

BOARD OF DIRECTORS

Mr. Jagmohan Arora
Mr. Rajesh Gupta
Mr. Balwant Singh Sandhu
Mr. Satish Chand Aggarwal

Wholetime Director
Wholetime Director
Independent Director
Independent Director

AUDITORS

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

BANKERS

Punjab National Bank
Sector 22, Chandigarh

WORKS & REGISTERED OFFICE

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

CIN: L24219HR1993PLC032195

CORPORATE OFFICE

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

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NOTICE

Notice is hereby given that Twenty First Annual General Meeting of Syschem (India) Limited will be held on Saturday, 27th September, 2014 at 11.00 A.M. at Registered Office Village at Bargodam, Tehsil Kalka, Distt Panchkula, Haryana to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the company as on 31st March 2014 and statement of profit and loss during the year ended on that date along with the report of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Rajesh Gupta (Din: 03594434) who retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment.
3. To declare preference dividend.
4. To appoint the Statutory auditors of the Company and in this regard to pass the following resolution as ordinary resolution :

“RESOLVED that pursuant to the provisions of section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, M/s Bansal Vijay & Associates, Chartered Accountants (Firm Registration No. 014930N), be and is hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the Annual General Meeting to be held in the year 2017 (subject to the ratification of their appointment at every AGM), at a remuneration to be decided by the Board.”

SPECIAL BUSINESS:

5. **Appointment of Mr. Balwant Singh Sandhu (DIN 03365416) as an Independent Director of the Company.**

To consider and, if thought fit, to pass with or without modification(s) the following as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Balwant Singh Sandhu (DIN 03365416) Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and whose period of office was liable to determination by retirement of Directors by rotation under the provisions of the Companies Act, 1956 and in respect of whom the Company has received a Notice in writing from a Member alongwith the deposit of the requisite amount under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, being so eligible, be and is hereby appointed as an Independent Director of the Company, whose term shall not be subject to retirement by rotation, to hold office for a term of five consecutive years commencing from 27th September, 2014.”

6. Appointment of Mr. Satish Chand Aggarwal (DIN 05159621) as an Independent Director of the Company.

To consider and, if thought fit, to pass with or without modification(s) the following as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Satish Chand Aggarwal (DIN 05159621) Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and whose period of office was liable to determination by retirement of Directors by rotation under the provisions of the Companies Act, 1956 and in respect of whom the Company has received a Notice in writing from a Member alongwith the deposit of the requisite amount under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, being so eligible, be and is hereby appointed as an Independent Director of the Company, whose term shall not be subject to retirement by rotation, to hold office for a term of five consecutive years commencing from 27th September, 2014.”

7. To consider and if thought fit to pass with or without modification(s) the following Resolution as a Special Resolution:-

“RESOLVED that in supersession of the Special Resolution adopted at the Extra Ordinary General Meeting held on 30th July, 2011 and pursuant to Section 180(1)(c) and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors to borrow moneys in excess of the aggregate of the paid up share capital and free reserves of the Company, provided that the total amount borrowed and outstanding at any point of time, apart from temporary loans obtained/to be obtained from the Company's Bankers in the ordinary course of business, shall not be in excess of Rs. 75.00 Crores (Rupees Seventy Five Crores) over and above the aggregate of the paid up share capital and free reserves of the Company.”

8. To consider and if thought fit to pass with or without modification(s) the following Resolution as a Special Resolution:-

“RESOLVED THAT in supersession of the Special Resolution adopted at the Extra Ordinary General Meeting held on 30th July, 2011 and pursuant to Section 180(1)(a) and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the shareholders of the Company be and is hereby accorded for creation by the Board of Directors on behalf of the Company, of such mortgages/ charges/ hypothecation and floating charges (in addition to the existing mortgages / charges / hypothecation created by the Company in favour of the lenders) in such form and in such manner as may be agreed to between the Board of Directors and the lenders, on all or any of the present and future immovable and / or movable properties of the Company wherever situated, of every nature and kind whatsoever to secure any Indian Rupee or foreign currency loans, Debentures, advances and all other moneys payable by the Company to the lenders concerned, subject, however, to an overall limit of 75.00 Crores (Rupees Seventy Five Crores only) of loans or

advances already obtained or to be obtained from, in any form including by way of subscription to debentures issued or to be issued by the Company to, any financial institution, bank, body corporate, company, insurer or to the general public.”

9. To consider and if thought fit to pass with or without modification(s) the following Resolution as a Ordinary Resolution :-

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and Rules framed thereunder, as amended from time to time and such other permissions as may be necessary, the Members hereby ratify the remuneration of 50,000/- plus service tax, out-of- pocket, travelling and living expenses payable to M/s Balwinder & Associates, Cost Accountants, who are appointed by the Board of Directors of the Company to conduct audit of the Cost records of the Company for the Financial Year ending March 31, 2015.

RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution.”

10. To consider and if thought fit to pass with or without modification(s) the following Resolution as a Special Resolution :-

“RESOLVED THAT pursuant to the provisions of Section 188 read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules 2014 and all other applicable provisions, if any, of the Companies Act, 2013 and subject to such approvals, consents, sanctions and permissions as may be necessary, consent of the members of the Company be and is hereby accorded for the sale and purchase of bulk drug intermediates, chemicals and solvents from Allychem Laboratories Pvt. Ltd. and vice versa.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to perform and execute all such acts, deeds, matters and things including delegation of such authority, as may be deemed necessary, proper or expedient to give effect to this resolution and for the matters connected herewith or incidental hereto.”

11. Amendment in Article 86, 87A & 117 of Articles of Association

To consider and, if thought fit, to pass with or without modification(s) the following as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 14 and any other applicable provisions of the Companies Act, 2013, the Articles of Association (AOA) of the Company be and is hereby amended as follows :

Article 86: Number of Directors

The following words in the Article 86 of the existing AOA

The Board of the company shall consist of not less than three and not more than Twelve Directors including the Directors nominated by the Financial Institution, Banks and Debenture Directors, if any. The Directors of the company shall not be required to hold any qualification shares be and are hereby replaced with the following words:

“The Board of Directors of the Company shall consist of not less than three and not

more than fifteen Directors including the Directors nominated by the Financial Institution, Banks and Debenture Directors, if any until and unless otherwise determined by the Company in General Meeting by means of a special resolution. The Directors of the company shall not be required to hold any qualification shares”

Article 87(A): Present Directors

Article 87(A) giving details of present directors be and is hereby deleted.

Article 117: Appointment of Managing or Whole-time Directors

Existing Article 117 be and is hereby substituted with the following new Article

"Subject to the provisions of the Act, the Board of Directors by a resolution passed at the meeting of the Board may from time to time appoint one or more of their member to the office of Managing Director or Whole-time Director for such period and on such terms and conditions as the Board may think fit and, subject to the terms of any agreements entered into with him, may revoke such appointment. In making such appointment(s), the Board shall ensure compliance with the requirement of law and shall seek and obtain such approvals as are prescribed by the Act. Further, unless necessitated to comply with the provisions of the Act, the Director so appointed shall not be subject to retire by rotation, but his appointment shall be automatically terminated if he ceases to be a Director.

Provided, however, that if at any time the number of Directors (including the Managing Director or Whole-time Director) as are not subject to retirement by rotation shall exceed one-third of the total number of Directors (excluding Independent Directors) for the time being, then such Managing Director or Whole-time Director or Whole-time Directors as the Board shall from time to time select shall be appointed as Director(s) liable to retire by rotation to the intent that the Directors not liable to retire by rotation shall not exceed one-third of the total number of Directors (excluding Independent Directors) for the time being.

A Whole-time Director (including Managing Director), who is reappointed as a Director immediately on retirement by rotation, shall continue to hold his office of Managing Director or Whole-time Director and such re-appointment as such Director shall not be deemed to constitute a break in his appointment, as Managing Director or Whole-time Director.”

For Board of Directors
M/S SYSCHEM (INDIA) LTD.

Sd/-

DATE : 29/08/2014
PLACE : CHANDIGARH

WHOLETIME DIRECTOR

NOTES

1. Explanatory statement as required under Section 102(1) of the Companies Act, 2013 is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company.
3. The instrument appointing a proxy must be deposited with the Company at its Registered Office not less than 48 hours before the time for holding the Meeting.
4. The Company's Registrar and Share Transfer Agents for its Share Registry Work (Physical and Electronic) are 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.
5. The Register of Members and Share Transfer Books of the Company will be closed from 20th September, 2014 to 27th September, 2014 (both days inclusive).
6. Members/Proxies are requested to bring their attendance slips and copy of Annual Report to the Meeting.
7. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their questions in writing to the Company at least 10 days before the date of the Meeting so that information required may be compiled and made available at the Meeting.
8. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company/Registrar.
9. Members can avail of the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of Section 72 of the Companies Act, 2013. Members desiring to avail of this facility may send their nomination in the prescribed Form SH13 duly filled in to Company's Registrar and Share Transfer Agents, Beetal Financial & Computer Services Private Limited, at their abovementioned address. Members holding shares in electronic mode may contact their respective Depository Participants for availing this facility.
10. For receiving all shareholder communications faster, including annual reports, the shareholders are requested to kindly register/update their e-mail address with their respective Depository Participant, where shares are held in electronic mode. If, however, shares are held in physical form, shareholders are advised to register their e-mail address with Company's Registrar and Share Transfer Agent, Beetal Financial & Computer Services Private Limited, New Delhi.
11. Members are requested to:
 - Intimate to the Company's Registrar and Share Transfer Agents, Beetal Financial & Computer Services Private Limited at their abovementioned address, changes, if any, in their registered addresses at an early date, in case of shares held in physical form.
 - Intimate directly to the respective Depository Participant, changes, if any, in their registered addresses, nomination, power of attorney etc. at an early date, in case of shares held in dematerialised form. The Company will not take cognizance of any such requests directly from shareholders.

