

25th
ANNUAL REPORT

AS AT 31ST MARCH 2018

SYSCHEM (INDIA) LIMITED

BOARD OF DIRECTORS

MR. RANJAN JAIN
MR. SUNINDER VEER SINGH
MRS. NEENA KUMAR
MR. BALWANT SINGH SANDHU
MRS. NEENA BATRA

REGISTERED OFFICE

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

CORPORATE OFFICE

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

AUDITORS

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

COMPANY SECRETARY

Mrs. Amarjeet Kaur

CHIEF FINANCIAL OFFICER

Mr. Naresh Batra

BANKERS

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

NOTICE

NOTICE is hereby given that 25th Annual General Meeting of the shareholders of Syschem (India) Limited will be held on Friday, the 28th day of September, 2018 at 1.00 P.M. at Registered Office Village Bargodam, Tehsil Kalka, Distt. Panchkula, Haryana to transact the following business :-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2018 and the Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditor's thereon.
2. To appoint a Director in place of Ms Neena Batra (DIN 07846399), who retires by rotation and being eligible, offers herself for re-appointment.
3. To ratify the appointment of Auditors and to fix their remuneration and for this purpose to consider and, if thought fit, to pass the following resolution with or without modification(s) as an ordinary resolution:

“RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 read with the Rule 3(7) of the Companies (Audit & Auditors) Rules, 2014, the Company hereby ratified the appointment of M/s Vinod Sumitra & Co., Chartered Accountants, (Firm Registration no. 014398N) as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company at a remuneration as may be determined by the Board of Directors of the Company.”

SPECIAL BUSINESS:

4. **To approve Related Party Transactions and to consider and, if thought fit, to pass with or without modification(s), the following resolution as ordinary resolution:**

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

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

5. **Approve the remuneration of the Cost Auditors for the financial year ending March 31, 2018 & to Consider and if thought fit, to pass, with or without modification(s), the following resolution as ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any Statutory Modification(s) or re-enactment thereof, for the time being in force), M/s. C.L. Bansal & Associates, Cost Auditors appointed by the Board on the recommendation of the Audit Committee of the Company, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2019, be paid the remuneration as set out in the Statement annexed to the Notice convening this Meeting;

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

6. To re-classify the status of M/s Classic Securities Pvt. Ltd. from ‘Promoter’ category to ‘Public’ category of the Company and to consider and, if thought fit, to pass the following resolution as a SPECIAL RESOLUTION:

“RESOLVED That pursuant to Regulation 31A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’) (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and other applicable laws and subject to the necessary approvals from the Securities and Exchange Board of India (SEBI), Stock Exchanges and other appropriate statutory authorities as may be required, the consent of the Members of the Company be and is hereby accorded to re-classify the status of M/s Classic Securities Pvt. Ltd. from ‘Promoter category to ‘Public’ category of the Company.

RESOLVED FURTHER That M/s Classic Securities Pvt. Ltd. shall not hold more than ten percent of the paid-up equity share capital of the Company nor shall have any special right through formal or informal arrangements and shall not directly or indirectly exercise control, over the affairs of the Company.

RESOLVED FURTHER That on approval of the Securities and Exchange Board of India/Stock Exchange(s) for the said re-classification, the Company shall effect such re-classification in the statement showing holding of securities and shareholding pattern of the Company from immediate succeeding quarter under Regulation 31 of the Listing Regulations and in compliance with Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, and other applicable laws.

RESOLVED FURTHER That Mr. Ranjan Jain, Chairman cum Managing Director and/or Mr. Suninder Veer Singh, Joint Managing Director, Mrs. Amarjeet Kaur, Company Secretary and/or such other person as authorized by them, be and are hereby jointly and severally authorized to submit the application for re-classification to the Stock Exchanges, where the securities of the Company are listed or any other regulatory body, as may be required and to do all such acts, deeds, matters and things as may be necessary or expedient and to settle any questions, difficulties or doubts that may arise in this regard without requiring to secure any further consent or approval of the Members of the Company or of the Board.”

Place: Chandigarh
Date: 31.08.2018

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

RANJAN JAIN
(Managing Director)
DIN : 00635274

NOTES :

- (1) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and to vote on a poll instead of himself / herself. The proxy need not be a member of the Company. A blank form of proxy is attached herewith and, if intended to be used, it should be returned duly completed at the Registered Office of the Company not less than forty eight hours before the scheduled time of the commencement of 25th Annual General Meeting.
- (2) A person can act as proxy on behalf of members not exceeding fifty in number and holding in the aggregate not more than 10% of the total Share Capital of the Company carrying voting rights. However, a member holding more than 10% of the total Share Capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
- (3) Every member entitled to vote at the meeting, or on any resolution to be moved there at, shall be entitled during the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, to inspect the proxies lodged, at any time during the business hours of the Company, provided not less than three days notice in writing of the intention so to inspect is given to the Company.
- (4) The Explanatory Statement as required under Section 102 of the Companies Act, 2013, in respect of item Nos. 4 and 5 of the Notice convening the Meeting is annexed hereto.
- (5) Location map of the Venue of the Annual General Meeting is attached to this Annual Report.
- (6) Members holding shares in physical form are requested to notify / send the following to the Registrar & Transfer Agent (RTA) of the Company M/s Beetal Financial & Computer Services Private Limited, having their office at Beetal House, 3rd Floor, 99, Madangir, Bh. Local Shopping Complex, Near Dada Harsukhdas Mandir, New Delhi – 110 062. Ph No. : 011-29961281-82.
 - a. their **E-mail ID**, in case the same have not been sent earlier, for the purpose of receiving the communication electronically
 - b. any change in their address / E-mail ID / ECS Mandate / Bank details
 - c. Share Certificate(s), held in multiple accounts in identical names or joint accounts in the same order of names, for consolidation of such shareholding into one account
 - d. their Bank account details in order to receive payment of dividend, whenever declared, through electronic mode, as and when it would be declared

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

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

- (8) The shares of the Company are under compulsory Demat trading. Members holding shares in physical form are requested to convert their shares into dematerialized form in their own interest and convenience purpose.
- (9) In accordance with Section 20 of the Companies Act, 2013 service of documents on members by a Company is allowed through electronic mode. Accordingly, as a part of Green Initiative, soft copy of the Annual Report 2017-18 is being sent to all the members whose E-mail address(es) are registered with the Company / Depository Participant(s) unless any member has requested for a hard copy of the same. Further, in accordance with Listing Agreement and Section 136 of the Companies Act, 2013 including Rule 10 of the Company (Accounts) Rules, 2014 the hard copies of Annual Report 2017-18 is being sent to all other members who have not registered their E-mail address(es). Members, who have not yet registered their E-mail address with the Company / RTA / Depository Participant, are requested to do the same at the earliest.

The Notice of 25th Annual General Meeting and the Annual Report 2017-18 will also be available on the Company's website www.syschem.in for downloading by the members. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during business hours.

- (10) The Shareholders / Proxies are requested to produce at the Registration Counter(s) the attendance slip sent along with this Report, duly completed and signed, for admission at the meeting hall. However, in case of non-receipt of Notice of AGM, members are requested to write to the Company at its Registered Office for issuing the duplicate of the same or download the same from Company's website www.syschem.in.
- (11) In case any Member has any query relating to the Annual Accounts he / she is requested to send the same to the Compliance Officer at the Registered Office of the Company at least 7 days before the date of AGM so as to enable the management to keep the information ready for replying at the meeting.
- (12) As a measure of economy, copies of Annual Report will not be distributed at the venue of the AGM. Members are, therefore, requested to bring their own copies of the Annual Report to the meeting.
- (13) Details under Listing Regulations, 2015 in respect of the Directors seeking appointment / re-appointment at the AGM, is separately annexed hereto. The Directors seeking appointment / reappointment have furnished the declaration under Rule 14 of the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Section 164(2) of the Companies Act, 2013 and other requisite declarations for their appointment / re-appointment.
- (14) **All the** documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company on all working days between 11.00 AM to 1.00 PM up to the date of AGM. The Register of Directors and Key Managerial Personnel & their Shareholding and the Register of Contracts & Arrangements in which Directors are interested shall be open for inspection at the meeting to any person having right to attend the meeting.
- (15) Members holding shares in physical form and desirous of making a nomination or cancellation / variation in nomination already made in respect of their shareholding in the Company, as permitted under Section 72 of the Companies Act, 2013, are requested to submit to the RTA of the Company M/s Beetal Financial & Computer Services Pvt. Ltd. the prescribed Form SH 13 for nomination and Form SH 14 for

cancellation / variation as the case may be. Members holding shares in demat mode may contact their respective Depository Participant for availing this facility.

- (16) Pursuant to the provisions of Section 91 of the Companies Act, 2013, the Register of Members and Share Transfer Books of the Company will remain closed from 22-09-2018 to 28-09-2018 (both days inclusive) for the purpose of AGM.
- (17) In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- (18) Members are advised to refer to the Shareholders General Information as provided in the Annual Report.
- (19) Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board resolution authorizing their representative to attend and vote on their behalf at the Meeting.
- (20) In terms of the provisions of Section 107 and 108 of the Companies Act, 2013, since the resolutions as set out in this Notice are being conducted through e-voting, the said resolutions will not be decided on a show of hands at the Meeting.
- (21) **E-VOTING:**
 - a. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and Listing Regulations, 2015, a member of the Company holding shares either in physical form or in dematerialized form may exercise his right to vote by electronic means in respect of the resolution(s) contained in this notice.
 - b. The Company is providing facility for voting by electronic means to its members to enable them to cast their votes through such voting. The Company has engaged the services of Central Depository Securities Limited (CDSL) to provide remote e-voting facility (i.e. the facility of casting votes by a member by using an electronic voting system from a place other than the venue of a general meeting).
 - c. The Company shall also provide facility for voting through Ballot paper which shall be available at the meeting and members attending the meeting who have not already casted their vote by remote e-voting shall be able to exercise their right to vote at the meeting
 - d. The members who have casted their vote by remote e-voting to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
 - e. The Board of Directors have appointed Mr. Kanwaljit Singh, Practicing Company Secretary (FCS 5901), SCO 64-65, Sector 17 A, Chandigarh as the Scrutinizer, for conducting the remote e-voting process and ballot voting at Annual General Meeting in a fair and transparent manner.
 - f. The cut-off date for the purpose of voting (including remote e-voting) is 21st September, 2018.
 - g. Members are requested to carefully read the instructions for remote e-voting before casting their vote.
 - h. The remote e-voting facility will be available during the following period after which the portal shall forthwith be blocked and shall not be available:

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

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

- (i) The voting period begins on 25th September, 2018 at 9.00 A.M. and ends on 27th September, 2018 at 5.00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 21st September, 2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for for the Company “Syschem (India) Limited” on which you choose to vote.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xvii) If a demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) **Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- (xix) **Note for Non – Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

In case of members receiving the physical copy:

- (A) Please follow all steps listed above to cast vote.
- (B) The voting period begins on 09:00 A.M. (IST) on September 25, 2018 and ends on 05:00 P.M. (IST) on September 27, 2018
- (C) During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 21-09-2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

Any person, who acquires shares of the Company and becomes member of the Company after the Dispatch of Notice and holds shares as of the cut-off date i.e. 21-09-2018, may obtain the Login ID and sequence number by sending a request to RTA of the Company M/s Beetal Financial & Computer Services Pvt. Ltd, Beetal House, 99, Madangir behind Local Shopping Centre, Near Dada Harsukh Dass Mandir, New Delhi, Delhi – 110 062. However, if the said shareholder is already registered with CDSL for e-voting, then his existing User ID and password can be used for casting the vote. If he has forgotten the password, he can reset his password by using “Forgot User Details / Password” option available on www.evotingindia.com.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.

