

20th
ANNUAL REPORT

AS AT 31ST MARCH 2013

SYSCHEM (INDIA) LIMITED

THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

SYSCHEM (INDIA) LIMITED

BOARD OF DIRECTORS

Mr. Kushal Pal Singh
Mr. Ranjan Jain
Mr. Jagmohan Arora
Mr. Rajesh Gupta
Mr. Shanti Lal Jain
Mr. Balwant Singh Sandhu
Mr. Jagir Singh
Mr. Satish Chand Aggarwal

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

AUDITORS

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

BANKERS

Punjab National Bank
Sector 22-D, Chandigarh

WORKS & REGISTERED OFFICE

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

CORPORATE OFFICE

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

COMPANY SECRETARY:

Mrs. Amarjeet Kaur

CONTENTS

Notice

Directors Report

Auditors Report

Balance Sheet

Cash Flow Statement

Notes to Accounts

NOTICE

Notice is hereby given that Twentieth Annual General Meeting of Syschem (India) Limited will be held on Friday, 27th September, 2013 at 11.00 A.M. at Registered Office Village at Bargodam, Tehsil Kalka, Distt Panchkula, Haryana to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the company as on 31st March 2013 and statement of profit and loss during the year ended on that date along with the report of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Jagir Singh who retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment.
3. To appoint a Director in place of Mr. Satish Chand Aggarwal who retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment.
4. To appoint the Statutory auditors of the Company and in this regard to pass the following resolution as ordinary resolution :

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

For Board of Directors
Syschem India Limited

DATE : 12.08.2013
PLACE : Chandigarh

Managing Director

NOTES :

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and such proxy need not to be the member of the Company.
2. Proxies in order to be effective must be received by the Company at its Registered Office not less than 48 hours before the meeting.
3. Members who holds shares in physical form are requested to notify any change in their registered address to Registrar and share transfer agent i.e. Beetal Financial & Computer Services Private Limited, New Delhi.
4. Members are requested to bring the copy of annual report and attendance slip duly filled in the meeting. Members who are holding shares in demat form are requested bring their Client Id and DP Id for easing identification of attendance.
5. Register of members and register of transfer will remain closed from 24th September, 2013 to 27th September, 2013 both days inclusive.
6. Relevant explanatory statement pursuant to section 173 of the Companies Act 1956 is attached and forms part of the notice.
7. Nomination forms for availing the nomination facility are available at Registered Office

Important communication to members

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

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF COMPANIES ACT 1956

LISTING AGREEMENT

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

ITEM NO. 2 & 3

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

DIRECTORS REPORT

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

FINANCIAL RESULTS

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

BUSINESS AND PERFORMANCE

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

FUTURE PROSPECTUS

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

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

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

DIVIDEND

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

FIXED DEPOSIT

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

DIRECTORS

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

LISTING

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

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

AUDITORS

M/s Bansal Vijay & Associates, Chartered Accountants, Chandigarh, the retiring Auditors of the Company retire at the ensuing Annual General Meeting and being eligible offer themselves for reappointment for the Financial Year 2013-14. The Company received a certificate from them as required under Section 224 (1B) of the Companies Act, 1956. The Board recommends their appointment for your approval.

COST AUDITORS

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

CORPORATE GOVERNANCE REPORT

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

MANAGEMENT DISCUSSION & ANALYSIS REPORT

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

AUDIT COMMITTEE

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

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

AUDITORS REPORT

Observations in the Auditors Report are dealt with in the notes to the Accounts and being self

explanatory need no further explanation.

PARTICULARS OF EMPLOYEES

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

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

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

FORM A

Disclosure of Particulars with respect to Conservation of Energy:

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

a. Technology Absorption:

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

b. Foreign Exchange earnings and Outgo:

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

DIRECTORS RESPONSIBILITY STATEMENT

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

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

ACKNOWLEDGEMENT

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

For Board of Directors
M/S SYSCHEM INDIA LIMITED

DATE : 12.08.2013
PLACE : Chandigarh

Managing Director

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

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

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

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

2. BOARD OF DIRECTORS

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

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

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

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

3. AUDIT COMMITTEE

The Audit Committee comprises of three directors namely Mr. Shanti Lal Jain, Satish Chand Aggarwal and Mr. Ranjan Jain. All members of Audit Committee are financially literate. Mr. Shanti Lal Jain 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

4. 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 2013 the details of remuneration paid is as under:

Name	Remuneration	Perquisites & others	Total
Mr. Kushal Pal Singh	6,00,000	6,00,000	12,00,000
Mr. Ranjan Jain	6,00,000	6,00,000	12,00,000
Mr. Jagmohan Arora	6,00,000	6,00,000	12,00,000
Mr. Rajesh Gupa	4,50,000	4,50,000	9,00,000

5. SHAREHOLDERS/INVESTORS GRIEVANCES/ SHARE TRANSFER COMMITTEE :

The followings are the members of the committee.

