

# ANNUAL REPORT 2013 -14

## BOARD OF DIRECTORS

1. Shri Sudhir Samdani	Managing Director
2. Shri Jagdish Rathi	Independent Director
3. Shri Rakesh Sethiya	Independent Director
4. Shri Bhagwati Prasad Sharma	Independent Director

## STATUTORY AUDITORS:

Sethiya Khandelwal & Co.,  
Chartered Accountants  
209, Manas Bhavan Ext.  
11, R.N.T. Marg, Indore M.P.

## BANKERS:

State Bank of Bikaner & Jaipur  
Axis Bank

## LISTED AT

Bombay Stock Exchange Ltd, Mumbai  
Kolkata Stock Exchange, Association  
Madhya Pradesh Stock Exchange Limited

## REGISTERED OFFICE:

SYSTEMATIX SECURITIES LTD.  
CIN: L65999WB1986PLC040357  
Registered Office: 237, Kamalaya center,  
156-A Lenin Sarani Road, Kolkata  
WEB: <http://www.systematixsecurities.com>  
EMAIL: [systematixctor@gmail.com](mailto:systematixctor@gmail.com)  
Phone: 033-22157781 Fax: 033-22155378

## REGISTRAR AND SHARE TRANSFER AGENT

Ankit Consultancy Private Ltd.  
60- Pardeshipura,  
Electronic Complex,  
Indore-452010 (M.P.)  
Phone: 0731-3198601-602  
Fax: 0731-4065798  
Email ID: [ankit\\_4321@yahoo.com](mailto:ankit_4321@yahoo.com)

## **NOTICE OF 28<sup>TH</sup> ANNUAL GENERAL MEETING**

Notice is hereby given that the 28<sup>th</sup> Annual General Meeting of the Members of **SYSTEMATIX SECURITIES LTD** will be held on Saturday, 27<sup>th</sup> September, 2014 at 10.15 a.m. at Registered Office of the company situated at 237, Kamlalaya center, 156-A Lenin Sarani Road, Kolkata INDIA to transact the following business:

### **ORDINARY BUSINESSES:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2014 and the Statement of the Profit & Loss Account for the year ended on same date with the Reports of Board of Directors & Auditors thereon.
2. To appoint Auditors of the Company and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, M/s. Sethiya Khandelwal & Co., Chartered Accountants, Indore registered with the Institute of Chartered Accountants of India vide ICAI Registration No. 004058C, the Retiring Auditors of the Company, be and are hereby re-appointed as the Statutory Auditor of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of thirty first (31<sup>st</sup>) Annual General Meeting to be held in year 2017 (subject to ratification of their appointment at every AGM) on such remuneration as may be fixed by the Board.

### **SPECIAL BUSINESS:**

**Item No. 3: Appointment of Shri Jagdish Rathi (DIN No. 01211509) as an Independent Director of the Company.**

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

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152, and other applicable provisions, if any, of the Companies Act, 2013 (Act) read with Schedule IV to the said Act, and Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement as may be amended from time to time if any, (including any statutory modification(s), amendments or re-enactments thereto for the time being in force), Shri Jagdish Rathi (DIN 01211509), who was holding position of the Independent Director of the Company whose period of office is liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director of the company and who

has also submitted a declaration confirming that he meets the criteria for independence as provided in Section 149(6) of the Act and is eligible for appointment, be and is hereby appointed as an Independent Director of the Company to hold office a term up to five consecutive years up to 31<sup>st</sup> March, 2019 and he will not be liable to retire by rotation."

**Item No. 4: Appointment of Shri Rakesh Sethiya (DIN No. 00631953) as an Independent Director of the Company.**

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

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152, and other applicable provisions, if any, of the Companies Act, 2013 (Act) read with Schedule IV to the said Act, and Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement as may be amended from time to time if any, (including any statutory modification(s), amendments or re-enactments thereto for the time being in force), Shri Rakesh Sethiya (DIN 00631953), who was holding position of the Independent Director of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director of the company and who has also submitted a declaration confirming that he meets the criteria for independence as provided in Section 149(6) of the Act and is eligible for appointment, be and is hereby appointed as an Independent Director of the Company to hold office a term up to five consecutive years up to 31<sup>st</sup> March, 2019 and he will not be liable to retire by rotation."

**Item No. 5: Appointment of Shri Bhagwati Prasad Sharma (Din No.01174001) as an Independent Director of the Company.**

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

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152, and other applicable provisions, if any, of the Companies Act, 2013 (Act) read with Schedule IV to the said Act, and Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement as may be amended from time to time if any, (including any statutory modifications, amendments or re-enactments thereto for the time being in force), Shri Bhagwati Prasad Sharma (DIN 01174001), who was holding position of the Independent Director of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director of the company and who has also submitted a declaration confirming that he meets the criteria for independence as provided in section 149(6) of the Act and is eligible for appointment, be and is hereby appointed as an Independent Director of the Company to hold office a

term up to five consecutive years up to 31<sup>st</sup> March, 2019 and he will not be liable to retire by rotation."

**Item No. 6: De-listing of Equity Shares from Stock Exchanges**

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

**"RESOLVED THAT** pursuant to the provisions of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulation, 2009 (hereinafter referred to as the "Delisting Guidelines") and subject to the provision of the Companies Act, 2013, (including any statutory modification(s) or re-enactments thereof for the time being in force), Securities Contracts (Regulation) Act, 1956, and the Rules made there under, Listing agreements, and all other applicable laws, rules, regulations and guidelines and subject to such approvals, permissions and sanctions, as may be necessary and subject to such conditions and modification(s) as may be prescribed or imposed by any authority while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall be deemed to include any Committee thereof for the time being exercising the powers conferred on the Board by the Resolution), the consent of the Company be and is hereby accorded to the Board for de-listing of Equity Shares of the Company from Madhya Pradesh Stock Exchange, Indore and Calcutta Stock Exchange, Kolkata."

**"RESOLVED FURTHER THAT** any of the Directors of the Company be and are hereby authorized severally to do all such acts, deeds, matters and things and execute all documents or writings as may be necessary, proper or expedient for the purpose of giving effect to this resolution and for matters connected therewith or incidental thereto."

**By Order of the Board of Directors  
For SYSTEMATIX SECURITIES LTD**

**Place : Kolkata  
Date : 13/08/2014**

**(SUDHIR SAMDANI)  
Managing Director  
DIN: 00890642**

**SYSTEMATIX SECURITIES LTD.  
CIN: L65999WB1986PLC040357  
Registered Office: 237, Kamlalaya center,  
156-A Lenin Sarani Road, Kolkata**

**Notes:-**

- **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN MEETING INSTEAD OF HIMSELF/HERSELF AND SUCH PERSON NEED NOT BE THE MEMBER OF THE COMPANY.** The Instrument appointing the proxy, duly completed, must be deposited at the Company's Registered Office of the Company not less than 48 hours before the commencement of Meeting.
- A person can act as a proxy on behalf of members not exceeding 50 and holding in aggregating not more than 10% of the total share capital of the Company carry voting rights may appoint a single person as a proxy and such person shall not act as a proxy for any other person or member. A proxy form for the Annual General Meeting is enclosed.
- 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.
- The Members are requested to:
  - a) Intimate changes, if any, in their registered addresses immediately.
  - b) Quote their ledger folio number in all their correspondence.
  - c) Hand over the enclosed attendance slip, duly signed in accordance with their specimen registered with the Company for admission to the meeting place.
  - d) Bring their Annual Report and Attendance Slips with them at the AGM venue.
  - e) Send their Email address to us for prompt communication and update the same with Company to receive softcopy of the Annual Report of the Company.
- Corporate Members are requested to forward a Certified Copy of Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.
- The Statement pursuant to Section 102(1) of the Companies Act, 2013 with respect to the special business set out in the Notice is annexed herewith.
- Members may also note that Notice of this Annual General Meeting and the Annual Report for financial year 2013-14 will also be available for the Company's website i.e <http://www.systematixsecurities.com>
- The Register of Members and share transfer book of the Company will remain closed during the period from Thursday 25<sup>th</sup> Day of September, 2014 to Saturday 27<sup>th</sup> Day of September, 2014 (both days inclusive) for the purpose of Annual General Meeting.
- Members are requested to send their queries, if any at least 7 days in advance so that the information can be made available at the meeting.