- (i) The voting rights of shareholders shall be in proportion to the shares held by them in the paid up Equity Share Capital of the Company as on 21-09-2018.
- (ii) The scrutiniser shall, immediately after the conclusion of voting at the Annual General Meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than three days of conclusion of the meeting, a consolidated scrutiniser’s report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same and the Chairman or a person authorised by him in writing shall declare the results of the voting forthwith
- (iii) The Scrutinizer’s decision on the validity of the vote shall be final and binding.
- (iv) The result declared along with the Scrutinizer’s report shall be placed on the website of the Company (www.syschem.in) and on the website of CDSL (www.cdslindia.com) immediately after the result is declared and shall simultaneously be forwarded to the B S E Limited, where the Company’s shares are listed.
- (v) The resolutions will be deemed to be passed on the AGM date subject to receipt of requisite number of votes in favour of the resolutions.

Place: Chandigarh
Date: 31.08.2018

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

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

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

ITEM NO. 4

Impetus Healthcare, a partnership Firm in which Mr. Suninder Veer Singh, Joint Managing Director of the Company is a partner is a 'Related Party' within the meaning of Section 2 (76) of the Companies Act, 2013 and Regulation 2 (1)(zb) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR"). The Board of Directors of the Company had, on the recommendation of the Audit Committee, passed a resolution at its meeting held on 29th May, 2018, approving the Sale & purchase of raw material and finished goods upto a value of Rs. 50.00 Crores to and from Impetus Healthcare.

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

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

a	Name of the related party	Impetus Healthcare
b	Name of the director or key managerial personnel who is related, if any	Mr. Suninder Veer Singh, Joint Managing Director
c	Nature of relationship	A firm in which Mr. Suninder Veer Singh is a partner
d	Nature, material terms, monetary value and particulars of the contract or arrangement	Sale & purchase of raw material and finished goods upto Rs. 50.00 crores
e	Any Advance Paid Or Received For The Contract Or Arrangement, If any	Nil
f	The Manner of determining the pricing and other commercial terms, both included as part of contract and not considered as part of the contract	The pricing is commensurate with the general trend in the industry for other development managers and is at the rates prevalent in the market for such services.
g	whether all factors relevant to the contract have been considered, if not, the details of factors not considered with the rationale for not considering those factors;	Yes

h	Any other information relevant or important for the members to take a decision on the proposed resolution	The transaction for entering into agreement for providing services with its related parties is on 'arm's length' basis and is advantageous for the Company considering the experience of the related party and shall be in compliance with Section 188 and other applicable provisions of the Companies Act, 2013 and the rules thereto.
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None of the Directors and key managerial personnel of the Company or their relatives are concerned or interested in the resolution

The Board recommends passing of the proposed Special Resolution.

ITEM NO.5:

The Board on the recommendation of the Audit Committee has approved the appointment of M/s. C.L. Bansal & Associates, Cost Auditors at remuneration of Rs. 60000/- to conduct the audit of the cost records of the Company for the financial year ending March 31, 2019.

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

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

ITEM NO.6:

The Company is required to disclose the individuals and entities forming part of its 'Promoter & Promoter Group' category and 'Public' category, separately under various provisions of the Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as 'Listing Regulations'), Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and other applicable laws as in force.

Regulation 31A of the Listing Regulations empowers the Stock Exchange to allow re-classification or modification of the existing status of individuals or entities from 'Promoter & Promoter Group' category to 'Public' category or *vice-a-versa*, only subject to the fulfillment of the conditions as provided therein.

The Company has received a request letter from M/s Classic Securities Pvt. Ltd. belonging to the existing 'Promoter' category of the Company to re-classify its status from 'Promoter' category to 'Public' category of the Company in terms of Regulation 31A of the Listing Regulations. A copy of the said request letter is available for inspection at the registered office of the Company during the business hours from 10:00 A.M. to 2:00 P.M. on all working days till Monday, 24th September, 2018.

M/s Classic Securities Pvt. Ltd. became the 'promoter' of the company on the acquisition of the company through open offer in the year 2011-2012. It presently holds 3,50,000 Equity Shares (being 2.16% of the paid-up Capital) of the company

M/s Classic Securities Pvt. Ltd. is not connected, directly or indirectly, whatsoever, with any activity of the Company and in no way has any control over the affairs or decision making process of the Company and do not have any special rights through formal or informal arrangements with the Company or promoters or any person in the promoter group. Being a company, none of its directors never held at any time; any position of key managerial personnel in the Company.

In view of the above, the Board of Directors of the Company at their meeting held on 31st August, 2018 have favourably considered the request for the above re-classification subject to the approval of the shareholders, stock exchange(s), etc. as M/s Classic Securities Pvt. Ltd. does not:

- hold more than 10% of the total share capital of the Company;
- have any direct or indirect control over the affairs of the Company;
- hold any key managerial position in the Company;
- have any representations on the Board of Directors in the Company;
- engage in any management or day to day affairs of the Company;
- have any influences on the decision taken by the Company;
- have any special right through formal or informal arrangements or any shareholding agreement with the Company.

Post re-classification the remaining Members of the existing 'Promoter and Promoter Group Category' of the Company will be as follows:

Sl. No.	Name of the Members	No. of shares held as on 9.11.2017	Percentage (%)
	Promoter:		
1.	Ranjan Jain	3034635	18.72
	Ruchika Jain	101954	0.63
2.	Rajesh Gupta	406260	2.51
3.	Suninder Veer Singh	0	0.00
	TOTAL	3542849	21.86

Further the requirement under Rule 19A of the Securities Contracts (Regulation) Rules, 1957 regarding the minimum public shareholding requirement of atleast 25% of the total share capital is already fulfilled as on date of this Notice without taking into account the shareholding of M/s Classic Securities Pvt. Ltd..

The Board therefore recommends the Special Resolution as set out at Item no. 6 of the Notice for approval of the Members.

None of the Directors and Key Managerial Personnel of the Company and/or their relatives are in any way, concerned or interested, financially or otherwise, in the resolution as set out at Item no. 6 of the Notice.

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

Name of Director	Ms. Neena Batra
Date of appointment as Director	16.06.2017
Date of Birth	05.07.1965
Designation	Non-Executive Director

Ms Neena Batra, who is liable to retire by rotation and being eligible, is proposed to be re-appointed as the Director of the Company in the ensuing Annual General Meeting.

Expertise in Specific Functional Area

Ms Neena Batra has experience in the field of corporate administration and her appointment shall be of immense benefit to the Company.

Qualification:	Higher Secondary
List of other Directorships:	NIL
Chairman / Member of the Committee of the Directors of Syschem (India) Ltd:	3
Chairman / Member of the Committee of the Directors of other Companies	None
Shareholding in the Company as on the date of this report	10,950 shares

Relationship :- None of the directors of the Company is related to Ms Neena Batra. Mrs. Neena Batra is spouse of Mr. Naresh Batra, CFO of the company.

DIRECTORS' REPORT

Dear Members,

The Directors have pleasure in presenting before you the 25th Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2018.

FINANCIAL RESULTS :-

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

Particulars	2017-2018 (Amount in Lacs)	2016-2017 (Amount in Lacs)
Gross Income	7656.37	1353.75
Expenses	7577.75	1567.63
Profit Before Interest and Depreciation	78.62	(213.88)
Interest	12.48	3.34
Depreciation	208.38	205.37
Exceptional Item	(18.48)	-
Net Profit/ (Loss) Before Tax	60.14	(213.88)
Provision for Tax	-	-
Deferred Tax	(26.42)	65.42
Net Profit/ (Loss) After Tax	33.72	(148.46)

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

The Company has changed its product line from Chemical manufacturing to Pharmaceutical Industry during the Financial Year under review. As a result of that the turnover of the company has increased from 1353.75 Lacs to 7656.37 Lacs resulting in increase in income by 465.56 % over the previous year. The Company has also earned a Net Profit of 33.72 lacs. The management is optimistic about the future growth of the Company.

DIVIDEND :-

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

GENERAL RESERVE:

The Company has not transferred any amount to any reserves.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

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

DIRECTORS

In accordance with the provisions of the Companies Act, 2013 and Articles of Association of the Company, Ms Neena Batra (DIN 07846399), Director of the Company retire by rotation in the ensuing Annual General Meeting and being eligible offer herself for re-appointment.

DECLARATION BY INDEPENDENT DIRECTORS

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

KEY MANAGERIAL PERSONNEL

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

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

SHARE CAPITAL

During the year under review, the Company has issued 3,00,000 Equity Shares and 3739600 Zero Coupon Convertible Warrants on preferential basis to the promoters and non-promoters of the Company. The Company has received listing approval for the allotment of 3,00,000 Equity Shares thereby increasing the subscribed share capital to 16210400 shares of Rs. 10/- each. The Company also increased its Authorised Share Capital to Rs. 25 Crores in its Extra-Ordinary General Meeting held on 17/07/2017.

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

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

EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS

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

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

The Company has changed its product line from Chemical manufacturing to Pharmaceutical Industry during the Financial Year under review.

LISTING WITH BSE LIMITED

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

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

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

INSIDER TRADING

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

CORPORATE GOVERNANCE

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

BUSINESS RESPONSIBILITY REPORT

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

POLICY ON DIRECTORS APPOINTMENT AND POLICY ON REMUNERATION

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

MANAGEMENT DISCUSSION & ANALYSIS REPORT

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

PARTICULARS OF REMUNERATION OF DIRECTORS / KMP / EMPLOYEES:-

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

NUMBER OF MEETINGS OF BOARD

During the year 2017-18, 09 (Nine) Board Meetings were held and 1 (One) Independent Directors meeting was held on 29.01.2018 as required under Schedule IV of Companies Act, 2013 and as per Listing Regulations, 2015. The dates on which the Board Meetings were held are 29.05.2017, 16.06.2017, 19.06.2017, 20.07.2017, 08.08.2017, 12.08.2017, 30.08.2017, 14.11.2017, and 29.01.2018.

PERFORMANCE EVALUATION OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

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

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

The Independent Directors had met separately on 29.01.2018 without the presence of Non-Independent Directors and the members of management and discussed, inter-alia, the performance of non-Independent Directors and Board as a whole and the performance of the Chairman of the Company after taking into consideration the views of Executive and Non-Executive Directors.

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

STATUTORY AUDITORS & AUDITORS REPORT:-

M/s Vinod Sumitra & Co., Chartered Accountants, Chandigarh, was appointed as Statutory Auditors of the Company in the last Annual General Meeting to hold office till the conclusion of Annual General Meeting to be held in the year 2022. Their reappointment is subject to ratification at every Annual General Meeting. Hence it is proposed to ratify their appointment from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting.

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

SECRETARIAL AUDITORS AND THEIR REPORT

Mr. Anil Negi (M. No. 46547), a Company Secretary in practice having CP No. 17213, was appointed as Secretarial Auditor of the Company for the Financial Year 2017-18 pursuant to Section 204 of the Companies Act, 2013. The Secretarial Audit Report submitted by him in the prescribed form MR- 3 is attached as Annexure D-5 and forms part of this report.

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

FRAUDS REPORTED BY AUDITORS

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

DISCLOSURE ABOUT COST AUDIT

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with Notifications/Circulars issued by the Ministry of Corporate Affairs from time to time and as per the recommendation of the Audit Committee, the Board of Directors at their meeting dated 31.08.2018, appointed M/s. C.L. Bansal & Associates, Cost Accountants as the Cost Auditors of the Company for the financial year 2018-2019. The remuneration proposed to be paid to the Cost Auditor, subject to the ratification by the members at the ensuing AGM, would not be exceeding Rs. 60000/- (Rupees Sixty thousand only) plus out of pocket expenses, if any.

