time.

### **CORPORATE GOVERNANCE**

Your Company is committed to maintain the highest standards of Corporate Governance. As required under Listing Regulations, 2015, Report on Corporate Governance is annexed herewith and forms a part of this Annual Report. A Certificate from Mr. Kanwaljit Singh, a Practicing Company Secretary confirming compliance with the conditions of Corporate Governance is also annexed with the Annual Report.

### **BUSINESS RESPONSIBILITY REPORT**

Regulation 34 (2) (f) the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is not applicable to the Company.

### **POLICY ON DIRECTORS APPOINTMENT AND POLICY ON REMUNERATION**

Pursuant to the requirement under Section 134(3)(e) and Section 178(3) of the Companies Act, 2013, the policy on appointment of Board members including criteria for determining qualifications, positive attributes, independence of a Director and the policy on remuneration of Directors, Key Management Personnel and other employees is attached as Annexure D-2, which forms part of this report.

### **MANAGEMENT DISCUSSION & ANALYSIS REPORT**

Management Discussion & Analysis Report for the year under review, as stipulated under Part B of Schedule V to the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is presented in a separate section as Annexure D-3 forming part of this Annual Report.

### **PARTICULARS OF REMUNERATION OF DIRECTORS / KMP / EMPLOYEES:-**

The information required pursuant to Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request. In terms of Section 136 of the Companies Act 2013, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the Members at the Registered Office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary in this regard. The details under Section 197 (12) of the Companies Act, 2013 read with Rules 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given as Annexure D-4.

### **HUMAN RESOURCES**

Syschem acknowledges the pivotal role its employees play as a key asset, understanding that investing in them directly contributes to creating value for all stakeholders. With the company's expansion and execution of new projects, recruitment receives significant attention, successfully attracting skilled professionals at various levels.

The Management of Syschem is dedicated to fostering a supportive, nurturing and rewarding work environment. They achieve this through a range of employee engagement programs, empowering individuals to excel in their respective fields. Together, we strive to exceed expectations and make a positive impact in the lives of our stakeholders.

We are committed to maintaining a diverse, healthy and thriving workforce that imbibes our culture of empowerment, innovation, safety and well being. Our associates play a key role in decision making and providing impactful solutions in transformation of the organization.

The Human Resources department organizes training and development programs to continually enhance the skills and knowledge of the employees, ensuring their growth and success within the organization.

### **NUMBER OF MEETINGS OF BOARD**

During the year 2023-24, 12 (Twelve) Board Meetings were held including 1 (One) Independent Directors meeting as required under Schedule IV of Companies Act, 2013 and as per Listing Regulations, 2015.

<b>Date of Board Meeting</b>	<b>No. of Directors entitled</b>	<b>Attendance of Directors</b>
15-05-2023	5	4
01-06-2023	5	4
20-06-2023	5	5
04-07-2023	5	4
04-08-2023	5	4
04-09-2023	5	5
22-09-2023	5	4
02-11-2023	5	4
08-11-2023	5	5
22-11-2023	5	4
09-02-2024	5	4
11-03-2024	5	5

### **PERFORMANCE EVALUATION OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS**

Pursuant to applicable provisions of the Companies Act, 2013 and the Listing Regulations, the Board, in consultation with its Nomination & Remuneration Committee, has formulated a framework containing, inter-alia, the criteria for performance evaluation of the entire Board of the Company, its Committees and Individual Directors, including Independent Directors. Accordingly, following is the criteria for evaluation:-

- a. Criteria for evaluation of the Board of Directors as a whole:
  - i. The Frequency of Meetings
  - ii. Quantum of Agenda
  - iii. Administration of Meetings
  - iv. Flow and quantity of Information from the Management to the Board
  - v. Number of Committees and their role.
  - vi. Overall performance of the Company
- Criteria for evaluation of the Individual Directors including Independent Directors;
  - vii. Experience and ability to contribute to the decision making process
  - viii. Problem solving approach and guidance to the Management
  - ix. Attendance and Participation in the Meetings
  - x. Personal competencies and contribution to strategy formulation
  - xi. Contribution towards Statutory compliances, monitoring of controls and Corporate Governance

The Independent Directors had met separately on 04.08.2023 without the presence of Non-Independent Directors and the members of management and discussed, inter-alia, the performance of non-Independent Directors and Board as a whole and the performance of the Chairman of the Company after taking into consideration the views of Executive and Non-Executive Directors.

The Nomination and Remuneration Committee has also carried out evaluation of every Director's performance. The performance evaluation of all the Independent Directors have been done by the entire Board, excluding the Director being evaluated. On the basis of performance evaluation done by the Board, it shall be determined whether to extend or continue their term of appointment, whenever the respective term expires. The Directors express their satisfaction with the evaluation process.

### **STATUTORY AUDITORS & AUDITORS REPORT:-**

**M/s S T A V & Co**, Chartered Accountants (Firm registration No: 024510C), who was appointed as Statutory Auditors of the Company in the last Annual General Meeting to hold office till the conclusion of Annual General Meeting to be held in the year 2025.

The Companies Amendment Act, 2017 (Vide Notification dated 7<sup>th</sup> May, 2018 issued by the Ministry of Corporate Affairs) has dispensed with the requirement of ratification of Auditor's appointment by the shareholders every year. Hence, the resolution relating to ratification of Auditor's appointment is not included in the Notice of the ensuing Annual General Meeting.

The Auditors' Report does not contain any qualifications/reservation or adverse remarks. Notes to accounts are self-explanatory and form an integral part of Financial Statements.

### **SECRETARIAL AUDITORS AND THEIR REPORT**

Mr. Kanwaljit Singh, a Company Secretary in practice having Membership No. 5901, was appointed as Secretarial Auditor of the Company for the Financial Year 2023-24 pursuant to Section 204 of the Companies Act, 2013. The Secretarial Audit Report submitted by him in the prescribed form MR- 3 is attached as Annexure D-5 and forms part of this report.

There are no qualifications or adverse remarks by the Secretarial Auditors in the Report issued on 04<sup>th</sup> July, 2024 which were duly complied.

### **FRAUDS REPORTED BY AUDITORS**

There are no frauds reported by Auditors under sub-section (12) of section 143 including those which are reportable to the Central Government.

### **DISCLOSURE ABOUT COST AUDIT**

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with Notifications/Circulars issued by the Ministry of Corporate Affairs from time to time and as per the recommendation of the Audit Committee, the Board of Directors at their meeting dated 2<sup>nd</sup> July, 2024, appointed **M/s. Mohit Aggrawal Associates**, Cost Accountants as the Cost Auditors of the Company for the financial year 2024-2025. The remuneration proposed to be paid to the Cost Auditor, subject to the ratification by the members at the ensuing AGM, would not be exceeding Rs. 45,000/- (Rupees Forty Thousand Only) plus out of pocket expenses, if any. The Company is maintaining all Cost Audit Records and there is No Audit Qualifications.

## **ESOP ISSUANCE**

During the Financial Year 2023-24, Our Company has not adopted any ESOP Scheme and also no options were issued. However during Financial Year 2024-25, the company is in the process of implementation of ESOP Scheme, subject to the approval of shareholders in the Annual General Meeting.

## **CONSOLIDATED FINANCIAL STATEMENTS**

Consolidation of financial statement in terms of Rule 6 of Companies (Accounts) Rules, 2014, are not applicable as Company does not have any subsidiary or associates.

## **BOARD EVALUATION**

Pursuant to the applicable provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual evaluation of its own performance, of the Directors as well as the evaluation of the working of its committees.

The Nomination and Remuneration Committee has defined the evaluation criteria for the Board, its Committees and Directors.

The Board's functioning was evaluated on various aspects, including inter alia degree of fulfillment of key responsibilities, Board structure, composition, establishment and delineation of responsibilities to various Committees, effectiveness of Board processes, information and functioning.

Directors were evaluated on aspects such as attendance and contribution at Board/Committee Meetings and guidance/support to the management outside Board/Committee Meetings. In addition, the Chairman was also evaluated on key aspects of his role, including setting the strategic agenda of the Board, encouraging active engagement by all Board members.

Areas on which the Committees of the Board were assessed included degree of fulfillment of key responsibilities, adequacy of Committee composition and effectiveness of meetings.

The performance evaluation of the Independent Directors was carried out by the entire Board, excluding the Director being evaluated. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Board as a whole. The Nomination and Remuneration Committee also reviewed the performance of the Board, its committees and of the Directors.

## **FOREIGN EXCHANGE RISK**

The Company engages in various operational transactions, including anticipated sales, purchases, and borrowings that are denominated in foreign currencies. As a result, we are exposed to exchange rate fluctuations. Although we don't have a significant currency risk as we're an export driven company, however, these fluctuations can have an impact on our financial results and overall performance, and therefore, managing these exposures is crucial to mitigate any potential risks and uncertainties associated with currency fluctuations.

To manage the risks arising from currency, our Company has implemented robust risk management policies, namely the Foreign Exchange Risk Management Policy and the Commodity Risk Management Policy. By adhering to these policies, we actively engage in hedging activities to mitigate the potential impacts of adverse movements in foreign exchange rates and commodity prices.

Through a systematic and well-structured approach, we aim to safeguard our financial position and ensure stability and predictability in our operations.

## **SECRETARIAL STANDARDS**

The Company has complied with the provisions of Secretarial Standards on Meetings of the Board of Directors (SS-1) and on General Meetings (SS-2).

## **INTERNAL FINANCIAL CONTROLS AND THEIR ADEQUACY**

As required pursuant to provisions of section 134(1) (e) of the Act, the Company has a well placed, proper and adequate internal financial control system, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit function is well defined in the Organization. The internal financial control system ensures that all assets are safeguarded and protected and that the transactions are authorized, recorded and reported correctly. Ms. Anju, continues to be the Internal Auditor of the Company.

## **DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT**

The Company has in place comprehensive risk assessment and minimization procedures, which are reviewed by the Board periodically. The Board of Directors with responsibility of preparation of Risk Management Policy, reviewing and monitoring the same on regular basis, to identify and review critical risks on regular basis. The risks faced by the Company and their minimization procedures are assessed by the Board. Further, the Company identifies risks, and control systems are instituted to ensure that the risks in each business process are mitigated. The Board provides oversight and reviews the Risk Management Policy on a regular basis. In the opinion of the Board there has been no identification of elements of risk that may threaten the existence of the Company.

## **DETAILS OF THE PERFORMANCE OF THE SUBSIDIARY/ ASSOCIATE OR JOINT VENTURE**

The Company does not have any Subsidiary/Joint Ventures/ Associate Companies. Hence, the provisions regarding incorporation of a separate segment for disclosure of the financial positions and performance of the Subsidiary, Associate and Joint Venture companies is not applicable to the Company

## **DEPOSITS**

The Company has neither accepted nor renewed any deposits during the Financial Year 2023-24 in terms of Chapter V of the Companies Act, 2013. Information in this regard, therefore, is NIL.

## **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERNS STATUS AND COMPANY'S OPERATIONS IN FUTURE**

The Company has not received any significant or material orders passed by any Regulatory Authority, Court or Tribunal which shall impact the going concern status and Company's operations in future.

## **AUDIT COMMITTEE**

The Directors wish to inform that in Compliance with Section 177 of the Companies Act, 2013 and Regulation 18 of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Audit Committee has been duly constituted. The Audit Committee as on March 31, 2024 comprises of the following Independent Directors:

Ms. Arshdeep Kaur	Independent Director, Chairman
Mrs. Renu Rawat	Non Executive, Independent Director
Mrs. Neena Batra	Non-Executive - Non Independent Director

Details of the Audit Committee have been separately given in the Corporate Governance report. Further, all recommendations of Audit Committee were accepted by the Board of Directors.

### **NOMINATION & REMUNERATION COMMITTEE**

In terms of Regulation 19 of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to the provisions of Section 178 of the Companies Act, 2013, Nomination & Remuneration Committee as on March 31, 2024 comprises of the following Directors:

Mrs. Renu Rawat	Independent Director, Chairman
Ms. Arshdeep Kaur	Non-executive, Independent Director
Ms. Neena Batra	Non- Executive- Non Independent Director

The details of Remuneration Policy and the Committee are furnished in the Report on Corporate Governance, which is annexed herewith.

### **STAKEHOLDERS RELATIONSHIP COMMITTEE**

In terms of Regulation 20 of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has constituted Stakeholders Relationship Committee with following composition as on March 31, 2024 :-

Ms. Arshdeep Kaur	Non-Executive- Independent Director
Mr. Ranjan Jain	Executive Director
Mr. Suninder veer Singh	Executive Director

### **CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

As per section 135 of Companies Act, 2013 and relevant regulation of SEBI (Listing Obligations and Disclosure requirement), 2015, the Company is required to constitute the Corporate Social Responsibility Committees during the previous year ended 31<sup>st</sup> March, 2023 the Company earned a profit of more than Rs.5.00 Cr. So, the Company is required to constitute CSR Committee. The Corporate Social Responsibility Committee as on March 31<sup>st</sup>, 2024 Comprised of:

Mrs. Renu Rawat	Independent Director, Chairman
Ms. Arshdeep Kaur	Non-Executive - Independent Director
Mrs. Neena Batra	Non-Executive - Non Independent Director

The details of amount to be spent on CSR are furnished in the Report on Corporate Social Responsibility.

### **ANNUAL RETURN**

Pursuant to section 134(3) of the Act, the Annual Return referred to in section 92(3) of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return for the Financial year ended March 31, 2024 is available on the Company's website at [https://syschem.in/investors\\_RESOURCES.html](https://syschem.in/investors_RESOURCES.html)

### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

Pursuant to Section 134(3)(g) of the Companies Act, 2013 particulars of loans, guarantees or investments under Section 186 of the Act as at end of the Financial Year 2023-24 the Company had extended the Guarantee given against the loan taken by the Pharmicare International for an amount of 50 Crores from 35 Cr subject to the approval from the shareholders in the extra ordinary general meeting held on 9<sup>th</sup> April, 2022.



## **CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES UNDER SECTION 188(1) OF THE COMPANIES ACT, 2013**

With reference to Section 134(3)(h) of the Companies Act, 2013, all contracts and arrangements with related parties under Section 188(1) of the Act, entered by the Company during the financial year, were in the ordinary course of business and on an arm's length basis. Hence, provisions of Section 188 (1) are not applicable. However, as these transactions were in the ordinary course of business and on an arm's length basis, in the opinion of the Board these transactions are justified to be executed. The detail of these transactions is given in Annexure D-7, which forms part of this report.

During the year, the Company had not entered into any contract or arrangement with related parties which could be considered 'material' according to the policy of the Company on Materiality of Related Party Transactions. Your attention is also drawn to the Related Party disclosures set out in Note no. 16 of the Financial Statements.

## **VIGIL MECHANISM**

The Company has established a Vigil Mechanism cum Whistle Blower Policy in terms of Section 177 (10) of the Companies Act, 2013 and also in terms of listing regulations, 2015. The details of the said Vigil Mechanism cum Whistle Blower Policy are given in the Corporate Governance Section, which is annexed herewith. The Vigil Mechanism cum Whistle Blower Policy is also available on the Company's website [https://syschem.in/investors\\_RESOURCES.html](https://syschem.in/investors_RESOURCES.html)

## **DIRECTORS' RESPONSIBILITY STATEMENT**

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the 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 and Loss of the Company for that period;
- (c) the Directors had 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;
- (d) the Directors had prepared the annual accounts on a going concern basis;
- (e) the Directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- (f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **PARTICULARS OF EMPLOYEES**

The information required pursuant to section 197(12) read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 pertaining to the top ten employees in terms of remuneration drawn and their other particulars, also form part of this Report. However, the Report and the financial statements are being sent to the members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said annexure is open for inspection at the 6 Registered Offices of the Company. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary.

## **HEALTH AND SAFETY**

The company continues to accord high priority to health and safety of employees at all the locations. During the year the company review and enjoyed cordial relationship with workers and employees at all levels.

## **COMPLIANCE WITH SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS), 2015**

The Company has devised proper systems to ensure compliance of all laws applicable to the Company and the compliance reports issued by the Departmental Heads are placed before the Board every Quarter confirming compliance by the Company with all applicable Laws.

### **GREEN INITIATIVES**

As part of the Green Initiative, we propose to send documents such as Notices of General Meeting(s), Annual Reports and other shareholders communications for the year ended 31st March 2023 in electronic form, to the email addresses provided by you and/or made available to the Company by the Depositories. A copy of annual report shall be available on the website of the Company and for inspection at the registered office of the Company, during office hours. In case any member wishes to get Annual Report and other communication in physical form, he may write to the company and the same will be provided free of cost.

Electronic copies of the Annual Report 2023-24 and Notice of the Syschem (India) Limited dated 2<sup>nd</sup> July , 2024 for Annual General Meeting would be sent to all members whose email addresses are registered with the Company/Depository Participant(s). For members who have not registered their email addresses, physical copies of the same would be sent in the permitted mode.

### **COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND GENERAL MEETING**

During the Financial year, your Company has complied with applicable standards issued by the Institute of Company Secretaries of India.

### **CEO / CFO CERTIFICATION**

In accordance with Regulation 17 (8) read with Part B of Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 the CFO have submitted necessary certificate to the Board of Directors stating the particulars specified under the said Regulation. The Certificate has been reviewed by the Audit Committee and taken on record by the Board of Directors.

### **DEMATERIALIZATION OF SHARES**

As mentioned in Company's earlier Annual Reports, the Company's Equity Shares are in compulsory Dematmode in terms of SEBI Guidelines. This has been facilitated through arrangement with NSDL and CDSL. About 99.24 % of the shares of the Company are already in dematerialized form. M/s Beetal Financial & Computer Services Pvt. Limited, New Delhi is acting as the Registrar and Share Transfer Agents for this purpose and acts as common share agency in terms of SEBI Guidelines.

### **TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND**

Your Company did not have any funds lying unpaid or unclaimed for a period of seven years. Therefore there were no funds which were required to be transferred to Investor Education and Protection Fund (IEPF).