- Members holding shares in the same name under different Ledger Folios are requested to apply for consolidation of such folio and send relevant share certificates to companies Registrar and Share Transfer Agent for their doing needful.
- Members are requested to contact the Registrar and Share Transfer Agent for all matter connected with Company's shares at Ankit Consultancy Private Limited, 60 Pardeshipura, Electronic Complex, Indore M.P.
- The Company has designated an exclusive email ID [systematixctor@gmail.com](mailto:systematixctor@gmail.com) which would enable the members to post their grievances and monitor its redressed. Any member having any grievance may post the same to the said Email address for its quick redressal.
- SEBI have made it mandatory for every participant in the securities/ capital market to furnish the detail of Income Tax Permanent Account Number (PAN). Accordingly, all shareholders holding shares in the physical form are requested to submit details of PAN along with a photocopy of both the sides of the PAN Card, duly attested, to the Registrar and Share Transfer Agent.
- Additional information pursuant to Clause 49 of the Listing Agreement with the stock exchanges in respect of the Directors seeking appointment / re-appointment at the AGM is furnished and forms a part of the Annual Report. The Directors have furnished the requisite consents/declarations for their appointment /re-appointment.
- Electronic copy of the Annual Report for 2014 is being sent to all the Members whose e-mail ids are registered with the Company for communication purposes unless any Member has requested for a hard copy of the same. For the Members who have not registered their e-mail address, physical copies of the Annual Report for 2014 is being sent in the permitted mode. Members who do not yet register their e-mail id so far are requested to register the same with the Company. Members are also requested to intimate to the Company the changes, if any in their e-mail address.
- The Ministry of Corporate Affairs ('MCA') has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliance by companies and has issued Circular No. 17/2011 dated April 21, 2011 and 18/2011 dated April 29, 2011. The Company proposes to send the documents to its Members like notices, annual report, etc. in electronic form. Members are requested to provide their email ID to our Registrar Ankit Consultancy Private Limited, 60 Pardeshipura, Electronic Complex, Indore M.P for sending the document in electronic form.
- The businesses as set out in the Notice may be transacted through electronic voting system and the Company shall provide a facility for voting by electronic means. In



compliance with the provisions of section 108 of the Companies Act, 2013 read with Rule 20 of the companies (Management and Administration) Rules, 2014, the company is pleased to offer the facility of the voting through electronic means, as an alternate, to all its members to enable them to cast their votes electronically instead of casting their vote at the meeting. If a member has opted for e-voting, then he/she should not vote by physical ballot also and vice-versa. However, in case members cast their vote both via physical ballot and e-voting, then voting through electronic mode shall prevail and voting done by physical ballot shall be treated as invalid. For E-voting facility, the Company has entered into an agreement with the CDSL for facilitating E-voting. The Procedure and instructions for E-voting given below:

**Instructions for shareholders voting through electronic means:**

- (i) The e-voting period begins on Monday, 22<sup>nd</sup> September, 2014 from 9.30 A.M. and ends on Tuesday, September, 23<sup>rd</sup> 2014 at 6.00 p.m. During this period shareholders' of the Company, as on the cut-off date (record date) of Friday 08<sup>th</sup> August, 2014, may cast their vote electronically in proportion to their shares in the paid up equity share capital of the company. 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](http://www.evotingindia.com) during the voting period
  - (iii) Click on "Shareholders" tab.
  - (iv) Now Enter your User ID
- 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) Members holding shares in physical form will then directly reach the Company selection screen.
  - (vii) Click on the EVSN for the relevant < SYSTEMATIX SECURITIES LTD.> on which you choose to vote.
  - (viii) 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.

- (ix) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (x) 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.
- (xi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xiii) Note for Institutional Shareholders
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://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](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they have to create a user who would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favor of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - 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](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
  - Mr. Bhushan Tambe, Practicing Company Secretaries (Membership No. A35353) has been appointed as the scrutinizer to receive and scrutinize the completed ballot forms and votes casted electronically by the members in a fair and transparent manner.
  - The scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least



two (2) witness not in the employment of the company and make a scrutinizer's report of the votes cast in favor or against , if any , forthwith to the chairman of the Company.

- The Results shall be declared on or after the AGM of the Company. The results declared along with the scrutinizer's Report shall be placed on the Company's website <http://www.systematixsecurities.com> and website of CDSL and will be communicated to the stock exchange.

Relevant documents referred to in this Notice are open for inspection at the Registered office of the Company on all working days (except Saturdays) between 11.00 a.m. to 1.00 p.m. up to the date of ensuing annual general meeting.

**By Order of the Board of Directors  
For SYSTEMATIX SECURITIES LTD**

**Place : Kolkata  
Date : 13/08/2014**

**(SUDHIR SAMDANI)  
Managing Director  
DIN: 00890642**

SYSTEMATIX SECURITIES LTD.  
CIN: L65999WB1986PLC040357  
Registered Office: 237, Kamlalaya center,  
156-A Lenin Sarani Road, Kolkata

**DETAILS OF THE DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT  
IN THE ENSUING ANNUAL GENERAL MEETING**

Name of Directors	Shri Jagdish Rathi	Shri Rakesh Sethiya	Shri Bhagwati Prasad Sharma
DIN No.	01211509	00631953	01174001
Date of Birth	22/03/1962	30/12/1967	18/06/1956
Date of Appointment	31/08/1996	21/07/1999	30/09/2003
Expertise / Experience in specific functional areas	finance and taxation matter	Stock market and finance activities	Stock market and finance activities
Qualification	Chartered Account	Science graduate and post graduate in economics	Graduate
No. & % of Equity Shares held	-	5000	-
List of outside Company's Directorship held	Nil	IRON GLOBAL LIMITED  GEMS EQUITIES AND SECURITIES PRIVATE LIMITED	Nil
Chairman / Member of the Committees of the Board of Directors of the Company	1. Chairman of Nomination and Remuneration Committee 2. Stakeholder Relationship Committee 3. Audit Committee	Member of 1. Nomination and Remuneration Committee 2. Stakeholder Relationship Committee 3. Audit Committee	Member of 1. Nomination and Remuneration Committee 2. Stakeholder Relationship Committee 3. Audit Committee
Chairman / Member of the Committees of the Board Directors of other Companies in which he is director	Nil	Nil	Nil
Relationship between directors inter-se	No relations with any other Director	No relations with any other Director	No relations with any other Director

## **EXPLANATORY STATEMENT**

### **Pursuant to Section 102 of the Companies Act, 2013**

#### **Item No. 3, 4 & 5**

The Company had, pursuant to the provisions of Clause 49 of the Listing Agreement entered into with the Stock Exchanges, appointed Shri Jagdish Rathi, Shri Rakesh Sethiya and Shri Bhagwati Prasad Sharma as Independent Directors at various times, in compliance with the requirement of the said Clause.

Pursuant to the provisions of Section 149 of the Companies Act, 2013 ("the Act"), which came into effect from April 1, 2014, every listed public company is required to have at least one-third of the total number of directors as independent directors, who are not liable to retire by rotation.

The Board of directors of the Company comprises four directors out of which, three are Non-Executive Independent Directors of the Company.

Keeping in view of the experience and expertise of the above referred directors and the contribution made by them to the Company, the Board of Directors considers it desirable that their continued association would be of immense benefit to the company and hence the company should continue to avail their services and accordingly recommends the Resolutions as set out in Item No. 3, 4 & 5 for approval of the members.

Shri Jagdish Rathi, Shri Rakesh Sethiya and Shri Bhagwati Prasad Sharma, Directors of the Company have given a declaration to the Board that they meet the criteria of independence as provided under Section 149(6) of the Act. In the opinion of the Board, each of these directors fulfill the conditions specified in the Act and the Rules framed there under for appointment as Independent Director and they are independent of the management.

In compliance with In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of these directors as Independent Directors is now being recommended for a term of 5 (five) consecutive years up to 31<sup>st</sup> March 2019 and placed before the Members for approval.

The terms and conditions of appointment of the above Directors shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

Shri Jagdish Rathi, Shri Rakesh Sethiya and Shri Bhagwati Prasad Sharma are concerned or interested in the Resolutions of the accompanying Notice relating to their own appointment.

The brief profile of the directors who are proposed to appointed as independent directors are annexed herewith separately with this notice.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

The Board commends the Ordinary Resolutions as set out at Item Nos. 3, 4 & 5 of the Notice for approval by the members.

**Item No. 6**

Presently, the equity shares of the company are listed at Mumbai, Indore & Kolkata. The equity shares of the company are actively traded in Mumbai Stock Exchange whereas practically there are no transactions on the remaining stock exchange. Computerization of the stock exchange has offered opportunities to the shareholders to have better accessibility to the exchange where share are actively traded. It is therefore, proposed to delist the Company's Equity Share from stock exchange at Madhya Pradesh Stock Exchange, Indore and Calcutta Stock Exchange, kolkata to save cost and compliance requirement.

The Board recommends the adoption of the resolution proposed under this item.

None of the directors of the company is concerned or interested in the proposed resolution

**By Order of the Board of Directors  
For SYSTEMATIX SECURITIES LTD.**

**Place : Kolkata  
Date : 13/08/2014**

**(SUDHIR SAMDANI)  
Managing Director  
DIN: 00890642**

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156-A Lenin Sarani Road, Kolkata  
E-mail: [systematixctor@gmail.com](mailto:systematixctor@gmail.com)

## D I R E C T O R ' S   R E P O R T

To the members of **SYSTEMATIX SECURITIES LIMITED**

Your Directors have pleasure in presenting the 28<sup>th</sup> Annual Report of your company together with the Audited statements Accounts for the year ended on 31<sup>st</sup> March, 2014. The Financial Results of the company in the year under review are as under:

### **Financial Results and Operations:**

Rs. In Lacs

	Year ended 31/3/2014	Year ended 31/3/2013
Total Income	54.20	58.69
Total Expenditure	30.44	26.19
<b>Profit/Loss before tax</b>	<b>23.76</b>	<b>32.50</b>
Provision for Tax		
Current Tax	4.28	5.96
Deferred Tax	0.00	0.00
Earlier Year Tax	0.00	0.00
<b>Profit/Loss after tax</b>	<b>19.48</b>	<b>26.54</b>
No. of Equity Shares	5000000	5000000
Earning per share (Rs.10/- each) Basic & Diluted (in Rs.)	0.39	0.53

### **DIVIDEND**

To provide more strength to the company, your Directors have not recommended any dividend for the year under review

### **FIXED DEPOSITS**

Your company has not accepted or invited any deposits from public within the meaning of Section 58A and 58AA of the Companies Act, 1956, during the year under review.