CONSOLIDATED FINANCIAL STATEMENTS

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

INTERNAL FINANCIAL CONTROLS AND THEIR ADEQUACY

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

DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT

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

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

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

DEPOSITS

The Company has neither accepted nor renewed any deposits during the Financial Year 2017-18 in terms of Chapter V of the Companies Act, 2013. Information in this regard, therefore, is NIL.

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

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

AUDIT COMMITTEE

The Directors wish to inform that in Compliance with Section 177 of the Companies Act, 2013 and Regulation 18 of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 an Audit Committee has been duly constituted. The Audit Committee as on March 31, 2018 comprises of the following Independent Directors :

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

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

NOMINATION & REMUNERATION COMMITTEE

In terms of Regulation 19 of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to the provisions of section 178 of the Companies Act, 2013, Nomination & Remuneration Committee as on March 31, 2018 comprises of the following Directors

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

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

STAKEHOLDERS RELATIONSHIP COMMITTEE

In terms of Regulation 20 of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has constituted Stakeholders Relationship Committee with following composition as on March 31, 2018 :-

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

EXTRACT OF ANNUAL RETURN

The extract of Annual Return as on March 31, 2018 in the prescribed Form No. MGT-9, pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12 (1) of the Companies (Management and Administration) Rules, 2014 is attached herewith as Annexure D-6 and forms part of this Report.

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

Pursuant to Section 134(3)(g) of the Companies Act, 2013 particulars of loans, guarantees or investments under Section 186 of the Act as at end of the Financial Year 2017-18 are attached as Annexure D-7 which forms part of this report.

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

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

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

VIGIL MECHANISM

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

COMPLIANCE

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

CEO / CFO CERTIFICATION

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

DEMATERIALIZATION OF SHARES

As mentioned in Company's earlier Annual Reports, the Company's Equity Shares are in compulsory Demat mode in terms of SEBI Guidelines. This has been facilitated through arrangement with NSDL and CDSL. About 96% of the shares of the Company are already in dematerialized form. M/s Beetal Financial & Computer Services Pvt. Limited, New Delhi is acting as the Registrar and Share Transfer Agents for this purpose and acts as common share agency in terms of SEBI Guidelines.

TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND

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

ACKNOWLEDGEMENT :-

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

For & On Behalf of the Board

(Suninder Veer Singh)
Joint Managing Director
(DIN 07693557)

For & On Behalf of the Board

(Ranjan Jain)
Managing Director cum Chairman
(DIN 00635274)

PLACE: CHANDIGARH
Date: 29.05.2018

ANNEXURE D-1 TO THE DIRECTORS' REPORT:-

A. Conservation of Energy :

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

B. Technology Absorption :

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

C. Foreign exchange earnings and outgo:

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

ANNEXURE D-2 TO THE DIRECTORS' REPORT

NOMINATION AND REMUNERATION POLICY

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

Definitions:

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

“Key Managerial Personnel” means :

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

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

Objective:

The objective of the policy is to ensure that

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

Role of the Committee:

The role of the NRC will be the following :

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

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

a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, Key Management Personnel or at Senior Management level and recommend his / her appointment, as per Company's Policy.

b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has authority to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the position.

c) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution.

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

- (i) **Qualifications:-** An Independent Director shall possess appropriate skills, Qualification, experience and knowledge in one or more fields of Finance, Law, Management, Sales, Marketing, Administration, Research, Corporate Governance, Operations or other disciplines related to the Company's business.
- (ii) **Positive Attributes:-** An Independent Director shall be a person of integrity, who possesses relevant expertise and experience and who shall uphold ethical standards of integrity and probity; act objectively and constructively; exercise his responsibilities in a bona-fide manner in the interest of the Company; devote sufficient time and attention to his professional obligations for informed and balanced decision making; and assist the Company in implementing the best Corporate Governance practices.
- (iii) **Independence:-** An Independent Director should meet the requirements of the Companies Act, 2013 and Listing Regulations, 2015 concerning Independence of Directors.

TERM / TENURE

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

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

b) **Independent Director:**

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report. No Independent Director shall hold office

for more than two consecutive terms of upto maximum of 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven Listed Companies as an Independent Director and three Listed Companies as an Independent Director in case such person is serving as a Whole-Time Director of a Listed Company or such other number as may be prescribed under the Act.

EVALUATION

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

REMOVAL

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

RETIREMENT

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

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

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

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

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

2) Remuneration to Non- Executive / Independent Directors:

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

3) Remuneration to Key Managerial Personnel and Senior Management:

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

IMPLEMENTATION

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

ANNEXURE D-3 TO THE DIRECTORS' REPORT

MANAGEMENT DISCUSSION & ANALYSIS REPORT

BUSINESS REVIEW AND PRODUCTS

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

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

SWOT Analysis

STRENGTHS

- (i) Promoters have worked for a good period of time in same industry. They have sufficient product knowledge and is thus beneficial for the Industry. We have huge capacities to cater to the market.
- (ii) Lean manufacturing practices being followed by the Company ensure better and stable margins and a cushion to sustain input price pressures and output price competition. Our products quality is well accepted in the market.
- (iii) Existing relations with agents and potential customers due to past working experience of promoters.
- (iv) The location of plant is suitable for such type of Industry.
- (v) The plant is located near to Baddi area where more than 600 pharma/formulations manufacturing units are located.

WEAKNESSES

NIL

OPPORTUNITIES

- (i) Increased usage of contract manufacturing services by large pharmaceutical companies.
- (ii) Demand of antibiotics is high in unorganized market for branded as well as unbranded products.
- (iii) Positive outlook for Indian generic business in general due to a lot many products going off patent in near future.
- (iv) Low per capita consumption of medicines in Indian subcontinent offers opportunities for growth.
- (v) Increasing income levels and health awareness in Asia is expected to result in increased spending power and usage of medicines.

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

THREATS

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

INDUSTRY STRUCTURE & DEVELOPMENT

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

The pharmaceutical sector was valued at US\$ 33 billion in 2017. The country's pharmaceutical industry is expected to expand at a CAGR of 22.4 per cent over 2015–20 to reach US\$ 55 billion. India's pharmaceutical exports stood at US\$ 17.27 billion in 2017-18 and are expected to reach US\$ 20 billion by 2020. The country accounts for around 30 per cent (by volume) and about 10 per cent (value) in the US\$ 70-80 billion US generics market. The Union Cabinet has also given its nod for the amendment of the existing Foreign Direct Investment (FDI) policy in the pharmaceutical sector in order to allow FDI up to 100 per cent under the automatic route for manufacturing of medical devices subject to certain conditions

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

Road Ahead

Medicine spending in India is expected to increase at 9-12 per cent CAGR between 2018-22 to US\$ 26-30 billion, driven by increasing consumer spending, rapid urbanisation, and raising healthcare insurance among others. Going forward, better growth in domestic sales would also depend on the ability of companies to align their product portfolio towards chronic therapies for diseases such as such as cardiovascular, anti-diabetes, anti-depressants and anti-cancers that are on the rise.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

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

HUMAN RESOURCES

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

RESPONSIBILITY FOR THE MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

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

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

ANNEXURE D-4 TO THE DIRECTORS' REPORT

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

- (i) Ratio of the remuneration of each Executive Director to the median remuneration of the Employees of the Company for the financial year 2017-18, the percentage increase in remuneration of Chief Executive Officer, Chief Financial Officer and other Executive Director and Company Secretary during the financial year 2017-18.

Sr. No.	Name of Director/KMP	Designation	The Ratio of the remuneration of each Director to the median remuneration of the employees	The percentage increase in remuneration
1.	Ranjan Jain	Chairman cum Managing Director	5.22%	50%
2.	Suninder Veer Singh	Joint Managing Director	11.48%	-
3.	Naresh Batra	CFO	3.13	12.50%

ii. The percentage increase in the median remuneration of Employees for the financial year was 5.81%

iii. The Company has 70 permanent Employees on the rolls of Company as on 31st March, 2018.

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

Average percentage increase made in the salaries of Employees other than the managerial personnel in the financial year was 8%. During the year 2016-17, only one director was paid remuneration which was also very low as the company was running into losses. It is only after the change of the products, the company's financial position is getting stronger and the directors were paid remuneration.

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

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

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018

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

To,

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

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

Based on my verification of the SYSCHEM (INDIA) LIMITED's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on March 31, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by SYSCHEM (INDIA) LIMITED ("the Company") for the financial year ended on March 31, 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) (Amendment) Regulations, 2013.
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations 2014- Not Applicable as the company has not provided any share based benefits to the employees during the year.
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and Chapter V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements)

Regulations, 2015 - Not applicable as the company has not issued any debt securities during the financial year under review.

- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client- Not applicable as the company is not registered as Registrar to an Issue and Share Transfer Agent during the financial year under review.
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009- Not applicable as the company has not delisted any securities from any stock exchange during the financial year under review.
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998- Not applicable as the company has not bought back any of its securities during the financial year under review.

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

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

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

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

1. The Board of Directors of the Company is not duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors **as the composition of Board is not in compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
2. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent well in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
3. All decisions are carried out through majority, while the dissenting members' views, if any, are captured and recorded as part of the minutes.
4. The company has proper board processes.

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

I further report that during the audit period, the Company has issued and allotted 3,00,000 Equity Shares on Preferential Basis to Non-promoters and 37,39,600 Convertible Equity Warrants on preferential basis to promoters and non-promoters under the approval of the members granted in the Extra Ordinary General Meeting held on 17.07.2017. *I further report that MGT 14 regarding Board Resolution is to be filed.*

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

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

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

Place: Chandigarh

Date : 29/05/2018

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

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

To,

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

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

1. Maintenance of secretarial records is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records, based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of secretarial records. The verification was done on test basis to ensure that the correct facts are reflected in secretarial records. I believe that the processes and practices, we followed, provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the company.
4. Wherever required, I have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. My examination was limited to the extent of verification of procedures on test basis.
6. The secretarial audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place: Chandigarh
Date : 29/05/2018

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

ANNEXURE D-6 TO THE DIRECTORS' REPORT

The extract of Annual Return – MGT 9

As on financial year ended on 31.03.2018**Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.****I. REGISTRATION & OTHER DETAILS :**

1.	CIN	L24219HR1993PLC032195
2.	Registration Date	31.12.1993
3.	Name of the Company	Syschem (India) Limited
4.	Category/Sub-category of the Company	Chemicals
5.	Address of the Registered Office & contact details	Village Bargodam, Tehsil Kalka, Distt. Panchkula, Haryana – 134109 Tel. No. 0172-5070472
6.	Whether listed Company	Yes, BSE Limited
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Beetal Financial & Computer Services Pvt. Ltd , Beetal House, 99, Madangir behind Local Shopping Centre, Near Dada Harsukh Dass Mandir, New Delhi – 110 062 Tel. No. 011-29961281

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

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the Company
1.	Solvents		
	a. Mix Solvents	3414043	
	b. Methanol	3413102	30%
2	Amoxicillin & preparations	3525019	70%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**NOT APPLICABLE**

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

VI. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2017]				No. of Shares held at the end of the year[As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	35,32,246	-	35,32,246	22.20	34,68,780	-	34,68,780	21.40	(0.8)
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	3,50,000	-	3,50,000	2.20	3,50,000	-	3,50,000	2.16	(0.04)
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)	38,82,246	-	38,82,246	24.40	38,18,780	-	38,18,780	23.56	(0.84)
B. Public Shareholding									
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State	-	-	-	-	-	-	-	-	-