### **CORPORATE INSOLVENCY RESOLUTION PROCESS INITIATED UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (IBC)**

No Insolvency resolution process has been initiated/ filed by a financial or operational creditor or by the Company it under the IBC before the NCLT.

## **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

Corporate Social Responsibility is applicable on the Company as per section 135 of Companies Act, 2013 and other relevant provisions of SEBI (Listing Obligations and Disclosure requirements), 2015, our Company profitability of last 3 years is in negatives (details of which provided in the D-6) as attached which forms part of the Board Report. The Company has formulated the Corporate Social Responsibility Committee and the details provided in the Board report as well as in the annexure as attached. However the Company's losses are converting into profitability and soon, our company will adopt the project as per the applicable law.

## **OTHER DISCLOSURES**

- The Company does not have any scheme of provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees in the Financial Year 2023-24.
- Neither the Managing Directors nor the Whole-time Directors of the Company have received any remuneration or commission from any of its subsidiaries.
- No fraud has been reported by the Auditors to the Audit Committee or the Board.
- Neither application was made nor is any proceeding pending under the Insolvency and Bankruptcy Code, 2016 in the financial year 2023-24.
- No settlements have been done with banks or financial institutions.

## **ACKNOWLEDGEMENT AND APPRECIATION**

The Directors take this opportunity to express their deep sense of gratitude to its Central and State Governments and local authorities for their continued co-operation and support.

They also would like to place on record their sincere appreciation for the commitment, hard work, and high engagement level of every employee of the Company.

The Directors would also like to thank various stakeholders of the Company including customers, dealers, suppliers, lenders, transporters, advisors, local community, etc. for their continued committed engagement with the Company.

The Directors would also like to thank the shareholders of the Company for their confidence and trust reposed in the management team of the Company.

**For & On Behalf of the Board**

**(Ranjan Jain)**  
**Managing Director**  
(DIN 00635274)

**For & On Behalf of the Board**

**(Suninder Veer Singh)**  
**Whole Time Director**  
(DIN 07693557)

PLACE: CHANDIGARH

Date: 2<sup>nd</sup> July, 2024

**Information under section 134(3)(m) of the Companies Act, 2013 read with rule 8 of the Companies Act(Accounts) Rules, 2014 and forming part of the Directors Report for the year ending 31<sup>st</sup> March, 2024.**

**ANNEXURE D-1 TO THE DIRECTORS' REPORT:-**

**A. Conservation of Energy :**

- Though energy does not form a significant portion of the cost for the Company yet wherever possible and feasible, continuous efforts are being put for conservation of energy and minimize power cost. The Energy conservation measures include replacement of incandescent lights with low power consuming LED lights and compact Fluorescent Lights, replacement of old electrical units with new energy efficient units. Staff of the Company is regularly educated about conservation of power.
- Up-gradation of technology, modernization of plants/ training and motivation of employees towards energy conservation. How ever
- There is no capital investment on energy conservation equipments during the year.

**B. Technology Absorption :**

The Company continues to absorb and upgrade modern technologies in its operations and back end support functions like Accounts, Human Resource Management, Operations and Compliance functions.

**C. Foreign Exchange Earnings and Outgo:**

The Foreign Exchange inward and outward remittances during the Financial Year are as under:-

Inward Remittance : 90230 USD  
Outward Remittance : 553000 USD

## **ANNEXURE D-2 TO THE DIRECTORS' REPORT**

### **NOMINATION AND REMUNERATION POLICY**

This Nomination and Remuneration Policy is being formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Listing Regulations, 2015, as amended from time to time. This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee (NRC or the Committee) and has been approved by the Board of Directors.

#### **Definitions:**

“Remuneration” means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-Tax Act, 1961;

“Key Managerial Personnel” means:

- i) Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-time Director;
- ii) Chief Financial Officer;
- iii) Company Secretary;
- iv) such other officer as may be prescribed.

“Senior Managerial Personnel” mean the personnel of the Company who are members of its core management team excluding Board of Directors. Normally, this would comprise all members of management, of rank equivalent to General Manager and above, including all functional heads.

#### **Objective:**

The objective of the policy is to ensure that

- The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

#### **ROLE OF THE COMMITTEE :**

The role of the NRC will be the following:

- To formulate criteria for determining qualifications, positive attributes and independence of a Director.
- To formulate criteria for evaluation of Independent Directors and the Board.
- To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.
- To carry out evaluation of Director's performance.
- To recommend to the Board the appointment and removal of Directors and Senior Management.
- To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.
- To devise a policy on Board diversity, composition, size.
- Succession planning for replacing Key Executives and overseeing.
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.

- To perform such other functions as may be necessary or appropriate for the performance of its duties.

## **APPOINTMENT AND REMOVAL OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT**

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, Key Management Personnel or at Senior Management level and recommend his / her appointment, as per Company's Policy.
- b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has authority to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the position.
- c) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution.
- d) Criteria for Determining Qualifications, Positive Attributes & Independence of Director:
  - (i) **Qualifications:-** An Independent Director shall possess appropriate skills, Qualification, experience and knowledge in one or more fields of Finance, Law, Management, Sales, Marketing, Administration, Research, Corporate Governance, Operations or other disciplines related to the Company's business.
  - (ii) **Positive Attributes:-** An Independent Director shall be a person of integrity, who possesses relevant expertise and experience and who shall uphold ethical standards of integrity and probity; act objectively and constructively; exercise his responsibilities in a bona-fide manner in the interest of the Company; devote sufficient time and attention to his professional obligations for informed and balanced decision making; and assist the Company in implementing the best Corporate Governance practices.
  - (iii) **Independence:-**An Independent Director should meet the requirements of the Companies Act, 2013 and Listing Regulations, 2015 concerning Independence of Directors.

## **TERM / TENURE**

### **a) Managing Director / Whole-Time Director:**

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

### **b) Independent Director:**

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report. No Independent Director shall hold office for more than two consecutive terms of upto maximum of 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven Listed Companies as an Independent Director and three Listed Companies as an Independent Director in case such person is serving as a Whole-Time Director of a Listed Company or such other number as may be prescribed under the Act.

## **EVALUATION**

The Committee shall carry out evaluation of performance of Director, Key Management Personnel and Senior Management Personnel yearly or at such intervals as may be considered necessary.

## **REMOVAL**

The Committee may recommend with reasons recorded in writing, removal of a Director, Key Management Personnel or Senior Management Personnel subject to the provisions and compliance of the Companies Act, 2013, rules and regulations and the policy of the Company.

## **RETIREMENT**

The Director, Key Management Personnel and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, Key Management Personnel, and Senior Management Personnel in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

## **POLICY FOR REMUNERATION TO DIRECTORS / KEY MANAGEMENT PERSONNEL / SENIOR MANAGEMENT PERSONNEL**

### **1) Remuneration to Managing Director / Whole-Time Directors:**

- a) The objective of the policy is directed towards having a compensation philosophy and structure that will reward and retain talent. The Remuneration to Managing Director and Whole Time Directors shall take into account the Company's overall performance, Profitability, MD / WTD's contribution for the same & trends in the industry in general, in a manner which will ensure and support a high performance culture.
- b) The Remuneration / Commission etc. to be paid to Managing Director / Whole-time Directors, etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.
- c) The Company has no stock option plans and hence, such instruments do not form part of the remuneration package of MD / WTDs.
- d) Remuneration to Directors, Key Managerial Personnel and Senior Management will involve a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.
- e) The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director / Whole-time Directors.

### **2) Remuneration to Non- Executive / Independent Directors:**

- a) The Non-Executive / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.
- b) All the remuneration of the Non - Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be

- subject to ceiling / limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.
- c) An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company.
  - d) Any remuneration paid to Non - Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (b) above if the following conditions are satisfied:
    - i) The Services are rendered by such Director in his capacity as the professional; and
    - ii) In the opinion of the Committee, the Director possesses the requisite qualification for the practice of that profession.

### **3) Remuneration to Key Managerial Personnel and Senior Management:**

- a) The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay and incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.
- b) The Fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, where applicable, contribution to Pension Fund etc. as decided from to time.
- c) The Incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

### **IMPLEMENTATION**

- The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate.
- The Committee may Delegate any of its powers to one or more of its members.
- The above criteria and policy are subject to review by the Nomination & Remuneration committee & the Board of Directors of the Company
- The Board is authorized to deviate from the Remuneration Policy in deserving case.



## **ANNEXURE D-3 TO THE DIRECTORS' REPORT**

### **MANAGEMENT DISCUSSION & ANALYSIS REPORT**

#### **ECONOMIC OVERVIEW**

Over the past year, the pharmacy industry has witnessed greater collaboration, adapted quickly, and adopted innovative approach to deliver high quality medicines continuously during the pandemic and beyond. The industry has shown unwavering commitment to support the country's healthcare needs as well as enhance its footprint across the world. According to a recent EY FICCI analysis, with a rising consensus on offering new breakthrough cures to patients, the Indian pharmaceutical market is expected to reach \$130 billion in value by the end of 2030.

#### **BUSINESS REVIEW AND PRODUCTS**

Syschem (India) Limited is engaged in the business of manufacturing of API / Intermediates. It has its manufacturing facility at Village Bargodam, Tehsil Kalka, Distt. Panchkula (Haryana).

- Amoxicillin Trihydrate
- Ampicillin Trihydrate
- Cloxacillin Sodium
- Dicloxacillin Sodium
- Flucloxacillin Sodium (For export only)
- Cephalexin
- Cefadroxil

Distillation of Speciality Solvents – DMF, Acetonitrile, Ethyl Acetate and THF

#### **SWOT Analysis**

##### **STRENGTHS**

- (i) Promoters have worked for a good period of time in same industry. They have sufficient product knowledge and is thus beneficial for the Industry. We have huge capacities to cater to the market.
- (ii) Lean manufacturing practices being followed by the Company ensure better and stable margins and a cushion to sustain input price pressures and output price competition. Our products quality is well accepted in the market.  
Existing relations with agents and potential customers due to past working experience of promoters.  
The location of plant is suitable for such type of Industry.

The plant is located near to Baddi area where more than 600 pharma/formulations manufacturing units are located

##### **WEAKNESSES**

Working Capital

##### **OPPORTUNITIES**

- (i) Increased usage of contract manufacturing services by large Pharmaceutical Companies / Pharmaceutical Traders.  
Demand of antibiotics is high in unorganized market for branded as well as unbranded products.
- (ii) Positive outlook for Indian generic business in general due to a lot many products going off patent in near future.
- (iii)

- (iv) Low per capita consumption of medicines in Indian subcontinent offers opportunities for growth.
- (v) Increasing income levels and health awareness in Asia is expected to result in increased spending power and usage of medicines.

Further Govt. of India is also promoting investment in Bulk Drug Industries so as to curtail the imports from China as more than 85% of the API Inputs are imported from China.

### **THREATS**

- (i) Don't see any big threat until unless we have funds to run the show and to grow.
- (ii) Increasing regulation in US and other major pharmaceutical markets.  
Emergence of new fully integrated generic firms which are less reliant on Indian "back-end" businesses.
- (iii)

### **INDUSTRY STRUCTURE & DEVELOPMENT**

India is the largest provider of generic drugs globally. Indian pharmaceutical sector supplies over 50 per cent of global demand for various vaccines, 40 per cent of generic demand in the US and 25 per cent of all medicine in the UK. India enjoys an important position in the global pharmaceuticals sector. The country also has a large pool of scientists and engineers with a potential to steer the industry ahead to greater heights. Presently, over 80 per cent of the antiretroviral drugs used globally to combat AIDS (Acquired Immune Deficiency Syndrome) are supplied by Indian pharmaceutical firms.

Indian pharmaceutical sector is expected to grow to US\$ 100 billion, while medical device market is expected to grow US\$ 25 billion by 2025. Pharmaceuticals export from India stood at US\$ 22.9 billion in FY23. Government is also taking several steps to promote the pharmaceutical sector in India.

### **EXPANSION PLANS**

Company has long term program to increase the production of the pharma products so that meet the market demand and increase the sales of the Company for this, the Company has set up a new plant which is in process and will start generating the revenue soon.

### **RISK & CONCERNS**

In a politically and economically turbulent environment, the risks pharma companies face, especially in clinical-trial design and execution, drug approval, product quality, and global commercial practices, are increasing in both frequency and magnitude.

### **SEGMENT WISE/PRODUCT WISE REPORTING**

The Company is operating in the single segment and engaged in the manufacture and sales of Pharma products i.e Amoxicillin Trihydrate, Ampicillin Trihydrate, Cloxacillin Sodium etc. Therefore, segment wise information has not been disclosed.

### **INTERNAL CONTROL SYSCHEM**

The Company has structured the internal control system. In view of the large size of the business and to enforce highest levels of transparency, the Company has appointed an internal auditor of the Company covering nearly all aspects related to the working of the Company. The Company has paid particular attention

on proper maintenance of equipments to ensure that they are operated at the rated capacities. The Company has taken the effective steps for the reduction of cost and to improve the quality of the product. The Company has in place adequate internal controls commensurate with the size and nature of its operations. The integrated financial accounting system supported by inbuilt controls ensures reliable and timely financial and operational reporting.

## **FINANCIAL PERFORMANCE**

Financial performance of the Company has been given separately in the Directors' Report.

## **OUTLOOK**

Medicine spending in India is projected to grow 9-12 Per cent over the next five, year, leading India to become one of the Top 10 Countries in terms of medicine spending. Going forward, better growth in domestic sale would also depend on the ability of companies to align their product portfolio towards chronic therapies for diseases such as such as cardiovascular, anti-diabetes, anti-depressants and anti-cancers that are on the rise.

## **ROAD AHEAD**

Medicine spending in India is projected to grow 9-12 per cent over the next five years, leading India to become one of the top 10 countries in terms of medicine spending. Going forward, better growth in domestic sales would also depend on the ability of companies to align their product portfolio towards chronic therapies for diseases such as such as cardiovascular, anti-diabetes, anti-depressants and anti-cancers that are on the rise.

## **INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY**

Our Company has built adequate systems of internal controls towards achieving efficiency and effectiveness in operations, optimum utilization of resources, and effective monitoring thereof as well as compliance with all applicable laws The internal control mechanism comprises a well-defined organization structure, documented policy guidelines, predetermined authority levels and processes commensurate with the level of responsibility.

## **RISK AND CONCERNS**

The Company continues to operate in the challenging and dynamic environment. The Nature of the Pharma business exposes the Company to various competitive and regulatory risks in Long Term:

- Evolving pressures on commoditization in India led by disruptive business models and potential impact on the branded generics business.
- Consolidated customer base, high competition, regulatory requirements impacting product approvals and continued pricing pressure.
- Shifts in drug usage and healthcare delivery in developed and developing markets, on account of Covid-19

However in spite of the challenges our Company is trying to recover the loss and increase sale.

## **RESPONSIBILITY FOR THE MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

The Board of Directors have reviewed the Management Discussion and Analysis prepared by the Management. Statement in this report of the Company's objective, projections, estimates, exceptions, and

predictions are forward looking statements subject to the applicable laws and regulations. The statements may be subjected to certain risks and uncertainties.

The Company assumes no responsibility in respect of forward looking statements that may be amended or modified in future on the basis of subsequent developments, information or events.

## KEY INDICATORS

<b>Ratios</b>	<b>2022-23</b>	<b>2023-24</b>	<b>% Increase/ (Decrease)</b>	<b>Reason for change</b>
Debtors Turnover (No. of days)	117	86.28	-26.25%	No of Days decrease in Trade Receivables.
Inventory Turnover (No. of days)	50	64.94	29.88%	No of Days Increased this year
Interest Coverage Ratio	12302.4	2571.69	-79.09%	Decreased due to statutory Liabilities
Current Ratio	1.36	1.31	-3.68%	Decrease during the year
Debt Equity ratio	0.07	0.01	-85.71%	Due to decrease in Unsecured Loan
Operating Profit Margin	4.72	1.76	-62.71%	Decrease price drop in the Market(National and International )
Net Profit Margin (%)	3.46	1.18	-65.89%	Decrease price drop in the Market(National and International )
Change in Net Worth ratio (%)	221.32%	155.36	-0.42%	Improved due to Internal Arrangement of Financing Activities.

## DISCLAIMER STATEMENT

Statement made in the report describing the current industry structure, development, development are based on certain assumptions and expectations. The Company cannot guarantee that these assumptions and expectations are accurate.

**For and on behalf of the Board**

**Place: Chandigarh**  
**Date: 02<sup>nd</sup> July, 2024**

## **ANNEXURE D-4 TO THE DIRECTORS' REPORT**

### **DETAILS UNDER SECTION 197 (12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

- (i) Ratio of the remuneration of each Executive Director to the median remuneration of the Employees of the Company for the financial year 2023-24, the percentage increase in remuneration of Chief Executive Officer, Chief Financial Officer and other Executive Director and Company Secretary during the financial year 2023-2024.

<b>Sr. No.</b>	<b>Name of Director/KMP</b>	<b>Designation</b>	<b>The Ratio of the remuneration of each Director to the median remuneration of the employees</b>	<b>The percentage increase in remuneration</b>
1	Ranjan Jain	Managing Director	10.94	28.57%
2	Suninder Veer Singh	Whole-time Director	12.15	25%
3	Sanjeev Agrawal	CFO	6.53	7.5%
4	Shikha Kataria	CS	2.24	10%

ii. The percentage increase in the median remuneration of Employees for the financial year was 7.45%

iii. The Company has 105 permanent Employees on the rolls of Company as on 31st March, 2024.

iv. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year, its comparison with the percentile increase in the managerial remuneration, justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Average percentage increase made in the salaries of Employees other than the managerial personnel in the financial year was 7.45%.

v. Affirmation that the remuneration is as per the remuneration policy of the Company:

It is affirmed that the remuneration is as per the 'Remuneration Policy for Directors, Key Managerial Personnel and other employees' adopted by the Company.

