

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

W/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

PRODUCTION FACILITIES

93-B, 1st Floor, DLF Industrial Estate Phase-I
Faridabad-121003 (Haryana)

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 Nineteenth Annual General Meeting of the shareholders of the Company will be held at Plot No. 93-B, DLF Industrial Estate, Phase-I, Faridabad on Saturday, the 29th day of September, 2012 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, 2012 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. Ramesh Chand Jain, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Sh. Vipin Gupta 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 pass with or without modification(s) the following resolution as 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. S. K. Jain be and is hereby re-appointed as Chairman and Managing Director of the Company with effect from February 1, 2012 for a maximum period of five years, not liable to retire by rotation, on the following remuneration and terms and conditions:

I. Basic Salary

Upto Rs. 2,00,000 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. S. K. 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. S.K. 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. S. K. Jain shall not be entitled to sitting fees for attending Board Meetings/Committees thereof."

Place : Faridabad
Dated : 05/08/2012

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 Saturday 22nd September, 2012 to Saturday, the 29th September, 2012 (both days inclusive).
3. Brief resume of Sh. S K Jain, Sh. Ramesh Chand Jain and Sh. Vipin Gupta 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 dematerialization or physical transfer of shares, please write to Registrar and Share Transfer Agent of the Company M/s Bectal Financial and Computer Services Pvt. Ltd., at Bectal 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 : 05/08/2012

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

EXPLANATORY STATEMENT

[Pursuant to Section 173(2) of the Companies Act, 1956]

ITEM NO. 5

Sh. S.K. Jain was re-appointed as Chairman and Managing Director of the Company for 5 years w.e.f. 1st February, 2007 for a period of five years. Accordingly, his term of office had expired on January 31, 2012. Therefore, on the recommendations of the Remuneration Committee, the Board of Directors in their meeting held on January, 14 2012 re-appointed Sh. S.K. Jain as Chairman and Managing Director effective 1st February, 2012, which was subject to approval by shareholders in general meeting.

The remunerations paid to Sh. S.K. Jain are within the limits of Schedule XIII to the Companies Act, 1956. The details of maximum remuneration proposed to be paid to Sh. S.K. Jain are as set out in the resolution.

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

The proposed resolution is for consideration and approval by the members. None of the Directors except Sh. S. K. Jain, Sh. Ankur Jain and Sh. Madhur Jain is concerned or interested in the resolution.

By the order of the Board

Place : Faridabad
Dated : 05/08/2012

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

SPS INTERNATIONAL LIMITED**DIRECTORS' REPORT**

To
The Shareholders,

Your Directors are pleased to present the Nineteenth Annual Report for the year ended 31st March, 2012.

FINANCIAL RESULTS

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

PARTICULARS	Year ended on	
	31.03.2012	31.03.2011
(₹/Lakh)		
Incomes:		
Net Sales/ Income from operations	1520.44	1205.22
Other Income	5.87	37.62
Total (A)	1526.31	1242.84
Expenditure:		
(Increase)/Decrease in stock in trade	(10.44)	(125.05)
Consumption of raw material	332.76	0
Purchase of traded goods	504.22	931.62
Staff cost	273.95	171.38
Other expenditure	289.10	171.53
Interest	54.65	28.35
Depreciation	57.34	52.53
Total (B)	1501.58	1230.36
Profit (+)/ Loss (-) before tax (A-B)	24.73	12.48
Provision for taxation	4.71	4.82
Provision for Fringe Benefit Tax	0	0
Provision for deferred tax liability	0	0
Net profit (+)/ Loss (-)	20.02	7.66
Paid-up equity shares capital (Face value)	322.59	322.59
Reserves	108.78	101.12
Basic and diluted EPS	0.62	0.24

During the year under review the total income was ₹ 1526.31 Lac as against ₹ 1242.84 Lac in F.Y. 2010-11. The net profits after tax for the year are ₹ 20.02 Lac as against ₹ 7.66 Lac in F.Y. 2010-11.

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 2012-2013 has been paid to Bombay Stock Exchange Ltd.

SUBSIDIARIES

During the year, the Company divested its majority stake in two of its wholly owned subsidiaries viz SPS Printotech Limited and SPS Edutech Limited. Consequently these companies cease to be subsidiaries.

DIRECTORS

Sh. Ramesh Chand Jain and Sh. Vipin Gupta are retiring at the ensuing Annual General Meeting and have offered themselves for re-appointment.

Term of office of Sh S. K. Jain as Chairman and Managing Director came to an end on February 1, 2012. The Board of Directors on recommendation of Remuneration Committee re-appointed him for a further period of five years. The appointment of Sh. S. K. Jain by the Board of Director as Chairman and Managing was subject to approval by shareholders. Accordingly, a resolution has been included in the notice convening Annual General Meeting.

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 3/8/2012 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 5/08/2012 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)(c) 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.

Place : Faridabad

Dated : 05/08/2012

On behalf of the Board of Directors

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 equipments, designing, printing and supply of OMR Application/ Registration forms and Answer sheets, Answer booklets, confidential printing 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	
	2011-12	2011-12
OMR Sheets (In Cr.)	8.23	3.01
OMR Scanners	36	54
Image Scanners	30	31

The demand of the products being offered by the company is increasing during the financial year 2011-12. The sales have increased by 22.80% and the net profit after tax has increased by 61.36%. The company has commenced manufacturing of OMR sheets and stationery which is the essential item for this business. With this backward integration now the company is more confident and hopeful for the better future in its business.

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 ₹ 1526.31 Lac as against ₹ 1242.84 Lac in F.Y. 2010-11. The net profits after tax for the year are ₹ 20.02 Lac as against ₹ 7.66 Lac in F.Y. 2010-11.

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 2012-2013

In view of the increased competition, the Company is taking necessary steps to maintain its leadership position and by maintaining / increasing its growth in all its business areas like sale of OMR Sheets and Scanners and Image Scanners during the financial year 2012-13. The company has envisaged a massive cost effective program to make its products competitive with the quality at par. The participation of company is also increasing in the tender business. New customers are pouring in. The business of the confidential printing is rather secured and remunerative. The company believes that in the forthcoming year its performance will be quite satisfactory.

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 organized. This process has helped in career planning and growth of the employees.

The Company has 73 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 : 05/08/2012

On behalf of the Board of Directors

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

REPORT ON CORPORATE GOVERNANCE

ANNEXEURE-II

Company's philosophy on Corporate Governance

SPS International Limited (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 within the regulatory framework. In addition to the basic governance issues, SPS 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 all 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 2012, SPS's Board has six Directors, three of whom are Executive Directors, while the remaining three are all non-executive independent Directors. The Chairman is Executive Director

Composition of the Board as on 31st March 2012.

Sl No	Name of Director	Category of Director	No. of other Directorships	No. of Board Level Committees memberships/chairpersonship/ membership in other Indian public companies held	
				Chairperson	Member
1	Sh. S.K. Jain	Executive, Promoter	2	-	1
2	Sh. Ankur Jain	Executive, Promoter	2	-	1
3	Sh. Madhur Jain	Executive, Promoter	2	-	1
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.

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.

Sh. S. K. Jain is father of Sh. Ankur Jain and Sh. Madhur Jain.

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 2011-12, the Board of Directors met 12 times on 5th May 2011, 30th May 2011, 6th June 2011, 1st July 2011, 12th August 2011, 30th September 2011, 12th November 2011, 17th December 2011, 14th January, 2012, 3rd February 2012, February 14, 2012 and 16th March 2012. The longest gap between any two Board meetings did not exceed 4 months.