Govt (s)									
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.	24,63,890	31,100	24,94,990	15.68	25,07,344	30,800	25,38,444	15.66	(0.02)
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 2 lakh	38,84,505	1,52,732	40,37,237	25.37	39,82,802	1,50,232	41,33,034	25.50	0.13
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	45,46,636	3,00,000	48,46,636	30.46	47,20,182	300000	50,20,182	30.97	0.51
c) Others (specify)									
Non Resident Indians	68221	1,75,800	2,44,021	1.53	37210	1,73,300	2,10,510	1.30	(0.23)
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign	-	-	-	-	-	-	-	-	-

Nationals									
Clearing Members	6152	-	6152	0.04	1,519	-	1,519	0.01	(0.03)
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
HUF	3,99,118	-	3,99,118	2.51	4,87,931	-	4,87,931	3.01	0.50
Sub-total (B)(2):-									
Total Public Shareholding	1,13,68,522	659632	1,20,28,154	75.60	1,17,36,988	6,54,632	1,23,91,620	76.44	0.84
(B)=(B)(1)+(B)(2)									
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	15250768	659632	15910400	100.00	15555768	654632	16210400	100.00	-

B) Shareholding of Promoter -

S N	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	RANJAN JAIN	29,44,776	18.51*	-	29,60,566	18.26*	-	(0.25)
2	RUCHIKA JAIN	1,81,210	1.14*	-	1,01,954	0.63*	-	(0.51)
3	RAJESH GUPTA	4,06,260	2.55*	-	4,06,260	2.51*	-	-
4	CLASSIC SECURITIES PRIVATE LIMITED	3,50,000	2.20*	-	3,50,000	2.16*	-	-

*The company has allotted 3,00,000 Equity shares on preferential basis during the year under review, thereby increasing the Share Capital to 1,62,10,400. Hence difference is appearing in percentage of shareholding for the current and previous financial year.

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

S.No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Ranjan Jain				
	At the beginning of the year	29,44,776	18.51	29,44,776	18.51
	Bought during the year	15,790	0.09*	29,60,566	18.26*
	Sold during the year	0	(0.00)	0	(0.00)
	At the end of the year	<u>29,60,566</u>	<u>18.26</u>	<u>29,60,566</u>	<u>18.26</u>
2	Ruchika Jain				
	At the beginning of the year	1,81,210	1.14	1,81,210	1.14
	Bought during the year	0	0	0	0
	Sold during the year	(79,256)	(0.48)*	(79,256)	(0.48)*
	At the end of the year	<u>1,01,954</u>	<u>0.63</u>	<u>1,01,954</u>	<u>0.63</u>

*The company has allotted 3,00,000 Equity shares on preferential basis during the year under review, thereby increasing the Share Capital to 1,62,10,400. Hence difference is appearing in percentage of shareholding.

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

For Each of the Top 10 Shareholders	Shareholding		Cumulative Shareholding during the year		
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	
1. Shri Parasram Holding	At the beginning of the year	321887	1.98	321887	1.98
	Bought during the year	957569	5.91	1279456	7.89
	Sold during the year	(621648)	(3.83)	657808	4.58
	At the end of the year	<u>657808</u>	<u>4.58</u>	<u>657808</u>	<u>4.58</u>
2. Shruti Goyal	At the beginning of the year	400200	2.47	400200	2.47
	Bought during the year	-	-	400200	2.47
	Sold during the year	-	-	400200	2.47
	At the end of the year	<u>400200</u>	<u>2.47</u>	<u>400200</u>	<u>2.47</u>
3. Dextsoft Solutions Pvt Ltd	At the beginning of the year	3,93,102	2.42	3,93,102	2.42
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the end of the year	<u>3,93,102</u>	<u>2.42</u>	<u>3,93,102</u>	<u>2.42</u>
4. Master Capital Services Ltd.	At the beginning of the year	232996	1.43	232996	1.43

Bought during the year	407460	2.51	640456	3.95
Sold during the year	(286178)	(1.76)	354278	2.18
At the end of the year	354278	2.18	354278	2.18
5. Abodh Borar				
At the beginning of the year	3,50,000	2.16	3,50,000	2.16
Bought during the year	-	-	-	-
Sold during the year	-	-	-	-
At the end of the year	3,50,000	2.16	3,50,000	2.16
6. Gaurav Lekhraj Kukreja				
At the beginning of the year	3,00,000	1.85	3,00,000	1.85
Bought during the year	-	-	-	-
Sold during the year	-	-	-	-
At the end of the year	3,00,000	1.85	3,00,000	1.85
7. Globe Capital Market Ltd.				
At the beginning of the year	2202	0.01	2202	0.01
Bought during the year	516000	3.19	518202	3.19
Sold during the year	(240202)	(1.48)	278000	1.71
At the end of the year	278000	1.71	278000	1.71
8. Arvind Kumar				
At the beginning of the year	261835	1.61	261835	1.61
Bought during the year	-	-	-	-
Sold during the year	-	-	261835	1.61
At the end of the year	261835	1.61	261835	1.61
9. Competent Finman Pvt Ltd				
At the beginning of the year	95326	0.59	95326	0.59
Bought during the year	252196	1.55	347522	2.14
Sold during the year	(128519)	(0.79)	219003	1.35
At the end of the year	219003	1.35	219003	1.35
10. Manish Jain				
At the beginning of the year	210100	1.29	210100	1.29
Bought during the year	1000	0.01	211100	1.30
Sold during the year	-	-	211100	1.30
At the end of the year	211100	1.30	211100	1.30

E) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Ranjan Jain				

	At the beginning of the year	29,44,776	18.51	29,44,776	18.51
	Bought during the year	15,790	0.09	29,60,566	18.26
	Sold during the year	0	(0.00)	0	(0.00)
	At the end of the year	29,60,566	18.26	29,60,566	18.26
2	Naresh Batra				
	At the beginning of the year	7,370	0.046	7,370	0.046
	Bought during the year	2,755	0.017	2,755	0.017
	Sold during the year	0	-	0	-
	At the end of the year	10,125	0.062	10,125	0.062

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1688.69	273.17	-	1961.86
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	1688.69	273.17	-	1961.86
Change in Indebtedness during the financial year				
* Addition	-	39.60	-	39.60
* Reduction	-89.03	-	-	-89.03
Net Change	-89.03	39.60	-	-49.43
Indebtedness at the end of the financial year				
i) Principal Amount	1599.66	312.77	-	1912.43
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	1599.66	312.77	-	1912.43

XI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Ranjan Jain	Suninder Veer Singh	
1	Gross salary	900000	1980000	2880000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		-	
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-
5	Others, please specify	-	-	-
	Total (A)	900000	1980000	2880000
	Ceiling as per the Act			

B. Remuneration to other directors - Not Applicable

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

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

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary	-	-	540000	540000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	-	-	540000	540000

XII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

NOT APPLICABLE

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

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

Details of Loans			
Sr. No.	Name of Entity/Person	Amount (in Rs.)	Purpose
1	No Loan have been given during the Financial year 2017-18		
2			
	TOTAL		
Details of Guarantees			
Sr. No.	Name of Entity/Person	Amount	Purpose
1	No Guarantees have been given during the Financial year 2017-18		
Details of Investments			
Sr. No.	Name of Entity/Person	Amount	Purpose
1	No Investments have been made during the Financial year 2017-18		

ANNEXURE D-8 TO THE DIRECTORS' REPORT

FORM NO. AOC -2

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

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

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

a)

SL. No.	Particulars	Details
	Name (s) of the related party & nature of relationship	Impetus Healthcare, a partnership Firm in which Suninder Veer Singh, Joint Managing Director is a partner
	Nature of contracts/ arrangements/ transaction	Sale & purchase of raw material and finished goods

	Duration of the contracts/arrangements/transaction	One year
	Salient terms of the contracts or arrangements or transaction including the value, if any	Sale & purchase of raw material and finished goods upto Rs. 10.00 Crore
	Justification for entering into such contracts or arrangements or transactions'	Sale & purchase of raw material and finished goods at very reasonable price besides good quality of products
	Date of approval by the Board	29/05/2017
	Amount paid as advances, if any	NA
	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	NA

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

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

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

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

2. BOARD OF DIRECTORS

(i) Composition and category of Directors

The strength of Board is 5 (Five) Directors as on 31st March 2018. The Board consisted of Two Executive Director, one non-Executive non-independent Director, Two Non-Executive Independent Directors.

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

Apart from the sitting fees being paid for attending Board / Committee Meetings, the non-executive Directors did not have any material pecuniary relationship or transaction with the Company during the year 2017-2018 or even after the close of Financial year upto the date of this report.

The Company has an Executive Chairman and as per the requirements of Listing Regulations, the company shall have half of the Board consist of Independent Directors. To meet this requirement, the Company is in

the process of appointing an independent director on the Board of the company. The Composition of the Board as on 31.03.2018 is given below:

- | | | |
|----|--------------------------|--|
| 1. | Mr. Ranjan Jain | - Managing Director |
| 2. | Mr. Suninder Ver Singh | - Joint Managing Director |
| 3. | Mrs. Neena Batra | - Non-Executive Non-Independent Director |
| 4. | Mrs. Neena Kumar | - Non-Executive Independent Director |
| 5. | Mr. Balwant Singh Sandhu | - Non Executive Independent Director |

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

NAME		Ranjan Jain	Suninder Veer Singh	Neena Kumar	Balwant Singh Sandhu	Neena Batra
CATEGORY		Executive	Executive	Independent & Non-Executive	Independent & Non-Executive Director	Non-Executive
Board Meetings attended during the year		9	9	7	6	4
Attendance at the AGM held on 29.09.2017		YES	YES	YES	YES	YES
*No. of other Boards in which Member or Chairperson		NIL	NIL	NIL	NIL	NIL
No. of other Board Committees in which Member or Chairperson	Member	2	1	2	1	1
	Chairperson				1	2

***Note:**

- For the above purpose, all Public Limited Companies, whether listed or not, have been included and all other companies including Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013 has been excluded.
- For the purpose of membership & Chairmanship in a Committee only Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee have been considered.
- The above composition and the information is as at 31.03.2018.

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

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

Total 9 Board meetings were held during the period from 1st April, 2017 to March 31, 2018 on the following dates:

29.05.2017, 16.06.2017, 19.06.2017, 20.07.2017, 08.08.2017, 12.08.2017, 30.08.2017, 14.11.2017, and 29.01.2018.