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**ANNEXURE D-5 OF THE DIRECTORS REPORT**

**Form No. MR-3**

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,

The Members,  
Syschem (India) Limited,  
Vill-Bargodam, Tehsil Kalka,  
District Panchkula,  
Haryana.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by SYSCHEM (INDIA) LIMITED (hereinafter called “the Company”). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the company’s books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on March 31, 2024 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by SYSCHEM (INDIA) LIMITED (“the Company”) for the financial year ended on March 31, 2024, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) (Amendment) Regulations, 2013.
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
  - c) The Securities and Exchange Board of India (Share Based Employee Benefits And Sweat Equity) Regulations, 2021; Not applicable to the company during the financial year under review.
  - d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
  - e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018: Not Applicable as there was no instance of Buy-Back during the financial year.
  - f) Securities and Exchange Board of India (Issue and Listing of Non- Convertible Securities) Regulations, 2021: Not applicable during the financial year under review.
  - g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client- Not applicable as the company is not registered as Registrar to an Issue and Share Transfer Agent during the financial year under review.
  - h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021- Not applicable as the company has not delisted any securities from any stock exchange during the financial year under review.
- (vi) The major provisions and requirements have also been complied with as prescribed under all applicable Labour laws viz. The Factories Act, 1948, The Payment of Wages Act, 1936, The Minimum Wages Act, 1948, The Payment of Bonus Act, 1965, The Employees Compensation Act, 1923 etc. and rules framed there under.
- (vii) Environment Protection Act, 1986 and other environmental laws.
- (viii) Hazardous Waste (Management and Handling) Rules, 1989 and the Amendments Rules, 2003.
- (ix) The Air(Prevention and Control of Pollution) Act, 1981
- (x) The Water (Prevention and Control of Pollution) Act, 1974

I have also examined compliance with the applicable clauses of the following:

- a) Secretarial Standards issued by The Institute of Company Secretaries of India.
- b) The SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 being listed on the BSE Limited;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

Based on our examination and the information received and records maintained, I further report that:

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the year, were carried out in compliance with the applicable Act and Regulations.

2. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent well in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
3. All decisions are carried through majority, while the dissenting members' views, if any, are captured and recorded as part of the minutes.
4. The company has proper board processes.

Based on the compliance mechanism established by the company and on the basis of the compliance certificate(s) issued by the Company Secretary/ Officers, I am of an opinion that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period:

1. The company has increased the Authorised Share Capital during the year from Rs. 34.00 Crores divided into 32.00 crores equity shares of Rs. 10/- each and 2.00 crores preference shares of Rs. 1/- each to Rs. 50.00 Crores divided into 4.80 crores equity shares of Rs. 10/- each and 2.00 crores preference shares of Rs. 1/- each.
2. The company has allotted 79,72,600 equity shares of face value of Rs. 10/- each at a premium of Rs. 30/- per share through rights issue.

I further report that, there were no instances of

- (i) Public / Preferential issue of shares / debentures / sweat equity
- (ii) Major decisions taken by the Members in pursuance to Section 180 of the Companies Act, 2013
- (iii) Merger / amalgamation / reconstruction etc.
- (iv) Foreign technical collaborations.

Place: Chandigarh

Date:04.07.2024

UDIN:F005901F000670422

KANWALJIT SINGH THANEWAL  
FCS No. 5901  
C P No.: 5870  
Peer review Cert No. 2319/2022



## Annexure to Board Report

**ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2023-24  
(Pursuant to D-6 of the Companies (Corporate Social Responsibility Policy), 2014)**

1. **Brief Outline of the Policy:** The Corporate social Responsibility is applicable as per section 135 of the Companies Act, 2013 and as applicable regulation of SEBI(Listing Obligations and Disclosure requirements), 2015. The Provision is applicable to Company from Financial Year 2023-24.
2. **Broad Terms of Reference:**
  - a) Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company in areas or subject specified in Schedule VII of the Companies Act, 2013;
  - b) Recommend and monitor the amount of expenditure to be incurred on the activities referred to in clause (a).
  - c) Monitor the Corporate Social Responsibility Policy of the Company from time to time; and
  - d) Any other functions as may deem fit by the CSR Committee/Board or as may be necessitated by any regulatory framework as amended from time to time.
3. **Composition of the Committee:**

Mrs. Renu Rawat	Non-Executive - Independent Director
Mrs. Arshdeep Kaur	Non-Executive - Independent Director
Mrs. Neena Batra	Non-Executive - Non Independent Director

4. **Corporate Social Responsibility Project approved:** The Company has not approved any project as the CSR is applicable from financial year 2023-24 for the first time, and the Company incur loss as per Sub section (5)of 135of the Companies Act, 2013 in total. So, Company is not bound to spend 2% of its net Profits as per section 135 of Companies Act, 2013.
5. (a) **Average Net profit /loss of the Company as per section (5)of section 135:** -Rs(. 9199666.67)  
 (b) **2 % of average net profits as per subsection (5) section 135:** NIL  
 (c) **Surplus arising out of CSR project or programmers or activity:** NIL  
 of the previous year.  
 (d) **Amount required to be set-off for the financial year, if any:** NIL  
 (e) **Total CSR obligation for the financial year [(b)+(c)-(d)]:** NIL
6. (a) **Amount spent on CSR Project (Both ongoing and other):** NIL  
 (b) **Amount spent in Administrative overheads:** NIL  
 (c) **Amount spent on Impact Assessment, if applicable:** NIL  
 (d) **Total amount spent for the financial year (a+b+c):** NIL
7. **CSR amount spent or unspent for the Financial year:** NIL
8. **Excess amount for set off, if any:** NIL

**9. Details of Unspent Corporate Social Responsibility amount for the Proceeding three Financial Years: NIL**

**Note:** It to be noted that the Corporate Social Responsibility applicable on Company from the financial year 2023-24 only for the first time and before that company incurred losses in the previous years that is in 2021-22, 2020-21 and thus the aggregate average profit of the Company as per sub section 5 of section 135 come out to be negative.

## ANNEXURE D-7 TO THE DIRECTORS' REPORT

### FORM NO. AOC -2

**(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.**

Form for Disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis. – **NIL**
2. Details of contracts or arrangements or transactions at Arm's length basis

a)

SL. No.	Particulars	Details
1	Name (s) of the related party & nature of relationship	Pharma Care International, as per Regulation 23 & 2(1)(zb) of the SEBI (Listing Obligations and Disclosure Requirement), 2015, any person or entity holding 20% or more of the shareholding in the Company shall be deemed to be related Party. However none of the director or their relative is interested as a partner or otherwise.
2	Nature of contracts/ arrangements/ transaction	Sale, purchase or supply of goods and material, availing and rendering of services, selling or otherwise disposing off or buying properties of any kind, leasing of property of any kind and other transactions in the ordinary course of the company's business.
3	Duration of the contracts/arrangements/transaction	One year
4	Salient terms of the contracts or arrangements or transaction including the value, if any	Sale, purchase or supply of goods and material, availing and rendering of services, selling or otherwise disposing off or buying properties of any kind, leasing of property of any kind and other transactions in the ordinary course of the company's business upto the maximum value of 500 crores (Five Hundred Crores.).
5	Justification for entering into such contracts or arrangements or transactions'	Sale, purchase or supply of goods and material, availing and rendering of services, selling or otherwise disposing off or buying properties of any kind, leasing of property of any kind and other transactions in the ordinary course of the company's business at a very reasonable price besides good quality of products
6	Date of approval by the Board	15.05.2023
7	Amount paid as advances, if any	N.A.

(b)

SL. No.	Particulars	Details
	Name (s) of the related party & nature of relationship	JBK Khokhani & Co, as per Regulation 23 & 2(1)(zb) of the SEBI (Listing Obligations and Disclosure Requirement), 2015, any person or entity holding 20% or more of the shareholding in the Company shall be deemed to be related Party. However none of the director or their relative is interested as a partner or otherwise.
	Nature of contracts/ arrangements/ transaction	Sale, purchase or supply of goods and material, availing and rendering of services, selling or otherwise disposing off or buying properties of any kind, leasing of property of any kind and other transactions in the ordinary course of the company's business.
	Duration of the contracts/arrangements/transaction	One year
	Salient terms of the contracts or arrangements or transaction including the value, if any	Sale, purchase or supply of goods and material, availing and rendering of services, selling or otherwise disposing off or buying properties of any kind, leasing of property of any kind and other transactions in the ordinary course of the company's business upto the maximum value of 100 crores (One Hundred Crores)
	Amount paid as advances, if any	NA
	Justification for entering into such contracts or arrangements or transactions'	Sale, purchase or supply of goods and material, availing and rendering of services, selling or otherwise disposing off or buying properties of any kind, leasing of property of any kind and other transactions in the ordinary course of the company's business at very reasonable price besides good quality of products

(c)

SL. No.	Particulars	Details
	Name (s) of the related party & nature of relationship	Indosol Export, as per Regulation 23 & 2(1)(zb) of the SEBI (Listing Obligations and Disclosure Requirement), 2015, any person or entity holding 20% or more of the shareholding in the Company shall be deemed to be related Party. That is why it is related. , However none of the director or their relative is interested as a partner or otherwise.
	Nature of contracts/ arrangements/ transaction	Sale, purchase or supply of goods and material, availing and rendering of services, selling or otherwise disposing off or buying properties of any kind, leasing of property of any kind and other transactions in the ordinary course of the company's business.
	Duration of the contracts/arrangements/transaction	One year
	Amount paid as advances, if any	NA
	Salient terms of the contracts or	Sale, purchase or supply of goods and material,

	arrangements or transaction including the value, if any	availing and rendering of services, selling or otherwise disposing off or buying properties of any kind, leasing of property of any kind and other transactions in the ordinary course of the company's business up to the maximum value of 50 crores (Fifty Crores).
	Justification for entering into such contracts or arrangements or transactions'	Sale, purchase or supply of goods and material, availing and rendering of services, selling or otherwise disposing off or buying properties of any kind, leasing of property of any kind and other transactions in the ordinary course of the company's businessat very reasonable price besides good quality of products
	Date of approval by the Board	15.05.2023

## **REPORT ON CORPORATE GOVERNANCE**

### **CORPORATE GOVERNANCE REPORT**

In accordance with Regulation 34 read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [“SEBI (LODR) Regulations”], the Report containing the details of Corporate Governance of Syschem (India)Limited is as follows:

#### **1. COMPANY’S PHILOSOPHY ON CODE OF GOVERNANCE**

The 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 realizes 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**

##### **(i) Composition and category of Directors**

The strength of Board is 5 (Five) Directors as on 31st March 2024. The Board consisted of Two Executive Directors, one non-Executive non-independent Director, TwoNon-Executive Independent Directors.

The Non-Executive Independent Directors with their diverse knowledge, vast experience and relevant expertise brings in their independent judgment, knowledgeable and professional view to the deliberations and decisions of the Board.

Apart from the sitting fees being paid for attending Board / Committee Meetings, the non-executive Directors did not have any material pecuniary relationship or transaction withthe Company during the year 2023-2024 or even after the close of Financial year upto the date of this report.

The Company has a Non Executive Independent Director as Chairman and as per the requirements of Listing Regulations, the Company shall have one third of the Board consist of Independent Directors. The Composition of the Board as on 31.03.2024 is given below:

- |    |                         |  |
|----|-------------------------|--|
| 1. | Mr. Ranjan Jain         | - Managing Director                      |
| 2. | Mr. Suninder Veer Singh | - Wholetime Director                     |
| 3. | Mrs. NeenaBatra         | - Non-Executive Non-Independent Director |
| 4. | Ms. Arshdeep Kaur       | - Non Executive Independent Director     |
| 5. | Ms. Renu Rawat          | - Non Executive Independent Director     |

(ii) The attendance at Board Meetings and at the Last Annual General Meeting and the No. of Other Directorships and Committee Memberships / Chairmanships of Directors is given below :-

NAME	Ranjan Jain	Suninder Veer Singh	Arshdeep Kaur	Neena Batra	Renu Rawat	
CATEGORY	Executive	Executive	Independent & Non Executive Director	Non-Executive	Independent & Non Executive Director	
Board Meetings attended during the year	11	11	12	09	09	
Attendance at the AGM held on 23.09.2023	Y	Y	N	Y	N	
*No. of other Boards in which Member or Chairperson	NIL	NIL	2	NIL	2	
No. of other Board Committees in which Member or Chairperson	Member	1	1	4	2	3
	Chairperson	NIL	NIL	2	1	2

**\*Note:**

1. For the above purpose, all Public Limited Companies, whether listed or not, have been included and all other companies including Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013 has been excluded.
2. For the purpose of Membership & Chairmanship in a Committee only Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee have been considered.
3. The above composition and the information is as at 31.03.2024.

None of the Directors of the Board serve as Member of more than 10 Committees nor do they Chair more than 5 Committees.

(iii) Number of Board Meetings held, dates on which held:

Total 12 Board meetings were held during the period from 1st April, 2023 to March 31, 2024 on the following dates:

15-05-2023, 01-06-2023, 20-06-2023, 04-07-2023, 04-08-2023, 04-09-2023, 22-09-2023, 02-11-2023, 08-11-2023, 22-11-2023, 09-02-2024, 11-03-2024

And 1 (One) Independent Directors meeting was held on 04.08.2023 as required under Schedule IV of Companies Act, 2013

During the year under review, the gap between two meetings did not exceed 120 days as per SEBI (LODR) Regulations, 2015 and Section 173 of the Companies Act, 2013.

### **Information placed before the Board**

The Agenda is circulated well in advance to the Board Members. The items in the Agenda are backed by comprehensive background information to facilitate meaningful discussions and to enable the Board to take efficient decisions. The Board of Syschem (India) Limited is presented with all relevant information on various vital matters affecting the working of the Company in addition to the matters set out in the SEBI (LODR), Regulations, 2015. Also, extensive information is provided on various critical matters such as Risk Assessment, Growth, Expansion, Related party transactions, sales, financial performance, foreign exchange exposure, Appointment of Key Management personnel, legal proceedings, share transfer compliance, quarterly financial results, significant labour and human relation matters.

### **3.AUDIT COMMITTEE**

#### **TERMS OF REFERENCE:**

##### **Powers of the Audit Committee**

The powers of the Audit Committee shall include the following:

1. To investigate any activity within the terms of reference
2. To seek information from any employee
3. To obtain outside legal or other professional advice
4. To secure attendance of outsiders with relevant expertise, if it considers necessary

##### **Role of Audit Committee**

The role of the Audit Committee shall include the following:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the Statutory Auditor and the fixation of Audit Fee.
3. Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956.
  - b. Changes, if any, in accounting policies and practices and reasons for the same.
  - c. Major accounting entries involving estimates based on the exercise of judgment by management.
  - d. Significant adjustments made in the financial statements arising out of audit findings.
  - e. Compliance with listing and other legal requirements relating to financial statements.
  - f. Disclosure of any related party transactions
  - g. Qualifications in the draft audit report.
5. Reviewing, with the management, the Quarterly Financial Statements before submission to the Board for approval.



- 6) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer Document / Prospectus / Notice and the report submitted by the monitoring agency, monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- 7) Reviewing, with the management, performance of Statutory and Internal Auditors, and adequacy of the internal control systems.
- 8) Reviewing the adequacy of Internal Audit function, if any, including the structure of the Internal Audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of Internal Audit.
- 9) Discussion with Internal Auditors any significant findings and follow up there on.
- 10) Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- 11) Discussion with Statutory Auditors before the Audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- 12) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- 13) To review the functioning of the Whistle Blower mechanism, in case the same is existing.
- 14) Approval of appointment of CFO (i.e., the Whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
- 15) Carrying out any other function which the Board of Directors of the Company can refer to Audit Committee from time to time.
- 16) the recommendation for appointment, remuneration and terms of appointment of Auditors of the Company,
- 17) review and monitor the Auditor's independence and performance, and effectiveness of audit process;
- 18) examination of the financial statement and the Auditors' report thereon,
- 19) approval or any subsequent modification of transactions of the Company with related parties,
- 20) scrutiny of inter-corporate loans and investments;
- 21) valuation of undertakings or assets of the Company, wherever it is necessary,
- 22) evaluation of internal financial controls and risk management systems;
- 23) monitoring the end use of funds raised through public offers and related matters.

#### **Review of information by Audit Committee**

The Audit Committee shall review the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
3. Management letters / letters of internal control weaknesses issued by the Statutory Auditors;
4. Internal Audit Reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee

### **Composition of Audit Committee**

As on 31.03.2024, the Audit Committee of the Company comprises of one non-executive Independent Directors and Two non-executive Non-Independent Director, who are well qualified and financially literate. Following is the composition of the Audit Committee:

Ms. Arshdeep Kaur	Independent Director, Chairman
Mrs. Renu Rawat	Independent Director, Member
Mrs. Neena Batra	Non-executive Director, Member

### **Meetings of Audit Committee and attendance during the year 2023-24**

8 meetings of the Audit Committee have been held during the year 2023-24 on the following dates:

13.05.2023, 31.05.2023, 03-08-2023, 22-08-2023, 02-11-2023, 08-11-2023, 28-01-2024 and 08-02-2024

The attendance at the Audit Committee Meetings during the period from 01.04.2023 till 31.03.2024 is given below:

<b>Name</b>	<b>Title</b>	<b>No. of Meetings held</b>	<b>No. of Meetings attended</b>
Ms. Arshdeep Kaur	Independent Director and Chairman of Committee	8	8
Mrs. Renu Rawat	Independent Director	8	8
Mrs. Neena Batra	Non-executive Director	8	4

## **5. NOMINATION AND REMUNERATION COMMITTEE**

### **BRIEF DESCRIPTION OF TERMS OF REFERENCE**

Nomination and Remuneration Committee of the Board of Directors is in place in terms of Section 178 of the Companies Act, 2013, Listing Regulations, 2015 and RBI Guidelines. The Committee, earlier known as Nomination Committee was reconstituted as Nomination and Remuneration Committee in terms of Section

178 of the Companies Act, 2013. The Committee has been formed with a view to carry out the objectives as enshrined in these respective Statutes. The terms of reference of the Nomination and Remuneration Committee include:-

- a. To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in the Companies Act, 2013, Rules framed there under from time to time, Listing Regulations, 2015 and RBI Guidelines.
- b. To make recommendations to the Board about appointment and removal of Directors and Senior Management.
- c. To carry out evaluation of every Director's performance.
- d. To formulate criteria for determining qualifications, positive attributes and independence of a Director
- e. To formulate and recommend to the Board a Nomination and Remuneration Policy.