Attendance record of Board of Directors as on 31st March, 2012. (Total Meetings held-12)

Name of Director	No of Board meetings attended	Whether attended last AGM
Sh. S.K. Jain	12	Yes
Sh. Shreyans Kumar Patni	12	Yes
Sh. Vipin Gupta	12	Yes
Sh. Ankur Jain	12	Yes
Sh. Madhur Jain	12	Yes
Sh. R. C. Jain	12	Yes

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 judgement 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)	Amount (Rs.)		Total
					Commission	Terminal Benefits	
Sh. S.K. Jain	12,00,000	-	-	1,44,000	-	-	13,44,000
Sh. Shreyans Kumar Patni	-	10,500	-	-	-	-	10,500
Sh. Vipin Gupta	-	10,500	-	-	-	-	10,500
Sh. R.C. Jain	-	10,500	-	-	-	-	10,500
Sh. Ankur Jain	12,00,000	-	-	1,44,000	-	-	13,44,000
Sh. Madhur Jain	12,00,000	-	-	1,44,000	-	-	13,44,000
Total	36,00,000	31,500	-	4,32,000	-	-	40,63,500

There is no formal service contract with the Executive Directors of the Company. Their term of appointment and separation are governed by the Shareholders' Resolution, Company's Article of Association and Company's Rules and Regulations for other employees. There is no provision for any separation fee for the Executive Directors.

Shares and Convertible instruments held by Non-executive Directors

As on 31st March, 2012, 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, 2012 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	300
Sh. R. C. Jain	Nil

Committees of the Board

Audit Committee

As on 31st March, 2012, 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 2011-12, the Committee met 4 times on 30th May 2011, 12th August 2011, 12th November, 2011 and 14th February 2012.

Details of the Audit Committee as on 31st March 2012 (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. Ramesh Chand C. Jain	Independent Director	4

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. Ramesh Chand 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 2011-12, the Committee met Twice on 12th August, 2011 and 14th January, 2012.

Details of the Remuneration Committee as on 31st March 2012 (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. R. Ramesh Chand Jain	Independent Director	2

Shareholders/Investors Grievance Committee

As on 31st March, 2012, 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 2011-12, the Committee met 5 times.

Details of Shareholders' and Investors' Grievance Committee as on 31st March, 2012 (Total Meetings held-5)

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

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 2012, 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 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 2012 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)

Risk Management

The Company has clear procedures as part of its internal audit process for risk assessment and its minimisation. These procedures are being periodically reviewed to ensure that management controls risk through means of a properly defined framework.

Shareholders

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

Sh. Ramesh Chand Jain (56) has more than 32 years of experience in Banking Sector is a working in State Bank of India since 1980. Besides he has wide exposure of LIC LICbusiness, LIC Housing finance etc. He is also associated in number of social organizations.

He is retiring by rotation at the ensuing AGM and . He has given his consent to act as the Director of the Company.

Sh. Ramesh Chand Jain is not director in any other Public Limited Company. He is member of Audit Committee, Shareholders'/Investors' Grievance Committee and the Remuneration Committee of the Company.

Sh. Vipin Gupta (41) is Chartered Accountant by profession and has over 13 years of experience. He is member of Audit Committee, Shareholders' /Investors' Grievance Committee and the Remuneration Committee of the Company. He holds 300 Shares in the company.

Sh. S. K. Jain (56) is being proposed to be reappointed as Chairman and Managing Director for a further period of 5 years effective 1st February, 2012.

Sh. S.K. Jain is a member of Institute of Chartered Accountants of India since 1981. He has varied experience in the matters relating to Finance, Accounting, Corporate affairs. He promoted the company in 1993 and has been associated with it since then and has been instrumentally growth made by the company.

Sh. S. K. Jain is director in two other Public Limited Company viz. Solitaire Printotech Ltd and SPS Edutech Limited. He is member of Shareholders'/Investors' Grievance Committee of the Company. He holds 72000 equity shares of the company.

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
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
2010-11	93-B, DLF Industrial Estate, Phase-I, Faridabad	30/9/2011	11.00 a.m.	Nil

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

Additional shareholder information

Annual General Meeting

Date : Saturday, 29th September 2012

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 2012

During the year ended 31 March 2012, results were announced on:

30 th May 2011	: Annual financial results
12 th August 2011	: First Quarter
12 th November 2011	: Second Quarter
14 th February 2012	: Third quarter

The tentative schedule for the financial year 2012-13:

July August 2012 (last Second week) : First quarter

October November 2012 (Secondlast week) : Half yearly

January February 2013 (third Second week) : Third quarter

June May 2013 (last week) : Annual and Fourth quarter

Book Closure Date

Saturday 22nd September, 2012 to Saturday, the 29th September, 2012 (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 2012-2013 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 2011-12 is as under:

Year 2011-12	Price of Share of the Company at BSE			BSE SENSEX	
	High (Rs.)	Low (Rs.)	Volume (Nos.)	High	Low
April	5.90	5.60	2414	19,811.14	18,976.19
May	6.61	5.07	10285	19,253.87	17,786.13
June	6.61	6.50	1333	18,873.39	17,314.38
July	6.20	4.76	15355	19,131.70	18,131.86
August	5.45	4.46	207	18,440.07	15,765.53
September	4.45	3.30	11134	17,211.80	15,801.01
October	5.00	3.67	13361	17,908.13	15,745.43
November	5.24	4.37	3228	17,702.26	15,478.69
December	4.16	3.77	4004	17,003.71	15,135.86
January	4.25	3.81	5106	17,258.97	15,358.02
February	4.25	3.31	1239	18,523.78	17,061.55
March	3.90	3.32	8498	18,040.69	16,920.61

Distribution of shareholding

Distribution of shareholding by number of shares held as on 31st March, 2012

No. of equity shares held	No. of share holders	% of shareholders	No. of shares	% of share holding
Upto 500	1952	78.43	348422	10.8008
501 - 1000	230	9.24	193508	5.9986
1001-2000	151	6.07	249067	7.7209
2001-3000	54	2.17	136478	4.2307
3001-4000	20	0.80	71207	2.2074
4001-5000	24	0.96	112416	3.4848
5001-10000	29	1.17	211594	6.5592
10000 and above	29	1.17	1903206	58.9977
Total	2489	100.00	3225900	100.0000

Distribution of shareholding by shareholding pattern as on 31st March, 2012

SL. NO	CATEGORY	NO. OF SHARES HELD	% AGE OF HOLDING
A.	Shareholding of promoter and promoter group	1261980	39.12
B.	Public Shareholding		
	Bodies Corporate	291317	9.03
	Individual shareholders holding nominal share capital up to Rs. 1 Lac	1138984	35.31
	Individual shareholders holding nominal share capital in excess of Rs. 1 Lac	414275	12.84
	NRI's	41684	1.29
	HUF	77660	2.41
	Total	3,225,900	100.00

Dematerialisation of shares as on 31st March 2012

There were 24,09,390 shares in electronic form, which constitute 74.68 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. are 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

The Company is fully compliant with the applicable mandatory requirements of the Clause 49 of the Listing Agreement.