## **DIRECTORS:**

Shri Jagdish Rathi, Shri Rakesh Sethiya and Shri Bhagwati Prasad Sharma, existing independent directors are further proposed to be appointed as Independent Directors for a term of 5 years as per requirement of section 149 of the Companies Act, 1956 as well as Clause 49 of the Listing Agreement to hold the office till 31<sup>st</sup> March, 2019.

The Company has received notice in writing from the members as required under Section 160 of the Companies Act, 2013 for proposal for appointment of Independent Director and all other Independent Directors of the Company at the ensuing Annual General Meeting.

The Independent Directors has submitted a declaration confirming that they meets the criteria for independence as provided in Section 149(6) of the Act and is eligible for appointment as Independent Directors of the Company.

In the opinion of the Board the above said three directors fulfills the conditions specified in the Act and the Rules made there under as the Clause 49 of the Listing Agreement for their appointment as Independent Directors of the Company.

In accordance with the provision of the Companies Act, 2013 no director is liable to retire by rotation as independent directors are proposed to appoint for five years in forthcoming annual general meeting and Managing director is not liable to retire by rotation.

## **DIRECTOR'S RESPONSIBILITIES STATEMENT**

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956, with respect to the Director's Responsibility Statement, your directors hereby confirm:

- I) That in the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March 2014; the applicable accounting standards have been followed;
- II) That they have selected such accounting policies and applied them consistently and made judgments, and estimate 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 financial year and of the profit of the Company for the year under review;
- III) That they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of this Act, for safeguarding the assets of the Company and for preventing and detecting Fraud and other irregularities.
- (IV) That they have prepared the annual accounts on a going concern basis.



## **AUDITORS:**

M/s. Sethiya Khandelwal & Co., Chartered Accountants, Indore who are the statutory auditors of the Company, hold office till the conclusion of the forthcoming AGM and are eligible for re-appointment. Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules framed there under, it is proposed to appoint M/s. Sethiya Khandelwal & Co., as statutory auditors of the Company from the conclusion of the forthcoming AGM till the conclusion of the 31<sup>st</sup> AGM to be held in the year 2017, subject to ratification of their appointment at every AGM.

## **COMMENTS ON AUDITORS REPORT**

The Board has duly reviewed the Statutory Auditors' Report on the Accounts. The observations and comments, if any, appearing in the Auditors' Report are self-explanatory and do not call for any further explanation / clarification by the Board of Directors.

## **COMPANIES RULES 1988 (DISCLOSURE OF PARTICULARS IN THE REPORTS OF BOARD OF DIRECTOR)**

As the Company is not engaged in any manufacturing activities, hence provisions of section 217(1)(e) of the Companies Act, 1956 read with the Companies Rules, 1988 are not applicable to the Company. Further there was neither inflow nor outflow of foreign exchange during the year.

## **AUDIT COMMITTEE**

Under the provisions of Companies Act, 1956 and Listing Agreement with the Stock Exchanges an Audit Committee Comprises of Shri Jagdish Rathi, Shri Rakesh Sethiya and Shri Bhagwati Prasad Sharma are independent directors of the Company.

## **CORPORATE GOVERNANCE:**

A separate section titled "Corporate Governance" including a certificate from the Auditors of the Company confirming compliance of the conditions of the Corporate Governance as stipulated under clause 49 of the Listing Agreement and also the Management Discussion and Analysis Report and CEO certification are annexed hereto and form part of the report.

## **PARTICULARS OF EMPLOYEES**

The Company did not have any employee, during the year drawing remuneration attracting the provision of section 217 (2A) of the Companies Act, 1956 read with the Companies (particulars of employees) Rule 1975. The company continued to have cordial and harmonious relations with employees. In totality our employees have

shown a high degree of maturity and responsibility in responding to the changing environment, economic and the market condition.

## **HUMAN RESOURCES DEVELOPMENT**

Your Company believes that nurturing and development of human capital is of key importance for its operations, The HR policies and procedures of your Company are geared up towards this objective. In totality our employees have shown a high degree of maturity and responsibility in responding to the changing environment, economic and the market condition.

## **CODE OF CONDUCT**

The company has laid-down a code of conduct for all Board members and senior management of the Company. All the Board members and senior management personnel have affirmed compliance with the code of conduct. The code of conduct has posted on website of the company i.e <http://systematixsecurities.com>

## **LISTING OF THE SHARES**

Equity shares of the company are listed on Kolkata Stock Exchange, Bombay Stock Exchange and Madhya Pradesh Stock Exchange Limited.

## **ACKNOWLEDGMENT:**

The Board places on record its deep appreciation of the devoted services of loyal workers, executives and other staff of the Company, who have contributed to the performance and company's continue inherent strength. Your directors also wish to thank the banks and other stakeholders for their continued support and faith respond in the Company. We look forward to their continued support in the future.

For and behalf of the Board

Date: 13.08.2014

Place: Kolkata

Sudhir Samdani  
Managing Director  
DIN No. 00890642

Jagdish Rathi  
Director  
DIN No. 01211509

## **REPORT ON CORPORATE GOVERNANCE**

A report of the financial year ended 31<sup>st</sup> March, 2014 on the compliance by the company with the corporate governance requirement under Clause 49 of the Listing agreement, is furnished below:

### **COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE**

Systematix Securities Limited recognises the ideals and importance of corporate governance and acknowledges its responsibilities towards all its shareholders, employees, customers and regulatory authorities. The Company believes that a good corporate governance process aims to achieve a balance between the shareholders' interest and corporate goals of the Company. It aims to attain the highest levels of transparency, accountability and integrity to all its shareholders by implementing transparent corporate governance, thereby enhancing the value of the shareholders and their Company.

#### **A. BOARD OF DIRECTORS**

- (i) The Company's policy is to maintain an optimum combination of Executive and non Executive Independent directors. The Composition of your Company's Board, which comprises of four directors, is given in the table below and is in conformity with clause 49 of the listing agreement and with stock exchange.

As will be seen from the following table, none of the directors hold directorship in more than 15 public limited company, nor is any of them a member of more than ten committees of the prescribed nature or holds chairmanship of more than five such committee across all public limited companies in which they are directors. The Board does not have any nominee director representing any institution.

The last Annual General meeting was held on 28<sup>th</sup> September 2013.

Name of Director	Category	No. of Board Meetings Attended	Other Directorship		Committee Position other than Company		Whether attended last AGM held on 28.09.2013
			Chairman	Member	Chairman	Member	
Shri Sudhir Samdani (Din No.00890642)	Managing Director	4	NIL	1	NIL	NIL	Yes
Shri Jagdish Rathi (Din No.01211509)	Non Executive Independent Director	4	NIL	NIL	NIL	NIL	Yes
Shri Rakesh Sethiya (Din No. 00631953)	Non Executive Independent Director	4	NIL	1	NIL	NIL	No
Shri Bhagwati Prasad Sharma (Din No.01174001)	Non Executive Independent Director	4	NIL	NIL	NIL	NIL	No

**Note:** This includes directorship in public limited companies and subsidiary of public limited companies and excludes directorship in Private Limited Companies, overseas companies, companies under section 25 of the Companies Act, 1956 and alternate directorship.

Board Meetings are governed by a structured agenda. All major agenda items are backed by comprehensive background information to enable the Board to take informed decisions.

The necessary quorum remained present in all the meetings. Leave of absence was granted to the concerned directors who could not attend the respective Board Meeting. In financial year 2013-14 four Board Meetings were held and the gap between two meetings did not exceed four months. The dates on which the said Meetings were held are as follows:

29.05.2013	13.08.2013	13.11.2013	13.02.2014
------------	------------	------------	------------

None of the Non-Executive Directors have any material pecuniary relationship or transactions with the Company which is prejudicial to the interest of the company.

## **ii) Inter-se relationship among directors**

There is no inter-se relationship among the any of the directors of the Company.

## **iii) Role of Independent Director**

Independent Directors play a key role in the decision making process of the Board and in shaping various strategic initiatives of the Company. The Independent directors are committed to act in what they believe to be in the best interest of the Company and its stakeholders. The Independent Directors are professionals, with expertise and experience in general corporate management, public policy, finance, financial services and other allied fields. The Company benefits immensely from their inputs in achieving its strategic direction.

## **iv) Shareholding of Non-executive Director**

The Number of equity shares held by Non-Executive Directors as on 31.3.2014 were as under:

Name of Director	No. of shares
Shri Jagdish Rathi (Din No.01211509)	NIL
Shri Rakesh Sethiya (Din No. 00631953)	5000
Shri Bhagwati Prasad Sharma (Din No.01174001)	NIL

## **v) Details of the Directors seeking re-appointment at the forthcoming Annual General Meeting as per Clause 49(1)(A) of the Listing Agreement. Notes on Directors appointment/ re-appointment .**

Brief resume(s) of the Directors proposed to be appointed/re-appointed are given in the Notice convening the Annual General Meeting in separate annexure.

## **B. Board Procedure**

A detailed agenda folder is sent to each Director in advance of Board and Committee meetings. To enable the Board to discharge its responsibilities effectively, the Executive Director briefs the Board at every meeting on the overall Company performance and compliance of the company wherever applicable.

