

SPS INTERNATIONAL LIMITED

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BOARD OF DIRECTORS Sh. S.K. Jain, Chairman & Managing Director
Sh. Ankur Jain, Wholetime Director, (Admin & Purchase)
Sh. Madhur Jain, Director (Operations)
Sh. Shreyans Kumar Patni
Sh. Vipin Kumar Gupta
Sh. R.C.Jain

COMPANY SECRETARY Ms. Meenu Kapoor

AUDITORS M/s Sudhir Chaudhary & Associates,
Chartered Accountants, Faridabad

BANKERS

- HDFC Bank Ltd., New Delhi
- AXIS Bank Ltd., New Delhi
- Corporation Bank, New Delhi
- ICICI Bank Ltd., New Delhi

REGISTERED OFFICE 402, Sector-21C
Faridabad-121 001

CORPORATE OFFICE W-12, Okhla Industrial Area,
Phase-II, New Delhi- 110 020

SHARE TRANSFER AGENTS For Physical and Demat Shares
Beetal Financial & Computer Services Pvt. Ltd.
BEETAL HOUSE, 99 Madangir,
3rd Floor Behind Local Shopping Centre
Near Dada Harsukhdas Mandir
New Delhi-110 017
Phone No. (011) 29961281, 29961282
Fax No. (011) 29961284

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SPS INTERNATIONAL LIMITED

NOTICE

NOTICE is hereby given that the Eighteenth Annual General Meeting of the shareholders of the Company will be held at Plot No. 93-B, DLF Industrial Estate, Phase-I, Faridabad on Friday, the 30th day of September, 2011 at 11.00 a.m. to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the audited Balance Sheet as at 31st March, 2011 and the Profit and Loss Account of the Company as on that date together with the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Sh. Shreyans Kumar Patni, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Sh. Ankur Jain who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint M/s Sudhir Chaudhary & Associates, Chartered Accountants as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

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

"RESOLVED that pursuant to the provisions of section 257 of the Companies Act, 1956, and all other applicable provisions, if any, Sh. R. C. Jain, who was appointed as additional director pursuant to section 260 of the Companies Act, 1956, be and is hereby appointed as Director of the Company, whose period of office shall be liable to determination by retirement of Directors by rotation."

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

"RESOLVED that pursuant to the provisions of section 257 of the Companies Act, 1956, and all other applicable provisions, if any, Sh. Madhur Jain, who was appointed as additional director pursuant to section 260 of the Companies Act, 1956, be and is hereby appointed as Director of the Company, whose period of office shall be liable to determination by retirement of Directors by rotation."

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

"Resolved that pursuant to the provisions of sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII, Sh. Ankur Jain be and is hereby appointed as Whole time Director designated as Director (Administration and Purchase) of the Company with effect from October 1, 2010 for a period of five years, liable to retire by rotation, on the following remuneration and terms and conditions:

- | | |
|----------------------------|---|
| I. Basic Salary | : Upto Rs. 1,00,000 per month as may be determined by the Board of Directors or any Committee of the Board or any person authorised by the Board or any Committee of the Board from time to time. |
| II. Perquisites/Allowances | Perquisites shall be allowed in addition to salary. |

- i. Special Allowance : Upto Rs. 1,00,000 per month as may be decided by the Board of Directors or any Committee of the Board or any person authorised by the Board or any Committee of the Board from time to time.
- ii. Leased accommodation or HRA in lieu thereof and reimbursement of expenditure or allowance in respect of medical expenses and leave travel concession incurred for self and family, soft furnishing, maintenance of furniture & fixtures etc., ex-gratia and education allowance and any other perquisites or allowances etc. : In accordance with the rules of the Company.

In addition to above perquisites/allowances, Sh. Ankur Jain shall also be entitled to following benefits:

- iii. Other entitlements :
- a) Contribution to Provident Fund & Superannuation Fund or Annuity Fund - Contribution to Provident Fund & Superannuation Fund or Annuity Fund to the extent, these either singly or put together are not taxable under the Income Tax Act, 1961, and shall be subject to maximum amount as may be permitted under the Company's rules.
 - b) Gratuity - Gratuity payable shall not exceed half a month's salary for each completed year of service and shall be subject to maximum amount as may be permitted under the Gratuity Act.
 - c) Car and Telephone - Provision of car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to Sh. Ankur Jain.
- III. Performance linked Incentive : Such amounts or percentage of net profits as may be decided by the Board of Directors or any Committee of the Board or any person authorised by the Board or any Committee of the Board from time to time.

- A. The aggregate of the Salary, Perquisites/Allowances and other entitlements shall not exceed the limits specified in Section 198 and 309 of the Companies Act, 1956.
- B. In the absence or inadequacy of Profits in any year, the remuneration by way of salary, perquisites/allowances and other entitlements will be in accordance with and shall not exceed the limits prescribed under the Companies Act, 1956.
- C. Sh. Ankur Jain shall not be entitled to sitting fees for attending the Meetings of Board/Committees thereof."
- B. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"Resolved that pursuant to the provisions of sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII, Sh. Madhur Jain be and is hereby appointed as Whole time Director of the Company designated as Director (Operations) with effect from January 14, 2011 for period of five years, liable to retire by rotation, on the following remuneration and terms and conditions:

- I. Basic Salary : Upto Rs. 1,00,000 per month as may be determined by the Board of Directors or any Committee of the Board or any person authorised by the Board or any Committee of the Board from time to time.
- II. Perquisites/Allowances : Perquisites shall be allowed in addition to salary.
- i. Special Allowance : Upto Rs. 1,00,000 per month as may be decided by the Board of Directors or any Committee of the Board or any person authorised by the Board or any Committee of the Board from time to time.
- ii. Leased accommodation or HRA in lieu thereof and reimbursement of expenditure or allowance in respect of medical expenses and leave travel concession incurred for self and family, soft furnishing, maintenance of furniture & fixtures etc., ex-gratia and education allowance and any other perquisites or allowances etc. : In accordance with the rules of the Company.

In addition to above perquisites/allowances, Sh. Madhur Jain shall also be entitled to following benefits:

- iii. Other entitlements :
- a) Contribution to Provident Fund & Superannuation Fund or Annuity Fund - Contribution to Provident Fund & Superannuation Fund or Annuity Fund to the extent, these either singly or put together are not taxable under the Income Tax Act, 1961, and shall be subject to maximum amount as may be permitted under the Company's rules.
 - b) Gratuity - Gratuity payable shall not exceed half a month's salary for each completed year of service and shall be subject to maximum amount as may be permitted under the Gratuity Act.
 - c) Car and Telephone - Provision of car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to Sh. Madhur Jain.

- III. Performance linked Incentive : Such amounts or percentage of net profits as may be decided by the Board of Directors or any Committee of the Board or any person authorized by the Board or any Committee of the Board from time to time.

- A. The aggregate of the Salary, Perquisites/Allowances and other entitlements shall not exceed the limits specified in Section 198 and 309 of the Companies Act, 1956.
- B. In the absence or inadequacy of Profits in any year, the remuneration by way of salary, perquisites/allowances and other entitlements will be in accordance with and shall not exceed the limits prescribed under the Companies Act, 1956.
- C. Sh. Madhur Jain shall not be entitled to sitting fees for attending the Meetings of Board/Committees thereof.

Place : Faridabad
Dated : 12th August, 2011

By the order of the Board of Directors

Sd/-
S.K. JAIN
(Chairman and Managing Director)

Notes :

1. **A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company. Proxies in order to be valid must be deposited at the registered office of the Company not less than 48 hours before the meeting.**
2. The Register of Members and Share Transfer Books shall remain closed from Friday 23rd September, 2010 to Friday, the 30th September, 2010 (both days inclusive).
3. Brief resume of S. K. Patni, Sh. R.C. Jain, Sh. Ankur Jain and Sh. Madhur Jain are given in the Corporate Governance Report.
4. For any information or clarification with regard to accounts, written requests should be made at least 7 days before the Annual General Meeting at the Corporate Office address, so as to enable the management to keep ready the information or clarifications, as the case may be.
5. For any correspondence/ query regarding dematerialisation or physical transfer of shares, please write to Registrar and Share Transfer Agent of the Company M/s Beetal Financial and Computer Services Pvt. Ltd., at Beetal House, 99 Madangir, 3rd Floor Behind Local Shopping Centre, Near Dada Harsukhdas Mandir, New Delhi-110 017.
6. Members holding shares in physical form may write to the Registrar and Share Transfer Agent for any change in their address. However, members holding shares in electronic form may write to their DP directly.
7. Members/Proxies should bring the attendance slip duly filled in for attending the meeting.
8. No gifts, coupons, complimentaries etc., shall be distributed at the Annual General Meeting.
9. Ballot papers, if required, for each proposed resolution, will be provided to the members/proxies at the registration counter.
10. The registration counter shall open at 10.00 a.m. and close at 11.00 a.m. and thereafter no registration will be done.
11. Members are requested to bring their copy of Annual Report at the AGM.

By the order of the Board

Place : Faridabad

Dated : 12th August 2011

Sd/-

S.K. JAIN

(Chairman and Managing Director)

**ANNEXURE TO THE NOTICE
EXPLANATORY STATEMENT
(PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956).**

ITEM NO. 5

Sh. R. C. Jain was appointed as an Additional Director by the Board of Directors on 30th October 2010. As per the provisions of Section 260 of the Companies Act, 1956, he holds office upto this Annual General Meeting of the Company. The Company has received notice in terms of Section 257 of the Companies Act, 1956, proposing his appointment as a Director of the Company, liable to retirement by rotation.

His brief resume and other particulars have been given in the Corporate Governance Report forming part of the Annual Report.

The Board considers it desirable to have the benefit of his experience and recommends the resolution to be passed as an ordinary resolution.

Except Sh. R.C. Jain, none of the Directors are concerned or interested in this resolution.

ITEM NO. 6

Sh. Madhur Jain was appointed as an Additional Director by the Board of Directors on 14th January, 2011. As per the provisions of Section 260 of the Companies Act, 1956, he holds office upto this Annual General

Meeting of the Company. The Company has received notice in terms of Section 257 of the Companies Act, 1956, proposing his appointment as a Director of the Company, liable to retirement by rotation.

His brief resume and other particulars have been given in the Corporate Governance Report forming part of the Annual Report.

The Board considers recommends the resolution to be passed as an ordinary resolution.

Except Sh. Madhur Jain, Sh. S. K. Jain and Sh. Ankur Jain, none of the Directors are concerned or interested in this resolution.

ITEM NO. 7

Subject to the approval of shareholders in general meeting, the Board of Directors in its meeting held on 30th October, 2010 had appointed Sh. Ankur Jain as whole time director of the Company designated as Director (Administration and Purchase) for a period of five years with effect from 1st October, 2010 and his term of office as whole time director will come to an end on 30th September, 2015. It is proposed to take shareholders' approval to his appointment as whole time director on the terms and conditions contained in the draft resolution.

The remuneration Committee has recommended the remuneration proposed to be paid to Sh. Ankur Jain, which are within the limits prescribed under Companies Act, 1956.

The directors have recommended the resolution for approval by members.

The members may treat the details of the remuneration as set out in the notice as abstract under section 302 of the Companies Act, 1956.

None of the Directors except Sh. Ankur Jain, Sh. S. K. Jain and Sh. Madhur Jain are concerned or interested in the resolution.

ITEM NO. 8

Subject to the approval of shareholders in general meeting, the Board of Directors in their meeting held on 14th January 2011 had appointed Sh. Madhur Jain as whole time director of the Company designated as Director (Operations) for a period of five years with effect from 14th Jaunaury, 2011 and his term of office as whole time director will come to an end on 13th January, 2016. It is proposed to seek shareholders' approval his appointment as whole time director of the Company on the terms and conditions contained in the draft resolution.

The remuneration Committee has recommended the remuneration proposed to be paid to Sh. Madhur Jain and the proposed remuneration of Sh. Madhur Jain will be within the limits prescribed under Companies Act, 1956.

The directors have recommended the resolution for approval by members.

The members may treat the details of the remuneration as set out in the notice as abstract under section 302 of the Companies Act, 1956.

None of the Directors except Sh. Madhur Jain, Sh. S. K. Jain and Sh. Ankur Jain are concerned or interested in the resolution.

Place : Faridabad
Dated : 12th August 2011

By the order of the Board

Sd/-
S.K. JAIN
(Chairman and Managing Director)

SPS INTERNATIONAL LIMITED

DIRECTORS' REPORT

To
The Shareholders,

Your Directors are pleased to present the Eighteenth Annual Report for the year ended 31st March, 2011.

FINANCIAL RESULTS

The financial performance of the Company during the year has been as under:

PARTICULARS	Year ended on	
	31.03.2011	31.03.2010
Income:		
Net Sales/ Income from operations	1205.22	1198.95
Other Income	37.62	10.97
Total (A)	1242.84	1209.92
Expenditure:		
(Increase)/Decrease in stock in trade	(125.05)	(6.63)
Purchase of traded goods	931.62	834.36
Staff cost	171.38	133.51
Other expenditure	171.53	148.12
Interest	28.35	22.58
Depreciation	52.53	67.05
Total (B)	1230.36	1198.98
Profit (+)/ Loss (-) before tax (A-B)	12.48	10.94
Provision for taxation	4.82	2.93
Provision for Fringe Benefit Tax	0	0
Provision for deferred tax liability		(4.37)
Net profit (+)/ Loss (-)	7.66	8.01
Paid-up equity shares capital (Face value)	322.59	322.59
Reserves	108.78	101.12
Basic and diluted EPS	0.24	0.25

During the year under review the total income was Rs. 1242.84 Lac as against Rs. 1209.92 Lac in F.Y. 2009-10. The net profits after tax for the year are Rs. 7.66 Lac as against Rs. 8.01 Lac in F.Y. 2009-10.

SUBSIDIARIES

During the year, the Company acquired two wholly owned subsidiaries viz. SPS Printotech Limited (SPSP) and SPS Edutech Limited (SPSE). SPSP will work as a backward integration for printing and designing activities of the Company, SPSE will work as forward integration for Company in education business.

The consolidated accounts of the Company alongwith these subsidiaries are being sent to shareholders in the annual report.

DIVIDEND

Due to inadequacy of profits in the current year, no dividend for the year is being recommended.

STOCK EXCHANGES

The shares of the Company are listed at Bombay Stock Exchange Ltd. The listing fee for the financial year 2011-2012 has been paid to Bombay Stock Exchange Ltd.

DIRECTORS

During the year, Sh R. C. Jain and Madhur Jain, were co-opted as additional directors of the Company and their terms of office as directors are coming to an end at the ensuing Annual General Meeting. Directors recommend their appointment as regular directors of the Company at the ensuing Annual General Meeting.

Further during the year, subject to approval by shareholders, the Board of Directors had appointed Sh Ankur Jain and Sh. Madhur Jain as whole time directors. Resolutions for confirmation of shareholders to their appointment are being included in the notice convening Annual General Meeting.

Sh. Shreyans Kumar Patni and Sh. Ankur Jain are retiring at the ensuing Annual General Meeting and have offered themselves for re-appointment.

During the year Sh. Sudhir Jain resigned from the Board of Director, after the company came to know about his misappropriation and frauds committed by him the company is taking suitable legal action against him.

PROMOTER GROUP

The promoter group consists of Sh. S.K. Jain, Smt. Sarla Jain, Sh. Ankur Jain, Sh. Madhur Jain, Smt. Shikha Jain and SPS Infratech Private Limited.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under section 217(2AA) of the Companies Act, 1956, we report that:

- i) in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) the directors have 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 Profits of the Company for that period;
- iii) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the directors have prepared the annual accounts on a going concern basis.

AUDITORS AND AUDITORS' REPORT

M/s Sudhir Chaudhary & Associates, Chartered Accountants, the Statutory Auditors of the Company are retiring at the ensuing Annual General Meeting. The Company has received from them a letter dated 25th July, 2011 to the effect that they are eligible and willing to be re-appointed as auditors of the Company and their re-appointment, if made, would be within the limits prescribed under section 224 (1-B) of the Companies Act, 1956. Accordingly, the resolution for appointment of the auditors has been included in the Notice convening next Annual General Meeting.

There are no comments or qualification in the Auditors' Report requiring an explanation or comments by the Board.

MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis forms part of the Directors' Report and is annexed as **Annexure-I**.

CORPORATE GOVERNANCE

Your Company is complying with all the provisions of Clause 49 of the Listing Agreement with the Bombay Stock Exchange Ltd. A Report on the Corporate Governance is enclosed as **Annexure-II**. A certificate dated 12/08/2011 from the statutory auditors on compliance with the requirements of clause 49 of the listing agreement is annexed to the Directors' Report and forms part of the Corporate Governance Report.

FIXED DEPOSITS

During the year under review, your Company has not accepted any deposits from public within the meaning of section 58-A of the Companies Act, 1956.

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

The report required to be made pursuant to Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988 is annexed as **Annexure-III** and forms part of this report.

PARTICULARS OF EMPLOYEES

There are no employees in the Company, drawing remuneration exceeding the limits prescribed in section 217(2-A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975.

ACKNOWLEDGEMENTS

Your Directors express their deep sense of appreciation for the assistance and co-operation received from the Banks, Auditors and other authorities during the year under review.

Your Directors also wish to place on record their deep sense of appreciation for the devoted and sincere services of all the executives, staff and workers of the Company.

On behalf of the Board of Directors

Place : Faridabad

Dated : 12th August 2011

Sd/-

S.K. JAIN

(Chairman and Managing Director)

ANNEXURE-I

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENT

The Company is engaged in the business of sale/ purchase of Optical Mark Readers, Image Scanners, Insight Scanners, Computers and other allied peripherals and equipment, OMR Application/ Registration forms and Answer sheets along with other necessary stationery. The company is also providing support services to its customers for the hardware sold by it and for that purpose sale of spare parts, indigenous as well as imported, is also affected. The company is also engaged in design and development of software for data capturing through Optical Mark Reading System/ Image Scanners/ Insight Scanners, Scanning of OMR Application forms/ Registration forms and Answer sheets and preparation of result for its customers.

The comparison of the sales of the products of the Company over the previous year is as under:

Particulars	Sale Quantity	
	2010-11	2009-10
OMR Sheets (In Cr.)	3.01	3.26
OMR Scanners	54	61
Image Scanners	31	13

Despite the global recession, the demand for the products of the Company has remained stable during the financial year 2009-10. There is marginal decline in the sale of OMR sheets but there is significant increase in the sale of Image scanners. In the next year the demand is likely to be more and the company is expected to grow in future.

OPPORTUNITY AND THREATS

With increasing and continuous growth in the number of management, engineering, medical institutes in private sector, increased enrolment of student in professional courses and more vacancies being created by Governmental bodies, the business opportunities for Company are on increase. In near future the management perceives no major threat to the growth of business on this count. However, adverse change in Government's policies on education sector and recruitments may affect growth of business.

The management do not perceive any major business threat from competitors except in usual course of business. The Company is able to maintain its leadership position in its business with its Infrastructure, experienced staff, quality of service & products and cost effectiveness. However, increasing competition will have some impact on the profitability.

FINANCIAL PERFORMANCE

During the year under review the total income was Rs. 1242.84 Lac as against Rs. 1209.92 Lac in F.Y. 2009-10. The net profits after tax for the year are Rs. 7.66 Lac as against Rs. 8.01 Lac in F.Y. 2009-10.

RISKS AND CONCERNS

The business of Company largely depends upon the Govt. policies particularly in educational sector. If, in future due to some political or economic reasons, there is adverse change in these policies, or change in the system of the entrance examinations, earnings of the Company may be adversely affected. Awareness about education is on the increase in Indian masses. Government has also been launching campaigns to promote educational awareness. Indian professionals are in great demand in other countries. It has established the significance of education and is attracting more students in every passing year. There is a clear demand supply gap of resources in education sector.