Mr. Shanti Lal Jain

Mr. Ranjan Jain

Mr. Jagmohan Arora

Mr. Shanti Lal Jain 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 dematerialisation 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 31/03/2013.

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
2009-10	17th AGM	29th September, 2010	11.00 a.m.	Village Bargodam, Tehsil Kalka, Distt Panchkula	2
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

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 29.09.2010, two special resolutions viz. regularization of Mr. Shanti Lal Jain and Mr. Balwant Singh Sandhu as directors were passed.
- 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 2012-13, 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. Kushal Pal Singh, Managing 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, 2013 at 11.00 a.m
Village Bargodam, Tehsil Kalka,
Distt Panchkula,

BOOK CLOSURE :

The company's register of member and share transfer books will remain closed from 24th September, 2013 to 27th September, 2013 (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 2013

By Ownership

HOLDING PATTERN	NO. OF SHARES	%AGE OF HOLDING OF RE. 1/- EACH
Promoters & Promoter group	52567607	33.04
Indian Public	86471557	54.35
NRIs	2343489	1.47
Bodies Corporate	17721347	11.14
TOTAL	15,91,04000	100

By Size

RANGE OF SHARES	NO. OF SHARE HOLDERS	NO. OF SHARES OF RE. 1/- EACH	%AGE OF HOLDING
Up to 5000	8,366	1,29,20,032	8.120
5001 10000	863	73,69,659	4.632
10001 20000	367	56,57,317	3.556
20001 30000	130	33,20,964	2.087
30001 40000	52	18,49,362	1.162
40001 50000	48	23,00,632	1.446
50001 100000	104	77,38,174	4.864
100001 and above	112	11,79,47,860	74.133
TOTAL	10,042	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 Managing Director (CEO) under Clause 49(I)(D)(ii) of the Listing Agreement.

I, Kushal Pal Singh, Managing 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, 2013.

Place : Chandigarh
Date : 12.08.2013

(Kushal Pal Singh)
Managing Director (CEO)

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 2013 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 : 12.08.2013
Place: Chandigarh

(Kanwaljit Singh)
Company Secretary

MANAGEMENT DISCUSSION AND ANALYSIS

I) INDUSTRY STRUCTURE & DEVELOPMENT:

The Indian pharmaceutical industry 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 industry is expected to touch US\$ 35.9 billion by 2016.

India is now among the top five pharmaceutical emerging markets globally and is a front runner in a wide range of specialties involving complex drugs' manufacture, development and technology. The major factors responsible are increasing sales of generic medicines, continued growth in chronic therapies and a greater penetration in rural markets. The Indian pharmaceutical industry would continue to experience strong growth as structural growth drivers continue to remain impervious. The industry is expected to revert a growth of 10-12 percent in 2013-14, according to a study by ICRA.

(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 Cefixime, Cefaclor, Cefprozil and Cefpodoxime Proxetil. 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:

We are second largest producer of 7-ACCA in the country with installed capacity of 100 MT/annum along with other cephalosporin intermediates. In addition to existing manufacturing facility, the company is contemplating to install additional machinery in compliance with international quality standards laid down by ICH and other regulatory bodies.

The Company is manufacturing 7-ACCA and is planning to introduce some other products within this financial year. At present, 80-85% capacity is utilized for production of 7-ACCA and there is planning to increase the capacity by 100% during the current year.

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 likely 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, 2013, 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"). 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, 2013 ;
- (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;
 - E. On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, 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 : 24.05.2013
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 properly 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, 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

S.No.	Name of the Statute	Nature of Dues	Amount	Forum where dispute (In Lacs) is pending
1	Central Excise Act, 1944	Excise Duty	14.94	Central Excise Department
2	Central Excise Act, 1944	Service Tax	4.55	CESSTAT

- (X) The Company has been registered for a period of more than five years and its accumulated losses at the end of the financial year are not more than 50% of its net worth. It has not incurred any cash losses in the financial year under review and also in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the company was not in default in repayment of dues to financial institutions or banks or debenture holders.
- (xii) In our opinion and according to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is neither a chit fund nor nidhi / mutual benefit fund / society and hence Clause (xiii) of the Order is not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other Investments. Therefore, the provisions of Clause (xiv) of the Order is not applicable to the Company.
- (xv) As informed to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) In our opinion and according to the information and explanations given to us, term loans have been applied for the purpose for which the loans were obtained.
- (xvii) As informed to us, the Company has not used funds raised on short term basis for long term investments.
- (xviii) During the year, the Company has not made any preferential allotment of shares to parties and Companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- (xix) The Company has not issued any debentures during the year and therefore the question of creating security in respect thereof does not arise.
- (xx) The Company has not made any public issue during the year and therefore the question of disclosing the end use of money does not arise.
- (xxi) According to the information and explanations given to us by the management, no fraud on or by the Company has been noticed or reported during the course of our audit.