## **Committees of the Board**

### (I) Audit Committee (Mandatory Committee)

The Audit Committee acts as a link among the Management, the Statutory Auditors, Internal Auditors and the Board of Directors to oversee the financial reporting process of the Company. The Committee's purpose is to oversee the quality and integrity of accounting, auditing and financial reporting process including review of the internal audit reports and action taken report. The Audit Committee consisting of Shri Jagdish rathi, Shri Rakesh Sethiya and Shri Bhagwati Prasad Sharma, all are independent Directors. All the members of the committee are financial literate.

#### (i) Meeting and Composition

The Composition of Audit Committee as on 31.3.2014 and attendance record of the members at the meetings held during the year was as under:

Name of the Member	Category	Status	No. of meetings attended	
			Held during tenure	Attended
Shri Jagdish Rathi (Din No.01211509)	Non executive Independent Director	Chairman	4	4
Shri Rakesh Sethiya (Din No. 00631953)	Non executive Independent Director	Member	4	4
Shri Bhagwati Prasad Sharma (Din No.01174001)	Non executive Independent Director	Member	4	4

During the year the committee met on four occasions during the year on following dates namely:

29/05/2013	13/08/2013	13/11/2013	13/02/2014
------------	------------	------------	------------

As mandated by clause 49 of the Listing agreement

1. The representative of statutory of the company are also invited in the audit committee meetings.
2. The gap between two audit committee meetings was not more than four months.



### **Terms of reference of the Audit Committee**

The terms of reference of Audit Committee are as under:

- Overseeing the Company's financial reporting process and disclosure of financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending the appointment and removal of external auditor, fixation of audit fee and approval of payment of any other services:
- Reviewing with management, the annual financial statement before submission to the Board for approval, with particular reference to:
  - a. Matters required to be included in the Directors responsibility statement to be included in the board's report as per Section 217(2AA) of the Companies Act, 1956.
  - b. Changes in the Accounting policies and practices and the reasons for the same, major accounting entries and significant adjustments made in the financial statements arising out of audit findings.
  - c. Compliance with listing and other legal requirements relating to financial statements.
  - d. Disclosure of any related party transactions.
  - e. Qualifications in the draft audit report if any.
- Discussing with external auditors before the audit commences on the nature and scope of audit, as well as having post-audit discussion to ascertain any area of concern,
- Reviewing the management discussion and analysis of the financial conditions and results of operations.
- Reviewing with the management and the statutory auditors anticipated changes in the Accounting Standards.
- Reviewing the Company's financial and risk management policies;
- Undertake such other functions as may be entrusted to it by the Board from time to time.

### **(II) Stakeholders' Relationship Committee**

The Board of Directors of the Company in its meeting held on 29<sup>th</sup> May, 2014 changed the nomenclature of "Shareholders'/Investor' Grievances Committee" to "Stakeholders' Relationship Committee" and also modified its terms of reference to comply with the requirements of the Companies Act, 2013 and Clause 49 of the Listing Agreement. The constitution and terms of reference of Stakeholders' Relationship Committee of the Company are in compliance with provisions of Companies Act, 2013 and Clause 49 of the Listing Agreement.

**(i) Meeting and Composition**

The Composition of Committee as on 31.3.2014 and attendance record of the members at the meetings held during the year was as under:

Name of the Member	Category	Status	No. of meetings attended	
			Held during tenure	Attended
Shri Jagdish Rathi (Din No.01211509)	Non executive Independent Director	Chairman	4	4
Shri Rakesh Sethiya (Din No. 00631953)	Non executive Independent Director	Member	4	2
Shri Bhagwati Prasad Sharma (Din No.01174001)	Non executive Independent Director	Member	4	4

The committee met four times during the year under review.

29/05/2013	13/08/2013	13/11/2013	13/02/2014
------------	------------	------------	------------

- (ii) During the year under review no complaint was received from shareholders and there was no complaint pending unresolved as at the end of the year.
- (iii) Share transfer in physical form are registered by the Company and returned to respective Transferee/person within a period ranging from one to two weeks provided the documents lodged with Company are clear in all respects.
- (iv) Name, designation and address of Compliance Officer:-

Mr. Sudhir Samdani, Managing Director & Compliance Officer (Din No.00890642)  
35-A, Kumbha Nagar  
Chittorgarh, Rajasthan  
Email: [jcrchittor@yahoo.co.in](mailto:jcrchittor@yahoo.co.in)  
Tele: 033-22157781, Fax No. 033-22155378

**Terms of Reference:**

- Oversee and review all matters connected with the transfer of the Company's securities.
- Monitor redressal of investors' / shareholders' / security holders' grievances.
- Oversee the performance of the Company's Registrar and Transfer Agents.
- Recommend methods to upgrade the standard of services to investors.
- Carry out any other function as is referred by the Board from time to time or enforced by any statutory notification / amendment or modification as may be applicable.

**(III) Nomination and Remuneration Committee**

The Board of Directors of the Company in its meeting held on 29<sup>th</sup> May, 2014, changed the nomenclature of the Remuneration Committee of the Company to "Nomination and Remuneration Committee" and also modified its terms of reference to comply with the requirements of the Companies Act, 2013 and Clause 49 of the Listing Agreement. The constitution and terms of reference of Nomination and Remuneration Committee of the Company are in compliance with provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement. All the members of the committee are Non Executive independent directors.

**a) Terms of reference**

The terms of reference of remuneration committee is to deal with, decide and recommended to the Board of the Directors on all matters relating to appointment and remuneration to managing director and whole time director .

**b) Meeting and Composition**

The composition of committee as on 31.3.2014 and attendance record of the members at the meeting held during the year are as under:

Name of the Member	Category	Status	No. of meetings attended	
			Held during tenure	Attended
Shri Jagdish Rathi (Din No.01211509)	Non executive Independent Director	Chairman	1	1
Shri Rakesh Sethiya	Non	Member	1	1

(Din No. 00631953)	executive Independent Director			
Shri Bhagwati Prasad Sharma (Din No.01174001)	Non executive Independent Director	Member	1	1

**c) Remuneration policy Executive Directors**

The remuneration of executive directors is reviewed by the remuneration committee and thereafter recommended to the Board of the directors of the Company for subject to approval of the members at general meeting and such other authorities as may be required. While recommending remuneration, the committee considers various factors such as practices prevalent in the industry for the time being, qualification, expertise of the appointee and financial position of the company.

**d) Remuneration of directors**

- During the year no remuneration was paid to any director of the Company.
- No sitting Fees was paid to any Director of the Company during the financial year.
- The company does not have any service contract with any of its directors.
- The company has not granted any stock option to any of its director/employees.
- During the year the committee met on one occasions during the year.

**MANAGEMENT**

**A. The Management discussion and analysis report**

The Annual Report has a detailed chapter on Management Discussion and Analysis.

**B. Disclosure by Management to the Board**

All details relating to the financial and commercial transactions where directors may have a potential interest are provided to the Board, and the interested Directors neither participate in the discussion, nor do they vote on such matters.

**Compliance with Mandatory / Non Mandatory requirements.**

- The Company has complied with all the applicable mandatory requirement of clause 49 of the listing agreement.

- The Company has also adopted the non mandatory requirement as specified in Annexure 1D to clause 49 of the listing agreement regarding constitution of remuneration committee, the details of which already been provided in this report and audit qualification. There is no audit qualification in the financial statement.

## **DISCLOSURES**

- A. There were no material transactions of the Company with its promoters, directors, and management on their relatives that may have conflict with the interest of the Company at large.
- B. The particulars of transactions between the Company and its related parties in accordance with the accounting standard 18 are set out in Annual report. These transactions are in the ordinary course of business and are not likely to have any conflict with the interest of the Company.
- C. The financial statements have been prepared in compliance with the requirements of the Companies Act, 1956, and in conformity, in all respects, with the generally accepted accounting principles and standards in India. The estimates/judgments made in preparation of these financial statements are consistent, reasonable and on prudent basis so as to reflect true and fair view of the state of affairs and results/operations of the Company
- D. The Company has well defined management policies to manage the risk inherent in the various aspects of business. The Board is regularly informed about the business risks and the steps taken to mitigate the same.
- E. There has been no non-compliance by the company or penalty or strictures imposed on the company by the stock exchange or SEBI or any statutory authority, on any matter related to capital markets during last three years.
- F. During the year under review Company has not issued any type of securities. No GDR/ ADR issued by the Company.
- G. The company has established a mechanism for employees to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy.
- H. As per clause 5All of the listing agreement there is no unclaimed shares in the company.

## **SHAREHOLDER'S INFORMATION**

### **Means of Communication**

Presently, the quarterly/half yearly financial result are not sent individually to the shareholders. However as required under the listing agreement , the same are published in the news paper.

The Company's website <http://www.systematixsecurities.com> contains information on the Company and its performance. Presentations to analysts, as and when made, are immediately put on the website for the benefit of the shareholders and the public at large. The secretarial department's e-mail address is [systematixctor@gmail.com](mailto:systematixctor@gmail.com)

#### **General body meetings**

The last three Annual General Meetings of the Company were held as detailed below:

Meeting	Date	Time	Venue
27 <sup>th</sup> Annual General Meeting 2012-2013	28 <sup>th</sup> September 2013	10.00 A.M.	At Regd. Office at 237, Kamlalaya center, 156-A Lenin Sarani Road, Kolkata
26 <sup>th</sup> Annual General Meeting 2011-2012	28 <sup>th</sup> September 2012	10.00 A.M.	At Regd. Office at 237, Kamlalaya center, 156-A Lenin Sarani Road, Kolkata
25 <sup>th</sup> Annual General Meeting 2010-2011	29 <sup>th</sup> September 2011	10.00 A.M.	At Regd. Office at 237, Kamlalaya center, 156-A Lenin Sarani Road, Kolkata

#### **POSTAL BALLOT & SPECIAL RESOLUTION :**

No resolutions were passed by postal ballot in last three years. None of the Businesses proposed to be transacted in the ensuing Annual General Meeting require passing of a resolution through Postal Ballot.