The Government may, to promote the education and bridge the gap may take certain promotional measures like removing entrance test from certain sectors or bringing all the entrance tests under one banner. This may have adverse affect on business and profitability of the Company. However, the management does not have any worries about such a scenario in the present due to its Infrastructure, ability to perform and experience. The management does not foresee any risk on account of availability of raw material and manpower, as these are available in the market. Also with vast experience in the field, the Company has sufficient back up to develop manpower for future.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has established internal control systems, which provide reasonable assurance with regard to safeguarding of the Company's assets, promoting operational efficiency and ensuring compliance with various statutory provisions. The internal control systems are reviewed at a reasonable period of time by management and statutory auditors. The Report on the internal control systems is also placed before the Audit Committee regularly. The Statutory Auditors also review the findings with the Senior Management and Audit Committee. The Company is accredited with the ISO 9001-2008 & ISO 14001:2004 certification by JAS-ANZ-VEXIL (BPS MS).

OUTLOOK FOR THE YEAR 2011-2012

In view of the increased competition, the Company is taking necessary steps to maintain its leadership position by maintaining / increasing its growth in all its business areas like sale of OMR Sheets and Scanners and Image Scanners during the financial year 2011-12.

The company is also undertaking a significant diversification programme. The company is entering into alliances with other entities in the different fields. The details are as under:

- a) The production of Green Energy through Solar Power, providing consultancy for setting up Solar Power Plants on Turn key basis.
- b) Setting up chains of offline and online practice centers through out the country to facilitate the Engineering, Medical and Management course students, aspirants to make practice for their examinations through the unique question bank being created by the company.
- c) To act as the exclusive licensee of an American Company for promoting the hardware, software and technology for printing, embossing, marketing and engraving of words and / or images on flowers, plants and other organic products.

The company believes that through these diversifications by way of strategic alliances, the presence of the company will be felt in a better and effective manner in the Indian market as well as in return its revenue will rise.

HUMAN RESOURCES DEVELOPMENT/ INDUSTRIAL RELATIONS

The Company has a system for continuous development of its employees, whereby the performance and competencies of the individuals are measured. The requirements of the organization are matched with profile of the individuals. In case of any improvement areas, on the job training/ special programmes are being organised. This process has helped in career planning and growth of the employees.

The Company has 65 numbers of employees as on 31/3/2011. The relationship of management with employees has been very cordial during the period under review.

Place : Faridabad
Dated : 12th August 2011

On behalf of the Board of Directors

sd/-
S.K. JAIN
(Chairman and Managing Director)

REPORT ON CORPORATE GOVERNANCE

Company's philosophy on Corporate Governance

SPS believes in adopting best practices in the area of Corporate Governance and follows the principles of full transparency and accountability, thereby protecting the interests of all its stakeholders.

SPS has been practicing the broad principles of Corporate Governance. In addition to the basic governance issues, your Company lays strong emphasis on trusteeship, transparency, accountability and integrity in all facets of its operations and in all its interactions with shareholders, employees, Government and its customers.

SPS believes that its operations and actions must serve the underlying goal of enhancing over all shareholders value over a sustained period of time.

Board of Directors**Composition of the Board**

As on 31st March 2011, SPS's Board has six Directors, three of whom are Executive Directors, while the remaining three are non-executive independent Directors. The Chairman is Executive Director.

Composition of the Board as on 31st March 2011.

Sl. No	Name of Director	Category of Director	No. of other Directorships	No. of Board Level Committee memberships/ chairpersonship/ In other Indian public companies	
				Chairperson	Member
1	Sh. S.K. Jain	Executive, Promoter	2	-	-
2	Sh. Ankur Jain	Executive, Promoter	2	-	-
3	Sh. Madhur Jain	Executive, Promoter	2	-	-
4	Sh. Shreyans Kumar Patni	Non-executive independent	-	2	-
5	Sh. Vipin Gupta	Non-executive independent	-	-	2
6	Sh. R.C. Jain	Non-executive independent	-	-	2

1. The directorships held by Directors as mentioned above do not include alternate directorships and directorships of foreign companies, Section 25 companies and private limited companies.
2. In accordance with Clause 49 of the Listing Agreement, Memberships / Chairmanships of only the Audit Committees and Shareholders'/Investors' Grievance Committees of all public limited companies have been considered.
3. Sh. Ankur Jain was appointed as an Additional Director w.e.f. 6th August 2010 and whole time director w.e.f. October 1st 2010.
4. Sh. R.C.Jain was appointed as an Additional Director w.e.f. 30th October 2010.
5. Sh. Madhur Jain was appointed as an Additional Director and Whole time Director w.e.f. 14th January 2011.

The Company does not have any pecuniary relationship with any of the non-executive directors except the payment of sitting fee for attending the meetings for Board of Directors and Committees thereof.

None of the director are related to each other except Sh. S. K. Jain (Father), Sh. Ankur Jain(Son) and Sh. Madhur Jain (Son) are related to each other.

None of the Directors is a member of more than 10 Board-level Committees of public companies in which they are Directors, nor is Chairman of more than five such Committees.

Board Meetings

During 2010-11, the Board of Directors met 8 times on 28th May 2010, 14th June 2010, 29th July 2010, 17th August 2010, 4th October 2010, 30th October 2010, 14th January 2011 and 10th February 2011. The longest gap between any two Board meetings did not exceed 4 months.

Attendance record of Board of Directors as on 31st March 2011. (Total Meetings held-8)

Name of Director	No of Board meetings attended	Whether attended last AGM
Sh. S.K. Jain	8	Yes
Sh. Sudhir Jain ¹	6	No
Sh. Shreyans Kumar Patni	8	Yes
Sh. Vipin Gupta	8	Yes
Sh. Anoop Dawar ²	5	Yes
Sh. Ankur Jain	7	Yes
Sh. Madhur Jain	1	NA
Sh. R.C. Jain	3	NA

1. Resigned from the Board of Directors of the Company w.e.f. 17.12.2010

2. Resigned from the Board of Directors of the Company w.e.f.30.10.2010

Information supplied to the Board

The Board of the Company is presented with the information listed below, wherever and whenever applicable and materially significant.

- Annual operating plans and budgets and any updates.
- Capital budgets and any updates.
- Quarterly results for the company and its operating divisions or business segments.
- Minutes of meetings of audit committee and other committees of the board.
- The information on recruitment and remuneration of senior officers just below the board level, including appointment or removal of Chief Financial Officer and the Company Secretary.
- Show cause, demand, prosecution notices and penalty notices which are materially important
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- Any material default in financial obligations to and by the company, or substantial nonpayment for goods sold by the company.
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order which, may have passed strictures on the conduct of the company or taken an adverse view regarding another enterprise that can have negative implications on the company.
- Details of any joint venture or collaboration agreement.
- Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property.
- Significant labour problems and their proposed solutions. Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.
- Sale of material nature, of investments, subsidiaries, assets, which is not in normal course of business.
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
- Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.

These items are submitted either as a part of the agenda papers well in advance of the Board meetings or tabled in the course of the Board Meeting.

Remuneration of Directors

Details of the remuneration package of Directors for 2010-2011 are as under.

Name of Directors	Salary	Sitting fees	Perquisites	Deferred Benefits (PF and superannuation)	Commis sion	Terminal Benefits	Amount (₹)
							Total
Sh. S.K. Jain	12,00,000	-	-	1,44,000	-	-	13,44,000
Sh. Sudhir Jain	9,00,000	-	-	1,08,000	-	-	10,08,000
Sh. Shreyans Kumar Patni	-	9,500	-	-	-	-	9,500
Sh. Vipin Gupta	-	9,500	-	-	-	-	9,500
Sh. Anoop Dawar	-	6,000	-	-	-	-	6,000
Sh. R.C. Jain	-	3,500	-	-	-	-	3,500
Sh. Ankur Jain	3,00,000	-	-	-	-	-	3,00,000
Sh. Madhur Jain	1,00,000	-	-	12,000	-	-	1,12,000
Total	25,00,000	28,500	-	2,64,000	-	-	27,92,500

Shares and Convertible instruments held by Non-executive Directors

As on 31st March, 2011, none of the Non-executive Directors held any convertible instruments of the Company.

Details the shares of the Company held by the non-executive Directors as on 31st March, 2011 are as under:

Name of the Director	No. of shares held (Each of face value of Rs. 10/-)
Sh. Shreyans Kumar Patni	Nil
Sh. Vipin Gupta	350
Sh. R. C. Jain	Nil

Committees of the Board

Audit Committee

As on 31st March 2011, the Audit Committee of the Company comprises three independent Directors. The constitution of the Committee meets the requirements of Section 292A of the Companies Act, 1956 as well as SEBI's Corporate Governance Code. During 2010-11, the Committee met 4 times on 28th May 2010, 29th July, 2010, 30th October, 2010 and 10th February 2011.

Details of the Audit Committee as on 31st March 2011 (Total Meetings held-4)

Sl. No.	Name of Member	Category	Number of meetings attended
1	Sh. Shreyans Kumar Patni	Chairman, Independent Director	4
2.	Sh. Vipin Gupta	Independent Director	4
3.	Sh. Anoop Dawar ¹	Independent Director	3
4.	Sh. R.C. Jain	Independent Director	1

1. Resigned from the Audit Committee during the year.

The terms of reference of the Audit Committee include:

- 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.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - 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
 - Changes, if any, in accounting policies and practices and reasons for the same
 - Major accounting entries involving estimates based on the exercise of judgment by management
 - Significant adjustments made in the financial statements arising out of audit findings
 - Compliance with listing and other legal requirements relating to financial statements
 - Disclosure of any related party transactions
 - Qualifications in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- 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.
- Discussion with internal auditors any significant findings and follow up there on.
- 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.
- 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.
- 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.
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Managerial Remuneration Committee

The Managerial Remuneration Committee comprises three members, all of whom are independent. Sh. Shreyans Kumar Patni is the Chairman, while Sh. Vipin Gupta and Sh. R.C. Jain are the other members. The Committee decides the amount of salary, perquisites and commission to be paid to the Directors (within the overall ceiling fixed by shareholders). During 2010-11, the Committee met twice on 30th October, 2010 and 14th January 2011.

Details of the Remuneration Committee as on 31st March 2011 (Total Meetings held-2)

Sl. No.	Name of Member	Category	Number of meetings attended
1.	Sh. Shreyans Kumar Patni	Chairman, Independent Director	2
2.	Sh. Vipin Gupta	Independent Director	2
3.	Sh. Anoop Dawar ¹	Independent Director	1
4.	Sh. R.C. Jain	Independent Director	1

1. Resigned from the Remuneration Committee during the year

Shareholders/Investors Grievance Committee

As on 31st March, 2011, the Committee comprises of four members, three of whom are independent non-executive Directors, while the other one is Executive Director. The Chairman is an independent non-executive Director. During 2010-11, the Committee met 7 times.

Details of Shareholders' and Investors' Grievance Committee as on 31st March, 2011 (Total Meetings held-7)

S. No.	Name of Directors	Category	Meetings attended
1.	Sh. Shreyans Kumar Patni	Independent Director	5
2.	Sh. Vipin Gupta	Independent Director	5
3.	Sh. R. C. Jain	Independent Director	2
4.	Sh. Anoop Dawar ¹	Independent Director	3
5.	Sh. S.K. Jain	Executive Director	8

1. Resigned from the Shareholders/Investors Grievance Committee during the year

The Committee deals with and decides on all matters relating to the registration, transfer and transmission of shares and issue of duplicate share certificates or allotment letters in lieu of those lost or misplaced. It also redresses shareholders' and investors' complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc. During the year, no investor complaint was received. As on 31st March 2011, no complaint was pending.

Management

Management Discussion & Analysis

This report contains a separate section on Management Discussion & Analysis.

Disclosures

- The relevant disclosures regarding related party sanctions have been given in the notes to accounts.
- During last three years, there has been no non-compliance by the Company and no penalties, strictures are imposed on the Company by the Stock Exchanges, or SEBI or any statutory authority on any matter related to capital markets.
- The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement and has set up a remuneration committee under non mandatory requirements.

Code of Conduct

As per the requirements of Clause 49 of the Listing Agreement, the Company has adopted a Code of Conduct for Directors and Sr. Management Personnel. As required by the provisions of the Code a declaration from the Chairman and Managing Director regarding compliance by the Directors and Sr. Management Personnel of the provisions of Code of Conduct is given as under:

I hereby certify that all the members of the Board of Directors and Sr. Management personnel have affirmed compliance with the Code of Conduct framed by the Company for its Board of Directors and Sr. Management personnel.

Sd/-
S.K. Jain
Chairman and Managing Director

Code for Prevention of Insider-trading Practices

The Company has prepared a code of conduct for its Directors, Management and staff, laying down the guidelines and procedures to be followed and disclosures to be made, while dealing with shares of Company, and cautioning them of the consequences of violations. The code clearly specifies, among other matters, that Directors and specified employees of the Company can trade in the shares of the Company only during 'Trading Window Open Period'. The trading window is closed during the time of declaration of results, dividend and material events, as per the code. Smt. Meenu Kapoor, Company Secretary, is the Compliance Officer.

CEO/ CFO Certification

The CEO and CFO certification of the financial statements for the year is as under:

The Board of Directors,
SPS International Limited,
W-12, Okhla Industrial Area
Phase-II, New Delhi-110020

Dear Sirs,

We, the undersigned hereby certify to the Board that:

- (a) We have reviewed financial statements and the cash flow statement for the year ended 31st March 2011 and that to the best of our knowledge and belief:
 - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by SPS International Limited during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting in SPS International Limited and we have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting. 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 the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and Audit Committee
 - (i) Significant changes in internal control over financial reporting during the year;
 - (ii) Significant changes in accounting policies during the year and the same have been disclosed in the notes to the financial statements; and
 - (iii) Instances of significant fraud of which we 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.

Sd/-
S K Jain
Chairman and Managing Director

Sd/-
Kanhaiya Yadav
Chief Manager (F&A)

Shareholders

The following Directors are retiring by rotation and being eligible offer themselves for re-appointment: -

Sh. Shreyans Kumar Patni (63) is an Engineer by profession and has an experience of approximately 29 years in the industry. He has been on the Board of the Company since 15th February 2002. He is retiring by rotation at the ensuing AGM. He has given his consent to act as the Director of the Company, if appointed.

Sh. Shreyans Kumar Patni is not director in any other Public Limited Company. He is Chairman of the Audit Committee, Remuneration Committee and Shareholders/Investors Grievance Committee of the Company. He holds no equity shares in the Company.

Sh. Ankur Jain (27) is MBA in Banking Insurance. He has been wholetime director of Maja Merchandise Pvt. Ltd for the last 4 years. He has got wide experience in business of industry also. He is also a member of promoter group of the company.

Following directors were appointed as additional directors during the year. Their term of office as director is coming to an end at the ensuing Annual General Meeting. The items for their appointment as regular director has been included in the notice convening Annual General Meeting. Their resume in brief are as under:

Sh. R.C Jain (54) is a working in State Bank of India since 1980. Presently posted as Spl. Assistant. Besides he has wide exposure of LIC business, LIC Housing finance etc. He is also associated in number of social organizations. He is a matured person and is capable of giving seasoned advice to the Board from time to time. He is member of Audit Committee, Shareholders/Investors' Grievance Committee and the Remuneration Committee of the Company. He does not hold any shares in the Company.

Sh. Madhur Jain (23) was appointed as an additional director on January 14, 2011. He is a graduate in Mechanical Engineering. He has worked as Graduate Engineering trainee with M/s Shriram Pistons and Rings Ltd. Ghaziabad. He has successfully completed couple of engineering projects during the graduation.

Means of Communication

The quarterly and annual results are regularly published in leading English and Hindi newspapers as per the requirements of Listing Agreement with Bombay Stock Exchange. The periodical financial results of the Company and other relevant information is regularly placed on the website by the Stock Exchange. The press release, if any, is also forwarded to Stock Exchange for placing on its websites. The Company has not made any formal presentations to institutional investors or to analysts during the year.

General Body Meetings

Location and time of last three AGMs

Year	Location	Date	Time	Special Resolution passed
2007-08	51, Naharpar, Kheri Road, Bharat Colony, Old Faridabad	30/9/2008	11.00 a.m.	Nil
2008-09	51, Naharpar, Kheri Road, Bharat Colony, Old Faridabad	29/9/2009	11.00 a.m.	Nil
2009-10	51, Naharpar, Kheri Road, Bharat Colony, Old Faridabad	30/9/2010	11.00 a.m.	Nil

No resolution was put through postal ballot during 2010-11.

Additional shareholder information

Annual General Meeting

Date : Friday, 30th September 2011

Time : 11.00 A.M.

Venue : Plot No. 93-B, DLF Industrial Area, Phase-I, Faridabad

Financial Calendar

Financial year: 1 April to 31 March 2011

During the year ended 31 March 2011, results were announced on:

28 th May 2010	:	Annual financial results
29 th July 2010	:	First Quarter
30 th October 2010	:	Second Quarter
10 th February 2011	:	Third quarter

The tentative schedule for the financial year 2011-12:

August 2011 (First week) : First quarter
 November 2011 (First week) : Half yearly
 February 2012 (First week) : Third quarter
 May 2012 (last week) : Annual and Fourth quarter

Book Closure Date

Friday, 23rd September, 2011 to Friday, 30th September, 2011 (both days inclusive).

Dividend

Due to inadequacy of profits in the current year, no dividend is being declared.

Listing on Stock Exchanges in India

The shares of the Company are listed at Bombay Stock Exchange Ltd. The listing fee for the financial year 2011-2012 has been paid to Bombay Stock Exchange Ltd.

Stock Codes

The Company's stock code at Bombay Stock Exchange Ltd is 530177.

Stock Market Data

Monthly high and low quotations as well as the volume of shares traded at BSE during 2010-11 is as under:

Year 2010-11	Price of Share of the Company at BSE			BSE SENSEX	
	High (Rs.)	Low (Rs.)	Volume (Nos.)	High	Low
April	5.04	4.18	22169	18047.86	17276.80
May	5.02	4.22	23281	17536.86	15960.15
June	4.83	4.31	7400	17919.62	16318.39
July	5.43	4.00	77945	18237.56	17395.58
August	10.22	5.35	333858	18475.27	17819.99
September	9.03	6.47	149322	20267.98	18027.12
October	7.98	6.75	28525	20854.55	19768.96
November	7.89	6.15	38271	21108.64	18954.82
December	7.10	6.18	6881	20552.03	19074.57
January	7.44	5.57	7183	20664.80	18038.48
February	6.74	5.29	2806	18690.97	17295.62
March	6.45	5.61	6385	19575.16	17792.17

Distribution of shareholding

Distribution of shareholding by number of shares held as on 31st March, 2011

No. of equity shares held	No. of share holders	% of shareholders	No. of shares	% of share holding
Upto 500	1952	78.43	348422	10.80
501 - 1000	230	9.24	193508	5.99
1001-2000	151	6.07	249067	7.72
2001-3000	54	2.17	136478	4.23
3001-4000	20	0.80	71207	2.20
4001-5000	24	0.96	112416	3.48
5001-10000	29	1.17	211594	6.55
10000 and above	29	1.17	1903206	58.99
Total	2489	100.00	3225900	100.00

Distribution of shareholding by shareholding pattern as on 31st March, 2011.

SL. NO.	CATEGORY	NO. OF SHARES HELD	% AGE OF HOLDING
A.	Shareholding of promoter and promoter group	1247603	38.67
B.	Public Shareholding		
	Bodies Corporate	327710	10.16
	Individual shareholders holding nominal share capital up to Rs. 1 Lac	1125055	34.88
	Individual shareholders holding nominal share capital in excess of Rs. 1 Lac	405836	12.58
	NRIs	41651	1.29
	HUF	78045	2.42
	Total	3,225,900	100.00

Dematerialisation of shares as on 31st March 2011

There were 23,96,890 shares in electronic form, which constitute 74.30 per cent of the total paid-up share capital of the Company.

Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, conversion date and likely impact on equity

The Company has not issued any GDRs/ ADRs/ Warrants or other instruments, which are pending for conversion.

Details of public funding obtained in the last three years

The Company has not obtained any public funding in the last three years

Registrar and Share Transfer Agents

M/s Beetal Financial & Computer Services Pvt. Ltd. is Registrar and Share Transfer Agent of the Company for handling both electronic as well as physical shares. The communication regarding shares in physical or electronic form can be sent to the Registrar and Share Transfer agent at the address given herein below.