- Quote their folio numbers/Client ID/ DP ID in all correspondence.
- consolidate their holdings into one folio in case they hold shares under multiple folios in the identical order of names.

12. Voting through electronic means

- In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 21st Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Securities Limited (CDSL):

The instructions for members for voting electronically are as under:-

In case of members receiving e-mail:

- Log on to the e-voting website www.evotingindia.com
- Click on "Shareholders" tab.
- Now Enter your User ID
 - For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- Next enter the Image Verification as displayed and Click on Login.
- If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
	Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.

- (vii) After entering these details appropriately, click on “SUBMIT” tab.
- (viii) Members holding shares in physical form will then reach directly the Company selection screen. However, members 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.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for Syschem (India) Limited which is 140830045.
- (xi) 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.
- (xii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiii) 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.
- (xiv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvi) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
 - (B) The voting period begins on 21st September, 2014 (9:00 am) and ends on 23rd September, 2014 (6:00 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 29th August, 2014 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.
- II. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
 - III. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
 - IV. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date, the 29th August, 2014.
 - V. Mr. Kanwaljit Singh Thanewal, Practicing Company Secretary (Membership No. F-5901), has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
 - VI. The Scrutinizer shall within a period not exceeding three(3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two(2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith.
 - VII. The Results shall be declared on or after the AGM of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.syschem.in and on the website of CDSL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the Bombay Stock Exchange Limited and Delhi Stock Exchange, where the shares of the Company are listed.
13. In respect of the information to be provided under Clause 49 of the Listing Agreement pertaining to the Directors being appointed / re-appointed, members are requested to kindly refer the Chapter on Corporate Governance in the Annual Report.

Explanatory Statement pursuant to Section 102 of the Companies Act,2013

ITEM NO. 5 & 6

As per Section 149 of the Companies Act, 2013 ("the Act"), the Company should have at least one third of the total number of Directors as Independent Directors. An Independent Director shall hold office for a term up to five consecutive years on the Board of a Company and no Independent Director shall hold office for more than two consecutive terms. The provisions relating to retirement by rotation shall not be applicable to the Independent Directors.

Mr. Balwant Singh Sandhu and Mr. Satish Chand Aggarwal are Independent Directors of the Company in terms of Clause 49 of the Listing Agreement.

Pursuant to the recommendations of the Nomination & Remuneration Committee, the Board of Directors at its Meeting held on 13th August, 2014 has proposed the appointment Mr. Balwant Singh Sandhu and Mr. Satish Chand Aggarwal as Independent Directors, who shall hold office on the Board of the Company for a period of five consecutive years.

The Company has received respective Notices in writing from the Members alongwith the deposit of the requisite amount under Section 160 of the Act proposing the candidatures of each of the Directors mentioned above for the office of Directors of the Company. The Company has received declarations from each of the Directors mentioned above that they meet with the criteria of independence as prescribed under Section 149(6) of the Act. Further, the above Directors are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent in writing to act as Directors of the Company.

All the above mentioned Directors are persons of integrity and possess appropriate skills, experience, knowledge and qualifications in their respective fields which are beneficial to the interests of the Company.

In the opinion of the Board, the above mentioned Directors fulfill the conditions for appointment as Independent Directors as specified in the Act including the Rules framed thereunder.

These Directors are independent of the management. A brief profile and other details of each of the above mentioned directors are given in the "Details of Directors seeking appointment/re-appointment (as required under clause 49 of the Listing agreement)", which is part of the Notice. Copies of the Draft Letters of Appointment of Mr. Balwant Singh Sandhu and Mr. Satish Chand Aggarwal as an Independent Director setting out the terms and conditions would be available for inspection by the members at the Registered Office of the Company during normal business hours on working days.

None of the above mentioned directors hold any shares in the Company.

Except the above, none of the other Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in these Resolutions except to the extent of their shareholding interest, if any, in the Company.

Keeping in view the vast experience and knowledge, which these Directors possess, the

Board considers that their continued association would be of immense benefit to the Company and it is desirable to continue to avail their services as Independent Directors. Accordingly, the Board recommends the Ordinary Resolutions set out at Item Nos. 6 & 7 of the Notice for the approval by the Members.

ITEM NO. 7 & 8:

The members of the Company at their Extra-ordinary General Meeting held on July 30th 2011 had approved by way of Special Resolution under Section 293(1)(d) read with Section 293 (1)(a) of the Companies Act, 1956 borrowings over and above the aggregate of paid up share capital and free reserves of the Company provided that the total amount of such borrowings together with the amounts already borrowed and outstanding at any point of time shall not be in excess of 75.00 Crores (Rupees Seventy Five Crores) and for creation of mortgages/charge/hypothecation on all present and future properties of the Company in favour of lenders upto a limit of 75.00 Crores (Rupees Seventy Five Crores).

Section 180 of the Companies Act, 2013 effective from September 12, 2013 requires that consent of the company accorded by way of a special resolution is required to borrow money in excess of the company's paid up share capital and free reserves. Further, as per the clarification issued by the Ministry of Corporate Affairs approval granted by the shareholders by way of special resolution shall be valid for one year from the date Section 180 became effective. Thus, the approval granted by members is valid upto 11th September, 2014.

It is, therefore, necessary for the members to pass a Special Resolution under Section 180(1)(c) read with Section 180 (1)(a) and other applicable provisions of the Companies Act, 2013, as set out at Item No. 7 & 8 of the Notice. The Board recommends these resolution for approval by the members of the Company.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 2 and 3.

ITEM NO.9

The Board had on May 30, 2014 on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s Balwinder & Associates, the Cost Auditors to conduct the audit of the Cost records of the Company for the Financial Year ending March 31, 2015 and remuneration of 50,000/- plus service tax, out-of-pocket, travelling and living expenses have been fixed for this purpose. In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, ratification for the remuneration payable to the Cost Auditors for the Financial Year 2014-15 by way of an Ordinary Resolution is being sought from the members as set out at Item No.4 of the Notice.

The Board commends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the Members.

None of the Directors or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, in the resolution set out at Item No.4 of the Notice.

ITEM NO. 10

Syschem (India) Limited and Allychem Laboratories Pvt. Limited are group Companies. Both

the companies are engaged in the manufacturing of bulk drug intermediates, chemicals and solvents. These products are raw material for each other. As Mr. Kushal Pal Singh who is director in Allychem Laboratories Pvt. Ltd. is a member in Syschem (India) Limited and Mr. Jagmohan Arora who is director in Syschem (India) Limited is a member in Allychem Laboratories Pvt. Ltd., attracts the provisions of Section 188 of the Companies Act, 2013 read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules 2014, the approval of the shareholder is required for the sale and purchase of bulk drug intermediates, chemicals and solvents from Allychem Laboratories Pvt. Ltd. and vice versa.

None of the Directors except Mr. Jagmohan Arora or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, in the resolution set out at Item No.11 of the Notice.

ITEM NO. 11

As per Article 86 of the Articles of Association (AOA) of the Company, the number of Directors of the Company shall not be less than three and not more than twelve. The new Companies Act, 2013 has allowed the maximum strength of the Board to go upto fifteen directors.

The Board of Directors, having regard to the above, has proposed to amend the AOA.

During the current year Mr. Kushal Pal Singh, Mr. Ranjan Jain, Mr. Shanti Lal Jain and Mr. Jagir Singh resigned from their respective positions. Hence, it is proposed to delete the Article No. 87(A).

Further, as per Article 117 of the AOA of the Company, the Whole-time Directors are not liable to retire by rotation.

As Independent Directors are now not liable to retire by rotation, under the provisions of the new Companies Act, 2013, to meet the requirement of at least 2/3rd of the total number of Directors liable to retire by rotation, the Board of Directors recommends amendment in the AOA to enable appointment of Whole-time director(s), on rotation basis, whenever necessary.

A copy of the Memorandum and Articles of Association of the Company together with the proposed alterations would be available for inspection by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday, upto and including the date of the Annual General Meeting.

None of the Directors and Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financial or otherwise, in this Resolution except to the extent of their shareholding interest, if any, in the Company.

The Board recommends the Special Resolution as set out at Item No. 6 of the Notice for approval by the members.