#### **COMPOSITION:-**

Following was the composition of the Nomination and Remuneration Committee as on 31-03-2024:

Mrs. Renu Rawat	Independent Director, Chairperson
Mrs. Neena Batra	Non-Executive Director, Member
Ms. Arshdeep Kaur	Independent Director, Member

#### **Meetings of Nomination and Remuneration Committee and attendance during the year 2023-24**

One meetings of the Nomination and Remuneration Committee has been held during the year 2023-24 on 03.08.2023

#### **4. STAKEHOLDERS' RELATIONSHIP COMMITTEE**

The Stakeholders' Relationship Committee of the Board has been constituted to look into complaints like Transfer of Shares, non-receipt of Balance Sheet, non-receipt of Annual Report etc. The Committee is headed by Mrs. Arshdeep Kaur, who is a Non Executive Independent Director. Mr. Ranjan Jain and Mr. Suninder Veer Singh, Directors are other Members of the Committee. One meeting of the committee held on 22.11.2023

#### **NAME AND DESIGNATION OF COMPLIANCE OFFICER**

Mrs. ShikhaKataria, Company Secretary is the Compliance Officer of the Company. The Compliance Officer can be contacted at:

[info@syschem.in](mailto:info@syschem.in), [shikhakataria@syschem.in](mailto:shikhakataria@syschem.in)

TEL: 0172-5070472

#### **COMPOSITION:**

Following is the composition of the Stakeholders' Relationship Committee:

M. Arshdeep Kaur	Non-Executive	Independent	Director,
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	Chairman
Mr Ranjan Jain	Executive Director, Member
Mr. Suninder Veer Singh	Executive Director, Member

No shareholder complaint has been received by the Company during the year under review.

## 5. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility (CSR) Committee has been constituted by the Board in compliance with the requirements of Section 135 of the Companies Act, 2013.

### i) Broad Terms of Reference

- Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company in areas or subject specified in Schedule VII of the Companies Act, 2013;
- Recommend and monitor the amount of expenditure to be incurred on the activities referred to in clause (a).
- Monitor the Corporate Social Responsibility Policy of the Company from time to time; and
- Any other functions as may deem fit by the CSR Committee/Board or as may be necessitated by any regulatory framework as amended from time to time.

### ii. Composition of the Committee

Mrs. Renu Rawat	Non-Executive - Independent Director
Mrs. Arshdeep Kaur	Non-Executive - Independent Director
Mrs. Neena Batra	Non-Executive - Non Independent Director

### iii. Meetings and Attendance

During the financial year ended 31st March, 2024, four meetings were held through Physical Mode and/ or Video Conferencing as permitted by relevant SEBI Circulars and MCA Circulars read with Rule 3 of the Companies (Meetings of Board and its Powers) Rules, 2014 under provisions of Companies Act, 2013 on 25<sup>th</sup> March, 2024.

## 6. GENERAL BODY MEETINGS

(i) Location and time of Annual General Meetings, Extra-Ordinary General Meeting and Postal Ballot e-voting held in the last 3 years:

YEAR	2021	2022	2023
Type of Meeting	AGM	AGM	AGM
Date	28 <sup>th</sup> August, 2021	16 <sup>th</sup> September, 2022	23 <sup>rd</sup> day of September, 2023
Venue	Village Bargodam, Tehsil Kalka, Distt. Panchkula, Haryana.	Village Bargodam, Tehsil Kalka, Distt. Panchkula, Haryana.	Village Bargodam, Tehsil Kalka, Distt. Panchkula, Haryana.

Time	4.00 PM	4:00 PM	3:30 PM
Special Resolution Passed	YES	YES	YES

Also give details of EGM held during last three years.

SNO	YEAR	2021	2022	2022
1	Date	NIL	9 <sup>TH</sup> April, 2022	17, June, 2022
2	Type of Meeting		EGM	EGM
3	Deemed Venue		Village Bargodam, Tehsil Kalka, Distt. Panchkula, Haryana	Village Bargodam, Tehsil Kalka, Distt. Panchkula, Haryana.
4	Time		11:30 A.M.	11:30 P.M.
5	Special Resolution Passed		Yes	Yes

Details of Special resolution passed in the Extra Ordinary General Meeting

#### Year 2022-23

Special Resolution passed in the meeting dated 9<sup>th</sup> April, 2022

- To extend the Guarantee in respect of the Credit facilities availed by M/S Pharmicare International, a partnership Concern.
- To approve related Party transactions
- To approve the appointment and re-designation of Mr. Ranjan Jain, (DIN: 00635274) as the Managing Director and payment of Remuneration.
- To Approve the appointment and re-designation of Mr. Suninder Veer Singh, (DIN:07693557) as Whole Time Director and payment of Remuneration.

Special Resolution passed in the meeting dated 17<sup>th</sup> June, 2022

- To Increase the Authorized Share Capital of the Company and Consequently Alteration of Memorandum of Association
- To Amend the Articles of Association
- To approve the issuance of Equity shares on Preferential Basis.

Details of the Postal Ballot held during last 3 years.

<b>Year</b>	<b>2023</b>
Type of Meetings	Postal Ballot
<ul style="list-style-type: none"><li>• Last date of receipt of Postal Ballot Forms</li></ul>	19-04-2023
<ul style="list-style-type: none"><li>• Last date of receipt of Postal Ballot Forms</li></ul>	05-07-2023
<ul style="list-style-type: none"><li>• Last date of receipt of Postal Ballot Forms</li></ul>	6-01-2023

Special Resolutions Passed in the Postal Ballots meeting dated 06-01-2023

- To approve the appointment of Ms. Arshdeep Kaur as Independent Director
- To approve the appointment of Mrs. Renu Rawat as Independent Director

Special Resolutions Passed in the Postal Ballots meeting dated 19.04.2023

- To Increase the Authorized Share Capital of the Company and Consequently Alteration of Memorandum of Association
- To Amend the Articles of Association

Special Resolutions Passed in the Postal Ballots meeting dated 05-07-2023

- To approve and rectify related Party Transactions being Corporate Guarantee issued by the Company on behalf of Pharmacare International, partnership concern.
- To approve the material Related Party Transactions to be entered by the Company

(ii) Details of the Special Resolutions passed in the last three Annual General Meetings

**Year 2020-21**

1. To Amend the Memorandum of Association.
2. To Amend Articles of Association.
3. Preferential Allotment of Convertible Warrants/Equity shares of the Company.
4. Preferential Allotment of Equity shares of the Company
5. To approve the related party transactions
6. To Approve the remuneration of the Cost Auditor for the Financial year ending March 31, 2022
7. To consider payment of remuneration to Mr. Ranjan Jain, the whole time director of the Company
8. To consider payment of remuneration to Mr. Suninder Veer Singh, the Managing Director of the Company
9. To re-classify the status of Mr. Rajesh Gupta from Promoter category to Public category of the Company.

## **Year 2021-22**

1. To approve the related party transactions.
2. To approve the remuneration of the Cost Auditors for the Financial Year ended 2022-23.

## **YEAR 2022-23**

1. To approve material related party transactions for the Financial Year 2024-25.
2. To approve the remuneration of the Cost Auditors for the financial year ending March 31, 2024.
3. To approve and ratify the Related Party Transactions being the Corporate Guarantee issued by the Company on behalf of the Pharmicare International, a Partnership Concern.

## **8. DISCLOSURES**

### **(i) Related Party Transactions**

The Audit Committee accords omnibus approval to Related Party Transactions which are foreseen and repetitive in nature. The Audit Committee reviews, on a quarterly basis, the details of the Related Party Transaction entered pursuant to the aforementioned omnibus approval.

The details of Related Party Transactions under Section 188(1) of the Act required to be disclosed under Form AOC - 2 pursuant to Section 134(3) of the Act is enclosed as Annexure D-8.

The Company has framed a policy on determining materiality of Related Party Transaction and dealing with Related Party Transaction. The said policy has been uploaded on the website of the Company and can be accessed at the following link:[http://www.syschem.in/DOWNLOAD/RPT\\_Policy.pdf](http://www.syschem.in/DOWNLOAD/RPT_Policy.pdf).

### **(ii) Details of Non-Compliances:**

There was penalty imposed for late/Non compliance with certain provisions of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015. The details of which are given below:

<b>Quarter/ Year end</b>	<b>Regulation of SEBI (LODR) Regulations, 2015</b>	<b>Fine Levied (in Rs.) (Including GST@18%)</b>	<b>Fine Paid</b>	<b>O/s Fine Payable</b>
Half year end 31 <sup>st</sup> March, 2023	Regulation 23 (9)	Rs. 11800 (Eleven Thousand Eight Hundred)	Rs. 10800 only	NIL
<b>Total</b>			Rs.10800	

In this regards, company had already paid the Penalty.

### **(iii) Whistle Blower Policy**

The 'Whistle Blower Policy' cum Vigil Mechanism is in place which is reviewed by the Audit Committee on regular basis and the text of the same is given at the end of this Corporate Governance Report. No personnel has been denied access to the Audit Committee. The same is also available on the Website of the Company [http://www.syschem.in/DOWNLOAD/Whistleblower\\_Policy.pdf](http://www.syschem.in/DOWNLOAD/Whistleblower_Policy.pdf).

(iv) **Compliance With Mandatory Requirements Of SEBI (LODR), Regulations, 2015**

The Company has complied with all the mandatory conditions of Corporate Governance and is planning to adopt non-mandatory requirements also in a phased manner.

(v) **Disclosure of Accounting Treatment**

The Financial Statement of Company are prepared as per the prescribed Accounting standards and reflects true and fair view of the business transactions in the Corporate Governance.

(vi) **Reconciliation Of Share Capital Audit**

A reconciliation of Share Capital Audit was carried out by a qualified practicing Company Secretary on quarterly basis for reconciling the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total Issued & Listed Capital. The Audit inter alia confirms that the total Issued / Paid up Capital is in agreement with the total number of shares held in Physical Form and the total number of dematerialized shares with NSDL & CDSL.

(vii) **Code For Prevention Of Insider Trading**

The Company has instituted a comprehensive Code of Conduct for Prevention of Insider Trading for its designated employees, in compliance with Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, as amended from time to time. After these Regulations having been amended by SEBI in 2015, the Code of Fair Disclosure and Prevention of Insider Trading Code under Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 2015 have been adopted and displayed on the website of the Company [www.syschem.in](http://www.syschem.in). These Codes lay down guidelines vide which it advises the designated employees on procedures to be followed and disclosures to be made, while dealing with the shares of the Company and caution them of the consequences of violations.

(viii) **Material Subsidiaries**

The Company has no subsidiary as defined under Listing Regulations.

(vii) **Disclosure Regarding Appointment Or Re-appointment Of Directors:**

Mr.Suninder Veer Singh, Director of the Company retire by rotation in the ensuing Annual General Meeting and being eligible offer himself for re-appointment. Their brief Resumes are already given as part of the Notice of Annual General Meeting.

**RELATIONSHIP OF DIRECTORS INTER SE**

- No directors are related to each other in any manner.

(vi) **COMPLIANCE WITH NON-MANDATORY REQUIREMENTS**

1. **The Board**

The Chairman of the Company is an Executive Director. His office is maintained at the Company's expense and also allowed reimbursement of expenses incurred in performance of his duties.

2. **Shareholder Rights**



Since the Company publishes its Quarterly Results in Newspapers (English and Hindi) having wide circulation and the results are also displayed on the website of the Company and the Stock Exchanges, the Company does not send any declaration of Half Yearly performance to the shareholders.

### **3. Audit Qualifications**

There are no Audit qualifications on the Financial Statements of the Company for the year 2023-24.

### **4. Reporting of Internal Auditor**

At the moment, the reporting of the Internal Audit is not directly to the Audit Committee. However, the significant findings of the internal audit are placed before the Audit Committee on regular basis.

### **(viii) Code of Conduct**

(i) The Board of Directors has laid down Code of Conduct for all Board Members and Senior Management of the Company. The copy of Code of Conduct as applicable to the Directors (including Senior Management of the Company) is uploaded on the website of the Company [www.syschem.in](http://www.syschem.in).

(ii) The Members of the Board of Directors and Senior Management personnel have affirmed compliance with the Code applicable to them during the year ended March 31, 2020. The Annual Report of the Company contains a Certificate duly signed by the Director in this regard.

### **(ix) Board Disclosures - Risk Management**

The Company manages risks as an integral part of its decision making process. The Company has laid down procedures to inform the Board of Directors about the Risk Management and its minimization procedures. The Audit Committee and the Board of Directors review these procedures periodically.

### **(x) Proceeds from Public Issues, Rights Issues, Preferential Issues, etc.**

The company has raised Rs. 318,904,000 during the year under review.-. The company has issued and allotted 79,72,600 Equity shares on Right Issue Basis The proceeds from the Right Issue were to support the expansion of business, general corporate purpose and working capital of the company.

### **9. Management Discussion & Analysis Report:**

Management Discussion & Analysis Report forms part of the Annual Report and include discussions on various matters specified under Listing Regulations, 2015.

### **10. MEANS OF COMMUNICATIONS**

#### **a. Quarterly Results :**

The Quarterly, Half yearly and Annual Results of the Company are sent to BSE Limited in accordance with the Listing Agreement. The said Results are normally published in English and Hindi newspapers and also displayed on Company's website [www.syschem.in](http://www.syschem.in).

#### **b. Presentations to the Institutional Investors or to the Analysts:**

No presentations have been made to institutional investors or to the analysts during the year under review.

**c. BSE Corporate Compliance and Listing Centre:-**

All periodical compliance filings like Shareholding Pattern, Corporate Governance Report, and Quarterly Results etc. are filed electronically with the Listing Centre of BSE. Company is also regular in paying annual listing fee.

**11. GENERAL SHAREHOLDER INFORMATION**

AGM : Date, time	Wednesday, the 07 <sup>th</sup> day of August, 2024 at 3.30 P.M.		
AGM venue	Through VC/OAVM		
Financial year	April 1 <sup>st</sup> , 2023 to March 31 <sup>st</sup> , 2024		
Date of Book closure	01.08.2024 to 07.08.2024 (both days inclusive)		
Dividend Payment Date	N/A		
Listing on Stock Exchanges	BSE Limited		
ISIN	INE121D01036		
Sscrip Code	531173		
Market Price Data: High, Low during each month ins last financial year	Month	High Price	Low Price
	Apr-23	49.20	39.11
	May-23	53.40	40.73
	Jun-23	44.90	36.37
	Jul-23	42.64	36.32
	Aug-23	62.70	40.50
	Sep-23	69.50	50.50
	Oct-23	58.00	44.19
	Nov-23	54.90	48.02
	Dec-23	57.30	47.58
	Jan-24	73.90	48.55
	Feb-24	64.98	55:00
	Mar-24	60.08	54.20
Performance in comparison to broad-based indices such as BSE Sensex, CRISIL index etc.			

	<p style="text-align: center;">Chart Title</p>
Registrar and Transfer Agents	Beetal Financial & Computer Services Pvt. Ltd ,Beetal House, 99, Madangir behind Local Shopping Centre, Near Dada Harsukh DassMandir, New Delhi, - 110 062
Share Transfer System	<p>To expedite the share transfer process in the physical segment, the process is undertaken by Common Registry M/s Beetal Financial &amp; Computer Services Pvt. Ltd, New Delhi. Share Transfers are processed and approved by them and taken note of by Share Transfer Committee, i.e. Stakeholders' Relationship Committee. The said Committee of the Company meets on regular basis to review the work of Transfer, transmission and issue of duplicate Share Certificates etc. The Equity Shares of the Company are traded in dematerialized form only.</p> <p>Presently, the share transfers, which are received in physical form, are processed and the Share Certificates returned within a period of 15 days from the date of receipt by the RTA, subject to documents being valid and complete in all respects.</p> <p>All requests for Dematerialization of Shares are processed and the confirmation is given to the Depositories within 15 days by RTA subject to documents being valid and complete in all respects. Grievances received from Members and other miscellaneous correspondence on change of address, mandates etc. are processed by the Registrar within 15 days.</p>
Dematerialization of shares and liquidity	Liquidity:-99.24%of the shareholding of the Company have been dematerialized as on 31.03.2024 and there is sufficient liquidity in the stock.
Address for correspondence	The Compliance Officer, SCO No. -825, 1 <sup>st</sup> Floor, NAC, Mani Majra Chandigarh. E-mail: <a href="mailto:info@syschem.in">info@syschem.in</a> , <a href="mailto:shikhakataria@syschem.in">shikhakataria@syschem.in</a>

(a) **Distribution of Shareholding (No. of Shares) as on March 31, 2024 is as under :-**

No. of Shares	No. of Shareholders	% of Shareholders	Total No. of Shares	% of Holding
1 – 5000	11248	80.677	1453034	3.6451
5001 – 10000	1197	8.586	998339	2.5044

10001 – 20000	612	4.390	932519	2.3393
20001 – 30000	233	1.671	602355	1.5111
30001 – 40000	117	0.839	419558	1.0525
40001 – 50000	97	0.696	460138	1.1543
50001 – 100000	187	1.341	1406878	3.5293
100001 and above	251	1.800	33590170	84.264
Total				

**Shareholding Pattern as on 31<sup>st</sup> March, 2024:-**

<b>Category</b>	<b>No. of Shares held</b>
Promoters	10
Institutional Investors	-
Mutual Funds & UTI	-
Banks, Financial Institutions and Insurance Companies	-
FII's	-
Others	13314
Private Corporate Bodies	109
Indian Public	
NRIs/OCBs	236
HUF	273
Clearing Members	0

**12. Total Fees for all services paid by the listed and its subsidiaries.**

The detail of payment of total fees to the Statutory Auditor is as under:

Statutory Audit (Including Tax Audit)	2,50,000
<b>Total</b>	<b>2,50,000</b>

**13. CEO / CFO CERTIFICATION**

In terms of the requirements of SEBI (LODR), 2015, the Director and the CFO have submitted necessary certificate to the Board of Directors stating the particulars specified under the said Clause. The Certificate has been reviewed by the Audit Committee and taken on record by the Board of Directors.