Share Transfer System

The Share certificates sent for transfer are received at the office of Registrar and Share Transfer Agent, M/s Beetal Financial & Computer Services Pvt. Ltd. All valid transfer requests are processed and the Shareholder's/ Investor's Grievances Committee approves the valid transfer requests and after approval by the Committee, the physical shares are sent to the shareholders.

Depository System

The shareholders can trade in the shares of the Company only in electronic form.

Following is the process for getting the shares dematerialized:-

- Shareholder submits the shares certificate alongwith DRF to DP.
- DP processes the DRF and generates a unique DRN.
- DP forwards the DRF and share certificates to the Share Transfer Agent.
- Share Transfer Agent after processing the DRF confirms or rejects the request to Depositories.
- Depositories give the credit to shareholder in his account maintained with DP.

This process takes approximately 10 to 15 days from the date of receipt of DRF.

As the trading in the shares of the Company can be done only in the electronic form, it is advisable that the shareholders who have the shares in physical form get their shares dematerialised.

Adoption of Non-mandatory Requirements

Remuneration Committee has been constituted in accordance with the requirements of the Listing Agreement.

Plant/Business Location

SPS International Limited

W-12, Okhla Industrial Area
Phase-II, New Delhi-110020

Address for Correspondence

Company:

Sh. S.K. Jain
Chairman and Managing Director
SPS International Ltd.
W-12, Okhla Industrial Area
Phase-II, New Delhi-110020
Tel No. + 91 011-47190190
Fax No. + 91 011-47190160
e-mail : skjain402@gmail.com

Registrar & Share Transfer Agent:

Sh. Puneet Mittal, General Manager
Beetal Financial & Computer Services Pvt. Ltd.
BEETAL House
3rd Floor, 99 Madangir
Behind Local Shopping Complex
Near Dada Harsukhdas Mandir
New Delhi 110 062
Tel. No. +91 011-29961281
Fax No. +91 011-29961282
e-mail: beetal@rediffmail.com

CORPORATE GOVERNANCE CERTIFICATE

To

The Members
SPS International Ltd

We have examined the compliance of the conditions of Corporate Governance by SPS International Limited for the year ended on March 31st, 2011 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examinations have been limited to a review of the procedures and implementations thereof, adopted by the company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion of the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the above-mentioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India we have to state that based on the report given by the Registrars of the Company to the Investors Grievance Committee, as on March 31st 2011 there were no Investors Grievance matters against the Company remaining unattended/ pending for more than 30 days.

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

Place : Faridabad
Dated : 12th August, 2011

For Sudhir Chaudhary & Associates
Chartered Accountants
Sd/-
Sudhir Chaudhary (Partner)
M. No. 91302

ANNEXURE -III

Disclosures under section 217 (1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particular in the Report of Board of Directors) Rules, 1988.

CONSERVATION OF ENERGY

- A. Energy conservation measures taken : NA
 B. Additional investment and proposals, if any, being implemented for reduction of consumption of energy : NA
 C. Impact of above measures : NA

FORM - A

Form for disclosure of particulars with respect to conservation of energy

A. Power and Fuel consumption	2010-11	2009-10
1. Electricity		
a) Purchased unit	120111	99226
Total amount	547620	570551
Rate / Unit (₹)	5.75	5.75
b) Own generation through DG Sets/Turbine	32689	17851
2. Coal	Nil	Nil
3. Furnace Oils	Nil	Nil
B. Consumption per unit of Production :		
Production	N.A	N.A
Electricity	N.A	N.A
Furnace Oil	N.A	N.A
Coal	N.A	N.A

FORM - B

Form of disclosure of particulars with respect to technology absorption :

A. Research and Development		
1. Specific areas in which research and development were carried out by the Company	N.A	Nil
2. Benefits derived	N.A	Nil
3. Future plan of action	N.A	Nil
4. Expenditure on R & D	N.A	Nil
B. Technology absorption, adaptation & Innovation (R&D)		
1. Efforts made towards technology Absorption, adaptation & Innovation	N.A	N.A
2. Benefits derived	N.A	N.A
3. Particulars of Imported Technologies	N.A	N.A
C. Exchange earnings and outgo		
1. Earned (₹ in lac)	Nil	6.87
2. Outgo (₹ in lac)	245.97	274.96

Place : Faridabad
 Dated : 12th August, 2011

On behalf of the Board of Directors

Sd/-
S.K. JAIN
 (Chairman and Managing Director)

AUDITORS' REPORT TO THE MEMBERS OF SPS INTERNATIONAL LIMITED

To
The Members,

We have audited the attached Balance Sheet of M/s SPS INTERNATIONAL LIMITED as at 31st March 2011 and also the Profit & Loss Account for the year ended on that date annexed thereto and Cash Flow Statement of the Company for the year ended on that date. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the **Companies Auditor's Report (Amendment) Order, 2004** issued by the Central Govt. of India in terms of sub-section (4A) of the section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.

Further to our comments in the annexure referred to above, we report that:

1. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
2. In our opinion, proper books of accounts as required by law have been kept by the company so far as appears from our examination of those books.
3. The Balance Sheet, Profit & Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
4. In our opinion, the Balance Sheet, Profit & Loss Account and the Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of the section 211 of the Companies Act, 1956.
5. On the basis of written representations received from the Director's, as on **31st March, 2011** and taken on record by the Board of Director's, we report that none of the Director's is disqualified as on **31st March, 2011** from being appointed as a Director in terms of clause (g) of sub section (1) of section 274 of The Companies Act, 1956.
6. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
 - a) In the case of the Balance Sheet, of the state of affairs of the Company as at **31st March, 2011**;
 - b) In the case of the Profit and Loss Account, of the **Profit** for the year ended on that date.
 - c) In the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

Place : Faridabad
Dated : 30th May, 2011

For Sudhir Chaudhary & Associates
Chartered Accountants

Sd/-
Sudhir Chaudhary (Partner)
M. No. 091302

ANNEXURE TO THE AUDITOR'S REPORT

(Referred to in paragraph 1 of our report of even date on the accounts of

SPS INTERNATIONAL LIMITED for the year ended **March 31, 2011**)

1. a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b. All the assets have been physically verified by the management during the year and there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- c. During the year, the company has not disposed off any major part of the fixed assets.
2. a. The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- b. The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- c. The company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
3. a. The company has not granted loan to other companies covered in the register maintained under section 301 of the companies Act, 1956.
- b. The company has not accepted loan from other companies covered in the register maintained under section 301 of the companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
5. During the year covered by our Audit Report, there was no contracts or arrangements during the year which are to be entered into the register maintained under section 301 of the Companies Act, 1956.
6. During the year covered by our Audit Report, the company has not accepted any deposits pursuant to section 58A, section 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.
7. In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
8. Since the company is not covered for the purpose of cost records under section 209(1)(d) of the Companies Act, this clause is not applicable so it is not given.
9. a. The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, custom duty, excise duty, service tax, cess and other material statutory dues applicable to it.

- b. According to the information and explanations given to us, no disputed amounts payable in respect of income tax, wealth tax, sales tax, custom duty, excise duty, service tax and cess were in arrears, as at **2011** for a period of more than six months from the date they became payable.
10. In our opinion, the accumulated losses of the company are not more than 50% of its net worth. The company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
12. This clause is not applicable so it is not given.
13. In our opinion, the company is not a chit fund or a nidhi mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) Order are not applicable to the company.
14. In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable to the company.
15. According the information and explanation given to us, the company has not given any guarantee for loan taken by others from banks or financial institution.
16. In our opinion, the terms loans have been applied for the purpose for which they were raised.
17. According to the information and explanations given to us, and on an overall examination of the balance sheet of the company, we report that the no funds raised on short-term basis have been used for long-term investment except permanent working capital.
18. According to the information and explanations given to us, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
19. According to the information and explanations given to us, during the period covered by our audit report, the company has not issued any debentures.
20. No money was raised by public issues during the period covered by our Audit Report.
21. According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

Place : Faridabad
Dated : 30th May, 2011

For Sudhir Chaudhary & Associates
Chartered Accountants

Sd/-
Sudhir Chaudhary (Partner)
M. No. 091302

SPS INTERNATIONAL LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2011

Particulars	Sch No.	Current Year 31/03/2011 Amount (₹)	Previous Year 31/03/2010 Amount (₹)
SOURCES OF FUNDS :			
Shareholders Funds :			
a) Share Capital	1	32259000	32259000
b) Reserves and Surplus	2	10876705	10111880
Loan Funds :			
a) Secured Loans	3	33176853	10546700
b) Unsecured Loan	4	5000000	-
c) Deferred Tax Liability (Net)	5	601324	771279
TOTAL :		81913882	53688859
APPLICATION OF FUNDS :			
Fixed Assets :			
Gross Block	6	104896589	107114502
Capital WIP		-	-
Less : Depreciation		70901574	71894542
Net Block		33995015	35219960
Investments :			
Investments In Subsidiaries	7	8924500	-
CURRENT ASSETS, LOANS & ADVANCES :			
a) Inventories	8	25666871	13161527
b) Sundry Debtors	9	22174607	28012277
c) Loans and Advances	10	15691945	12797593
d) Cash and Bank balances	11	4239334	2692148
		67772757	56663545
Less : Current Liabilities	12	28046706	35234193
Less : Provisions		4033535	3170500
		35692516	18258852
MISCELLANEOUS EXPENDITURE :	13		
(To the extent not written off)			
- Deferred Expenditure		3301851	210047
TOTAL		81913882	53688859
NOTES TO THE ACCOUNTS :	21		

"The Schedules referred to above form an integral part of the Balance sheet. This is the Balance Sheet referred to in our report of even date".

For and on behalf of the Board of Directors

Sd/-
S.K. JAIN
(Chairman and Managing Director)

Sd/-
ANKUR JAIN
(Director)

Sd/-
MEENU KAPOOR
(Company Secretary)

Sd/-
KANHAIYA YADAV
(Chief Manager)

As per our report of even date
For **SUDHIR CHAUDHARY & ASSOCIATES**
CHARTERED ACCOUNTANTS

Sd/-
SUDHIR CHAUDHARY (Partner)
M.NO. 091302
F.NO. 015222N
Place : Faridabad
Dated : 30th May, 2011

SPS INTERNATIONAL LIMITED
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2011

Particulars	Sch. No.	Current Year 31/03/2011 Amount (₹)	Previous Year 31/03/2010 Amount (₹)
INCOME :			
- Sales and Services	14	120522039	119895134
- Other Income	15	3761278	1097150
- Increase/(Decrease) in stock	16	12505344	663546
TOTAL		136788661	121655830
EXPENDITURE :			
- Processing, Administrative and Selling Expenses	17	110166304	98097676
- Employee Cost	18	17138239	13350994
- Financial Expenses	19	2834547	2258316
- Depreciation	6	5253136	6705016
		135392226	120412002
Net Profit		1396435	1243828
Less : Preliminary Expenses written off	20	150047	150042
Net Profit before tax for the year		1246388	1093786
Less: Current Tax		863035	730500
Add : Deferred Tax		381472	438132
Net Profit for the year		764825	801418
Add : Provision written Back		-	654403
Add : Profit Brought Forward		7711880	6256059
Profit /(Loss) Carried over to Balance Sheet		8476705	7711880
Notes to the Accounts	21		

"The Schedules referred to above form an integral part of the Profit and Loss Account. This is the Profit and Loss Account referred to in our report of even date".

For and on behalf of the Board of Directors

Sd/-
S.K. JAIN
 (Chairman and Managing Director)

Sd/-
ANKUR JAIN
 (Director)

Sd/-
MEENU KAPOOR
 (Company Secretary)

Sd/-
KANHAIYA YADAV
 (Chief Manager)

As per our report of even date

For SUDHIR CHAUDHARY & ASSOCIATES
CHARTERED ACCOUNTANTS

Sd/-
SUDHIR CHAUDHARY (Partner)
 M.NO. 091302
 F.NO. 015222N

Place : Faridabad
 Dated : 30th May, 2011

SPS INTERNATIONAL LIMITED
**SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT AND
LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2011**

Particulars	For the Year Ended 31/03/2011 Amount (₹)	For the Year Ended 31/03/2010 Amount (₹)
SCHEDULE – 1		
Share Capital :		
Authorised :		
- 10000000 Equity shares of ₹ 10/- each	100000000 =====	100000000 =====
Issued, Subscribed and Paid up :		
- 3225900 Equity shares of ₹ 10/- each fully paid up	32259000	32259000
	32259000	32259000
SCHEDULE – 2		
Reserves and Surplus :		
General Reserve	2400000	2400000
Brought forward from Previous year	7711880	-
Add : Profit for the year	764825	7711880
Carried forwarded to Balance sheet	10876705	10111880
SCHEDULE – 3		
Secured Loans :		
(Including Interest accrued and due)		
Corporation Bank - CCSDL	-	22094
Corporation Bank - Cash Credit	-	3652816
Corporation Bank - Term Loan	-	2061713
Corporation Bank - Car Loan (BMW-1)	-	2165816
Corporation Bank - Car Loan (BMW-2)	-	2165816
Corporation Bank - Car Loan (Swift)	-	202958
ICICI Bank - OD A/c	883900	275487
HDFC Bank - Car Loan (BMW-1)	2246607	
HDFC Bank - Car Loan (BMW-2)	2246607	
HDFC Bank - Term Loan	27799739	
	33176853	10546700
SCHEDULE - 4		
Unsecured Loan :		
Loan from Directors	5000000	-
	5000000	
SCHEDULE - 5		
Deferred Tax Liability		
Opening Balance	771279	1209411
Add : Short Provision	211518	-
Less : Deferred tax Assets	381473	438132
	601324	771279

**SCHEDULE -6
FIXED ASSETS**

Amount (₹)

S No	DESCRIPTION OF ASSETS	COST			DEPRECIATION				WDV		
		AS ON 1.4.2010	ADDITIONS	SALES/ TRANS FER	AS ON 31.3.2011	UPTO 1.4.2010	DURING THE YR	WRITE N BACK	UPTO 31.3.2011	AS ON 31.3.2011	AS ON 31.3.2010
1.	Land & Buildings Land, Sant Nagar	300000	-	300000	-	-	-	-	-	-	300000
2.	Land, W-12, Okhla	10235797	-	-	10235797	-	-	-	-	10235797	10235797
3.	Land, Plot No. 1204/2	-	1754500	-	1754500	-	-	-	-	1754500	-
4.	Land, Plot No. 1370/2	-	1756500	-	1756500	-	-	-	-	1756500	-
5.	Land, Plot No. 1422/2	-	1754400	-	1754400	-	-	-	-	1754400	-
6.	Building, Sant Nagar	2828500	-	2828500	1472541	9287	1481828	-	-	-	1366959
7.	Building, W-12, Okhla	6825400	-	-	6825400	401804	321180	-	722984	6102416	6423596
	Plant & Machinery										
1.	Electric Equipments, Sant Nagar	4282060	-	4282060	3360289	17564	3377653	-	-	-	921771
2.	Electric Equipments, W-12, Okhla	2167873	122022	-	2289895	266164	275070	-	541204	1748691	1901709
3.	Office Equipments, W-12, Okhla	949591	80388	-	1009979	537822	59548	-	592370	417609	416769
	Computers & Softwares										
1.	Computers	63174596	1275023	-	64449619	37107556	2697975	-	59025631	4643988	6066940
2.	Softwares & License	134784	-	-	134784	124761	4009	-	128770	6014	10023
	Vehicles										
1.	Vehicles	13764666	-	-	13764666	7112400	1722272	-	8534672	4929994	6552256
	Furniture & Fixtures										
1.	Furniture & Fixtures, Sant Nagar	1530186	-	1530186	1382768	3655	1386423	-	-	-	147418
2.	Furniture & Fixtures, W-12, Okhla	921049	-	-	921049	133337	142576	-	275913	645136	787712
	TOTAL	107114502	6722833	5940748	104896589	71894542	6253136	6246104	70901574	33995015	35219860
	PREVIOUS YEAR'S FIGURES	92056820	15057682	-	107114502	65189526	6705016	-	71894542	35219860	26867294

Particulars	For the Year Ended 31/03/2011 Amount (₹)	For the Year Ended 31/03/2010 Amount (₹)
SCHEDULE - 7		
Investments:		
Investments in Subsidiaries	8924500	-
	8924500	-
SCHEDULE - 8		
Inventories :		
(As taken valued and certified by the management)		
- Pre printed stationery	1581600	0
- OMR sheets	2975696	163238
- Scanners	16693372	9632380
- Stores and Spares	2259952	1919387
- Packing material	917220	247350
- Computer and General Stationery	237517	206210
- Work in process	1001514	992962
	25666871	13161527

SCHEDULE-9		
Trade Receivables :		
(Considered good unless stated otherwise)		
Outstanding for a period not exceeding six months	18109572	23009577
Outstanding for a period exceeding six months	4065035	5002700
	22174607	28012277
Particulars	For the Year Ended 31/03/2011 Amount (₹)	For the Year Ended 31/03/2010 Amount (₹)
SCHEDULE-10		
Loans & Advances :		
(Advances Recoverable in cash or in kind or for value to be received (Considered Good):		
Advances recoverable	3999069	2741980
Other Receivables	3701746	3249349
Capital Advances	3172000	3172000
Tax Deducted at Source	4819130	3634264
	15691945	12797593
SCHEDULE - 11		
Cash & Bank Balances :		
Cash in hand	40710	151280
Balance with Current Accounts:		
Corporation Bank -CCSDL A/c	53213	-
State Bank of India - Faridabad	35193	35193
Axis Bank - Okhla	17305	-
HDFC Bank - Okhla	1322373	-
Corporation Bank- Fixed deposits	2272451	2162451
Interest accrued on FDR's	498089	343224
	4239334	2692148
SCHEDULE - 12		
Current Liabilities:		
Sundry Creditors	22125227	18500785
Advance / deposits from customers	839247	12650000
Expenses Payable	4847182	3803408
Unearned Income	235050	280000
	28046706	35234193
Provisions :		
Provision for taxation-(Current & Previous years)	4033535	3170500
	4033535	730500

SCHEDULE – 13		
Miscellaneous Expenditure :		
Deferred Expenditure		
Opening Balance	210047	210047
Add : Capitalized during the year	3241851	-
Less : Written off for the year	150047	-
(To be extent not written off or adjusted)		
	3301851	210047
SCHEDULE – 14		
Revenue from Operation:		
Sales & Services :		
Gross Sales (Domestic)	107055627	109094529
Less : Tax	4974096	4328756
Sales (Domestic) (Net of Taxes)	102081531	104765773
Gross Services	19704549	15896973
Less : Taxes	1866825	1454869
Sales (Net of Taxes)	17837724	14442104
Commission	-	687257
Foreign Exchange Gain	284286	-
Mailing Income	318498	-
Total Sales & Services (Net of Taxes)	120522039	119895134
Particulars	For the Year Ended 31/03/2011 Amount (₹)	For the Year Ended 31/03/2010 Amount (₹)
Other Income :		
Interest received (Gross)	179947	484107
Profit on Sale of Assets	147200	-
Profit on sale of Land	1118158	-
Prior period income	409907	-
Insurance Claim received	1906066	-
Miscellaneous Income	-	613043
	3761278	1097150
SCHEDULE – 16		
Increase/Decrease in Closing Stocks :		
Pre printed stationery	1581600	-
OMR Sheets	2975696	163238
Scanners	16693372	9632380
Stores and Spares	2259952	1919387
Packing material	917220	247350
Computer and General Stationery	237517	206210
Work In process	1001514	992962
	25666871	13161527
Opening Stock	13161527	16120068
Less : Capitalized	-	3622087
Increase/ (Decrease) in stock	12505344	663546

SCHEDULE - 17		
Processing, Administrative and Selling Expenses :		
Purchase of Scanners & Computers	31305695	28876750
Purchase of OMR Sheets & Stationery	57545334	51137960
Purchase of OMR Spare Parts	3308471	2697520
Computer and General Stationery	1002859	724097
Scanning / Data Entry expenses	1478296	135853
Advertisement Expenses	269680	-
Insurance charges	376752	337509
Electricity and water charges	561113	595220
Freight and Cartage	7988764	6124192
Legal and Professional Charges	293819	90000
Travelling and Conveyance	2653048	2771206
Directors' Travelling and Conveyance	378148	663438
Directors' Meeting fee	28500	24000
Mailing Charges	-	53818
Telephone, Mobile and Fax Expenses	446298	443261
Rent, rates and taxes	707936	730911
Repairs and maintenance	1086928	675510
Subscription and Periodicals	33098	30188
Commission	43000	-
Postage, Courier & Telegram	59057	-
Donation	251900	-
Training Expenses	92898	-
Miscellaneous Expenses	159784	1397453
Marketing Expenses	44926	502640
Auditors' Remuneration :		
Audit Fee	50000	45000
For Income tax matters	-	41150
	110166304	98097676

Particulars	For the Year Ended 31/03/2011 Amount (₹)	For the Year Ended 31/03/2010 Amount (₹)
SCHEDULE - 18		
Personnel Expenses :		
Salaries	6445044	6841136
HRA	1771882	1949831
Incentive paid/ Overtime Allowance	1145659	584072
Medical Allowance	863036	793413
Transportation Allowance/ Travelling Allowance	2293360	838046
Bonus	260216	214175
Ex-gratia payments	691032	433815
Leave encashment	278483	228880
Leave travelling allowance	327020	91460
PF Contribution	760174	743862
ESI Contribution	203840	78990
Contribution to App. gratuity fund	1237050	137086
Staff Welfare	861443	416228
	17138239	13350994
SCHEDULE - 19		
Financial Expenses :		
Bank charges	584964	338296
Bank Interest	2249583	1920020
	2834547	2258316
SCHEDULE - 20		
Deferred Expenditure:		
Deferred Expenditure (Written of during the year)	150047	150042
	150047	150042

SCHEDULE-21 :

NOTES FORMING PART TO THE ACCOUNTS FOR THE YEAR ENDED ON 31st March, 2011

A. ACCOUNTING POLICIES:

The Financial statements are prepared under historical cost convention, on a going concern basis and in accordance with the applicable accounting standards prescribed in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government, in consultation with the National Advisory Committee on Accounting Standards and relevant provisions of the Companies Act, 1956.