Details of Directors seeking appointment/re-appointment at the Annual General Meeting scheduled to be held on 27th September, 2014

[Pursuant to Clause 49 of the Listing Agreement entered into with the Stock Exchanges]

Name of Director	Mr. Rajesh Gupta	Mr. Balwant Singh Sandhu	Mr. Satish Chand Aggarwal	Mrs.
Date of Birth	05.01.1966	15.01.1950	15.07.1967	
Date of Appointment	31.08.2011	13.08.2010	28.12.2011	
Qualification	Undergraduate	Graduate	B.A. (Economics)	
Experience	More than 27 years experience in chemical paints and thinners manufacturing and heading marketing department and promotion activities	Worked with Punjab State Co-op Agricultural Development Bank and retired as General Manager in the year 2008. He is now involved in trading of various agricultural products.	Running own business of making iron rods and having 7-8 years of experience in the respective field.	
Board Membership of other companies as on March 31, 2014*	NIL	NIL	NIL	
Chairman [C] /Member [M] of the Committee of the Board of Directors of the companies in which he /she is a director as on March 31, 2014**	NIL	1	1	
Number of shares held in the Company as on March 31, 2014	4062600	NIL	NIL	

DIRECTORS REPORT

The Directors are pleased to present their Twenty First Annual Report for the financial year ended on 31st March 2014.

FINANCIAL RESULTS

(Amount in Lacs)

PARTICULARS	31.03.2014	31.03.2013
Sales (Inclusive of excise duty and other income)	2121.74	1718.16
Profit/(loss) before intt, dep & tax	510.69	378.98
Interest	259.52	130.36
Profit/(loss) before dep & tax	251.17	248.62
Depreciation	175.26	111.26
Profit/(loss) before tax	75.91	137.36
Tax including deferred/ provision for tax	16.51	39.31
Net Profit/(loss) after tax	59.40	98.05
Amount of loss transferred to balance sheet	286.85	343.91

BUSINESS AND PERFORMANCE

During the year under review, the turnover of the company has risen to 2121.74 lacs which is 23.5% higher than the previous year's turnover. However the profits of the company decreased to Rs. 59.40 lacs due to adverse market conditions and higher finance costs.

FUTURE PROSPECTUS

Presently the company is engaged in the manufacturing of Drug Intermediates and chemicals. During the current financial year, the company is planning to venture into APIs/intermediates, and will begin the manufacturing of clopidogrel, fexofenadine, etoricoxib, pentazocene, etc. The market demand for these products is very high. The company is also shifting its focus to manufacture and market the products under its own name and tapering off the job work activities.

The company is doing well under the trade mark 'Kaarigar'. Under this brand name, the company is selling wood coatings and complete range of wood finishes. The market response for these products from the market is very favourable. The company is foreseeing significant growth for these products in the current financial year and started to market the products in the northern region of the country particularly in Chandigarh, Punjab, Haryana, Himachal Pradesh, J & K etc

The economic conditions in the country are not very conducive but still the management is confident that the company will continue to grow further as there is demand for its products in the market.

DIVIDEND

In the absence of adequate profit for the year, your directors have not recommended any dividend for the financial year 2013-14. However as per the terms of Preference Shares, 2% preference dividend, if approved by the shareholders, be paid to the preference shareholders.

FIXED DEPOSIT

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

DIRECTORS

Mr. Rajesh Gupta, Wholetime Director of the Company shall retire by rotation at the ensuing Annual General Meeting and being eligible offer himself for reappointment. As stipulated in terms of Clause 49 of the Listing Agreement, the brief resume of Mr. Rajesh Gupta is provided in the Explanatory Statement annexed to the notice of the meeting. During the current financial year, Mr. Kushal Pal Singh, Managing Director, Mr. Ranjan Jain, Wholetime Director, Mr. Shanti Lal Jain, Director (Independent) and Mr. Jagir Singh, Director (Independent) have resigned from their respective positions.

LISTING

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

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

AUDITORS

M/s Bansal Vijay & Associates, Chartered Accountants, Chandigarh, the retiring Auditors of the Company retire at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment for the Financial Year 2014-15. The Company received a certificate from them as required under Section 141 of the Companies Act, 2013. The Board recommends their appointment for your approval.

CORPORATE GOVERNANCE REPORT

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

MANAGEMENT DISCUSSION & ANALYSIS REPORT

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

AUDIT COMMITTEE

Pursuant to provisions of section 177 of the Companies Act, 2013 and Listing Agreement the Company has constituted the Audit Committee of the company. The following are the members of the committee. Mr. Satish Chand Aggarwal is the Chairman of the Audit Committee.

Mr. Satish Chand Aggarwal
Mr. Balwant Singh Sandhu
Mr. Jagmohan Arora

AUDITORS REPORT

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

PARTICULARS OF EMPLOYEES

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

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

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

FORM A

Disclosure of Particulars with respect to Conservation of Energy:

A.	Power and fuel consumption	2013-14	2012-13
	1. Electricity		
	(a) Purchased		
	Units	2533716	3944369
	Total amount	11613853	18599567
	Rate/unit	5.30	4.72
	(b) Own generation		
	(i) Through diesel generator		
	Unit	141175	637250
	Units per ltr. of diesel oil	3.40	3.40
	Cost/unit	15.30	14.60
	(ii) Through steam turbine/generator		
	2. Coal Pet coke		
	Quantity (tonnes)	860.25	1391.60
	Total cost	6647159	9240178
	Rate/unit	7.73	6.64
	3. Furnance oil	NIL	NIL
	4. Others/internal generation	NIL	NIL
B.	Consumption per unit of production		
	Electricity	3.12	4.16
	Coal-Pet coke	0.95	1.47

a.Technology Absorption:

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

b.Foreign Exchange earnings and Outgo:

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

DIRECTORS RESPONSIBILITY STATEMENT

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

1. That in the preparation of annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
2. That Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period.
3. That Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
4. That Directors have prepared the annual accounts on going concern basis.

ACKNOWLEDGEMENT

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

For Board of Directors
M/S SYSCHEM INDIA LIMITED

DATE : 13.08.2014
PLACE : Chandigarh

Chairman

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

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

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

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

2. BOARD OF DIRECTORS

The Company's Board has an appropriate mix of Executive and Non-Executive Directors, which ensures independent judgments in its deliberations and decisions. At present the Board of Directors of the company as on 31.3.2014 comprised of 8 Directors consisting of one Managing Director three Wholetime Directors and four Non-executive Independent Directors, thus complying fully with the Corporate Governance Regulations.

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

The Board met 9 times during the year under review on 16.04.2013, 24.05.13, 12.08.13, 27.08.13, 24.10.13, 14.11.13, 19.12.13, 14.02.14, 07.03.14 and 27.03.14. The gap between two Board Meetings did not exceed 3 months. The composition of the Board of Directors is as follows:-

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

* Resigned on 08.08.2014

** Resigned on 11.07.2014

*** Resigned on 09.05.2014

**** Resigned on 11.07.2014

3. AUDIT COMMITTEE

The Audit Committee comprises of three directors namely Mr. Balwant Singh Sandhu, Satish Chand Aggarwal and Mr. Jagmohan Arora. All members of Audit Committee are financially literate. Mr. Satish Chand Aggarwal is Chairman of Audit Committee.

The Board has defined the scope of Audit committee to cover the all areas provided in Companies Act, 1956 and Listing Agreement with the Stock Exchange. The terms of reference of the Audit Committee are given below :

- (a) 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.
- (b) Recommend the appointment, reappointment and replacement of auditors.
- (c) Recommending and approval of payments of statutory auditors for various assignments.
- (d) Reviewing with management the annual financial statements before submission to the Board, focusing primarily on:
 - i. 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
 - ii. Changes, if any, in accounting policies and practices and reasons for the same
 - iii. Major accounting entries involving estimates based on the exercise of judgment by management
 - iv. Significant adjustments made in the financial statements arising out of audit findings
 - v. Compliance with listing and other legal requirements relating to financial statements
 - vi. Disclosure of any related party transactions
 - vii. Qualifications in the draft audit report.
- (e) Reviewing, with the management, the quarterly financial statements before submission to the board for approval
- (f) Reviewing, with the management, the statement of uses / application of funds raised through public issue, rights issue, preferential issue, etc.
- (g) Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
- (h) Reviewing the adequacy of internal audit function, 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.
- (i) Discussion with internal auditors on any significant findings and follow up there on.
- (j) Reviewing the findings of internal investigations by the internal auditors into the requisite matters
- (k) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain area of concern.

(l) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

(m) Discussion with internal auditors of any significant findings and follows up thereon.

Details of meeting of Audit Committee

Four meetings of audit committee were held during the financial year. The gap between two meetings of the audit committee is not more than four months

Name of the Members of Audit committee	No. of meetings held	No. of Meetings attended
Mr. Shanti Lal Jain*	4	4
Mr. Ranjan Jain**	4	4
Mr. Satish Chand Aggarwal	4	4

* resigned on 09.05.2014

**resigned on 11.07.2014

4. NOMINATION AND REMUNERATION COMMITTEE

The Company has a Remuneration Committee under the Chairmanship of Mr. Shanti Lal Jain. Other members of the committee are Mr. Balwant Singh Sandhu and Mr. Jagir Singh. The committee has been framed to determine the remuneration payable to directors. During the financial year ending 31st March 2014, no remuneration was paid to the directors.