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

Date : 24.05.2013
 PLACE : CHANDIGARH

(CAVIJAY KUMAR)
 PARTNER
 M. No. 093412

SYSCHEM (INDIA) LIMITED
BALANCE SHEET AS AT MARCH 31, 2013

(Rs. In Lacs)

Particulars	Note No.	31st March 2013	31st March 2012
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	1	1,691.04	1,691.04
(b) Reserves and Surplus	2	<u>(261.62)</u>	<u>(359.67)</u>
		1,429.42	1,331.37
(2) Share Application Money Pending Allotment	-	-	-
(3) Non - Current Liabilities			
(a) Long Term Borrowings	3	2,150.49	1,324.06
(b) Deferred Tax Liabilities (Net)	4	28.49	-
(c) Other Non Current Liabilities		-	-
		2,178.98	1,324.06
(4) Current Liabilities			
(a) Short Term Borrowings	5	524.22	210.75
(b) Trade Payables	6	104.74	90.58
(c) Other Current Liabilities	7	478.41	150.71
(d) Short Term Provisions	8	39.16	7.15
		<u>1,146.53</u>	<u>459.19</u>
TOTAL		<u>4,754.93</u>	<u>3,114.62</u>
II. ASSETS			
(1) Non - Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	9	2,868.62	786.03
(ii) Intangible Assets	9	78.02	-
(iii) Capital Work in Progress	10	410.01	1,270.18
(iv) Intangible Assets under development	11	-	<u>80.00</u>
		3,356.65	2,136.21
(b) Non - current investments		-	-
(c) Deferred tax assets (Net)	4	-	15.14
(d) Long Term Loans and Advances	12	238.16	250.68
(e) Other Non Current Assets	13	-	<u>45.51</u>
		3,594.81	2,447.54
(2) Current Assets			
(a) Current Investments	-	-	-
(b) Inventories	14	397.35	173.63
(c) Trade Receivables	15	510.65	372.81
(d) Cash and Cash Equivalents	16	59.66	5.13
(e) Short Term Loans and Advances	17	50.59	21.92
(f) Other Current Assets	18	141.87	<u>93.59</u>
		<u>1,160.12</u>	<u>667.08</u>
TOTAL		<u>4,754.93</u>	<u>3,114.62</u>
Significant Accounting Policies Notes on Financial Statements	1 to 29	-	-

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

For and on behalf of the Board
(KUSHAL PAL SINGH)
Managing Director

(RANJAN JAIN)
Wholetime Director

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

(AMARJEET KAUR)
Company Secretary

DATE : 24th May 2013
PLACE : CHANDIGARH

SYSCHEM (INDIA) LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2013
(Rs. In Lacs)

Particulars	Note No.	31st March 2013	31st March 2012
I. Revenue from Operations	20	1,618.10	1,062.11
II Other Income	21	13.27	4.66
III Total revenue (I + II)		<u>1,631.37</u>	<u>1,066.77</u>
IV Expenses			
Cost of Materials Consumed	22	771.76	704.42
Changes in Inventories of Finished Goods, Work in Progress and Stock in Trade	23	<u>(78.08)</u>	<u>(6.61)</u>
		693.68	697.81
Employee Benefits Expense	24	241.38	107.92
Finance Costs	25	145.71	36.29
Depreciation and Amortization Expense	26	111.26	60.11
I Other Expenses	27	301.98	103.89
Total Expenses		<u>1,494.01</u>	<u>1,006.02</u>
V Profit/(Loss) before exceptional and extraordinary items and tax (III-IV)		137.36	60.75
VI Exceptional Items		-	-
VII Profit/(Loss) before extraordinary items and tax (V-VI)		137.36	60.75
VIII Extraordinary Items		-	-
IX Profit before tax (VII-VIII)		137.36	60.75
X Tax Expense			
(1) Current tax		29.30	6.50
(2) Deferred tax		43.63	19.79
(3) MAT Credit Entitlement		(27.48)	-
(4) MAT Credit Entitlement (Related to A.Y. 2012-13)		(6.20)	-
(5) Income tax related to earlier years		0.06	-
		<u>39.31</u>	<u>26.29</u>
XI Profit/(Loss) for the period from continuing operations (IX-X)		98.05	34.46
XII Earning per equity share:	28		
(1) Basic		0.06	0.02
(2) Diluted		0.06	0.00
Significant Accounting Policies	-		
Notes on Financial Statements	1 to 29		