1. FIXED ASSETS:

- a. Fixed assets are stated at cost less accumulated Depreciation. The cost of assets comprises of purchase price and directly attributable cost of bringing the assets to working condition for its intended use.
- b. Capital work in progress includes cost of assets at sites, construction expenditure, advances made for acquisition of capital assets and interest on the funds deployed.
- c. Estimated amount of contracts remaining to be executed exceeding rupees one lakh in each case are disclosed in the notes to accounts.

2. DEPRECIATION:

The Depreciation has been provided as per the rates prescribed under Schedule XIV to the Companies Act 1956 as amended to date on written down value method and on pro-rata basis.

3. INVENTORIES:

The company has adopted the policy to evaluate its stock-in-trade and other stores and spares at cost (FIFO).

4. REVENUE RECOGNITION:

- a. Sales are net of sales tax. Revenue from sales is recognized at the point of dispatch to the customers when risk and reward stands transferred to the customers.
- b. Services are net of service tax. Revenue from services is recognized when services are rendered and related costs are incurred.
- c. Interest income is recognized on time proportion basis.

5. FOREIGN CURRENCY TRANSACTIONS:

- a. Foreign currency transactions are recorded at the exchange rate prevailing on the date of transaction.
- b. Monetary items denominated in foreign currencies (such as cash, receivables, payables etc.) outstanding at the year end, are translated at exchange rates applicable on that date.
- c. Non-monetary items denominated in foreign currency, (such as fixed assets) are valued at the exchange rate prevailing on the date of transaction.
- d. Any gains or losses arising due to exchange differences arising on translation or settlement are accounted for in the Profit and Loss account.

6. BORROWING COSTS:

Borrowing cost attributable to acquisition, construction or production of qualifying assets are capitalized as part of the cost till the assets is ready for use. Other borrowing costs are recognized as expense in the period in which these are incurred.

7. TAXES ON INCOME:

Provision is made for deferred tax for all timing differences arising between taxable income and accounting income at currently enacted or substantially enacted tax rates.

Deferred tax assets are recognized, only if there is reasonable certainty that they will be realized and are reviewed for the appropriateness of their respective carrying values at each Balance Sheet date.

8. EMPLOYEE BENEFITS:

Contribution payable to an approved gratuity fund, a defined benefit plan, determined by an independent actuary at the balance sheet date and contributions payable to the recognized provident fund, which is defined contribution scheme are charged to the profit and Loss account of the year. Provision for Leave encashment cost is made on the basis of actuarial valuation at the balance sheet date, carried out by an independent actuary.

9. AMORTIZATION OF PRELIMINARY EXPENSES, PUBLIC ISSUE EXPENSES AND OTHER CAPITALISED EXPENSES:

The company has been writing off 1/10th of the preliminary expenses, public issue expenses and other expenses capitalized every year.

10. AMORTIZATION OF DEVELOPMENT EXPENSES:

The company has been writing off 1/10th of the expenditure capitalized and incurred upon travelling and marketing of new products every year.

11. NOTES ON ACCOUNTS:

- | Particulars | Current Year's Figures | Previous Year's Figures |
|--|------------------------|-------------------------|
| 1. Estimated amount of contracts remaining to be executed on capital account and not provided for | Nil | Nil |
| 2. Particulars of Employees who were in receipt of remuneration which in aggregate was not less than Rs. 24,00,000/-, if employed through out the year or Rs. 2,00,000/- p. m. if employed for a part of the year | Nil | Nil |
| 3. The company has not received any information from suppliers or service providers, whether they are covered under the "Micro, Small and Medium Enterprises (Development) Act, 2006". Therefore it is not possible to provide the information required under the Act. | | |
| 4. In compliance to the provisions of Accounting Standard-22 "Accounting for Taxation of Income", the company has accounted for the deferred tax liability amounting to ` 3,81,472/- during the year. | | |
| 5. In compliance to the provisions of Accounting Standard-18 "Related party Disclosures" issued by the Institute of Chartered Accountants of India, the reporting of related party relationship and transactions is given below. | | |

S.No.	Name	Relationship	Nature of transactions	Amount (₹)
1	Sh. S.K. Jain	Chairman and Managing Director	A. Salary B. Club Expenses	12,00,000 3,600
2.	Sh. Sudhir Jain	Ex- Director	A. Salary	8,54,838
3.	Sh. Ankur Jain	Director	A. Salary B. Rent-Building C. Rent-Vehicle	3,00,000 1,20,000 8,40,000
4.	Sh. Madhur Jain	Director	A. Salary B. Rent-Building	1,29,032 1,20,000

6. The figures have been rounded off to the nearest of rupees.

7. Earning per Share (EPS) (AS - 20)

	2010-2011	2009-10
Net Profit/(loss) after current and deferred tax	7,64,825/-	8,01,418/-
Weighted average number of equity shares of Rs. 10/- each	3225900	3225900
EPS (Rs.) - Basic and Diluted	0.24	0.25

8. Contingent liability on account of bank guarantee given to customers Rs.15.86 Lacs (P. Y. Rs. 18.95 Lac)

9. Personal accounts are subject to the confirmation of the respective parties.

10. As per accounting standard 15 "Employee Benefits", the disclosures of employee benefits as defined in the accounting standard are given below.

DEFINED CONTRIBUTION PLAN :

Contribution to defined contribution plan, recognized as expenses for the year are as under:

	2010-2011	2009-2010
Employer's contribution to provident fund	Rs. 7,60,174/-	Rs. 7,43,862/-

DEFINED BENEFIT PLAN :

The employees' gratuity fund scheme managed by LIC is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the projected unit credit method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment is recognized in the same manner as gratuity.

I. CHANGE IN PRESENT VALUE OF OBLIGATION

Sl. No.	Particulars	Gratuity(Funded) Rs. 31/03/2011	Gratuity(Funded) Rs.31/03/2010
a)	Present value of obligation as at the beginning	23,37,351	18,80,678
b)	Acquisition adjustment	-	-
c)	Interest cost	1,86,988	1,50,454
d)	Past service cost	4,22,470	-
e)	Current service cost	2,39,475	1,96,647
f)	Curtailement cost/ (Credit)	-	-
g)	Settlement cost/ (Credit)	-	-
h)	Benefits paid	(9,42,564)	-
i)	Actuarial (gain)/ Loss on obligation	5,66,944	1,09,572
j)	Present value of obligation as at the end of period (31/3/2011)	28,10,664	23,37,351
II.	CHANGE IN FAIR VALUE OF PLAN ASSET		
a)	Fair value of plan assets at the beginning of the period	21,66,577	18,65,647
b)	Acquisition adjustment	-	-
c)	Expected return on plan assets	1,94,992	1,67,908
d)	Contributions	3,408	-
e)	Benefits paid	(9,42,564)	-
f)	Actuarial gain/(loss) on plan assets	(16,165)	1,33,022
g)	Actual Return on Plan Assets	-	-
g)	Fair value of plan assets at the end of the period.	14,06,248	21,66,577
III.	FAIR VALUE OF PLAN ASSETS		
a)	Fair value of plan assets at the beginning of the period	21,66,577	18,65,647
b)	Acquisition adjustment	-	-
c)	Actual return on plan assets	1,78,827	3,00,930
d)	Contributions	3,408	-
e)	Benefits paid	(9,42,564)	-
f)	Fair value of plan assets at the end of the period.	14,06,248	21,66,577
g)	Funded Status	(14,04,416)	(1,70,774)
f)	Excess of actual over estimated return on Plan Assets	(16,165)	1,33,022
IV.	ACTUARIAL GAIN/LOSS RECOGNIZED		
a)	Actuarial gain/(loss) for the period obligation	(5,66,944)	(1,09,572)
b)	Acquisition gain/(loss) for the period plan assets	16,165	(1,33,022)
c)	Total gain/loss for the period	5,83,109	(23,450)
d)	Actuarial gain/loss recognized in the period	5,83,109	(23,450)
e)	Unrecognized actuarial (gains) losses at the end of period.	-	-
V.	THE AMOUNTS RECOGNIZED IN BALANCE SHEET AND RELATED ANALYSIS:		
a)	Present value of obligation as at the end of the period	28,10,664	23,37,351
b)	Fair value of plan assets as at the end of the period	14,06,248	21,66,577
c)	Funded status	(14,04,416)	(1,70,774)
d)	Excess of actual over estimated	(16,165)	1,33,022
e)	Unrecognized actuarial (gains)/ losses	-	-
f)	Net asset/ (liability) recognized in balance sheet	(14,04,416)	(1,70,774)
VI.	EXPENSES RECOGNISED IN STATEMENT OF PROFIT & LOSS:		
a)	Current service cost	2,39,475	1,96,647
b)	Past service cost	4,22,470	-
c)	Interest cost	1,86,988	1,50,454
d)	Expected return on plan assets	(1,94,992)	(1,67,908)
e)	Curtailement cost/ (credit)	-	-
f)	Settlement cost/ (credit)	-	-
g)	Net actuarial (Gain)/ loss recognized in the period	5,83,109	(23,450)
h)	Expenses recognized in the statement of profit & losses	12,37,050	1,55,743

VII. RECONCILIATION STATEMENT OF EXPENSE IN THE STATEMENT OF PROFIT AND LOSS:			
a)	Present value of obligation as at the end of the period	28,10,664	23,37,351
b)	Present value of obligation as at the beginning of the period	23,37,351	18,80,678
c)	Benefits paid	9,42,564	-
d)	Actual return on plan assets	(1,78,827)	(3,00,930)
e)	Acquisition adjustments	-	-
f)	Excess recognized in the statement of profit & losses	12,37,050	1,55,743
VIII. AMOUNT FOR THE CURRENT PERIOD			
a)	Present value of obligation as at the end of the period	28,10,664	23,37,351
b)	Fair value of plan assets at the end of the period	14,06,248	21,66,577
c)	Surplus / (Deficit)	(14,04,416)	(1,70,774)
d)	Experience adjustment on plan Liabilities (loss)/ gain	(5,66,944)	1,52,358
e)	Experience adjustment on plan Assets (loss) / gain	(16,165)	1,33,022
IX. MOVEMENT IN THE LIABILITY RECOGNIZED IN THE BALANCE SHEET			
a)	Opening net liability	23,37,351	18,80,673
b)	Express as above	12,37,050	1,55,743
c)	Benefits paid	(9,42,564)	-
d)	Actual Return on plan assets	1,78,827	3,00,930
e)	Acquisition adjustment	-	-
f)	Closing Liability	28,10,664	23,37,351
X. INVESTMENT DETAILS:		% INVESTED AS AT 31/3/2011	% INVESTED AS AT 31/3/2010
a)	LIC Group Gratuity Policy	100	100
XI. ACTUARIAL ASSUMPTIONS :			
a) Economic Assumptions			
i)	Discounting Rate	8.00	8.00
ii)	Future Salary Increase	6.00	6.00
iii)	Expected Rate of return on plan assts	9.00	9.00
b) Demographic Assumption			
i)	Retirement Age	60 years	60 years
ii)	Mortality Table	LIC: 94-96 duly modified	LIC: 94-96 duly modified
iii)	Withdrawal Rates	Ages & Withdrawal Rate(%)	Ages & Withdrawal Rate(%)
		Up to 30 years - 3	Up to 30 years - 3
		Up to 44 years - 2	Up to 44 years - 2
		Above 44 years - 1	Above 44 years - 1

Since the company makes the payment of unavailed leaves within 1st Qtr of the succeeding year, none of the earned and unavailed leave is carried forward to the next year. As a result no long term liability arises on account of leave encashment, which require actuarial certification. The short term liability as on 31st March on account of leave encashment has been duly provided.

Information pursuant to provision to paragraph 3 and 4(c) of Part II of Schedule VI to the Companies Act, 1956 to the extent applicable.

- a) The Company is an IT Company and is engaged in the business of sale/purchase of Optical Mark Readers, Image Scanners, Insight Scanners, Computers and other allied peripherals and equipments, OMR Application/ Registration forms and Answer sheets along with other necessary stationery. The company is also providing support services to its customers for the hardware sold by it and for that purpose sale of spare parts, indigenous as well as imported, is also affected. The company is also engaged in design and development of software for data capturing through Optical Mark Reading System/ Image Scanners/ Insight Scanners, Scanning of OMR Application forms/ Registration forms and Answer sheets and preparation of result for its customers. For the purpose of providing services, the company has installed its own hardware comprising of Optical Mark Reading System/ Image Scanners/ Insight Scanners and other computers etc. It requires stationery, computer stationery, floppies and tapes for the purpose of storing the data which are not treated as raw material and instead termed as stores. The answer sheets are traded as per drawing and design of the customers. These OMR Sheets are purchased from outside. The company does not require any industrial license and the capacity of machines also can not be quantified because of variety of uses of the same. The company uses its own updated software in this process.

Particulars of goods Traded :

Particulars	Current Year		Previous Year	
	Qty. (Nos)	Value (₹)	Qty. (Nos.)	Value(₹)
OMR Sheets				
Opening Stock	1,65,300	1,63,238	1,35,050	1,58,736
Purchases	3,18,89,630	3,18,71,432	3,26,42,175	2,96,76,467
Sales	3,00,62,115	4,48,73,033	3,26,11,925	4,57,10,071
Closing Stock	19,92,815	19,75,696	1,65,300	1,63,238
Scanners :				
Opening Stock	13	96,32,380	25	1,15,02,568
Purchases	96	3,13,05,695	63	2,83,83,429
Sales	85	3,48,41,749	74	3,99,19,557
Capitalized	-	-	1	36,22,087
Closing Stock	24	1,66,93,372	13	96,32,380

b) Particulars of imported goods/stored and spares (C.I.F) value (₹)

Particulars	Current Year	Previous Year
- Scanners	2,83,88,453	2,50,75,704
- Stores and Spares	22,83,952	22,42,926

c) The figures of the previous financial year have been re-grouped wherever considered necessary to make them comparable with that of current financial year.

d) The Schedule 17 of the processing administrative and selling expenses and Schedule 18 of personnel expenses include amount paid/credited to the directors under the following heads.

Description	Current Year Amt (₹)	Previous year Amt (₹)
Remuneration	24,83,870	24,00,000
Travelling (including foreign)	7,71,622	6,63,438
Rent (Building & Vehicle)	10,80,000	-
Subscription & Membership	3,600	3,600

e) TOTAL EARNINGS IN FOREIGN CURRENCY	-	₹ 6,87,257
f) TOTAL EXPENDITURE IN FOREIGN EXCHANGE	₹3,13,50,611	₹ 2,74,95,640

For and on behalf of the Board of Directors

Sd/-
S.K. JAIN
(Chairman and Managing Director)

Sd/-
ANKUR JAIN
(Director)

Sd/-
MEENU KAPOOR
(Company Secretary)

Sd/-
KANHAIYA YADAV
(Chief Manager)

As per our report of even date

For SUDHIR CHAUDHARY & ASSOCIATES
CHARTERED ACCOUNTANTS

Sd/-
SUDHIR CHAUDHARY (Partner)
M.NO. 091302
F.NO. 015222N

Place : Faridabad
Dated : 30th May, 2011

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2011

Particulars	Figures as at Rs.31.3.2011	Figures as at Rs.31.3.2010
A. CASH FLOW FROM OPERATING ACTIVITIES:		
i) Net Profit before tax & extraordinary items	12,46,388	10,93,786
Adjustment for :		
Depreciation	52,53,136	67,05,016
Interest/Dividend	28,34,547	22,58,316
Preliminary/Deferred revenue expenditure	1,50,047	1,50,042
Loss/(Profit) on Sale of Assets	(12,65,358)	0
ii) Operating Profit before working capital charges	82,18,760	1,02,07,160
Adjustment for :		
Increase/(Decrease) in Sundry Debtors & Trade receivables	29,45,983	(91,16,494)
Increase/(Decrease) in Inventories	(1,25,05,344)	29,58,541
Increase/(Decrease) in Sundry Creditors & Trade payables	(71,87,487)	1,57,96,802
iii) Cash generated from operations	(85,28,088)	1,98,46,009
Interest paid	(20,62,505)	(17,68,906)
Direct Taxes Paid	-	0
iv) Cash Flow before Extraordinary Items	(1,05,90,593)	1,80,77,103
Net cash generated from operating Activities	(1,05,90,593)	1,80,77,103
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of fixed assets	(67,22,833)	(1,50,57,682)
Purchase of Investments	(89,24,500)	0
Sale of Fixed Assets	40,00,000	0
Deferred Expenditure	(32,41,851)	0
Sale of Investments	0	0
Net cash generated from investing activities	(1,48,89,184)	(1,50,57,682)
C. CASH FLOW FROM FINANCIAL ACTIVITIES :		
Proceeds from long term borrowings	3,75,53,893	48,00,000
Proceeds from short term borrowings	6,08,413	(59,32,339)
Repayment of financial lease liabilities	(1,03,63,301)	(19,33,399)
Repayment of financial Interest	(7,72,042)	(4,89,410)
Net cash generated from financial activities	2,70,26,963	(35,55,148)
Net increase /(Decrease) in cash & cash equivalents	15,47,186	(5,35,727)
Cash & Cash equivalents at beginning of period	26,92,148	32,27,875
Cash & cash equivalents at end of period	42,39,334	26,92,148

For and on behalf of the Board of Directors

Sd/-
S.K. JAIN
(Chairman and Managing Director)

Sd/-
ANKUR JAIN
(Director)

Sd/-
MEENU KAPOOR
(Company Secretary)

Sd/-
KANHAIYA YADAV
Chief Manager (F & A)

As per our report of even date

**For SUDHIR CHAUDHARY & ASSOCIATES
CHARTERED ACCOUNTANTS**

Sd/-
SUDHIR CHAUDHARY (PARTNER)
M.NO. 91302
F. No. 015222N
Place : Faridabad
Dated : 30th May 2011

**ADDITIONAL INFORMATION AS REQUIRED UNDER PART IV OF
SCHEDULE VI TO THE COMPANIES ACT, 1956
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

REGISTRATION DETAILS :

CIN No. L74140HR1993PLC031900 STATE CODE: 05 BALANCE SHEET DATE : 31/03/2011

CAPITAL RAISED DURING THE YEAR (AMOUNT IN ` '000) :

PUBLIC ISSUE/RIGHTS ISSUE/ BONUS ISSUE / PRIVATE PLACEMENT: NIL

POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMOUNT IN ` '000) :

TOTAL LIABILITIES	81914	TOTAL ASSETS	1914
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SOURCE OF FUNDS (AMOUNT IN ` '000)

PAID UP CAPITAL	32259	RESERVES & SURPLUS	10877
UNSECURED LOANS	5000		
SECURED LOANS	33177		
DEFERRED TAX LIABILITY	601		

APPLICATION OF FUNDS (AMOUNT IN ` '000) :

NET FIXED ASSETS	33995	INVESTMENT	8925
NET CURRENT ASSETS	35692	MISC. EXPENDITURE	3302
ACCUMULATED LOSSES	NIL		

PERFORMANCE OF COMPANY (AMOUNT IN ` '000)

TURNOVER	124283	EXPENDITURE	135392	PROFIT BEFORE TAX	1246
PROFIT AFTER TAX	765	EARNING PER SHARE	0.24	DIVIDEND	NIL

GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF COMPANY AS PER MONETARY TERMS :

PRODUCT DESCRIPTION : OMR SHEETS, SCANNERS, IMAGE SCANNERS, SERVICE BUREAU

For and on behalf of the Board of Directors

Sd/-
S.K. JAIN
(Chairman and Managing Director)

Sd/-
ANKUR JAIN
(Director)

Sd/-
MEENU KAPOOR
(Company Secretary)

Sd/-
KANHAIYA YADAV
Chief Manager (F & A)

As per our report of even date.