As part of Non-mandatory requirements, the Company has constituted 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, 2012 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 2012 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 : 05/08/2012

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

ANNEXURE -III

Disclosures under section 217 (1)(c) 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	2011-12	2010-11
1. Electricity		
a) Purchased unit	140371	120111
Total amount	1079400	547620
Rate / Unit (₹)	7.69	5.75
b) Own generation through DG Sets/Turbine	36418	32689
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	Nil
2. Outgo (₹ in lac)	262.67	245.97

Place : Faridabad
Dated : 05/08/2012

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, 2012 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, 2012 and taken on record by the Board of Director's, we report that none of the Director's is disqualified as on 31st March, 2012 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, 2012;
 - 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 : 30/05/2012

For Sudhir Chaudhary & Associates
Chartered Accountants

Sd/-
Sudhir Chaudhary (Partner)
M. No. 091302
F.R No. 015222N

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, 2012**)

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 2012 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 : 30/05/2012

For Sudhir Chaudhary & Associates
Chartered Accountants

Sd/-
Sudhir Chaudhary (Partner)
M.No. 091302
F.R No. 015222N

SPS INTERNATIONAL LIMITED
BALANCE SHEET FOR THE PERIOD ENDED ON 31ST MARCH, 2012

Particulars	Note No.	Amount (Rs.) As at 31.03.2012	Amount (Rs.) As at 31.03.2011
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	4	32,259,000.00	32,259,000.00
(b) Reserves and Surplus	5	12,789,773.00	10,876,705.00
(2) Non-Current Liabilities			
(a) Long-Term Borrowings	6	47,033,972.00	25,965,030.00
(b) Deferred Tax Liabilities (Net)	7	-	601,324.00
(3) Current Liabilities			
(a) Trade Payables	8	50,236,987.00	22,125,227.00
(b) Other Current Liabilities	9	19,882,958.00	16,607,968.00
(c) Short-Term Provisions	10	2,316,029.00	5,558,869.00
TOTAL		164,620,719.00	113,994,123.00
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
(i) Tangible assets	11	41,982,047.00	33,989,001.00
(ii) Intangible assets		444,766.00	6,014.00
(b) Other Non-Current Assets	12	8,416,160.00	12,226,351.00
(c) Deferred Tax Assets (Net)		321,117.00	-
(d) Long term loans and advances	13	9,474,121.00	3,771,143.00
(2) Current Assets			
(a) Inventories	14	26,711,138.00	25,666,871.00
(b) Trade receivables	15	59,575,029.00	22,174,607.00
(c) Cash and cash equivalents	16	2,351,694.00	3,741,245.00
(d) Short-term loans and advances	17	15,304,641.00	12,418,891.00
TOTAL		164,620,719.00	113,994,123.00
SIGNIFICANT ACCOUNTING POLICIES			
	1		

"The Schedule 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 Board Of Directors

Sd/-

S.K. Jain

(Chairman & managing Director)

DIN:- 00088064

Sd/-

Meenu Kapoor

(Company Secretary)

M. No.: 17867

Sd/-

Ankur Jain

(Whole-Time Director)

DIN:- 00088666

Sd/-

Kanhaya Yadav

(Chief Manager - F & A)

As Per our Report of Even date

For Sudhir Chaudhary & Associates

Chartered Accountants

Sd/-

Sudhir Chaudhary (Partner)

M.No. 091302

F.R.No. 015222N

Place: Faridabad

Date :30.05.2012

SPS INTERNATIONAL LIMITED
PROFIT & LOSS STATEMENT FOR THE PERIOD ENDED ON 31st MARCH, 2012

Sr. No.	Particulars	Note No.	Amount (Rs)	
			For the year ended 31.03.2012	For the year ended 31.03.2011
I	Revenue from operations	18	152,044,773.00	120,522,039.00
II	Other Income	19	587,158.00	3,761,278.00
III	Total Revenue (I+II)		152,631,931.00	124,283,317.00
IV	Expenses:			
	Cost of materials Consumed	20	33,275,829.00	
	Changes in inventories of finished goods & work-in-progress and Stock-in-Trade	21	1,044,267.00	12,505,344.00
	Personnel Expenses	22	27,395,298.00	17,138,239.00
	Financial Costs	23	5,890,320.00	2,834,547.00
	Depreciation and Amortization Expenses	24	6,065,129.00	5,403,183.00
	Other Expenses	25	79,587,667.00	110,166,304.00
	Total Expenses		151,169,976.00	123,036,929.00
V	Profit Before Tax		1,461,955.00	1,246,388.00
VI	Tax Expense & Provision:			
	(1) Current tax		471,328.00	863,035.00
	(2) Deferred tax		922,441.00	391,472.00
VII	Profit for the period		1,913,068.00	764,825.00
VIII	Earning per equity share:			
	(1) Face Value per Share		10.00/-	10.00/-
	(2) Basic & Diluted		0.59	0.24
SIGNIFICANT ACCOUNTING POLICIES			1	

"The Schedule 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 Board Of Directors
Sd/-

S.K. Jain
(Chairman & managing Director)
DIN:- 00088064

Sd/-

Ankur Jain
(Whole-Time Director)
DIN:- 00088666

Sd/-
Meenu Kapoor
(Company Secretary)
M. No.: 17867

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

As Per our Report of Even date

For Sudhir Chaudhary & Associates
Chartered Accountants

Sd/-
Sudhir Chaudhary (Partner)
M.No. 091302
F.R No. 015222N

Place: Faridabad
Date :30.05.2012

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 2012

1. CORPORATE INFORMATION

SPS International Ltd. is a Limited Company domiciled in India and incorporated under the provisions of Companies Act, 1956 on 18.01.1993 which was originally incorporated under the name of SPS Data Products Private Limited with the main object to act as consultant and advisors for all kinds of accounts, Finance, Issue of Shares, Company Secretarial Work and to undertake all the above and allied jobs on assignment. Consequently upon name change it was registered under the name of SPS Data Products Limited on 22.05.1995. The company is currently engaged in sale and purchase of scanners and providing services of Repair and Maintenance of Scanners and Annual Maintenance Contract Basis. The company is also engaged in data processing of various universities and Government Recruitment Agencies.

2. BASIS OF ACCOUNTING

The Financial statement have been prepared under the historical cost convention, on a going concern basis and in accordance with the generally accepted accounting principles and the provisions of companies Act, 1956, as adopted consistently by the company. The company generally follows mercantile system of accounting and recognizes significant items of Income and expenditure on accrual basis.

3. USE OF ESTIMATES

In preparing the Company's financial statements in conformity with accounting principles generally accepted in India, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of revenue and expenses during the reporting period, actual results could differ from those estimates.

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

B) FIXED ASSETS

- Fixed Assets are stated at cost less accumulated depreciation. The cost of asset comprised of purchase price and directly attributable cost of bringing the asset 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.

C) 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

D) BORROWING COST

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

E) IMPAIRMENT OF ASSETS

An Asset is impaired if there is sufficient indication that the carrying cost would exceed the recoverable cash generating asset. In that event an impairment loss so computed would be recognised in the accounts in the relevant year.

F) INVENTORIES

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

Stock of Finished Goods
 Stock of Raw Material
 Stock of Work in Progress
 Stock of Scrap

At Cost or Market Value whichever is lower (FIFO)
 At Cost or Market Value whichever is lower (FIFO)
 At Cost or Market Value whichever is lower (FIFO)
 At Cost or Market Value whichever is lower (FIFO)

G) 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.

H) 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

I) 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.

J) CASH FLOW STATEMENT

Cash Flow are reported using the indirect method, whereby a profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, financing and investing activities of the company are segregated.

K) EARNING PER SHARE (EPS)

The earning considered in ascertaining the Company's EPS comprises the net profit after tax. The number of shares used in computing Basic EPS is the weighted average number of shares outstanding during the year.

L) AMORTIZATION OF PRELIMINARY EXPENSES, PUBLIC ISSUE EXPENSE 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.