No Extra Ordinary General meeting was held during the financial year.

No Special Resolution was passed in last three Annual General Meeting.

#### **General shareholder information**

##### **❖ Address of Registered office of the Company:**

237, Kamlalaya center, 156-A Lenin Sarani Road, Kolkata

##### **❖ Forthcoming Annual General Meeting:**

Date & time of meeting: 27<sup>th</sup> September, 2014 - 10.15 a.m. (Saturday)

Venue of the meeting: 237, Kamlalaya center, 156-A Lenin Sarani Road, Kolkata

Last date for receipt of proxy forms: 25<sup>th</sup> September, 2014

Financial Calendar:	1 <sup>st</sup> April to 31 <sup>st</sup> March
Annual General Meeting	27 <sup>th</sup> September, 2014
Results for the quarter ended 1 <sup>st</sup> Quarter ending 30 <sup>th</sup> June, 2014 (First quarter)	Before 14 <sup>th</sup> Aug. 2014



2 <sup>nd</sup> Quarter ending 30 <sup>th</sup> Sept, 2014(Second quarter)	Before 14 <sup>th</sup> Nov. 2014
3 <sup>rd</sup> Quarter ending 31 <sup>st</sup> Dec, 2014 (Third quarter)	Before 14 <sup>th</sup> Feb. 2015
4 <sup>th</sup> Quarter ending 31 <sup>st</sup> Mar, 2015 (Fourth quarter and Annual)	Before 30 <sup>th</sup> May 2015

❖ **Book Closure:**

The book closure period is from Thursday 25<sup>th</sup> September, 2014 to Saturday 27<sup>th</sup> September, 2014 (both days inclusive).

❖ **Dividend Payment:**

No Dividend was recommended by the board of the Directors for financial year 31<sup>st</sup> March, 2014.

❖ **Listing on Stock Exchange & ISIN No.**

The Company's equity shares are listed on following exchange:

Bombay Stock Exchange Ltd, Mumbai  
Kolkata Stock Exchange, Association  
Madhya Pradesh Stock Exchange Limited

The Company has paid listing fees for the Financial year 2014-15.

**ISIN Number: NOT AVAILABLE (All Shares are in physical form)**

Bombay Stock Exchange, Mumbai Script Code: 531432

❖ **Registrar and Transfer Agents**

Ankit Consultancy Pvt. Ltd.  
60, Electronics complex  
Paardeshipura  
Indore 452010. (M.P.)  
Ph.0731-3198601-601 Fax: 0731-4065798

❖ **Share Transfer System**

All the transfer received is processed by the Registrar and Transfer Agent.

❖ **Outstanding GDRs/ADRs/Warrants or any convertible instruments , Conversion date and likely impact on equity:-** Not issued

❖ **Administrative Office of the Company** (For general assistance)

22, Gumasta Nagar Indore M.P.

❖ **Market Price data**

April, 2013 to March, 2014 at BSE

Month	Apr.	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb
<b>High</b>	3.59	-	-	-	-	-	-	-	-	-	-
<b>Low</b>	3.26	-	-	-	-	-	-	-	-	-	-

❖ **SHAREHOLDING PATTERN AS AT 31<sup>ST</sup> MARCH 2014 [SHAREHOLDING PATTERN]**

	Category	No. Of Share held	Percentage of Shareholding
<b>A</b>	<b>Promoters Holding</b>		
1.	Promoters Indian Promoters: Foreign Promoters:	2000000	40%
2.	Persons acting in concert		
	<b>Sub Total</b>	<b>2000000</b>	<b>40%</b>
<b>B.</b>	<b>Non-Promoters Holding</b>	-	-
1.	Institutional Investors	-	-
2.	Mutual Funds and UTI	-	-
3.	Banks, Financial Institutions, Insurance Companies [Central/State Govt. Institutions, Non- Governmental Institutions]	-	-
4.	FII's	-	-
5.	<b>Sub-Total</b>	<b>-</b>	<b>-</b>
6.	Others	-	-
	Private Corporate Bodies	19900	0.40%
7.	Individuals	-	-
	Holding up to Rs. 1.00 lacs	710400	14.21%
	Holding excess Rs. 1.00 lacs	2268300	45.37%
8.	NRIs/OCBs	1400	0.03%
9.	Any other [Clearing member]	-	-
	<b>Sub-Total</b>	<b>3000000</b>	<b>60.00%</b>
	<b>Grand Total</b>	<b>5000000</b>	<b>100.00%</b>

❖ **Distribution of Shareholding by size as on 31<sup>st</sup> March 2014:**

Share or Debenture holding of nominal value of Rs.	Shares/Debenture holders		Shares/Debentures Amount	
	Number	% of total number	In Rs.	% of Total Amount
Upto-1000	321	23.55	321000	0.64
1001-2000	249	18.27	498000	1.00
2001-3000	305	22.38	915000	1.83
3001-4000	157	11.52	628000	1.26
4001-5000	50	3.67	250000	0.50
5001-10000	85	6.24	729000	1.46
10001-20000	54	3.96	906000	1.81
20001-30000	23	1.69	597000	1.19
30001-40000	9	0.66	313000	0.63
40001-50000	23	1.69	1131000	2.26
50001-100000	19	1.39	1479000	2.96
100000 ABOVE	68	4.99	42233000	84.47
<b>Total</b>	<b>1363</b>	<b>100.00</b>	<b>50000000</b>	<b>100.00</b>

**Secretarial Audit for Reconciliation of Capital.**

All the Equity shares of the Company is in physical form as company has not entered into any agreement with CDSL/NSDL for dematerlisation of its equity shares

**CODE OF CONDUCT.**

The Company has laid down a code of conduct for all Board members and senior management of the Company. All the Board members and management personnel have affirmed compliance with the Code of Conduct. The Code of conduct is posted on the website of the Company i.e <http://www.systematixsecurities.com>

**CODE FOR PREVENTION OF INSIDER TRADING PRACTICES.**

In Compliance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1997, as amended till date on prohibition of insider trading, the Company has a comprehensive code of conduct and the same is being strictly adhered to by its management, staff and relevant business associates. The code expressly lays down the guidelines and the procedures to be followed and disclosures to be made, while dealing with shares of the Company and cautioning them on the consequences on non-compliance thereof.

**CEO Certification.**

The CEO certification of the financial statements and the cash flow statement for the year is obtained and was placed before the Board.

**AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE.**

The Company has obtained the certificate from the Auditors of the Company regarding compliance with the provisions relating to corporate governance laid down in clause 49 of the Listing Agreement with the stock exchanges. This report is annexed to the Director's Report for the year 2013-2014. This certificate will be sent to the stock exchanges, along with the annual report to be filed by the Company.

**DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT.**

This is to confirm that the Company has adopted a code of conduct for the Board of Directors and Senior Management of the Company. The same is available on website of the Company as <http://www.systematixsecurities.com>

As Managing Director of the Systematix Securities Limited and as required by clause 49(1)(D)(ii) of the Listing Agreement of the Stock Exchange in India, I hereby declare that all the Board Members and senior Management personnel of the Company have affirmed compliance with the code of Conduct for financial year 2013-2014.

Place: Kolkata  
Date: 13.08.2014

Sudhir Samdani  
Managing Director  
DIN No.00890642

## CEO CERTIFICATION

I hereby certify to the Board of Directors of **SYSTEMATIX SECURITIES LTD.** that:

- a. I have reviewed financial statements and the cash flow statement for the year ended on 31/03/2014 and that to the best of my knowledge and belief.
  - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading.
  - (ii) 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.
- b. There are, to the best of my knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violate the Company's code of conduct.
- c. I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting and I have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps I have taken or propose to take to rectify these deficiencies.
- d. I have indicated to the auditors:
  - i. significant changes in internal control over financial reporting during the year;
  - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii. instances of significant fraud of which I 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.

Place: Kolkata  
Date: 13.08.2014

**FOR SYSTEMATIX SECURITIES LIMITED**

**SUDHIR SAMDANI**  
Managing Director  
DIN: 00890642

## AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

We have examined to the compliance of conditions of Corporate Governance by **SYSTEMATIX SECURITIES LTD.**, for the year ended 31<sup>st</sup> March, 2014, as stipulated in the clause 49 of the Listing agreement entered into by the company with the Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance with 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, and the representations made by Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the above mentioned Listing agreement.

We state that in respect of investor grievances received during the year ended 31<sup>st</sup> March, 2014, the Registrars of the Company have certified that as at 31<sup>st</sup> March, 2014, there were no investor grievances remaining unattended/pending for more than 30 days.

