Syschem (India) Limited

Regd. Office & Works : Village Bargodam, Teh. Kalka,
Distt. Panchkula, Haryana -133302, India.
CIN : L24219HR1993PLC032195
Ph.: 7082923502, 7082923506
E-mail : info@syschem.in, URL : www.syschem.in

REF. No.SIL/2019-20/

General Manager,
Deptt of Corporate Services,
Bombay Stock Exchange Ltd.
PJ Tower, 25th Floor,
Dalal Street
Mumbai-400001

Sub: Submission of Annual Report for the year 2018-19

Dear Sir,

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith Annual Report of the company for the Financial Year 2018-19.

This is for your information and records please.

Yours truly
For **Syschem (India) Limited**

(Amarjeet Kaur)
Company Secretary cum Compliance Officer

26TH ANNUAL REPORT

OF

SYSCHEM (INDIA) LIMITED

AS AT

31ST MARCH, 2019

BOARD OF DIRECTORS

MR. RANJAN JAIN
MR. SUNINDER VEER SINGH
MRS. NEENA KUMAR
MRS. NEENA BATRA
MRS. SIDHU JASVIRKAUR DALJEETSINGH

REGISTERED OFFICE

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

CORPORATE OFFICE

SCO 825, 1ST FLOOR,
NAC, MANI MAJRA,
CHANDIGARH – 160 101
EMAIL- info@syschem.in
WEBSITE: www.syschem.in

AUDITORS

M/s Vinod Sumitra & Co.
#3130-P, SECTOR 22-D
CHANDIGARH – 160 022

COMPANY SECRETARY

Mrs. Amarjeet Kaur

CHIEF FINANCIAL OFFICER

Mr. Naresh Batra

BANKERS

PUNJAB NATIONAL BANK
SECTOR 22-D,
CHANDIGARH – 160 022

NOTICE

NOTICE is hereby given that 26th Annual General Meeting of the shareholders of Syschem (India) Limited will be held on Saturday, the 28th day of September, 2019 at 3.00 P.M. at Registered Office Village Bargodam, Tehsil Kalka, Distt. Panchkula, Haryana to transact the following business :-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2019 and the Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditor's thereon.

2. To appoint a Director in place of Mr. Ranjan Jain (DIN 00635274), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. TO APPROVE RELATED PARTY TRANSACTIONS AND TO CONSIDER AND, IF THOUGHT FIT, TO PASS WITH OR WITHOUT MODIFICATION(S), THE FOLLOWING RESOLUTION AS ORDINARY RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Section 188 of the Companies Act, 2013 read with Companies (Meeting of Board and Its Powers) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 and provisions of Regulation 23(8) of the SEBI (Listing Obligations and Disclosure Requirement), 2015 including statutory modification(s) or re-enactment thereof for the time being in force and as may be enacted from time to time, approval / ratification of the members be and is hereby accorded for the related party contracts for the transactions of sale and purchase with the related parties as detailed in the Explanatory Statement on such terms and conditions as defined in the related party contracts.

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

4. APPROVE THE REMUNERATION OF THE COST AUDITORS FOR THE FINANCIAL YEAR ENDING MARCH 31, 2020 & TO CONSIDER AND IF THOUGHT FIT, TO PASS, WITH OR WITHOUT MODIFICATION(S), THE FOLLOWING RESOLUTION AS ORDINARY RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any Statutory Modification(s) or re-enactment thereof, for the time being in force), M/s. C.L. Bansal & Associates, Cost Auditors appointed by the Board on the recommendation of the Audit Committee of the Company, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2020, be paid the remuneration as set out in the Statement annexed to the Notice convening this Meeting;

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

5. TO APPROVE CHANGE IN DESIGNATION OF MR. RANJAN JAIN AS WHOLETIME DIRECTOR AND TO CONSIDER AND, IF THOUGHT FIT, TO PASS THE FOLLOWING RESOLUTION AS A SPECIAL RESOLUTION:

"RESOLVED THAT subject to the approval of the Central Government, if required and pursuant to the provisions of Sections 196, 197, 198, 203 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 consent of the Company be and is hereby accorded to the change in designation of Mr. Ranjan Jain (DIN 00635274) as Wholetime Director of the Company on the such terms and conditions as may be mutually agreed to between Mr. Ranjan Jain and the Company from time to time and as per the provisions of the Companies Act, 2013 and Rules framed thereunder, as applicable to the Company for the time being in force.

FURTHER RESOLVED THAT notwithstanding anything contained in the aforesaid Resolution, in the absence or inadequacy of profits in any financial year during the tenure of Mr. Ranjan Jain as aforesaid, the Company shall pay remuneration to Mr. Ranjan Jain as per his entitlement as aforesaid for the time being in force, provided that such remuneration shall not exceed the limits specified under Schedule V to the Companies Act, 2013 or such limits as may be prescribed by the Central Government from time to time.

FURTHER RESOLVED THAT notwithstanding the provisions contained in the Articles of Association of the Company, Mr. Ranjan Jain, be and is hereby appointed as Wholetime Director, whose period of office shall be liable to determination by retirement of Directors by rotation.

FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorized to do all acts, deeds, matters and things as may be necessary and expedient to give effect to the aforesaid Resolution."

6. TO APPROVE CHANGE IN DESIGNATION OF MR. SUNINDER VEER SINGH AS CHAIRMAN CUM MANAGING DIRECTOR AND TO CONSIDER AND, IF THOUGHT FIT, TO PASS THE FOLLOWING RESOLUTION AS A SPECIAL RESOLUTION:

"RESOLVED THAT subject to the approval of the Central Government, if required and pursuant to the provisions of Sections 196, 197, 198, 203 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013, consent of the Company be and is hereby accorded to the change in designation of Mr. Suninder Veer Singh (DIN 07693557) as Chairman cum Managing Director of the Company on such terms and conditions as may be mutually agreed to between Mr. Suninder Veer Singh and the Company from time to time and as per the provisions of the Companies Act, 2013 and Rules framed thereunder, as applicable to the Company for the time being in force.

FURTHER RESOLVED THAT, notwithstanding anything contained in the aforesaid Resolution, in the absence or inadequacy of profits in any financial year during the tenure of Mr. Suninder Veer Singh as aforesaid, the Company shall pay remuneration to Mr. Suninder Veer Singh as per his entitlement, provided that such remuneration shall not exceed the limits specified under Schedule V to the Companies Act, 2013 or such limits as may be prescribed by the Central Government from time to time.

FURTHER RESOLVED THAT notwithstanding the provisions contained in the Articles of Association of the Company, Mr. Suninder Veer Singh, be and is hereby appointed as Chairman cum Managing Director, whose period of office shall be liable to determination by retirement of Directors by rotation.

FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorized to do all acts, deeds, matters and things as may be necessary and expedient to give effect to the aforesaid Resolution."

7. TO APPOINT MS. SIDHU JASVIRKAUR DALJEETSINGH AS DIRECTOR OF THE COMPANY AND TO CONSIDER AND, IF THOUGHT FIT, TO PASS WITH OR WITHOUT MODIFICATION(S), THE FOLLOWING RESOLUTION AS ORDINARY RESOLUTION:

RESOLVED THAT pursuant to the Provisions of Sections 149, 152 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors), Rules 2014 (including any statutory modification(s) or re-enactments thereof for the time being in force and Regulation 26 of the Listing Regulations, Ms. Sidhu Jasvirkaur Daljeetsingh (DIN 08321273), who was appointed as an additional Director of the Company on 31.12.2018 by the Board of Directors, who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member of the Company under Section 160 (1) of the Companies Act, 2013, proposing her candidature for the office of Director, be and is hereby appointed as Independent Director of the Company, not liable to retire by rotation to hold office for 5 (Five) consecutive years for a term upto the Annual General Meeting to be held for the Financial Year 2023-24.

Place: Chandigarh
Date: 06.08.2019

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

Suninder Veer Singh
(Managing Director)
DIN : 07693557

NOTES :

(1) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and to vote on a poll instead of himself / herself. The proxy need not be a member of the Company. A blank form of proxy is attached herewith and, if intended to be used, it should be returned duly completed at the Registered Office of the Company not less than forty eight hours before the scheduled time of the commencement of 26th Annual General Meeting.

(2) A person can act as proxy on behalf of members not exceeding fifty in number and holding in the aggregate not more than 10% of the total Share Capital of the Company carrying voting rights. However, a member holding more than 10% 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 proxy for any other person or shareholder.

(3) Every member entitled to vote at the meeting, or on any resolution to be moved there at, shall be entitled during the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, to inspect the proxies lodged, at any time during the business hours of the Company, provided not less than three days notice in writing of the intention so to inspect is given to the Company.

(4) The Explanatory Statement as required under Section 102 of the Companies Act, 2013, in respect of item Nos. 4 and 5 of the Notice convening the Meeting is annexed hereto.

(5) Location map of the Venue of the Annual General Meeting is attached to this Annual Report.

(6) Members holding shares in physical form are requested to notify / send the following to the Registrar & Transfer Agent (RTA) of the Company M/s Beetal Financial & Computer Services Private Limited, having their office at Beetal House, 3rd Floor, 99, Madangir, Bh. Local Shopping Complex, Near Dada Harsukhdas Mandir, New Delhi – 110 062. Ph No. : 011-29961281-82.

a. their **E-mail ID**, in case the same have not been sent earlier, for the purpose of receiving the communication electronically

b. any change in their address / E-mail ID / ECS Mandate / Bank details
c. Share Certificate(s), held in multiple accounts in identical names or joint accounts in the same order of names, for consolidation of such shareholding into one account
d. their Bank account details in order to receive payment of dividend, whenever declared, through electronic mode, as and when it would be declared

B. Members holding shares in dematerialized form are requested to notify to their Depository Participant :-

a. their E-mail ID.
b. all changes with respect to their address, E-mail ID, ECS mandate and Bank details.

(7) The Securities and Exchange Board of India has notified that the shareholders / transferee of shares (including joint holders) holding shares in physical form are required to furnish a certified copy of their Income Tax Permanent Account Number (PAN) Card to the Company / RTA while transacting in the securities market including transfer, transmission or any other corporate action. Accordingly, all the shareholders / transferees of shares (including joint holders) in physical form are requested to furnish a certified copy of their PAN Card to the Company / RTA while transacting in the securities market including transfer, transmission or any other corporate action.

(8) The shares of the Company are under compulsory Demat trading. Members holding shares in physical form are requested to convert their shares into dematerialized form in their own interest and convenience purpose.

(9) In accordance with Section 20 of the Companies Act, 2013 service of documents on members by a Company is allowed through electronic mode. Accordingly, as a part of Green Initiative, soft copy of the Annual Report 2018-19 is being sent to all the members whose E-mail address(es) are registered with the Company / Depository Participant(s) unless any member has requested for a hard copy of the same. Further, in accordance with Listing Agreement and Section 136 of the Companies Act, 2013 including Rule 10 of the Company (Accounts) Rules, 2014 the hard copies of Annual Report 2018-19 is being sent to all other members who have not registered their E-mail address(es). Members, who have not yet registered their E-mail address with the Company / RTA / Depository Participant, are requested to do the same at the earliest.

The Notice of 26th Annual General Meeting and the Annual Report 2018-19 will also be available on the Company's website www.syschem.in for downloading by the members. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during business hours.

(10) The Shareholders / Proxies are requested to produce at the Registration Counter(s) the attendance slip sent along with this Report, duly completed and signed, for admission at the meeting hall. However, in case of non-receipt of Notice of AGM, members are requested to write to the Company at its Registered Office for issuing the duplicate of the same or download the same from Company`s website www.syschem.in.

(11) In case any Member has any query relating to the Annual Accounts he / she is requested to send the same to the Compliance Officer at the Registered Office of the Company at least 7 days before the date of AGM so as to enable the management to keep the information ready for replying at the meeting.

(12) As a measure of economy, copies of Annual Report will not be distributed at the venue of the AGM. Members are, therefore, requested to bring their own copies of the Annual Report to the meeting.

(13) Details under Listing Regulations, 2015 in respect of the Directors seeking appointment / re-appointment at the AGM, is separately annexed hereto. The Directors seeking appointment / reappointment have furnished the declaration under Rule 14 of the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Section 164(2) of the Companies Act, 2013 and other requisite declarations for their appointment / re-appointment.

(14) **All the** documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company on all working days between 11.00 AM to 1.00 PM up to the date of AGM. The Register of Directors and Key Managerial Personnel & their Shareholding and the Register of Contracts & Arrangements in which Directors are interested shall be open for inspection at the meeting to any person having right to attend the meeting.

(15) Members holding shares in physical form and desirous of making a nomination or cancellation / variation in nomination already made in respect of their shareholding in the Company, as permitted under Section 72 of the Companies Act, 2013, are requested to submit to the RTA of the Company M/s Beetal Financial & Computer Services Pvt. Ltd. the prescribed Form SH 13 for nomination and Form SH 14 for cancellation / variation as the case may be. Members holding shares in demat mode may contact their respective Depository Participant for availing this facility.

(16) Pursuant to the provisions of Section 91 of the Companies Act, 2013, the Register of Members and Share Transfer Books of the Company will remain closed from 25-09-2019 to 28-09-2019 (both days inclusive) for the purpose of AGM.

(17) In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

(18) Members are advised to refer to the Shareholders General Information as provided in the Annual Report.

(19) Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board resolution authorizing their representative to attend and vote on their behalf at the Meeting.

(20) In terms of the provisions of Section 107 and 108 of the Companies Act, 2013, since the resolutions as set out in this Notice are being conducted through e-voting, the said resolutions will not be decided on a show of hands at the Meeting.

(21) **E-VOTING:**

a. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and Listing Regulations, 2015, a member of the Company holding shares either in physical form or in dematerialized form may exercise his right to vote by electronic means in respect of the resolution(s) contained in this notice.

b. The Company is providing facility for voting by electronic means to its members to enable them to cast their votes through such voting. The Company has engaged the services of Central Depository Securities Limited (CDSL) to provide remote e-voting facility (i.e. the facility of casting votes by a member by using an electronic voting system from a place other than the venue of a general meeting).

c. The Company shall also provide facility for voting through Ballot paper which shall be available at the meeting and members attending the meeting who have not already casted their vote by remote e-voting shall be able to exercise their right to vote at the meeting

d. The members who have casted their vote by remote e-voting to the meeting may also attend the meeting but shall not be entitled to cast their vote again.

e. The Board of Directors have appointed Mr. Kanwaljit Singh, Practicing Company Secretary (FCS 5901), SCO 64-65, Sector 17 A, Chandigarh as the Scrutinizer, for conducting the remote e-voting process and ballot voting at Annual General Meeting in a fair and transparent manner.

f. The cut-off date for the purpose of voting (including remote e-voting) is 21st September, 2019.

g. Members are requested to carefully read the instructions for remote e-voting before casting their vote.

h. The remote e-voting facility will be available during the following period after which the portal shall forthwith be blocked and shall not be available:

Commencement of remote e-voting	09:00 A.M. (IST) on September 25, 2018
End of remote e-voting	05:00 P.M. (IST) on September 27, 2018

i. **The procedure and instructions for remote e-voting are as under:**

(i) The voting period begins on 25th September, 2019 at 9.00 A.M. and ends on 27th September, 2019 at 5.00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 21st September, 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) The shareholders should log on to the e-voting website www.evotingindia.com.

(iii) Click on Shareholders.

(iv) Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID,
b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(v) Next enter the Image Verification as displayed and Click on Login.

(vi) 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.

(vii) 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 der 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.
Dividend Bank Details **OR** Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your der account or in the company records in order to login. • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then directly reach 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.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for for the Company "Syschem (India) Limited" on which you choose to vote.

(xii) 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.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) 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.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xvii) If a 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.