5. STAKEHOLDERS RELATIONSHIP COMMITTEE :

The followings are the members of the committee.

Mr. Satish Chand Aggarwal

Mr. Rajesh Gupta

Mr. Jagmohan Arora

Mr. Satish Chand Aggarwal is the Chairman of the committee.

Meetings of the Committee were regularly held during the financial year. The Committee met to approve the transfer of shares and to redress the shareholders grievances. The share certificates submitted for dematatisation were also approved by the committee. Some shares of the Company are in physical form. There were no pending transfers and there is no complaint pending as on 31/03/2014.

Details of Annual/Extra Ordinary General Meetings :

The details of the last three Annual General Meetings (AGM) and the Extra Ordinary General meetings (EGM) are as follows:

YEAR	CATEGORY	DATE	TIME	PLACE	No. Of Special Resolutions
2010-11	18th AGM	30th September, 2011	11.00 a.m.	Village Bargodam, Tehsil Kalka, Distt Panchkula	4
2011-12	EGM	30th July, 2011	10.00 a.m.	Village Bargodam, Tehsil Kalka, Distt Panchkula	1
2011-12	EGM	30th March, 2012	11.00 a.m.	Village Bargodam, Tehsil Kalka, Distt Panchkula	3
2011-12	19th AGM	28th September, 2012	11.00 a.m.	Village Bargodam, Tehsil Kalka, Distt Panchkula	1
2012-13	20th AGM	27th September, 2013	11.00 a.m.	Village Bargodam, Tehsil Kalka, Distt Panchkula	NIL

The Company had not passed any resolution through postal Ballot.

Following Special Resolutions were passed in the last three AGMs:

- In the AGM held on 30.09.2011, four special resolutions regarding appointment of Mr. Kushal Pal Singh as Managing Director, Mr. Ranjan Jain, Mr. Jagmohan Arora and Mr. Rajesh Gupta as wholetime directors and approving their remuneration were passed
- In the EGM held on 30.07.2011, one resolution for taking permission under Section 293(1)(a) and 293(1)(d) of the Companies Act, 1956 were passed.
- In the EGM held on 30.03.2012, three resolution viz alteration of capital clause of Memorandum of Association, alteration and insertion of articles in Articles of Association and issue and allotment of upto 2% Non-Cumulative Non-Convertible Redeemable Preference Shares were passed.
- In the AGM held on 28.09.2012, one resolution viz. alteration of Articles by deletion, alteration and insertion of articles in Articles of Association was passed.

Disclosures

- During the Financial Year 2013-14, there were no materially significant transactions entered into between the Company and its promoters, Directors or the Management or relatives etc. that may have potential conflict with the interests of company at large. Further, details of related party transactions are presented in Note 29 in Notes to the Accounts.
- The company has complied with all the requirements of the Stock Exchanges, SEBI or any statutory authority, on all matters related to capital markets, during the last three years. In the absence of non-compliance by the company, there were neither any penalties imposed nor any strictures passed by Stock Exchange, SEBI or any statutory authority.

CODE OF CONDUCT

The Code of Conduct for the Directors and the Senior Management of the Company has been laid down by the Board and the same is posted on the website of the Company. Mr. Jagmhan Arora, Wholetime Director has declared that the Board Members and the Senior Management have affirmed compliance with the Code of Conduct of the Company.

Means of Communication

The communication with the shareholders at large is through annual report, publication of quarterly results and press releases in newspaper. The Company sends annual reports to all the shareholders. The notices of convening of general meetings are published in the newspaper. The Board of directors approves the quarterly results within 45 days of end of each quarter. The financial results are being sent to stock exchange through courier and e-mail. Quarterly results are also regularly published in the newspaper papers in accordance with the requirement of the Listing Agreement.

Share holder information :

Annual General Meeting :	27th September, 2014 at 11.00 a.m. Village Bargodam, Tehsil Kalka, Distt Panchkula,
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Book closure:

The company's register of member and share transfer books will remain closed from 20th September, 2014 to 27th September, 2014 (Both days inclusive).

Details of stock exchanges:

The shares of the company are listed in following Stock Exchanges.

Bombay Stock Exchange Limited
Delhi Stock Exchange Limited

The shares of the company are being traded at Bombay Stock Exchange and the Company is regular in paying its annual listing fees.

Stock code

The stock code of BSE is 531173.

The ISIN Number of the company is INE 121D01028.

Registrar and transfer agent:

Beetal Financial & Computer Services Pvt Ltd.

Beetal House, 99, Madangir
Behind Local Shopping Centre,
Near Dada Harsukh Dass Mandir,
NEW DELHI - 110 062

Distribution of shareholding as on 31st March 2014**By Ownership**

HOLDING PATTERN	NO. OF SHARES OF RE. 1/- EACH	%AGE OF HOLDING
Promoters & Promoter group	53159438	33.41
Indian Public	87911652	55.25
NRI's	2331439	1.47
Bodies Corporate	15701471	9.87
TOTAL	15,91,04000	100

By Size

RANGE OF SHARES	NO. OF SHARE HOLDERS	NO. OF SHARES EACH OF RE. 1/-	%AGE OF HOLDING
Up to 5000	8,143	1,24,74,549	7.900
5001 10000	854	72,67,195	4.602
10001 20000	356	54,63,240	3.460
20001 30000	127	32,32,485	2.048
30001 40000	48	16,97,154	1.074
40001 50000	49	23,43,337	1.484
50001 100000	98	72,94,656	4.620
100001 and above	107	11,81,29,384	74.812
TOTAL	9,782	15,91,04,000	100.000

Registered Office & Works

Village Bargodam,
Tehsil Kalka,
Distt Panchkula [Haryana]

Administrative office:

SCO 291, 1st Floor,
Sector 32-D,
CHANDIGARH 160 031.

DECLARATION OF CODE OF CONDUCT

To

The Members of
Syschem (India) Limited

Sub : Declaration by the Wholetime Director under Clause 49(I)(D)(ii) of the Listing Agreement.

I, Jagmohan Arora, Wholetime Director of Syschem (India) Limited, to the best of my knowledge and belief, declare that all the members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct of the Company for the year ended 31st March, 2014.

Place : Chandigarh

(Jagmohan Arora)

Date : 13.08.2014

Wholetime Director

CORPORATE GOVERNANCE CERTIFICATE

TO THE MEMBERS OF SYSCHEM (INDIA) LIMITED

We have examined the compliance of conditions of Corporate Governance by Syschem (India) Limited for the year ended 31st March 2014 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereto, adopted by the Company for ensuring the compliance of conditions of the corporate governance. It is neither an audit nor an expression of opinion on financial statements of the Company.

In our opinion and to the best of our information and according to the examinations given to us we certify that the Company has complied with the conditions of corporate governance as stipulated in the above mentioned Listing Agreement.

We state that no investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the Company.

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

Date : 13.08.2014

Place: Chandigarh

(Kanwaljit Singh)

Company Secretary

MANAGEMENT DISCUSSION AND ANALYSIS

I) INDUSTRY STRUCTURE & DEVELOPMENT:

The Indian pharmaceutical industry, the most respected amongst the emerging nations, is one of the most sought after sectors from a global collaboration point of view. It is a highly knowledge based industry which is growing steadily and plays a major role in the growth of Indian economy. As a highly organised sector, the numbers of pharmaceutical companies are increasing their operations in India. The Indian pharma sector offers a lot to be optimistic about. The industry is expected to touch US\$ 45 billion by 2020.

The Indian pharma sector is at the threshold of exponential growth. It is believed that the Indian pharma market will be amongst the top three global markets in terms of incremental growth by 2020. The share of pharma companies of Indian origin is close to 73 per cent of the Indian market while multinational companies hold the remaining 27 per cent. This clearly indicates that the majority share of the Indian market is with domestic pharma companies and equally distributed amongst both large and small scale pharmaceutical companies. The Indian pharma segment should continue to be a two-way street that offers a win-win situation for both domestic as well as multinational pharma companies.

(II) OPPORTUNITIES, THREATS AND RISKS:

Syschem (India) Limited (SIL) is engaged in the manufacturing of Bulk Drugs Intermediates/ Specialty Chemicals. The Company is planning to manufacture new products clopidogrel, fexofenadine, etoricoxib, pentazocene, etc. These products are in huge demand and in the present competitive market they are viable for a longer period of time. There are international and domestic economic crisis going on which may have an adverse effect on the industry, still the pharmaceutical business is viable and the company is seeing many opportunities and the silver lining for its growth.

III) SEGMENT WISE/PRODUCT WISE PERFORMANCE:

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

IV) OUTLOOK:

The Company has changed its product basket. It has planned to manufacture advanced API/Intermediates namely clopidogrel, fexofenadine, etoricoxib, pentazocene, etc.

Further the company has planned to utilize 100 percent capacity of distillation installed within the premises and to distil high value solvents such as THF, Acetonitrile & DMF.

The company has focused on the manufacturing and marketing of wood and paint finishes under its brand name of KAARIGAR. The company is foreseeing significant growth in the

current financial year and started to market the products in northern region of the country particularly in Chandigarh, Punjab and Haryana, Himachal Pradesh, J & K etc.