And 1 (One) Independent Directors meeting was held on 29.01.2018 as required under Schedule IV of Companies Act, 2013

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

Information placed before the Board

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

3. AUDIT COMMITTEE

TERMS OF REFERENCE:

Powers of the Audit Committee

The powers of the Audit Committee shall include the following:

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

Role of Audit Committee

The role of the audit committee shall include the following:

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

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

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

Review of information by Audit Committee

The Audit Committee shall review the following information:

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

Composition of Audit Committee

As on 31.03.2018, the Audit Committee of the Company comprises of two non-executive Independent Directors and one non-executive Non-Independent Director, who are well qualified and financially literate. Following is the composition of the Audit Committee:

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

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

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

Meetings of Audit Committee and attendance during the year 2017-18

4 meetings of the Audit Committee have been held during the year 2017-18 on the following dates:

29.05.2017, 12.08.2017, 14.11.2017 and 29.01.2018

The attendance at the Audit Committee Meetings during the period from 01.04.2017 till 31.03.2018 is given below:

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

5. NOMINATION AND REMUNERATION COMMITTEE

BRIEF DESCRIPTION OF TERMS OF REFERENCE

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

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

COMPOSITION:-

Following was the composition of the Nomination and Remuneration Committee as on 31-03-2018:

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

Meetings of Nomination and Remuneration Committee and attendance during the year 2017-18

One meeting of the Nomination and Remuneration Committee has been held during the year 2017-18 on 16/06/2017

4. STAKEHOLDERS' RELATIONSHIP COMMITTEE

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

NAME AND DESIGNATION OF COMPLIANCE OFFICER

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

info@syschem.in

TEL: 0172-5070472

COMPOSITION:

Following is the composition of the Stakeholders' Relationship Committee:

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

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

5. GENERAL BODY MEETINGS

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

YEAR	2015	2016	2017	2017
Type of Meeting	AGM	AGM	EGM	AGM
Date	29.09.2015	29.09.2016	17/07/2017	30.09.2017
Venue	Village Bargodam, Tehsil Kalka, Distt. Panchkula, Haryana.			
Time	1.00 PM	1.00 PM	10.30 AM	1.00 PM
Special Resolution passed	Yes	No	YES	YES

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

Year 2015-16

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

Year 2016-17

EGM

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

AGM

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

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

8. DISCLOSURES

(i) Related Party Transactions

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

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

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

(ii) Details of Non-Compliances:

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

(iii) Whistle Blower Policy

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

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

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

(v) Disclosure of Accounting Treatment

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

(vi) Reconciliation Of Share Capital Audit

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

(vii) Code For Prevention Of Insider Trading

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

(viii) **Material Subsidiaries**

The Company has no subsidiary as defined under Listing Regulations.

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

Ms. Neena Batra, Director of the Company retire by rotation in the ensuing Annual General Meeting and being eligible offer herself for re-appointment. Their brief Resumes are already given as part of the Notice of Annual General Meeting.

RELATIONSHIP OF DIRECTORS INTER SE

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

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

1. **The Board**

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

2. **Shareholder Rights**

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

3. **Audit Qualifications**

There are no Audit qualifications on the Financial Statements of the Company for the year 2017-18.

4. **Reporting of Internal Auditor**

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

(viii) **Code of Conduct**

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

(ii) The Members of the Board of Directors and Senior Management personnel have affirmed compliance with the Code applicable to them during the year ended March 31, 2018. The Annual Report of the Company contains a Certificate duly signed by the Director in this regard.

(ix) Board Disclosures - Risk Management

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

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

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

9. Management Discussion & Analysis Report:

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

10. MEANS OF COMMUNICATIONS

a. Quarterly Results :

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

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

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

c. BSE Corporate Compliance and Listing Centre:-

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

11. GENERAL SHAREHOLDER INFORMATION

AGM : Date, time	Friday, the 28th day of September, 2018 at 1.00 P.M.																																							
AGM venue	Village Bargodam, Tehsil Kalka, Distt. Panchkula, Haryana - 133 302																																							
Financial year	April 1 st , 2017 to March 31 st , 2018																																							
Date of Book closure	22.09.2018 to 28.09.2018 (both days inclusive)																																							
Dividend Payment Date	N/A																																							
Listing on Stock Exchanges	BSE Limited																																							
ISIN	INE121D01036																																							
Scrip Code	531173																																							
Market Price Data: High, Low during each month in last financial year	<table border="1"> <thead> <tr> <th>Month</th> <th>High Price</th> <th>Low Price</th> </tr> </thead> <tbody> <tr> <td>Jan-17</td> <td>11.1</td> <td>9.1</td> </tr> <tr> <td>Feb-17</td> <td>10.15</td> <td>8.6</td> </tr> <tr> <td>Mar-17</td> <td>10.2</td> <td>9.01</td> </tr> <tr> <td>Apr-17</td> <td>10.1</td> <td>8.78</td> </tr> <tr> <td>May-17</td> <td>10.5</td> <td>8.93</td> </tr> <tr> <td>Jun-17</td> <td>15.31</td> <td>9.9</td> </tr> <tr> <td>Jul-17</td> <td>15.4</td> <td>10.83</td> </tr> <tr> <td>Aug-17</td> <td>12.45</td> <td>10.27</td> </tr> <tr> <td>Sep-17</td> <td>11.31</td> <td>9.3</td> </tr> <tr> <td>Oct-17</td> <td>12</td> <td>8.72</td> </tr> <tr> <td>Nov-17</td> <td>11.99</td> <td>10.01</td> </tr> <tr> <td>Dec-17</td> <td>14.8</td> <td>10.75</td> </tr> </tbody> </table>	Month	High Price	Low Price	Jan-17	11.1	9.1	Feb-17	10.15	8.6	Mar-17	10.2	9.01	Apr-17	10.1	8.78	May-17	10.5	8.93	Jun-17	15.31	9.9	Jul-17	15.4	10.83	Aug-17	12.45	10.27	Sep-17	11.31	9.3	Oct-17	12	8.72	Nov-17	11.99	10.01	Dec-17	14.8	10.75
Month	High Price	Low Price																																						
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Oct-17	12	8.72																																						
Nov-17	11.99	10.01																																						
Dec-17	14.8	10.75																																						
Performance in comparison to broad-based indices such as BSE Sensex, CRISIL index etc.	<p>Legend: — BSE Closing — Syschem Closing</p>																																							
Registrar and Transfer Agents	Beetal Financial & Computer Services Pvt. Ltd, Beetal House, 99, Madangir behind Local Shopping Centre, Near Dada Harsukh Dass Mandir, New Delhi, - 110 062																																							
Share Transfer System	<p>To expedite the share transfer process in the physical segment, the process is undertaken by Common Registry M/s Beetal Financial & Computer Services Pvt. Ltd, New Delhi. Share Transfers are processed and approved by them and taken note of by Share Transfer Committee, i.e. Stakeholders' Relationship Committee. The said Committee of the Company meets on regular basis to review the work of Transfer, transmission and issue of duplicate Share Certificates etc. The shares of the Company are traded in dematerialized form only.</p> <p>Presently, the share transfers, which are received in physical form, are processed and the share certificates returned within a period of 15 days from the date of receipt by the RTA, subject to documents being valid and complete</p>																																							

	in all respects. All requests for Dematerialization of Shares are processed and the confirmation is given to the Depositories within 15 days by RTA subject to documents being valid and complete in all respects. Grievances received from Members and other miscellaneous correspondence on change of address, mandates etc. are processed by the Registrar within 15 days.
Dematerialization of shares and liquidity	Liquidity :- 96% of the shareholding of the Company have been dematerialized as on 31.03.2018 and there is sufficient liquidity in the stock.
Address for correspondence	The Compliance Officer, SCO No. -825, 1 st Floor, NAC, Mani Majra Chandigarh. Ph. 0172-5070472 E-mail: info@syschem.in

(a) **Distribution of Shareholding (No. of Shares) as on March 31, 2018 is as under :-**

No. of Shares	No. of Shareholders	% of Shareholders	Total No. of Shares	% of Holding
1 – 5000	6637	80.08	1022741	6.31
5001 – 10000	778	9.38	664847	4.10
10001 – 20000	370	4.46	586903	3.62
20001 – 30000	132	1.59	338134	2.09
30001 – 40000	55	0.66	201383	1.24
40001 – 50000	58	0.69	275603	1.70
50001 – 100000	102	1.23	774459	4.78
100001 and above	155	1.87	12346330	76.16
Total	8287	100.00	16210400	100.00

Shareholding Pattern as on 31st March, 2018 :-

Category	No. of Shares held
Promoters	3818780
Institutional Investors	0
Mutual Funds & UTI	0
Banks, Financial Institutions and Insurance Companies	0
FII's	0
Others	0
Private Corporate Bodies	2538444
Indian Public	9153216
NRIs/OCBs	210510
HUF	487931
Clearing Members	1519

12. CEO / CFO CERTIFICATION

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

(13) SUBSIDIARY COMPANIES

The Company has no subsidiary.

(14) FAMILIARISATION PROGRAMME

Your Company follows a structured orientation and familiarization programme through various programs / presentations for Independent Directors with a view to update them on the Company's policies and procedures on a regular basis. Periodic presentations are made at the Board Meetings on Company's strategy, business model, operations, service and product offerings, markets, organization structure, finance, human resources, technology, quality, facilities and risk management and such other areas as may arise from time to time. The details of familiarization programme have been posted on the website of the Company under the web link http://www.syschem.in/DOWNLOAD/Familiarization_Policy.pdf.

VIGIL MECHANISM CUM WHISLTE BLOWER POLICY

1. General

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

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

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

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

2. Definitions

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

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

3. Reporting Responsibility

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

4. Wrongful Conduct

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

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

5. No Retaliation

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

6. Reporting Wrongful Conduct

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

7. Acting in Good Faith

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

8. Confidentiality

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

9. Handling of Reported Wrongful Conduct

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

10. Retention of documents

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

11. Amendment

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

DECLARATION OF THE DIRECTOR

This is to certify that the Company has laid down code of conduct for all Board Members and Senior Management of the Company and the copies of the same are uploaded on the website of the Company www.syschem.in. Further certified that the Members of the Board of Directors and Senior Management personnel have affirmed having complied with the code applicable to them during the year ended March 31, 2018.

Place: CHANDIGARH
Date: 29.05.2018

Sd/-
Ranjan Jain
Chairman cum Managing Director

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To
The Members of Syschem (India) Limited

We have examined the compliance of conditions of Corporate Governance by Syschem (India) Limited for the year ended March 31, 2018, as stipulated in the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.

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

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

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

Date: 29.05.2018
Place: Chandigarh

SD/-
ANIL NEGI
COMPANY SECRETARY IN PRACTICE
M. No. 46547
C.P. NO. 17213

CEO/CFO DECLARATION

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

Date: 29.05.2018

We hereby certify that for the financial year ending 31-03-2018, on the basis of review of financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:

1. These Statements of Syschem (India) Limited for the Financial year ending 31-03-2018, do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
2. These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
4. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and we have taken steps from time to time to rectify these deficiencies.
5. We further certify that we have indicated to the Auditors and the Audit Committee that:
 - a) there have been no significant changes in internal control over financial reporting during the year;
 - b) there have been no significant changes in accounting policies during the year and
 - c) there have been no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Sd/-
(Naresh Batra)
CFO

Sd/-
(Ranjan Jain)
Chairman cum Managing Director



INDEPENDENT AUDITORS REPORT

**TO THE MEMBERS OF
SYSCEM (INDIA) LIMITED**

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Syschem India Limited (“the Company”), which comprise the Balance Sheet as at 31st March 2018, the Statement of Profit and Loss (Including Other Comprehensive income), the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management’s Responsibility for the Financial Statements

The Management and Board of Directors of the Company is responsible for the matters stated in Section 134(5) of the Companies Act 2013 (“The Act”) with respect to the preparation of these Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (including other comprehensive income) and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with relevant rules issued there under.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and Auditing Standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our Audit of Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.



An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management and Board of Directors of the Company, as well as evaluating the overall presentation of the Ind AS financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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 including the Ind AS, of the state of affairs (financial position) of the Company as at 31st March, 2018, its profit (financial performance including other Comprehensive Income) and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "*Annexure A*" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

- i. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii. 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;
- iii. The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- iv. In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued there under.



- v. On the basis of written representations received from the Directors, as on 31st March, 2018 and taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2018 from being appointed as a Director in terms of Section 164(2) of the Act.
- vi. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “*Annexure B*”.
- vii. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - a) The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements.
 - b) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
 - c) There was no amount which required to be transferred, to the Investor Education and Protection Fund by the Company during the year.

for VINOD SUMITRA & Co.
CHARTERED ACCOUNTANTS
(Firm Registration No. : 014398N)

(CA VINOD KUMAR BANSAL)
PARTNER
Membership No. : 093341

Date: 29th May, 2018
Place : Chandigarh



ANNEXURE - A TO THE INDEPENDENT AUDITORS REPORT

Referred to in paragraph under “Report on Other Legal and Regulatory Requirements” section of our Report of even date on the accounts for the year ended on 31st March, 2017 of **SYSCHEM (INDIA) LIMITED**.