M) AMORTIZATION OF DEVELOPMENT EXPENSES

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

N) PROVISIONS, CONTINGENT LIABILITIES & CONTINGENT ASSETS

provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Liabilities which are material and whose future outcome cannot be ascertained with reasonable certainty, are treated as contingent, and disclosed by way of notes to the accounts. Contingent assets are neither recognised nor disclosed in Financial statements

O) GRATUITY:

The Company has been providing for the Gratuity to the extent it is accrued at the end of financial year. However such Gratuity is paid when it becomes actually due. Contingent liabilities are not provided for in the accounts and shown separately in notes to accounts

P) BONUS

Provision for bonus is made according to the provisions of bonus act, 1965.

NOTE : 4 Share Capital

Sr. No	Particulars	Amount (Rs.)	
		Current Year	Previous Year
1	AUTHORIZED CAPITAL 1000000 (1000000) Equity Shares of Rs. 10/- each	100,000,000.00	100,000,000.00
2	ISSUED, SUBSCRIBED & PAID UP CAPITAL 3225900 (3225900) Equity Shares of Rs. 10/- each, Fully Paid	32,259,000.00	32,259,000.00
	Total in INR	32,259,000.00	32,259,000.00

A) RECONCILIATION OF THE SHARES OUTSTANDING AT THE BEGINNING AND AT THE END OF THE REPORTING PERIOD

Particulars	Amount (Rs.)			
	31st March, 2012		31st March, 2011	
Equity Shares of Rs. 10/- each fully paid	No. of shares	Amount of shares	No. of shares	Amount of shares
At the Beginning of the period	3,225,900.00	32,259,000.00	3,225,900.00	32,259,000.00
Issued During the Year	-	-	-	-
Outstanding at the end of the period	3,225,900.00	32,259,000.00	3,225,900.00	32,259,000.00

B) TERMS/RIGHT ATTACHED TO EQUITY SHARES

The company has only one class of equity shares having par value of Rs10/- per share. Each holder of equity shares is entitled one vote per Equity share.

C) DETAILS OF SHAREHOLDERS HOLDING MORE THAN 5% SHARES IN THE COMPANY

Equity Shares of Rs. 10/- each fully paid	31st March, 2012		31st March, 2011	
	No. of shares	Percentage of Holding	No. of shares	Percentage of Holding
SPS Infratech Pvt. Ltd	829,488.00	25.71	829,488.00	25.71
Madhur Jain	161,357.00	5.00	155,000.00	4.80
Ankur Jain	185,935.00	5.76	178,915.00	5.55

NOTE : 5 RESERVES AND SURPLUS

Sr. No	Particulars	Amount (Rs.)	
		Current Year	Previous Year
1	General Reserve		
	Opening Balance	2,400,000.00	2,400,000.00
	Add: During the Year	-	-
	Closing Balance	2,400,000.00	2,400,000.00
2	Surplus in Statement of Profit and Loss		
	Opening Balance	8,476,705.00	7,711,880.00
	Add: Profit for the Year	1,913,068.00	764,825.00
	Closing Balance	10,389,773.00	8,476,705.00
	Total (Sum of 1 to 2)	12,789,773.00	10,876,705.00

NOTE : 6 Long Term Borrowings

Sr. No	Particulars	Amount (Rs.)			
		Non Current Portion		Current maturities	
		Current Year	Previous Year	Current Year	Previous Year
1	Secured Loans:				
	Corporation Bank CMTCC (Secured by Residential Property of Directors payable monthly)	20,067,771.00	-	-	-
	HDFC Bank - Car Loan (BMW -1)	718,989.00	1,446,286.12	843,691.00	800,321.00
	HDFC Bank - Car Loan (BMW -2) (Secured by BMW Cars payable monthly)	718,988.00	1,446,285.12	843,692.00	800,322.00
	HDFC Bank - Term Loan (Secured by Head Office Property payable monthly)	24,990,155.00	22,188,559.00	6,228,000.00	5,611,180.00
2	Unsecured Loans:				
a)	ICICI Bank - OD A/c	938,069.00	883,900.00	-	-
		47,033,972.00	25,965,030.24	7,915,443.00	7,211,823.00
	Total of current maturities Disclosed Under the head Other Current Liabilities Ref. Note No. 11			7,915,443.00	
	Total	47,033,972.00	25,965,030.00	7,915,443.00	7,211,823.00

NOTE : 7 Deferred Tax Liability			Amount (Rs.)	
Sr. No	Particulars	Curent Year	Previous Year	
1	Tax Effect of Items constituting deferred tax Liability on difference between book balance and tax balance of Fixed Assets	1,523,765.52	601,324.20	
	Total	1,523,765.00	601,324.00	
NOTE: 08 Trades Payables			Amount (Rs.)	
Sr. No	Particulars	Curent Year	Previous Year	
1	Sundry Creditors for Material/Supplies	47,182,907.00	20,136,325.00	
2	Sundry Creditors for Others	3,056,080.00	1,968,902.00	
	Total	50,238,987.00	22,125,227.00	
Disclosures required under Section 22 of the Micro, small and medium Enterprises Development Act, 2006 Particulars		As At	As At	
		31.03.2012	31.03.2011	
Principal Amount remaining unpaid to any supplier at the end of the accounting year There are no specific claims from suppliers for interest on delayed payments No interest is accrued or provided for in respect of interest payable to these small/medium enterprises.		NA	NA	
NOTE : 09 Other Current Liabilities			Amount (Rs.)	
Sr. No	Particulars	Curent Year	Previous Year	
1	Statutory Remittances	857,383.00	867,749.00	
2	Liability towards Revenue Expenses	3,362,560.00	2,454,099.00	
3	Advance from customers	416,059.00	839,247.00	
4	Other's Liabilities	6,681,513.00	5,235,050.00	
5	Current maturities of long term borrowings (including finance lease obligation)	7,915,443.00	7,211,823.00	
6	Security Deposits Received	550,000.00	-	
	Total	19,982,958.00	16,607,968.00	
NOTE: 10 Short Term Provisions			Amount (Rs.)	
Sr. No	Particulars	Curent Year	Previous Year	
1	Employees Benefit			
	Contribution To PF	174,940.00	120,918.00	
	Contribution To Gratuity Fund	1,669,761.00	1,404,416.00	
2	Others			
	Provision for Current Taxation	471,328.00	4,033,535.00	
	Total	2,316,028.00	5,558,869.00	