(V) INTERNAL CONTROL SYSTEM:

The company has effective and adequate internal control system. All the assets of the Company are properly safeguarded and used to their optimum capacity. The system is reviewed and updated by the management periodically. The finding and suggestions of internal control are reviewed by the Board of Directors & Audit Committee and they make sure that internal controls are properly complied with.

(VI) HUMAN RESOURCES AND INDUSTRIAL RELATION:

The company is maintaining very cordially relations with all concerned people. With the change in management, new faces have been inducted in the company. Recruitments have been done as per the requirement. The relations with banks and other statutory departments are also very cordial.

INDEPENDENT AUDITOR'S REPORT

To the Members of Syschem (India) Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Syschem (India) Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so

required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014 ;
- (b) In the case of the Profit and Loss Account, of the profit for the year ended on that date ; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- 1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure 'A', a statement on the matters specified in paragraphs 4 and 5 of the Order.
- 2. As required by section 227(3) of the Act, we report that:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit ;
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books ;
 - c. The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account ;
 - d. In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;
 - e. On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

for BANSAL VIJAY & ASSOCIATES
CHARTERED ACCOUNTANTS
(Firm Registration No. 014930N)

Date : 30.05.2014
PLACE : CHANDIGARH

(CA VIJAY KUMAR)
PARTNER
M. No. 093412

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our Report of even date of Syschem (India) Limited and subject to notes on accounts]

- (i) (a) In our opinion, the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, all fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies have been noticed on such verification.
- (c) In our opinion and according to the explanations given to us, during the year the Company has not disposed off any substantial part of its fixed assets and hence the going concern of the Company is not affected.
- (ii) (a) As explained to us, physical verification of inventory has been conducted by the management at reasonable intervals.
- (b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
- (c) As explained to us no material discrepancies have been noticed on physical verification. The balances of stock as established on physical verification as at the year end have been incorporated in the books of accounts. Consequently, the shortage/excess, if any, have been adjusted in consumption of material.
- (iii) (a) In our opinion and according to explanations given to us, the Company has not granted any loans secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
- (b) The Company has not granted loans secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956 and as such Clauses (iii)(b), iii(c) and iii(d) of the Order are not applicable to the Company.
- (c) In our opinion and according to the explanations given to us, the Company has not taken any secured or unsecured loans from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956
- (d) The Company has not taken any secured or unsecured loans from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956 and such Clauses (iii)(f) and (iii)(g) of the Order are not applicable to the company.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and nature of its business for purchase of inventory and fixed assets and for the sale of goods. During the course of our audit, no major weakness has been noticed in the internal control system.
- (v) (a) In our opinion and according to the information and explanations given to us, there were transactions made in pursuance of contracts or arrangements that needed to be entered

into the register maintained under Section 301 of the Companies Act, 1956 and these were property entered.

- (b) In our opinion and according to the information and explanations given to us, the transactions made during the year in pursuance of contracts or arrangements which were required to be entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of the Five Lac rupees in respect of any party have been made at prices which were reasonable having regard to prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information given to us, the Company has accepted deposits from the public within the meaning of Sections 58A, 58AA or any other provisions of the Companies Act, 1956 the rules framed thereunder.
- (vii) In our opinion, the Company has an adequate internal audit system commensurate with the size of the Company and the nature of its business.
- (viii) We have broadly reviewed the cost records maintained by the company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (ix) (a) According to the records of the Company, except TDS, Service Tax, Central Sales Tax and Provident Fund, the Company is regular in depositing with appropriate authorities, undisputed statutory dues applicable to it.
- (b) According to the records of the Company, there are no dues of Income Tax, Sales Tax, Service Tax, Wealth Tax, Custom Duty, Excise Duty, Education Cess and Provident Fund which have not been deposited on account of any dispute except the following

SYSCHEM (INDIA) LIMITED
BALANCE SHEET AS AT March 31, 2014

(Rs. in Lacs)

Particulars	Note No.	31st March 2014 Rs.	31st March 2013 Rs.
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	1	1,691.04	1,691.04
(b) Reserves and Surplus	2	(204.56)	(261.62)
		1,486.48	1,429.42
(2) Share Application Money Pending Allotment	-	-	-
(3) Non - Current Liabilities			
(a) Long Term Borrowings	3	2,137.37	2,150.49
(b) Deferred Tax Liabilities (Net)	4	52.69	28.49
(c) Other Non Current Liabilities	5	56.90	-
		2,246.95	2,178.98
(4) Current Liabilities			
(a) Short Term Borrowings	6	663.95	524.22
(b) Trade Payables	7	496.89	104.74
(c) Other Current Liabilities	8	536.43	478.41
(d) Short Term Provisions	9	33.00	39.16
		1,730.27	1,146.53
TOTAL		5,463.71	4,754.93
II. (1) ASSETS			
(a) Fixed Assets			
(i) Tangible Assets	10	3,463.10	2,868.62
(ii) Intangible Assets	10	108.97	78.02
(iii) Capital Work in Progress	11	46.11	410.01
(iv) Intangible Assets under development	-	-	-
		3,618.18	3,356.65
(b) Non - current investments			
(c) Deferred tax assets (Net)	4	-	-
(d) Long Term Loans and Advances	12	104.47	238.16
(e) Other Non Current Assets	-	-	-
		3,722.65	3,594.81
(2) Current Assets			
(a) Current Investments	-	-	-
(b) Inventories	13	758.99	397.35
(c) Trade Receivables	14	722.81	510.65
(d) Cash and Cash Equivalents	15	70.00	59.66
(e) Short Term Loans and Advances	16	50.30	50.59
(f) Other Current Assets	17	138.95	141.87
		1,741.06	1,160.12
TOTAL		5,463.71	4,754.93
Significant Accounting Policies			
Notes on Financial Statements	1 to 28		

As per our report of even date
for BANSAL VIJAY & ASSOCIATES
CHARTERED ACCOUNTANTS

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

DATE : 30th May 2014
PLACE : CHANDIGARH

For and on behalf of the Board

(KUSHAL PAL SINGH)
Managing Director

(RAJESH GUPTA)
Wholetime Director

(AMARJEET KAUR)
Company Secretary

SYSCHEM (INDIA) LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED MARCH 31, 2014

(Rs. in Lacs)

Particulars	Note No.	31st March 2014 Rs.	31st March 2013 Rs.
I. Revenue from Operations	19	1,840.83	1,618.10
II Other Income	20	123.74	13.27
III Total revenue (I + II)		1,964.57	1,631.37
IV Expenses			
Cost of Materials Consumed	21	1,311.91	771.76
Changes in Inventories of Finished Goods, Work in Progress and Stock in Trade	22	(301.76)	(78.08)
		1,010.15	693.68
Employee Benefits Expense	23	156.45	241.38
Finance Costs	24	277.75	145.71
Depreciation and Amortization Expense	25	175.26	111.26
Other Expenses	26	269.06	301.98
Total Expenses		1,888.66	1,494.01
V Profit/(Loss) before exceptional and extraordinary items and tax (III-IV)		75.91	137.36
VI Exceptional Items		-	-
VII Profit/(Loss) before extraordinary items and tax (V-VI)		75.91	137.36
VIII Extraordinary Items		-	-
IX Profit before tax (VII-VIII)		75.91	137.36
X Tax Expense			
(1) Current tax		15.50	29.30
(2) Deferred tax		24.19	43.63
(3) MAT Credit Entitlement		(22.80)	(27.48)
(4) MAT Credit Entitlement (Related to A.Y. 2012-13)		-	(6.20)
(5) Income tax related to earlier years		(0.38)	0.06
		16.51	39.31
XI Profit/(Loss) for the period from continuing operations (IX-X)		59.40	98.05
XII Earning per equity share:	27		
(1) Basic		0.04	0.06
(2) Diluted		0.04	0.06
Significant Accounting Policies	-		
Notes on Financial Statements	1 to 28		

As per our report of even date
for BANSAL VIJAY & ASSOCIATES
CHARTERED ACCOUNTANTS

(VIJAY KUMAR)

PARTNER

M.NO. 093412

FRN : 014930N

DATE : 30th May 2014

PLACE : CHANDIGARH

For and on behalf of the Board

(KUSHAL PAL SINGH)
Managing Director

(RAJESH GUPTA)
Wholetime Director

(AMARJEET KAUR)
Company Secretary

SYSCHEM (INDIA) LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

(Rs. In Lacs)