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

- (i)
 - (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of its fixed assets.
 - (b) The fixed assets of the company have been physically verified by the management at reasonable intervals and no discrepancies were noticed on such verification.
 - (c) Title deeds of immovable properties are held in the name of erstwhile name of the company i.e. Anil Pesticides Limited. The name of company was changed from Anil Pesticides Limited to Syschem (India) Limited w.e.f. 26.12.2001. However name in the revenue records have not been updated.
- (ii) As explained to us, the physical verification of the inventory has been conducted by the management at reasonable intervals during the year. No material discrepancies have been noticed on physical verification. The balances of stock as established on physical verification as at the year-end have been incorporated in the books of accounts. Consequently, the shortage / excess, if any have been adjusted in the consumption of materials.
- (iii) The company has not granted any loans, secured or unsecured, to companies, firms Limited Liability Partnerships or other parties covered in the register maintained under section 189. Accordingly, paragraph 3 (iii) of the Order is not applicable.
- (iv) The company, has not granted any loans, made investment or given any guarantees and security in terms of section 185 & section 186. Accordingly, paragraph 3 (iv) of the Order is not applicable.
- (v) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits with the meaning of section 73 of the Companies Act, 2013. Accordingly, paragraph 3(v) of the Order is not applicable.
- (vi) We have broadly reviewed the cost records maintained by the company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under section 148 (1) of the Companies Act, 2013 and are of



the opinion that prima facie the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

- (vii) (a) According to the information and explanations given to us and on the basis of records produced before us, the Company is not regular in depositing undisputed statutory dues including provident fund, income tax, sales tax, service tax with appropriate authorities applicable to the Company. The arrears of outstanding statutory dues as at the last day of financial year for a period of more than six months from the date they became payable is as under : -

S.NO.	Nature of Statutory Dues	Amount (In Lacs)
1.	Provident Fund	25.08
2.	Central Sales Tax	16.26
3.	Value Added Tax	1.67
4.	Service Tax	4.51

- (b) According to the information and explanations given to us, there are no material dues of income tax, sales tax, wealth tax, service tax, custom duty, excise duty, value added tax or any other cess applicable to the Company which have not been deposited with the appropriate authorities on account of any dispute except the following : -

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

- (viii) In our opinion and according to the information and explanations given to us, the Company has defaulted in repayment of dues to Banks & Financial Institutions. The amount of default is Rs.1599.66 Lacs since 29.01.2015. Details of lender is as under:

S.NO.	NAME OF THE LENDER	AMOUNT (In Lacs)
1	Punjab National Bank, Sector 22-D, Chandigarh	1599.66

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

- (ix) The company did not raise money by way of initial public offer or further offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.
- (x) According to information given to us, no fraud by or on the company by its officers or employees has been noticed or reported during the course of our audit.



- (xi) In our opinion and according to the information and explanation given to us, managerial remuneration has been provided in accordance with the provisions of section 197 read with Schedule V to the Companies Act.
- (xii) The company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanation given to us and based on examination of the record of the company, transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanation given to us and based on examination of the record of the company, the company has made preferential allotment of 3,00,000 equity shares of Rs. 10.00 each at a premium of Rs. 1.50 each i.e. at Rs. 11.50 per share during the year. According to the information and explanation given to us and based on examination of the record of the company, provisions of section 42 of the Companies Act, 2013 have been complied with and the amount raised have been used for the purpose for which the funds were raised. The company has also issued partly paid up 37,39,600 convertible warrants of Rs. 10.00 each at a premium of Rs. 1.50 each i.e. at Rs. 11.50 per convertible warrant during the year. Part payment of Rs. 3.00 per convertible warrant have been received during the year and the balance amount of Rs. 8.50 per convertible warrant will be receivable in the next financial year.
- (xv) The company has not entered into any non-cash transactions with directors or person connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The company is not required to be registered under section 45-IA of Reserve Bank of India act 1934.

for VINOD SUMITRA & Co.
CHARTERED ACCOUNTANTS
(Firm Registration No. : 014398N)

(CA VINOD KUMAR BANSAL)
PARTNER
Membership No. : 093341

Date: 29th May, 2018

Place : Chandigarh



ANNEXURE - B TO THE INDEPENDENT AUDITORS REPORT

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

We have audited the internal financial controls over financial reporting of **SYSCEM (INDIA) LIMITED**, (“the Company”) as on March 31, 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on “the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India”. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit.

We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.



Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on “the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India”.

for **VINOD SUMITRA & Co.**
CHARTERED ACCOUNTANTS
(Firm Registration No. : 014398N)

(CA VINOD KUMAR BANSAL)
PARTNER
Membership No. : 093341

Date: 29th May, 2018
Place : Chandigarh

SYSCEM (INDIA) LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2018

Particulars	Note	31st March, 2018	31st March, 2017	1st April, 2016
Rs. in Lacs				
I ASSETS				
Non-Current Assets				
(a) Property, Plant and Equipment	1	2851.01	2878.67	3059.07
(b) Capital Work-in-Progress	-	31.07	50.91	60.72
(c) Investment Property	-	0.00	0.00	0.00
(d) Intangible Assets	2	38.03	46.03	54.03
(e) Intangible Assets Under Development	-	0.00	38.94	38.94
(f) Deferred Tax Assets (Net)	3	212.38	238.80	173.38
(g) Other Non-Current Assets	4	81.26	69.65	122.87
Total Non-Current Assets		3213.75	3323.00	3509.01
Current Assets				
(a) Inventories	5	1285.01	542.57	828.07
(b) Financial Assets				
(i) Investments	-	0.00	0.00	0.00
(ii) Trade Receivables	6	853.35	425.15	270.92
(iii) Cash and Cash Equivalents	7	20.56	6.28	12.98
(iv) Other Bank Balances	8	4.16	0.00	0.00
(v) Other Financial Assets	9	0.07	0.00	0.00
(c) Other Current Assets	10	389.10	117.41	98.10
Total Current Assets		2552.25	1091.41	1210.07
TOTAL ASSETS		5766.00	4414.41	4719.08
II EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital	11	1621.04	1591.04	1591.04
(b) Other Equity (Refer SOCE)	-	-713.50	-863.92	-715.28
Total Equity		907.54	727.11	875.76
LIABILITIES				
Non-Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	12	1,412.54	1,460.15	1,986.27
(ii) Trade Payable	-	0.00	0.00	0.00
(iii) Other Financial Liabilities	-	-	-	-
(b) Long Term Provisions	-	0.00	0.00	0.00
(c) Deferred Tax Liabilities (Net)	-	0.00	0.00	0.00
(d) Other Non-Current Liabilities	13	-	45.58	42.98
Total Non-Current Liabilities		1412.54	1505.73	2029.25
Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	14	499.89	501.71	654.37
(ii) Trade Payables	15	2414.44	1268.76	828.60
(iii) Other Financial Liabilities	16	15.25	99.99	0.00
(b) Short Term Provisions	17	14.84	15.16	15.16
(c) Other Current Liabilities	18	501.50	295.94	315.94
Total Current Liabilities		3445.92	2181.57	1814.07
TOTAL EQUITY AND LIABILITIES		5766.00	4414.41	4719.08
Significant Accounting Policies & Notes on Accounts				
Notes on Financial Statements				
	1 to 31			

The Notes referred to above form an integral

As per our report of even date attached

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

FOR AND ON BEHALF OF THE BOARD

(VINOD KUMAR BANSAL)
Partner
Membership No. 093341

(AMARJEET KAUR)
Company Secretary
PAN : ALTPK5846C

(RANJAN JAIN)
Chairman cum Mg. Director
DIN : 00635274

(NARESH BATRA)
Chief Financial Officer
PAN : AGRPB3187C

(SUNINDER VEER SINGH)
Joint Mg. Director
DIN : 07693557

Chandigarh, 29th May, 2018

SYSCHEM (INDIA) LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2018

		Rs. in Lacs		
Particulars	Note	31st March, 2018	31st March, 2017	
I	Revenue from operations (Gross)	19	7658.89	1353.67
II	Other Income	20	0.33	0.08
III	Total Income		<u>7659.22</u>	<u>1353.75</u>
IV	EXPENSES			
	Cost of Raw Materials Consumed	21	6158.80	1042.59
	Changes in Inventories of Finished Goods and Work-in-Progress	22	(332.48)	48.51
	Excise duty, Service Tax & GST		1007.70	100.42
	Employee Benefits Expense	23	246.67	66.81
	Finance Cost	24	15.33	3.34
	Depreciation and Amortisation Expense	1 & 3	208.38	205.37
	Other Expenses	25	276.19	100.58
	Total Expenses		<u>7580.59</u>	<u>1567.62</u>
V	Profit Before Exceptional items and Tax		78.63	(213.88)
VI	Exceptional Items		(18.48)	-
VII	Profit Before tax		<u>60.15</u>	<u>(213.88)</u>
VIII	Tax Expense			
	(1) Current tax	-	0.00	0.00
	(2) Deferred tax	-	26.42	(65.42)
	(3) Income Tax - Earlier Years	-	0.00	0.18
	Total Tax expense		<u>26.42</u>	<u>(65.24)</u>
IX	Profit After tax		<u>33.73</u>	<u>(148.64)</u>
X	Other Comprehensive Income		0.00	0.00
	A (i) Items that will not be reclassified to profit and loss		0.00	0.00
	(ii) Income tax related to above		0.00	0.00
	B (i) Items that may be reclassified to profit and loss		0.00	0.00
	(ii) Income tax related to above		0.00	0.00
	Total Comprehensive Income for the period		<u>33.73</u>	<u>-148.64</u>
XI	Earning per Equity Share :	26		
	(1) Basic Earning Per Share (Rs.)		0.21	-0.93
	(2) Diluted Earning Per Share (Rs.)		0.21	-0.93
	Significant Accounting Policies & Notes on Accounts	-		
	Notes on Financial Statements	1 to 31		

The Notes referred to above form an integral

As per our report of even date attached

FOR AND ON BEHALF OF THE BOARD

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

(VINOD KUMAR BANSAL)
Partner
Membership No. 093341

(AMARJEET KAUR)
Company Secretary
PAN : ALTPK5846C

(RANJAN JAIN)
Chairman cum Mg. Director
DIN : 00635274

(NARESH BATRA)
Chief Financial Officer
PAN : AGRPB3187C

(SUNINDER VEER SINGH)
Joint Mg. Director
DIN : 07693557

Chandigarh, 29th May, 2018

SYSCHEM (INDIA) LIMITED

COMPANY'S OVERVIEW, SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES FOR THE YEAR ENDED 31ST MARCH, 2018

1. Company's Overview

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

2. Summary of significant accounting policies

2.1 Basis of preparation

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

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

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

2.2 Property, Plant & Equipments

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

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

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

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

Intangible Assets

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

2.3 Borrowing Costs

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

2.4 Impairment

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

2.5 Revenue Recognition

As per the requirements of the Companies (Amendment) Act, 1988, all expenses and income are generally accounted for on accrual basis. Income of Shows / Live concerts recognised on the day of show held / concert perform, net of service tax.