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

For and on behalf of the Board

(KUSHAL PAL SINGH)
Managing Director

(RANJAN JAIN)
Wholetime Director

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

(AMARJEET KAUR)
Company Secretary

DATE : 24th May 2013
PLACE : CHANDIGARH

SYSCHEM (INDIA) LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013
(Rs. In Lacs)

Particulars	31st March 2013	31st March 2012
Cash flows from operating activities		
Profit before taxation	137.36	60.76
Adjustments for:		
Depreciation and amortization expense	111.26	60.12
Loss/(Profit) on sale of fixed asset	(3.95)	(2.54)
Provision for gratuity	2.73	0.54
Interest received	(9.32)	(2.12)
Finance Cost	145.71	36.29
	<u>246.43</u>	<u>92.29</u>
	<u>383.79</u>	<u>153.06</u>
(Increase)/ decrease in trade and other receivables	(106.99)	(189.73)
(Increase)/ decrease in inventories	(223.71)	(35.22)
Increase/ (decrease) in trade payables	341.86	27.46
	<u>11.14</u>	<u>(197.49)</u>
	<u>394.93</u>	<u>(44.43)</u>
Income taxes paid	-	-
Net cash from operating activities	<u>394.93</u>	<u>(44.43)</u>
Cash flows from investing activities		
Purchase of fixed assets	(1,356.55)	(1,236.76)
Proceeds from sale of fixed assets	28.79	35.83
Movement in Loans and Advances	(16.16)	(249.06)
Interest received	9.32	2.12
Net cash from investing activities	<u>(1,334.60)</u>	<u>(1,447.87)</u>
Cash flows from financing activities		
Proceeds from issue of share capital	-	370.00
Proceeds from long term borrowings	1,780.90	2,188.31
Proceeds from short term borrowings	313.47	210.75
Repayment of long term borrowings	(954.47)	(1,249.39)
Finance Cost	(145.71)	(36.29)
Dividend paid	-	-
Net cash from financing activities	<u>994.19</u>	<u>1,483.37</u>
Net increase/(decrease) in cash and cash equivalents	54.52	(8.93)
Cash and cash equivalents at beginning of reporting period	<u>5.14</u>	<u>14.07</u>
Cash and cash equivalents at end of reporting period	59.66	5.14
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	59.66	5.14
Short term investments	-	-
Cash and cash equivalents as reported	<u>59.66</u>	<u>5.14</u>
Effect on exchange rate changes	-	-
Cash and cash equivalents as restated	59.66	5.14

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

For and on behalf of the Board

(KUSHAL PAL SINGH)
Managing Director

(RANJAN JAIN)
Wholetime Director

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

(AMARJEET KAUR)
Company Secretary

DATE : 24th May 2013
PLACE : CHANDIGARH

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 2013, 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 all 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

For & on behalf of the Board

(CA VIJAY KUMAR)
PARTNER

PLACE : CHANDIGARH
DATE : 24.05.2013

(KUSHAL PAL SINGH)
MANAGING DIRECTOR

(RANJAN JAIN)
DIRECTOR

SYSCHEM (INDIA) LIMITED
NOTES TO FINANCIAL STATEMENTS

1 Share Capital :

Particulars	31st March 2013		31st March 2012	
	Number	Rs In Lacs	Number	Rs In Lacs
Authorized:				
180000000 Equity shares of Re. 1/- each	180000000	1,800.00	180000000	1,800.00
200000000 Preference shares of Re. 1/- each	200000000	200.00	200000000	200.00
		2,000.00		2,000.00
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	123104000	1,231.04
Issued during the reporting period	-	-	360000000	360.00
Bought back during the reporting period	-	-	-	-
At the close of the reporting period	159104000	1,591.04	159104000	1,591.04
100000000 Preference shares of Re. 1 /- each (Previous Year 100000000 Preference shares of Re. 1 /- each)				
At the beginning of the reporting period	100000000	100.00	-	-
Issued during the reporting period	-	-	100000000	100.00
Bought back during the reporting period	-	-	-	-
At the close of the reporting period	100000000	100.00	100000000	100.00
Less Calls in arrears		-		-
		1,691.04		1,691.04
Add: Amount originally paid up on forfeited shares		-		-
Total		1,691.04		1,691.04
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	12125957	7.62%	11299400	7.10%
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	Securities 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	(441.96)	(359.67)
Transferred from/to Profit & Loss Account	0.00	0.00	0.00	0.00	98.05	98.05
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	0.00	0.00
Provision towards dividend distribution tax	0.00	0.00	0.00	0.00	0.00	0.00
At the close of 31st March 2013	6.28	0.00	76.01	0.00	(343.91)	(261.62)
At the close of the 31st March 2012	6.28	0.00	76.01	0.00	(441.96)	(359.67)