(xviii) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.**

(xix) **Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) 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.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

In case of members receiving the physical copy:

(A) Please follow all steps listed above to cast vote.

(B) The voting period begins on 09:00 A.M. (IST) on September 25, 2019 and ends on 05:00 P.M. (IST) on September 27, 2019

(C) During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 21-09-2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

Any person, who acquires shares of the Company and becomes member of the Company after the Dispatch of Notice and holds shares as of the cut-off date i.e. 21-09-2019, may obtain the Login ID and sequence number by sending a request to RTA of the Company M/s Beetal Financial & Computer Services Pvt. Ltd, Beetal House, 99, Madangir behind Local Shopping Centre, Near Dada Harsukh Dass Mandir, New Delhi, Delhi – 110 062. However, if the said shareholder is already registered with CDSL for e-voting, then his existing User ID and password can be used for casting the vote. If he has forgotten the password, he can reset his password by using "Forgot User Details / Password" option available on www.evotingindia.com.

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.com under help section or write an email to helpdesk.evoting@cdslindia.com.

(i) The voting rights of shareholders shall be in proportion to the shares held by them in the paid up Equity Share Capital of the Company as on 21-09-2019.

(ii) The scrutiniser shall, immediately after the conclusion of voting at the Annual General Meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than three days of conclusion of the meeting, a consolidated scrutiniser's report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same and the Chairman or a person authorised by him in writing shall declare the results of the voting forthwith

(iii) The Scrutinizer`s decision on the validity of the vote shall be final and binding.

(iv) The result declared along with the Scrutinizer`s report shall be placed on the website of the Company (www.syschem.in) and on the website of CDSL (www.cdslindia.com) immediately after the result is declared and shall simultaneously be forwarded to the B S E Limited, where the Company`s shares are listed.

(v) The resolutions will be deemed to be passed on the AGM date subject to receipt of requisite number of votes in favour of the resolutions.

Place: Chandigarh
Date: 06.08.2019

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

SD/-
Suninder Veer Singh
(Managing Director)
DIN : 07693557

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

ITEM NO. 3

Impetus Healthcare, a partnership Firm in which Mr. Suninder Veer Singh, Joint Managing Director of the Company is a partner is a 'Related Party' within the meaning of Section 2 (76) of the Companies Act, 2013 and Regulation 2 (1)(zb) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR"). The Board of Directors of the Company had, on the recommendation of the Audit Committee, passed a resolution at its meeting held on 30th May, 2019, approving the Sale & purchase of raw material and finished goods upto a value of Rs. 50.00 Crores to and from Impetus Healthcare.

The provisions of Section 188 of Companies Act, 2013 requires prior approval of Board of Directors and in case the Paid-up Share Capital of the Company is Rs.10 crores or more, the prior approval of Shareholders by way of Special Resolution is required.

The following disclosure(s) for rendering of any services to the related party is made in accordance with the provisions of Section 188 of the Companies Act, 2013 and Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014:

a	Name of the related party	Impetus Healthcare
b	Name of the director or key managerial personnel who is related, if any	Mr. Suninder Veer Singh, Managing Director
c	Nature of relationship	A firm in which Mr. Suninder Veer Singh is a partner
d	Nature, material terms, monetary value and particulars of the contract or arrangement	Sale & purchase of raw material and finished goods upto Rs. 50.00 crores
e	Any Advance Paid Or Received For The Contract Or Arrangement, If any	Nil
f	The Manner of determining the pricing and other commercial terms, both included as part of contract and not considered as part of the contract	The pricing is commensurate with the general trend in the industry for other development managers and is at the rates prevalent in the market for such services.
g	whether all factors relevant to the contract have been considered, if not, the details of factors not considered with the rationale for not considering those factors;	Yes
h	Any other information relevant or important for the members to take a decision on the proposed resolution	The transaction for entering into agreement for providing services with its related parties is on 'arm's length' basis and is advantageous for the Company considering the experience of the related party and shall be in compliance with Section 188 and other applicable provisions of the Companies Act, 2013 and the rules thereto.

None of the Directors except Mr. Suninder Veer Singh and key managerial personnel of the Company or their relatives are concerned or interested in the resolution

The Board recommends passing of the proposed Special Resolution.

ITEM NO.4:

The Board on the recommendation of the Audit Committee has approved the appointment of M/s. C.L. Bansal & Associates, Cost Auditors at remuneration of Rs. 60,000/- to conduct the audit of the cost records of the Company for the financial year ending March 31, 2020.

In accordance with the provisions of the Sec 148 of the Act read with the Companies (Audit & Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly consent of the members is sought. The Directors recommends the resolution for members' approval as an Ordinary Resolution. None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise in this resolution.

ITEM NO.5:

Mr. Ranjan Jain was appointed as Chairman cum Managing Director of the Company at the Board Meeting held on 16th June, 2017 for a period of five years. The Board of directors in its meeting held on 18.01.2019, approved the change in designation of Mr. Ranjan Jain to Wholetime Director, while all other terms and conditions remaining the same. In compliance with the provisions of Section 178 of the Companies Act, 2013, the Companies (Appointment and Qualifications of Directors) Rules, 2014 and the Companies (Appointment and

Remuneration of Managerial Personnel) Rules, 2014 read with Schedule V to the Companies Act, 2013 and based on the recommendation of the Nomination and Remuneration Committee of the Board, the terms of change in designation and payment of remuneration to Mr. Ranjan Jain as Wholetime Director were approved by the Board. Salient features of which are as under:

Salary: Upto Rs.5,00,000/- per month.

The aforesaid remuneration of Mr. Ranjan Jain falls within the maximum ceiling limits specified under Section 197 and other applicable provisions of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013 and provisions of the Rules framed thereunder.

The Board considered the knowledge, experience and expertise of Mr. Ranjan Jain in the field of Finance & Administration and is of the opinion that appointment of Mr. Ranjan Jain as Managing Director shall be of immense benefit to the Company. The Board recommends Resolution Nos. 5 for approval by the Members.

Mr. Ranjan Jain does not hold Directorship or Membership of Committees of the Board in any other company

Except Mr. Ranjan Jain, no Director or Key Managerial Personnel or their relatives is concerned or interested in Resolution No. 5 as contained in the Notice.

ITEM NO 6:

Mr. Suninder Veer Singh was appointed as Joint Managing Director of the Company at the Board Meeting held on 16th June, 2017 for a period of five years. The Board of directors in its meeting held on 18.01.2019, approved the change in designation of Mr. Suninder Veer Singh to Chairman cum Managing Director, while all other terms and conditions remaining the same. In compliance with the provisions of Section 178 of the Companies Act, 2013, the Companies (Appointment and Qualifications of Directors) Rules, 2014 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with Schedule V to the Companies Act, 2013 and based on the recommendation of the Nomination and Remuneration Committee of the Board, the terms of change of designation and payment of remuneration to Mr. Suninder Veer Singh were approved by the Board. Salient features of which are as under:

Salary: Upto Rs.5,00,000/- per month.

The aforesaid remuneration of Mr. Suninder Veer Singh falls within the maximum ceiling limits specified under Section 197 and other applicable provisions of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013 and provisions of the Rules framed thereunder.

The Board considered the knowledge, experience and expertise of Mr. Suninder Veer Singh in the field of marketing of finished products of the Company and is of the opinion that appointment of Mr. Suninder Veer Singh as Joint Managing Director shall be of immense benefit to the Company. The Board recommends Resolution Nos. 6 for approval by the Members.

Mr. Suninder Veer Singh does not hold Directorship or Membership of Committees of the Board in any other Company.

Except Mr. Suninder Veer Singh, no Director or Key Managerial Personnel or their relatives is concerned or interested in Resolution No. 6 as contained in the Notice.

ITEM NO 7:

Mrs. Sidhu Jasvirkaur Daljeetsingh (DIN 08321273) was appointed as an Additional Director of the Company with effect from 31.12.2018. In terms of Section 161 (1) of the Companies Act, 2013, Ms. Sidhu Jasvirkaur Daljeetsingh (DIN 08321273) holds office only upto the date of the forthcoming Annual General Meeting but she is eligible for appointment as a Director. A Notice under Section 160(1) of the Companies Act, 2013 has been received from a member signifying his intention to propose Mrs. Sidhu Jasvirkaur Daljeetsingh's appointment as Director of the Company for five years.

The Board recommends the Ordinary Resolution set out at Item No. 7 of the Notice for approval by the shareholders.

INFORMATION REGARDING DETAILS OF THE DIRECTORS SEEKING APPOINTMENT / REAPPOINTMENT IN ANNUAL GENERAL MEETING PURSUANT TO REGULATION 36 OF THE SEBI (LODR) REGULATIONS, 2015 AND SECRETARIAL STANDARDS FORMING PART OF THE CORPORATE GOVERNANCE REPORT

Name of Director	Mr. Ranjan Jain
Date of appointment as Director	13.01.2015
Date of Birth	09.11.1966
Designation	Wholetime Director

Mr. Ranjan Jain, who is liable to retire by rotation and being eligible, is proposed to be re-appointed as the Director of the Company in the ensuing Annual General Meeting. His designation was also changed to wholetime Director during the year.

Expertise in Specific Functional Area

Mr. Ranjan Jain (DIN 00635274) is Graduate in Economics from Panjab University and having a total experience of more than 27 years in various diversified businesses, such as pharmaceutical, chemicals & drug intermediates etc. He is pioneer in the field of marketing, liasioning, finance, accounts and commercial.

Qualification:	Graduate
List of other Directorships:	NIL
Names of other listed entities in which person also holds the directorship	**NIL**
Chairman / Member of the Committee of the Directors of Syschem (India) Ltd:	**1**
Chairman / Member of the Committee of the Directors of other Companies	None
Shareholding in the Company as on the date of this report	2865892 equity shares

Relationship between directors inter-se and relationship with Manager and other KMP :- None of the directors, Manager or KMP of the Company is related to Mr. Ranjan Jain.

Terms of reappointment: Re-designated as Wholetime Director liable to retire by rotation.
Remuneration: 120000 p.a
Remuneration sought to be paid: 500000 p.a.
No. of meetings of Board attended during the FY 2018-19: 7
Justification for appointment and Remuneration: Mr. Ranjan Jain is having a total experience of more than 27 years in various diversified businesses, such as pharmaceutical, chemicals & drug intermediates etc. He is pioneer in the field of marketing, liasioning, finance, accounts and commercial.

INFORMATION REGARDING DETAILS OF THE DIRECTORS SEEKING APPOINTMENT / REAPPOINTMENT IN ANNUAL GENERAL MEETING PURSUANT TO REGULATION 36 OF THE SEBI (LODR) REGULATIONS, 2015 FORMING PART OF THE CORPORATE GOVERNANCE REPORT

Name of Director	Mr. Suninder Veer Singh
Date of appointment as Director	30.12.2016
Date of Birth	26.03.1974
Designation	Chairman cum Managing Director

Mr. Suninder Veer Singh, who is liable to retire by rotation has changed his designation to Chairman cum Managing Director of the companyduring the year.

Expertise in Specific Functional Area

Mr. Suninder Veer Singh is MBA Marketing. He has vast knowledge, experience and expertise in the field of Marketing and his appointment shall be of immense benefit to the Company. He is having 15 years of experience in the field of marketing.

Qualification:	Graduate
List of other Directorships:	NIL
Names of other listed entities in which person also holds the directorship	**NIL**
Chairman/Member of the Committee of the Directors of Syschem (India) Ltd:	**1**
Chairman/Member of the Committee of the Directors Of other Companies	None
Shareholding in the Company as on the date of this report	1059180 Equity Shares

Relationship between directors inter-se and relationship with Manager and other KMP :- None of the directors, Manager or KMP of the Company is related to Mr. Suninder Veer Singh.

Terms of reappointment: Re-designated as Managing Director liable to retire by rotation.
Remuneration: 150000 p.a

Remuneration sought to be paid: 500000 p.a.
No. of meetings of Board attended during the FY 2018-19: 10
Justification for appointment and Remuneration: Mr. Suninder Veer Singh is MBA Marketing. He has vast knowledge, experience and expertise in the field of Marketing and his appointment shall be of immense benefit to the Company. He is having 15 years of experience in the field of marketing.

INFORMATION REGARDING DETAILS OF THE DIRECTORS SEEKING APPOINTMENT / REAPPOINTMENT IN ANNUAL GENERAL MEETING PURSUANT TO REGULATION 36 OF THE SEBI (LODR) REGULATIONS, 2015 AND SECRETARIAL STANDARDS FORMING PART OF THE CORPORATE GOVERNANCE REPORT

Name of Director	Mrs. Sidhu Jasvirkaur Daljeetsingh
Date of appointment as Director	31.12.2018
Date of Birth	**08**.11.1962
Designation	**Independent Director**

Mrs. Sidhu Jasvirkaur Daljeetsingh is appointed as Non-Executive Independent Director of the company.

Expertise in Specific Functional Area

Mrs. Sidhu Jasvirkaur Daljeetsingh (DIN 08321273) has expertise in General Administration.

Qualification:	Matriculation
List of other Directorships:	NIL
Names of other listed entities in which person also holds the directorship	NIL
Chairman / Member of the Committee of the Directors of Syschem (India) Ltd:	1
Chairman / Member of the Committee of the Directors of other Companies	None
Shareholding in the Company as on the date of this report	NIL

Relationship :- None of the directors, Manager or KMP of the Company is related to Mrs. Sidhu Jasvirkaur Daljeetsingh.

Terms of reappointment: Appointed as Independent Director for a period of 5 years.
Remuneration: Nil
Remuneration sought to be paid: Nil
No. of meetings of Board attended during the FY 2018-19: 3
Justification for appointment and Remuneration: she has expertise in General Administration.

DIRECTORS' REPORT

Dear Members,

The Directors have pleasure in presenting before you the 26th Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2019.

FINANCIAL RESULTS :-

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

Particulars	**2018-2019 (Amount in Lacs)**	**2017-2018 (Amount in Lacs)**
Gross Income	10968.38	7656.37
xpenses	10602.10	7577.75
Profit Before Interest and Depreciation	366.28	78.62
Interest	1.19	12.48
Depreciation	214.78	208.38
Exceptional Item	-	(18.48)
Net Profit/ (Loss) Before Tax	150.31	60.14
Provision for Tax	-	-
Deferred Tax	(75.06)	(26.42)
Net Profit/ (Loss) After Tax	75.25	33.72

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

The Company has changed its product line from Chemical manufacturing to Pharmaceutical Industry during the Financial Year 2017-18. As a result of that the turnover of the company has increased from Rs.7656.37 Lacs to Rs. 10968.38 Lacs resulting in increase in income by 43.25 % over the previous year. The Company has also earned a Net Profit of Rs.75.25 lacs. The management is optimistic about the future growth of the Company.

DIVIDEND :-

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

GENERAL RESERVE:

The Company has not transferred any amount to any reserves.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

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

DIRECTORS

In accordance with the provisions of the Companies Act, 2013 and Articles of Association of the Company, Mr. Ranjan Jain (DIN 00635274), Director of the Company retire by rotation in the ensuing Annual General Meeting and being eligible offer himself for re-appointment. Mrs. Sidhu Jasvirkaur Daljeetsingh was appointed as Additional director independent during the year.

DECLARATION BY INDEPENDENT DIRECTORS

All Independent Directors of the Company have given declarations that they meet the criteria of Independence as laid down under Section 149 (6) of the Companies Act, 2013 and Regulation 25 of SEBI (LODR) Regulations.