2.6 Current and deferred tax

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

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

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

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

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

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

2.7 Provisions and Contingent Liabilities

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

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

2.8 Inventories

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

2.9 *Earnings Per Share*

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

2.10 *Employee Benefits*

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

2.11 *Foreign Currency Transactions*

Initial Recognition

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

Conversion –

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

Exchange Differences –

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

2.12 *Cash and Cash equivalents*

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

3. **Other Notes and disclosures:**

- 3.1 The management has certified cash in hand as on 31st March, 2018.
- 3.2 Deferred tax resulting from “timing difference” between books and taxable profits is recognized using tax rates and laws that have been enacted as on Balance Sheet date.
- 3.3 The balance of Security Deposits and Advances recoverable are subject to the confirmation of the parties.
- 3.4 In the opinion of the Board of Directors, current assets and advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet.
- 3.5 In terms of notification no. G.S.R. 719(E) dated November 16, 2007 issued by the Central Government of India, the disclosure of payments due to any supplier as at March 31, 2018 are as follows:

Particulars	As at 31.03.2018
	Rs. in lacs
Balance of Sundry Creditors as on March 31, 2018	2414.44
Principal amount due to Micro, Small and Medium Enterprises	-
Principal amount due to Others	2414.44
Total	2414.44
Interest accrued and due as on March 31, 2018	
Interest on payments due to Micro, Small and Medium Enterprises	-
Interest on payments due to Others	-
Interest due and payable on amounts paid during the year to Micro, Small and Medium Enterprises beyond the appointed date	-
Paid during the year	
Principal amount (including interest) paid to Micro, Small and Medium Enterprises beyond the appointed date	
Principal amount	-
Interest thereon	-
Principal amount (excluding interest) paid to Micro, Small and Medium Enterprises beyond the appointed date	-
Others	
Interest accrued in the prior year and paid during the year	-
Interest accrued during the year and paid during the year	-

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

3.6 Authorised Capital increased from Rs. 20.00 crores to Rs. 25.00 crores during the year on 02nd August, 2017 after approval from Shareholders in Extra-Ordinary General Meeting held on 17.07.2017

3.7 Convertible Warrants allotted @ 11.50 per Warrant out of which Rs. 3/- received in August, 2017 during the current year and balance amount of Rs. 8.50 per Warrant is receivable during the next year after August, 2018

3.8 Details of non-resident shareholdings

	31.03.2018	31.03.2017
Number of non resident share holders	155	161
Number of shares held by non resident shareholders	210,510	234,111
Amount remitted during the year in foreign currency on account of dividends	-	-

3.9 The management has certified the Fixed Assets installed and put to use & relied upon by the Auditors, being a technical matter. During the year, Borrowings cost and other cost capitalized up to March 31, 2018 is Rs. 0.85 Lakh (As at March 31, 2017 is Rs. 0 00 Lakh)

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

3.11 Approval of financial statements

The financial statements are approved by the Company's Board of Directors and authorised for issue on 29th May 2018.

**As per our attached report of even date
for VINOD SUMITRA & CO.
Chartered Accountants**

For & on behalf of the Board

**(CA VINOD KUMAR BANSAL)
PARTNER
M. No. 093341
FRN No. 014398N**

**(SUNINDER VEER SINGH)
DIRECTOR
DIN : 07693557**

**(RANJAN JAIN)
DIRECTOR
DIN : 00635274**

**DATE : 29th May, 2018
PLACE : CHANDIGARH**

SYSICHEM (INDIA) LIMITED
Notes to the financial statements for the year ended 31st March, 2018

1 Property, Plant and Equipment

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

Description of Assets	Rs. in Lacs								
	Land	Buildings	Plant and Equipment	Office Equipments	Furniture and Fixture	Electrical Installation	Vehicles	Computer	Total
Gross Carrying Value as at 1st April 2017	19.07	574.39	3363.90	24.42	4.71	139.33	32.56	9.41	4167.80
Additions during the year*	0.00	14.81	135.22	0.35	0.00	20.99	0.00	1.35	172.72
Disposals during the year	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Gross Carrying Value as at 31st March 2018 (A)	19.07	589.20	3499.12	24.77	4.71	160.32	32.56	10.76	4340.52
Accumulated depreciation as at 1st April 2017	0.00	157.42	1024.55	22.98	3.99	50.79	20.46	8.94	1289.13
Depreciation expense for the year	0.00	18.36	164.22	0.25	0.44	12.98	3.87	0.26	200.38
Accumulated depreciation on disposal/adjustment during the year	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Accumulated depreciation as at 31st March 2018 (B)	0.00	175.78	1188.77	23.23	4.43	63.77	24.33	9.20	1489.51
Carrying Value as at 31st March 2018 (A-B)	19.07	413.42	2310.35	1.54	0.28	96.55	8.23	1.56	2851.01

Following are the changes in the carrying value of Property, Plant and Equipment for the year ended 31st March, 2017:

Description of Assets	Rs. in Lacs								
	Land	Buildings	Plant and Equipment	Office Equipments	Furniture and Fixtures	Electrical Installations	Vehicles	Computer	Total
Gross Carrying Value as at 1st April 2016	19.07	573.05	3373.97	24.17	4.71	139.33	32.56	9.41	4176.27
Others - Classified as Investment Property	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Restated Gross Carrying Value as at 1st April 2016	19.07	573.05	3373.97	24.17	4.71	139.33	32.56	9.41	4176.27
Additions during the year	0.00	1.33	49.91	0.25	0.00	0.00	0.00	0.00	51.49
Disposals/Adjustment during the year	0.00	0.00	59.98	0.00	0.00	0.00	0.00	0.00	59.98
Gross Carrying Value as at 31st March 2017 (A)	19.07	574.39	3363.90	24.42	4.71	139.33	32.56	9.41	4167.78
Accumulated depreciation of 1st April 2016	0.00	139.25	888.47	22.96	3.20	37.48	16.91	8.94	1117.21
Others- Classification of Investment Property	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Restated Accumulated depreciation as at 1st April 2016	0.00	139.25	888.47	22.96	3.20	37.48	16.91	8.94	1117.21
Depreciation expense for the year	0.00	18.17	161.53	0.02	0.79	13.31	3.55	0.00	197.37
Accumulated depreciation on Disposal / Adjustment during the year	0.00	0.00	25.45	0.00	0.00	0.00	0.00	0.00	25.45
Accumulated Depreciation as at 31st March 2017 (B)	0.00	157.42	1024.55	22.98	3.99	50.79	20.46	8.94	1289.13
Carrying Value as at 31st March 2017 (A-B)	19.07	416.97	2339.36	1.44	0.72	88.54	12.10	0.47	2878.66
Carrying Value as at 1st April 2016	19.07	433.80	2485.50	1.21	1.51	101.85	15.65	0.47	3059.06

SYSCHEM (INDIA) LIMITED
Notes to the financial statements for the year ended 31st March, 2018

2 Intangible Assets

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

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

Following are the changes in the carrying value of Intangible Assets for the year ended 31st March, 2017:

Description of Assets	Rs. in Lacs
	Process know-how
Gross Carrying Value as at 1st April 2016	80.00
Additions during the year	-
Disposals/Adjustment during the year	-
Gross Carrying Value as at 31st March 2017	(A) 80.00
Accumulated depreciation as at 1st April 2016	25.97
Amortisation expense for the year	8.00
Accumulated depreciation on disposal/adjustment during the year	-
Accumulated depreciation as at 31st March 2017	(B) 33.97
Carrying Value as at 31st March 2017	(A-B) 46.03
Carrying Value as at 1st April 2016	54.03

SYSCHEM (INDIA) LIMITED
Notes to the financial statements for the year ended 31st March, 2018

3 Current Tax and Deferred Tax

(a) Deferred Tax

Particulars	As at		
	31st March, 2018	31st March, 2017	1st April, 2016
Deferred Tax Assets			
- On Property, Plant & Equipment	212.38	238.80	173.38
Deferred Tax Assets			
- On Employee benefits	0.00	0.00	0.00
Deferred Tax Liabilities / (Assets)	212.38	238.80	173.38

(b) Income Tax recognised in Profit and Loss

Particulars	Rs. in Lacs	
	Year ended 31st March, 2018	Year ended 31st March, 2017
Current Tax	0.00	0.00
Deferred Tax	26.42	(65.42)
Total income tax expense	26.42	(65.42)

4 Other Non-Current assets

Particulars	Rs. in Lacs		
	As at		
	31st March, 2018	31st March, 2017	1st April, 2016
Capital advances - Considered Good			
Secured	-	-	-
Unsecured	1.93	1.74	0.32
Security Deposits-Considered Good			
Unsecured	11.16	11.16	12.42
Other advances -Unsecured, Considered Good			
Income Tax (Net of Provisions)	-	-	-
Advances to Suppliers	11.75	2.05	54.29
Others	56.42	54.70	55.84
Total	81.26	69.65	122.87

5 Inventories

Particulars	Rs. in Lacs		
	As at		
	31st March, 2018	31st March, 2017	1st April, 2016
Raw Materials & Components	774.78	361.37	609.74
Work-in-progress	432.67	135.74	184.25
Finished goods	35.55	0.00	0.00
Stores and Spares	42.01	45.46	34.08
Total	1285.01	542.57	828.07

SYSICHEM (INDIA) LIMITED
Notes to the financial statements for the year ended 31st March, 2018

6 Trade Receivables

Particulars	Rs. in Lacs		
	31st March, 2018	As at 31st March, 2017	1st April, 2016
Unsecured, considered good	853.35	425.15	270.92
Of the above, Trade Receivables from:			
- Related Parties	0.00	0.00	0.00
- Others	853.35	425.15	270.92

7 Cash and Bank Balance

Particulars	Rs. in Lacs		
	31st March, 2018	As at 31st March, 2017	1st April, 2016
Cash and Cash equivalents			
Balances with banks	-	-	-
Cash in hand	20.56	6.28	12.98
Total	20.56	6.28	12.98

8 Other Bank Balances

Particulars	Rs. in Lacs		
	31st March, 2018	As at 31st March, 2017	1st April, 2016
Balances with Bank held as Margin Money & Deposit against Guarantees.	4.16	0.00	0.00
Fixed Deposits with Original maturity greater than 3 months but upto 12 months	0.00	0.00	0.00
Earmarked balances with banks - Unpaid/Unclaimed Dividend	0.00	0.00	0.00
Total	4.16	0.00	0.00

9 Other Financial Assets

Particulars	Rs. in Lacs		
	31st March, 2018	As at 31st March, 2017	1st April, 2016
Financial assets at carrying value			
Bank Deposit with Original Maturity for more than 12 months	0.00	0.00	0.00
Interest Accrued on Deposits	0.00	0.00	0.00
Advances to Employees	0.07	0.00	0.00
Total	0.07	0.00	0.00

10 Other Current Assets

Particulars	Rs. in Lacs		
	31st March, 2018	As at 31st March, 2017	1st April, 2016
Unsecured, considered good			
Balance with Excise Authorities	0.00	0.00	0.00
Prepaid Expenses	4.92	5.06	0.98
Other Advances recoverable in cash or kind			
- GENVAT	0.00	55.33	46.66
- Value Added Tax	0.00	3.95	4.27
- Goods and Service Tax	379.55	0.00	0.00
- Others	4.63	53.07	46.19
Total	389.10	117.41	98.10

SYSCEM (INDIA) LIMITED
Notes to the financial statements for the year ended 31st March, 2018

11 Equity Share Capital

Particulars	Rs. in Lacs		
	31st March, 2018	As at 31st March, 2017	1st April, 2016
Authorised:			
Equity Shares, Rs. 10/- par value	2500.00	2000.00	2000.00
2,50,00,000 (Previous Year : 2,00,00,000) Equity Shares			
Issued, Subscribed and Paid-Up:	1621.04	1591.04	1591.04
Equity Shares, Rs. 10/- par value			
1,62,10,400 (Previous Year : 1,59,10,400) Equity Shares fully paid-up			
	1621.04	1591.04	1591.04

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

Proposed Dividend

The Board of Directors, in their meeting held on 29th May, 2018, has not declared any dividend for the current Financial Year 2017-18.