Particulars	31st March 2014		31st March 2013	
	Rs.	Rs.	Rs.	Rs.
Cash flows from operating activities				
Profit before taxation		75.91		137.36
Adjustments for:				
Depreciation and amortization expense	175.26		111.26	
Loss/(Profit) on sale of fixed asset	(0.35)		(3.95)	
Provision for gratuity	5.30		2.72	
Interest received	(8.23)		(9.32)	
Finance Cost	277.75	449.71	145.71	246.41
		<u>525.63</u>		<u>383.77</u>
(Increase)/ decrease in trade and other receivables	(209.24)		(106.99)	
(Increase)/ decrease in inventories	(361.64)		(223.71)	
Increase/ (decrease) in trade payables	450.18	(120.70)	341.86	11.15
		<u>404.93</u>		<u>394.93</u>
Income taxes paid		16.57		-
Net cash from operating activities		<u>388.36</u>		<u>394.93</u>
Cash flows from investing activities				
Purchase of fixed assets	(443.05)		(1,356.55)	
Proceeds from sale of fixed assets	6.60		28.79	
Movement in Loans and Advances	144.43		(16.16)	
Interest received	8.23		9.32	
Net cash from investing activities		(283.78)		(1,334.59)
Cash flows from financing activities				
Proceeds from issue of share capital	-		-	
Proceeds from long term borrowings	290.70		1,780.90	
Proceeds from short term borrowings	139.73		313.47	
Repayment of long term borrowings	(246.93)		(954.47)	
Finance Cost	(277.75)		(145.71)	
Dividend paid	-		-	
Net cash from financing activities		(94.24)		994.19
Net increase/(decrease) in cash and cash equivalents		<u>10.34</u>		<u>54.52</u>
Cash and cash equivalents at beginning of reporting period		59.66		5.14
Cash and cash equivalents at end of reporting period		<u>70.00</u>		<u>59.66</u>
Cash & Cash equivalents:				
Cash and cash equivalents included in the statement of cash flows comprise the following amounts in the balance sheet:				
Cash In hand and bank balances		70.00		59.66
Short term investments		-		-
Cash and cash equivalents as reported		70.00		59.66
Effect on exchange rate changes		-		-
Cash and cash equivalents as restated		<u>70.00</u>		<u>59.66</u>

As per our report of even date
for BANSAL VIJAY & ASSOCIATES
CHARTERED ACCOUNTANTS

(VIJAY KUMAR)
PARTNER
M.NO. 093412
FRN : 014930N
DATE : 30th May 2014
PLACE : CHANDIGARH

For and on behalf of the Board

(KUSHAL PAL SINGH)
Managing Director

(RAJESH GUPTA)
Wholetime Director

(AMARJEET KAUR)
Company Secretary

SYSCHEM (INDIA) LIMITED

SIGNIFICANT ACCOUNTING POLICIES

1) BASIS OF ACCOUNTING

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

2) REVENUES RECOGNITION

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

3) FIXED ASSETS AND DEPRECIATION

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

4) EXCISE DUTY

CENVAT credits are taken into account at the time of purchase of Capital Goods and raw materials, to the credit of respective purchases and utilized for the clearance of goods manufactured. Expenditure in respect of excise duty on finished products is accounted for as and when the clearance is made from factory premises. The amount of excise duty payable on the finished goods, not cleared from the factory as at 31st March 2014, has not been added to the value of closing stocks of finished goods. However, the non-provision of such excise duty will not effect the profits for the year.

5) BORROWING COSTS

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

6) INVENTORIES

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

7) EMPLOYEE TERMINAL BENEFITS

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

8) INCOME TAXES

- a. Provision for taxation has been made on the basis of taxable profits computed for the current accounting year in accordance with the provisions of the Income Tax Act, 1961.
- b. Deferred income tax is provided using the asset method on all timing differences at the balance sheet date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes.
- c. Deferred tax assets and liabilities are measured using the tax laws that have been enacted or subsequently enacted at the balance sheet date.

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

(CA VIJAY KUMAR)
PARTNER

For & on behalf of the Board

PLACE : CHANDIGARH
DATE : 30.05.2014

(KUSHAL PAL SINGH)
MANAGING DIRECTOR

(RAJESH GUPTA)
WHOLETIME DIRECTOR

SYSCHEM (INDIA) LIMITED
NOTES TO FINANCIAL STATEMENTS

1 Share Capital :

Particulars	31st March 2014		31st March 2013	
	Number	Rs. In Lacs	Number	Rs. In Lacs
Authorized:				
180000000 Equity shares of Re. 1/- each	180000000	1,800.00	180000000	1,800.00
20000000 Preference shares of Re. 1/- each	20000000	200.00	20000000	200.00
		<u>2,000.00</u>		<u>2,000.00</u>
Issued, subscribed and fully paid up:				
159104000 Equity shares of Rs. 1/- each (Previous Year 159104000 Equity shares of Re. 1/- each)				
At the beginning of the reporting period	159104000	1,591.04	159104000	1,591.04
Issued during the reporting period	-	-	-	-
Bought back during the reporting period	-	-	-	-
At the close of the reporting period	159104000	<u>1,591.04</u>	159104000	<u>1,591.04</u>
100000000 Preference shares of Re. 1/- each (Previous Year 100000000 Equity shares of Re. 1/- each)				
At the beginning of the reporting period	100000000	100.00	10,000,000	100.00
Issued during the reporting period	-	-	-	-
Bought back during the reporting period	-	-	-	-
At the close of the reporting period	100000000	<u>100.00</u>	100000000	<u>100.00</u>
Less Calls in arrears		-		-
		<u>1,691.04</u>		<u>1,691.04</u>
Add: Amount originally paid up on forfeited shares		-		-
Total		<u>1,691.04</u>		<u>1,691.04</u>
Other Information:				
I. Particulars of equity share holders holding more than 5% of the total number of equity share capital:				
<u>EQUITY SHARE CAPITAL</u>				
a. Allychem Securities Private Limited	12510000	7.86%	12510000	7.86%
b. Ranjan Jain	12717788	7.99%	12125957	7.62%
c. Allychem Laboratories Private Limited	9507000	5.98%	9507000	5.98%
<u>PREFERENCE SHARE CAPITAL</u>				
a. Ranjan Jain	10,000,000	100.00%	10,000,000	100.00%
II. Preference shares are redeemable on 31st March 2019				

SYSCHEM (INDIA) LIMITED
NOTES TO FINANCIAL STATEMENTS

2 Reserves and Surplus:

(Rs. In lacs)

Particulars	Capital Reserve	Capital redemption reserve	Security Premium Reserve	Revaluation Reserve	Surplus i.e. balance in Statement of Profit & Loss	Total
At the beginning of the reporting period	6.28	0.00	76.01	0.00	(343.91)	(261.62)
Transferred from/to Profit & Loss Account	0.00	0.00	0.00	0.00	59.40	59.40
Allocation towards allotment of bonus shares	0.00	0.00	0.00	0.00	0.00	0.00
Proposed Dividends	0.00	0.00	0.00	0.00	(2.00)	(2.00)
Provision towards dividend distribution tax	0.00	0.00	0.00	0.00	(0.34)	(0.34)
At the close of 31st March 2014	6.28	0.00	76.01	0.00	(286.85)	(204.56)
At the close of the 31st March 2013	6.28	0.00	76.01	0.00	(343.91)	(261.62)

3 Long term Borrowings

(Rs in Lacs)

Particulars	31st March 2014	31st March 2013
Secured Loans:		
a) Term Loans		
- from Banks	727.09	867.39
- from Others	-	-
b) Vehicle Loans	5.79	16.00
c) Other loans	104.85	175.37
	837.73	1,058.76
2) Unsecured Loans:		
a) Loans and advances from related parties #	569.11	404.83
b) Other loans @	730.53	686.90
	1,299.64	1,091.73
Total long term borrowings (1+2)	2,137.37	2,150.49

Includes loans from directors and their relatives and director of associated concern

@ Includes deposits and loans from companies

Additional Information : Refer Note 28

SYSCHEM (INDIA) LIMITED
NOTES TO FINANCIAL STATEMENTS

(Rs in Lacs)

Particulars	31st March 2014	31st March 2013
4. Deferred tax Asset / Liability		
i) Deferred Tax Liability		
a) On account of depreciation on fixed assets	52.69	28.49
b) On account of timing differences in recognition of expenditure	-	-
Total	52.69	28.49
ii) Deferred tax asset:		
a) On account of timing differences in recognition of expenditure	-	-
b) On account disallowance under section 40 (ia)	-	-
c) On account of Unabsorbed losses and depreciation under the Income Tax Act, 1961	-	-
Net Deferred tax asset (liability)	(52.69)	(28.49)
5 Other Long term liabilities		
a) Trade Payables	-	-
b) Others	56.90	-
Total	56.90	-
6 Short Term Borrowings		
1) Secured Loans:		
a) Cash Credit from PNB	663.95	524.22
Total	663.95	524.22
2) Unsecured Loans:	-	-
Total	663.95	524.22

Additional Information :

A. Details of security for secured loans

Cash credit is secured by hypothecation of entire stocks of Raw Material, Stock-in-Progress, Finished Goods, Consumable Stores and Sprares

SYSCHEM (INDIA) LIMITED
NOTES TO FINANCIAL STATEMENTS

(Rs in Lacs)

Particulars	31st March 2014	31st March 2013
7 Trade Payables		
a) To Micro, Small and Medium Enterprises	-	-
b) Others	496.89	104.74
	496.89	104.74
8 Other current liabilities:		
a) Current maturities of long term debt	283.58	301.54
b) Interest accrued and due on borrowings	30.49	13.84
c) Capital Payables	21.50	81.57
d) Advance from customers	5.79	6.29
e) Other payables -		
Statutory Payables	40.99	27.91
Other Expenses Payable	154.08	47.26
	536.43	478.41
9 Short term provisions:		
a) Provision for employee benefits	15.16	9.86
b) Provision for income tax	15.50	29.30
c) Provision for Prefence Dividend	2.00	-
d) Provision for Prefence Dividend Tax	0.34	-
	33.00	39.16