KEY MANAGERIAL PERSONNEL

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

Name	Designation
Mr. Suninder Veer Singh	Managing Director
Mr. Ranjan Jain	Wholetime Director
Ms. Amarjeet Kaur	Company Secretary
Mr. Naresh Batra	Chief Financial Officer

SHARE CAPITAL

During the year under review, the Company has allotted 25,80,000 Equity Shares upon conversion of Convertible Equity Warrants thereby increasing the subscribed share capital to 1,87,90,400. Out of the total 25,80,000 Equity Shares listing approval for 13,30,000 shares has been received whereas listing approval of the remaining 12,50,000 Equity Shares is pending.

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

The Company has adopted a policy for prevention of Sexual Harassment of Women at workplace and has set up Committee for implementation of said policy. During the year Company has not received any complaint of harassment.

EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS

There is no event occurred subsequent to the date of Financial Statements.

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

No changes

LISTING WITH BSE LIMITED

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

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

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

INSIDER TRADING

The Board of Directors has adopted The Code Of Conduct For Prevention Of Insider Trading in accordance with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015. The Insider trading policy of the Company lays down guidelines and procedures to be followed and disclosures to be made while dealing with shares of the Company, as well as the consequences of violation.

CORPORATE GOVERNANCE

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

BUSINESS RESPONSIBILITY REPORT

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

POLICY ON DIRECTORS APPOINTMENT AND POLICY ON REMUNERATION

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

MANAGEMENT DISCUSSION & ANALYSIS REPORT

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

PARTICULARS OF REMUNERATION OF DIRECTORS / KMP / EMPLOYEES:-

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

NUMBER OF MEETINGS OF BOARD

During the year 2018-19, 10 (Ten) Board Meetings were held and 1 (One) Independent Directors meeting was held on 14.02.2019 as required under Schedule IV of Companies Act, 2013 and as per Listing Regulations, 2015.

Date of Board Meeting	No. of Directors entitled	Attendance of Directors
29.05.2018	5	5
06.08.2018	5	4
14.08.2018	5	3
31.08.2018	5	3
12.11.2018	5	4
31.12.2018	6	3
18.01.2019	6	5
23.01.2019	6	3
06.02.2019	6	3
14.02.2019(Ind. DirectorMeeting)	3	3
14.02.2019	6	5

PERFORMANCE EVALUATION OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

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

a. Criteria for evaluation of the Board of Directors as a whole:
    i. The Frequency of Meetings
    ii. Quantum of Agenda
    iii. Administration of Meetings
    iv. Flow and quantity of Information from the Management to the Board

v. Number of Committees and their role.
vi. Overall performance of the Company

b. Criteria for evaluation of the Individual Directors including Independent Directors;
i. Experience and ability to contribute to the decision making process
ii. Problem solving approach and guidance to the Management
iii. Attendance and Participation in the Meetings
iv. Personal competencies and contribution to strategy formulation
v. Contribution towards Statutory compliances, monitoring of controls and Corporate Governance

The Independent Directors had met separately on 14.02.2019 without the presence of Non-Independent Directors and the members of management and discussed, inter-alia, the performance of non-Independent Directors and Board as a whole and the performance of the Chairman of the Company after taking into consideration the views of Executive and Non-Executive Directors.

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

STATUTORY AUDITORS & AUDITORS REPORT:-

M/s Vinod Sumitra & Co., Chartered Accountants, Chandigarh, was appointed as Statutory Auditors of the Company in the last Annual General Meeting to hold office till the conclusion of Annual General Meeting to be held in the year 2022.

There are some qualifications or observations marked by the auditors in the Auditors' Report regarding the Company has not paid the statutory dues. The Company is taking steps to clear all the dues shortly.

SECRETARIAL AUDITORS AND THEIR REPORT

Mr. Anil Negi (M. No. 46547), a Company Secretary in practice having CP No. 17213, was appointed as Secretarial Auditor of the Company for the Financial Year 2018-19 pursuant to Section 204 of the Companies Act, 2013. The Secretarial Audit Report submitted by him in the prescribed form MR- 3 is attached as Annexure D-5 and forms part of this report.

There are qualifications or observations or other remarks by the Secretarial Auditors in the Report issued. The Company will soon file all the pending returns and take steps to update the site.

FRAUDS REPORTED BY AUDITORS

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

DISCLOSURE ABOUT COST AUDIT

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with Notifications/Circulars issued by the Ministry of Corporate Affairs from time to time and as per the recommendation of the Audit Committee, the Board of Directors at their meeting dated 31.08.2019, appointed M/s. C.L. Bansal & Associates, Cost Accountants as the Cost Auditors of the Company for the financial year 2019-2020. The remuneration proposed to be paid to the Cost Auditor, subject to the ratification by the members at the ensuing AGM, would not be exceeding Rs. 60,000/- (Rupees Sixty thousand only) plus out of pocket expenses, if any.

CONSOLIDATED FINANCIAL STATEMENTS

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

INTERNAL FINANCIAL CONTROLS AND THEIR ADEQUACY

As required pursuant to provisions of section 134(1) (e) of the Act, the Company has a well placed, proper and adequate internal financial control system, commensurate with the size, scale and complexity of its operations.

DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT

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

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

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

DEPOSITS

The Company has neither accepted nor renewed any deposits during the Financial Year 2018-19 in terms of Chapter V of the Companies Act, 2013. Information in this regard, therefore, is NIL.

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

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

AUDIT COMMITTEE

The Directors wish to inform that in Compliance with Section 177 of the Companies Act, 2013 and Regulation 18 of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 an Audit Committee has been duly constituted. The Audit Committee as on March 31, 2019 comprises of the following Independent Directors :

Mr. Balwant Singh Sandhu*	Independent Director, Chairman
Ms. Neena Kumar	Independent Director, Member
Ms. Sidhu Jasvirkaur Daljeetsingh	Independent Director, Member

* Mr. Balwant Singh Sandhu has resigned from the directorship of the company w.e.f. 23.04.2019

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

NOMINATION & REMUNERATION COMMITTEE

In terms of Regulation 19 of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to the provisions of section 178 of the Companies Act, 2013, Nomination & Remuneration Committee as on March 31, 2019 comprises of the following Directors

Ms. Neena Kumar	Independent Director, Chairman
Mr. Balwant Singh Sandhu*	Independent Director, Member
Ms. Neena Batra	Non-executive Director, Member

* Mr. Balwant Singh Sandhu has resigned from the directorship of the company w.e.f. 23.04.2019

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

STAKEHOLDERS RELATIONSHIP COMMITTEE

In terms of Regulation 20 of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has constituted Stakeholders Relationship Committee with following composition as on March 31, 2019 :-

Ms. Neena Batra	Non-executive Director, Chairman
Mr. Ranjan Jain	Managing Director, Member
Mr. Suninder veer Singh	Joint Managing Director, Member

EXTRACT OF ANNUAL RETURN

The extract of Annual Return as on March 31, 2019 in the prescribed Form No. MGT-9, pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12 (1) of the Companies (Management and Administration) Rules, 2014 is attached herewith as Annexure D-6 and forms part of this Report.

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

Pursuant to Section 134(3)(g) of the Companies Act, 2013 particulars of loans, guarantees or investments under Section 186 of the Act as at end of the Financial Year 2018-19 are attached as Annexure D-7 which forms part of this report.

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

With reference to Section 134(3)(h) of the Companies Act, 2013, all contracts and arrangements with related parties under Section 188(1) of the Act, entered by the Company during the financial year, were in the ordinary course of business and on an arm's length basis. Hence, provisions of Section 188 (1) are not applicable. However, as these transactions were in the ordinary course of business and on an arm's length basis, in the opinion of the Board these transactions are justified to be executed. The detail of these transactions is given in Annexure D-8, which forms part of this report.

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

VIGIL MECHANISM

The Company has established a Vigil Mechanism cum Whistle Blower Policy in terms of Section 177 (10) of the Companies Act, 2013 and also in terms of Listing regulations, 2015. The details of the said Vigil Mechanism cum Whistle Blower Policy is given in the Corporate Governance Section, which is annexed herewith. The Vigil Mechanism cum Whistle Blower Policy is also available on the Company's website http://www.syschem.in/DOWNLOAD/Whistleblower_Policy.pdf.

DIRECTORS' RESPONSIBILITY STATEMENT

(a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
(b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Profit and Loss of the Company for that period;
(c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
(d) the Directors had prepared the annual accounts on a going concern basis;
(e) the Directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
(f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

COMPLIANCE

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

CEO / CFO CERTIFICATION

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

DEMATERIALIZATION OF SHARES

As mentioned in Company's earlier Annual Reports, the Company's Equity Shares are in compulsory Demat mode in terms of SEBI Guidelines. This has been facilitated through arrangement with NSDL and CDSL. About 91.6% of the shares of the Company are already in dematerialized form. M/s Beetal Financial & Computer Services Pvt. Limited, New Delhi is acting as the Registrar and Share Transfer Agents for this purpose and acts as common share agency in terms of SEBI Guidelines.

TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND

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

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

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

ACKNOWLEDGEMENT :-

Your Directors wish to express their sincere appreciation to valued Clients, Company's Bankers, Associates, Shareholders and Employees of the Company for their continued support & co-operation.

For & On Behalf of the Board

(Suninder Veer Singh)
Managing Director
(DIN 07693557)

For & On Behalf of the Board

(Ranjan Jain)
Wholetime Director
(DIN 00635274)

PLACE: CHANDIGARH
Date: 06.08.2019

ANNEXURE D-1 TO THE DIRECTORS' REPORT:-

A. **Conservation of Energy** :

Though energy does not form a significant portion of the cost for the Company yet wherever possible and feasible, continuous efforts are being put for conservation of energy and minimize power cost. The Energy conservation measures include replacement of incandescent lights with low power consuming LED lights and compact Fluorescent Lights, replacement of old electrical units with new energy efficient units. Staff of the Company is regularly educated about conservation of power.

B. **Technology Absorption :**

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

C. **Foreign exchange earnings and outgo:**

There is no Foreign Exchange earnings and outgo during the Financial Year.

ANNEXURE D-2 TO THE DIRECTORS' REPORT

NOMINATION AND REMUNERATION POLICY

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

Definitions:

"Remuneration" means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-Tax Act, 1961;
"Key Managerial Personnel" means :
i) Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-time Director; ii) Chief Financial Officer; iii) Company Secretary; and iv) such other officer as may be prescribed.
"Senior Managerial Personnel" mean the personnel of the Company who are members of its core management team excluding Board of Directors. Normally, this would comprise all members of management, of rank equivalent to General Manager and above, including all functional heads.

Objective:

The objective of the policy is to ensure that
• The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
• Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
• Remuneration to Directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

ROLE OF THE COMMITTEE :

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

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

a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, Key Management Personnel or at Senior Management level and recommend his / her appointment, as per Company's Policy.
b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has authority to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the position.
c) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution.

d) Criteria for Determining Qualifications, Positive Attributes & Independence of Director:

(i) **Qualifications**:- An Independent Director shall possess appropriate skills, Qualification, experience and knowledge in one or more fields of Finance, Law, Management, Sales, Marketing, Administration, Research, Corporate Governance, Operations or other disciplines related to the Company's business.

(ii) **Positive Attributes**:- An Independent Director shall be a person of integrity, who possesses relevant expertise and experience and who shall uphold ethical standards of integrity and probity; act objectively and constructively; exercise his responsibilities in a bona-fide manner in the interest of the Company; devote sufficient time and attention to his professional obligations for informed and balanced decision making; and assist the Company in implementing the best Corporate Governance practices.

(iii) **Independence:-** An Independent Director should meet the requirements of the Companies Act, 2013 and Listing Regulations, 2015 concerning Independence of Directors.

TERM / TENURE

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

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

EVALUATION

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

REMOVAL

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

RETIREMENT

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

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

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

a) The objective of the policy is directed towards having a compensation philosophy and structure that will reward and retain talent. The Remuneration to Managing Director and Whole Time Directors shall take into account the Company's overall performance, Profitability, MD / WTD's contribution for the same & trends in the industry in general, in a manner which will ensure and support a high performance culture.

b) The Remuneration / Commission etc. to be paid to Managing Director / Whole-time Directors, etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.

c) The Company has no stock option plans and hence, such instruments do not form part of the remuneration package of MD / WTDs.

d) Remuneration to Directors, Key Managerial Personnel and Senior Management will involve a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

e) The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director / Whole-time Directors.

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

a) The Non-Executive / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.
b) All the remuneration of the Non - Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling / limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.
c) An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company.
d) Any remuneration paid to Non - Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (b) above if the following conditions are satisfied:
    i) The Services are rendered by such Director in his capacity as the professional; and
    ii) In the opinion of the Committee, the Director possesses the requisite qualification for the practice of that profession.

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

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

IMPLEMENTATION

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

ANNEXURE D-3 TO THE DIRECTORS' REPORT

MANAGEMENT DISCUSSION & ANALYSIS REPORT

BUSINESS REVIEW AND PRODUCTS

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

- ☐ Amoxycillin Trihydrate
- ☐ Ampicillin Trihydrate
- ☐ Cloxacillin Sodium
- ☐ Dicloxacillin Sodium
- ☐ Flucloxacillin Sodium (For export only)
- ☐ Distillation of Speciality Solvents – DMF, Acetonitrile, Ethyl Acetate and THF

SWOT Analysis

STRENGTHS

(i) Promoters have worked for a good period of time in same industry. They have sufficient product knowledge and is thus beneficial for the Industry. We have huge capacities to cater to the market.

(ii) Lean manufacturing practices being followed by the Company ensure better and stable margins and a cushion to sustain input price pressures and output price competition. Our products quality is well accepted in the market.

(iii) Existing relations with agents and potential customers due to past working experience of promoters.

(iv) The location of plant is suitable for such type of Industry.

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

WEAKNESSES

NIL

OPPORTUNITIES

(i) Increased usage of contract manufacturing services by large pharmaceutical companies.

(ii) Demand of antibiotics is high in unorganized market for branded as well us unbranded products.

(iii) Positive outlook for Indian generic business in general due to a lot many products going off patent in near future.

(iv) Low per capita consumption of medicines in Indian subcontinent offers opportunities for growth.

(v) Increasing income levels and health awareness in Asia is expected to result in increased spending power and usage of medicines.

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

THREATS

(i) Don't see any big threat until unless we have funds to run the show and to grow.

(ii) Increasing regulation in US and other major pharmaceutical markets.

(iii) Emergence of new fully integrated generic firms which are less reliant on Indian "back-end" businesses.

INDUSTRY STRUCTURE & DEVELOPMENT

India is the largest provider of generic drugs globally. Indian pharmaceutical sector industry supplies over 50 per cent of global demand for various vaccines, 40 per cent of generic demand in the US and 25 per cent of all medicine in UK. India enjoys an important position in the global pharmaceuticals sector. Presently over 80 per cent of the antiretroviral drugs used globally to combat AIDS (Acquired Immuno Deficiency Syndrome) are supplied by Indian pharmaceutical firms.

Indian pharmaceutical industry is cost efficient. Low cost of production and increasing expenditure on R&D has led to competitive pharma exports from which exports reaching US$17.15 billion in FY19. High economic growth alongwith increasing penetration of health insurance to push expenditure on healthcare and medicine in India. Government of India's 'Pharma Vision 2020' aims to make India a global leader in end-to-end drug manufacturing. Increasing private sector investment in R&D and acquisitions are driving the sector's growth. In FY18, Indian Pharma companies invested 8.8 percent of their sales in R&D

Government is also taking several steps to promote the pharmaceutical sector in India.

Road Ahead

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

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

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

HUMAN RESOURCES

Our Company continues to lay great stress on its most valuable resource people. Continuous training, both on the job and in an academic setting, is a critical input to ensure that employees at all levels are fully equipped to deliver a wide variety of products and services to the customer of the company.

RESPONSIBILITY FOR THE MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Board of Directors have reviewed the Management Discussion and Analysis prepared by the Management. Statement in this report of the Company's objective, projections, estimates, exceptions, and predictions are forward looking statements subject to the applicable laws and regulations. The statements may be subjected to certain risks and uncertainties.