3 Long term Borrowings (Rs. In Lacs)

Particulars	31st March 2013	31st March 2012
1) Secured Loans:		
a) Term Loans		
- from Banks	867.39	759.74
- from Others	-	-
b) Vehicle Loans	16.00	10.20
c) Other loans	175.37	-
	<u>1,058.76</u>	<u>769.94</u>
2) Unsecured Loans:		
a) Loans and advances from related parties #	404.83	119.78
b) Other loans @	686.90	434.35
	<u>1,091.73</u>	<u>554.12</u>
Total long term borrowings (1+2)	<u>2,150.49</u>	<u>1,324.06</u>

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

@ Includes deposits and loans from companies

SYSCHEM (INDIA) LIMITED
NOTES TO FINANCIAL STATEMENTS

(Rs. In Lacs)

Particulars	31st March 2013	31st March 2012
4 Deferred Tax Asset / Liability		
i) Deferred tax liability:		
a) On account of depreciation on fixed assets	28.49	-
b) On account of timing differences in recognition of expenditure	-	-
Total	<u>28.49</u>	<u>-</u>
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	-	15.14
	<u>-</u>	<u>15.14</u>
Net Deferred tax asset (liability)	(28.49)	15.14
5 Short term Borrowings		
i) Secured Loans:		
a) Cash Credit from PNB	<u>524.22</u>	<u>210.75</u>
	524.22	210.75
ii) Unsecured Loans:	<u>-</u>	<u>-</u>
Total	524.22	210.75

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 Spares

SYSCHEM (INDIA) LIMITED
NOTES TO FINANCIAL STATEMENTS

(Rs. In Lacs)

Particulars	31st March 2013	31st March 2012
6 Trade Payables		
a) To Micro, Small and Medium Enterprises	-	-
b) Others	104.74	90.58
	<u>104.74</u>	<u>90.58</u>
7 Other current liabilities:		
a) Current maturities of long term debt	301.54	28.46
b) Interest accrued and due on borrowings	13.84	8.03
c) Capital Payables	81.57	76.64
d) Advance from customers	6.29	-
e) Other payables -		
TDS Payable	25.99	17.64
EPF Payable	1.85	0.93
Service Tax Payable	0.07	0.13
Gratuity Payable	-	1.36
Other Expenses Payable	47.26	75.17
	<u>478.41</u>	<u>150.71</u>
8 Short term provisions:		
a) Provision for employee benefits	9.86	7.15
b) Provision for income tax	29.30	-
c) Others	-	-
	<u>39.16</u>	<u>7.15</u>

SYSICHEM (INDIA) LIMITED
NOTES TO FINANCIAL STATEMENTS

9 Fixed Assets:

	GROSS BLOCK (AT COST)						DEPRECIATION			NET BLOCK	
	As at 01.04.2012	Additions for the year	Deductions during the year	As at 31.03.2013	As at 01.04.2012	For the year	Deductions	As at 31.03.2013	As at 31.03.2013	As at 31.03.2012	
Tangible Assets											
- Own assets											
Land	19.07	-	-	19.07	-	-	-	-	19.07	19.07	
Buildings	217.50	295.45	-	512.95	77.25	9.68	-	86.93	426.02	140.25	
Plant & Machinery	1,033.08	1,750.11	107.77	2,675.42	447.66	91.65	82.93	456.37	2,219.05	585.42	
Furniture & Fixtures	2.44	2.28	-	4.71	1.50	0.28	-	1.78	2.93	0.94	
Vehicles	22.66	9.90	-	32.56	3.99	2.43	-	6.42	26.14	18.67	
Office equipment	16.70	6.97	-	23.67	5.00	2.27	-	7.27	16.40	11.69	
Electrical Installation	10.09	119.42	-	129.51	0.11	1.52	-	1.62	127.89	9.99	
Misc. Fixed Assets	-	13.03	-	13.03	-	0.15	-	0.15	12.88	-	
Laboratory Equipment	-	7.87	-	7.87	-	0.14	-	0.14	7.73	-	
Bus	-	11.68	-	11.68	-	1.17	-	1.17	10.51	-	
	1,321.54	2,216.71	107.77	3,430.47	535.51	109.29	82.93	561.85	2,868.62	786.03	
Intangible assets											
Process Know-how	-	80.00	-	80.00	-	1.97	-	1.97	78.03	-	
TOTAL	1,321.54	2,296.71	107.77	3,510.47	535.51	111.26	82.93	563.82	2,946.65	786.03	
PREVIOUS YEAR FIGURES	1,287.98	165.12	131.56	1,321.54	573.68	60.11	98.27	535.51	786.03	714.31	