SYSICHEM (INDIA) LIMITED
NOTES TO FINANCIAL STATEMENTS

10 Fixed Assets: (Rs. in lacs)

	GROSS BLOCK (AT COST)				DEPRECIATION			NET BLOCK		
	As at 01.04.2013	Additions for the year	Deductions during the year	As at 31.03.2014	As at 01.04.2013	For the period (Apr. 13 to Mar.14)	Deductions	As at 31.03.2014	As at 31.3.2014	As at 31.3.2013
Tangible Assets										
- Own assets										
Land	19.07	-	-	19.07	-	-	-	-	19.07	19.07
Buildings	512.95	60.10	-	573.05	86.93	17.13	-	104.06	468.99	426.02
Plant & Machinery	2,675.42	707.22	6.79	3,375.85	456.37	135.53	0.54	591.36	2,784.48	2,219.05
Furniture & Fixtures	4.71	-	-	4.71	1.78	0.30	-	2.08	2.63	2.93
Vehicles	32.56	-	-	32.56	6.42	3.09	-	9.52	23.04	26.14
Office equipment	23.67	0.50	-	24.17	7.27	2.55	-	9.82	14.35	16.40
Electrical Installation	129.51	0.19	-	129.70	1.62	6.15	-	7.78	121.93	127.89
Misc. Fixed Assets	13.03	-	-	13.03	0.15	0.62	-	0.77	12.26	12.88
Laboratory Equipment	7.87	-	-	7.87	0.14	0.56	-	0.70	7.17	7.73
Bus	11.68	-	-	11.68	1.17	1.32	-	2.49	9.19	10.51
	3,430.47	768.02	6.79	4,191.70	561.85	167.26	0.54	728.59	3,463.10	2,868.62
Intangible assets										
Process Know-how	80.00	-	-	80.00	1.97	8.00	-	9.97	70.03	78.02
R&D and Process Development	-	38.94	-	38.94	-	-	-	-	38.94	-
TOTAL	3,510.47	806.96	6.79	4,310.64	563.82	175.26	0.54	738.56	3,572.07	2,946.64
PREVIOUS YEAR FIGURES	1,321.53	2,296.71	107.77	3,510.47	535.52	111.26	82.93	563.84	2,946.63	786.02

SYSCHEM (INDIA) LIMITED
NOTES TO FINANCIAL STATEMENTS

(Rs in Lacs)

Particulars	31st March 2014	31st March 2013
11 Capital work in progress:		
a) Plant and Machinery	46.11	370.14
b) Building under Construction	-	39.87
	46.11	410.01
Less:		
Provision for impairment	-	-
	46.11	410.01
12 Long term loans and advances:		
a) Capital Advances	2.63	17.97
b) Security Deposits	23.52	71.17
c) MAT Credit Entitlement	56.48	33.68
d) Other loans & advances	21.84	115.34
	104.47	238.16
Additional information:		
1) Breakup of above:		
i) Secured, considered good	23.52	71.16
ii) Unsecured, considered good	80.95	167.00
iii) Doubtful	-	-
Total	104.47	238.16
Less:		
Provision for doubtful advances	-	-
	104.47	238.16

SYSCHEM (INDIA) LIMITED

NOTES TO FINANCIAL STATEMENTS

(Rs in Lacs)

Particulars	31st March 2014	31st March 2013 1)
13 Inventories:		
a) Raw materials	312.94	242.53
b) Work in progress	295.09	102.00
c) Finished goods	110.18	1.52
d) Stores and spares	40.77	51.30
	758.99	397.35
Raw material and stores and spares are valued at cost, Work in progress is valued at Estimated cost and Finished goods are valued at cost or realisable value whichever is less		
14 Trade receivables:		
a) Trade receivables exceeding six months	114.22	15.13
b) others	608.59	495.52
(a+b)	722.81	510.65
Less: Provision for doubtful debts	-	-
	722.81	510.65
Additional information:		
1) Breakup of above:		
i) Secured, considered good	-	-
ii) Unsecured, considered good	722.81	510.65
iii) Doubtful	-	-
Total	722.81	510.65
Less: Provision for doubtful debts	-	-
	722.81	510.65
15 Cash and cash equivalents:		
a) Balances with banks		
- in margin money, security for borrowings, guarantees and other commitments	60.66	49.53
- in other accounts	0.02	1.29
b) Cash in hand	9.32	8.84
	70.00	59.66
16 Short term loans and advances:		
a) Loans and advances to related parties	-	-
b) Other loans and advances	50.30	50.59
	50.30	50.59
Less: Provision for doubtful advances	-	-
	50.30	50.59
17 Other Current Assets		
a) Service Tax recoverable	18.54	14.82
b) Excise Duty recoverable	67.67	88.91
c) Input Tax Credit	2.05	12.62
d) Income Tax refund A.Y. 2008-2009	0.18	0.18
e) Income Tax refund A.Y. 2012-13	-	0.04
f) TDS & TCS (A.Y. 2013-14)	-	9.60
g) TDS & TCS (A.Y. 2014-15)	17.79	-
h) Other Current assets	32.72	15.70
	138.95	141.87

SYSCHEM (INDIA) LIMITED
NOTES TO FINANCIAL STATEMENTS

(Rs in Lacs)

Particulars	31st March 2014	31st March 2013
18 Contingent liabilities and Commitments: (to the extent not provided for)		
a) Contingent Liabilities:		
i) Claims against the Company not acknowledged as debts	22.50	10.50
ii) Bank Guarantee	-	300.00
iii) Tax demands under disputes	14.94	19.49
iv) Other monies for which Company is contingently liable	-	-
The management believes, based on internal assessment and / or legal advice, that the probability of an ultimate adverse decision and outflow of resources of the Company is not probable and accordingly, no provision for the same is considered necessary.		
b) Commitments		
i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	-	17.45
ii) Other Commitments	-	-
19 Revenue from operations:		
i) Sale	1,610.42	1,069.18
ii) Job Work	387.58	635.71
	1,998.00	1,704.89
Less: Excise duty	157.17	86.79
	1,840.83	1,618.10
20 Other Income:		
i) Commission income	115.14	-
ii) Interest income		
- non current assets	8.23	9.32
- income tax refund	-	-
iii) Profit on sale of fixed assets (Net)	0.35	3.95
iv) Misc. Income	0.02	-
	123.74	13.27
21 Cost of materials consumed:		
i) Consumption of raw materials	1,290.76	755.58
ii) Consumption of stores and spare parts	21.15	16.18
TOTAL	1,311.91	771.76
22 Changes in inventories of finished goods, work in progress and stock in trade:		
Stocks at the end of the year		
i) Work in progress	295.09	102.00
ii) Finished goods	110.18	1.52
iii) Scrap	-	-
TOTAL	405.28	103.52
Less: Stocks at the beginning of the year		
i) Work in progress	102.00	20.76
ii) Finished goods	1.52	4.68
iii) Scrap	-	-
TOTAL	103.52	25.44

SYSCHEM (INDIA) LIMITED
NOTES TO FINANCIAL STATEMENTS

(Rs in Lacs)

Particulars	31st March 2014	31st March 2013
23 Employee Benefit Expenses:		
i) Salaries and wages	139.47	172.00
ii) Contribution to provident and other funds	14.76	13.83
iii) Remuneration to whole time directors	-	45.00
iv) Staff welfare expenses	1.88	9.01
v) Recruitment and training expense	0.35	1.54
	156.45	241.38
24 Finance Costs:		
i) Interest expense	259.52	130.36
ii) Other borrowing costs	18.22	15.35
	277.75	145.71
25 Depreciation and amortization:		
i) Depreciation	167.26	109.29
ii) Amortization of intangible assets	8.00	1.97
	175.26	111.26
26 Other expenses:		
i) Power and electricity	116.14	214.35
ii) Diesel and fuel	90.00	-
iii) Rent	8.33	7.49
iv) Repairs to buildings	0.09	0.03
v) Repairs to machinery	6.57	13.84
vi) Insurance	9.09	6.14
vii) Rates and taxes	3.26	3.52
viii) Payment to the auditors		
- as auditor	1.13	0.88
- for taxation matters	0.13	0.13
ix) Selling expenses	0.45	2.76
x) Irrecoverable loans and advances written off	-	-
xi) Donations	0.33	0.54
xii) Legal and professional charges	3.32	5.72
xiii) Advertisement & Publicity	3.03	3.83
xiv) Business Promotion	1.73	1.26
xv) Directors sitting fees	0.06	0.30
xvi) Travelling & Conveyance expense	9.13	15.47
xvii) Transportation Charges	-	0.95
xviii) Postage & Telegram	0.10	0.59
xix) Printing & Stationery	2.10	4.90
xx) Service Tax Exp.	1.36	2.62
xxi) Office Expenses	4.52	6.21
xxii) Watch & Ward Expenses	4.93	8.21
xxiii) R&D Expenses	0.32	-
xxiv) Miscellaneous expenses	2.93	2.24
	269.06	301.98

SYSCHEM (INDIA) LIMITED
NOTES TO FINANCIAL STATEMENTS

(Rs in Lacs)

Particulars	31st March 2014	31st March 2013
27 Earnings Per Share :		
<u>After extraordinary item:</u>		
Profit for the year after tax expense	59.40	98.05
	<u>59.40</u>	<u>98.05</u>
Weighted average number of equity shares	159104000	159104000
Earning per share (in Rupees)	0.04	0.06
<u>Before extraordinary item:</u>		
Profit for the year after tax expense	59.40	98.05
Adjustment for		
Extraordinary item (net of tax)	-	-
	<u>59.40</u>	<u>98.05</u>
Less: Preference dividend payable including dividend tax	-	-
	<u>59.40</u>	<u>98.05</u>
Weighted average number of equity shares	159104000	159104000
Earning per share (in Rupees)	0.04	0.06

SYSCHEM (INDIA) LIMITED NOTES TO FINANCIAL STATEMENTS

28 Additional Information:

1) Details related to Long term Borrowings

a Details of security

Term Loan is secured by hypothecation of Land & Building, Plant & Machinery and Misc Fixed Assets purchased from the term loan coupled with extension of charge on existing asset block of the Company.