**For SUDHIR CHAUDHARY & ASSOCIATES
CHARTERED ACCOUNTANTS**

Sd/-
SUDHIR CHAUDHARY (PARTNER)
M.NO. 91302
F. No. 015222N

Place : Faridabad
Dated: 30th May 2011

**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT,
1956 RELATING TO THE SUBSIDIARY COMPANIES.**

1. Name of the Company	SPS Edutech Limited	SPS Printotech Limited
2. Financial year of the Company ended on:	31.3.2011	31.3.2011
3. Extent of Holding company's interest in the subsidiary Company.	100%	100%
4. (I) Number of Shares held /Amount of Capital Subscribed.		
a) SPS Printotech Ltd – 5,00,000 shares		Rs. 50,00,000
b) SPS Edutech Ltd – 1,00,000 shares	Rs.10,00,000	
4. The net aggregate amount of profit/loss of subsidiary to the extent it concerns the members of holding Company were :	Nil	Nil
a) Not dealt with in Holding Company's account :		
(i) For the financial year ended 31.03.2007	N.A	N.A
(ii) For the previous financial years of the subsidiary Companies since they became the holding Company's Subsidiary	N.A	N.A
b) Dealt with in holding Companies Account		
(i) For the financial year ended 31.03.2007	N.A	N.A
(ii) For the previous financial years of the subsidiary Companies since they became the holding Company's Subsidiary	N.A	N.A

AUDITORS REPORT ON CONSOLIDATED ACCOUNTS

To,
The Board of Directors

We have audited the attached Consolidated Balance Sheet of M/s SPS INTERNATIONAL LIMITED ("the Company") and its subsidiaries (the Company and its subsidiaries constitute "the Group") as at 31st March 2011, the Consolidated Profit & Loss Account and the Consolidated Cash Flow Statement of the Group for the year ended on that date, annexed thereto. The Consolidated Financial Statements include investments in accordance with Accounting Standard 23 (Accounting for Investment in Associates in Consolidated Financial Statements) as notified under the Companies (Accounting Standards) Rules, 2006. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We report that the consolidated financial statements have been prepared by the SPS International Limited management in accordance with the requirements of Accounting Standard 21 (Consolidated Financial Statements) Accounting Standard 23 (Accounting for Investment in Associates in Consolidated Financial Statements) as notified under the Companies (Accounting Standards) Rules, 2006.

Based on our audit and on consideration of the separate audit reports on the individuals financial statements of the company, the aforesaid subsidiaries and the associates, and to the best of our information and according to the expectations given to us, in our opinion, the according to the explanations given to us, in our opinion, the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2011.
- (ii) in the case of the Consolidated Profit and Loss Account, of the profit of the Group for the year ended on that date: and
- (iii) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

1. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
2. In our opinion, proper books of accounts as required by law have been kept by the company so far as appears from our examination of those books.
3. The Balance Sheet, Profit & Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
4. In our opinion, the Balance Sheet, Profit & Loss Account and the Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of the section 211 of the Companies Act, 1956.
5. On the basis of written representations received from the Director's, as on 31st March, 2011 and taken on record by the Board of Director's, we report that none of the Director's is disqualified as on 31st March, 2011 from being appointed as a Director in terms of clause (g) of sub section (1) of section 274 of The Companies Act, 1956.
6. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
 - a) In the case of the Consolidated Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;
 - b) In the case of the Consolidated Profit and Loss Account, of the Profit for the year ended on that date.
 - c) In the case of the Consolidated Cash Flow Statement, of the Cash Flows for the year ended on that date.

**For SUDHIR CHAUDHARY & ASSOCIATES
CHARTERED ACCOUNTANTS**

Sd/-

SUDHIR CHAUDHARY (PARTNER)

M. No. 091302

FR No. 015222N

PLACE: FARIDABAD

DATED: 30th May, 2011

SPS INTERNATIONAL LIMITED
CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2011

Particulars	Sch No.	Current Year 31/03/2011 Amount (₹)
SOURCES OF FUNDS :		
Shareholders Funds :		
a) Share Capital	1	32259000
b) Reserves and Surplus	2	10876705
Loan Funds :		
a) Secured Loans	3	33176853
b) Unsecured Loan	4	5000000
c) Deferred Tax Liability (Net)	5	601324
TOTAL :		81913882
APPLICATION OF FUNDS :		
Fixed Assets :		
Gross Block	6	105545172
Less : Depreciation		70946794
Net Block		34598378
Investments :		
Investments in Subsidiaries	7	-
CURRENT ASSETS, LOANS & ADVANCES :		
a) Inventories	8	25666871
b) Sundry Debtors	9	22174607
c) Loans and Advances	10	22987667
d) Cash and Bank balances	11	4506755
Less : Current Liabilities	12	75335900
Less : Provisions		28493798
		4033535
		42808567
MISCELLANEOUS EXPENDITURE :		
(To the extent not written off)	13	
Preliminary Expenses		168190
Pre-operative Expenses		1036896
Deferred Expenditure		3301851
TOTAL		81913882
NOTES TO THE ACCOUNTS :	21	

"The Schedules referred to above form an integral part of the Balance sheet. This is the Balance Sheet Referred to in our report of even date".

For and on behalf of the Board of Directors

Sd/-
S.K. JAIN
 (Chairman and Managing Director)

Sd/-
ANKUR JAIN
 (Director)

Sd/-
MEENU KAPOOR
 (Company Secretary)

Sd/-
KANHAIYA YADAV
 (Chief Manager)

As per our report of even date
For SUDHIR CHAUDHARY & ASSOCIATES
CHARTERED ACCOUNTANTS

Sd/-
SUDHIR CHAUDHARY (Partner)
M.NO. 091302
F.NO. 015222N
 Place : Faridabad
 Dated : 30th May, 2011

SPS INTERNATIONAL LIMITED
CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2011

Particulars	Sch. No.	Current Year 31/03/2011 Amount (₹)
INCOME :		
- Sales and Services	14	120522039
- Other Income	15	3761278
- Increase/(Decrease) in stock	16	12505344
TOTAL		136788661
EXPENDITURE :		
- Processing, Administrative and Selling Expenses	17	110166304
- Employee Cost	18	17138239
- Financial Expenses	19	2834547
- Depreciation	6	5253136
		135392226
Net Profit		1396435
Less : Preliminary Expenses written off	20	150047
Net Profit before tax for the year		1246388
Less: Current Tax		863035
Add : Deferred Tax		381472
Net Profit for the year		764825
Add : Provision written Back		-
Add : Profit Brought Forward		7711880
Profit / (Loss) Carried over to Balance Sheet		8476705
Notes to the Accounts	21	

"The Schedules referred to above form an integral part of the Profit and Loss Account. This is the Profit and Loss Account referred to in our report of even date".

For and on behalf of the Board of Directors

Sd/-
S.K. JAIN
 (Chairman and Managing Director)

Sd/-
ANKUR JAIN
 (Director)

Sd/-
MEENU KAPOOR
 (Company Secretary)

Sd/-
KANHAIYA YADAV
 (Chief Manager)

As per our report of even date

For SUDHIR CHAUDHARY & ASSOCIATES
CHARTERED ACCOUNTANTS

Sd/-
SUDHIR CHAUDHARY (Partner)
M.NO. 091302
F.NO. 015222N

Place : Faridabad
 Dated : 30th May, 2011

SPS INTERNATIONAL LIMITED

CONSOLIDATED SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2011

Particulars	Consolidated as on 31/03/2011 Amount (₹)
SCHEDULE – 1	
Share Capital :	
Authorised :	
- 10000000 Equity shares of ₹ 10/- each	100000000 =====
Issued, Subscribed and Paid up :	
- 3225900 Equity shares of ₹ 10/- each fully paid up	32259000
	32259000
SCHEDULE – 2	
Reserves and Surplus :	
General Reserve	2400000
Brought forward from Previous year	7711880
Add : Profit for the year	764825
Carried forwarded to Balance sheet	10876705
SCHEDULE – 3	
Secured Loans :	
(Including interest accrued and due)	
ICICI Bank - OD A/c	883900
HDFC Bank - Car Loan (BMW-1)	2246607
HDFC Bank - Car Loan (BMW-2)	2246607
HDFC Bank - Term Loan	27799739
	33176853
SCHEDULE – 4	
Unsecured Loan :	
Loan from Directors	5000000
	5000000
SCHEDULE – 5	
Deferred Tax Liability	
Opening Balance	771279
Add : Short Provision	211518
Less : Deferred tax Assets	395445
	587352

**SCHEDULE -6
FIXED ASSETS**

Amount (₹)

S No	DESCRIPTION OF ASSETS	COST			DEPRECIATION				WDV		
		AS ON 1.4.2010	ADDITIONS	SALES/ TRANS FER	AS ON 31.3.2011	UPTO 1.4.2010	DURING THE YR.	WRITTE N BACK	UPTO 31.3.2011	AS ON 31.3.2011	AS ON 31.3.2011
1	Land & Buildings Land, Sant Nagar	300000	-	300000	-	-	-	-	-	-	300000
2	Land, W-12, Okhla	10235797	-	-	10235797	-	-	-	-	10235797	10235797
3	Land, Plot No. 12042	-	1754500	-	1754500	-	-	-	-	1754500	-
4	Land, Plot No. 137D2	-	1755500	-	1755500	-	-	-	-	1755500	-
5	Land, Plot No. 142D2	-	1754400	-	1754400	-	-	-	-	1754400	-
6	Building, Sant Nagar	2828500	-	2828500	-	1472541	9287	1481828	-	-	1366669
7	Building	6825400	-	-	6825400	401804	321180	-	722984	6102416	6423586
	Plant & Machinery Electric Equipments, Sant Nagar	4282050	-	4282050	-	3380209	17564	3377853	-	-	821771
2	Electric Equipments	2167873	371281	-	2539154	256164	285700	-	501354	1987790	1901709
3	Office Equipments	949591	54798	-	1014379	532622	59735	-	582557	421822	416785
	Computers & Softwares Computers	63174596	1447701	-	64622297	67107656	2722119	-	69829775	4792522	6069840
2	Softwares & License	134784	-	-	134784	124761	4009	-	128770	5014	10023
	Vehicles Vehicles	13754666	-	-	13754666	7152400	1722272	-	8834672	4929094	662268
	Furniture & Fixtures Furniture & Fixtures, Sant Nagar	1530186	-	1530186	-	1382788	3665	1386423	-	-	147418
2	Furniture & Fixtures	921049	222246	-	1143295	133337	163335	-	289672	856623	787712
	TOTAL	107114502	7371416	8540746	105645172	71864542	5298356	6246104	70948794	34888376	35219960

Particulars	Consolidated as on 31/03/2011 Amount (₹)
SCHEDULE - 7 Investments: Investments in Subsidiaries	-
SCHEDULE - 8 Inventories : (As taken valued and certified by the management)	
- Pre printed stationery	1581600
- OMR sheets	2975696
- Scanners	16693372
- Stores and Spares	2259952
- Packing material	917220
- Computer and General Stationery	237517
- Work in process	1001514
	25666871
SCHEDULE-9 Trade Receivables : (Considered good unless stated otherwise)	
Outstanding for a period not exceeding six months	18109572
Outstanding for a period exceeding six months	4065035
	22174607

Particulars	Consolidated as on 31/03/2011 Amount (₹)
SCHEDULE-10	
Loans & Advances :	
(Advances Recoverable in cash or in kind or for value to be received (Considered Good):	
Advances recoverable	10393754
Other Receivables	3802783
Capital Advances	3972000
Tax Deducted at Source	4819130
	22987667
SCHEDULE - 11	
Cash & Bank Balances :	
Cash in hand	89857
Balance with Current Accounts:	
Corporation Bank -CCSDL A/c	107662
State Bank of India - Faridabad	35193
Axis Bank - Okhla	67305
HDFC Bank - Okhla	1436198
Corporation Bank- Fixed deposits	2272451
Interest accrued on FDR's	498089
	4506755
SCHEDULE - 12	
Current Liabilities:	
Sundry Creditors	22243909
Advance / deposits from customers	839247
Expenses Payable	5175592
Unearned Income	235050
	28493798
Provisions :	
Provision for taxation (Current & Previous years)	4033535
	4033535
SCHEDULE - 13	
Miscellaneous Expenditure :	
Preliminary Expenses	168190
Pre-Operative Expenses	1036896
Deferred Expenditure	
Opening Balance	210047
Add : Capitalized during the year	3241851
Less : Written off for the year	150047
(To be extent not written off or adjusted)	
	4506937
SCHEDULE - 14	
Revenue from Operation:	
Sales & Services :	
Gross Sales (Domestic)	107055627
Less : Tax	4974096
Sales (Domestic) (Net of Taxes)	102081531
Gross Services	19704549
Less : Taxes	1866825
Sales (Net of Taxes)	17837724
Commission	-
Foreign Exchange Gain	284286
Mailing Income	318498
Total Sales & Services (Net of Taxes)	120522039

Particulars	Consolidated as on 31/03/2011 Amount (₹)
SCHEDULE – 15	
Other Income :	
Interest received (Gross)	179947
Profit on Sale of Assets	147200
Profit on sale of Land	1118158
Prior period income	409907
Insurance Claim received	1906066
Miscellaneous Income	-
	3761278
SCHEDULE – 16	
Increase/Decrease in Closing Stocks :	
Pre printed stationery	1581600
OMR Sheets	2975696
Scanners	16693372
Stores and Spares	2259952
Packing material	917220
Computer and General Stationery	237517
Work in process	1001514
	25666871
Opening Stock	13161527
Less : Capitalized	-
Increase/ (Decrease) in stock	12505344
SCHEDULE – 17	
Processing, Administrative and Selling Expenses :	
Purchase of Scanners & Computers	31305695
Purchase of OMR Sheets & Stationery	57545334
Purchase of OMR Spare Parts	3308471
Computer and General Stationery	1002859
Scanning / Data Entry expenses	1478296
Advertisement Expenses	269680
Insurance charges	376752
Electricity and water charges	561113
Freight and Cartage	7988764
Legal and Professional Charges	293819
Travelling and Conveyance	2653048
Directors' Travelling and Conveyance	378148
Directors' Meeting fee	28500
Mailing Charges	-
Telephone, Mobile and Fax Expenses	446298
Rent, rates and taxes	707936
Repairs and maintenance	1086928
Subscription and Periodicals	33098
Commission	43000
Postage, Courier & Telegram	59057
Donation	251900
Training Expenses	92898
Miscellaneous Expenses	159784
Marketing Expenses	44926
Auditors' Remuneration :	
Audit Fee	50000
For Income tax matters	-
	110166304

Particulars	Consolidated as on 31/03/2011 Amount (₹)
SCHEDULE – 18	
Employees cost :	
Salaries	6445044
HRA	1771882
Incentive paid/ Overtime Allowance	1145659
Medical Allowance	863036
Transportation Allowance/ Travelling Allowance	2293360
Bonus	260216
Ex-gratia payments	691032
Leave encashment	278483
Leave travelling allowance	327020
PF Contribution	760174
ESI Contribution	203840
Contribution to App. gratuity fund	1237050
Staff Welfare	861443
	17138239
SCHEDULE – 19	
Financial Expenses :	
Bank charges	584964
Bank Interest	2249583
	2834547
SCHEDULE – 20	
Deferred Expenditure:	
Deferred Expenditure (Written of during the year)	150047
	150047

SCHEDULE-21 :

NOTES FORMING PART TO THE ACCOUNTS FOR THE YEAR ENDED ON 31/03/2011

D. ACCOUNTING POLICIES:

The Financial statements are prepared under historical cost convention, on a going concern basis and in accordance with the applicable accounting standards prescribed in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government, in consultation with the National Advisory Committee on Accounting Standards and relevant provisions of the Companies Act, 1956.

2. FIXED ASSETS:

- Fixed assets are stated at cost less accumulated Depreciation. The cost of assets comprises of purchase price and directly attributable cost of bringing the assets to working condition for its intended use.
- Capital work in progress includes cost of assets at sites, construction expenditure, advances made for acquisition of capital assets and interest on the funds deployed.
- Estimated amount of contracts remaining to be executed exceeding rupees one lakh in each case are disclosed in the notes to accounts.

3. DEPRECIATION:

The Depreciation has been provided as per the rates prescribed under Schedule XIV to the Companies Act 1956 as amended to date on written down value method and on pro-rata basis.

4. INVENTORIES:

The company has adopted the policy to evaluate its stock-in-trade and other stores and spares at cost (FIFO).

4. REVENUE RECOGNITION:

- Sales are net of sales tax. Revenue from sales is recognized at the point of dispatch to the customers when risk and reward stands transferred to the customers.

- b Services are net of service tax. Revenue from services is recognized when services are rendered and related costs are incurred.
- c Interest income is recognized on time proportion basis.

5. FOREIGN CURRENCY TRANSACTIONS:

- a Foreign currency transactions are recorded at the exchange rate prevailing on the date of transaction.
- b Monetary items denominated in foreign currencies (such as cash, receivables, payables etc.) outstanding at the year end, are translated at exchange rates applicable on that date.
- c Non-monetary items denominated in foreign currency, (such as fixed assets) are valued at the exchange rate prevailing on the date of transaction.
- d Any gains or losses arising due to exchange differences arising on translation or settlement are accounted for in the Profit and Loss account.

6. BORROWING COSTS:

Borrowing cost attributable to acquisition, construction or production of qualifying assets are capitalized as part of the cost till the assets is ready for use. Other borrowing costs are recognized as expense in the period in which these are incurred.

7. TAXES ON INCOME:

Provision is made for deferred tax for all timing differences arising between taxable income and accounting income at currently enacted or substantially enacted tax rates.

Deferred tax assets are recognized, only if there is reasonable certainty that they will be realized and are reviewed for the appropriateness of their respective carrying values at each Balance Sheet date.

8. EMPLOYEE BENEFITS:

Contribution payable to an approved gratuity fund, a defined benefit plan, determined by an independent actuary at the balance sheet date and contributions payable to the recognized provident fund, which is defined contribution scheme are charged to the profit and Loss account of the year. Provision for Leave encashment cost is made on the basis of actuarial valuation at the balance sheet date, carried out by an independent actuary.