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

Place: Indore  
Date: 13.08.2014

**For Sethiya Khandelwal & Co.**  
Chartered Accountants  
(Registration No. 004058C)

Rajesh Khandelwal  
Partner  
Membership No. 076272



## **MANAGEMENT DISCUSSION & ANALYSIS REPORT**

### **ECONOMIC SCENARIO**

For the Indian economy, 2013 has been one of its most disappointing years, with GDP growth plummeting to sub-5% levels even as inflation has remained stubbornly high. It is therefore natural that industry is hoping for better times in 2014. While there are early indications of a revival in the economy, it is by no means certain that a decisive turnaround will take place. The year 2014 has been a watershed for India in political and economic terms. On its part, the Reserve Bank of India (RBI) has been fine-tuning its policies to prop-up growth and curb inflation. We expect growth to revive gradually going into the next fiscal; with an estimate for GDP growth of 5.9% – 6.0% in FY14. This will also be supported by affirmative action by the RBI, though the timing could be more during the second half of the year.

### **INDUSTRY STRUCTURE**

Macroeconomic environment including inflation above the threshold of RBI and value of Rupees, limited scope to further reduce interest rates, liquidity issues, high fiscal and Current Account Deficit, political uncertainty that refuses to go away can derail the return of growth. With the Indian growth declining in the past year or two, corporate are not feeling confident of their expansion plans with the result that investment activity is at one of its lowest. Lack of determined action from Government to jump-start investment cycle and carry on the reforms may continue to affect the financial services sector. The outlook for the coming year is somewhat mixed with Investors foreseeing significant headwinds for the economy in the coming months. The situation calls for strategies to reduce cost and improve business to the extent possible.

### **OPPORTUNITIES & THREATS**

As a financial services intermediary, the company's growth and profitability are, to a large part, dependent on the stable growth and functioning of the Capital markets. The growth of financial services sector will allow the Company to grow businesses in each of the verticals. However, stubborn inflation, high fiscal and slow pace of reforms has led to the sliding of Indian GDP growth to around 5%. Renewed political uncertainty at the centre currently is continuing to cast its shadow on the return of growth. Given this none too-rosy scenario

for FY14, the goal for this year for the Company will be to improve operating efficiency.

## **RISKS AND CONCERNS**

The Company faces normal business challenges of market competition in its business and needs to continuously seek attractive growth opportunities. The Company adopts suitable business strategies to counter these challenges. As a part of the overall risk management strategy, the Company consistently insures its assets and generally follows a conservative financial profile by following prudent business practices.

## **INTERNAL CONTROL SYSTEM**

The Companies Internal control/supervisory system is established to ensure that board and management are able to achieve their business objectives in a prudent manner, safeguarding the interest of Companies shareholders and other stakeholders whilst minimizing the key risk such as fraud, misleading financial statements, breach of legal and contractual obligation, unauthorized business activity.

## **HUMAN RESOURCE**

Your Company follows a strategy of attracting and retaining the best talent and keep employees engaged, motivated and innovative. The Company continues to have cordial relations with its employees and provide personnel development opportunities for all round exposure to them.

## **FINANCIAL & OPERATIONAL PERFORMANCE**

Financial and Operational performance forms part of the Annual Report and is presented elsewhere in the report.

## **CAUTIONARY STATEMENT**

Some of the Statements in Management discussion and Analysis describing companies objective may be "forward looking statement" within the meaning of applicable Securities law and Regulations. Actual results may differ substantially or materially from those expressed or implied. Important factors that could influence companies operation include various global and domestic economic factors.

## **Independent Auditors' Report**

To the Members of  
**SYSTEMATIX SECURITIES LTD.,**

### **Report on the Financial Statements**

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

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

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

- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

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

**For Sethiya Khandelwal Co.  
Chartered Accountants  
(Firm Registration No. 004058C)**

**Place : Indore  
Date : 29.05.2014**

**Rajesh Khandelwal  
Partner  
M. No. 076272**

## ANNEXURE TO THE AUDITORS' REPORT

(referred to of our report of even date)

- (1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed asset.
- (b) According to the information and explanations given to us, the fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification.
- (c) The Company has not disposed off the substantial part of fixed assets during the year.
- (2) As the company is engaged in service sector hence clause not applicable.
- (3) According to the information and explanation given to us, The Company has not granted/ taken loans, secured or unsecured to / from companies, firms or other parties covered in the register maintained under section 301 of the Act.
- (4) In our opinion and according to the information and explanation given to us, there is adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase and sales of fixed assets and for the sale of shares.
- (5) In our opinion and according to the information and explanation given to us, there are no transactions that need to be entered into a register maintained under section 301 of the Companies Act 1961.
- (6) In our opinion and according to the information and explanation given to us, the company has not accepted deposits from the public according to the provisions of sections 58A and 58AA of the Act and the rules framed there under.
- (7) The company has an internal audit system commensurate with its size and nature of its business.
- (8) The maintenance of cost record has not been prescribed by the central government under clause (d) of sub-section (1) of section 209 of the Companies Act.
- (9) (a) According to the information and explanation given to us the company is regular in depositing undisputed statutory dues like income tax with appropriate authorities during the year.
- (b) According to the information & explanation given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, custom duty, excise duty and cess were in arrears, as at the last day of the financial year for a period of more than six month from the date they became payable
- (c) As per records produced before us the dues of income tax, sales tax, customs duty wealth tax, excise duty and cess which have not been deposited on account of any dispute are stated hereunder:

Name of Statute	Period to which amount relates	Forum where dispute is pending	Amount (Rs. In Lacks)
Income Tax	2003-04	CIT Appeal Kolkata	2.07
Income Tax	2004-05	CIT Appeal, Kolkata	1.15
Income Tax	2006-07	CIT Appeal, Kolkata	1.13

- (10) The Company has not accumulated losses and does not have not incurred any cash loss in financial year immediately preceding the previous year.
- (11) According to information and explanation given to us, the Company has neither taken the loan from financial institutions nor issued any Debenture during the year.
- (12) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (13) The Company is not a Chit Fund/ Nidhi/ Mutual Benefit Fund/ Society. Therefore the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order 2003 are not applicable to the Company.
- (14) The Company is trading in shares, securities debentures and other investments and proper records have been maintained of transactions and contracts and timely entries made therein and all shares ,securities debentures and other investments are held by the company in its own name except to the extent of the exemption, if any, granted under section 49 of the Act.
- (15) According to the information and explanation given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (16) Term loan has not been taken by company during the previous year hence clause not applicable.
- (17) According to the information and explanation given to us, on an overall basis, the Company has not raised the funds on short-term basis, which have been used for long term investment and *vice versa*.
- (18) The company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act.
- (19) Company has not issued Debenture hence clause not applicable..
- (20) During the year, the Company has not raised money by public issue hence the question of disclosure and verification of end use of such monies does not arise.
- (21) To the best of our knowledge and belief and according to information and explanation given to us, no fraud on or by the company has been noticed or reported during the year.

**For Sethiya Khandelwal Co.**  
**Chartered Accountants**  
**(Firm Registration No. 004058C)**

**Place : Indore**  
**Date : 29.05.2014**

**Rajesh Khandelwal**  
**Partner**  
**M. No. 076272**

**SYSTEMATIX SECURITIES LTD.**  
**AUDITED BALANCE SHEET AS ON 31. 03.2014**

(Amount in Rs.)

Particulars	Note No.	As on 31.03.14	As on 31.03.13
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	01	50000000	50000000
(b) Reserves and surplus	02	26114460	24165502
(c) Money received against share warrants			
<b>2 Share application money pending allotment</b>	-	-	-
<b>3 Non-current liabilities</b>			
(a) Long-term borrowings	-	-	-
(b) Deferred tax liabilities (net)	-	-	-
(c) Other long-term liabilities	-	-	-
(d) Long-term provisions	-	-	-
<b>4 Current liabilities</b>			
(a) Short-term borrowings	-	-	-
(b) Trade payables	-	-	-
(c) Other current liabilities	03	325352	127250
(d) Short-term provisions	04	590958	758341
		<b>77030770</b>	<b>75051093</b>
<b>B ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	05	63292	68204
(ii) Intangible assets	-	-	-
(iii) Capital work-in-progress	-	-	-
(iv) Intangible assets under development	-	-	-
(v) Fixed assets held for sale	-	-	-
(b) Non-current investments	06	17844738	16209627
(c) Deferred tax assets (net)	-	-	-
(d) Long-term loans and advances	-	-	-
(e) Other Non Current Assets	-	-	-
<b>2 Current assets</b>			
(a) Current investments	-	-	-
(b) Inventories	-	-	-
(c) Trade receivables	-	-	-
(d) Cash and cash equivalents	07	217135	499618
(e) Short-term loans and advances	08	56877052	56157741
(f) Other current assets	09	2028553	2115903
		<b>77030770</b>	<b>75051093</b>

Notes on Account & Significant Accounting Policies

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For & On behalf of the Board

For Sethiya Khandelwal & Co.  
Chartered Accountants  
(Registration No. 004058C)

(M. Director) Director)