Vehicle Loans are secured against hypothecation of vehicles for which loan has been taken.

Other Secured Loans are secured by way of first charge on assets against which loan is taken and personal guarantee of the Managing Director and Whole-time Directors of the Company.

b Term Loan, Cash Credit and Bank Guarantee from PNB are guaranteed and collaterally secured by the Managing Director and the Whole-time Directors of the Company along with Mr. Ajay Kumar Chaudhary, Mr. and Mrs Atul Kumar, M/s Allychem Laboratories Pvt. Limited and Allychem Securities Pvt. Limited.

c Terms of repayment of term loans and others

(Rs. in Lacs)

Particulars	Period of Maturity	No. of Installments Due*	Amount of Installments Due*
PNB Term Loan	23	20	913.04
ICICI Bank - Vehicle Loan	36	12	1.69
ICICI Bank - Vehicle Loan	36	12	1.98
ICICI Bank - Vehicle Loan	36	13	1.82
ICICI Bank - Vehicle Loan	48	25	5.54
ICICI Bank - Vehicle Loan	36	21	4.98
Intec Capital Limited - Secured Loan	60	50	88.92
Intec Capital Limited - Secured Loan	60	48	39.11
Punjab Kashmir Finance Limited	41	22	30.53
Punjab Kashmir Finance Limited	36	20	61.96
Punjab Kashmir Finance Limited	47	36	26.38
PKF Finance Limited	46	17	17.67
PKF Finance Limited	46	22	43.39
PKF Finance Limited	47	25	22.47
PKF Finance Limited	35	22	17.12
PKF Finance Limited	35	35	55.00
Unimark Remedies Limited	30		179.00

* Includes Current Maturities and amount repayable after 12 months

SYSCHEM (INDIA) LIMITED
NOTES TO FINANCIAL STATEMENTS

28 Additional Information:

2) Related Party Disclosure

A) Names of Related parties where control or influence exists irrespective of whether transactions have occurred or not	
Key Management Personnel	Kushal pal singh Ranjan Jain Jagmohan Arora Rajesh Gupta
Enterprises significantly influenced by key management personnel	Allychem Laboratories Pvt. Ltd. Allychem Securities Pvt. Ltd. Paramount Chemtech Pvt Ltd. Allychem Organics Pvt. Ltd. Rajesh Gupta (HUF) Modi Paints and Chemicals
Others	Ruchika Jain A.K. Chaudhary

B) Transactions with Related Parties during the year			(Rs. in Lac)
	Key Management Personnel	Enterprises significantly influenced by key management personnel	Others
Sale of goods	-	57.28	-
Purchase of goods	-	115.45	-

C) Balance as on 31.03.2014			(Rs. in Lac)
	Key Management Personnel	Enterprises significantly influenced by key management personnel	Others
Share Capital	232.84	220.17	43.58
Unsecured Loan	398.14	7.22	43.75

SYSCHEM (INDIA) LIMITED

NOTES TO FINANCIAL STATEMENTS

28 Additional Information:

- 3) Details of non-resident shareholdings

i) Number of non resident share holders	161	160
ii) Number of shares held by non resident shareholders	2,331,439	2,343,489
iii) Amount remitted during the year in foreign currency on account of dividends	-	-
- 4) The management has certified the fixed assets installed and put to use & relied upon by the auditors, being a technical matter. During the year, Borrowing cost and other cost capitalized up to March 31, 2014 Rs 209.43 lacs (as at March 31, 2013 is Rs 262.23 lacs)
- 5) The inventory of stocks, stores and spares has been taken, valued and certified by the management.
- 6) The balance of Trade Receivable and Trade Payable, are subject to confirmation.
- 7) Segment Reporting

The Company is working under one business segment only i.e. chemicals. These chemicals are having different applications. Besides there is not any significant variances on geographical basis, so the segment reporting defined under Accounting Standard 17 is not applicable to the Company.
- 8) Previous year's figures have been re-arranged and reclassified wherever necessary to make them comparable with the current year's figures. The amount have been rounded off to nearest lakhs.

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of Companies (Management and Administration) Rules, 2014]

SYSCEM (INDIA) LIMITED

(CIN: L24219HR1993PLC032195)

Registered Office: Village Bargodam, Teh. Kalka, Distt. Panchkula, Haryana 133 302

Tel. 0172-3077777 Fax : 0172-3077700

Email: info@syschem.in Website: www.syschem.in

Name of the Member (s):
Registered Address:
Email id:
Folio / DP ID-Client ID No.*:

* Applicable for investors holding shares in electronic form

I/We, being the member(s) holding _____ equity shares of the above named Company hereby appoint:

- (1) Name _____ Address _____
E-mail id _____ Signature _____ or failing him/her;
- (2) Name _____ Address _____
E-mail id _____ Signature _____ or failing him/her;
- (3) Name _____ Address _____
E-mail id _____ Signature _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 21st Annual General Meeting of the Company, to be held on Saturday 27th September, 2014 at 11.00 A.M. at the Registered office at Village Bargodam, Teh. Kalka, Distt. Panchkula, Haryana 133 302 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolutions	Optional**	
	For	Against
Ordinary Business		
1. Adoption of Financial Statements, the reports of the Board of Directors and Auditors for the year ended 31st March, 2014		
2. Re-appointment of Mr. Rajesh Gupta (Din: 03594434) as Director, who retires by rotation		
3. Declaration of Dividend on preference Shares		
4. Re-appointment of M/s Bansal Vijay & Associates as Auditors		
Special Business		
5. Appointment of Mr. Balwant Singh Sandhu (DIN 03365416) as an Independent Director		

6. Appointment of Mr. Satish Chand Aggarwal (DIN 05159621) as an Independent Director		
7. Authority to the Board of Directors for borrowing money upto Rs. 75.00 crores (as Special Resolution)		
8. Authority to the Board of Directors to create mortgage / charge on all or any of the immovable properties of the Company to secure the term loans / working capital facilities upto a sum of Rs 75.00 crores (as Special Resolution)		
9. Ratification of remuneration of Cost Auditors		
10. Permission under Section 188 of The Companies Act, 2013		
11. Amendment in Article 86, 87A & 117 of Articles of Association		

Signed this _____ day of _____ 2014

Signature of Shareholder _____

Signature of Proxy holder(s) _____

Affix
Revenue
Stamp

Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
3. A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
4. For the Resolutions, Notes and Explanatory Statement, please refer to the Notice of the 21st Annual General Meeting.
5. ****It is optional to put a 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.**
6. Please complete all details including details of member(s) in the above box before submission.

ATTENDANCE SLIP

SYSCHEM (INDIA) LIMITED

(CIN: L24219HR1993PLC032195)

Registered Office: Village Bargodam, Teh. Kalka, Distt. Panchkula, Haryana 133 302

Tel. 0172-3077777 Fax : 0172-3077700

Email:info@syschem.in Website: www.syschem.in

21st Annual General Meeting - 27th September, 2014

Please complete this Attendance Slip and hand it over at the entrance of the Meeting Hall.

Name of the Shareholder/ Proxy _____

Address _____

Folio No. _____

DP ID* _____

Client ID* _____

No. of Shares held _____

I/We hereby record my/our presence at the 21st ANNUAL GENERAL MEETING of the Company at its Registered Office & Works at Village Bargodam, Teh. Kalka, Distt. Panchkula, Haryana 133 302 on Saturday, 27th September, 2014 at 11.00 A.M.

*To be used for shares held in electronic form
SIGNATURE OF THE SHAREHOLDER/PROXY

SYSCHEM (INDIA) LIMITED

REGD. OFFICE : VILLAGE BARGODAM, TEHSIL. KALKA, DISTT. PANCHKULA 133 302

To

**If undelivered, please returned to :
Syschem (India) Limited,
S.C.O. 291, 1st Floor, Sector 32-D,
CHANDIGARH 160 031
Tel. : 91-172-3077777**