**14. SUBSIDIARY COMPANIES**

The Company has no subsidiary.

**15. FAMILIARISATION PROGRAMME**

Your Company follows a structured orientation and familiarization programme through various programs / presentations for Independent Directors with a view to update them on the Company's policies and procedures on a regular basis. Periodic presentations are made at the Board Meetings on Company's strategy, business model, operations, service and product offerings, markets, organization structure, finance, human resources, technology, quality, facilities and risk management and such other areas as may arise from time to

time. The details of familiarization programme have been posted on the website of the Company under the web link [http://www.syschem.in/DOWNLOAD/Familiarization\\_Policy.pdf](http://www.syschem.in/DOWNLOAD/Familiarization_Policy.pdf).

## VIGIL MECHANISM CUM WHISLTE BLOWER POLICY

### 1. General

Syschem (India) Limited (the Company) expects its Directors, Officers, Employees, and other representatives to observe high standards of business and personal ethics in the conduct of their duties and responsibilities. As employees and representatives of the Company, we must practice honesty and integrity in fulfilling our responsibilities and comply with all applicable laws and regulations.

Section 177 (9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meeting of Board and its Powers) Rules, 2014 mandates the following classes of companies to constitute a vigil mechanism –

- Every Listed Company;
- Every other Company which accepts deposits from the public;
- Every Company which has borrowed money from banks and public financial institutions in excess of Rs. 50 crores.

Further, Listing Regulations, 2015 provides for a mandatory requirement for all listed companies to establish a mechanism called the ‘Whistleblower Policy’ for Directors and Employees to report concerns of unethical behaviour, actual or suspected, fraud or violation of the Company’s Code of Conduct or Ethics Policy.

### 2. Definitions

The definitions of some of the key terms used in this Policy are given below.

- a. **“Audit Committee”** means the Audit Committee constituted by the Board of Directors of the Company in accordance with Section 177 of the Companies Act, 2013 and read with Listing Regulations, 2015
- b. **“Employee”** means every employee of the Company including the Directors in the employment of the Company.
- e. **“Protected Disclosure”** means any communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity.
- c. **“Whistleblower”** means an employee or director making a Protected Disclosure under this Policy.

### 3. Reporting Responsibility

It is the responsibility of all directors, officers, and employees to report Wrongful Conduct in accordance with this Whistleblower Policy.

### 4. Wrongful Conduct

“Wrongful Conduct” is defined in this Whistleblower Policy to include a serious violation of Company’s policy; a violation of applicable state and federal law; or the use of Company’s property, resources, or authority for personal gain or other non organization-related purpose except as provided under the policy. This definition of Wrongful Conduct is not intended to be an exclusive listing of the illegal or improper activity encompassed by the Whistleblower Policy. Rather, the Whistleblower Policy is intended to serve as a means of reporting all serious improprieties that potentially impact the integrity and effective operation of the Company.

### 5. No Retaliation

No Director, Officer, or Employee who in good faith reports Wrongful Conduct will suffer harassment, retaliation or adverse employment consequence. Any Director, officer, or employee who retaliates against anyone who has reported Wrongful Conduct in good faith is subject to discipline up to and including termination of employment or removal from the board or directors, as applicable. This Whistleblower Policy

is intended to encourage and enable employees and others to raise serious concerns within the Company prior to seeking resolution outside the Company.

## **6. Reporting Wrongful Conduct**

Syschem (India) Limited encourages its Directors, Officers, and Employees to share their questions, concerns, suggestions, or complaints with someone who can address them properly. Any Director, officer, or employee may report Wrongful Conduct to the Executive Director or the Chairman of the Board of Directors / Audit committee. If the Wrongful Conduct implicates one or both of the Executive Director or the Chairman of the Board of Directors / Audit Committee, or if the reporting individual is not comfortable speaking with or not satisfied with response of the foregoing individuals, the issue may be reported to any member of the Board of Directors. The Executive Director, Chairman of the Board of Directors, and all members of the Board of Directors to whom a report of Wrongful Conduct is made are required to immediately advise the full Board of Directors of such report of Wrongful Conduct.

## **7. Acting in Good Faith**

Anyone filing a complaint of Wrongful Conduct must be acting in good faith and have reasonable grounds for believing the information disclosed indicates Wrongful Conduct. Any allegations that prove not to be substantiated and which prove to have been made maliciously or knowingly to be false will be viewed as a serious disciplinary offense.

## **8. Confidentiality**

Reports of Wrongful Conduct or suspected Wrongful Conduct may be submitted on a confidential basis by the complainant or may be submitted anonymously. Reports of Wrongful Conduct or suspected Wrongful Conduct will be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation.

## **9. Handling of Reported Wrongful Conduct**

A representative of the Board of Directors will notify the sender and acknowledge receipt of the reported Wrongful Conduct or suspected Wrongful Conduct within five business days, unless such report was submitted anonymously. All reports will be promptly investigated and appropriate corrective action will be taken if warranted by the investigation.

## **10. Retention of documents**

All Protected Disclosures in writing or documented along with the results of investigation relating thereto shall be retained by the Company for a minimum period of seven years.

## **11. Amendment**

The Company reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever. However, no such amendment or modification will be binding on the Employees and Directors unless the same is notified to the Employees and Directors in writing.

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## **DECLARATION OF THE DIRECTOR**

This is to certify that the Company has laid down code of conduct for all Board Members and Senior Management of the Company and the copies of the same are uploaded on the website of the Company [www.syschem.in](http://www.syschem.in). Further certified that the Members of the Board of Directors and Senior Management personnel have affirmed having complied with the code applicable to them during the year ended March 31, 2024.

**Place: CHANDIGARH**

**Date: 06.05.2024**

**Sd/-**

**Ranjan Jain**

**Managing Director**

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## CERTIFICATE ON CORPORATE GOVERNANCE

**To**  
**The Members of**  
**Syschem (India)Limited**

We have examined the compliance of the conditions of Corporate Governance by Syschem (India)Limited (“the Company”) for the Financial Year ended 31<sup>st</sup>March, 2024, as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as referred to in Regulation 15 (2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of the conditions of Corporate Governance is the responsibility of the management of the Company. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of 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 explanations given to us, and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as mentioned in the above mentioned Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable.

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

### **Assumptions & Limitation of scope and Review:**

1. Compliance of the applicable laws and ensuring the authenticity of documents and information furnished, are the responsibilities of the management of the listed entity.
2. Our responsibility is to certify based upon our examination of relevant documents and information.  
This is neither an audit nor an expression of opinion.

3. We have not verified the correctness and appropriateness of financial Records and Books of Accounts of the listed entity.
4. This Report is solely for the intended purpose of compliance in terms of Regulation 34 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is neither an assurance as to the future viability of the listed entity nor of the efficacy or effectiveness with which the management has conducted the affairs of the listed entity.

Place: Chandigarh

Date: 04.07.2024

UDIN: F005901F000670818

KANWALJIT SINGH THANEWAL

FCS No. 5901

C P No.: 5870

Peer review Cert No. 2319/2022

## CEO/CFO DECLARATION

**The Board of Directors of,  
Syschem (India) Limited,  
Village Bargodam, Tehsil Kalka,  
DisttPanchkula  
Haryana.**

**Date: 06.05.2024**

We hereby certify that for the financial year ending 31-03-2024, on the basis of review of Financial Statements and the Cash Flow Statement for the year and that to the best of our knowledge and belief:

1. These Statements of Syschem (India) Limited for the Financial year ending 31-03-2024, do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or volatile of the Company's code of conduct.
4. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Statutory Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and we have taken steps from time to time to rectify these deficiencies.
5. We further certify that we have indicated to the Auditors and the Audit Committee that:
  - a) there have been no significant changes in internal control over financial reporting during the year;
  - b) there have been no significant changes in accounting policies during the year and
  - c) there have been no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Sd/-  
**(Sanjeev Agrawal )**  
CFO

Sd/-  
**(Ranjan Jain)**  
Managing Director

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**DISCLOSURE OF PARA A OF SCHEDULE V OF LISTING AGREEMENT**

<b>S.NO</b>	<b>In Account of</b>	<b>Disclosure amount at the year end and the maximum amount of loans/advances investment outstanding during the year</b>
<b>1</b>	Holding Company	<ul style="list-style-type: none"><li>• Loan and advances in the nature of loans to subsidiaries by name and account.</li><li>• Loan and advances in the nature of loans to associates by name and amount.</li><li>• Loans advance in the nature of loans to firms/companies in which directors are interested by name and amount: <b>NA</b></li></ul>
<b>2.</b>	Subsidiary Company	<ul style="list-style-type: none"><li>• Some disclosures as applicable to the parent Company in the accounts of subsidiary Company: <b>NA</b></li></ul>
<b>3.</b>	Holding Company	<ul style="list-style-type: none"><li>• Investments by the loanee in the shares of parent company and subsidiary company, when company has made a loan or advance in the nature of loan.</li></ul>

For details of transactions of the Company with the persons or entity belonging to the Promoters/promoters group which hold(s) 10% or more shareholding in the Company, if any refer to ‘Related Party’ transactions “ provided in the notes to Financial statements.

**Place:** Chandigarh

**S/d**  
**Ranjan Jain**  
**DIN: 00635274**

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**  
**(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)**

To,

The Members of  
Syschem (India) Limited,  
VillBargodam, Tehsil Kalka,  
Distt Panchkula,  
Haryana.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Syschem (India) Limited having CIN: L24219HR1993PLC032195 and having registered office at VillBargodam, Tehsil Kalka, District Panchkula, Haryana (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on 31<sup>st</sup> March, 2024 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

<b>Sr. No.</b>	<b>Name of the Director</b>	<b>DIN</b>	<b>Date of appointment in the company</b>
1.	Mr. Suninder Veer Singh	07693557	30.12.2016
2.	Ms. Arshdeep Kaur	08056826	02.11.2022
3.	Ms. RenuRawat	08161739	02.11.2022
4.	Ms. NeenaBatra	07846399	16.06.2017
5.	Mr. Ranjan Jain	00635274	13.01.2015

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Chandigarh

Date: 04.07.2024

UDIN: F005901F000670642

KANWALJIT SINGH THANEWAL  
FCS No. 5901  
C P No.: 5870  
Peer review Cert No. 2319/2022

## **IMPACT OF AUDIT QUALIFICATIONS**

**Ref: SIL/204-25/25**

To  
The Manager  
Department of Corporate Relationship  
**BSE Limited**  
25<sup>th</sup> Floor P. J. Towers, Dalal Street  
Mumbai -400 001.

**Subject: Impact of Audit Qualification for the Financial Year 2023-24**

Dear Sir/Ma`am,

Pursuant to the SEBI Notification No SEBI/ LAD-NRO/GN2016-17/001 Dated May 26th, 2016 and Circular No CIR/CFD/CMD/56/2016 Dated May 27, 2016 issued by the Securities & Exchange Board of India (SEBI) on Disclosure of the Impact of Audit qualifications by the Listed Entities prescribed in Schedule VII read with Regulation 33 and Regulation 52 of SEBI (LODR), (Amendment), Regulations, 2016. We confirm and undertake that there is no impact of Audit Qualifications for the financial result of the company March 31st, 2024.

You are requested to take it on record.

Thanking You  
Yours Faithfully

**Place:** Chandigarh  
**Date:** 04.07.2024

**S/d**  
**Ranjan Jain**  
**Managing Director**  
**DIN: 00635274**



# S T A V & CO

CHARTERED ACCOUNTANTS  
HOUSE NO. 3130-P, SECTOR 22-D, CHANDIGARH - 160022  
(M) 98880 - 55545, email: cavarinder.chauhan@gmail.com

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## **INDEPENDENT AUDITORS REPORT**

**TO THE MEMBERS OF**

**SYSCHEM (INDIA) LIMITED**

### **Report on the Audit of the Standalone Financial Statements**

#### **Opinion**

We have audited the standalone financial statements of **SYSCHEM (INDIA) LIMITED** ("the Company") which comprise the balance sheet as at 31st March 2024, the statement of profit and loss including other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanation given to us, the aforesaid financial statements give the information required by the Companies Act 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) specified under section 133 of the Act, of the state of affairs (financial position) of the company as at March 31, 2024, its losses (financial performance including other comprehensive income), and its cash flows and the changes in equity, for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit in accordance with the standards on auditing (SAs) specified under section 143(10) of the Companies Act 2013. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the financial statement section of our report. We are independent of the company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are

relevant to our audit of the financial statements under the provision of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our unqualified opinion on the financial statement.

### **Key Audit Matters**

We have determined that there are no key audit matters to communicate in our report.

### **Information other than the financial statement and Auditor's Report Thereon**

The Company's Board of Director is responsible for the preparation of the other information. The other information comprise the information included in the Board's Report including Annexures to Board's Report but does not include the financial statement and our auditor's report thereon.

Our opinion on the financial statement does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our report of the financial statements our responsibility is to read the other information and in doing so, consider whether, the other information is materially inconsistent with the financial statement or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report the fact. We have nothing to report in this regard.

### **Responsibility of Management for Financial Statements**

The company's Board of Directors is responsible for the matter stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flow of the company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standard



(IndAS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgment and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matter related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Those Board of directors are also responsible for overseeing the company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objective is to obtain reasonable assurance about whether the financial statement as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatement can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for

our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(l) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Materiality is the magnitude of misstatement in the financial statement that individually or in aggregate make it probable that the economic decision of a reasonably knowledgeable user of the financial statement may be influenced. We consider quantitative materiality and qualitative factor in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statement.

## **Report on Other Legal and Regulatory Requirements**

1. As required by section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of accounts as required by law have been kept by the company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31st March, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2024 from being appointed as a director in terms of section 164(2) of the Act.
- f) with respect to adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such control, refer to our separate report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operative effectiveness of the Company's internal financial control over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirement of the section 197(16) of the Act, as amended;

-In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors ) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i) The Company has disclosed the impact of pending litigations on its financial position in its Ind AS Financial Statements.

ii) The company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv) (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to

believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v) The Company has neither declared nor paid any dividend during the year.

vi) Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

As provision to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure "B" a statement on the matters specified in paragraphs 3 and 4 of the order, to the extent applicable.

**For S T A V & CO.**  
**Chartered Accountants**  
**(Firm Registration No. 024510C)**

**DATED : 06.05.2024**  
**PLACE : CHANDIGARH**

**(CA VARINDER SINGH)**  
**PARTNER**  
**M. No. 542573**

**UDIN : 24 542573 BKELE B6362**

## **ANNEXURE A" TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred in paragraph 1(f) under "Report on other Legal and Regulatory requirements' section of our report to the members of **SYSCHEM (INDIA) LIMITED** of even date;

### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act")**

We have audited the internal financial controls over financial reporting of **SYSCHEM (INDIA) LIMITED** ("the Company") as of March 31, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The board of directors of the Company is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting ("IFCOFR") criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the guidance note on the Audit of Internal financial control over financial reporting ("the Guidance Note"), issued by Institute of Chartered Accountants of India and the standard on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of Internal Financial

Controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of IFCOFR included obtaining an understanding of IFCOFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence, we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's IFCOFR.

### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's IFCOFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's IFCOFR includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of IFCOFR, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the IFCOFR to future periods are subject to the risk that IFCOFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate

### **Opinion**

In our opinion, to the best of our information and according to the explanation given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, based on “the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India”.

**For S T A V & CO.**  
**Chartered Accountants**  
**(Firm Registration No. 024510C)**

**DATED : 06.05.2024**  
**PLACE : CHANDIGARH**

**(CA VARINDER SINGH)**  
**PARTNER**  
**M. No. 542573**



## ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 2 under "Report on Other Legal and Regulatory Requirements" section of our Report of even date on the accounts for the year ended on 31st March, 2024 of **SYSCHEM (INDIA) LIMITED**.

On the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanation given to us during the course of audit, we state that : -

(i) (a) (A) The company is maintaining proper records showing full particulars, including quantitative details and situation of its Property, Plant and Equipment.

(B) The company is maintaining proper records showing full particulars of its Intangible Assets.

(b) The Property, Plant and Equipment of the company have been physically verified by the management at reasonable intervals and no discrepancies were noticed on such verification.

(c) Title deeds of immovable properties are held in the name of erstwhile name of the company i.e. Anil Pesticides Limited. The name of company was changed from Anil Pesticides Limited to Syschem (India) Limited w.e.f. 26.12.2001. However name in the revenue records have not been updated.

Description of property	Gross carrying value	Held in name of	Whether promoter, director or their relative or employee	Period held – indicate range, where appropriate	Reason for not being held in name of company
Land & Building	6,14,82,192	Anil Pesticides Ltd former Name of	-	28.07.1994	Held in the name of erstwhile name of

		Syschem India Ltd			the company i.e. Anil Pesticides Limited
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- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, plant and equipment (including Right-of-use assets) or Intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) As explained to us, the physical verification of the inventory has been conducted by the management at reasonable intervals during the year. 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 the consumption of materials.
- (b) The company has not sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets during any point of time of the year.
- (iii) (a) (A) Since there is no subsidiary, associate or Joint Ventures of the company. Accordingly, paragraph 3 (iii)(a)(A) of the Order is not applicable.
- (B) Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has provided guarantee to a party other than subsidiaries, joint ventures and associates as under.

Particulars	Amt. in Lakhs	
	Guarantees	Loans
Aggregate amount during the year	5000.00	NA
Balance outstanding as at balance sheet date.		NA

- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the guarantees provided during the year and the terms and conditions of the guarantees provided during the year are, prima facie, not prejudicial to the interest of the Company.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, Company has not granted any loan, Accordingly, paragraph 3 (iii)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans and advances in the nature of loans to any party during the year. Accordingly, paragraph 3 (iii)(d) of the Order is not applicable.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans and advances in the nature of loans to any party during the year. Accordingly, paragraph 3 (iii)(e) of the Order is not applicable.
- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion the Company has not granted any loans either repayable on demand or without specifying any terms or period of repayment. Accordingly, paragraph 3 (iii)(f) of the Order is not applicable.
- (iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans, or made any investment, provided any security as specified under Section 185 and 186 of the Companies Act, 2013 (“the Act”). In respect of the guarantee provided by the Company, in our opinion the provisions of Section 186 of the Act have been complied with.