Place : Indore

Date : 29.05.2014

Rajesh Khandelwal

Partner

M. No. 076272



**SYSTEMATIX SECURITIES LTD.**

**STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2014**

		(Amount in Rs.)	
Particulars	Note No.	As on 31.03.14	As on 31.03.13
<b>I INCOMES</b>			
Incomes from Operations	10	3468258	3745511
Long Term Capital Gain		1647588	1998902
Short Term Capital Gain		171209	-
Dividend Income		133555	125375
		<u>5420609</u>	<u>5869788</u>
<b>II EXPENSES</b>			
Employee Benefits Expenses	11	1798800	1638000
Finance Costs	12	10562	3854
Depreciation and Amortisation charges		4912	-
Other Expenses	13		
- Operational		902086	674392
- Administrative		327933	302700
		<u>3044293</u>	<u>2618946</u>
<b>III PROFIT BEFORE TAX FROM CONTINUING OPERATIONS</b>		2376316	3250842
<b>IV Provision for Taxation - Income Tax (MAT)</b>		427358	596000
<b>V PROFIT AFTER TAX FROM CONTINUING OPERATIONS</b>		<u>1948958</u>	<u>2654842</u>
<b>VI E.P.S. (Basic &amp; Diluted) of face value of Rs. 10/- each</b>			
Basic (in Rs.)		0.39	0.53
Diluted (in Rs.)		0.39	0.53
Notes on Account & Significant Accounting Policies	14		

For & On behalf of the Board

(M. Director) Director)

Place : Indore

Date : 29.05.2014

As per our report of even date  
For Sethiya Khandelwal & Co.  
Chartered Accountants  
(Registration No. 004058C)

Rajesh Khandelwal  
Partner  
M. No. 076272

**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31st MARCH 2014**

	2013-14	2012-13
<b>( A ) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax and extra ordinary items	2376316	3250842
Adjustments for : -		
Depreciation	4912	-
Foreign Exchange/Dep. Investments		-
Investments Extraordinary items		-
( Net Investments Loss )		
Preliminary, Public Issue		-
Lease Equilisation		-
Interest/Dividend Received	(3601813)	(3870886)
Loss (Profit) on Sale of Shares	(1848148)	(1998902)
<b>Operating profit before working capital changes</b>	<b>(3068733)</b>	<b>(2618946)</b>
Adjustments for : -		
Trade and other receivables	2968039	(5475812)
Inventories		-
Trade Payable Net of Lease Terminal Adjst. A/c	215702	(1000)
<b>Cash Generated from operation</b>	<b>115008</b>	<b>(8095758)</b>
Interest Paid	(7655)	(63190)
Direct Taxed paid	(612341)	(947556)
<b>Cash Flow Before extraordinary items</b>	<b>(504988)</b>	<b>(9106504)</b>
Extraordinary items		-
	<b>(504988)</b>	<b>(9106504)</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	0	(32000)
Sale of Fixed Assets	0	-
Acquisitions of Companies	0	-
Purchase of Investments	(9132784)	(10852046)
and increase in share application money		
Sale of Investments		
and decrease in share application money	5745821	15236221
Interest received	3468258	3745511
Dividend Received	133555	125375
Preliminary Exp. Incurred		
<b>Net Cash from/ ( Used ) in investing activities</b>	<b>214850</b>	<b>8223061</b>
<b>(C) CASH FLOW FROM FINANCIANG ACTIVITIES</b>		
Proceeds from issue of share capital		-
Proceeds from issue of share application money		-
Proceeds from long and short term borrowings		-
Repayment of finance lease liabilities		-
Interest Paid	7,655	63,190
Dividend paid		-
<b>Net Cash used in financiing activities</b>	<b>7,655</b>	<b>63,190</b>
<b>Net increase in Cash and Cash equivalents</b>	<b>(282483)</b>	<b>(820253)</b>
<b>Cash and Cash equivalents as (Opening Balance)</b>	<b>499618</b>	<b>1319871</b>
<b>Cash and Cash equivalents as (Closing Balance)</b>	<b>217135</b>	<b>499618</b>

**SYSTEMATIX SECURITIES LTD.**  
**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AND**  
**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2014**

(Amount in Rs.)

Note No.	Particulars	As on 31.03.14	As on 31.03.13
01	<b>SHARE CAPITAL</b>		
	<b>AUTHORISED</b>		
	7000000 Equity Shares of Rs. 10/- each	70000000	70000000
	<b>ISSUED SUBSCRIBED &amp; PAID UP</b>		
	5000000 Equity Shares of Rs. 10/- each fully paid	50000000	50000000

a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period.

Particular	Op. Balance	Issue Shares	Clo. Balance
<b>Equity Shares with voting rights</b>			
Year ended 31st March 2014			
Number of Shares	5000000	-	5000000
Amount (Rs.)	50000000	-	50000000
Year ended 31st March 2013			
Number of Shares	5000000	-	5000000
Amount (Rs.)	50000000	-	50000000

b) The company has only one class of shares having a par value of Rs.10/- per share. Each holder of equity share is entitled to one vote per share.

c) The details of shareholders more than 5% shares

	As at 31.03.14		As at 31.03.13	
	Nos of shares	% held	Nos of shares	% held
Systematix Corporate Services Ltd.	569000	11.38	569000	11.38
Madhu Khandelwal	377500	7.55	377500	7.55
Neelam Sethiya	377500	7.55	377500	7.55
Cactus Software Ltd.	300000	6.00	300000	6.00

**02 RESERVES & SURPLUS**

Share Premium Reserves	20472498	20472498
<u>Profit &amp; Loss Account</u>		
Opening Balance	3693004	1038162
Add : Profit for the year	1948958	2654842
	5641962	3693004
	<b>26114460</b>	<b>24165502</b>

**SYSTEMATIX SECURITIES LTD.**

(Amount in Rs.)

Note No.	Particulars	As on 31.03.14	As on 31.03.13
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**03 OTHER CURRENT LIABILITIES**

Creditors for Expenses	325352	127250
	<b>325352</b>	<b>127250</b>

**04 SHORT TERM PROVISIONS**

Audit Fees Payable	20000	20000
Bonus Payable	138600	126000
Income Tax	427358	612341
T.D.S Payable	5000	-
	<b>590958</b>	<b>758341</b>

**05 FIXED ASSETS**

**TANGIBLE ASSETS**

Particulars	Gross Block		Total	Depreciation			Net Block	
	Opening Balance	Additions (Deduct.)		Opening Balance	For the year	Total	W.D.V. 31.03.14	W.D.V. 31.03.13
Computer	181100	-	181100	142572	4912	147484	33616	38528
Vehicle	1023443	-	1023443	993767	-	993767	29676	29676
Total	1204543	-	1204543	1136339	4912	1141251	63292	68204
Previous Year	1172543	32000	1204543	1136339	-	1136339	68204	36204

**06 NON CURRENT INVESTMENTS (AT COST)**

**Quoted -**

Inani Marbles & Industries Ltd. 44967 (P.Y. 46500) Equity Shares of Rs. 10/- each fully paid	1136989	699825
Bilpower Ltd. 798 Equity Shares of of Rs. 10/- each fully paid	18402	18402
State Bank of Bikaner & Jaipur 1750 Equity Shares of Rs. 10/- each fully paid	91000	91000
ECL Finance Ltd (500 11.60% Secured Redeemable Non-Convertible Debenture @1000 each)	500000	-
Liquid Benchmark Liquid BEES 697 Liquid Bees Rs. 1000/- each fully paid	697252	-
Presha Metal 5 (Previous Year NIL ) Equity Shares of Rs. 10/- each fully paid	401	-
Shares of Edelwiss Capital Ltd 10 (Previous Year NIL ) Equity Shares of Rs. 10/- each fully paid	294	-

**Unquoted -**

Inani Securities & Investments Ltd. 200000 Equity Shares of Rs. 10/- each fully paid	2000000	2000000
Arawali Associates Pvt. Ltd. 2050 Equity Shares of Rs. 100/- each fully paid	1025000	1025000
Inani Marbles Pvt. Ltd. 3850 Equity Shares of Rs. 100/- each fully paid	1925000	1925000
Inani Marmo & Granite Pvt. Ltd. 25000 Equity Shares of Rs. 10/- each fully paid	1500000	1500000

**SYSTEMATIX SECURITIES LTD.**

(Amount in Rs.)

<b>Note No.</b>	<b>Particulars</b>	<b>As on 31.03.14</b>	<b>As on 31.03.13</b>
	Inani Tiles Pvt. Ltd. 5380 Equity Shares of Rs. 100/- each fully paid	2690000	2690000
	Chirag Tiles Pvt. Ltd. 50000 Equity Shares of Rs. 10/- each fully paid	500000	500000
	Nathani Marble Pvt. Ltd. 15000 Equity Shares of Rs. 10/- each fully paid	150000	150000
	Action Marble & Granite Pvt. Ltd. 60000 Equity Shares of Rs. 10/- each fully paid	1725000	1725000
	Vijaydeep Silk Mill Pvt. Ltd. 229540 Equity Shares of Rs. 10/- each fully paid	2295400	2295400
	Roop Rajat Builders Pvt. Ltd. 15000 Equity Shares of Rs. 10/- each fully paid	150000	150000
	Inani Infraprojects Pvt. Ltd. 4800 Equity Shares of Rs. 10/- each fully paid	1440000	1440000
		<b>17844738</b>	<b>16209627</b>
	Aggregate cost of quoted investments	1246391	809227
	Aggregate market value of quoted investments	6861748	13571298
	Aggregate cost of unquoted investments	33245138	31610027
<b>07</b>	<b>CASH &amp; CASH EQUIVALENTS</b>		
	Cash in Hand	148607	329007
	Balances with Scheduled Bank	68529	170612
		<b>217135</b>	<b>499618</b>
<b>08</b>	<b>SHORT TERM LOANS &amp; ADVANCES</b> (Unsecured , Considered good)		
	Loans/Advances recoverable in cash or in kind or for value to be received	56877052	56157741
		<b>56877052</b>	<b>56157741</b>

**SYSTEMATIX SECURITIES LTD.**

(Amount in Rs.)