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

KEY INDICATORS

Ratios	2018-19	2017-18	% Increase/ Decrease	Reason for change
Debtors Turnover Ratio	17.96	40.67	-56%	better management of debtors, re payments are faster
Inventory Turnover Ratio	64.22	46.37	38%	
Interest Coverage Ratio	-	5.37	-100%	
Current Ratio	0.87	0.74	18%	because of healthy increase in Current Assets against Current Liabilities
Debt Equity Ratio	1.07	1.56	-31%	because of infusion of fresh Capital
Operating Profit Margin	1.37	1.08	33%	Less proportionate increase in expenditure as compared to the net turnover
Net Profit Margin	1.37	0.79	75%	Less proportionate increase in expenditure as compared to the net turnover
Change in Net Worth ratio	0.32	0.25	31%	because of infusion of fresh Capital

ANNEXURE D-4 TO THE DIRECTORS' REPORT

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

(i) Ratio of the remuneration of each Executive Director to the median remuneration of the Employees of the Company for the financial year 2018-19, the percentage increase in remuneration of Chief Executive Officer, Chief Financial Officer and other Executive Director and Company Secretary during the financial year 2018-19.

Sr. No.	Name of Director/KMP	Designation	The Ratio of the remuneration of each Director to the median remuneration of the employees	The percentage increase in remuneration
1.	Suninder Veer Singh	Chairman cum Managing Director	4.16%	-24%
2.	Ranjan Jain	Wholetime Director	3.33%	33%
3.	Naresh Batra	CFO	1.83%	22.22%
4.	Amarjeet Kaur	CS	1%	-

ii. The percentage increase in the median remuneration of Employees for the financial year was 6.28%

iii. The Company has 82 permanent Employees on the rolls of Company as on 31st March, 2019.

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

Average percentage increase made in the salaries of Employees other than the managerial personnel in the financial year was 8%.

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

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

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

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

To,

The Members,
Syschem (India) Limited,
Village Bargodam, Tehsil Kalka,
Distt: Panchkula, Haryana

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

Based on my verification of the SYSCHEM (INDIA) LIMITED's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on March 31, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by SYSCHEM (INDIA) LIMITED ("the Company") for the financial year ended on March 31, 2019 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) (Amendment) Regulations, 2013.
b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations 2014- Not Applicable as the company has not provided any share based benefits to the employees during the year.
e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008and Chapter V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 - Not applicable as the company has not issued any debt securities during the financial year under review.
f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client- Not applicable as the company is not registered as Registrar to an Issue and Share Transfer Agent during the financial year under review.
g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009- Not applicable as the company has not delisted any securities from any stock exchange during the financial year under review.
h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998- Not applicable as the company has not bought back any of its securities during the financial year under review.

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

a) Secretarial Standards issued by The Institute of Company Secretaries of India as notified by Government of India.

b) The SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 being listed on BSE Limited.

During the period under review the Company has complied with the provisions of the act, rules, regulations, guidelines, standards, etc. mentioned above.

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

1. The Board of Directors of the Company is not duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors ***as the composition of Board is not in compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015***. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

2. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent well in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

3. All decisions are carried out through majority, while the dissenting members' views, if any, are captured and recorded as part of the minutes.

4. The company has proper board processes.

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

I further report that the compliance to the provisions of the labour laws and other specific industrial laws applicable to the company could not be verified due to non-availability of records.

I further report that during the audit period, there were no instances of:

(i) Major decisions under Section 180 of the Companies Act, 2013.
(ii) Redemption / buy-back of securities.
(iii) Merger / amalgamation / reconstruction etc.
(iv) Foreign technical collaborations.

Place: Chandigarh
Date : 30/05/2019

ANIL NEGI
M. No. 46547
C.P. NO. 17213

This report is to be read with our letter of even date which is annexed as "Annexure A" and forms an integral part of this report.

"Annexure-A"

To,

The Members,
Syschem (India) Limited
Village Bargodam, Tehsil Kalka,
Distt: Panchkula, Haryana

My report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records, based on my audit.

2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of secretarial records. The verification was done on test basis to ensure that the correct facts are reflected in secretarial records. I believe that the processes and practices, we followed, provide a reasonable basis for my opinion.

3. I have not verified the correctness and appropriateness of financial records and books of accounts of the company.

4. Wherever required, I have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. My examination was limited to the extent of verification of procedures on test basis.

6. The secretarial audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place: Chandigarh
Date : 30/05/2019

ANIL NEGI
M. No. 46547
C.P. NO. 17213

ANNEXURE D-6 TO THE DIRECTORS' REPORT

The extract of Annual Return – MGT 9

As on financial year ended on 31.03.2019

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. **REGISTRATION & OTHER DETAILS** :

1.	CIN	L24219HR1993PLC032195
2.	Registration Date	31.12.1993
3.	Name of the Company	Syschem (India) Limited

4.	Category/Sub-category of the Company	Chemicals
5.	Address of the Registered Office & contact details	Village Bargodam, Tehsil Kalka, Distt. Panchkula, Haryana – 134109 Tel. No. 0172-5070472
6.	Whether listed Company	Yes, BSE Limited
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Beetal Financial & Computer Services Pvt. Ltd , Beetal House, 99, Madangir behind Local Shopping Centre, Near Dada Harsukh Dass Mandir, New Delhi – 110 062 Tel. No. 011-29961281

II. **PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All** the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the Company
1.	**Solvents**		05%
	a. Mix Solvents	3414043	
	b. Methanol	3413102	
2	Amoxycillin & preparations	3525019	95%

III. **PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

NOT APPLICABLE

SN	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING / SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	Applicable Section
1					

VI. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2018]				No. of Shares held at the end of the year[As on 31-March-2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) **Indian**									
a) Individual/ HUF	34,68,780	-	34,68,780	21.40	44,33,286	-	44,33,286	23.59	(2.19)
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	3,50,000	-	3,50,000	2.16	-	-	-	-	(-2.16)
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-

Total shareholding of Promoter (A)	38,18,780	-	38,18,780	23.56	44,33,286	-	44,33,286	23.59	(0.03)
B. Public Shareholding									
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt (s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.	25,07,344	30,800	25,38,444	15.66	23,89,157	6,81,900	30,71,057	21.17	(5.51)
) Indian	-	-	-	-	-	-	-	-	-
i) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
) Individual shareholders holding nominal share capital up to Rs. 2 lakh	39,82,802	1,50,232	41,33,034	25.50	41,92,846	1,49,222	43,42,068	23.11	2.39
i) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	47,20,182	300000	50,20,182	30.97	47,86,312	8,80,000	56,66,312	30.16	0.81
c) Others (specify)									
Non Resident Indians	372100	1,73,300	2,10,510	1.30	342172	1,73,300	515472	2.74	(1.44)
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	1,519	-	1,519	0.01	665	-	665	0.00	0.01
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-

HUF	4,87,931	-	4,87,931	3.01	7,61,540	-	7,61,540	4.05	(1.04)
Sub-total (B)(2):-									
Total Public Shareholding (B)=(B)(1)+ (B)(2)	1,17,36,988	6,54,632	1,23,91,620	76.44	12472692	18,84,422	14357114	76.41	0.03
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**15555768**	**654632**	**16210400**	**100.00**	**15880978**	**2909422**	**18790400**	**100.00**	-

B) Shareholding of Promoter -

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	%of Shares Pledged / encumbered to total shares held	
1	RANJAN JAIN	29,60,566	18.26*	-	28,65,892	15.25*	55.83	(3.01)*
2	RUCHIKA JAIN	1,01,954	0.63*	-	1,01,954	0.54*	-	(0.09)*
3	RAJESH GUPTA	4,06,260	2.51*	-	4,06,260	2.16*	98.46	(0.35)*
4	SUNINDER VEER SINGH	-	-	-	10,59,180	5.64*	-	5.64
5	CLASSIC SECURITIES PRIVATE LIMITED**	3,50,000**	2.16**	-	-	-	-	(2.16)

*The company has allotted 25,80,000 Equity shares upon conversion of warrants on preferential basis during the year under review, thereby increasing the Share Capital to 1,87,90,400. Hence difference is appearing in percentage of shareholding for the current and previous financial year.

**Classic Securities Pvt. Limited has reclassified its Status from promoter category to public category in the Annual General Meeting held on 28.09.2018.

C) **Change in Promoters' Shareholding (please specify, if there is no change)**

S.No.	**Particulars**	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Ranjan Jain				
	At the beginning of the year	29,60,566	18.26	29,60,566	18.26
	Bought during the year	-	-	29,60,566	18.26*
	Sold during the year	94,674	(3.01)	28,65,892	15.25*
	At the end of the year	28,65,892	15.25	28,65,892	15.25
2	Ruchika Jain				
	At the beginning of the year	1,01,954	0.63	1,01,954	0.54*
	Bought during the year	-	-	1,01,954	0.54
	Sold during the year	-	-	1,01,954	0.54
	At the end of the year	1,01,954	0.63	1,01,954	0.54
3	Rajesh Gupta				

	At the beginning of the year	4,06,260	2.51	4,06,260	2.16*
	Bought during the year	-	-	4,06,260	2.16
	Sold during the year	-	-	4,06,260	2.16
	At the end of the year	4,06,260	2.51	4,06,260	2.16
4	Suninder Veer Singh				
	At the beginning of the year	-	-	-	-
	Bought during the year	34180	0.18	34180	0.18
	-Allotted During the year	1025000	5.45	10,59,180	5.64
	Sold during the year	-	-	10,59,180	5.64
	At the end of the year	1059180	5.64	10,59,180	5.64

*The company has allotted 25,80,000 Equity Shares upon conversion of warrants on preferential basis during the year under review, thereby increasing the Share Capital to 1,87,90,400. Hence difference is appearing in percentage of shareholding for the current and previous financial year.

D) Shareholding Pattern of top ten Shareholders :
(Other than Directors, Promoters and Holders of GDRs and ADRs):

For Each of the Top 10 Shareholders	Shareholding		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1. KK ASSOCIATES REAL ESTATES PRIVATE LIMITED				
At the beginning of the year	-	-	-	-
Bought during the year	250	0.00	250	0.00
-Allotment during the year	650000	3.46	650250	3.46
Sold during the year	-	-	650250	3.46
At the end of the year	650250	3.46	650250	3.46
2. MASTER CAPITAL SERVICES LTD				
At the beginning of the year	354278	1.88	354278	1.88
Bought during the year	507317	2.70	861595	4.58
Sold during the year	300311	1.58	561284	2.99
At the end of the year	561284	2.99	561284	2.99
3. Dextsoft Solutions Pvt Ltd				
At the beginning of the year	3,93,102	2.09	3,93,102	2.09
Bought during the year	-	-	-	-
Sold during the year	-	-	-	-
At the end of the year	3,93,102	2.09	3,93,102	2.09
4. RULD PAL				
At the beginning of the year	-	-	-	-
Bought during the year (Allotment)	300000	1.59	300000	1.59
Sold during the year	-	-	300000	1.59
At the end of the year	300000	1.59	300000	1.59
5. Gaurav Lekhraj Kukreja				
At the beginning of the year	3,00,000	1.59	3,00,000	1.59
Bought during the year	-	-	3,00,000	1.59
Sold during the year	-	-	3,00,000	1.59
At the end of the year	3,00,000	1.59	3,00,000	1.59
6. ASHOK KUMAR				
At the beginning of the year	183242	0.97	183242	0.97
Bought during the year	102686	0.55	285928	1.52
Sold during the year	-	-	285928	1.52
At the end of the year	278000	1.52	285928	1.52
7. Abodh Borar				
At the beginning of the year	3,50,000	1.86	3,50,000	1.86
Bought during the year	2,72,176	1.45	6,22,176	3.31
Sold during the year	(3,50,000)	-	2,72,176	1.45
At the end of the year	2,72,176	1.45	2,72,176	1.45
8. MANMOHAN GERA				
At the beginning of the year	97949	0.52	97949	0.52

Bought during the year	242429	1.29	340378	1.81
Sold during the year	(76201)	(0.41)	264177	1.40
At the end of the year	264177	1.40	264177	1.40
9. Arvind Kumar				
At the beginning of the year	261835	1.39	261835	1.39
Bought during the year	-	-	261835	1.39
Sold during the year	-	-	261835	1.39
At the end of the year	261835	1.39	261835	1.39
10. Manish Jain				
At the beginning of the year	211100	1.12	211100	1.12
Bought during the year	200000	1.06	411100	2.88
Sold during the year	(200500)	1.07	210600	1.12
At the end of the year	210600	1.12	210600	1.12

E) **Shareholding of Directors and Key Managerial Personnel:**

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Ranjan Jain				
	At the beginning of the year	29,60,566	18.26*	29,60,566	18.26
	Bought during the year	-	-	29,60,566	18.26*
	Sold during the year	94,674	(3.01)	28,65,892	15.25*
	At the end of the year	28,65,892	15.25	28,65,892	15.25
2	Suninder Veer Singh				
	At the beginning of the year	-	-	-	-
	Bought during the year	-	-	34180	0.18
	-Allotted During the year (1025000)	-	-	10,59,180	5.64
	Sold during the year	-	-	10,59,180	5.64
	At the end of the year	-	-	10,59,180	5.64
3	Naresh Batra				
	At the beginning of the year	10125	0.062*	10125	0.062
	Bought during the year	10330	0.006*	20455	0.068
	-Allotted during the year	130000	0.692*	150455	0.800
	Sold during the year	0	-	150455	0.800
	At the end of the year	150455	0.800*	150455	0.800

*The company has allotted 25,80,000 Equity shares upon conversion of warrants on preferential basis during the year under review, thereby increasing the Share Capital to 1,87,90,400. Hence difference is appearing in percentage of shareholding for the current and previous financial year.

F) **INDEBTEDNESS -**Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1599.66	312.77	-	1912.43
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	
Total (i+ii+iii)	1599.66	312.77	-	1912.43
Change in Indebtedness during the financial year				
*** Addition**	-	-	-	-
*** Reduction**	-318.88	-129.59	-	-448.47

Net Change	-318.88	-129.59	-	-448.47
Indebtedness at the end of the financial year				
i) Principal Amount	1280.78	183.18	-	1463.96
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	1599.66	183.18	-	1463.96

XI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. Remuneration to Managing Director, Whole-time Directors and / or Manager:

SN.	**Particulars of Remuneration**	**Name of MD/WTD/ Manager**		**Total Amount**
		Ranjan Jain	Suninder Veer Singh	
1	**Gross salary**	12,00,000	15,00,000	27,00,000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		-	
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	**Stock Option**	-	-	-
3	**Sweat Equity**	-		-
4	**Commission - as % of profit - others, specify…**	-	-	-
5	**Others, please specify**	-	-	-
	Total (A)	12,00,000	15,00,000	27,00,000
	Ceiling as per the Act			

B. Remuneration to other directors **- Not Applicable**

SN.	**Particulars of Remuneration**	**Name of Directors**				**Total Amount**
		-----	----	----	---	
1	**Independent Directors**					
	Fee for attending board committee meetings					
	Commission					
	Others, please specify					
	Total (1)					
2	**Other Non-Executive Directors**					
	Fee for attending board committee meetings					
	Commission					
	Others, please specify					
	Total (2)					
	Total (B)=(1+2)					
	Total Managerial Remuneration					
	Overall Ceiling as per the Act					

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary	-	360000	660000	1020000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	others, specify…	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	-	360000	660000	1020000

XII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

NOT APPLICABLE

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

ANNEXURE D-7 TO THE DIRECTORS' REPORT: NOT APPLICABLE

Details of Loans			
Sr. No.	Name of Entity/Person	Amount (in Rs.)	Purpose
1	No Loan have been given during the Financial year 2018-19		
2			
	TOTAL		
Details of Guarantees			
Sr. No.	Name of Entity/Person	Amount	Purpose
1	No Guarantees have been given during the Financial year 2018-19		

Details of Investments			
Sr. No.	Name of Entity/Person	Amount	Purpose
1	No Investments have been made during the Financial year 2018-19		

ANNEXURE D-8 TO THE DIRECTORS' REPORT

FORM NO. AOC -2

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

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

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

a)

SL. No.	Particulars	Details
	Name (s) of the related party & nature of relationship	Impetus Healthcare, a partnership Firm in which Suninder Veer Singh, Joint Managing Director is a partner
	Nature of contracts/ arrangements/ transaction	Sale & purchase of raw material and finished goods
	Duration of the contracts/arrangements/transaction	One year
	Salient terms of the contracts or arrangements or transaction including the value, if any	Sale & purchase of raw material and finished goods upto Rs. 20.00 Crore
	Justification for entering into such contracts or arrangements or transactions'	Sale & purchase of raw material and finished goods at very reasonable price besides good quality of products
	Date of approval by the Board	29/05/2018
	Amount paid as advances, if any	NA
	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	NA

REPORT ON CORPORATE GOVERNANCE

1. **COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE**

The Company firmly believes in the principal of good Corporate Governance and is committed in adopting the best global practice of Corporate Governance. The Company fully 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**

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

The strength of Board is 5 (Five) Directors as on 31st March 2019. The Board consisted of Two Executive Director, one non-Executive non-independent Director, Two Non-Executive Independent Directors.