- (v) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits with the meaning of section 73 of the Companies Act, 2013. Accordingly, paragraph 3(v) of the Order is not applicable.
- (vi) We have broadly reviewed the cost records maintained by the company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under section 148 (1) of the Companies Act, 2013 and are of the opinion that prima facie the prescribed cost records have been made and maintained. As informed to us, cost audit will be conducted in due course of time. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the information and explanations given to us and on the basis of records produced before us, the Company is not regular in depositing undisputed statutory dues including Goods & Service Tax, provident fund, employees state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities applicable to the Company. Wherever the statutory dues have been deposited late, the same has been deposited with interest and late fee. The arrears of outstanding statutory dues as at the last day of financial year for a period of more than six months from the date they became payable is as under : - NIL
- (b) According to the information and explanations given to us, there are no material statutory referred to in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income-tax Act, 1961 as income during the year.

- (ix) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any loans or borrowings from any lender during the year. Accordingly, clause 3(ix)(a), (b), (c), (d), (e) and (f) of the Order is not applicable.
- (x) (a) The company did not raise money by way of initial public offer or further offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us, the Company has made Preferential allotment of shares during the year under review. In respect of the above issue, we further report that:
- a) the requirement of Section 42 of the Companies Act, 2013, as applicable, have been complied with; and
- b) the amounts raised have been applied by the Company during the year for the purposes for which the funds were raised.
- (xi) (a) According to information given to us, no fraud by or on the company by its officers or employees has been noticed or reported during the course of our audit.
- (b) According to information given to us, No report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government;
- (c) According to information given to us, the Company has not received any whistleblower complaints during the year.
- (xii) The company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanation given to us and based on examination of the record of the company, transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

- (xiv) (a) The company has an internal audit system commensurate with the size and nature of its business
- (b) The reports of the Internal Auditors for the period under audit have been considered.
- (xv) The company has not entered into any non-cash transactions with directors or person connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The company is not required to be registered under section 45-IA of Reserve Bank of India Act 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable.
- (xvii) The company has not incurred cash losses in the current financial year and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- (xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable
- (xxi) Since there is no subsidiary, associate or Joint Ventures of the company, so company is not required to prepare consolidated financial statements. Accordingly reporting under clause 3(xxi) of the Order is not applicable.

**For S T A V & CO.**  
**Chartered Accountants**  
**(Firm Registration No. 024510C)**

**DATED : 06.05.2024**  
**PLACE : CHANDIGARH**

**(CA VARINDER SINGH)**  
**PARTNER**  
**M. No. 542573**

**SYSICHEM (INDIA) LIMITED**  
**BALANCE SHEET AS AT 31ST MARCH, 2024**

Rupees in Lakhs

Particulars	Note	31st March, 2024	31st March, 2023
<b>I ASSETS</b>			
<b>Non-Current Assets</b>			
(a) Property, Plant and Equipment	1	3056.64	3065.44
(b) Capital Work-in-Progress	-	410.72	14.54
(c) Investment Property	-	0.00	0.00
(d) Intangible Assets	2	0.00	0.00
(e) Intangible Assets Under Development	-	0.00	0.00
(f) Deferred Tax Assets (Net)	3	94.61	229.78
(g) Other Non-Current Assets	4	206.13	105.00
<b>Total Non-Current Assets</b>		<u>3768.10</u>	<u>3414.76</u>
<b>Current Assets</b>			
(a) Inventories	5	5139.59	1551.71
(b) Financial Assets			
(i) Investments	-	0.00	0.00
(ii) Trade Receivables	6	6843.41	4194.05
(iii) Cash and Cash Equivalents	7	9.57	57.09
(iv) Other Bank Balances	8	0.11	8.71
(v) Other Financial Assets	-	0.00	0.00
(c) Other Current Assets	9	642.03	45.03
<b>Total Current Assets</b>		<u>12634.71</u>	<u>5856.58</u>
<b>TOTAL ASSETS</b>		<u>16402.81</u>	<u>9271.35</u>
<b>II EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	10	3986.30	3189.04
(b) Other Equity (Refer SOCE)	-	1709.34	-958.57
<b>Total Equity</b>		<u>5695.64</u>	<u>2230.47</u>
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	11	45.00	160.51
(ia) Lease Liabilities		0.00	0.00
(ii) Trade Payable	-	-	-
- Total Outstanding Dues of Micro Enterprises and Small Enterprises		0.00	0.00
- Total Outstanding Dues of creditors other than micro and small enterprises		0.00	0.00
(iii) Other Financial Liabilities	-	0.00	0.00
(b) Long Term Provisions	-	0.00	0.00
(c) Deferred Tax Liabilities (Net)	-	0.00	0.00
(d) Other Non-Current Liabilities	12	985.00	2582.86
<b>Total Non-Current Liabilities</b>		<u>1030.00</u>	<u>2743.37</u>
<b>Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	-	0.00	0.00
(ia) Lease Liabilities		0.00	0.00
(ii) Trade Payables	13	-	-
- Total Outstanding Dues of Micro Enterprises and Small Enterprises		65.96	51.75
- Total Outstanding Dues of creditors other than micro and small enterprises		9471.99	3993.77
(iii) Other Financial Liabilities	-	0.00	0.00
(b) Short Term Provisions	14	40.91	28.89
(c) Other Current Liabilities	15	98.31	223.10
<b>Total Current Liabilities</b>		<u>9677.17</u>	<u>4297.51</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>16402.81</u>	<u>9271.35</u>
<b>Material Accounting Policies &amp; Notes on Accounts</b>	-		
<b>Notes on Financial Statements</b>	1 to 26		

The Notes referred to above form an integral

As per our report of even date attached

for S T A V & CO  
Chartered Accountants  
(Firm Registration No. : 024510C)

FOR AND ON BEHALF OF THE BOARD

(VARINDER SINGH)  
Partner  
Membership No. 542573

(SHIKHA KATARIA)  
Company Secretary  
PAN : EGDPS5904L

(RANJAN JAIN)  
Managing Director  
DIN : 00635274

(SANJEEV AGRAWAL)  
Chief Financial Officer  
PAN : ADGPA3342Q

(SUNINDER VEER SINGH)  
Whole Time Director  
DIN : 07693557

Chandigarh, 6th May, 2024



**SYSCHEM (INDIA) LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2024**

Rupees in Lakhs			
Particulars	Note	31st March, 2024	31st March, 2023
Revenue from operations (Gross)	16	23347.69	13037.69
Other Income	17	17.01	24.83
<b>Total Income</b>		<b>23364.70</b>	<b>13062.51</b>
<b>EXPENSES</b>			
Cost of Raw Materials Consumed	18	19790.57	9245.97
Changes in Inventories of Finished Goods and Work-in-Progress	19	(2225.32)	112.24
Goods & Services Tax		3481.98	1682.05
Employee Benefits Expense	20	608.16	439.72
Finance Cost	21	25.26	4.21
Depreciation and Amortisation Expense	1 & 3	278.87	270.26
Other Expenses	22	993.87	692.99
<b>Total Expenses</b>		<b>22953.39</b>	<b>12447.44</b>
<b>Profit Before Exceptional items and Tax</b>		<b>411.31</b>	<b>615.07</b>
Exceptional Items		0.00	0.00
<b>Profit Before tax</b>		<b>411.31</b>	<b>615.07</b>
<b>Tax Expense</b>			
(1) Current tax	-	68.66	29.60
(2) Deferred tax	-	135.17	163.76
(3) Mat Credit Entitlement	-	(68.66)	(29.60)
<b>Total Tax expense</b>		<b>135.17</b>	<b>163.76</b>
<b>Profit After tax</b>		<b>276.14</b>	<b>451.31</b>
<b>Other Comprehensive Income</b>			
		0.00	0.00
<b>A</b>		0.00	0.00
(i) Items that will not be reclassified to profit and loss		0.00	0.00
(ii) Income tax related to above		0.00	0.00
<b>B</b>		0.00	0.00
(i) Items that may be reclassified to profit and loss		0.00	0.00
(ii) Income tax related to above		0.00	0.00
<b>Total Comprehensive Income for the period</b>		<b>276.14</b>	<b>451.31</b>
<b>Earning per Equity Share :</b>			
	23		
(1) Basic Earning Per Share (Rs.)		0.78	1.53
(2) Diluted Earning Per Share (Rs.)		0.78	1.42
<b>Material Accounting Policies &amp; Notes on Accounts</b>	-		
<b>Notes on Financial Statements</b>	1 to 26		

The Notes referred to above form an integral

As per our report of even date attached

FOR AND ON BEHALF OF THE BOARD

for S T A V & CO  
Chartered Accountants  
(Firm Registration No. : 024510C)

(VARINDER SINGH)  
Partner  
Membership No. 542573

(SHIKHA KATARIA)  
Company Secretary  
PAN : EGDPS5904L

(RANJAN JAIN)  
Managing Director  
DIN : 00635274

(SANJEEV AGRAWAL)  
Chief Financial Officer  
PAN : ADGPA3342Q

(SUNINDER VEER SINGH)  
Whole Time Director  
DIN : 07693557

Chandigarh, 6th May, 2024

**SYSCHEM (INDIA) LIMITED**  
**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2024**

	Rupees in Lakhs	
Particulars	31st March, 2024	31st March, 2023
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Profit before tax for the year</b>	<b>411.31</b>	<b>615.07</b>
<b>Adjustments for:</b>		
Depreciation and amortisation	278.87	270.26
Adjustment in Reserve & Surplus	0.00	11.99
Employee Stock Compensation	0.00	0.00
Loss on sale of FA	0.28	0.00
Interest (Received) / Paid ( Net )	13.83	(0.62)
Actuarial Gain/(Loss) on re-measurement of Defined Benefit Liability	0.00	0.00
<b>Operating Profit Before Working Capital Changes</b>	<b>704.29</b>	<b>896.69</b>
<b>Movements in working capital:</b>		
(Increase)/decrease in trade and other receivables (Non-Current/Current)	(3212.33)	(3698.61)
(Increase)/decrease in inventories	(3587.88)	361.92
(Decrease)/increase in trade and other payables (Non-Current/Current)	3666.28	1754.26
<b>Cash generated from operations</b>	<b>(2429.64)</b>	<b>(685.74)</b>
Income taxes paid (Net of refund)	(135.17)	(163.76)
<b>Cash Flow Before Extraordinary Items</b>	<b>(2564.81)</b>	<b>(849.50)</b>
Extraordinary Items	-	-
<b>Net cash generated from operating activities</b>	<b>(2564.81)</b>	<b>(849.50)</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Bank Deposit (Placed) / Matured (Net)	8.60	26.02
Interest received	11.43	4.83
Purchase of Property, Plant and Equipment & Intangible <sup>^</sup>	(668.24)	(195.81)
Proceeds from disposal of Property, Plant and Equipment	1.72	0.00
<b>Net cash (used in) / generated from investing activities</b>	<b>(646.49)</b>	<b>(164.96)</b>
(*excludes Capital Advances)		
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividends paid to owners of the Company (including DDT)	0.00	0.00
Proceeds from share capital	3189.04	1073.01
Interest and Finance Charges paid	(25.26)	(4.21)
<b>Net cash used in financing activities</b>	<b>3163.78</b>	<b>1068.80</b>
<b>Net increase / (Decrease) in Cash and Cash Equivalents</b>	<b>(47.52)</b>	<b>54.35</b>
Cash and Cash Equivalents at the beginning of the year	57.09	2.74
<b>Cash and cash equivalents at the end of the year</b>	<b>9.57</b>	<b>57.09</b>

Note : Previous year figures have been regrouped wherever found necessary.

As per our report of even date attached

FOR AND ON BEHALF OF THE BOARD

for S T A V & CO  
Chartered Accountants  
(Firm Registration No. : 024510C)

(SHIKHA KATARIA)  
Company Secretary  
PAN : EGDPS5904L

(RANJAN JAIN)  
Managing Director  
DIN : 00635274

(VARINDER SINGH)  
Partner  
Membership No. 542573

(SANJEEV AGRAWAL)  
Chief Financial Officer  
PAN : ADGPA3342Q

(SUNINDER VEER SING)  
Whole Time Director  
DIN : 07693557

Chandigarh, 6th May, 2024

**STATEMENT OF CHANGES IN EQUITY (SOCE) FOR THE YEAR ENDED 31ST MARCH, 2024**

Particulars	Rupees in Lakhs	
	As at	
	31st March 24	31st March 23
Outstanding at the beginning	3,189.04	2,329.04
Changes in Equity Share Capital during the year	797.26	860.00
<b>Outstanding at the end</b>	<b>3986.30</b>	<b>3189.04</b>

**A. Changes in Other Equity**

For the year ended 31st March, 2024

Particulars	Reserves and Surplus						Preference Share	Money received against shares warrants	Total
	Retained Earnings	General Reserve	Capital Reserve	Securities Premium Reserve					
	As at 1st April 2023	(1386.57)	0.00	6.28	421.71	0.00			
Profit / (Loss) for the Year	276.14	0.00	0.00	0.00	0.00	0.00	276.14		
Premium on Equity Shares issued during the year	0.00	0.00	0.00	2391.78	0.00	0.00	2391.78		
Adjustment in Reserve and Surplus	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
Share Warrants issued during the year	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
<b>As at 31st March 2024</b>	<b>(1110.42)</b>	<b>0.00</b>	<b>6.28</b>	<b>2813.49</b>	<b>0.00</b>	<b>0.00</b>	<b>1709.34</b>		

For the year ended 31st March 2023

Particulars	Reserves and Surplus						Preference Share	Money received against shares warrants	Total
	Retained Earnings	General Reserve	Capital Reserve	Securities Premium Reserve					
	As at 1st April 2022	(1849.86)	0.00	6.28	119.21	-			
Transitional Changes due Ind-AS	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
Restated Balance as at 1st April 2022	(1849.86)	0.00	6.28	119.21	-	89.49	(1,634.88)		
Profit / (Loss) for the Year	451.31	0.00	0.00	0.00	0.00	0.00	451.31		
Premium on Equity Shares issued during the year	0.00	0.00	0.00	302.50	0.00	0.00	302.50		
Adjustment in Reserve and Surplus	11.99	0.00	0.00	0.00	0.00	0.00	11.99		
Share Warrants issued during the year	0.00	0.00	0.00	0.00	0.00	(89.49)	(89.49)		
<b>As at 31st March 2023</b>	<b>(1386.57)</b>	<b>0.00</b>	<b>6.28</b>	<b>421.71</b>	<b>0.00</b>	<b>0.00</b>	<b>(958.57)</b>		

As per our report of even date attached

for S T A V & CO.  
Chartered Accountants  
(Firm Registration No. : 024510C)

FOR AND ON BEHALF OF THE BOARD

(VARINDER SINGH)  
Partner  
Membership No. 542573

(SHIKHA KATARIA)  
Company Secretary  
PAN : EGDPS5904L

(RANJAN JAIN)  
Managing Director  
DIN : 00635274

(SANJEEV AGRAWAL)  
Chief Financial Officer  
PAN : ADGPA3342Q

(SUNINDER VEER SINGH)  
Whole Time Director  
DIN : 07693557

Chandigarh, 6th May, 2024

## **SYSCHEM (INDIA) LIMITED**

### **COMPANY'S OVERVIEW, MATERIAL ACCOUNTING POLICIES AND OTHER NOTES FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2024**

#### **1. Company's Overview**

Syschem India Limited (the 'Company') was incorporated on 31.12.1993 and is engaged in production of Active Pharmaceuticals Ingredients (APIs) and bulk drugs. The Shares of the Company are listed on BSE Limited.

#### **2. Summary of material accounting policies**

##### ***2.1 Basis of preparation***

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis, the provisions of the Companies Act, 2013 ('Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

Effective from 01<sup>st</sup> April, 2017, the Company has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101 *First time adoption of Indian Accounting Standards*. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non-current classification of assets and liabilities.

## ***2.2 Property, Plant & Equipments and Intangible Assets***

Property, Plant & Equipments are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any. Subsequent expenditures related to an item of fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Items of fixed assets that have been retired from active use and are held for disposal are stated at the lower of their net book value and net realizable value and are shown separately in the financial statements. Any expected loss is recognized immediately in the Statement of Profit and Loss.

Losses arising from the retirement of, and gains or losses arising from disposal of fixed assets which are carried at cost are recognized in the Statement of Profit and Loss.

Depreciation is provided on the Straight Line Method over the useful life of the assets as prescribed under Schedule II Part C of the Companies Act, 2013. Depreciation on assets sold during the year is provided upto the date of sale of fixed assets.

### ***Intangible Assets***

Cost of development in case of self generated asset is recognized on the basis of actual cost incurred and directly attributable expenses incurred thereon.

### ***2.3 Borrowing Costs***

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognized in Statement of Profit and Loss in the period in which they are incurred.

### ***2.4 Impairment***

Assessment is done at each Balance Sheet date as to whether there is any indication that an asset may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognized for an asset in prior accounting periods may no longer exist or may have decreased.

### ***2.5 Revenue Recognition***

As per the requirements of the Companies (Amendment) Act, 1988, all expenses and income are generally accounted for on accrual basis.

## ***2.6 Current and deferred tax***

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing. Deferred tax is recognized for all timing differences, subject to the consideration of prudence in respect of deferred tax assets.

Deferred tax assets in respect of timing differences on account of unabsorbed business loss and unabsorbed depreciation as per Income tax laws, are recognized and carried forward only to the extent that there is a virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Deferred tax assets in respect of timing differences, other than unabsorbed business loss and unabsorbed depreciation as per Income tax laws, are recognized and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. At each Balance Sheet date, the Company reassesses unrecognized deferred tax assets, if any.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities.

Minimum Alternative Tax credit is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

## ***2.7 Provisions and Contingent Liabilities***

Provisions: Provisions are recognized when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

Contingent Liabilities: Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is termed as a contingent liability.

## ***2.8 Inventories***

The stocks of raw materials and stores & spares are valued at cost price. Finished Goods have been valued at cost or net realizable value whichever is lower. Cost includes purchase price, freight inward, clearing charges, custom duty and other related expenses. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale. Work in progress is valued at estimated cost. Goods in transit are carried at cost.