9. AMORTIZATION OF PRELIMINARY EXPENSES, PUBLIC ISSUE EXPENSES AND OTHER CAPITALISED EXPENSES:

The company has been writing off 1/10th of the preliminary expenses, public issue expenses and other expenses capitalized every year.

10. AMORTIZATION OF DEVELOPMENT EXPENSES:

The company has been writing off 1/10th of the expenditure capitalized and incurred upon travelling and marketing of new products every year.

11. NOTES ON ACCOUNTS:

Particulars	Current Year's Figures
1 Estimated amount of contracts remaining to be executed on capital account and not provided for	Rs. 27,57,285/-
2 Particulars of Employees who were in receipt of remuneration which in aggregate was not less than ₹ 24,00,000/-, if employed through out the year or ₹ 2,00,000/- p. m if employed for a part of the year	Nil
3 The company has not received any information from suppliers or service providers, whether they are covered under the "Micro, Small and Medium Enterprises (Development) Act, 2006". Therefore it is not possible to provide the information required under the Act.	
4 The Consolidated financial statements includes consolidation of books of accounts of 100% subsidiary companies, SPS Printotech Limited and SPS Edutech Limited with the books of its parent company SPS International Limited; on a line-by-line basis by adding together the book values of the like items of assets, liabilities, income and expenses after eliminating all significant intra-group balances and intra-group transactions in accordance with Accounting Standard-21 (Consolidated Financial Statements).	

5. This is the first year of consolidated books of accounts, hence previous year figures are not given.
6. In compliance to the provisions of Accounting Standard-22 "Accounting for Taxation of Income", the company has accounted for the deferred tax liability amounting to ₹ 3,81,472/- during the year.
7. In compliance to the provisions of Accounting Standard-18 "Related party Disclosures" issued by the Institute of Chartered Accountants of India, the reporting of related party relationship and transactions is given below.

S.No.	Name	Relationship	Nature of transactions	Amount (₹)
1	Sh. S.K. Jain	Chairman and Managing Director	A. Salary B. Club Expenses	12,00,000 3,600
2	Sh. Sudhir Jain	Ex- Director	A. Salary	8,54,838
3	Sh. Ankur Jain	Director	A. Salary E. Rent-Building F. Rent-Vehicle	3,00,000 1,20,000 8,40,000
4	Sh. Madhur Jain	Director	A. Salary C. Rent-Building	1,29,032 1,20,000

8. The figures have been rounded off to the nearest of rupees.

9. Earning per Share (EPS) (AS - 20)

Net Profit/(loss) after current and deferred tax
Weighted average number of equity shares of ₹ 10/- each
EPS (₹) - Basic and Diluted

2010-2011

7,64,825/-
3225900
0.24

10. Contingent liability on account of bank guarantee given to customers 15.86 Lacs

11. Personal accounts are subject to the confirmation of the respective parties.

12. As per accounting standard 15 "Employee Benefits", the disclosures of employee benefits as defined in the accounting standard are given below.

DEFINED CONTRIBUTION PLAN :

Contribution to defined contribution plan, recognized as expenses for the year are as under:

Employer's contribution to provident fund

2010-2011
₹ 7,60,174/-

DEFINED BENEFIT PLAN :

The employees' gratuity fund scheme managed by LIC is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the projected unit credit method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment is recognized in the same manner as gratuity.

I. CHANGE IN PRESENT VALUE OF OBLIGATION

Sl. No.	Particulars	Gratuity(Funded) Rs.31/03/2011
a)	Present value of obligation as at the beginning	23,37,351
b)	Acquisition adjustment	-
c)	Interest cost	1,86,988
d)	Past service cost	4,22,470
e)	Current service cost	2,39,475
f)	Curtailment cost/ (Credit)	-
g)	Settlement cost/ (Credit)	-
h)	Benefits paid	(9,42,564)
i)	Actuarial (gain)/ Loss on obligation	5,66,944
j)	Present value of obligation as at the end of period (31/3/2011)	28,10,664

II.	CHANGE IN FAIR VALUE OF PLAN ASSET	
a)	Fair value of plan assets at the beginning of the period	21,66,577
b)	Acquisition adjustment	-
c)	Expected return on plan assets	1,94,992
d)	Contributions	3,408
e)	Benefits paid	(9,42,564)
f)	Actuarial gain/(loss) on plan assets	(16,165)
g)	Fair value of plan assets at the end of the period.	14,06,248
III.	FAIR VALUE OF PLAN ASSETS	
a)	Fair value of plan assets at the beginning of the period	21,66,577
b)	Acquisition adjustment	-
c)	Actual return on plan assets	1,78,827
d)	Contributions	3,408
e)	Benefits paid	(9,42,564)
f)	Fair value of plan assets at the end of the period.	14,06,248
g)	Funded Status	(14,04,416)
f)	Excess of actual over estimated return on Plan Assets	(16,165)
IV.	ACTUARIAL GAIN/LOSS RECOGNIZED	
a)	Actuarial gain/(loss) for the period obligation	(5,66,944)
b)	Acquisition gain/(loss) for the period plan assets	16,165
c)	Total gain/loss for the period	5,83,109
d)	Actuarial gain/loss recognized in the period	5,83,109
e)	Unrecognized actuarial (gains) losses at the end of period.	-
V.	THE AMOUNTS RECOGNIZED IN BALANCE SHEET & RELATED ANALYSIS	
a)	Present value of obligation as at the end of the period	28,10,664
b)	Fair value of plan assets as at the end of the period	14,06,248
c)	Funded status	(14,04,416)
d)	Excess of actual over estimated	(16,165)
e)	Unrecognized actuarial (gains)/ losses	-
f)	Net asset/ (liability) recognized in balance sheet	(14,04,416)
VI.	EXPENSES RECOGNISED IN STATEMENT OF PROFIT & LOSS:	
a)	Current service cost	2,39,475
b)	Past service cost	4,22,470
c)	Interest cost	1,86,988
d)	Expected return on plan assets	(1,94,992)
e)	Curtailment cost/ (credit)	-
f)	Settlement cost/ (credit)	-
g)	Net actuarial (Gain)/ loss recognized in the period	5,83,109
h)	Expenses recognized in the statement of profit & losses	12,37,050
VII.	RECONCILIATION STATEMENT OF EXPENSE IN THE STATEMENT OF PROFIT AND LOSS:	
a)	Present value of obligation as at the end of the period	28,10,664
b)	Present value of obligation as at the beginning of the period	23,37,351
c)	Benefits paid	9,42,564
d)	Actual return on plan assets	(1,78,827)
e)	Acquisition adjustments	-
f)	Excess recognized in the statement of profit & losses	12,37,050
VIII.	AMOUNT FOR THE CURRENT PERIOD	
a)	Present value of obligation as at the end of the period	28,10,664
b)	Fair value of plan assets at the end of the period	14,06,248
c)	Surplus / (Deficit)	(14,04,416)
d)	Experience adjustment on plan Liabilities (loss)/ gain	(5,66,944)
e)	Experience adjustment on plan Assets (loss) / gain	(16,165)
IX.	MOVEMENT IN THE LIABILITY RECOGNIZED IN THE BALANCE SHEET	
a)	Opening net liability	23,37,351
b)	Express as above	12,37,050
c)	Benefits paid	(9,42,564)
d)	Actual return on plan assets	1,78,827
e)	Acquisition adjustment	-
f)	Closing Liability	28,10,664

X. INVESTMENT DETAILS:		% INVESTED AS AT 31/3/2011
a)	LIC Group Gratuity Policy	100
XI. ACTUARIAL ASSUMPTIONS :		
a) Economic Assumptions		
i)	Discounting Rate	8.00
ii)	Future Salary Increase	6.00
iii)	Expected Rate of return on plan assets	9.00
b) Demographic Assumption		
i)	Retirement Age	60 years
ii)	Mortality Table	LIC: 94-96 duly modified
iii)	Withdrawal Rates	Ages & Withdrawal Rate(%) Up to 30 years - 3 Up to 44 years - 2 Above 44 years - 1

Since the company makes the payment of unavailed leaves within 1st Qtr of the succeeding year, none of the earned and unavailed leave is carried forward to the next year. As a result no long term liability arises on account of leave encashment, which require actuarial certification. The short term liability as on 31st March on account of leave encashment has been duly provided.

13. STATEMENT OF INFORMATION OF SUBSIDIARIES IN COMPLIANCE WITH SECTION 212 OF COMPANIES ACT, 1956.

NAME OF SUBSIDIARY COMPANIES	CAPITAL	RESERVES	TOTAL ASSETS	TOTAL LIABILITIES
SPS Edutech Ltd	2450000	-	2688172	2688172
SPS Printotech Ltd	6474500	-	6728640	6728640

Information pursuant to provision to paragraph 3 and 4(c) of Part II of Schedule VI to the Companies Act, 1956 to the extent applicable.

- a) The Company is an IT Company and is engaged in the business of sale/purchase of Optical Mark Readers, Image Scanners, Insight Scanners, Computers and other allied peripherals and equipments, OMR Application/Registration forms and Answer sheets along with other necessary stationery. The company is also providing support services to its customers for the hardware sold by it and for that purpose sale of spare parts, Indigenous as well as imported, is also affected. The company is also engaged in design and development of software for data capturing through Optical Mark Reading System/ Image Scanners/ Insight Scanners, Scanning of OMR Application forms/ Registration forms and Answer sheets and preparation of result for its customers. For the purpose of providing services, the company has installed its own hardware comprising of Optical Mark Reading System/ Image Scanners/ Insight Scanners and other computers etc. It requires stationery, computer stationery, floppies and tapes for the purpose of storing the data which are not treated as raw material and instead termed as stores. The answer sheets are traded as per drawing and design of the customers. These OMR Sheets are purchased from outside. The company does not require any industrial license and the capacity of machines also can not be quantified because of variety of uses of the same. The company uses its own updated software in this process.

Particulars of goods Traded :

Particulars	Current Year	
	Qty. (Nos)	Value (₹)
OMR Sheets		
Opening Stock	1,65,300	1,63,238
Purchases	3,18,89,630	3,18,71,432
Sales	3,00,62,115	4,48,73,033
Closing Stock	19,92,815	19,75,696
Scanners :		
Opening Stock	13	96,32,380
Purchases	96	3,13,05,695
Sales	85	3,48,41,749
Capitalized	-	-
Closing Stock	24	1,66,93,372

b) Particulars of imported goods/stored and spares (C.I.F) value (₹)

Particulars	Current Year
- Scanners	2,83,88,453
- Stores and Spares	22,83,952

c) The figures of the previous financial year have been re-grouped wherever considered necessary to make them comparable with that of current financial year.

d) The Schedule 17 of the processing administrative and selling expenses and Schedule 18 of personnel expenses include amount paid/credited to the directors under the following heads.

Description	Current Year Amt (₹)
Remuneration	24,83,870
Travelling (including foreign)	7,71,622
Rent (Building & Vehicle)	10,80,000
Subscription & Membership	3,600

e) TOTAL EARNINGS IN FOREIGN CURRENCY

f) TOTAL EXPENDITURE IN FOREIGN EXCHANGE 3,13,50,611

For and on behalf of the Board of Directors

Sd/-
S.K. JAIN
(Chairman and Managing Director)

Sd/-
ANKUR JAIN
(Director)

Sd/-
MEENU KAPOOR
(Company Secretary)

Sd/-
KANHAIYA YADAV
Chief Manager (F & A)

As per our report of even date

For SUDHIR CHAUDHARY & ASSOCIATES
CHARTERED ACCOUNTANTS

Sd/-
SUDHIR CHAUDHARY (PARTNER)
M.NO. 91302
F. No. 015222N

Place : Faridabad
Dated: 30th May 2011

DETAILS OF RELATED PARTY TRANSACTION DURING THE FINANCIAL YEAR 2010-2011

S.No.	Name	Relationship	Nature of transactions	Amount (₹)
1	Sh. S.K. Jain	Chairman and Managing Director	Salary Club Expenses	12,00,000 3,600
3.	Sh. Ankur Jain	Director	Salary Rent-Building Rent-Vehicle	3,00,000 1,20,000 8,40,000
4.	Sh. Madhur Jain	Director	Salary Rent-Building	1,29,032 1,20,000
2.	Sh. Sudhir Jain	Ex- Director	Salary	8,54,838

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

Particulars	Consolidated as on 31.3.2011
A. CASH FLOW FROM OPERATING ACTIVITIES:	
i) Net Profit before tax & extraordinary items	12,46,388
Adjustment for :	
Depreciation	52,53,136
Interest/Dividend	28,34,547
Preliminary/Deferred revenue expenditure	1,50,047
Loss/(Profit) on Sale of Assets	(12,65,356)
ii) Operating Profit before working capital charges	82,18,760
Adjustment for :	
Increase/(Decrease) in Sundry Debtors & Trade receivables	43,49,739
Increase/(Decrease) in Inventories	(1,25,05,344)
Increase/(Decrease) in Sundry Creditors & Trade payables	(67,40,395)
iii) Cash generated from operations	(1,53,76,718)
Interest paid	(20,62,505)
Direct Taxes Paid	-
iv) Cash Flow before Extraordinary items	(1,74,39,223)
Net cash generated from operating Activities	(1,74,39,223)
B. CASH FLOW FROM INVESTING ACTIVITIES :	
Purchase of fixed assets	(73,26,306)
Purchase of Investments	-
Sale of Fixed Assets	40,00,000
Deferred Expenditure	(44,46,937)
Sale of Investments	-
Net cash generated from investing activities	(77,73,243)
C. CASH FLOW FROM FINANCIAL ACTIVITIES :	
Proceeds from long term borrowings	3,75,54,003
Proceeds from short term borrowings	6,08,413
Repayment of financial lease liabilities	(1,03,63,301)
Repayment of financial Interest	(7,72,042)
Net cash generated from financial activities	2,70,27,073
Net increase /(Decrease) in cash & cash equivalents	18,14,607
Cash & Cash equivalents at beginning of period	26,92,146
Cash & cash equivalents at end of period	45,06,755

For and on behalf of the Board of Directors

Sd/-
S.K. JAIN
(Chairman and Managing Director)

Sd/-
ANKUR JAIN
(Director)

Sd/-
MEENU KAPOOR
(Company Secretary)

Sd/-
KANHAIYA YADAV
Chief Manager (F & A)

As per our report of even date

**For SUDHIR CHAUDHARY & ASSOCIATES
CHARTERED ACCOUNTANTS**

Sd/-
SUDHIR CHAUDHARY (PARTNER)
M.NO. 91302
F. No. 015222N

Place : Faridabad
Dated : 30th May 2011

SPS PRINTOTECH LIMITED

Regd. Office : 402, Sector-21C, Faridabad -121001

NOTICE

NOTICE is hereby given that the First Annual General Meeting of the shareholders of the Company will be held at Plot No. 93-B, DLF Industrial Estate, Phase-I, Faridabad on Friday the 30th September, 2011 at 9.30 a.m. to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2011 and Profit and Loss Account as on that date, together with Directors' and Auditors' Report thereon.
2. To appoint a Director in place of Sh. S.K. Jain who retires by rotation at this Annual General Meeting and being eligible offers herself for re-appointment.
3. To appoint a Director in place of Sh. Ankur Jain who retires by rotation at this Annual General Meeting and being eligible offers herself for re-appointment.
4. To appoint auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

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

"RESOLVED that pursuant to the provisions of section 257 of the Companies Act, 1956, and all other applicable provisions, if any, Sh. Madhur Jain, who was appointed as additional director pursuant to section 260 of the Companies Act, 1956, be and is hereby appointed as Director of the Company, whose period of office shall be liable to determination by retirement of Directors by rotation."

By the order of the Board

**Place : Faridabad
Dated : 12th August 2011**

**Sd/-
S.K. JAIN
(Director)**

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT (PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956).

ITEM NO. 5

Sh. Madhur Jain was appointed as an Additional Director by the Board of Directors on 14th January, 2011. As per the provisions of Section 260 of the Companies Act, 1956, he holds office upto this Annual General Meeting of the Company. The Company has received notice in terms of Section 257 of the Companies Act, 1956, proposing his appointment as a Director of the Company, liable to retirement by rotation.

The Board considers recommends the resolution to be passed as an ordinary resolution.

Sh. Madhur Jain, Sh. S. K. Jain and Sh. Ankur Jain, may be deemed or concerned or interested in this resolution.

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE VALID MUST BE RECEIVED BY THE COMPANY AT ITS REGD. OFFICE NOT LESS THAN 48 HOURS BEFORE THE START OF ANNUAL GENERAL MEETING.
2. Shareholders seeking any information or clarification with regard to accounts are requested to write to the company at least 7 days before AGM so as to enable the management to keep ready the information or clarification as the case may be.
3. Shareholders are requested to intimate the company change of address, if any, immediately for updation of records.
4. Members/Proxies should bring the attendance slip duly filled in for attending the meeting.

By the order of the Board of Directors

**Place : New Delhi
Dated : 12th August, 2011**

**Sd/-
S.K. Jain
(Director)**

DIRECTORS' REPORT

Your Directors are pleased to present their First Annual Report along with the Audited Accounts of the company for the year ended 31st March 2011.

FINANCIAL PERFORMANCE:

Being first year of incorporation, all the expenditure incurred towards setting up of the project/ business has been treated as pre-operative expenses. Consequently, there is nothing to report in the Profit and Loss account.

DIVIDEND :

Due to absence of profits, no dividend is being recommended.

DIRECTORS :

Being first AGM, Sh. S.K. Jain, and Sh. Ankur Jain, being the first directors retire by rotation at this Annual General Meeting and being eligible offers themselves for re-appointment.

During the year Sh. Madhur Jain was co-opted as additional director and his term of office as director is coming to an end at the ensuing annual general meeting. A notice u/s 257 has been received for its appointment as a regular director.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under section 217(2AA) of the Companies Act, 1956, we report that:

1. in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
2. 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 of the Company for that period;
3. the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. the directors had prepared the annual accounts on a going concern basis.

AUDITORS AND AUDITOR'S REPORT :

M/s Sudhir Chaudhary & Associates, Chartered Accountants, Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting. The Company has received from them a letter dated 25th July, 2011 to the effect that they are willing to act as the auditors of the company and their appointment, if made, would be within the limits prescribed under section 224 (1-B) of the Companies Act, 1956. Accordingly, your directors recommend the appointment of the said Auditors at the ensuing Annual General Meeting.

There are no qualifications or observations of the Auditors in their Report requiring an explanation in the Directors' Report.

FIXED DEPOSITS :

During the year under review your company has not accepted any deposits from public under 58 A of the Companies Act, 1956.

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

As the company has not consumed any energy, the report required to be made pursuant to Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosures of particulars in the report of Board of Directors) Rules, 1988 is not applicable.

PARTICULARS OF EMPLOYEES :

There are no employees within the meaning of section 217 (2-A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, the particulars of which may be given.

ACKNOWLEDGEMENTS :

Your Directors express their deep sense of appreciation for the assistance and co-operation received from the Banks, Auditors and other authorities during the year under review.

For and on behalf of the Board of Directors

Place : Faridabad
Date : 12th August 2011

Sd/-
S. K. Jain
(Director)

Sd/-
Ankur Jain
(Director)

AUDITORS REPORT TO THE SHAREHOLDERS OF SPS PRINTOTECH LIMITED

To,
The Members

We have audited the attached Balance Sheet of M/s SPS PRINTOTECH LIMITED as at 31st March 2011 and also the Profit & Loss Account for the period ended on that date annexed thereto and Cash Flow Statement of the Company for the period ended on that date. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies Auditor's Report (Amendment) Order, 2004 issued by the Central Govt. of India in terms of sub-section (4A) of the section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.

Further to our comments in the annexure referred to above, we report that:-

1. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
2. In our opinion, proper books of accounts as required by law have been kept by the company so far as appears from our examination of those books.
3. The Balance Sheet, Profit & Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
4. In our opinion, the Balance Sheet, Profit & Loss Account and the Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of the section 211 of the Companies Act, 1956.
5. On the basis of written representations received from the Director's, as on 31st March, 2011 and taken on record by the Board of Director's, we report that none of the Director's is disqualified as on 31st March, 2011 from being appointed as a Director in terms of clause (g) of sub section (1) of section 274 of The Companies Act, 1956.
6. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
 - a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;
 - b) In the case of the Profit and Loss Account, there was no transaction for the period ended on that date.
 - c) In the case of the Cash Flow Statement, of the Cash Flows for the period ended on that date.