SPS INTERNATIONAL LIMITED

Schedules Forming Integral Part of the Balance Sheet as at 31st March, 2012

NOTE : 11 Fixed Asset

Sr. No	Particulars	Rate	Gross Block				Depreciation				Net Block		
			As on 01.04.2011	Addition during the year	Sale during the year	Total as on 31.03.2012	Up to 01.04.2011	Addition during the year	Adjustment	Up to 31.3.2012	As At 31.03.2012	As At 31.03.2011	
I	Tangible Assets												
I	Land, Sant Nagar												
II	Land - W-12, Okha	0.00%	10,235,797.00	-	-	10,235,797.00	-	-	-	-	-	10,235,797.00	10,235,797.00
III	Land - Plot No. 1204/2	0.00%	1,754,500.00	-	1,754,500.00	-	-	-	-	-	-	1,754,500.00	1,754,500.00
IV	Land - Plot No. 1370/2	0.00%	1,754,400.00	-	1,754,400.00	-	-	-	-	-	-	1,754,400.00	1,754,400.00
V	Land - Plot No. 1422/2	0.00%	1,756,500.00	-	1,756,500.00	-	-	-	-	-	-	1,756,500.00	1,756,500.00
VI	Building, Sant Nagar	5.00%	5,00%	-	-	-	-	-	-	-	-	-	-
VII	Building, W-12, Okha	5.00%	5,00%	-	-	-	-	-	-	-	-	-	-
	Plant & Machinery												
I	Electric Equipments, Sant Nagar	13.91%	13.91%	548,407.00	-	7,373,807.00	722,994.00	305,156.00	-	1,028,150.00	6,345,657.00	6,345,657.00	6,345,657.00
II	Electric Equipments, W-12, Okha	13.91%	2,289,895.00	511,150.00	-	2,801,045.00	547,234.00	280,346.00	-	827,580.00	1,973,465.00	1,973,465.00	1,973,465.00
III	Office Equipments, W-12, Okha	13.91%	1,009,979.00	305,888.00	-	1,315,867.00	632,370.00	79,776.00	-	712,146.00	603,721.00	603,721.00	603,721.00
IV	Plant & Machinery	13.91%	13.91%	15,605,589.00	-	15,605,589.00	-	1,334,654.00	-	1,334,654.00	14,270,935.00	14,270,935.00	14,270,935.00
	Vehicles												
I	Vehicles	25.89%	25.89%	412,387.00	44,248.00	14,132,806.00	8,634,672.00	1,360,990.00	37,760.00	10,197,902.00	3,934,904.00	3,934,904.00	3,934,904.00
	Furniture & fixtures												
I	Furniture & Fixtures, Sant Nagar	18.10%	18.10%	650,935.00	-	1,571,984.00	275,913.00	162,967.00	-	438,880.00	1,133,104.00	1,133,104.00	1,133,104.00
II	Furniture & Fixtures, W-12, Okha	18.10%	921,048.00	650,935.00	-	1,571,984.00	275,913.00	162,967.00	-	438,880.00	1,133,104.00	1,133,104.00	1,133,104.00
	Computer												
I	Computer	40.00%	40.00%	626,037.00	-	65,275,656.00	59,825,631.00	2,051,670.00	-	61,857,241.00	3,418,415.00	3,418,415.00	3,418,415.00
II	Peripherals Assets												
	Computers & Softwares												
	Sub-TOTAL (A)		104,898,858.00	18,435,630.00	8,309,648.00	118,028,571.00	70,901,874.00	8,734,944.00	37,790.00	76,636,789.00	42,429,813.00	38,215,981.00	38,215,981.00
	(Previous Year)		107,114,802.00	8,722,833.00	8,840,748.00	124,678,383.00	71,284,542.00	8,283,138.00	8,248,104.00	70,001,574.00	33,586,018.00	36,415,556.00	36,415,556.00

SPS INTERNATIONAL LIMITED

NOTE : 12 Other Non Current Assets

Amount (Rs.)

Sr. No.	Particulars	Current Year	Previous Year
1	Deferred Expenditure	2,971,666.00	3,301,851.00
2	Other Investments (Refer B below)		
	(a) Investment in Equity Instruments		
	Solitare Printotech Ltd.	2,300,000.00	4,400,000.00
	SPS Edutech Ltd.	460,000.00	1,000,000.00
	(b) Other non-current investments		
	Application Money Pending For Allotment -		
	Solitare Printotech Ltd.	1,474,500.00	2,074,500.00
	SPS Edutech Ltd.	1,250,000.00	1,450,000.00
	Total	8,456,166.00	12,226,351.00

NOTE : 13 Long Term Loans and Advances

Amount (Rs.)

Sr. No.	Particulars	Current Year	Previous Year
1	Security Deposit		
	a) Unsecured, Considered Good	9,474,121.00	3,771,143.00
	Total	9,474,121.00	3,771,143.00

NOTE : 14 Inventories

Amount (Rs.)

Sr. No	Particulars	Current Year	Previous Year
1	Work-in-Progress	5,939,460.00	1,001,514.00
2	Preprinted Stationery	236,842.00	1,581,600.00
3	OMR Sheers	4,634,199.00	2,975,696.00
4	Scanners	13,193,245.00	16,893,372.00
5	Stores & Spares	2,566,821.00	2,259,952.00
6	Packing Materials (Loose Tools)	136,571.00	917,220.00
7	Computer & General Stationeries		237,517.00
	Total	26,711,138.00	25,666,871.00

NOTE : 15 Trade Receivables

Amount (Rs.)

Sr. No	Particulars	Current Year	Previous Year
	Unsecured, considered good unless stated otherwise		
	Outstanding for the period exceeding six months from the date they are due for payment		
1	a) Unsecured, Considered Good	59,575,029.00	22,174,607.00
	Total	59,575,029.00	22,174,607.00

NOTE : 16 Cash & Cash Equivalent

Sr. No	Particulars	Amount (Rs.)	
		Current Year	Previous Year
1	Cash-in-Hand Cash Balance		
	Sub Total (A)	76,929.00	40,710.00
		76,929.00	40,710.00
2	Bank Balances		
	With Scheduled Bank on Current account		
	Corporation bank CCSOL	146,691.00	53,213.00
	SBI- Faridabad	35,193.00	35,193.00
	Axis Bank - Okhla	869,658.00	17,305.00
	Aus Bank- Faridabad	42,101.00	1,322,373.00
	HDFC Bank	1,181,132.00	2,272,451.00
	Sub Total (B)	2,274,765.00	3,700,535.00
	Total (A + B)	2,351,694.00	3,741,245.00

NOTE : 17 Short Terms Loans and Advances

Sr. No	Particulars	Amount (Rs.)	
		Current Year	Previous Year
	Advances (Unsecured Considered Goods)		
1	Advance to Suppliers of materials	6,123,522.00	
2	Advance against Capital Expenditure	3,172,000.00	3,172,000.00
3	Balance with Revenue Authorities (Indirect Tax)	3,324,000.00	4,819,130.00
4	Advances to Employees	720,525.00	227,926.00
5	Income Tax Recoverable	785,595.00	
6	Interest Accrued On FDR	60,239.00	498,069.00
7	Other Recoverable	924,869.00	3,701,746.00
8	Prepaid Expenses	193,891.00	
	Total	15,304,641.00	12,418,891.00

SPS INTERNATIONAL LIMITED

NOTE : 18 Revenue from Operations

Amount (Rs.)

Sr. No	Particulars	Current Year	Previous Year
1	Sales	137,738,162.00	107,055,627.00
	(A)	137,738,162.00	107,055,627.00
2	Services	16,886,264.00	19,704,549.00
	(B)	16,886,264.00	19,704,549.00
3	Other Operating Revenues	3,750,349.00	602,784.00
	Sum (A+B+C)	158,374,775.00	127,362,960.00
	Less:- Sales Tax (1)	4,696,415.00	4,974,096.00
	Less:- Service Tax (2)	1,631,587.00	1,866,825.00
	Total Tax (1+2) (D)	6,330,002.00	6,840,921.00
	Total (A+B+C-D)	152,044,773.00	120,522,039.00

NOTE : 19 Other Income

Amount (Rs.)

Sr. No	Particulars	Current Year	Previous Year
1	Interest Received (Gross)	23,657.00	179,947.00
2	Profit on Sale of Assets	836.00	147,200.00
3	Profit on Sale of Land	14,600.00	1,118,158.00
4	Prior Period Income	459,399.00	409,907.00
5	Insurance Claim Received	-	1,906,066.00
6	Miscellaneous Income	88,666.00	-
	Total	587,158.00	3,761,278.00

NOTE : 20 Cost of Material Consumed

Amount (Rs.)