## ***2.9 Earnings Per Share***

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of Equity Shares outstanding during the period. Earning considered in ascertaining the Company's earnings per share is the net profit for the period after deducting taxes thereto for the period. The weighted average number of Equity Shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential Equity Shares that have changed the number of Equity Shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.



## 2.10 Employee Benefits

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

## 2.11 Foreign Currency Transactions

### *Initial Recognition*

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency, and the foreign currency at average rate at each month.

### *Conversion –*

Foreign currency monetary items are reported using the closing rate. Non-Monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of transaction.

### *Exchange Differences –*

Exchange differences arising on the settlement of monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements are recognized as income or as expense in the year in which they arise.

## 2.12 Leases

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Contracts may contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Company is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component. Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable

- amounts expected to be payable by the Company under residual value guarantees
- the exercise price of a purchase option if the Company is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

### 2.13 Cash and Cash equivalents

Cash and cash equivalents at the end of the year represent cash and deposit with banks. The cash flow statement is made using the indirect method.

### 3. Other Notes and disclosures:

- 3.1 The management has certified cash in hand as on 31<sup>st</sup> March, 2024.
- 3.2 Deferred tax resulting from "timing difference" between books and taxable profits is recognized using tax rates and laws that have been enacted as on Balance Sheet date.
- 3.3 The balance of Security Deposits and Advances recoverable are subject to the confirmation of the parties.
- 3.4 In the opinion of the Board of Directors, current assets and advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet.
- 3.5 In terms of notification no. G.S.R. 719(E) dated November 16, 2007 issued by the Central Government of India, the disclosure of payments due to any supplier as at March 31, 2024 are as follows:

<b>Particulars</b>	<b>As at 31.03.2024</b>
	<b>Rs. in lacs</b>
<b>Balance of Sundry Creditors as on March 31, 2024</b>	
Principal amount due to Micro, Small and Medium Enterprises	<b>65.96</b>
Principal amount due to Others	<b>9471.99</b>
<b>Total</b>	<b>9537.95</b>
<b>Interest accrued and due as on March 31, 2024</b>	
Interest on payments due to Micro, Small and Medium Enterprises	-
Interest on payments due to Others	-
Interest due and payable on amounts paid during the year to Micro, Small and Medium Enterprises beyond the appointed date	-
<b>Paid during the year</b>	
Principal amount (including interest) paid to Micro, Small and Medium Enterprises beyond the appointed date	
Principal amount	-
Interest thereon	-
Principal amount (excluding interest) paid to Micro, Small and Medium Enterprises beyond the appointed date	-
<b>Others</b>	
Interest accrued in the prior year and paid during the year	-
Interest accrued during the year and paid during the year	-

The above disclosure is based on information available with the Company regarding status of the suppliers as defined under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006.

3.6 Details of non-resident shareholdings

	<b>31.03.2024</b>	<b>31.03.2023</b>
Number of non resident share holders	236	158
Number of shares held by non resident shareholders	3,08,464	5,12,835
Amount remitted during the year in foreign currency on account of dividends	-	-

3.7 The management has certified the Fixed Assets installed and put to use & relied upon by the Auditors, being a technical matter. During the year, Borrowings cost capitalized up to March 31, 2024 is Nil (As at March 31, 2023 is Rs. Nil)

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

3.9 **Approval of financial statements**

The financial statements are approved by the Company's Board of Directors and authorised for issue on 06<sup>th</sup> May 2024.

3.10 **Additional Regulatory Information:**

**(i) Title deeds of Immovable Property not held in name of the Company**

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative# of promoter*/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company
PPE- Investment property- PPE retired from active use and held for disposal- others	Land and Building	6,14,82,192.20	Anil Pesticides Ltd former Name of Syschem India Ltd	-	28.07.1994	Held in the name of erstwhile name of the company i.e. Anil Pesticides Limited

**(ii) Capital-Work-in-Progress (CWIP):**

<b>CWIP Ageing Schedule March 2024</b>					
	<b>(Amount in Rs.)</b>				
<b>CWIP</b>	<b>Amount in CWIP for a period of</b>				<b>Total</b>
	<b>Less than 1 year</b>	<b>1-2 years</b>	<b>2-3 years</b>	<b>More than 3 years</b>	
Projects in progress	4,10,741,940.00	-			

<b>CWIP Ageing Schedule March 2023</b>					
	<b>(Amount in Rs.)</b>				
<b>CWIP</b>	<b>Amount in CWIP for a period of</b>				<b>Total</b>
	<b>Less than 1 year</b>	<b>1-2 years</b>	<b>2-3 years</b>	<b>More than 3 years</b>	
Projects in progress	14,53,554.00	Nil			

**(iii) Corporate Social Responsibility (CSR)**

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities:

Average net profit of the company as per section 135(5)	(9199666.67)
Gross Amount required to be spent during the year	NIL
Amount of expenditure incurred	NIL
Shortfall at the end of the year	NIL
Total of previous years shortfall	NIL
Reason for shortfall	NIL
Nature of CSR activities	-
Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	NA
where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately.	NA

**(iv) RATIOS:**

S.NO	RATIO	NUMERATOR	DENOMINATOR	31st March, 2024	31st March, 2023	CHANGE	REASON FOR VARIANCE
1.	<b>Current Ratio (in times)</b>	Total current assets	Total current liabilities	1.31	1.36	-4%	-
2.	<b>Debt-Equity Ratio (in times)</b>	Debt consists of borrowings	Total equity	0.01	0.07	-89%	Due to decrease in Unsecured Loan
3.	<b>Debt Service Coverage Ratio (in times)</b>	Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses + Interest + Other non-cash adjustments	Debt service = Interest + Principal repayments	-	-	-	-
4.	<b>Return on Equity Ratio (in %)</b>	Profit for the year less Preference dividend (if any)	Average total equity	7.84%	15.31%	-49%	Due to Decrease in profit
5.	<b>Inventory turnover ratio (in times)</b>	Cost of goods sold	Average Inventory	5.62	5.91	-5%	-
6.	<b>Trade Receivables turnover ratio (in times)</b>	Revenue from operations	Average trade receivables	4.23	5.76	-27%	Due to Increase in Trade Receivables.
7.	<b>Trade payables turnover ratio (in times)</b>	Purchases	Average trade payables	3.11	2.81	11%	-
8.	<b>Net capital turnover ratio (in times)</b>	Revenue from operations	Average working capital (i.e. Total current assets less Total current liabilities)	7.89	8.36	-6%	-
9.	<b>Net profit ratio (in %)</b>	Profit for the year	Revenue from operations	1.76%	4.72%	-63%	Due to Decrease in Profit after tax.

<b>10.</b>	<b>Return on Capital employed (in %)</b>	Profit before tax and finance costs	Capital employed = Net worth + Deferred tax liabilities	7.23%	27.37%	-74%	Due to decrease in Profit before interest and taxes.
<b>11.</b>	<b>Return on Investment (in %)</b>	Income generated from invested funds	Average invested funds	241.92%	21.35%	1033%	Due to investment done on uneven dates

**As per our attached report of even date**

**For S T A V & CO.**

**Chartered Accountants**

**(CA VARINDER SINGH)**

**PARTNER**

**M. No. 542573**

**FRN No. 024510C**

**DATE : 06<sup>th</sup> May, 2024**

**PLACE : CHANDIGARH**

**For & on behalf of the Board**

**(SUNINDER VEER SINGH)**

**WHOLE TIME DIRECTOR**

**DIN : 07693557**

**(RANJAN JAIN)**

**MANAGING DIRECTOR**

**DIN : 00635274**

**SYSCHEM (INDIA) LIMITED**  
**Notes to the financial statements for the year ended 31st March, 2024**

**1 Property, Plant and Equipment**

Following are the changes in the carrying value of Property, Plant and Equipment for the year ended 31st March, 2024 :

Description of Assets	Rupees in Lakhs								
	Land	Buildings	Plant and Equipment	Office Equipments	Furniture & Fixture	Electrical Installation	Vehicles	Computer	Total
Gross Carrying Value as at 1st April 2023	19.07	673.92	4661.79	25.23	8.06	191.12	55.36	20.26	5654.82
Additions during the year*	0.00	18.82	228.33	0.83	3.19	2.16	13.00	5.72	272.05
Disposals / Adjustment during the year	0.00	0.00	3.80	0.00	0.00	0.00	0.00	0.00	3.80
<b>Gross Carrying Value as at 31st March 2024 (A)</b>	<b>19.07</b>	<b>692.74</b>	<b>4886.32</b>	<b>26.06</b>	<b>11.25</b>	<b>193.28</b>	<b>68.36</b>	<b>25.98</b>	<b>5923.07</b>
Accumulated depreciation as at 1st April 2023	0.00	272.78	2091.13	23.79	7.10	143.87	31.12	19.58	2589.37
Depreciation expense for the year	0.00	21.37	231.99	0.12	0.78	17.40	3.87	3.34	278.87
Accumulated depreciation on disposal/adjustment during the year	0.00	0.00	1.81	0.00	0.00	0.00	0.00	0.00	1.81
<b>Accumulated depreciation as at 31st March 2024 (B)</b>	<b>0.00</b>	<b>294.15</b>	<b>2321.32</b>	<b>23.91</b>	<b>7.88</b>	<b>161.26</b>	<b>34.99</b>	<b>22.92</b>	<b>2866.43</b>
<b>Carrying Value as at 31st March 2024 (A-B)</b>	<b>19.07</b>	<b>398.59</b>	<b>2565.00</b>	<b>2.16</b>	<b>3.37</b>	<b>32.01</b>	<b>33.36</b>	<b>3.06</b>	<b>3056.64</b>

Following are the changes in the carrying value of Property, Plant and Equipment for the year ended 31st March, 2023 :

Description of Assets	Rupees in Lakhs								
	Land	Buildings	Plant and Equipment	Office Equipments	Furniture and Fixtures	Electrical Installations	Vehicles	Computer	Total
Gross Carrying Value as at 1st April 2022	19.07	624.28	4554.45	25.23	7.85	191.12	32.56	18.98	5473.54
Others - Classified as Investment Property	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Restated Gross Carrying Value as at 1st April 2022	19.07	624.28	4554.45	25.23	7.85	191.12	32.56	18.98	5473.54
Additions during the year	0.00	49.64	107.34	0.00	0.21	0.00	22.80	1.29	181.27
Disposals / Adjustment during the year	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Gross Carrying Value as at 31st March 2023 (A)</b>	<b>19.07</b>	<b>673.92</b>	<b>4661.79</b>	<b>25.23</b>	<b>8.06</b>	<b>191.12</b>	<b>55.36</b>	<b>20.26</b>	<b>5654.82</b>
Accumulated depreciation of 1st April 2022	0.00	252.99	1868.08	23.70	6.34	126.62	30.94	16.47	2325.14
Others- Classification of Investment Property	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Restated Accumulated depreciation as at 1st April 2022	0.00	252.99	1868.08	23.70	6.34	126.62	30.94	16.47	2325.14
Depreciation expense for the year	0.00	19.79	223.06	0.09	0.76	17.24	0.18	3.11	264.23
Accumulated depreciation on Disposals / Adjustment during the year	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Accumulated Depreciation as at 31st March 2023 (B)</b>	<b>0.00</b>	<b>272.78</b>	<b>2091.13</b>	<b>23.79</b>	<b>7.10</b>	<b>143.87</b>	<b>31.12</b>	<b>19.58</b>	<b>2589.37</b>
<b>Carrying Value as at 31st March 2023 (A-B)</b>	<b>19.07</b>	<b>401.14</b>	<b>2570.67</b>	<b>1.44</b>	<b>0.96</b>	<b>47.25</b>	<b>24.24</b>	<b>0.68</b>	<b>3065.44</b>
Carrying Value as at 1st April 2022	19.07	371.29	2686.38	1.53	1.51	64.50	1.62	2.50	3148.40



**SYSCHEM (INDIA) LIMITED**  
**Notes to the financial statements for the year ended 31st March, 2024**

**2 Intangible Assets**

Following are the changes in the carrying value of Intangible Assets for the year ended 31st March, 2024 :

Description of Assets	Rupees in Lakhs Process know-how
Gross Carrying Value as at 1st April 2023	80.00
Additions during the year	-
Disposals/Adjustment during the year	-
<b>Gross Carrying Value as at 31st March 2024</b>	<b>(A) 80.00</b>
Accumulated depreciation as at 1st April 2023	80.00
Amortisation expense for the year	-
Accumulated depreciation on disposal/adjustment during the year	-
<b>Accumulated depreciation as at 31st March 2024</b>	<b>(B) 80.00</b>
<b>Carrying Value as at 31st March 2024</b>	<b>(A-B) -</b>

Following are the changes in the carrying value of Intangible Assets for the year ended 31st March, 2023 :

Description of Assets	Rupees in Lakhs Process know-how
Gross Carrying Value as at 1st April 2022	80.00
Additions during the year	-
Disposals/Adjustment during the year	-
Gross Carrying Value as at 31st March 2023	(A) 80.00
Accumulated depreciation as at 1st April 2022	73.97
Amortisation expense for the year	6.03
Accumulated depreciation on disposal/adjustment during the year	-
Accumulated depreciation as at 31st March 2023	(B) 80.00
Carrying Value as at 31st March 2023	(A-B) -
Carrying Value as at 1st April 2022	6.03

## Notes to the financial statements for the year ended 31st March, 2024

### 3 Current Tax and Deferred Tax

#### (a) Deferred Tax

Particulars	Rupees in Lakhs	
	31st March, 2024	31st March, 2023
<b>Deferred Tax Assets</b>		
- On Property, Plant & Equipment	94.61	229.78
<b>Deferred Tax Assets</b>		
- On Employee benefits	-	-
<b>Deferred Tax Liabilities / (Assets)</b>	<b>94.61</b>	<b>229.78</b>

#### (b) Income Tax recognised in Profit and Loss

Particulars	Rupees in Lakhs	
	Year ended 31st March, 2024	Year ended 31st March, 2023
Current Tax	68.66	29.60
Deferred Tax	135.17	163.76
<b>Total income tax expense</b>	<b>203.82</b>	<b>193.36</b>

### 4 Other Non-Current assets

Particulars	Rupees in Lakhs	
	31st March, 2024	31st March, 2023
<b>Capital advances - Considered Good</b>		
Secured	-	-
Unsecured	-	-
<b>Security Deposits-Considered Good</b>		
Unsecured	58.92	26.45
<b>Other advances -Unsecured, Considered Good</b>		
Income Tax (Net of Provisions)	-	-
Advances to Suppliers	-	-
Others	147.21	78.55
<b>Total</b>	<b>206.13</b>	<b>105.00</b>

### 5 Inventories

Particulars	Rupees in Lakhs	
	31st March, 2024	31st March, 2023
Raw Materials & Components	2910.79	1548.23
Work-in-progress	0.00	0.00
Finished goods	2228.80	3.48
Stores and Spares	0.00	0.00
<b>Total</b>	<b>5139.59</b>	<b>1551.71</b>

**Notes to the financial statements for the year ended 31st March, 2024**

**6 Trade Receivables**

Particulars	Rupees in Lakhs	
	As at	
	31st March, 2024	31st March, 2023
Unsecured, considered good	6843.41	4194.05
<b>Of the above, Trade Receivables from:</b>		
- Related Parties	5367.90	3937.74
- Others	1475.51	256.31

Ageing for trade receivables – current outstanding as at March 31, 2024 is as follows:

Particulars	Rupees in Lakhs		
	Outstanding for following periods from date of transaction		
	Less than 6 months	6 months - 1 year	1 - 2 years
- Undisputed Trade receivables – considered good	6,789.08	-	-
- Undisputed Trade Receivables – considered doubtful	-	-	-
- Disputed Trade Receivables considered good	-	-	-
- Disputed Trade Receivables considered doubtful	-	-	-
<b>Total</b>	<b>6,789.08</b>	<b>-</b>	<b>-</b>

Particulars	Rupees in Lakhs		
	Outstanding for following periods from date of transaction		
	2 - 3 years	More than 3 years	Total
- Undisputed Trade receivables – considered good	54.33	-	6,843.41
- Undisputed Trade Receivables – considered doubtful	-	-	-
- Disputed Trade Receivables considered good	-	-	-
- Disputed Trade Receivables considered doubtful	-	-	-
<b>Total</b>	<b>54.33</b>	<b>-</b>	<b>6,843.41</b>

Ageing for trade receivables – current outstanding as at March 31, 2023 is as follows:

Particulars	Rupees in Lakhs		
	Outstanding for following periods from date of transaction		
	Less than 6 months	6 months - 1 year	1 - 2 years
- Undisputed Trade receivables – considered good	4,139.72	-	54.33
- Undisputed Trade Receivables – considered doubtful	-	-	-
- Disputed Trade Receivables considered good	-	-	-
- Disputed Trade Receivables considered doubtful	-	-	-
<b>Total</b>	<b>4,139.72</b>	<b>-</b>	<b>54.33</b>

Particulars	Rupees in Lakhs		
	Outstanding for following periods from date of transaction		
	2 - 3 years	More than 3 years	Total
- Undisputed Trade receivables – considered good	-	-	4,194.05
- Undisputed Trade Receivables – considered doubtful	-	-	-
- Disputed Trade Receivables considered good	-	-	-
- Disputed Trade Receivables considered doubtful	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>4,194.05</b>

## Notes to the financial statements for the year ended 31st March, 2024

### 7 Cash and Bank Balance

Particulars	Rupees in Lakhs	
	As at	
	31st March, 2024	31st March, 2023
<b>Cash and Cash equivalents</b>		
Balances with banks	3.57	52.26
Cash in hand	6.00	4.83
<b>Total</b>	<b>9.57</b>	<b>57.09</b>

### 8 Other Bank Balances

Particulars	Rupees in Lakhs	
	As at	
	31st March, 2024	31st March, 2023
Balances with Bank held as Margin Money & Deposit against Guarantees.	0.00	0.00
Fixed Deposits with Original maturity greater than 3 months but upto 12 months	0.11	8.71
Earmarked balances with banks	0.00	0.00
<b>Total</b>	<b>0.11</b>	<b>8.71</b>

### 9 Other Current Assets

Particulars	Rupees in Lakhs	
	As at	
	31st March, 2024	31st March, 2023
<b>Unsecured, considered good</b>		
Balance with Excise Authorities	0.00	0.00
Prepaid Expenses	10.87	14.82
<b>Other Advances recoverable in cash or kind</b>		
- Advance to Suppliers	232.20	5.13
- Others	398.97	25.08
<b>Total</b>	<b>642.03</b>	<b>45.03</b>

**SYSCHEM (INDIA) LIMITED**

**Notes to the financial statements for the year ended 31st March, 2024**

**10 Equity Share Capital**

Particulars	Rupees in Lakhs	
	31st March, 2024	31st March, 2023
	As at	
<b>Authorised:</b>		
Preference Shares, Rs. 1/- par value	5000.00	3400.00
2,00,00,000 (Previous Year : 2,00,00,000) Preference Shares		
Equity Shares, Rs. 10/- par value		
4,80,00,000 (Previous Year : 3,20,00,000) Equity Shares		
<b>Issued, Subscribed and Paid-Up:</b>	<b>3986.30</b>	<b>3189.04</b>
Equity Shares, Rs. 10/- par value		
3,98,63,000 (Previous Year : 3,18,90,400) Equity Shares fully paid-up		
	<b>3986.30</b>	<b>3189.04</b>

The Company has issued only one class of shares referred to as Equity Shares having a par value of Rs. 10/- Each. Equity Shareholder is entitled to one vote per share.