SYSCHEM (INDIA) LIMITED
NOTES TO FINANCIAL STATEMENTS

(Rs. In Lacs)

Particulars	31st March 2013	31st March 2012
10 Capital work in progress:		
a) Plant and Machinery	370.14	1,089.10
b) Building under Construction	39.87	181.08
	<u>410.01</u>	<u>1,270.18</u>
Less:		
Provision for impairment	-	-
	<u>410.01</u>	<u>1,270.18</u>
11 Intangible assets under development:		
a) Computer Software	-	-
b) Process Know-how	-	80.00
	<u>-</u>	<u>80.00</u>
12 Long term loans and advances:		
a) Capital advances	17.97	93.60
b) Security Deposits	71.17	41.74
c) MAT Credit Entitlement	33.68	-
d) Other loans & advances	115.34	115.34
	<u>238.16</u>	<u>250.68</u>
Additional information:		
1) Breakup of above:		
i) Secured, considered good	71.16	41.74
ii) Unsecured, considered good	167.00	208.94
iii) Doubtful	-	-
Total	<u>238.16</u>	<u>250.68</u>
Less:		
Provision for doubtful advances	-	-
	<u>238.16</u>	<u>250.68</u>
13 Other non current assets		
a) Fixed Deposit	-	45.51
	<u>-</u>	<u>45.51</u>
14 Inventories:		
a) Raw materials	242.53	130.52
b) Work in progress	102.00	20.76
c) Finished goods	1.52	4.68
d) Stores and spares	51.30	17.67
	<u>397.35</u>	<u>173.63</u>

Raw material and stores and spares are valued at cost, Work in progress is valued at Estimated cost and Finished goods is valued at cost or realisable value whichever is less

SYSCHEM (INDIA) LIMITED
NOTES TO FINANCIAL STATEMENTS

(Rs. In Lacs)

Particulars	31st March 2013	31st March 2012
15 Trade receivables:		
a) Trade receivables exceeding six months	15.13	1.79
b) others	495.52	371.02
	<u>510.65</u>	<u>372.81</u>
Less: Provision for doubtful debts	-	-
	<u>510.65</u>	<u>372.81</u>
Additional information:		
1) Breakup of above:		
i) Secured, considered good	-	
ii) Unsecured, considered good	510.65	372.81
iii) Doubtful	-	-
Total	<u>510.65</u>	<u>372.81</u>
Less:		
Provision for doubtful debts	-	-
	<u>510.65</u>	<u>372.81</u>
2) a) Debts due by directors or other officers of the company	-	-
b) Debts due by firm or private company in which any director is a partner or a director	0.82	10.84
16 Cash and cash equivalents:		
a) Balances with banks		
- in margin money, security for borrowings, guarantees and other commitments	49.53	-
- in other accounts	1.29	1.06
b) Cash in hand	8.84	4.07
	<u>59.66</u>	<u>5.14</u>
17 Short term loans and advances:		
a) Loans and advances to related parties	-	-
b) Other loans and advances	50.59	21.92
	<u>50.59</u>	<u>21.92</u>
Less: Provision for doubtful advances	-	-
	<u>50.59</u>	<u>21.92</u>
18 Other Current Assets		
a) Service Tax recoverable	14.82	22.07
b) Excise Duty recoverable	88.91	54.05
c) Input Tax Credit	12.62	3.04
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) Other Current assets	15.70	14.25
	<u>141.87</u>	<u>93.59</u>

SYSCHEM (INDIA) LIMITED
NOTES TO FINANCIAL STATEMENTS

(Rs. In Lacs)

Particulars	31st March 2013	31st March 2012
19 Contingent liabilities and Commitments: (to the extent not provided for)		
a) Contingent Liabilities:		
i) Claims against the Company not acknowledged as debts	10.50	20.34
ii) Bank Guarantee	300.00	300.00
iii) Tax demands under disputes	19.49	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	-	-
20 Revenue from operations:		
i) Sale	1,069.18	959.66
ii) Job Work	635.71	140.82
	<u>1,704.89</u>	<u>1,100.48</u>
Less: Excise duty	86.79	38.37
	<u>1,618.10</u>	<u>1,062.11</u>
21 Other Income:		
i) Interest income		
- non current assets	9.32	0.56
- income tax refund	-	1.56
ii) Profit on sale of fixed assets (Net)	3.95	2.54
	<u>13.27</u>	<u>4.66</u>
22 Cost of materials consumed:		
a) i) Consumption of raw materials	547.80	598.41
ii) Consumption of stores and spare parts	16.18	11.40
	<u>563.98</u>	<u>609.81</u>
b) i) Diesel and fuel	142.78	49.01
ii) Carriage Inward	58.15	42.69
iii) Oil and lubricants	6.85	2.91
	<u>207.78</u>	<u>94.61</u>
TOTAL	<u>771.76</u>	<u>704.42</u>
Additional information:		
<u>Consumption of major raw materials</u>		
i) Mix Solvents	386.96	534.96
ii) Methanol	67.73	14.82
iii) Packing Material	14.71	38.43
iv) Thinner Plant	25.82	-
v) Liq Nitrogen Oxygen & Chlorine	41.18	-
vi) Others	11.40	10.20