Sr. No	Particulars	Current Year	Previous Year
a)	PURCHASES OF RAW MATERIALS		
	Opening Stock	-	-
	Add:- Purchases during the year	30,801,490.00	-
	Less:- Closing Stock	-	-
	Consumption during the year (A)	30,801,490.00	-
b)	PURCHASES OF CONSUMABLES		
	Opening Stock	-	-
	Add:- Purchases during the year	2,474,339.00	-
	Less:- Closing Stock	-	-
	Consumption during the year (B)	2,474,339.00	-
	Total of (A+B)	33,275,829.00	-

NOTE : 21 Change in Inventories

		Amount (Rs.)	
Sr. No.	Particulars	Current Year	Previous Year
	<u>Inventories at the end of the year</u>		
1	Finished Goods:		
	Preprinted Stationery	236,842.00	1,581,600.00
	OMR Sheers	4,634,199.00	2,975,696.00
	Scanners	13,193,245.00	16,693,372.00
	Stores & Spares	2,568,821.00	2,259,952.00
	Packing Materials (Loose Tools)	138,571.00	917,220.00
	Computer & General Stationeries		237,517.00
2	Work in Progress	5,939,460.00	1,001,514.00
	TOTAL (A)	26,711,138.00	25,666,871.00
	<u>Inventories at the begining of the year</u>		
1	Finished Goods		
	Preprinted Stationery	1,581,600.00	
	OMR Sheers	2,975,696.00	163,238.00
	Scanners	16,693,372.00	9,632,380.00
	Stores & Spares	2,259,952.00	1,919,387.00
	Packing Materials	917,220.00	247,350.00
	Computer & General Stationeries	237,517.00	206,210.00
		24,665,357.00	12,168,565.00
2	Work-in-Progress	1,001,514.00	992,962.00
	TOTAL (B)	25,666,871.00	13,161,527.00
	Net (A-B) (Increase)	-1,044,267.00	12,505,344.00

NOTE : 22 Personnel Expenses

		Amount (Rs.)	
Sr. No.	Particulars	Current Year	Previous Year
1	Salaries	7,703,566.00	3,661,174.00
2	HRA	3,002,169.00	1,771,882.00
3	Incentives / Overtime Allowances	1,680,640.00	1,145,659.00
4	Medical Allowances	1,719,514.00	863,036.00
5	Transport Allowance & Travelling Allowances	2,224,991.00	2,293,360.00
6	Bonus	1,410,191.00	260,216.00
7	Ex - Gratia	138,888.00	691,032.00
8	Leave Encashments	327,395.00	278,483.00
9	Leave Travelling Allowance	50,041.00	327,020.00
10	PF Contribution	1,153,322.00	760,174.00
11	ESI Contribution	269,763.00	203,840.00
12	Contribution to Approved Gratuity Fund	1,303,329.00	1,237,050.00
13	Staff Welfare	794,193.00	861,443.00
14	Contractor Wages	1,985,249.00	
15	Directors Renumeration	3,600,000.00	2,783,870.00
16	Labour Welfare Fund	4,385.00	
17	Training Expenses	27,652.00	
	Total	27,395,298.00	17,138,239.00

NOTE:23 Financial Cost

Amount (Rs.)

Sr. No	Particulars	Current Year	Previous Year
	Interest Expenses on		
1	Bank Interest	5,465,027.00	2,249,583.00
2	Bank Charges	425,293.00	584,964.00
	Total	5,890,320.00	2,834,547.00

NOTE : 24 Depreciation & Amortised Cost

Amount (Rs.)

Sr. No	Particulars	Current Year	Previous Year
1	Depreciation	5,734,944.00	5,253,136.00
2	Deffered Expenses W/o	330,185.00	150,047.00
	Total	6,065,129.00	5,403,183.00

NOTE : 25 Other Expenses

Amount (Rs.)

Sr. No	Particulars	Current Year	Previous Year
1	Computer & General Stationery	1,525,379.00	1,002,859.00
2	Scanning / Data Entry Charges	735,144.00	1,478,296.00
3	Advertisement Expenses	226,848.00	269,680.00
4	Insurance Charges	267,499.00	376,752.00
5	Electricity & Water Charges	1,243,846.00	561,113.00
6	Freight & Carriage	5,495,366.00	7,988,764.00
7	Legal & Professional Charges	2,657,331.00	293,819.00
8	Travelling & Conveyance	6,015,404.00	2,653,048.00
9	Director's Travelling & Conveyance	202,755.00	378,148.00
10	Director's Meeting Fee	31,500.00	28,500.00
11	Purchases of Sheets , scanners	50,422,079.28	92,159,500.00
12	Telephone, Mobile & Fax Expenses	554,215.00	446,296.00
13	Rent, rates & Taxes	4,560,457.00	707,936.00
14	Repairs and Maintenance	2,002,308	1,056,928
15	Subscription and Periodicals	-	33,098.00
16	Commission	-	43,000.00
17	Postage, Courier & Telegram	492,693.00	59,057.00
18	Donation	165,401.00	251,900.00
19	Training Expenses	-	92,898.00
20	Miscellaneous Expenses	240,961.00	199,784.00
21	Marketing Expenses	243,683.00	44,926.00
22	Auditor's Remuneration	75,000.00	50,000.00
23	Security Charges	385,636.00	-
24	Dwall Expenses	193,538.00	-
25	Foreign Exchange Loss	1,120,978.00	-
27	Intrest on Others	53,527.00	-
28	Prior Period Expenses	681,119.00	-
	Total	79,587,667.28	110,166,304.00

26 Earning per Share

Particulars	Year ended 31.03.2012	Year ended 31.03.2011
Net Profit attributable to Shareholders	1,913,088.00	764,825.00
Weighted average number of Equity Shares (in No.)	0.59	0.24
Weighted earnings per share of Rs. 10/- each	3,242,488.14	3,186,770.83

27 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:

CAPACITY	UNIT	AS AT 31.03.2012	AS AT 31.03.2011
Licensed Capacity	NA	NA	NA
Installed Capacity	NA	NA	NA

a) The Company is IT Company and is engaged in the business of sale/purchase of Optical Mark Readers, Image Scanners, Insight Scanners, and 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.

In the opinion of the management, the value on realisation of current assets, loans and Advances in the ordinary course of business would be less than the amount at which they are stated in the balance Sheet and Provisions for all the known liabilities has been made.

Particulars of goods Traded:

Particulars	Current Year		Previous Year	
	Qty. (No.)	Value (Rs.)	Qty. (Nos.)	Value (Rs.)
OMR Sheets				
Opening Stock	1992815	2975696	1,65,300	1,63,238
Purchases	4,76,19,754	1,19,19,673	3,18,89,630	3,18,71,432
Sales	4,21,37,785	4,33,23,362	3,00,62,115	4,48,73,033
Closing Stock	74,74,514	46,34,199	19,92,815	19,75,696
Scanners :				
Opening Stock	24	1,68,93,372	13	98,32,380
Purchases	73	2,01,55,511	96	3,13,05,695
Sales	66	2,48,31,423	85	3,48,41,749
Capitalized	-	-	-	-
Closing Stock	31	1,71,69,467	24	1,68,93,372