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

Apart from the sitting fees being paid for attending Board / Committee Meetings, the non-executive Directors did not have any material pecuniary relationship or transaction with the Company during the year 2018-2019 or even after the close of Financial year upto the date of this report.

The Company has an Executive Chairman and as per the requirements of Listing Regulations, the company shall have half of the Board consist of Independent Directors. The Composition of the Board as on 31.03.2019 is given below:

1. Mr. Suninder Veer Singh - Managing Director
2. Mr. Ranjan Jain - Wholetime Director
3. Mrs. Neena Batra - Non-Executive Non-Independent Director
4. Mrs. Neena Kumar - Non-Executive Independent Director
5. Mr. Balwant Singh Sandhu - Non Executive Independent Director
6. Ms. Sidhu Jasvirkaur Daljeetsingh - Non Executive Independent Director

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

NAME		**Ranjan Jain**	**Suninder Veer Singh**	**Neena Kumar**	**Balwant Singh Sandhu***	**Neena Batra**	**Sidhu Jasvirkaur Daljeetsingh**
CATEGORY		Executive	Executive	Independent & Non-Executive	Independent & Non Executive Director	Non-Executive	Independent & Non Executive Director
Board Meetings attended during the year		7	10	8	6	6	4
Attendance at the AGM held on 29.09.2017		YES	YES	YES	YES	YES	No
***No. of other Boards in which Member or Chairperson**		NIL	NIL	NIL	NIL	NIL	NIL
No. of other Board Committees in which Member or Chairperson	**Member**	1	1	1	1	1	1
	Chairperson			1	1	1	

* Mr. Balwant Singh Sandhu resigned from the directorship w.e.f. 23.04.2019

***Note:**

1. For the above purpose, all Public Limited Companies, whether listed or not, have been included and all other companies including Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013 has been excluded.
2. For the purpose of membership & Chairmanship in a Committee only Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee have been considered.
3. The above composition and the information is as at 31.03.2019.

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

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

Total 10 Board meetings were held during the period from 1st April, 2018 to March 31, 2019 on the following dates:

29.05.2018, 06.08.2018, 14.08.2018, 31.08.2018, 12.11.2018, 31.12.2018, 18.01.2019, 23.01.2019, 06.02.2019, and 14.02.2019

And 1 (One) Independent Directors meeting was held on 14.02.2019 as required under Schedule IV of Companies Act, 2013

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

Information placed before the Board

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

3. AUDIT COMMITTEE

TERMS OF REFERENCE:

Powers of the Audit Committee

The powers of the Audit Committee shall include the following:

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

Role of Audit Committee

The role of the audit committee shall include the following:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the Statutory Auditor and the fixation of Audit Fee.

3. Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors.

4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:

    a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956.
    b. Changes, if any, in accounting policies and practices and reasons for the same.
    c. Major accounting entries involving estimates based on the exercise of judgment by management.
    d. Significant adjustments made in the financial statements arising out of audit findings.
    e. Compliance with listing and other legal requirements relating to financial statements.
    f. Disclosure of any related party transactions
    g. Qualifications in the draft audit report.

5. Reviewing, with the management, the Quarterly Financial Statements before submission to the board for approval.

6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer Document / Prospectus / Notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.

7) Reviewing, with the management, performance of Statutory and Internal Auditors, and adequacy of the internal control systems.

8) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.

9) Discussion with internal auditors any significant findings and follow up there on.

10) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.

11) Discussion with Statutory Auditors before the Audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

12) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.

13) To review the functioning of the Whistle Blower mechanism, in case the same is existing.

14) Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or

discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.

15) Carrying out any other function which the Board of Directors of the Company can refer to Audit Committee from time to time.

16) the recommendation for appointment, remuneration and terms of appointment of Auditors of the Company,

17) review and monitor the auditor's independence and performance, and effectiveness of audit process;

18) examination of the financial statement and the auditors' report thereon,

19) approval or any subsequent modification of transactions of the Company with related parties,

20) scrutiny of inter-corporate loans and investments;

21) valuation of undertakings or assets of the Company, wherever it is necessary,

22) evaluation of internal financial controls and risk management systems;

23) monitoring the end use of funds raised through public offers and related matters.

Review of information by Audit Committee

The Audit Committee shall review the following information:

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

Composition of Audit Committee

As on 31.03.2019, the Audit Committee of the Company comprises of two non-executive Independent Directors and one non-executive Non-Independent Director, who are well qualified and financially literate. Following is the composition of the Audit Committee:

Mr. Balwant Singh Sandhu	Independent Director, Chairman
Ms. Neena Kumar	Independent Director, Member
Mrs. Sidhu Jasvirkaur Daljeetsingh	Independent Director, Member

Mr. Balwant Singh Sandhu is the Chairman who has relevant accounts and Finance related expertise as well as qualification. Ms. Neena Kumar and Mrs. Sidhu Jasvirkaur Daljeetsingh are other two members. All of them are having knowledge and expertise in accounts and finance.

The Audit Committee meetings are also attended by Chief Financial Officer, Head of Internal Audit and representatives of Statutory Auditors.

Meetings of Audit Committee and attendance during the year 2018-19

4 meetings of the Audit Committee have been held during the year 2018-19 on the following dates:

29.05.2018, 06.08.2018, 12.11.2018 and 14.02.2019

The attendance at the Audit Committee Meetings during the period from 01.04.2018 till 31.03.2019 is given below:

Name	Title	No. of Meetings held	No. of Meetings attended
Mr. Balwant Singh Sandhu	Independent Director and Chairman of Committee	4	4
Ms. Neena Kumar	Independent Director	4	4
Ms. Sidhu Jasvirkaur Daljeetsingh	Independent Director	1	1

5. NOMINATION AND REMUNERATION COMMITTEE

BRIEF DESCRIPTION OF TERMS OF REFERENCE

Nomination and Remuneration Committee of the Board of Directors is in place in terms of Section 178 of the Companies Act, 2013, Listing Regulations, 2015 and RBI Guidelines. The Committee, earlier known as Nomination Committee was reconstituted as Nomination and Remuneration Committee in terms of Section 178 of the Companies Act, 2013. The Committee has been formed with a view to carry out the objectives as enshrined in these respective Statutes. The terms of reference of the Nomination and Remuneration Committee include:-

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

COMPOSITION:-

Following was the composition of the Nomination and Remuneration Committee as on 31-03-2019:

Mrs. Neena Kumar	Independent Director, Chairperson
Mrs. Neena Batra	Non-Executive Director, Member
Mr. Balwant Singh Sandhu	Independent Director, Member

Meetings of Nomination and Remuneration Committee and attendance during the year 2018-19

Two meetings of the Nomination and Remuneration Committee has been held during the year 2018-19 on 31.12.2018 and 18.01.2019

4. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders' Relationship Committee of the Board has been constituted to look into complaints like Transfer of Shares, non-receipt of Balance Sheet, non-receipt of Annual Report etc. The Committee is headed by Ms Neena Batra, who is a Non Executive Director. Mr Ranjan Jain and Mr Suninder Veer Singh, Directors are other Members of the Committee.

NAME AND DESIGNATION OF COMPLIANCE OFFICER

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

amarjeetkaurcs@syschem.in

TEL: 0172-5070472

COMPOSITION:

Following is the composition of the Stakeholders' Relationship Committee:

Ms Neena Batra	Non-Executive Director, Chairman
Mr Ranjan Jain	Executive Director, Member
Mr Suninder Veer Singh	Executive Director, Member

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

5. GENERAL BODY MEETINGS

(i) Location and time of Annual General Meetings held in the last 3 years:

YEAR	**2016**	**2017**	**2017**	**2018**
Type of Meeting	AGM	EGM	AGM	AGM
Date	29.09.2016	17/07/2017	30.09.2017	28.09.2018
Venue	Village Bargodam, Tehsil Kalka, Distt. Panchkula, Haryana.	Village Bargodam, Tehsil Kalka, Distt. Panchkula, Haryana.	Village Bargodam, Tehsil Kalka, Distt. Panchkula, Haryana.	Village Bargodam, Tehsil Kalka, Distt. Panchkula, Haryana.
Time	1.00 PM	10.30 AM	1.00 PM	1.00 PM
Special	No	YES	YES	Yes

Resolution passed				

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

Year 2015-16

1. Appointment of Ms Neena Kumar as Director of the Company.
2. Appointment of Mr Ranjan Jain as Director of the Company.

Year 2016-17

EGM

1. To increase the Authorised Share Capital
2. To amend the Memorandum of Association
3. To amend the Articles of Association
4. Preferential allotment of Equity Shares of the Company
5. Preferential allotment of Convertible Equity Warrants of the Company

AGM

1. Appointment of Ms Neena Batra as Director of the Company

Year 2017-18

1. To re-classify the status of M/s Classic Securities Pvt. Ltd. from 'Promoter' category to 'Public' category of the Company

In the ensuing Annual General Meeting the resolutions are being passed through remote e-voting and ballot voting at AGM. The e-voting process has already been explained in the Notes to the Notice of the Annual General Meeting.

8. DISCLOSURES

(i) **Related Party Transactions**

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

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

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

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

There is no non-compliance by the Company and there are no penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any Statutory Authority on any matter related to capital markets, during the last three years.

(iii) **Whistle Blower Policy**

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

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

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

(v) **Disclosure of Accounting Treatment**

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

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

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

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

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

(viii) **Material Subsidiaries**

The Company has no subsidiary as defined under Listing Regulations.

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

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

RELATIONSHIP OF DIRECTORS INTER SE

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

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

1. **The Board**

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

2. **Shareholder Rights**

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

3. **Audit Qualifications**
   There are no Audit qualifications on the Financial Statements of the Company for the year 2018-19.

4. **Reporting of Internal Auditor**

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

(viii) Code of Conduct

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

(ii) The Members of the Board of Directors and Senior Management personnel have affirmed compliance with the Code applicable to them during the year ended March 31, 2019. The Annual Report of the Company contains a Certificate duly signed by the Director in this regard.

(ix) Board Disclosures - Risk Management

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

(x) Proceeds from public issues, rights issues, preferential issues, etc.

During the year under review, no money has been raised by the Company by way of Public Issues, Rights Issues, Preferential Issues etc.

9. Management Discussion & Analysis Report:

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

10. MEANS OF COMMUNICATIONS

a. Quarterly Results :

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

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

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

c. BSE Corporate Compliance and Listing Centre:-

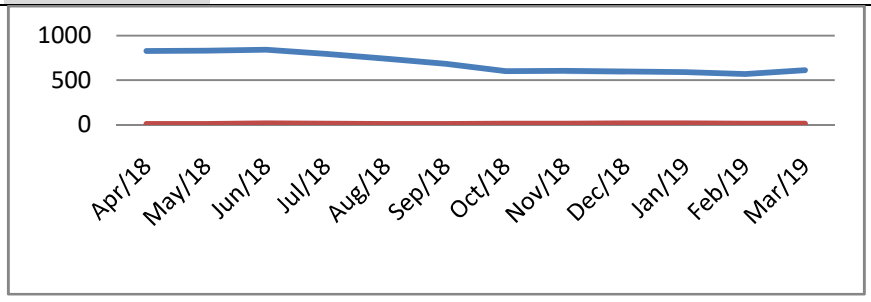
All periodical compliance filings like Shareholding Pattern, Corporate Governance Report, Quarterly Results etc. are filed electronically with the Listing Centre of BSE. Company is also regular in paying annual listing fee.

11. GENERAL SHAREHOLDER INFORMATION

AGM : Date, time	Friday, the 28th day of September, 2019 at 1.00 P.M.
AGM venue	Village Bargodam, Tehsil Kalka, Distt. Panchkula, Haryana - 133 302
Financial year	April 1st, 2018 to March 31st, 2019
Date of Book closure	25.09.2019 to 28.09.2019 (both days inclusive)
Dividend Payment Date	N/A
Listing on Stock Exchanges	BSE Limited
ISIN	INE121D01036
Scrip Code	531173
Market Price Data: High, Low during each month in last financial year	

Month	High Price	Low Price
Apr-18	13.1	10.65
May-18	12.28	10.11
Jun-18	11.79	9.97
Jul-18	11.18	9.27
Aug-18	12.00	9.25
Sep-18	12.40	9.84
Oct-18	11.35	8.80
Nov-18	11.34	9.39
Dec-18	10.84	9.22
Jan-19	10.79	9.53
Feb-19	10.49	8.06
Mar-19	10.25	8.40

Performance in comparison to broad-based indices such as BSE Sensex, CRISIL index etc.



Registrar and Transfer Agents	Beetal Financial & Computer Services Pvt. Ltd ,Beetal House, 99, Madangir behind Local Shopping Centre, Near Dada Harsukh Dass Mandir, New Delhi, - 110 062
Share Transfer System	To expedite the share transfer process in the physical segment, the process is undertaken by Common Registry M/s Beetal Financial & Computer Services Pvt. Ltd, New Delhi. Share Transfers are processed and approved by them and taken note of by Share Transfer Committee, i.e. Stakeholders' Relationship Committee. The said Committee of the Company meets on regular basis to review the work of Transfer, transmission and issue of duplicate Share Certificates etc. The shares of the Company are traded in dematerialized form only. Presently, the share transfers, which are received in physical form, are processed and the share

	certificates returned within a period of 15 days from the date of receipt by the RTA, subject to documents being valid and complete in all respects. All requests for Dematerialization of Shares are processed and the confirmation is given to the Depositories within 15 days by RTA subject to documents being valid and complete in all respects. Grievances received from Members and other miscellaneous correspondence on change of address, mandates etc. are processed by the Registrar within 15 days.
Dematerialization of shares and liquidity	Liquidity :- 91.6% of the shareholding of the Company have been dematerialized as on 31.03.2019 and there is sufficient liquidity in the stock.
Address for correspondence	The Compliance Officer, SCO No. -825, 1st Floor, NAC, Mani Majra Chandigarh. Ph. 0172-5070472 E-mail: info@syschem.in

(a) **Distribution of Shareholding (No. of Shares) as on March 31, 2019 is as under :-**

No. of Shares	No. of Shareholders	% of Shareholders	Total No. of Shares	% of Holding
1 – 5000	6457	79.26	996158	5.30
5001 – 10000	771	9.46	661591	3.52
10001 – 20000	360	4.41	568770	3.02
20001 – 30000	146	1.79	376994	2.00
30001 – 40000	59	0.72	214850	1.14
40001 – 50000	63	0.77	298113	1.58
50001 – 100000	107	1.31	804794	4.28
100001 and above	183	2.24	14869130	79.13
Total	8146	100.00	18790400	100.00

Shareholding Pattern as on 31st March, 2018 :-

	Category	No. of Shares held
	Promoters	4433286
	Institutional Investors	0
	Mutual Funds & UTI	0
	Banks, Financial Institutions and Insurance Companies	0
	FII's	0
	Others	0
	Private Corporate Bodies	3071057
	Indian Public	9803922
	NRIs/OCBs	515472
	HUF	761540
	Clearing Members	665

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

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

Statutory Audit	1,50,000
Tax Audit	-
Total	1,50,000

13. CEO / CFO CERTIFICATION

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

14. SUBSIDIARY COMPANIES

The Company has no subsidiary.