<b>Note No.</b>	<b>Particulars</b>	<b>As on 31.03.14</b>	<b>As on 31.03.13</b>
<b>09</b>	<b>OTHER CURRENT ASSETS</b>		
	Tax Deducted at Sources	1982814	2070164
	Fringe Benefit Rundable	18767	18767
	Advance Income Tax	17620	17620
	Deposit with Income Tax Deptt.	9352	9352
		<b>2028553</b>	<b>2115903</b>
<b>10</b>	<b>INCOME FROM OPERATION</b>		
	Interest Income	3468258	3745511
		<b>3468258</b>	<b>3745511</b>
<b>11</b>	<b>EMPLOYEE BENEFITS EXPESNES</b>		
	Salaries	1660200	1512000
	Bonus	138600	126000
		<b>1798800</b>	<b>1638000</b>
<b>12</b>	<b>FINANCE COST</b>		
	Bank Charges	2907	3854
	Interest on Income Tax	7655	-
		<b>10562</b>	<b>3854</b>
<b>13</b>	<b>OTHER EXPENSES</b>		
	<u>OPERATIONAL</u>		
	Auditors Remuneration	20000	20000
	Stationery & Printing	40210	32580
	Conveyance & Travelling	198240	178262
	Telephone & Trunkcall	28770	100415
	Advertisement	1404	45948
	Office Expenses	65410	70272
	Insurance Charges	32475	15874
	Newspaper	7522	5244
	Vehicle Running & Maintenance	214701	101923
	Vehicle Running & Maintenance - Motor Byke	28140	30240
	Secretarial Charges	30000	30000
	Listing Fees	227659	17169
	Electricity Charges	7555	-
	Business Promotion	-	26465
		<b>902086</b>	<b>674392</b>
	<u>ADMINISTRATION</u>		
	Postage & Telegram	35210	48350
	Rent	196000	196000
	Books & Periodicals	1210	1450
	Legal & Professional Charges	95513	56900
		<b>327933</b>	<b>302700</b>

## **SYSTEMATIX SECURITIES LTD.**

### **Note No. 14**

#### **Significant Accounting Policies :**

##### **A Basis of Preparation of Financial Statement :**

These Financial statements have been prepared in accordance with the generally accepted accounting principles in India under historical cost convention on accrual basis, except for certain financial instruments which are measured at fair value. These financial statements have been prepared to comply in all material aspects with the accounting standards notified under section 211 (3C) [Companies (Accounting Standards) Rules, 2006 as amended] and other relevant provisions of the Companies Act, 1956.

##### **B Use of estimates**

The preparation of financial statements requires the management of the company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expense during the year. Example of such estimates include provision for doubtful receivables, employee benefits, provision for income taxes, accounting for contract costs expected to be incurred, the useful lives of depreciable fixed assets and provision for impairment.

##### **C Own Fixed Assets**

Fixed Assets are stated at cost and includes amounts added on revaluation, less accumulated depreciation and impairment loss, if any. All costs, including financing costs till commencement of commercial production, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the fixed assets, if any are capitalized.

##### **D Intangible Assets**

The company does not have any Intangible Asset.

##### **E Depreciation and Amortization**

Depreciation on Fixed Assets has not been provided at assets reaches their Residual value.

##### **F Impairment of Assets**



An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

**G Foreign Currency Transactions**

There is no foreign currency transactions made during the year.

**H Investments**

Investments are stated at cost.

**I Inventories**

Company is engaged in service providing activity hence there is no stock.

**J Revenue Recognition**

Revenue is recognized only when it can be reliably measured and it is reasonable to expect ultimate collection. Revenue from operations.

**K Employee Benefits**

- No Provision has been made in respect of liabilities for future payment of gratuities as on 31<sup>st</sup> March 2014 as the company follows the system of accounting such expenses as and when it arises.
- No provision has been made for liabilities in respect of un-availed leave (if any) of the employee as on 31<sup>st</sup> March 2014, as the company follows system of accounting for such expenses as and when it paid.
- No provision has been made for liabilities in respect of Contribution to Provident Fund and Family Pension Fund if any of the employees as on 31<sup>st</sup> March 2013, as the company follows system of accounting for such expenses as and when it paid.

**L Borrowing Costs**

Company did not borrow any loan and hence not paying any interest in previous year.

**M Financial Derivatives and Commodity Hedging Transactions**

There is no financial derivatives and commodity hedging transaction made during the year.

**N Earning Per Shares :**

	Current Year	Previous Year
	(Rs.)	(Rs.)
Profit after tax as per Profit and Loss A/c.	1948958	2654842
Nos. of Equity Shares	5000000	5000000
Earning Per Shares (In Rs. )	0.39	0.53

**O Segment Reporting**

As per Accounting Standard (AS) 17 on "Segment Reporting", The Company is engage in one segment.

**P** There is no transaction with related party.

**Notes on Accounts :**

1. Contingent Liabilities : NIL
2. The Company does not have the practice to obtain balance confirmation for the amounts at the year end, therefore the balance under the heads Sundry Debtors, Sundry Creditors, Deposit, Loans and Advances, Bank a/c, and other personnel a/c are shown as per books of accounts and are subject to reconciliation and adjustment, if any.
3. Auditors Remuneration :

	Current Year	Previous Year
Audit Fees	Rs. 20000/-	Rs. 20000/-
	-----	-----
4. No deferred tax assets in recognized in the books as there are no substantial deferred tax liabilities/assets during the year. The position will be reviewed every financial year.  
  
Provision for MAT Rs. 427358/- has been made in accordance with section 115 JB.
5. Previous year figures have been regrouped / rearranged wherever necessary to confirm to current year's presentation.

6. Figures have been rounded off nearest to the Rupees.
7. There are no Micro, small and Medium enterprises , as defined in the Micro , small and Medium Enterprises Development Act, 2006 to whom the Company owes dues on account of principal amount together with interest and accordingly no additional disclosures have been made

The above information regarding micro, small and medium enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

**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 : L65999WB1986PLC040357

Name of company: SYSTEMATIX SECURITIES LTD.

Registered office: 237, Kamalaya center,  
156-A Lenin Sarani Road, Kolkata

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

2. Name : .....

Address :

E-mail Id :

Signature : ..... or failing him

3. Name : .....

Address :

E-mail Id :

Signature : .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual general meeting of the company, to be held on the Saturday 27<sup>th</sup> September, 2014 At the Registered Office at 237, Kamalaya Center, 156-A, Lenin Sarani Road, Kolkata INDIA at 10.15 a.m. and at any adjournment thereof in respect of such resolutions as are indicated below:

Ordinary Resolutions	
1.	Receive, Consider and adopt Audited Financial Statement, reports of the Board of Directors and Auditor.
2.	Re-appointment of Auditor and Fixing their remuneration
3.	Appointment of Shri Jagdish Rathi as an independent Director of the Company
4.	Appointment of Shri Rakesh Sethiya as an independent Director of the

	Company
5	Appointment of Shri Bhagwati Prasad Sharma as an independent Director of the Company
6.	Delisting from Stock Exchange

Signed this..... day of..... 2014

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.

#### **ATTENDANCE SLIP**

#### **28<sup>TH</sup> ANNUAL GENERAL MEETING ON SATURDAY 27<sup>TH</sup> SEPTEMBER 2014**

R.F. No. \_\_\_\_\_

Mr./Mrs./Miss \_\_\_\_\_

(Shareholders' name in block letters)

I/We certify that I/We am/are registered shareholder / proxy for the registered shareholder of the company.

I/We hereby record my/our presence at the Annual General meeting of the company at the Registered office of the company on 27<sup>th</sup> September, 2014.

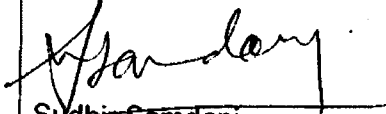
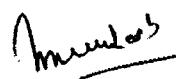

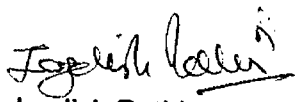
(If signed by proxy, his name should be  
Written in block letters)

(Shareholders/proxy's Signature) \_\_\_\_\_

Note:

1. Shareholders / proxy holders are requested to bring the attendance Slips with them when they come to the meeting and hand over them at the entrance after affixing their signatures on them.
2. If it is intended to appoint a proxy, the form of proxy should be completed and deposited at the Registered Office of the Company at least 48 hours before the Meeting.

**FORM A**  
**Format of covering letter of the annual audit report to be filed with the stock exchanges**

1.	Name of the Company	Systematix Securities Limited
2.	Annual financial statements for the year ended	31st March 2014
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Not Applicable
5.	To be signed by- <ul style="list-style-type: none"> <li>▪ Managing Director</li> <li>▪ CFO</li> <li>▪ Auditor of the company</li> <li>▪ Audit Committee Chairman</li> </ul>	<p>For: Systematix Securities Limited</p>  Sudhir Samdani (Managing Director) <p>For: Systematix Securities Limited</p>  Mukesh Kumar Sarwa (Chief Financial Officer) <p>Sethiya Khandelwal &amp; Co.  Chartered Accountants  (Reg. No. 004058C)</p>  (Rajesh Khandelwal) Partner M.No. 076272 <p>For: Systematix Securities Limited</p>  Jagdish Rath Chairman – Audit Committee