28 FOREIGN EXCHANGE EARNING & OUTGOING		CURRENT YEAR	PREVIOUS YEAR
i) VALUE OF IMPORTS ON CIF BASIS SCANNERS STORES AND SPARES		19,253,457.00 2,234,090.00	28,388,453.00 2,283,952.00
ii) EARNING IN FOREIGN EXCHANGE Exchange Earning		NIL	NIL
29 Contingent liabilities and commitments (to the extent not provided for)		As at 31 March 2012	As at 31 March 2011
(i) Contingent Liabilities		Amount (In Lakhs)	
(a) Claims against the company not acknowledged as debt		-	-
(b) Guarantees		13.76	15.86
(c) Other money for which the company is contingently liable		13.76	15.86
(ii) Commitments			
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for		-	-
(b) Uncalled liability on shares and other investments partly paid		-	-
(c) Other commitments (specify nature)		-	-
		13.76	15.86
30 TOTAL EXPENDITURE IN FOREIGN CURRENCY		2,62,66,953	3,13,50,611
31 DEFINED CONTRIBUTION PLAN:			
Contribution to defined contribution plan, recognized as expenses for the year are as under:			
		2011-2012	2010-2011
Particulars			
Employer's contribution to provident fund (Rs.)		11,53,322/-	7,60,174/-
Employer's contribution to Gratuity Fund		18,69,761/-	14,04,416/-
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.			
32 INVESTMENT DETAILS:		31.03.2012	31.03.2011
a) LIC Group Gratuity Policy		100	100
33 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 assets		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
		Ages & Withdrawal Rate (%)	Ages & Withdrawal Rate (%)
ii) Withdrawal Rates		Up to 30 years - 3 Up to 44 years - 2 Above 44 years - 1	Up to 30 years - 3 Up to 44 years - 2 Above 44 Years - 1

34. CHANGE IN PRESENT VALUE OF OBLIGATION

Sl. No.	Particulars	Gratuity (Funded) 31/03/2012	Gratuity (Funded) 31/03/2011
a)	Present value of obligation as at the beginning	31,03,2012	31,03,2011
b)	Acquisition adjustment	28,10,664	23,37,351
c)	Interest cost	-	-
d)	Past service cost	2,38,908	1,86,988
e)	Current service cost	-	4,22,470
f)	Curtaiment cost/ (Credit)	1,42,826	2,39,475
g)	Settlement cost/ (Credit)	-	-
h)	Benefits paid	-	-
i)	Actuarial (gain)/ Loss on obligation	(21,08,657)	(9,42,564)
		1,09,572	5,66,944
35	CHANGE IN FAIR VALUE OF PLAN ASSET		
a)	Fair value of plan assets at the beginning of the period	14,06,248	21,66,577
b)	Acquisition adjustment	-	-
c)	Expected return on plan assets	1,28,526	1,94,992
d)	Contributions	9,92,104	3,408
e)	Benefits paid	-	-
f)	Actuarial gain/(loss) on plan assets	(21,08,657)	(9,42,564)
	Actual Return on Plan Assets	(1,26,562)	-16,165
g)	Fair value of plan assets at the end of the period	2,89,695	14,06,248
36	FAIR VALUE OF PLAN ASSETS		
a)	Fair value of plan assets at the beginning of the period	14,06,248	21,66,577
b)	Acquisition adjustment	-	-
c)	Actual return on plan assets	-	1,78,827
d)	Contributions	9,92,104	3,408
e)	Benefits paid	-	-
f)	Fair value of plan assets at the end of the period	(21,08,657)	(9,42,564)
g)	Funded Status	2,89,695	14,06,248
f)	Excess of actual over estimated return on Plan Assets	16,94,761	(14,04,416)
		(1,26,562)	-16,165
37	ACTUARIAL GAIN/LOSS RECOGNIZED		
a)	Actuarial gain/(loss) for the period obligation	9,00,717	(5,66,944)
b)	Acquisition gain/(loss) for the period plan assets	1,26,562	16,165
c)	Total gain/loss for the period	10,27,279	5,83,109
d)	Actuarial gain/loss recognized in the period	10,27,279	5,83,109
e)	Unrecognized actuarial (gains) losses at the end of period	-	-

38. THE AMOUNTS RECOGNIZED IN BALANCE SHEET AND RELATED ANALYSIS:

Sl. No.	Particulars	Gratuity 31/03/2012	Gratuity (Funded) 31/03/2011
a)	Present value of obligation as at the end of the period	19,84,456	28,10,664
b)	Fair value of plan assets as at the end of the period	2,89,695	14,06,248
c)	Funded status	(16,94,761)	(14,04,416)
d)	Excess of actual over estimated	(1,26,562)	-16,165
e)	Unrecognized actuarial (gains) losses	-	-
f)	Net asset/ (liability) recognized in balance sheet	(16,94,761)	(14,04,416)

39 EXPENSES RECOGNISED IN STATEMENT OF PROFIT & LOSS:				
a)	Current service cost		1,42,826	2,39,475
b)	Past service cost		-	4,22,470
c)	interest cost		2,38,906	1,86,988
d)	Expected return on plan assets		(1,26,562)	(1,94,992)
e)	Curtailment cost/ (credit)		-	-
f)	Settlement cost/ (credit)		-	-
g)	Net actuarial (Gain)/ loss recognized in the period		10,27,279	(5,83,109)
h)	Expenses recognized in the statement of profit & losses		12,82,449	12,37,050
40 RECONCILIATION STATEMENT OF EXPENSE IN THE STATEMENT OF PROFIT AND LOSS:				
a)	Present value of obligation as at the end of the period		19,84,456	28,10,664
b)	Present value of obligation as at the beginning of the period		28,10,664	23,37,351
c)	Benefits paid		21,08,657	9,42,564
d)	Actual return on plan assets		-	(1,78,827)
e)	Acquisition adjustments		-	-
e)	Excess recognized in the statement of profit & losses		12,82,449	12,37,050
41 AMOUNT FOR THE CURRENT PERIOD				
a)	Present value of obligation as at the end of the period		19,84,456	2,81,664
b)	Fair value of plan assets at the end of the period		2,80,695	14,06,248
c)	Surplus / (Deficit)		(16,94,761)	(14,04,416)
d)	Experience adjustment on plan Liabilities (loss)/ gain		(9,12,987)	(5,66,944)
e)	Experience adjustment on plan Assets (loss) / gain		(1,26,562)	(16165)
42 MOVEMENT IN THE LIABILITY RECOGNIZED IN THE BALANCE SHEET				
			Gratuity (Funded) 31/03/2012	Gratuity (Funded) 31/03/2011
a)	Opening net liability		25,10,664	23,37,351
b)	Express as above		12,82,449	12,37,050
c)	Benefits paid		(21,08,657)	(9,42,564)
d)	Actual return on plan assets		-	1,78,827
e)	Acquisition adjustment		-	-
f)	Closing Liability		19,84,456	28,10,664
43 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. S.K. Jain	Chairman and Managing Director	A. Salary	12,00,000
			B. Club Expenses	3,600
2	Sh. Ankur Jain	Director	A. Salary	12,00,000
			B. Rent	600,000.00
3	Sh. Madhur Jain	Director	A. Salary	12,00,000
			B. Rent- Building	1,20,000
4	Solifare Printotech Limited	Associate	A. Rent- Plant & B. Lease Rent	10,62,500
			C. Capital Asset Purchased- Plant & Machinery	6,37,500
			D. Purchases	1,13,60,504
				4,506,449

- 44 In the opinion of the management, the value on realisation of current assets, loans and Advances in the ordinary course of business would not be less than the amount at which they are stated in the balance Sheet and Provisions for all the known liabilities has been made.
- 45 Till the year ended 31 March 2011, the company was using pre-revised Schedule VI to the Companies Act 1956, for the preparation and presentation of its financial statements. During the year ended 31 March 2012, the Revised Schedule VI notified under the Companies Act, 1956 has become applicable to the Company. The company has reclassified previous year figure to conform to this year's classification.
- 46 All amounts in the financial statements are rounded off to the nearest Rupee, except as otherwise stated.
- 47 Notes 1-46 are annexed to and form an integral part of the Balance Sheet as at 31.03.2012 and statement of Profit & Loss for the year ended as on that date.