15. FAMILIARISATION PROGRAMME

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

details of familiarization programme have been posted on the website of the Company under the web link http://www.syschem.in/DOWNLOAD/Familiarization_Policy.pdf.

VIGIL MECHANISM CUM WHISLTE BLOWER POLICY

1. General

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

Section 177 (9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meeting of Board and its Powers) Rules, 2014 mandates the following classes of companies to constitute a vigil mechanism –
- Every Listed Company;
- Every other Company which accepts deposits from the public;
- Every Company which has borrowed money from banks and public financial institutions in excess of Rs. 50 crores.

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

2. Definitions

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

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

3. Reporting Responsibility

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

4. Wrongful Conduct

"Wrongful Conduct" is defined in this Whistleblower Policy to includes a serious violation of Company's policy; a violation of applicable state and federal law; or the use of Company's property, resources, or authority for personal gain or other non organization-related purpose except as provided under the policy

This definition of Wrongful Conduct is not intended to be an exclusive listing of the illegal or improper activity encompassed by the Whistleblower Policy. Rather, the Whistleblower Policy is intended to serve as a means of reporting all serious improprieties that potentially impact the integrity and effective operation of the Company.

5. No Retaliation

No Director, Officer, or Employee who in good faith reports Wrongful Conduct will suffer harassment, retaliation or adverse employment consequence. Any director, officer, or employee who retaliates against anyone who has reported Wrongful Conduct in good faith is subject to discipline up to and including termination of employment or removal from the board or directors, as applicable. This Whistleblower Policy is intended to encourage and enable employees and others to raise serious concerns within the company prior to seeking resolution outside the Company.

6. Reporting Wrongful Conduct

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

7. Acting in Good Faith

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

8. Confidentiality

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

9. Handling of Reported Wrongful Conduct

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

10. Retention of documents

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

11. Amendment

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

DECLARATION OF THE DIRECTOR

This is to certify that the Company has laid down code of conduct for all Board Members and Senior Management of the Company and the copies of the same are uploaded on the website of the Company www.syschem.in.Further certified that the Members of the Board of Directors and Senior Management personnel have affirmed having complied with the code applicable to them during the year ended March 31, 2019.

Sd/-
Place: CHANDIGARH **Suninder Veer Singh**
Date: 30.05.2019 **Chairman cum Managing Director**

CORPORATE GOVERNANCE COMPLIANCE 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 March 31, 2019, as stipulated in the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.

The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 except for composition of Board/committee.

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

SD/-
Date: 30.05.2019 ANIL NEGI
Place: Chandigarh **COMPANY SECRETARY IN PRACTICE**
M. No. 46547
C.P. NO. 17213

CEO/CFO DECLARATION

The Board of Directors of,
Syschem (India) Limited,
Village Bargodam, Tesil Kalka,
Distt Panchkula
Haryana.

Date: 30.05.2019

We hereby certify that for the financial year ending 31-03-2019, on the basis of review of financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:

1. These Statements of Syschem (India) Limited for the Financial year ending 31-03-2019, do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
2. These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

3. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.

4. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and we have taken steps from time to time to rectify these deficiencies.

5. We further certify that we have indicated to the Auditors and the Audit Committee that:

   a) there have been no significant changes in internal control over financial reporting during the year;
   b) there have been no significant changes in accounting policies during the year and
   c) there have been no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Sd/-
(Naresh Batra)
CFO

Sd/-
(Suninder Veer Singh)
Chairman cum Managing Director

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Members of
Syschem (India) Limited,
Village Bargodam, Tesil Kalka,
Distt Panchkula
Haryana.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Syschem (India) Limited** having CIN L24219HR1993PLC032195 and having registered office at **VILL-BARGODAMTEHSIL-KALKA DIST PANCHKULA HARYANA** and (hereinafter referred to as 'the Company'), produced before me/us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the **Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me / us by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	RANJAN JAIN	00635274	13/01/2015
2.	SUNINDER VEER SINGH	07693557	30/12/2016
3.	NEENA KUMAR	07138103	27/03/2015
4.	NEENA BATRA	07846399	16/06/2017
5.	SIDHU JASVIRKAUR DALJEETSINGH	08321273	31/12/2018

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

Place: Chandigarh
Date : 30.05.2019

Sd/-
Anil Negi
M. No. 46547
C.P. NO. 17213

INDEPENDENT AUDITORS REPORT
TO THE MEMBERS OF
SYSCHEM (INDIA) LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of **SYSCHEM (INDIA) LIMITED** ("the Company") which comprise the balance sheet as at 31st March 2019, the statement of profit and loss including other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanation given to us, the aforesaid financial statements give the information required by the Companies Act 2013 ("the Act") in the manner so required and give a true and faire view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) specified under section 133 of the Act, of the state of affairs (financial position) of the company as at March 31, 2019, its profit (financial performance including other comprehensive income), and its cash flows and the changes in equity, for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the standards on auditing (SAs) specified under section 143(10) of the Companies Act 2013. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the financial statement section of our report. We are independent of the company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provision of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion on the financial statement.

Emphasis of Matter

1. **Interest provisioning on facilities from bank**
   The company's various credit facilities have been declared NPA (Non-Performing Assets) by the bank. There is usual practice that bank discontinue to account for as Income in respect to the accrued interest on such assets, subsequent to the declaration of these as NPA. The bankers of the Company too have not accounted as Income in respect to the interest subsequent to NPA declaration date. In order to achieve the desired congruency on this issue and uncertainty of the amount liable to be paid, the management of the company has not provided for such interest i.e. interest on credit facilities subsequent to the date of declaration of these credit facilities as NPA. Such interest amounting to Rs. 141.00 Lakhs for the current financial year which has resulted in the understatement of liabilities and expenses to that extent.

2. **One Time Settlement (OTS) with Punjab National Bank**
   The Company has proposed its OTS offer to Punjab National Bank. The bank has approved the same at Rs. 1295.00 Lakhs out of which Company has paid Rs. 305.00 Lakhs during the current financial year. The Company has complied with all the terms and conditions except for repayment period. As informed to us, the company has requested to the bank for extension of the period of repayment of OTS amount.

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

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

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

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

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

Responsibility of Management for Financial Statements

The company's Board of Directors is responsible for the matter stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flow of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standard (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgment and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(I) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

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

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules ,2014.

e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March 2019 from being appointed as a Airector in terms of section 164(2) of the Act.

f) with respect to adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such control, refer to our separate report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operative effectiveness of the Company's internal financial control over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirement of the section 197(16) of the Act, as amended;

- In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in not accordance with the provisions of section 197 of the Act.

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

i) The Company has disclosed the impact of pending litigations on its financial position in its Ind AS Financial Statements. (Refer Note No. 28 to the Standalone Ind AS Financial Statements)

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

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

2. As required by the companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure "B" a statement on the matters specified in paragraphs 3 and 4 of the order, to the extent applicable.

for VINOD SUMITRA & CO.
Chartered Accountants

(Firm Registration No. 014398N)

(CA VINOD KUMAR BANSAL)
PARTNER
M. No. 093341

DATED : 30.05.2019
PLACE : CHANDIGARH

ANNEXURE A" TO THE INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the internal financial controls over financial reporting of **SYSCHEM (INDIA) LIMITED** ("the Company") as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the guidance note on the Audit of Internal financial control over financial reporting ("the Guidance Note"), issued by Institute of Chartered Accountants of India and the standard on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of Internal Financial Controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of IFCOFR, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the IFCOFR to future periods are

subject to the risk that IFCOFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate

Opinion

In our opinion, to the best of our information and according to the explanation given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

for VINOD SUMITRA & CO.
Chartered Accountants
(Firm Registration No. 014398N)

(CA VINOD KUMAR BANSAL)
PARTNER
M. No. 093341

DATED : 30.05.2019
PLACE : CHANDIGARH

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 2 under "Report on Other Legal and Regulatory Requirements" section of our Report of even date on the accounts for the year ended on 31st March, 2019 of **SYSCHEM (INDIA) LIMITED.**

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

(i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The fixed assets of the Company have been physically verified by the management at reasonable intervals and discrepancies were noticed on such verification.

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

(ii) As explained to us, the physical verification of the inventory has been conducted by the management at reasona intervals during the year. No material discrepancies have been noticed on physical verification. The balances of stock established on physical verification as at the year-end have been incorporated in the books of accounts. Consequen the shortage / excess, if any have been adjusted in the consumption of materials.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms Limited Liability Partnerships other parties covered in the register maintained under section 189. Accordingly, paragraph 3 (iii) of the Order is applicable.

(iv) The Company, has not granted any loans, made investment or given any guarantees and security in terms of section 1 & section 186. Accordingly, paragraph 3 (iv) of the Order is not applicable.

(v) In our opinion and according to the information and explanations given to us, the company has not accepted a deposits with the meaning of section 73 of the Companies Act, 2013. Accordingly, paragraph 3(v) of the Order is applicable.

(vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records a Audit) Rules, 2014, as amended and prescribed by the Central Government under section 148 (1) of the Companies A 2013 and are of the opinion that prima facie the prescribed cost records have been made and maintained. As informed us, Cost Audit will be conducted in due course of time. We have, however, not made a detailed examination of the c records with a view to determine whether they are accurate or complete.

(vii) (a) According to the information and explanations given to us and on the basis of records produced before us, the Compa is not regular in depositing undisputed statutory dues including Provident Fund, Income Tax, Sales Tax, Service Tax w appropriate authorities applicable to the Company. The arrears of outstanding statutory dues as at the last day financial year for a period of more than six months from the date they became payable is as under : -

S.NO.	Nature of Statutory Dues	Amo (In La
1.	Provident Fund	25
2.	Service Tax	4

(b) According to the information and explanations given to us, there are no material dues of Income Tax, Sales Tax, Wea Tax, Service Tax, Custom Duty, Excise Duty, Value Added Ttax or any other cess applicable to the Company wh have not been deposited with the appropriate authorities on account of any dispute except the following : -

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

(viii) In our opinion and according to the information and explanations given to us, the Company has defaulted in repaymen dues to Banks & Financial Institutions. The amount of default is Rs.1280.78 Lakhs since the account is NPA. Details lender is as under:

S.NO.	NAME OF THE LENDER	AMOUNT (In Lakhs)
1	Punjab National Bank, Sector 22-D, Chandigarh	1280.78

The Company does not have any loans or borrowings from any financial institution, Government or Debenture hol during the year.

(ix) The Company did not raise money by way of initial public offer or further offer (including debt instruments) and term loa during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.

(x) According to information given to us, no fraud by or on the Company by its officers or employees has been noticed reported during the course of our audit.

(xi) In our opinion and according to the information and explanation given to us, managerial remuneration has been provic in accordance with the provisions of section 197 read with Schedule V to the Companies Act.

(xiI) The Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanation given to us and based on examination of the record of the Compa transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable and det of such transactions have been disclosed in the financial statements as required by the applicable accounting standarc

(xiv) The Company has not made any preferential allotment or private placement of shares or fully or party converti debenture during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable.

(xv) The Company has not entered into any non-cash transactions with directors or person connected with them. Accordin paragraph 3(xv) of the Order is not applicable.

(xvi) The Company is not required to be registered under section 45-IA of Reserve Bank of India act 1934.

for VINOD SUMITRA & CO.
Chartered Accountants
(Firm Registration No. 014398N)

(CA VINOD KUMAR BANSAL)
PARTNER
M. No. 093341

DATED : 30.05.2019
PLACE : CHANDIGARH

SYSCHEM (INDIA) LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2019

Rs. in Lakhs

Particulars			Note	31st March, 2019	31st March, 2018
I	**ASSETS**				
	Non-Current Assets				
	(a)	Property, Plant and Equipment	1	**2664.37**	2851.01
	(b)	Capital Work-in-Progress	-	**1.27**	31.07
	(c)	Investment Property	-	**0.00**	0.00
	(d)	Intangible Assets	2	**30.03**	38.03
	(e)	Intangible Assets Under Development	-	**0.00**	0.00
	(f)	Deferred Tax Assets (Net)	3	**137.32**	212.38
	(g)	Other Non-Current Assets	4	**118.52**	81.26
	Total Non-Current Assets			**2951.51**	3213.75
	Current Assets				
	(a)	Inventories	5	**2368.36**	1285.01
	(b)	Financial Assets			
		(i) Investments	-	**0.00**	0.00
		(ii) Trade Receivables	6	**539.39**	853.35
		(iii) Cash and Cash Equivalents	7	**31.62**	20.56
		(iv) Other Bank Balances	8	**0.00**	4.16
		(v) Other Financial Assets	9	**1.96**	0.07
	(c)	Other Current Assets	10	**299.95**	389.10
	Total Current Assets			**3241.28**	2552.25
	TOTAL ASSETS			**6192.79**	5766.00
II	**EQUITY AND LIABILITIES**				
	Equity				
	(a)	Equity Share Capital	11	**1879.04**	1621.04
	(b)	Other Equity (Refer SOCE)	-	**-676.97**	-713.50
	Total Equity			**1202.07**	907.53
	LIABILITIES				
	Non-Current Liabilities				
	(a)	Financial Liabilities			
		(i) Borrowings	12	**1,282.95**	1,412.54
		(ii) Trade Payable	-	**0.00**	0.00
		(iii) Other Financial Liabilities	-	**0.00**	0.00
	(b)	Long Term Provisions	-	**0.00**	0.00
	(c)	Deferred Tax Liabilities (Net)	-	**0.00**	0.00
	(d)	Other Non-Current Liabilities	13	**0.00**	0.00
	Total Non-Current Liabilities			**1282.95**	1412.54
	Current Liabilities				
	(a)	Financial Liabilities			
		(i) Borrowings	14	**181.01**	499.89
		(ii) Trade Payables	15	**3002.43**	2414.44
		(iii) Other Financial Liabilities	16	**0.00**	15.25

(b)	Short Term Provisions	17	**14.84**	14.84
(c)	Other Current Liabilities	18	**509.49**	501.50
Total Current Liabilities			**3707.77**	3445.93
TOTAL EQUITY AND LIABILITIES			**6192.79**	5766.00
Significant Accounting Policies & Notes on Accounts		-		
Notes on Financial Statements		1 to 31		

The Notes referred to above form an integral

As per our report of even date attached

for VINOD SUMITRA & CO.
Chartered Accountants
(Firm Registration No. : 014398N)
(VINOD KUMAR BANSAL)
Partner
Membership No. 093341