For SUDHIR CHAUDHARY & ASSOCIATES
CHARTERED ACCOUNTANTS

Sd/-
SUDHIR CHAUDHARY
PARTNER
M. No. 091302
FRN: 015222N
PLACE: FARIDABAD
DATED: 30th May, 2011

ANNEXURE TO THE AUDITOR 'S REPORT

(Referred to in paragraph 1 of our report of even date on the accounts of
SPS PRINTOTECH LIMITED for the period ended **31st March, 2011**)

1. a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
b. All the assets have been physically verified by the management during the period and there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
c. During the period, the company has not disposed off any major part of the fixed assets.
2. a. The inventory has been physically verified during the period by the management. In our opinion, the frequency of verification is reasonable.
b. The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
c. The company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
3. a. The company has not granted loan to other companies covered in the register maintained under section 301 of the companies Act, 1956.
b. The company has not accepted loan from other companies covered in the register maintained under section 301 of the companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
5. During the period covered by our Audit Report, there was no contract or arrangements during the period, which are to be entered into the register maintained under section 301 of the Companies Act, 1956.
6. During the period covered by our Audit Report, the company has not accepted any deposits pursuant to section 58A, section 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.
7. In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
8. Since the company is not covered for the purpose of cost records under section 209(1) (d) of the Companies Act, this clause is not applicable so it is not given.
 - a. The Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education Protection Fund, Employees' State Insurance, Income tax, Sales tax, Wealth tax, Custom duty, Excise duty, Service tax, Cess and other material statutory dues applicable to it.
 - b. According to the information and explanations given to us, no disputed amounts payable in respect of Income tax, Wealth tax, Sales tax, Custom duty, Excise duty, Service tax and Cess were in arrears, as at **31st March, 2011** for a period of more than six months from the date they became payable.

- c. In our opinion, the accumulated losses of the company are not more than 50% of its net worth. The company has not incurred cash losses during the period covered by our audit.
- d. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- e. This clause is not applicable so it is not given.
- f. In our opinion, the company is not a chit fund or a nidhi, mutual benefit fund/Society. Therefore, the provisions of clause 4(xiii) Orders are not applicable to the company.
- g. In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Orders are not applicable to the company.
- h. According to the information and explanation given to us, the company has not given any guarantee for loan taken by others from banks or financial institution.
- i. In our opinion, the terms loans have been applied for the purpose for which they were raised.
- j. According to the information and explanations given to us, and on an overall examination of the balance sheet of the company, we report that the no funds raised on short-term basis have been used for long-term investment except permanent working capital.
- k. According to the information and explanations given to us, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- l. According to the information and explanations given to us, during the period covered by our audit report, the company has not issued any debentures.
- m. No money was raised by public issues during the period covered by our Audit Report.
- n. According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

**For SUDHIR CHAUDHARY & ASSOCIATES
CHARTERED ACCOUNTANTS**

Sd/-

**SUDHIR CHAUDHARY (PARTNER)
M.No. 091302
FR No. 015222N**

**PLACE: FARIDABAD
DATED: 30th May, 2011**

SPS PRINTOTECH LIMITED
BALANCE SHEET FOR THE PERIOD ENDED AT 31ST MARCH, 2011

Particulars	Sch No.	Period ended 31/03/2011 Amount (₹)
SOURCES OF FUNDS :		
Shareholders Funds :		
a) Share Capital	1	5000000
b) Reserves and Surplus	2	1474500
TOTAL :		6474500
APPLICATION OF FUNDS :		
Fixed Assets :		
Gross Block	3	22015
Less : Depreciation		110
Net Block		21905
CURRENT ASSETS, LOANS & ADVANCES :		
a) Loans and Advances	4	5890366
d) Cash and Bank balances	5	134896
Less : Current Liabilities	6	6025262
		254030
		5771232
MISCELLANEOUS EXPENDITURE :		
(To the extent not written off)		
Preliminary Expenses	7	125195
Pre-operative Expenses		556168
TOTAL		6474500
NOTES TO THE ACCOUNTS :	8	

"The Schedules referred to above form an integral part of the Balance sheet. This is the Balance Sheet referred to in our report of even date".

For and on behalf of the Board of Directors

Sd/-
S.K. JAIN
(Director)

Sd/-
ANKUR JAIN
(Director)

As per our report of even date

For SUDHIR CHAUDHARY & ASSOCIATES
CHARTERED ACCOUNTANTS

Sd/-
SUDHIR CHAUDHARY (Partner)
M.NO. 091302
F.NO. 015222N
Place : Faridabad
Dated : 30th May, 2011

SPS PRINTOTECH LIMITED
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2011

Particulars	Sch. No.	Period ended 31/03/2011 Amount (₹)
INCOME :		
- Sales and Services		-
- Other Income		-
TOTAL		-
EXPENDITURE :		
- Employee Cost		-
- Financial Expenses		-
- Depreciation		-
Net Profit		-
Less : Preliminary Expenses written off		-
Net Profit before tax for the year		-
Less: Current Tax		-
Add : Deferred Tax		-
Net Profit for the year		-
Add : Provision written Back		-
Add : Profit Brought Forward		-
Profit /(Loss) Carried over to Balance Sheet		-
Notes to the Accounts	8	

"The Schedules referred to above form an integral part of the Profit and Loss Account. This is the Profit and Loss Account referred to in our report of even date".

For and on behalf of the Board of Directors

Sd/-
S.K. JAIN
(Director)

Sd/-
ANKUR JAIN
(Director)

As per our report of even date

For SUDHIR CHAUDHARY & ASSOCIATES
CHARTERED ACCOUNTANTS

Sd/-
SUDHIR CHAUDHARY (Partner)
M.NO. 091302
F.NO. 015222N

Place : Faridabad
Dated : 30th May, 2011

SPS PRINTOTECH LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2011

Particulars	Period ended 31 st March, 2011 Amount (₹)
SCHEDULE – 1	
Share Capital :	
Authorised :	
- 500000 Equity shares of ₹ 10/- each	5000000
	=====
Issued, Subscribed and Paid up :	
- 500000 Equity shares of ₹ 10/- each fully paid up	5000000
	5000000
SCHEDULE – 2	
Share application money	
Share application money pending allotment	1474500
Total	1474500

SCHEDULE -3

FIXED ASSETS

Amount (₹)

S. No	Particulars	COST				DEPRECIATION				WDV
		AS ON 1.4.2010	ADDITION	SALES/ TRANS FER	AS ON 31.3.2011	UPTO 1.4.2010	DURING THE YR.	WRITTEN BACK	UPTO 31.3.2011	
	<u>Plant & Machinery</u>									
1.	Electric Equipment	-	22015	-	22015	-	100	-	110	

SCHEDULE – 4

Loans and Advances:

(Advances Recoverable in Cash or in kind or For value to be received (Considered good))

Advances Recoverable	5628326
Security deposit	243500
Services Tax Receivable	18540
	5890366

SCHEDULE – 5

Cash and Bank Balances

Cash in hand	3940
Balance with Current Accounts:	
Corporation Bank	33074
Axis Bank-Okhla	25000
HDFC Bank – Okhla	72882
	134896

SCHEDULE – 6

Current Liabilities & Provisions:

Current Liabilities:	
Sundry Creditors	113931
Expenses Payable	121344
Other Liabilities	18755
	254030

SCHEDULE – 7

Miscellaneous Expenditure:

Preliminary Expenses	125195
Pre-operative Expenses	556168
(To the Extent not written off or adjusted)	
	681363

SCHEDULE-8 :

NOTES FORMING PART TO THE ACCOUNTS FOR THE PERIOD ENDED ON 31.03.2011

A. ACCOUNTING POLICIES:

The Financial statements are prepared under historical cost convention, on a going concern basis and in accordance with the applicable accounting standards prescribed in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government, in consultation with the National Advisory Committee on Accounting Standards and relevant provisions of the Companies Act, 1956.

1. FIXED ASSETS:

- a. Fixed assets are stated at cost less accumulated depreciation. The cost of assets comprises of purchase price and directly attributable cost of bringing the assets to working condition for its intended use.
- b. Capital work in progress includes cost of assets at sites, construction expenditure, advances made for acquisition of capital assets and interest on the funds deployed.
- c. Estimated amount of contracts remaining to be executed exceeding rupees one lakh in each case are disclosed in the notes to accounts.

2. DEPRECIATION:

The Depreciation has been provided as per the rates prescribed under Schedule XIV to the Companies Act 1956 as amended to date on written down value method and on pro-rata basis.

3. INVENTORIES:

The company has adopted the policy to evaluate its stock-in-trade and other stores and spares at cost (FIFO).

4. REVENUE RECOGNITION:

- a. Sales are net of sales tax. Revenue from sales is recognized at the point of dispatch to the customers when risk and reward stands transferred to the customers.
- b. Services are net of service tax. Revenue from services is recognized when services are rendered and related costs are incurred.
- c. Interest income is recognized on time proportion basis.

5. FOREIGN CURRENCY TRANSACTIONS:

- a. Foreign currency transactions are recorded at the exchange rate prevailing on the date of transaction.
- b. Monetary items denominated in foreign currencies (such as cash, receivables, payables etc.) outstanding at the year end, are translated at exchange rates applicable on that date.
- c. Non-monetary items denominated in foreign currency, (such as fixed assets) are valued at the exchange rate prevailing on the date of transaction.
- d. Any gains or losses arising due to exchange differences arising on translation or settlement are accounted for in the Profit and Loss account.

6. BORROWING COSTS:

Borrowing cost attributable to acquisition, construction or production of qualifying assets are capitalized as part of the cost till the assets is ready for use. Other borrowing costs are recognized as expense in the period in which these are incurred.

7. TAXES ON INCOME:

Provision is made for deferred tax for all timing differences arising between taxable income and accounting income at currently enacted or substantially enacted tax rates.

Deferred tax assets are recognized, only if there is reasonable certainty that they will be realized and are reviewed for the appropriateness of their respective carrying values at each Balance Sheet date.

8. EMPLOYEE BENEFITS:

Contribution payable to an approved gratuity fund, a defined benefit plan, determined by an independent actuary at the balance sheet date and contributions payable to the recognized provident fund, which is defined contribution scheme are charged to the profit and Loss account of the year. Provision for Leave encashment cost is made on the basis of actuarial valuation at the balance sheet date, carried out by an Independent actuary.

9. AMORTIZATION OF PRELIMINARY EXPENSES, PUBLIC ISSUE EXPENSES AND OTHER CAPITALISED EXPENSES:

The company has been writing off 1/10th of the preliminary expenses, public issue expenses and other expenses capitalized every year.

10. AMORTIZATION OF DEVELOPMENT EXPENSES:

The company has been writing off 1/10th of the expenditure capitalized and incurred upon travelling and marketing of new products every year.

11. NOTES ON ACCOUNTS:

- | Particulars | Current Period Figures |
|--|------------------------|
| 1. Estimated amount of contracts remaining to be executed on capital account and not provided for | Rs.
27,57,285/- |
| 2. Particulars of Employees who were in receipt of remuneration which in aggregate was not less than Rs. 24,00,000/-, if employed through out the year or Rs. 2,00,000/- p. m if employed for a part of the year | Nil |
| 3. The company has not received any information from suppliers or service providers, whether they are covered under the "Micro, Small and Medium Enterprises (Development) Act, 2006". Therefore it is not possible to provide the information required under the Act. | |
| 4. This is the first year of company hence previous figures are not given. | |
| 5. In compliance to the provisions of Accounting Standard-22 "Accounting for Taxation of Income", the company has accounted for the deferred tax liability amounting to Rs. NIL during the period. | |
| 6. In compliance to the provisions of Accounting Standard-18 "Related party Disclosures" issued by the Institute of Chartered Accountants of India, the reporting of related party relationship and transactions is given below:- | |

S. No	Name	Relationship	Nature of transactions	Amount (Rs)
1	Sh. Ankur Jain	Director	Travelling Expenses	37,755
2.	Sh. Madhur Jain	Director	Travelling Expenses	47,235

7. The figures have been rounded off to the nearest of rupees.

8. Earning per Share (EPS) (AS - 20)

Net Profit/ (Loss) after current and deferred tax

2010-2011
NIL

Weighted average number of equity shares of Rs. 10/- each

EPS (Rs.) - Basic and Diluted

9. Contingent liability on account of bank guarantee given to customers Rs. **NIL**
10. Personal accounts are subject to the confirmation of the respective parties.
11. As per accounting standard 15 "Employee Benefits", the disclosures of employee benefits as defined in the accounting standard are given below.

DEFINED CONTRIBUTION PLAN:

Contribution to defined contribution plan, recognized as expenses for the year are as under:

Employer's contribution to provident fund	2010-2011 Rs. 4,458
---	-------------------------------

DEFINED BENEFIT PLAN :

The employees' gratuity fund scheme managed by LIC is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the projected unit credit method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment is recognized in the same manner as gratuity.

Information pursuant to provisions to paragraph 3 and 4(c) of Part II of Schedule VI to the Companies Act, 1956 to the extent applicable:

- a) The Company is manufacturing company and is engaged in the business of Designing, printing, manufacturing, processing, import, export, trading and otherwise dealing in all kind of OMR / ICR Sheets, application forms, answer sheets and form of OMR /ICR stationery, answer booklets. For the purpose of providing services, the company has installed its own Plant & Machinery and facilities for design and drawings. It requires paper as raw materials. The answer sheets are printed as per drawing and design of the customers.
- b) The Schedule 7 of the pre-operative expenses and include amount paid/credited to the directors under the following heads:

DESCRIPTION	CURRENT PERIOD AMOUNT (Rs.)
Travelling (including foreign)	84,990

- c) TOTAL EARNINGS IN FOREIGN CURRENCY **NIL**
- d) TOTAL EXPENDITURE IN FOREIGN CURRENCY Rs.65,647

For and on behalf of the Board of Directors

Sd/-
S.K. JAIN
(Director)

Sd/-
ANKUR JAIN
(Director)

As per our report of even date

**For SUDHIR CHAUDHARY & ASSOCIATES
CHARTERED ACCOUNTANTS**

Sd/-
SUDHIR CHAUDHARY (PARTNER)
M.NO. 091302
FR. No. 015222N

Place: Faridabad
Dated: 30th May, 2011

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2011

Particulars	Period ended 31 st March, 2011
A. CASH FLOW FROM OPERATING ACTIVITIES:	
i) Net Profit before tax & extraordinary items	-
Adjustment for :	
Depreciation	-
Preliminary/Deferred revenue expenditure	(681253)
ii) Operating Profit before working capital charges	(681253)
Adjustment for :	
Increase/(Decrease) in Sundry Debtors	(5890366)
Increase/(Decrease) in Sundry Creditors	254030
iii) Cash generated from operations	(6317589)
Cash flow before extraordinary items	(6317589)
Net cash generated from operating Activities	(6317589)
B. CASH FLOW FROM INVESTING ACTIVITIES :	
Purchase of fixed assets	(22015)
Net cash generated from investing activities	(22015)
C. CASH FLOW FROM FINANCIAL ACTIVITIES :	
Proceeds from long term borrowings	6474500
Net cash generated from financial activities	6474500
Net increase /(Decrease) in cash & cash equivalents	134896
Cash & Cash equivalents at beginning of period	-
Cash & cash equivalents at end of period	134896

For and on behalf of the Board of Directors

Sd/-
S.K. JAIN
(Director)

Sd/-
ANKUR JAIN
(Director)

As per our report of even date

For **SUDHIR CHAUDHARY & ASSOCIATES**
CHARTERED ACCOUNTANTS

Sd/-
SUDHIR CHAUDHARY (PARTNER)
M.NO. 91302
F. No. 015222N

Place : Faridabad
Dated : 30th May 2011

**ADDITIONAL INFORMATION AS REQUIRED UNDER PART IV OF SCHEDULE VI
TO THE COMPANIES ACT, 1956
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

REGISTRATION DETAILS :

CIN No. U22219HR2010PLCD41248 STATE CODE: 05 BALANCE SHEET DATE : 31/03/2011

CAPITAL RAISED DURING THE YEAR (AMOUNT IN ₹ '000) :

PUBLIC ISSUE/RIGHTS ISSUE/ BONUS ISSUE / PRIVATE PLACEMENT: NIL

POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMOUNT IN ₹ '000) :

TOTAL LIABILITIES	6475	TOTAL ASSETS	6475
SOURCE OF FUNDS (AMOUNT IN ₹ '000)			
PAID UP CAPITAL	5000	RESERVES & SURPLUS	NIL
UNSECURED LOANS	NIL	SECURED LOANS	NIL
DEFERRED TAX LIABILITY	NIL	APPLICATION MONEY	1475
APPLICATION OF FUNDS (AMOUNT IN ₹ '000)			
NET FIXED ASSETS	22	INVESTMENT	NIL
NET CURRENT ASSETS	5771	MISC. EXPENDITURE	682
ACCUMULATED LOSSES	NIL		

PERFORMANCE OF COMPANY (AMOUNT IN ₹ '000)

TURNOVER	NIL	EXPENDITURE	NIL	PROFIT BEFORE TAX	NIL
PROFIT AFTER TAX	NIL	EARNING PER SHARE	NIL	DIVIDEND	NIL

GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF COMPANY AS PER MONETARY TERMS :

PRODUCT DESCRIPTION :

For and on behalf of the Board of Directors

Sd/-
S.K. JAIN
(Director)

Sd/-
ANKUR JAIN
(Director)

As per our report of even date

**For SUDHIR CHAUDHARY & ASSOCIATES
CHARTERED ACCOUNTANTS**

Sd/-
SUDHIR CHAUDHARY (PARTNER)
M.NO. 91302
F. No. 015222N

Place : Faridabad
Dated: 30th May 20110

SPS EDUTECH LIMITED

Regd. Office : 402, Sector-21C, Faridabad -121001

NOTICE

NOTICE is hereby given that the First Annual General Meeting of the shareholders of the Company will be held at Plot No. 93-B, DLF Industrial Estate, Phase-I, Faridabad on Friday the 30th September, 2011 at 10.00 a.m. to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2011 and Profit and Loss Account as on that date, together with Directors' and Auditors' Report thereon.
4. To appoint a Director in place of Sh. S.K. Jain who retires by rotation at this Annual General Meeting and being eligible offers herself for re-appointment.
5. To appoint a Director in place of Sh. Ankur Jain who retires by rotation at this Annual General Meeting and being eligible offers herself for re-appointment.
4. To appoint auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

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

"RESOLVED that pursuant to the provisions of section 257 of the Companies Act, 1956, and all other applicable provisions, if any, Sh. Madhur Jain, who was appointed as additional director pursuant to section 260 of the Companies Act, 1956, be and is hereby appointed as Director of the Company, whose period of office shall be liable to determination by retirement of Directors by rotation."

By the order of the Board

Place : Faridabad
Dated : 12th August 2011

Sd/-
S.K. JAIN
(Director)

**ANNEXURE TO THE NOTICE
EXPLANATORY STATEMENT (PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956).**

ITEM NO. 5

Sh. Madhur Jain was appointed as an Additional Director by the Board of Directors on 14th January, 2011. As per the provisions of Section 260 of the Companies Act, 1956, he holds office upto this Annual General Meeting of the Company. The Company has received notice in terms of Section 257 of the Companies Act, 1956, proposing his appointment as a Director of the Company, liable to retirement by rotation.

The Board considers recommends the resolution to be passed as an ordinary resolution.

Sh. Madhur Jain, Sh. S. K. Jain and Sh. Ankur Jain, may be deemed to be concerned or interested in this resolution.

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE VALID MUST BE RECEIVED BY THE COMPANY AT ITS REGD. OFFICE NOT LESS THAN 48 HOURS BEFORE THE START OF ANNUAL GENERAL MEETING.
2. Shareholders seeking any information or clarification with regard to accounts are requested to write to the company at least 7 days before AGM so as to enable the management to keep ready the information or clarification as the case may be.
3. Shareholders are requested to intimate the company change of address, if any, immediately for updation of records.
4. Members/Proxies should bring the attendance slip duly filled in for attending the meeting.