SYSCHEM (INDIA) LIMITED
NOTES TO FINANCIAL STATEMENTS

(Rs. In Lacs)

Particulars	31st March 2013	31st March 2012
23 Changes in inventories of finished goods, work in progress and stock in trade:		
Stocks at the end 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
Less: Stocks at the beginning of the year		
i) Work in progress	20.76	17.71
ii) Finished goods	4.68	1.12
iii) Scrap	-	-
TOTAL	25.44	18.83
24 Employee Benefit Expenses:		
i) Salaries and wages	172.00	76.46
ii) Contribution to provident and other funds	13.83	4.85
iii) Remuneration to whole time directors	45.00	21.50
iv) Staff welfare expenses	9.01	4.42
v) Recruitment and training expense	1.54	0.69
	241.38	107.92
25 Finance Costs:		
i) Interest expense	130.36	20.33
ii) Other borrowing costs	15.35	15.96
	145.71	36.29
26 Depreciation and amortization:		
i) Depreciation	109.29	60.11
ii) Amortization of intangible assets	1.97	-
	111.26	60.11

SYSCHEM (INDIA) LIMITED

NOTES TO FINANCIAL STATEMENTS

(Rs. In Lacs)

Particulars	31st March 2013	31st March 2012
27 Other expenses:		
i) Power and electricity	214.35	25.42
ii) Rent	7.49	5.88
iii) Repairs to buildings	0.03	4.14
iv) Repairs to machinery	13.84	2.28
v) Insurance	6.14	2.00
vi) Rates and taxes	3.52	24.11
vii) Payment to the auditors	-	-
- as auditor	0.88	0.88
- for taxation matters	0.13	0.13
- for company law matters	-	-
- for management services	-	-
- for other services	-	-
- for reimbursement of expenses	-	-
viii) Selling expenses	2.76	8.19
ix) Irrecoverable loans and advances written off	-	1.00
x) Donations	0.54	0.07
xi) Legal and professional charges	5.72	8.42
xii) Advertisement & Publicity	3.83	1.05
xiii) Business Promotion	1.26	3.59
xiv) Directors sitting fees	0.30	-
xv) Travelling & Conveyance expense	15.47	4.50
xvi) Transportation Charges	0.95	2.04
xvii) Postage & Telegram	0.59	3.06
xviii) Printing & Stationery	4.90	1.48
xix) Service Tax Exp.	2.62	1.36
xx) Office Expenses	6.21	0.94
xxi) Watch & Ward Expenses	8.21	0.54
xxii) Miscellaneous expenses	2.24	2.81
	<u>301.98</u>	<u>103.89</u>

SYSCHEM (INDIA) LIMITED
NOTES TO FINANCIAL STATEMENTS

(Rs. In Lacs)

Particulars	31st March 2013	31st March 2012
28 Earnings Per Share :		
<u>After extraordinary item:</u>		
Profit for the year after tax expense	98.05	34.47
	98.05	34.47
Weighted average number of equity shares	159104000	156013836
Earning per share (in Rupees)	0.06	0.02
<u>Before extraordinary item:</u>		
Profit for the year after tax expense	98.05	34.47
Adjustment for Extraordinary item (net of tax)	-	-
	98.05	34.47
Less:		
Preference dividend payable including dividend tax	-	-
	98.05	34.47
Weighted average number of equity shares	159104000	156013836
Earning per share (in Rupees)	0.06	0.02

SYSCHEM (INDIA) LIMITED
NOTES TO FINANCIAL STATEMENTS

29 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	23	1,050.00
ICICI Bank - Vehicle Loan	36	24	3.18
ICICI Bank - Vehicle Loan	36	24	3.72
ICICI Bank - Vehicle Loan	36	25	3.30
ICICI Bank - Vehicle Loan	48	37	7.76
ICICI Bank - Vehicle Loan	36	33	7.42
Intec Capital Limited - Secured Loan	60	55	95.21
Intec Capital Limited - Secured Loan	60	56	43.70
Punjab Kashmir Finance Limited	36	31	88.94
Punjab Kashmir Finance Limited	41	34	43.42
PKF Finance Limited	46	29	27.78
PKF Finance Limited	46	34	62.10
PKF Finance Limited	47	37	30.62
PKF Finance Limited	35	34	24.34
Unimark Remedies Limited	30	21	193.71