(AMARJEET KAUR)
Company Secretary
PAN : ALTPK5846C

(RANJAN JAIN)
Director
DIN : 00635274

(NARESH BATRA)
Chief Financial Officer
PAN : AGRPB3187C

(SUNINDER VEER SINGH)
Managing Director
DIN : 07693557

Chandigarh, 30th May, 2019

SYSCHEM (INDIA) LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2019

Rs. in Lakhs

Particulars	Note	31st March, 2019	31st March, 2018
Revenue from operations (Gross)	19	**10959.95**	7658.89
Other Income	20	**8.43**	0.33
Total Income		**10968.38**	7659.22
EXPENSES			
Cost of Raw Materials Consumed	21	**8563.09**	6158.80
Changes in Inventories of Finished Goods and Work-in-Progress	22	**(230.43)**	(332.48)
Excise duty, Service Tax & GST		**1649.10**	1007.70
Employee Benefits Expense	23	**295.97**	246.67
Finance Cost	24	**1.20**	15.33
Depreciation and Amortisation Expense	1 & 3	**214.78**	208.38
Other Expenses	25	**324.37**	276.19
Total Expenses		**10818.08**	7580.59
Profit Before Exceptional items and Tax		**150.30**	78.63
Exceptional Items		**0.00**	(18.48)
Profit Before tax		**150.30**	60.15
Tax Expense			
(1) Current tax	-	**0.00**	0.00

(2)	Deferred tax		-	**75.06**	26.42
(3)	Income Tax - Earlier Years		-	**0.00**	0.00
Total Tax expense				**75.06**	26.42
Profit After tax				**75.24**	33.73
Other Comprehensive Income				0.00	0.00
A	(i)	Items that will not be reclassified to profit and loss		0.00	0.00
	(ii)	Income tax related to above		0.00	0.00
B	(i)	Items that may be reclassified to profit and loss		0.00	0.00
	(ii)	Income tax related to above		0.00	0.00
Total Comprehensive Income for the period				**75.24**	33.73
Earning per Equity Share :			26		
(1)	Basic Earning Per Share (Rs.)			**0.43**	0.21
(2)	Diluted Earning Per Share (Rs.)			**0.43**	0.21
Significant Accounting Policies & Notes on Accounts			-		
Notes on Financial Statements			1 to 31		

The Notes referred to above form an integral

As per our report of even date attached

FOR AND ON BEHALF OF THE BOARD

for VINOD SUMITRA & CO.
Chartered Accountants
(Firm Registration No. : 014398N)

(AMARJEET KAUR)
Company Secretary
PAN : ALTPK5846C

(RANJAN JAIN)
Director
DIN : 00635274

(VINOD KUMAR BANSAL)
Partner
Membership No. 093341

(NARESH BATRA)
Chief Financial Officer
PAN : AGRPB3187C

(SUNINDER VEER SINGH)
Managing Director
DIN : 07693557

Chandigarh, 30th May, 2019

SYSCHEM (INDIA) LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2019

Rs. in Lakhs

Particulars	**31st March, 2019**	31st March, 2018
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax for the year	**150.30**	60.15
Adjustments for:		
Depreciation and amortisation	**214.78**	208.38
Employee Stock Compensation	**0.00**	0.00
Loss on sale of FA	**50.19**	
Interest (Received) / Paid (Net)	**1.06**	15.16

Actuarial Gain/(Loss) on re-measurement of Defined Benefit Liability	**0.00**	0.00
Operating Profit Before Working Capital Changes	**416.33**	**283.69**
Movements in working capital:		
(Increase)/decrease in trade and other receivables (Non-Current/Current)	**439.02**	(685.15)
(Increase)/decrease in inventories	**(1083.34)**	(742.44)
(Decrease)/increase in trade and other payables (Non-Current/Current)	**132.26**	1171.17
Cash generated from operations	**(95.73)**	**27.27**
Income taxes paid (Net of refund)	**(75.06)**	**(26.42)**
Cash Flow Before Extraordinary Items	**(170.79)**	**0.85**
Extraordinary Items	**-**	-
Net cash generated from operating activities	**(170.79)**	**0.85**
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Bank Deposit (Placed) / Matured (Net)	**4.16**	(4.16)
Interest received	**0.14**	0.17
Purchase of Property, Plant and Equipment & Intangible	**(105.39)**	(172.72)
Proceeds from share capital	**219.29**	146.69
Proceeds from disposal of Property, Plant and Equipment	**64.85**	58.78
Net cash (used in) / generated from investing activities	**183.05**	**28.76**
(^excludes Capital Advances)		
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid to owners of the Company (including DDT)	**0.00**	0.00
Interest and Finance Charges paid	**(1.20)**	(15.33)
Net cash used in financing activities	**(1.20)**	**(15.33)**
Net increase / (Decrease) in Cash and Cash Equivalents	**11.06**	14.28
Cash and Cash Equivalents at the beginning of the year	**20.56**	6.28
Cash and cash equivalents at the end of the year	**31.62**	**20.56**

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

As per our report of even date attached

FOR AND ON BEHALF OF THE BOARD

for VINOD SUMITRA & CO.
Chartered Accountants
(Firm Registration No. : 014398N)

(AMARJEET KAUR)	**(RANJAN JAIN)**
Company Secretary	**Director**
PAN : ALTPK5846C	**DIN : 00635274**

(VINOD KUMAR BANSAL)
Partner
Membership No. 093341

(NARESH BATRA)	**(SUNINDER VEER SINGH)**
Chief Financial Officer	**Managing Director**
PAN : AGRPB3187C	**DIN : 07693557**

Chandigarh, 30th May, 2019

SYSCHEM (INDIA) LIMITED
Notes to the financial statements for the year ended 31st March, 2019

1 Property, Plant and Equipment

Following are the changes in the carrying value of Property, Plant and Equipment for the year ended 31st March, 2019:

Rs. in Lakhs

Description of Assets	**Land**	**Buildings**	**Plant and Equipment**	**Office Equipments**	**Furniture and Fixture**	**Electrical Installation**	**Vehicles**	**Computer**	**Total**
Gross Carrying Value as at 1st April 2018	**19.07**	**589.20**	**3499.12**	**24.77**	**4.71**	**160.32**	**32.56**	**10.76**	**4340.51**
Additions during the year*	**0.00**	**16.68**	**77.79**	**0.00**	**0.57**	**9.48**	**0.00**	**0.87**	**105.39**
Disposals during the year	**0.00**	**0.00**	**117.27**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**117.27**
Gross Carrying Value as at 31st March 2019 (A)	**19.07**	**605.88**	**3459.64**	**24.77**	**5.28**	**169.80**	**32.56**	**11.63**	**4328.63**
Accumulated depreciation as at 1st April 2018	**0.00**	**175.78**	**1188.77**	**23.23**	**4.43**	**63.77**	**24.33**	**9.20**	**1489.51**
Depreciation expense for the year	**0.00**	**18.85**	**167.88**	**0.25**	**0.06**	**14.60**	**3.87**	**1.27**	**206.78**
Accumulated depreciation on disposal/adjustment during the year	**0.00**	**0.00**	**32.03**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**32.03**
Accumulated depreciation as at 31st March 2019 (B)	**0.00**	**194.63**	**1324.62**	**23.48**	**4.49**	**78.37**	**28.20**	**10.47**	**1664.26**
Carrying Value as at 31st March 2019 (A-B)	**19.07**	**411.25**	**2135.02**	**1.29**	**0.79**	**91.43**	**4.36**	**1.16**	**2664.37**

Following are the changes in the carrying value of Property, Plant and Equipment for the year ended 31st March, 2018

Rs. in Lakhs

Description of Assets	Land	Buildings	Plant and Equipment	Office Equipments	Furniture and Fixtures	Electrical Installations	Vehicles	Computer	Total
Gross Carrying Value as at 1st April 2017	19.07	574.39	3363.90	24.42	4.71	139.33	32.56	9.41	4167.80
Others - Classified as Investment Property	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Restated Gross Carrying Value as at 1st April 2017	19.07	574.39	3363.90	24.42	4.71	139.33	32.56	9.41	4167.80
Additions during the year	0.00	14.81	135.22	0.35	0.00	20.99	0.00	1.35	172.72
Disposals/Adjustment during the year	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Gross Carrying Value as at 31st March 2018 (A)	19.07	589.20	3499.12	24.77	4.71	160.32	32.56	10.76	4340.52
Accumulated depreciation of 1st April 2017	0.00	157.42	1024.55	22.98	3.99	50.79	20.46	8.94	1289.13
Others- Classification of Investment Property	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Restated Accumulated depreciation as at 1st April 2017	0.00	157.42	1024.55	22.98	3.99	50.79	20.46	8.94	1289.13
Depreciation expense for the year	0.00	18.36	164.22	0.25	0.44	12.98	3.87	0.26	200.38
Accumulated depreciation on Disposal / Adjustment during the year	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Accumulated Depreciation as at 31st March 2018 (B)	0.00	175.78	1188.77	23.23	4.43	63.77	24.33	9.20	1489.51
Carrying Value as at 31st March 2018 (A-B)	19.07	413.42	2310.36	1.54	0.28	96.55	8.23	1.56	2851.01
Carrying Value as at 1st April 2017	19.07	416.97	2339.35	1.44	0.72	88.54	12.10	0.47	2878.67

2 Intangible Assets

Following are the changes in the carrying value of Intangible Assets for the year ended 31st March, 2019:

Rs. in Lakhs

Description of Assets	**Process know-how**

Gross Carrying Value as at 1st April 2018		**80.00**
Additions during the year		**-**
Disposals/Adjustment during the year		**-**
Gross Carrying Value as at 31st March 2019	**(A)**	**80.00**
Accumulated depreciation as at 1st April 2018		**41.97**
Amortisation expense for the year		**8.00**
Accumulated depreciation on disposal/adjustment during the year		**-**
Accumulated depreciation as at 31st March 2019	**(B)**	**49.97**
Carrying Value as at 31st March 2019	**(A-B)**	**30.03**

Following are the changes in the carrying value of Intangible Assets for the year ended 31st March, 2018:

Rs. in Lakhs

Description of Assets		Process know-how
Gross Carrying Value as at 1st April 2017		80.00
Additions during the year		-
Disposals/Adjustment during the year		-
Gross Carrying Value as at 31st March 2018	(A)	80.00
Accumulated depreciation as at 1st April 2017		33.97
Amortisation expense for the year		8.00
Accumulated depreciation on disposal/adjustment during the year		-
Accumulated depreciation as at 31st March 2018	(B)	41.97
Carrying Value as at 31st March 2018	(A-B)	38.03
Carrying Value as at 1st April 2017		46.03

3 Current Tax and Deferred Tax

(a) Deferred Tax

Rs. in Lakhs

Particulars	As at	
	31st March, 2019	31st March, 2018
Deferred Tax Assets		
- On Property, Plant & Equipment	**137.32**	212.38
Deferred Tax Assets		
- On Employee benefits	0.00	0.00
Deferred Tax Liabilities / (Assets)	**137.32**	**212.38**

(b) Income Tax recognised in Profit and Loss

Rs. in Lakhs

Particulars	**Year ended 31st March, 2019**	Year ended 31st March, 2018
Current Tax	0.00	0.00
Deferred Tax	75.06	26.42

Total income tax expense	**75.06**	**26.42**

4 Other Non-Current assets

Rs. in Lakhs

Particulars	As at	
	31st March, 2019	31st March, 2018
Capital advances - Considered Good		
Secured	**-**	-
Unsecured	**1.93**	1.93
Security Deposits-Considered Good		
Unsecured	**11.16**	11.16
Income Tax (Net of Provisions)	**-**	-
Advances to Suppliers	**7.29**	11.75
Others	**98.14**	56.42
Total	**118.52**	81.26

5 Inventories

Rs. in Lakhs

Particulars	As at	
	31st March, 2019	31st March, 2018
Raw Materials & Components	**1615.76**	774.78
Work-in-progress	**627.15**	432.67
Finished goods	**71.50**	35.55
Stores and Spares	**53.95**	42.01
Total	**2368.36**	1285.01

2.7 Current Investments

Particular	Face Value per unit (in Rs.)	**31st March, 2019**		31st March, 2018	
		Number	**Amount**	Number	Amount
Unquoted Investments					
Carried at Fair Value through profit and loss					
Investments in Mutual Funds		**-**	**0**	-	0
Total			**0**		##

6 Trade Receivables

Rs. in Lakhs

Particulars	As at	
	31st March, 2019	31st March, 2018
Unsecured, considered good	**539.39**	853.35
Of the above, Trade Receivables from:		
- Related Parties	**0.00**	0.00
- Others	**539.39**	853.35

7 Cash and Bank Balance

Rs. in Lakhs

Particulars	As at 31st March, 2019	As at 31st March, 2018
Cash and Cash equivalents		
Balances with banks	**22.96**	0.00
Cash in hand	**8.66**	20.56
Total	**31.62**	20.56

8 Other Bank Balances

Rs. in Lakhs

Particulars	As at 31st March, 2019	As at 31st March, 2018
Balances with Bank held as Margin Money & Deposit against Guarantees.	**0.00**	4.16
Fixed Deposits with Original maturity greater than 3 months but upto 12 months	**0.00**	0.00
Earmarked balances with banks - Unpaid/Unclaimed Dividend	**0.00**	0.00
Total	**0.00**	4.16

9 Other Financial Assets

Rs. in Lakhs

Particulars	As at 31st March, 2019	As at 31st March, 2018
Financial assets at carrying value		
Bank Deposit with Original Maturity for more than 12 months	**0.00**	0.00
Interest Accrued on Deposits	**0.00**	0.00
Advances to Employees	**1.96**	0.07
Total	**1.96**	0.07

10 Other Current Assets

Rs. in Lakhs

Particulars	As at 31st March, 2019	As at 31st March, 2018
Unsecured, considered good		
Balance with Excise Authorities	**0.00**	0.00
Prepaid Expenses	**4.33**	4.92
Other Advances recoverable in cash or kind		
- CENVAT	**0.00**	0.00
- Value Added Tax	**0.00**	0.00
- Goods and Service Tax	**247.79**	379.55
- Others	**47.83**	4.63
Total	**299.95**	389.10

11 Equity Share Capital

Rs. in Lakhs

Particulars	As at 31st March, 2019	As at 31st March, 2018
Authorised:		
Equity Shares, Rs. 10/- par value 2,50,00,000 (Previous Year : 2,00,00,000) Equity Shares	**2500.00**	2500.00

Issued, Subscribed and Paid-Up:	**1879.04**	1621.04
Equity Shares, Rs. 10/- par value		
1,87,90,400 (Previous Year : 1,62,10,400) Equity Shares fully paid-up		
	1879.04	**1621.04**

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

Proposed Dividend

The Board of Directors, in their meeting held on 30th May, 2019, has not declared any dividend for the current Financial Year 2018-19.