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

Name of shareholder	31st March, 2018		31st March, 2017		1st April, 2016	
	Number of shares held	% of Shareholding	Number of shares held	% of Shareholding	Number of shares held	% of Shareholding
Mr Ranjan Jain	2,960,566	18.26%	2,944,776	18.51%	1,316,576	8.27%

(ii) Reconciliation of the number of shares outstanding and the amount of share capital :

Description	31st March, 2018		31st March, 2017		1st April, 2016	
	No. of Shares	Share Capital (Rs. in lacs)	No. of Shares	Share Capital (Rs. in lacs)	No. of Shares	Share Capital (Rs. in lacs)
Number of equity shares at the beginning	15,910,400	1591.04	15,910,400	1591.04	15,910,400	1591.04
Movement in equity during the year	300,000	30.00	-	-	-	-
Number of equity shares at the closing	16,210,400	1,621.04	15,910,400	1,591.04	15,910,400	1,591.04

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

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

SYSCHEM (INDIA) LIMITED
Notes to the financial statements for the year ended 31st March, 2018

12 Borrowings

Particulars	As at		
	31st March, 2018	31st March, 2017	1st April, 2016
1) Secured Loans :			
a) Term Loans			
- from Banks	922.24	922.24	922.24
- from Others	0.00	0.00	0.00
b) Letter of Credit			
- from Banks	177.53	264.74	342.08
c) Other Loans @	-	-	132.33
Total (1)	1,099.77	1,186.98	1,396.65
2) Unsecured Loans :			
a) Loans and advances from related parties #	312.77	273.17	288.21
b) Other Loans @	-	-	301.41
Total (2)	312.77	273.17	589.62
Total Borrowings (1+2)	1,412.54	1,460.15	1,986.27

includes loans from Directors and Corporates

@ loans from NBFC's

13 Other Non-Current Liabilities

Particulars	As at		
	31st March, 2018	31st March, 2017	1st April, 2016
a) Advances	0.00	0.00	0.00
b) Others	0.00	45.58	42.98
Total	0.00	45.58	42.98

SYSCHEM (INDIA) LIMITED
Notes to the financial statements for the year ended 31st March, 2018

14 Borrowings

Particulars	As at		
	31st March, 2018	31st March, 2017	1st April, 2016
1) Secured Loans :			
a) Cash Credit from PNB	499.89	501.71	654.37
Total	499.89	501.71	654.37
2) Unsecured Loans :	0.00	0.00	0.00
Total	499.89	501.71	654.37

15 Trade Payables

Particulars	As at			Rs. in Lacs
	31st March, 2018	31st March, 2017	1st April, 2016	
Trade payable - Micro, Small and Medium enterprises	0.00	0.00	0.00	0.00
Trade payable - Other than Micro, Small and Medium enterprises	2414.44	1268.76	828.60	828.60
Total	2414.44	1268.76	828.60	828.60

16 Other Financial Liabilities

Particulars	As at			Rs. in Lacs
	31st March, 2018	31st March, 2017	1st April, 2016	
Current maturities of long term debt	15.25	99.99	0.00	0.00
Total	15.25	99.99	0.00	0.00

17 Short Term Provisions

Particulars	As at			Rs. in Lacs
	31st March, 2018	31st March, 2017	1st April, 2016	
Provision for Employee Benefits				
- Provision for Gratuity	14.84	15.16	15.16	15.16
- Provision for Leave Encashment	0.00	0.00	0.00	0.00
Total	14.84	15.16	15.16	15.16

18 Other Current Liabilities

Particulars	As at			Rs. in Lacs
	31st March, 2018	31st March, 2017	1st April, 2016	
Advances received from customers	95.00	95.00	95.00	95.00
Expenses payable	101.16	122.22	150.65	150.65
Statutory dues payable	305.34	78.72	70.29	70.29
Total	501.50	295.94	315.94	315.94

19 Revenue from Operations

Particulars	As at		Rs. in Lacs
	31st March, 2018	31st March, 2017	
Revenue from sale of products (including Excise Duty / GST)	7537.86	1340.98	1340.98
Revenue from rendering of services	3.77	3.77	3.77
Other operating revenue	117.26	8.92	8.92
Total	7658.89	1353.67	1353.67

SYSCHEM (INDIA) LIMITED
Notes to the financial statements for the year ended 31st March, 2018

20 Other Income

Particulars	Rs. in Lacs	
	31st March, 2018	31st March, 2017
Interest Income	0.17	0.00
Misc Income	0.16	0.08
Total	0.33	0.08

21 Cost of materials consumed

Particulars	Rs. in Lacs	
	31st March, 2018	31st March, 2017
Opening stock	361.37	609.74
Add: Purchases	6572.21	794.22
	<u>6933.58</u>	<u>1403.96</u>
Less:		
Closing Stock	774.78	361.37
Total	6158.80	1042.59

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

Particulars	Rs. in Lacs	
	31st March, 2018	31st March, 2017
<u>Inventories at the end of the year:</u>		
Finished goods	35.55	0.00
Work-in-progress	432.67	135.74
	<u>468.22</u>	<u>135.74</u>
<u>Inventories at the beginning of the year:</u>		
Finished goods	0.00	0.00
Work-in-progress	135.74	184.25
	<u>135.74</u>	<u>184.25</u>
Net (increase) / decrease	-332.48	48.51

23 Employee Benefits Expense

Particulars	Rs. in Lacs	
	31st March, 2018	31st March, 2017
Salaries and Wages	226.65	60.86
Contribution to provident and other funds	9.17	3.13
Staff welfare expenses	10.85	2.82
Total	246.67	66.81

SYSICHEM (INDIA) LIMITED
Notes to the financial statements for the year ended 31st March, 2018

24 Finance Cost

Particulars	Rs. in Lacs	
	31st March, 2018	31st March, 2017
Interest	9.44	0.88
Bank Charges	3.04	2.46
Exchange Fluctuation	2.85	0.00
Total	15.33	3.34

25 Other Expenses

Particulars	Rs. in Lacs	
	31st March, 2018	31st March, 2017
Direct Expenses		
Power, Fuel & Water Charges	160.40	51.64
Consumption of Stores & Spares	23.14	5.07
Rent - DG Set	2.25	2.82
Repairs and Maintenance		
- Buildings	1.02	0.37
- Machinery	5.29	4.78
Watch & Ward	7.06	0.73
Indirect Expenses		
Advertisement & Publicity	2.82	0.90
Rates and Taxes	10.85	5.76
Insurance	3.09	0.54
Legal & Professional Expenses	3.11	0.84
Rent - Office	9.30	2.32
Postage & Telephone	5.77	0.07
Printing & Stationery	1.88	1.15
Travelling & Conveyance	1.45	1.07
Auditors' Remuneration		
- As Statutory Audit Fee	1.50	1.50
Fines & Penalties	3.15	1.33
Other Marketing Expenses	30.01	7.04
Loss on disposal of Property, Plant and Equipment	0.00	10.91
Miscellaneous Expenses	4.10	1.74
Total	276.19	100.58

26 Earning per Share

Particulars	Rs. in Lacs	
	31st March, 2018	31st March, 2017
Profit for the year	33.73	-148.64
Profit for the year for diluted earning per share	33.73	-148.64
Weighted average number of Ordinary Equity Shares used in Computing basic earning per share	16060400	15910400
Effect of potential Ordinary Equity shares on employee stock options	0	0
Weighted average number of Ordinary Equity Shares used in Computing diluted earning per share	16060400	15910400
Basic earning per share (Rs.) (Face Value of Rs. 10 per share)	0.21	-0.93
Diluted earning per share (Rs.)	0.21	-0.93

SYSCHEM (INDIA) LIMITED
Notes to the financial statements for the year ended 31st March, 2018

27 Related Party Transactions

Key Management Personnel

Ranjan Jain
Suninder Veer Singh

Enterprises significantly influenced by key management personnel

Impetus Healthcare

Relatives of key management personnel

Ruchika Jain
Gurcharan Kaur

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

Particulars	Rs. in Lacs	
	31st March, 2018	31st March, 2017
i) Key Management Personnel		
a) Remuneration	28.80	6.00
b) Loans received / paid (Net)	92.73	-38.04
Aggregate balances outstanding as at the year end		
a) Loans	149.90	57.17
ii) Enterprises significantly influenced by key management personnel		
a) Sales	1013.73	342.40
b) Purchases	767.44	273.85
Aggregate balances outstanding as at the year end		
- Receivables	0.00	0.00
- Payables	76.23	119.51
iii) Relatives of Key Management Personnel		
a) Remuneration	11.70	0.00

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

Particulars	Rs. in Lacs		
	31st March, 2018	As at 31st March, 2017	1st April, 2016
Contingent Liabilities			
- Claims against the Company not acknowledged as debt	0.00	22.50	22.50
- Excise matters in dispute	14.94	14.94	14.94
- Other monies for which Company is contingently liable	1,070.00	170.00	0.00
Commitments			
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances and deposits)	0.00	0.00	0.00

SYSCHEM (INDIA) LIMITED
Notes to the financial statements for the year ended 31st March, 2018

29 Segment Reporting

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

30 First-time adoption of Ind-AS

These financial statements, for the year ended 31st March 2018, are the Company's first financial statement prepared in accordance with Ind-AS. For periods up to and including the year ended 31st March 2017, the Company prepared its financial statements in accordance with statutory reporting requirement in India immediately before adopting Ind AS ('previous GAAP').

Accordingly, the Company has prepared financial statements which comply with Ind-AS applicable for periods ending on or after 31st March 2018, together with the comparative period data as at and for the year ended 31st March 2017, as described in the summary of significant Accounting Policies. In preparing these financial statements, the Company's Opening Balance Sheet was prepared as at 1st April 2016, the Company's date of transition to Ind-AS.

31 Details related to Long term Borrowings

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

b) Terms of repayment of term loans and others

Particulars	Period of Maturity	No. of Installments Due*	Amount of Installments Due*
PNB Term Loan	23	23	92,224,259

* Includes Current Maturities and amount repayable after 12 months

SYSCHEM (INDIA) LIMITED

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

(In case of Member is unable to be present in person at the Meeting this form may be used)

Form No. MGT-11

Proxy form

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

CIN: L24219HR1993PLC032195

Name of the company: SYSCHEM (INDIA) LIMITED

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

Name of the member (s):

Registered address:

E-mail Id:

Folio No/ Client Id:

DP ID:

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

1. Name:

Address:

E-mail Id:

Signature:....., or failing him

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

Resolution No.

1.....

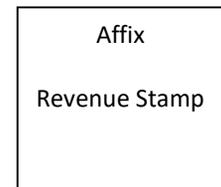
2.....

3.....

Signed this..... day of..... 20....

Signature of shareholder

Signature of Proxy holder(s)



Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

SYSCHEM (INDIA) LIMITED

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

ATTENDANCE SLIP

for the 25th Annual General Meeting
to be handed over at the registration counter

<p>Folio No./ DPID & Client ID:</p> <p>Name:</p> <p>Address:</p>

I/ We hereby record my/our presence at the 25th Annual General Meeting of the company on Friday, September 28, 2018 at 1.00 P.M at the registered office of the company at Village Bargodam, Tehsil Kalka, Distt. Panchkula, Haryana – 133302

.....
Name of the Member/ Proxy

.....
Signature of the member/proxy

Note:

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