* Includes Current Maturities and amount repayable after 12 months

SYSICHEM (INDIA) LIMITED
NOTES TO FINANCIAL STATEMENTS

29 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. Paramount Chemical Corporation Woolways Agencies Rajesh Gupta (HUF) Modi Paints and Chemicals
Others	Ruchika Jain A.K. Chaudhary

B) Transactions with Related Parties during the year (Rs. In Lacs)			
	Key Management Personnel	Enterprises significantly influenced by key management personnel	Others
Sale of goods	-	4.98	-
Purchase of goods	-	111.44	-
Directors remuneration	45.00	-	-

C) Balance as on 31.03.2013 (Rs. In Lacs)			
	Key Management Personnel	Enterprises significantly influenced by key management personnel	Others
Share Capital	226.93	220.17	43.58
Unsecured Loan	349.98	-	54.85
Trade Receivables	-	0.82	-
Trade Payables	-	-	-

SYSCHEM (INDIA) LIMITED
NOTES TO FINANCIAL STATEMENTS

29 **Additional Information:**

- 3) Details of non-resident shareholdings
- | | | | |
|------|---|-----------|-----------|
| i) | Number of non resident share holders | 160 | 161 |
| ii) | Number of shares held by non resident shareholders | 2,343,489 | 2,639,233 |
| 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, 2013 Rs 262.23 lacs (as at March 31, 2012 is Rs 10.68 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.

THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

ANNUAL GENERAL MEETING

SYSCHEM (INDIA) LIMITED

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

ATTENDANCE SLIP

(20th Annual General Meeting to be held on Friday, September 27, 2013)

 Name and Address : _____

*DP ID No. : _____

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

I certify that I am a registered Shareholder of the Company and hold _____ Shares.

MEMBER

PROXY

Member's Signature

Name of the Proxy in Block Letters

* Applicable for the members holding shares in electronic form.

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



SYSCHEM (INDIA) LIMITED

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

PROXY FORM

I/We _____ being Member / Members of SYSCHEM (INDIA) LIMITED of _____ of _____ or failing him _____ of _____ or failing him _____ of _____ as my/our Proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on Friday, September 27, 2013 and at any adjournment there of.

Signed this _____ day of _____ 2013.

Affix
Rs. 1/-
Revenue
Stamp



NOTE : The proxy must be returned so as to reach the Registered Office at Syschem (India) Limited, Village Bardogam, Tehsil Kalka, Distt. Panchkula (Haryana) FORTY EIGHT HOURS before the time for holding of the aforesaid Meeting.

Printed Material

BOOK POST

If undelivered,
please returned to :

Syschem (India) Limited

S.C.O. 291, 1ST FLOOR,
SECTOR 32-D,
CHANDIGARH 160 031
TEL. : 91-172-3077777

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

Printed & Designed at : Savitar Press, Chandigarh Ph. : 0172-5075710, Mob. : 098140-10903



Syschem (India) Limited

Corp. Off. : S.C.O 291, 1st Floor, Sector 32-D,
Opp. Nirman Theater Chandigarh - 160031
Phone : +91 172 3077777, Fax : +91 172 3077700
Mobile : +91 92572 42555 E-mail : info@syschem.in



Ref. No. SIL/CS/2013-14/254

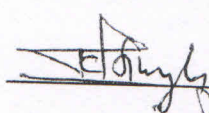
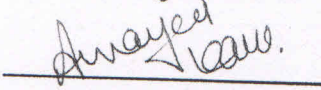
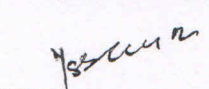
Dated: 05.09.2013

BY COURIER

General Manager,
Delhi Stock Exchange Ltd.,
DSE HOUSE, 3/1
Asaf Ali Road,
New Delhi-110002

Sub.: Filing of Annual Audit Report with the Stock Exchange

Form A

1.	Name of the Company	Syschem (India) Limited
2.	Annual Financial Statements for the year ended	31 st March, 2013
3.	Type of Audit Observation	Un-qualified
4.	Frequency of observation	N.A.
5.	To be signed by-	
	<ul style="list-style-type: none">• CEO/Managing Director	
	<ul style="list-style-type: none">• CFO/um Company Secretary	
	<ul style="list-style-type: none">• Auditor of the company	
	<ul style="list-style-type: none">• Audit Committee Chairman	