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

Name of shareholder	**31st March, 2019**		**31st March, 2018**	
	Number of shares held	**% of Shareholding**	Number of shares held	% of Shareholding
Mr Ranjan Jain	**2,865,892**	**15.25%**	2,960,566	18.26%
Mr Suninder Veer Singh	**1,059,180**	**5.64%**	0	0.00%

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

Description	**31st March, 2019**		**31st March, 2018**	
	No. of Shares	**Share Capital**	No. of Shares	Share Capital
		(Rs. in lacs)		(Rs. in lacs)
Number of Equity Shares at the beginning	**16,210,400**	**1621.04**	15,910,400	1591.04
Movement in Equity Shares during the year	**2,580,000**	**258.00**	300,000.00	30.00
Number of Equity Shares at the closing	18,790,400	1,879.04	16,210,400	1,621.04

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

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

STATEMENT OF CHANGES IN EQUITY (SOCE) FOR THE YEAR ENDED 31ST MARCH, 2019

A. Changes in Equity Share Capital **Rs. in Lakhs**

Particulars	**As at 31st March 19**	31st March 18
Outstanding at the beginning	**1621.04**	1591.04
Changes in Equity Share Capital during the year	**258.00**	30.00
Outstanding at the end	**1879.04**	1621.04

A. Changes in Other Equity

For the year ended 31st March, 2019

Rs. in Lakhs

Particulars	**Reserves and Surplus**				**Preference Share**	**Money received against shares warrants**	**Total**
	Retained Earnings	**General Reserve**	**Capital Reserve**	**Securities Premium Reserve**			

As at 1st April 2018	**(1012.48)**	**0.00**	**6.28**	**80.51**	**100.00**	**112.19**	**(713.50)**
Profit / (Loss) for the Year	**75.24**	0.00	0.00	0.00	0.00	**0.00**	**75.24**
Premium on Equity Shares issued during the year	**0.00**	0.00	0.00	**38.70**	0.00	**0.00**	**38.70**
Share Warrants issued during the year	**0.00**	0.00	0.00	0.00	0.00	**(77.41)**	**(77.41)**
As at 31st March 2019	**(937.24)**	**0.00**	**6.28**	**119.21**	**100.00**	**34.78**	**(676.97)**

For the year ended 31st March 2018

Rs. in Lakhs

Particulars	Reserves and Surplus				Preference Share	Money received against shares warrants	Total
	Retained Earnings	General Reserve	Capital Reserve	Securities Premium Reserve			
As at 1st April 2017	(1046.21)	0.00	6.28	76.01	100.00	0.00	(863.92)
Transitional Changes due Ind-AS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Restated Balance as at 1st April 2017	(1046.21)	0.00	6.28	76.01	100.00	0.00	(863.92)
Profit / (Loss) for the Year	33.73	0.00	0.00	0.00	0.00	0.00	33.73
Premium on Equity Shares issued during the year	0.00	0.00	0.00	4.50	0.00	0.00	4.50
Share Warrants issued during the year	0.00	0.00	0.00	0.00	0.00	112.19	112.19
As at 31st March 2018	(1012.48)	0.00	6.28	80.51	100.00	112.19	(713.50)

As per our report of even date attached

for VINOD SUMITRA & CO.
Chartered Accountants
(Firm Registration No. : 014398N)

(VINOD KUMAR BANSAL)
Partner
Membership No. 093341

FOR AND ON BEHALF OF THE BOARD

(AMARJEET KAUR)
Company Secretary
PAN : ALTPK5846C

(RANJAN JAIN)
Director
DIN : 00635274

(NARESH BATRA)
Chief Financial Officer
PAN : AGRPB3187C

(SUNINDER VEER SINGH)
Managomg Director
DIN : 07693557

Chandigarh, 30th May, 2019

12 Borrowings

Rs. in Lakhs

Particulars	As at	
	31st March, 2019	**31st March, 2018**
1) Secured Loans :		
a) Term Loans		
- from Banks	**922.24**	922.24
- from Others	**0.00**	0.00
b) Letter of Credit		
- from Banks	**177.53**	177.53
c) Other Loans @	**-**	**-**
Total (1)	**1,099.77**	**1,099.77**
2) Unsecured Loans :		
a) Loans and advances from related parties #	**183.18**	**312.77**
b) Other Loans @	**-**	-
Total (2)	**183.18**	**312.77**
Total Borrowings (1+2)	**1,282.95**	**1,412.54**

 # includes loans from Directors and Corporates
@ loans from NBFC's

13 Other Non-Current Liabilities

Particulars	As at	
	31st March, 2019	**31st March, 2018**
a) Advances	0.00	0.00
b) Others	0.00	0.00
Total	0.00	0.00

14 Borrowings

Rs. in Lakhs

Particulars	As at	
	31st March, 2019	**31st March, 2018**
1) Secured Loans :		
a) Cash Credit from PNB	**181.01**	499.89
Total	**181.01**	499.89
2) Unsecured Loans :	**0.00**	**0.00**
Total	**181.01**	499.89

15 Trade Payables

Rs. in Lakhs

Particulars	As at	
	31st March, 2019	31st March, 2018
Trade payable - Micro, Small and Medium enterprises	**0.00**	0.00
Trade payable - Other than Micro, Small and Medium enterprises	**3002.43**	2414.44
Total	**3002.43**	2414.44

16 Other Financial Liabilities

Rs. in Lakhs

Particulars	As at	
	31st March, 2019	31st March, 2018
Current maturities of long term debt	0.00	15.25
Total	**0.00**	15.25

17 Short Term Provisions

Rs. in Lakhs

Particulars	As at	
	31st March, 2019	31st March, 2018
Provision for Employee Benefits		
- Provision for Gratuity	**14.84**	14.84
- Provision for Leave Encashment	**0.00**	0.00
Total	**14.84**	14.84

18 Other Current Liabilities

Rs. in Lakhs

Particulars	As at	
	31st March, 2019	31st March, 2018
Advances received from customers	**90.58**	95.00
Expenses payable	**128.42**	101.16
Statutory dues payable	**290.49**	305.34
Total	**509.49**	501.50

19 Revenue from Operations

		Rs. in Lakhs
Particulars	**31st March, 2019**	31st March, 2018
Revenue from sale of products (including Excise Duty / GST)	**10877.46**	7537.86
Revenue from rendering of services	**52.20**	3.77
Other operating revenue	**30.29**	117.26
Total	**10959.95**	7658.89

20 Other Income

		Rs. in Lakhs
Particulars	**31st March, 2019**	31st March, 2018
Interest Income	**0.14**	0.17
Misc Income	**8.29**	0.16
Total	**8.43**	0.33

21 Cost of materials consumed

		Rs. in Lakhs
Particulars	**31st March, 2019**	31st March, 2018
Opening stock	**774.78**	361.37
Add: Purchases	**9404.07**	6572.21
	10178.85	6933.58
Less:		
Closing Stock	**1615.76**	774.78
Total	**8563.09**	6158.80

22 Changes in inventories of Finished Goods and Work-in-Progress

		Rs. in Lakhs
Particulars	**31st March, 2019**	31st March, 2018
Inventories at the end of the year:		
Finished goods	**71.50**	35.55
Work-in-progress	**627.15**	432.67
	698.65	468.22
Inventories at the beginning of the year:		
Finished goods	**35.55**	0.00
Work-in-progress	**432.67**	135.74
	468.22	135.74
Net (increase) / decrease	**-230.43**	(332.48)

23 Employee Benefits Expense

		Rs. in Lakhs
Particulars	**31st March, 2019**	31st March, 2018
Salaries and Wages	**270.58**	226.65
Contribution to provident and other funds	**13.21**	9.17
Staff welfare expenses	**12.18**	10.85
Total	**295.97**	**246.67**

24 Finance Cost

		Rs. in Lakhs
Particulars	**31st March, 2019**	31st March, 2018
Interest	**0.77**	9.44

Bank Charges	**0.43**	3.04
Exchange Fluctuation	**0.00**	2.85
Total	**1.20**	15.33

25 Other Expenses

		Rs. in Lakhs
Particulars	**31st March, 2019**	31st March, 2018
Direct Expenses		
Power, Fuel & Water Charges	**157.44**	160.40
Consumption of Stores & Spares	**5.67**	23.14
Rent - DG Set	**0.00**	2.25
Repairs and Maintenance		
- Buildings	**1.06**	1.02
- Machinery	**4.52**	5.29
Watch & Ward	**4.27**	7.06
Indirect Expenses		
Advertisement & Publicity	**7.79**	2.82
Rates and Taxes	**8.41**	10.85
Insurance	**1.58**	3.09
Legal & Professional Expenses	**41.78**	3.11
Rent - Office	**15.60**	9.30
Postage & Telephone	**2.34**	5.77
Printing & Stationery	**1.86**	1.88
Travelling & Conveyance	**11.37**	1.45
Auditors' Remuneration		
- As Statutory Audit Fee	**2.00**	1.50
Fines & Penalties	**1.01**	3.15
Other Marketing Expenses	**7.40**	30.01
Loss on disposal of Property, Plant and Equipment	**50.19**	0.00
Miscellaneous Expenses	**0.08**	4.10
Total	**324.37**	276.19

26 Earning per Share

		Rs. in Lakhs
Particulars	**31st March, 2019**	**31st March, 2018**
Profit for the year	**75.24**	33.73
Profit for the year for diluted earning per share	**75.24**	33.73
Weighted average number of Ordinary Equity Shares used in Computing basic earning per share	**17350400**	15910400
Effect of potential Ordinary Equity shares on employee stock options	**0**	0
Weighted average number of Ordinary Equity Shares used in Computing diluted earning per share	**17350400**	15910400
Basic earning per share (Rs.) (Face Value of Rs. 10 per share)	**0.43**	**0.21**
Diluted earning per share (Rs.)	**0.43**	**0.21**

27 Related Party Transactions

Key Management Personnel

Ranjan Jain
Suninder Veer Singh

Enterprises significantly influenced by key management personnel

Impetus Healthcare

Relatives of key management personnel

Ruchika Jain
Gurcharan Kaur

Details of transaction between the Company and its related parties are disclosed below:

		Rs. in Lakhs
Particulars	**31st March, 2019**	31st March, 2018
i) Key Management Personnel		
a) Remuneration	**28.80**	**28.80**
b) Loans received / paid (Net)	**-129.60**	**92.73**
Aggregate balances outstanding as at the year end		
a) Loans	**20.30**	**149.90**
ii) Enterprises significantly influenced by key management personnel		
a) Sales	**921.78**	**1013.73**
b) Purchases	**880.83**	**767.44**
Aggregate balances outstanding as at the year end		
- Receivables	**0.00**	**0.00**
- Payables	**14.64**	**76.23**
iii) Relatives of Key Management Personnel		
a) Remuneration	**24.90**	**11.70**

28 Contingent Liabilities and Commitments (To the extent not provided for)

		Rs. in Lakhs
	As at	
Particulars	**31st March, 2019**	31st March, 2018
Contingent Liabilities		
- Excise matters in dispute	**14.94**	14.94
- Other monies for which company is contigently liable	**311.00**	1,070.00
Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances and deposits)	**0.00**	0.00

29 Segment Reporting

The Company is working under one business segment only i.e. Pharmceuticals. These pharmaceutical products are having different applications. Besides there is not any significant variances on geographical basis, so the segment reporting defined under Ind AS 108 is not applicable.

30 First-time adoption of Ind-AS

These financial statements, for the year ended 31st March 2019, are the Company's second financial statement prepared in accordance with Ind-AS. For periods up to and including the year ended 31st March 2017, the Company prepared its financial statements in accordance with statutory reporting requirement in India immediately before adopting Ind AS ('previous GAAP').

Accordingly, the Company has prepared financial statements which comply with Ind-AS applicable for period ending on 31st March 2019, together with the comparative period data as at and for the year ended 31st March 2018, as described in the summary of significant Accounting Policies.

Exemptions applied - Company has not opted for any exemptions as given in Ind AS 101

First Time Ind AS Adoption reconciliations

The effect of the company's transition to IND AS is summarized in this note as follows:
(i) Reconciliation of Equity and Net Profit as previously reported under Indian GAAP to IND AS;
(ii) Adjustments to the statement of cash flows.

(i) (a) Reconciliation of Total Equity as at 31st March, 2017 and 1st April, 2016:

Rs. in Lacs

Particulars	As at 31st March, 2017	As at 1st April, 2016
Equity as reported under previous GAAP	21404.89	21207.41
Ind AS: Adjustments increase / (decrease):		
Dividends not recognised as liability until declared	4932.91	4932.91
Discounting of Provisions	5.96	6.51
Equity as reported under IND AS	26343.76	26146.83

(i) (b) Reconciliation of Total Comprehensive Income for the year ended 31st March, 2017:

	Rs. in Lacs
Particulars	Year Ended 31st March, 2017
Profit or Loss as per previous GAAP	5120.07
Ind AS: Adjustments Increase (Decrease):	
Actuarial (gain) / Loss on employee defined fund recognised in other comprehensive Income (net of tax)	10.81
Discounting Impact of Long Term Provisions	(0.55)
Employee Stock Compensation Valued at Fair Value	0.90
Total adjustment to profit or loss	11.16
Profit or Loss under Ind AS	5131.23
Other comprehensive income	(10.81)
Total Comprehensive Income under Ind AS	5,120.42

Note: No statement of comprehensive income was produced under previous GAAP. Therefore, the reconciliation starts with profit under previous GAAP.

(ii) Material adjustments to the Statement of Cash Flows

Rs. in Lacs

Particulars	Year ended 31 March 2017		
	Previous GAAP	Ind AS Adjustments	Ind AS
Net cash flows from operating activities	6303.15	0.76	6303.91
Net cash flows from investing activities	(1375.04)	-	(1375.04)
Net cash flows from financing activities	(4920.08)	(0.76)	(4920.84)
Net increase / (decrease) in cash and cash equivalents	8.03	-	8.03
Cash and cash equivalents at beginning of period	63.57	-	63.57
Cash and cash equivalents at end of period	**71.60**	**-**	**71.60**

Analysis of cash and cash equivalents as at 31st March 2016 and 1st April 2015 for the purpose of Statement of Cash flows under Ind AS

Rs. in Lacs

Particulars	As at 31st March, 2017	As at 1st April, 2016
Cash and cash equivalents for the purpose of Statement of Cash flows as per Previous GAAP	71.60	63.57
Cash and cash equivalents for the purpose of Statement of Cash flows as per Ind AS	71.60	63.57

31 Details related to Long term Borrowings

a) **Details of security**

Term Loan and Cash Credit from Punjab National bank are secured against hypothecation of Land & Building, Plant & Machinery and Misc Fixed Assets and personal guarantees of Whole Time Directors

b) **Terms of repayment of term loans and others**

Pariculars	Period of Maturity	No. of Installments Due*	Amount of Installments Due*
PNB Term Loan	23	23	922.24

** Term Loan is NPA*

SYSCHEM (INDIA) LIMITED

Registered Office: VILLAGE BARGODAM, TEHSIL KALKA, DISTT. PANCHKULA, HARYANA – 133302.
(In case of Member is unable to be present in person at the Meeting this form may be used)

Form No. MGT-11
Proxy form

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

CIN: L24219HR1993PLC032195
Name of the company: SYSCHEM (INDIA) LIMITED
Registered office: VILLAGE BARGODAM, TEHSIL KALKA, DISTT. PANCHKULA, HARYANA – 133302

Name of the member (s):
Registered address:
E-mail Id:
Folio No/ Client Id:
DP ID:

I/We, being the member (s) of ……. shares of the above named company, hereby appoint

1. Name: ……

Address:
E-mail Id:
Signature:……., or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the ……..Annual general meeting/ Extraordinary general meeting of the company, to be held on the ……. day of …….. At …… a.m. /p.m. at……(place) and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.
1……
2……
3……..

Affix
Revenue Stamp

Signed this…… day of…… 20….

Signature of shareholder

Signature of Proxy holder(s)

Note: 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.

SYSCHEM (INDIA) LIMITED

Registered Office: VILLAGE BARGODAM, TEHSIL KALKA, DISTT. PANCHKULA, HARYANA – 133302

ATTENDANCE SLIP

for the 26th Annual General Meeting
to be handed over at the registration counter

Folio No./ DPID & Client ID:

Name:

Address:

I/ We hereby record my/our presence at the 26th Annual General Meeting of the company on Saturday, September 28, 2018 at 3.00 P.M at the registered office of the company at Village Bargodam, Tehsil Kalka, Distt. Panchkula, Haryana – 133302

…… ……

Name of the Member/ Proxy Signature of the member/proxy

Note:

1. A member or his duly appointed Proxy wishing to attend the meeting must complete this Attendance slip and hand it over at the entrance.
2. Name of the Proxy in block letters.....(in case the proxy attends the meeting).
3. Members are requested to bring their copies of the Annual Report to the meeting .