**Proposed Dividend**

The Board of Directors, in their meeting held on 06th May, 2024, has not declared any dividend for the Current Financial Year 2023-24

**(i) Equity Shareholders holding more than 5% shares:**

Name of shareholder	31st March, 2024		31st March, 2023	
	Number of shares held	% of Shareholding	Number of shares held	% of Shareholding
Mr. Dinesh Jagdish Kokhani	2,790,825	7.00%	1,750,000	5.49%
Mr. Mahesh Jagdish Kokhani	2,896,079	7.27%	2,125,027	6.66%
Mr. Ranjan Jain	3,480,386	8.73%	3,480,386	10.91%
Mr. Virendra Popatlal Shah	3,900,308	9.78%	2,557,550	8.02%
Mr. Bhavesh Virendra Shah	2,025,144	5.08%	1,437,500	4.51%
Mr. Bimal Virendra Shah	2,025,144	5.08%	1,437,500	4.51%
Mr. Mehul Jagdish Chander Khokhani	2,511,110	6.30%	1,555,700	4.88%
Mrs. Ruchika Jain	1,851,954	4.65%	1,851,954	5.81%

**(ii) Reconciliation of the number of Shares outstanding and the amount of Share Capital :**

Description	31st March, 2024		31st March, 2023	
	No. of Shares	Share Capital	No. of Shares	Share Capital
		(Rs. in lakh)		(Rs. in lakh)
Number of Equity Shares at the beginning	31,890,400	3189.04	23,290,400	2329.04
Movement in Equity Shares during the year	7,972,600	797.26	8,600,000	860.00
Number of Equity Shares at the closing	39,863,000	3,986.30	31,890,400	3,189.04

**(iii) In the last 5 years, the Company has not :**

- allotted any shares as fully paid up pursuant to contract(s) without payment being received in cash
- allotted any bonus shares,
- bought back its shares.

**(iv) Disclosure of Shareholding of Promoters**

Disclosure of shareholding of promoters as at March 31, 2024 is as follows:

Promoter name	Shares held by promoters				% Change during the year
	As at				
	31st March, 2024		31st March, 2023		
No. of shares	% of Total Shares	No of Shares	% of Total Shares		
Mrs. Gurcharan Kaur	500	0.00%	7,133	0.02%	-94.39%
Mr. Ranjan Jain	3,480,386	8.73%	3,480,386	10.91%	-20.00%
Mrs. Ruchika Jain	1,851,954	4.65%	1,851,954	5.81%	-20.00%
Mr. Suninder Veer Singh	-	0.00%	959,180	3.01%	-100.00%
Mr. Dinesh Jagdish Kokhani	2,790,825	7.00%	1,750,000	5.49%	27.58%
Mr. Mahesh Jagdish Kokhani	2,896,079	7.27%	2,125,027	6.66%	9.03%
Mr. Virendra Popatlal Shah	3,900,308	9.78%	2,557,550	8.02%	22.00%
Mr. Bhavesh Virendra Shah	2,025,144	5.08%	1,437,500	4.51%	12.70%
Mr. Bimal Virendra Shah	2,025,144	5.08%	1,437,500	4.51%	12.70%
Mr. Mehul Jagdish Chander Khokhani	2,511,110	6.30%	1,555,700	4.88%	29.13%
	<b>21,481,450</b>	<b>53.89%</b>	<b>17,161,930</b>	<b>53.82%</b>	<b>-121.24%</b>

Disclosure of shareholding of promoters as at March 31, 2023 is as follows:

Promoter name	Shares held by promoters				% Change during the year
	As at				
	31st March, 2023		31st March, 2022		
No. of shares	% of Total Shares	No of Shares	% of Total Shares		
Mrs. Gurcharan Kaur	7,133	0.02%	7,133	0.03%	-26.97%
Mr. Ranjan Jain	3,480,386	10.91%	480,386	2.06%	429.12%
Mrs. Ruchika Jain	1,851,954	5.81%	1,851,954	7.95%	-26.97%
Mr. Suninder Veer Singh	959,180	3.01%	1,059,180	4.55%	-33.86%
Mr. Rajesh Gupta	-	0.00%	406,260	1.74%	-100.00%
Mr. Dinesh Jagdish Kokhani	1,750,000	5.49%	-	0.00%	100.00%
Mr. Mahesh Jagdish Kokhani	2,125,027	6.66%	-	0.00%	100.00%
Mr. Virendra Popatlal Shah	2,557,550	8.02%	-	0.00%	100.00%
Mr. Bhavesh Virendra Shah	1,437,500	4.51%	-	0.00%	100.00%
Mr. Bimal Virendra Shah	1,437,500	4.51%	-	0.00%	100.00%
Mr. Mehul Virendra Shah	1,555,700	4.88%	-	0.00%	100.00%
	<b>17,161,930</b>	<b>53.82%</b>	<b>3,804,913</b>	<b>16.34%</b>	<b>841.32%</b>

# SYSCHEM (INDIA) LIMITED

## Notes to the financial statements for the year ended 31st March, 2024

### 11 Borrowings

Particulars	Rupees in Lakhs	
	As at	
	31st March, 2024	31st March, 2023
<b>1) Secured Loans :</b>		
<b>a) Term Loans</b>		
- from Banks	0.00	0.00
- from Others	0.00	0.00
<b>b) Letter of Credit</b>		
- from Banks	0.00	0.00
<b>Total (1)</b>	<b>0.00</b>	<b>0.00</b>
<b>2) Unsecured Loans :</b>		
a) Loans and advances from related parties #	45.00	160.51
<b>Total (2)</b>	<b>45.00</b>	<b>160.51</b>
<b>Total Borrowings (1+2)</b>	<b>45.00</b>	<b>160.51</b>

# includes loans from Directors and Corporates

### 12 Other Non-Current Liabilities

Particulars	Rupees in Lakhs	
	As at	
	31st March, 2024	31st March, 2023
a) Advances	0.00	0.00
b) Others	985.00	2582.86
<b>Total</b>	<b>985.00</b>	<b>2582.86</b>

**SYSCHEM (INDIA) LIMITED**  
**Notes to the financial statements for the year ended 31st March, 2024**

**13 Trade Payables**

Particulars	Rupees in Lakhs	
	As at	
	31st March, 2024	31st March, 2023
Trade payable - Micro, Small and Medium enterprises	65.96	51.75
Trade payable - Other than Micro, Small and Medium enterprises	9471.99	3993.77
<b>Total</b>	<b>9537.95</b>	<b>4045.52</b>

Ageing for trade payables outstanding as at March 31, 2024 is as follows:

Particulars	Rupees in Lakhs		
	Outstanding for following from Transaction date		
	Less than 1 year	1-2 years	2-3 years
(i) MSME	65.96	-	-
(ii) Others	9,015.23	-	456.75
(iii) Disputed dues MSME	-	-	-
(iv) Disputed dues - Others	-	-	-
<b>Total</b>	<b>9,081.19</b>	<b>-</b>	<b>456.75</b>

Particulars	Rupees in Lakhs	
	Outstanding for following from Transaction date	
	More than 3 years	Total
(i) MSME	-	65.96
(ii) Others	-	9,471.99
(iii) Disputed dues MSME	-	-
(iv) Disputed dues - Others	-	-
<b>Total</b>	<b>-</b>	<b>9,537.95</b>

Ageing for trade payables outstanding as at March 31, 2023 is as follows:

Particulars	Rupees in Lakhs		
	Outstanding for following from Transaction date		
	Less than 1 year	1-2 years	2-3 years
(i) MSME	51.75	-	-
(ii) Others	3,447.80	7.28	-
(iii) Disputed dues MSME	-	-	-
(iv) Disputed dues - Others	-	-	-
<b>Total</b>	<b>3,499.55</b>	<b>7.28</b>	<b>-</b>

Particulars	Rupees in Lakhs	
	Outstanding for following from Transaction date	
	More than 3 years	Total
(i) MSME	-	51.75
(ii) Others	529.54	3,984.62
(iii) Disputed dues MSME	-	-
(iv) Disputed dues - Others	9.15	9.15
<b>Total</b>	<b>538.69</b>	<b>4,045.52</b>

**SYSCHEM (INDIA) LIMITED**  
**Notes to the financial statements for the year ended 31st March, 2024**

**14 Short Term Provisions**

Particulars	Rupees in Lakhs	
	As at	
	31st March, 2024	31st March, 2023
<b>Provision for Employee Benefits</b>		
- Provision for Gratuity	22.11	19.66
- Provision for Leave Encashment	18.80	9.23
<b>Total</b>	<b>40.91</b>	<b>28.89495</b>

**15 Other Current Liabilities**

Particulars	Rupees in Lakhs	
	As at	
	31st March, 2024	31st March, 2023
Advances received from customers	0.00	0.00
Cheque Pending Encashment	0.00	0.00
Expenses payable	85.77	65.02
Statutory dues payable	12.54	158.08
<b>Total</b>	<b>98.31</b>	<b>223.10</b>

**16 Revenue from Operations**

Particulars	Rupees in Lakhs	
	As at	
	31st March, 2024	31st March, 2023
Revenue from sale of products (including Goods and Service Tax)	23332.58	13027.51
Revenue from rendering of services	0.00	0.00
Other operating revenue	15.11	10.17
<b>Total</b>	<b>23347.69</b>	<b>13037.69</b>



**SYSCHEM (INDIA) LIMITED**  
Notes to the financial statements for the year ended 31st March, 2024

**17 Other Income**

Particulars	Rupees in Lakhs	
	31st March, 2024	31st March, 2023
Interest Income	11.43	4.83
Misc Income	5.58	20.00
<b>Total</b>	<b>17.01</b>	<b>24.83</b>

**18 Cost of materials consumed**

Particulars	Rupees in Lakhs	
	31st March, 2024	31st March, 2023
Opening stock	1548.23	1797.91
Add: Purchases	21153.13	8996.29
	<u>22701.36</u>	<u>10794.20490</u>
Less:		
Closing Stock	2910.79	1548.23
<b>Total</b>	<b>19790.57</b>	<b>9245.97</b>

**19 Changes in inventories of Finished Goods and Work-in-Progress**

Particulars	Rupees in Lakhs	
	31st March, 2024	31st March, 2023
<b><u>Inventories at the end of the year:</u></b>		
Finished goods	2228.80	3.48
Work-in-progress	0.00	0.00
	<u>2228.80</u>	<u>3.48</u>
<b><u>Inventories at the beginning of the year:</u></b>		
Finished goods	3.48	115.71
Work-in-progress	0.00	0.00
	<u>3.48</u>	<u>115.71</u>
<b>Net (increase) / decrease</b>	<b>-2225.32</b>	<b>112.24</b>

**20 Employee Benefits Expense**

Particulars	Rupees in Lakhs	
	31st March, 2024	31st March, 2023
Salaries and Wages	552.94	393.52
Contribution to provident and other funds	25.63	18.10
Staff welfare expenses	29.59	28.10
<b>Total</b>	<b>608.16</b>	<b>439.72</b>

**SYSCHEM (INDIA) LIMITED**  
**Notes to the financial statements for the year ended 31st March, 2024**

**21 Finance Cost**

Particulars	Rupees in Lakhs	
	31st March, 2024	31st March, 2023
Interest	20.95	1.96
Bank Charges	4.31	2.25
Exchange Fluctuation	0.00	0.00
<b>Total</b>	<b>25.26</b>	<b>4.21</b>

**22 Other Expenses**

Particulars	Rupees in Lakhs	
	31st March, 2024	31st March, 2023
<b>Direct Expenses</b>		
Power, Fuel & Water Charges	282.37	213.98
Consumption of Stores & Spares	331.51	276.74
Repairs and Maintenance		
- Buildings	0.00	0.00
- Machinery	97.54	13.26
Watch & Ward	5.99	4.85
<b>Indirect Expenses</b>		
Advertisement & Publicity	9.47	4.56
Rates and Taxes	31.08	16.45
Insurance	21.73	6.71
Legal & Professional Expenses	39.61	59.83
Rent - Office	18.03	17.29
Postage & Telephone	2.88	3.39
Printing & Stationery	8.32	4.23
Travelling & Conveyance	8.56	6.95
Auditors' Remuneration		
- Statutory Audit Fee	2.50	2.50
- Secretarial Audit Fee	1.50	1.95
- Cost Audit Fee	0.45	0.66
Fines & Penalties	1.33	26.08
Other Marketing Expenses	5.66	9.56
Business Support Services	12.81	10.17
Loss on sale of Fixed Assets	0.28	0.00
Electricity & Water - Office	1.22	1.29
Freight & Forwarding	87.35	3.29
Miscellaneous Expenses	23.68	9.26
<b>Total</b>	<b>993.87</b>	<b>692.99</b>

**23 Earning per Share**

Particulars	Rupees in Lakhs	
	31st March, 2024	31st March, 2023
Profit for the year	276.14	451.31
Profit for the year for diluted earning per share	276.14	451.31
Weighted average number of Ordinary Equity Shares used in Computing basic earning per share	35212317	29486233
Effect of potential Ordinary Equity shares on employee stock options	0	0
Weighted average number of Ordinary Equity Shares used in Computing diluted earning per share	35212317	31890400
Basic earning per share (Rs.) (Face Value of Rs. 10 per share)	0.78	1.53
Diluted earning per share (Rs.)	0.78	1.42

**SYSCHEM (INDIA) LIMITED**  
Notes to the financial statements for the year ended 31st March, 2024

**24 Related Party Transactions**

**Key Management Personnel**

Ranjan Jain - Managing Director  
Suninder Veer Singh - Whole Time Director  
Sanjeev Agrawal - Chief Financial Officer  
Shikha Kataria - Company Secretary

**Promoters**

Bhavesh Virendra Shah  
Bimal Virendra Shah

**Enterprises significantly influenced by Promoters**

Pharmacare International

**Relatives of key management personnel**

Ruchika Jain - Director's Spouse  
Gurcharan Kaur - Director's Spouse

Details of transaction between the Company and its related parties are disclosed below:

Particulars	Rupees in Lakhs	
	31st March, 2024	31st March, 2023
<b>i) Key Management Personnel</b>		
<b>a) Remuneration</b>	<b>78.67</b>	65.04
Ranjan Jain	27.00	21.00
Suninder Veer Singh	30.00	24.00
Sanjeev Agrawal	16.13	15.00
Shikha Kataria	5.54	5.04
<b>b) Loans received / paid (Net)</b>	<b>-5.51</b>	-24.23
Ranjan Jain	31.40	-31.23
Ruchika Jain	-7.00	7.00
Rajesh Gupta	-29.91	0.00
<b>Aggregate balances outstanding as at the year end</b>		
<b>a) Loans - Key Management Personnel</b>	<b>45.00</b>	20.60
Ranjan Jain	45.00	13.60
Ruchika Jain	0.00	7.00
<b>a) Loans - Promoters</b>	<b>0.00</b>	29.91
Rajesh Gupta	0.00	29.91
<b>ii) Enterprises significantly influenced by Other Related Party</b>		
<b>a) Sales</b>	<b>8335.93</b>	7914.02
Pharmacare International	8335.93	7914.02
<b>b) Purchases</b>	<b>13720.84</b>	7441.26
Pharmacare International	13720.84	7441.26
<b>c) Security</b>	<b>-1597.86</b>	24.86
Pharmacare International	-1597.86	24.86
<b>Aggregate balances outstanding as at the year end</b>		
<b>- Receivables</b>	<b>5367.90</b>	3937.74
Pharmacare International	5367.90	3937.74
<b>- Payables</b>	<b>-8821.24</b>	5395.98
Pharmacare International	-8821.24	5395.98
<b>iii) Relatives of Key Management Personnel</b>		
<b>a) Remuneration</b>	<b>42.00</b>	42.00
Gurcharan Kaur	24.00	24.00
Ruchika Jain	18.00	18.00
<b>a) Purchase of Fixed Assets</b>	<b>13.00</b>	0.00
Ruchika Jain	13.00	0.00

**25 Contingent Liabilities and Commitments ( To the extent not provided for)**

Particulars	Rupees in Lakhs	
	As at	
	31st March, 2024	31st March, 2023
<b>Contingent Liabilities</b>		
- Excise matters in dispute	0.00	0.00
- Other monies for which company is contingently liable	111.86	144.00
<b>Commitments</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances and deposits)	0.00	0.00

**26 Segment Reporting**

The Company is working under one business segment only i.e. Pharmaceuticals. These pharmaceutical products are having different applications. Besides there is not any significant variances on geographical basis, so the segment reporting defined under Ind AS 108 is not applicable.