By the order of the Board of Directors

**Place : New Delhi
Dated : 12th August, 2011**

**Sd/-
S.K. Jain
(Director)**

SPS EDUTECH LIMITED

Regd. Office : 402, Sector-21C, Faridabad -121001

DIRECTORS' REPORT

Your Directors are pleased to present their First Annual Report along with the Audited Accounts of the company for the year ended 31st March 2011.

FINANCIAL PERFORMANCE:

Being first year of incorporation, all the expenditure incurred towards setting up of the project/ business has been treated as pre-operative expenses. Consequently, there is nothing to report in the Profit and Loss account.

DIVIDEND :

Due to absence of profits, no dividend is being recommended.

DIRECTORS :

Being first AGM, Sh. S.K. Jain, and Sh. Ankur Jain, being the first directors retire by rotation at this Annual General Meeting and being eligible offers themselves for re-appointment.

During the year Sh. Madhur Jain was co-opted as additional director and his term of office as director is coming to an end at the ensuing annual general meeting. A notice u/s 257 has been received for its appointment as a regular director.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under section 217(2AA) of the Companies Act, 1956, we report that:

1. in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
2. 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 of the Company for that period;
3. the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. the directors had prepared the annual accounts on a going concern basis.

AUDITORS AND AUDITOR'S REPORT :

M/s Sudhir Chaudhary & Associates, Chartered Accountants, Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting. The Company has received from them a letter dated 25/7/2011 to the effect that they are willing to act as the auditors of the company and their appointment, if made, would be within the limits prescribed under section 224 (1-B) of the Companies Act, 1956. Accordingly, your directors recommend the appointment of the said Auditors at the ensuing Annual General Meeting.

There are no qualifications or observations of the Auditors in their Report requiring an explanation in the Directors' Report.

FIXED DEPOSITS :

During the year under review your company has not accepted any deposits from public under 58 A of the Companies Act, 1956.

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

As the company has not consumed any energy, the report required to be made pursuant to Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosures of particulars in the report of Board of Directors) Rules, 1988 is not applicable.

PARTICULARS OF EMPLOYEES :

There are no employees within the meaning of section 217 (2-A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, the particulars of which may be given.

ACKNOWLEDGEMENTS :

Your Directors express their deep sense of appreciation for the assistance and co-operation received from the Banks, Auditors and other authorities during the year under review.

For and on behalf of the Board of Directors

Place : New Delhi
Date : 12th August, 2011

Sd/-
(DIRECTOR)

Sd/-
(DIRECTOR)

AUDITORS REPORT TO THE SHAREHOLDERS OF SPS EDUTECH LIMITED

To,

The Members

We have audited the attached Balance Sheet of M/s SPS EDUTECH LIMITED as at 31st March 2011 and also the Profit & Loss Account for the period ended on that date annexed thereto and Cash Flow Statement of the Company for the period ended on that date. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies Auditor's Report (Amendment) Order, 2004 issued by the Central Govt. of India in terms of sub-section (4A) of the section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.

Further to our comments in the annexure referred to above, we report that:-

1. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
2. In our opinion, proper books of accounts as required by law have been kept by the company so far as appears from our examination of those books.
3. The Balance Sheet, Profit & Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account.

4. In our opinion, the Balance Sheet, Profit & Loss Account and the Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of the section 211 of the Companies Act, 1956.
5. On the basis of written representations received from the Director's, as on 31st March, 2011 and taken on record by the Board of Director's, we report that none of the Director's is disqualified as on 31st March, 2011 from being appointed as a Director in terms of clause (g) of sub section (1) of section 274 of The Companies Act, 1956.
6. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
 - a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;
 - b) In the case of the Profit and Loss Account, there was no transaction for the period ended on that date.
 - c) In the case of the Cash Flow Statement, of the Cash Flows for the period ended on that date.

**For SUDHIR CHAUDHARY & ASSOCIATES
CHARTERED ACCOUNTANTS**

Sd/-

**SUDHIR CHAUDHARY
PARTNER
M. No. 091302
FRN: 015222N
PLACE: FARIDABAD
DATED: 30th May, 2011**

ANNEXURE TO THE AUDITOR 'S REPORT

(Referred to in paragraph 1 of our report of even date on the accounts of
SPS EDUTECH LIMITED for the period ended 31st March 2011)

1. a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b. All the assets have been physically verified by the management during the period and there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
 - c. During the period, the company has not disposed off any major part of the fixed assets.
2. a. The inventory has been physically verified during the period by the management. In our opinion, the frequency of verification is reasonable.
 - b. The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - c. The company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
3. a. The company has not granted loan to other companies covered in the register maintained under section 301 of the companies Act, 1956.
 - b. The company has not accepted loan from other companies covered in the register maintained under section 301 of the companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
5. During the period covered by our Audit Report, there was no contract or arrangements during the period, which are to be entered into the register maintained under section 301 of the Companies Act, 1956.

6. During the period covered by our Audit Report, the company has not accepted any deposits pursuant to section 58A, section 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.
7. In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
8. Since the company is not covered for the purpose of cost records under section 209(1) (d) of the Companies Act, this clause is not applicable so it is not given.
9. a. The Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education Protection Fund, Employees' State Insurance, Income tax, Sales tax, Wealth tax, Custom duty, Excise duty, Service tax, Cess and other material statutory dues applicable to it.
b. According to the information and explanations given to us, no disputed amounts payable in respect of Income tax, Wealth tax, Sales tax, Custom duty, Excise duty, Service tax and Cess were in arrears, as at **31st March, 2011** for a period of more than six months from the date they became payable.
10. In our opinion, the accumulated losses of the company are not more than 50% of its net worth. The company has not incurred cash losses during the period covered by our audit.
11. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
12. This clause is not applicable so it is not given.
13. In our opinion, the company is not a chit fund or a nidhi, mutual benefit fund/Society. Therefore, the provisions of clause 4(xiii) Orders are not applicable to the company.
14. In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Orders are not applicable to the company.
15. According to the information and explanation given to us, the company has not given any guarantee for loan taken by others from banks or financial institution.
16. In our opinion, the terms loans have been applied for the purpose for which they were raised.
17. According to the information and explanations given to us, and on an overall examination of the balance sheet of the company, we report that the no funds raised on short-term basis have been used for long-term investment except permanent working capital.
18. According to the information and explanations given to us, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
19. According to the information and explanations given to us, during the period covered by our audit report, the company has not issued any debentures.
20. No money was raised by public issues during the period covered by our Audit Report.
21. According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

**For SUDHIR CHAUDHARY & ASSOCIATES
CHARTERED ACCOUNTANTS**

Sd/-

SUDHIR CHAUDHARY (PARTNER)

M.No. 091302

FR No. 015222N

PLACE: Faridabad

DATED: 30th May, 2011

SPS EDUTECH LIMITED
BALANCE SHEET FOR THE PERIOD ENDED AT 31ST MARCH, 2011

Particulars	Sch No.	Period ended 31/03/2011 Amount (₹)
SOURCES OF FUNDS :		
Shareholders Funds :		
a) Share Capital	1	1000000
b) Share Application Pending allotment	2	1450000
TOTAL :		2450000
APPLICATION OF FUNDS :		
Fixed Assets :		
Gross Block	3	626568
Less : Depreciation		45110
Net Block		581458
CURRENT ASSETS, LOANS & ADVANCES :		
a) Loans and Advances	4	1405356
d) Cash and Bank balances	5	132525
		1537881
Less : Current Liabilities	6	193062
		1344819
MISCELLANEOUS EXPENDITURE :		
(To the extent not written off)		
Preliminary Expenses	7	42995
Pre-operative Expenses		480728
TOTAL		2450000
NOTES TO THE ACCOUNTS :	8	

"The Schedules referred to above form an integral part of the Balance sheet. This is the Balance Sheet referred to in our report of even date".

For and on behalf of the Board of Directors

Sd/-
S.K. JAIN
(Director)

Sd/-
ANKUR JAIN
(Director)

As per our report of even date

For SUDHIR CHAUDHARY & ASSOCIATES
CHARTERED ACCOUNTANTS

Sd/-
SUDHIR CHAUDHARY (Partner)
M.NO. 091302
F.NO. 015222N

Place : Faridabad
Dated : 30th May, 2011

SPS EDUTECH LIMITED
PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED ON 31ST MARCH, 2011

Particulars	Sch. No.	Period ended 31 st March, 2011 Amount (₹)
INCOME :		
- Sales and Services		-
- Other Income		-
TOTAL		-
EXPENDITURE :		
i. Processing, Administrative & Selling Expenses		-
- Employee Cost		-
- Financial Expenses		-
- Depreciation		-
		-
Net Profit		-
Less : Preliminary Expenses written off		-
Net Profit before tax for the year		-
		-
Less: Current Tax		-
Add : Deferred Tax		-
Net Profit for the year		-
		-
Add : Provision written Back		-
Add : Profit Brought Forward		-
Profit / (Loss) Carried over to Balance Sheet		-
Notes to the Accounts	8	

"The Schedules referred to above form an integral part of the Profit and Loss Account. This is the Profit and Loss Account referred to in our report of even date".

For and on behalf of the Board of Directors

Sd/-
S.K. JAIN
(Director)

Sd/-
ANKUR JAIN
(Director)

As per our report of even date

For SUDHIR CHAUDHARY & ASSOCIATES
CHARTERED ACCOUNTANTS

Sd/-
SUDHIR CHAUDHARY (Partner)
M.NO. 091302
F.NO. 015222N

Place : Faridabad
Dated : 30th May, 2011

SPS EDUTECH LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2011

Particulars	Period ended 31 st March, 2011 Amount (₹)
SCHEDULE – 1	
Share Capital :	
Authorised :	
- 100000 Equity shares of ` 10/- each	1000000
Issued, Subscribed and Paid up :	
- 100000 Equity shares of ` 10/- each fully paid up	1000000
	1000000
SCHEDULE – 2	
Share application money	
Share application money pending allotment	1450000
Total	1450000

SCHEDULE -3

FIXED ASSETS

Amount (₹)

S N o	Particulars	C O S T			D E P R E C I A T I O N			W D V AS ON 31.3.2011
		ADDITION	SALES/ TRANS FER	AS ON 31.3.2011	DURING THE YR.	WRITTEN BACK	UPTO 31.3.2011	
	Plant & Machinery							
1.	Electric Equipment	227244	-	227244	10020	-	10020	217224
2.	Office Equipments	4400	-	4400	187	-	187	4213
	Computers & Software							
1	Computers	172678	-	172678	24144	-	24144	148534
	Furniture & Fixtures							
1	Furniture & Fixtures	222246	-	222246	10759	-	10759	211487
	TOTAL	626568	-	626568	45110	-	45110	581458

SCHEDULE – 4

Loans and Advances:

(Advances Recoverable in Cash or in kind or For value to be received (Considered good)

Orion Edutech Pvt Ltd (Franchise Fees)

800000

Advance recoverable

463923

Security deposit

58936

Services Tax Receivable

82497

1405356

SCHEDULE – 5

Cash and Bank Balances

Cash in hand

45207

Balance with Current Accounts:

Corporation Bank

21375

Axis Bank-Okhla

25000

HDFC Bank – Okhla

40943

132525

SCHEDULE – 6

Current Liabilities & Provisions:

Current Liabilities:

Sundry Creditors

4751

Expenses Payable

65871

Other Liabilities

122440

193062

SCHEDULE – 7

Miscellaneous Expenditure:

Preliminary Expenses

42995

Pre-operative Expenses

480728

(To the Extent not written off or adjusted)

523723

SCHEDULE-8 :

NOTES FORMING PART TO THE ACCOUNTS FOR THE PERIOD ENDED ON 31st March, 2011

i. ACCOUNTING POLICIES:

The Financial statements are prepared under historical cost convention, on a going concern basis and in accordance with the applicable accounting standards prescribed in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government, in consultation with the National Advisory Committee on Accounting Standards and relevant provisions of the Companies Act, 1956.

1. FIXED ASSETS:

- a. Fixed assets are stated at cost less accumulated depreciation. The cost of assets comprises of purchase price and directly attributable cost of bringing the assets to working condition for its intended use.
- b. Capital work in progress includes cost of assets at sites, construction expenditure, advances made for acquisition of capital assets and interest on the funds deployed.
- c. Estimated amount of contracts remaining to be executed exceeding rupees one lakh in each case are disclosed in the notes to accounts.

2. DEPRECIATION:

The Depreciation has been provided as per the rates prescribed under Schedule XIV to the Companies Act 1956 as amended to date on written down value method and on pro-rata basis.

3. INVENTORIES:

The company has adopted the policy to evaluate its stock-in-trade and other stores and spares at cost (FIFO).

4. REVENUE RECOGNITION:

- a. Sales are net of sales tax. Revenue from sales is recognized at the point of dispatch to the customers when risk and reward stands transferred to the customers.
- b. Services are net of service tax. Revenue from services is recognized when services are rendered and related costs are incurred.
- c. Interest income is recognized on time proportion basis.

5. FOREIGN CURRENCY TRANSACTIONS:

- a. Foreign currency transactions are recorded at the exchange rate prevailing on the date of transaction.
- b. Monetary items denominated in foreign currencies (such as cash, receivables, payables etc.) outstanding at the year end, are translated at exchange rates applicable on that date.
- c. Non-monetary items denominated in foreign currency, (such as fixed assets) are valued at the exchange rate prevailing on the date of transaction.
- d. Any gains or losses arising due to exchange differences arising on translation or settlement are accounted for in the Profit and Loss account.

6. BORROWING COSTS:

Borrowing cost attributable to acquisition, construction or production of qualifying assets are capitalized as part of the cost till the assets is ready for use. Other borrowing costs are recognized as expense in the period in which these are incurred.

7. TAXES ON INCOME:

Provision is made for deferred tax for all timing differences arising between taxable income and accounting income at currently enacted or substantially enacted tax rates.

Deferred tax assets are recognized, only if there is reasonable certainty that they will be realized and are reviewed for the appropriateness of their respective carrying values at each Balance Sheet date.

8. EMPLOYEE BENEFITS:

Contribution payable to an approved gratuity fund, a defined benefit plan, determined by an independent actuary at the balance sheet date and contributions payable to the recognized provident fund, which is defined contribution scheme are charged to the profit and Loss account of the year. Provision for Leave encashment cost is made on the basis of actuarial valuation at the balance sheet date, carried out by an independent actuary.

9. AMORTIZATION OF PRELIMINARY EXPENSES, PUBLIC ISSUE EXPENSES AND OTHER CAPITALISED EXPENSES:

The company has been writing off 1/10th of the preliminary expenses, public issue expenses and other expenses capitalized every year.

10. AMORTIZATION OF DEVELOPMENT EXPENSES:

The company has been writing off 1/10th of the expenditure capitalized and incurred upon travelling and marketing of new products every year.

11. NOTES ON ACCOUNTS:

Particulars	Current Period Figures
1. Estimated amount of contracts remaining to be executed on capital account and not provided for	NIL
2. Particulars of Employees who were in receipt of remuneration which in aggregate was not less than Rs. 24,00,000/-, if employed through out the year or Rs. 2,00,000/- p. m if employed for a part of the year	Nil
3. The company has not received any information from suppliers or service providers, whether they are covered under the "Micro, Small and Medium Enterprises (Development) Act, 2006". Therefore it is not possible to provide the information required under the Act.	
4. This is the first year of company hence previous figures are not given.	
5. In compliance to the provisions of Accounting Standard-22 "Accounting for Taxation of Income", the company has accounted for the deferred tax liability amounting to Rs. NIL during the period.	
6. In compliance to the provisions of Accounting Standard-18 "Related party Disclosures" issued by the Institute of Chartered Accountants of India, the reporting of related party relationship and transactions is given below:- During the period, there is no related party transaction which requires disclosure as per AS-18 "Related party Disclosures".	
7. The figures have been rounded off to the nearest of rupees.	
8. Earning per Share (EPS) (AS - 20)	2010-2011
Net Profit/ (Loss) after current and deferred tax	NIL
Weighted average number of equity shares of Rs. 10/- each	
EPS (Rs.) - Basic and Diluted	
9. Contingent liability on account of bank guarantee given to customers Rs. NIL	
10. Personal accounts are subject to the confirmation of the respective parties.	

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2011

Particulars	Period ended 31 st March, 2011
A. CASH FLOW FROM OPERATING ACTIVITIES:	
i) Net Profit before tax & extraordinary items	-
Adjustment for :	
Depreciation	-
Preliminary/Deferred revenue expenditure	(478613)
ii) Operating Profit before working capital charges	(478613)
Adjustment for :	
Increase/(Decrease) in Sundry Debtors	(1405356)
Increase/ (Decrease) in Inventories	-
Increase/(Decrease) In Sundry Creditors	193062
iii) Cash generated from operations	(1690908)
Interest paid	-
Income tax paid	-
Cash flow before extraordinary items	(1690908)
Net cash generated from operating Activities	(1690908)
B. CASH FLOW FROM INVESTING ACTIVITIES :	
Purchase of fixed assets	(626568)
Sale of Investment	-
Net cash generated from investing activities	(626568)
C. CASH FLOW FROM FINANCIAL ACTIVITIES :	
Proceeds from long term borrowings	2450000
Repayment of financial interest	-
Net cash generated from financial activities	2450000
Net Increase /(Decrease) in cash & cash equivalents	132524
Cash & Cash equivalents at beginning of period	-
Cash & cash equivalents at end of period	132524

For and on behalf of the Board of Directors

Sd/-
S.K. JAIN
(Director)

Sd/-
ANKUR JAIN
(Director)

As per our report of even date
For **SUDHIR CHAUDHARY & ASSOCIATES**
CHARTERED ACCOUNTANTS

Sd/-
SUDHIR CHAUDHARY (PARTNER)
M.NO. 91302
F. No. 015222N

Place : Faridabad
Dated : 30th May 2011

**ADDITIONAL INFORMATION AS REQUIRED UNDER PART IV OF
SCHEDULE VI TO THE COMPANIES ACT, 1956
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

REGISTRATION DETAILS :

CIN No. U80904HR2010PLC041288 STATE CODE: 05 BALANCE SHEET DATE : 31/03/2011

CAPITAL RAISED DURING THE YEAR (AMOUNT IN ₹ '000) :

PUBLIC ISSUE/RIGHTS ISSUE/ BONUS ISSUE / PRIVATE PLACEMENT: NIL

POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMOUNT IN ₹ '000) :

TOTAL LIABILITIES	2450	TOTAL ASSETS	2450
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SOURCE OF FUNDS (AMOUNT IN ₹ '000)

PAID UP CAPITAL	1000	RESERVES & SURPLUS	NIL
UNSECURED LOANS	NIL	SECURED LOANS	NIL
DEFERRED TAX LIABILITY	NIL	APPLICATION MONEY	1450

APPLICATION OF FUNDS (AMOUNT IN ₹ '000)

NET FIXED ASSETS	581	INVESTMENT	NIL
NET CURRENT ASSETS	1345	MISC. EXPENDITURE	524
ACCUMULATED. LOSSES	NIL		

PERFORMANCE OF COMPANY (AMOUNT IN ₹ '000)

TURNOVER	NIL	EXPENDITURE	NIL	PROFIT BEFORE TAX	NIL
PROFIT AFTER TAX	NIL	EARNING PER SHARE	NIL	DIVIDEND	NIL

GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF COMPANY AS PER MONETARY TERMS :

PRODUCT DESCRIPTION :

For and on behalf of the Board of Directors

Sd/-
S.K. JAIN
(Chairman and Managing Director)

Sd/-
ANKUR JAIN
(Director)

As per our report of even date

**For SUDHIR CHAUDHARY & ASSOCIATES
CHARTERED ACCOUNTANTS**

Sd/-
SUDHIR CHAUDHARY (PARTNER)
M.NO. 91302
F. No. 015222N

Place : Faridabad
Dated: 30th May 20110