For and on Behalf of Board Of Directors

Sd/-
S.K. Jain
(chairman & managing Director)
DIN:- 00088064

Sd/-
Ankur Jain
(Whole- Time Director)
DIN:- 00088666

Sd/-
Meenu Kapoor
(Company Secretary)
M. No. : 17867

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

As Per our Report of Even date

For Sudhir Chaudhary & Associates
Chartered Accountants

Sd/-
Sudhir Chaudhary (Partner)
M.No. 091302
F.R No. 015222N

Place: Faridabad
Date 30.05.2012

Cash Flow Statement for the Year ended 31st March, 2012

Particulars	Current Year 31.03.2012 (Rs.)	Previous Year 31.03.2011 (Rs.)
A. Cash Flow from Operating activities:		
Net profit before Tax & Extraordinary Items	2,143,074	1,246,368
Adjustments for:		
Depreciation	5,734,944	5,253,136
Interest / Dividend	5,890,320	2,834,547
Preliminary / Deferred Revenue Expenditure	330,185	150,047
Profit / (Loss) on sale of Assets	(15,436)	(1,285,358)
Operating profit before Working Capital Change	14,083,087	8,218,760
Adjustments for:		
Increase / (Decrease) in Sundry Debtors	(45,308,240)	2,945,983
Increase / (Decrease) in inventories	(1,044,267)	(12,505,344)
Increase / (Decrease) in Sundry Creditors	24,401,900	(7,187,487)
Cash Generated from Operation	(7,867,520)	(8,528,088)
Interest Paid	(1,475,598)	(2,062,505)
Income Taxes paid		
Cash flow before extraordinary items	(9,343,118)	(10,590,593)
Net Cash Generated from Operating activities	(9,343,118)	(10,590,593)
B. Cash Flow from Investing activities:		
Purchase of Fixed Assets	(19,438,630)	(6,722,833)
Purchase of Investments		(8,924,500)
Sale of Fixed Assets	5,309,645	4,000,000
Deferred Expenditure		(3,241,851)
Sale of Investments	3,440,000	
Net Cash Generated from Investing activities	(10,688,982)	(14,889,184)
C. Cash Flow from Financing activities:		
Proceeds from Long Term Borrowings	27,455,186	37,553,893
Proceeds from Short Term Borrowings		608,413
Repayment of Financial Lease Liabilities	(5,321,297)	(10,363,301)
Repayment of Financial Interest	(3,989,429)	(772,042)
Net Cash Generated from Financing activities	18,144,460	17,026,963
Net increase / (Decrease) in Cash & Cash equivalents	(1,887,640)	1,547,165
Cash & Cash equivalents at beginning of period	4,239,334	2,692,148
Cash & Cash equivalents at end of period	2,351,694	4,239,334

*The Schedule 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 Board Of Directors

Sd/-

S.K. Jain
(Chairman & Managing Director)

DIN:- 00088064

Sd/-

Meenu Kapoor
(Company Secretary)

M. No.: 17867

Sd/-

Ankur Jain

(Whole-Time Director)

DIN:- 00088666

Sd/-

Kanhaiya Yadav
(Chief Manager - F & A)

As Per our Report of Even date

For Sudhir Chaudhary & Associates
Chartered Accountants

Sd/-

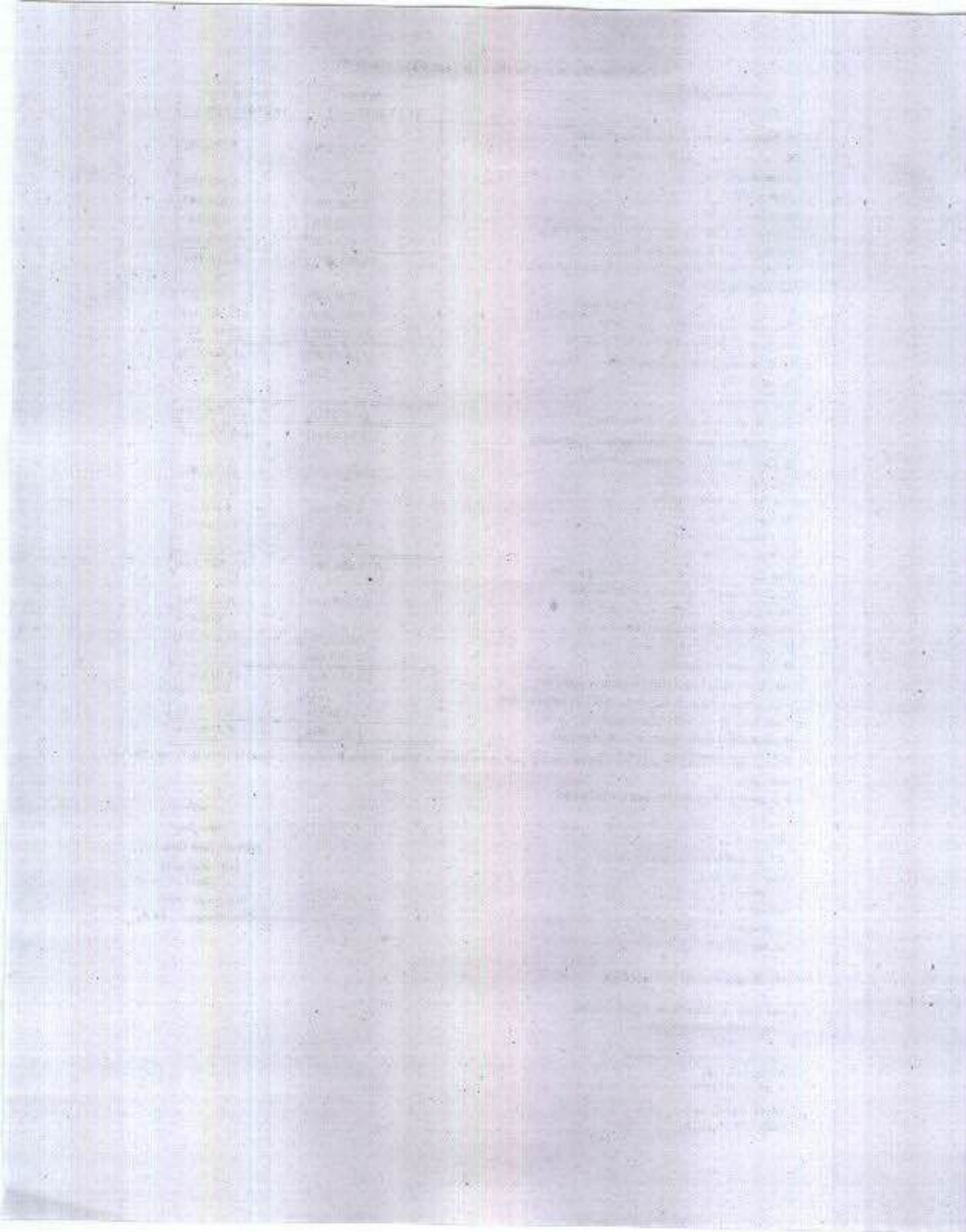
Sudhir Chaudhary (Partner)

M.No. 081302

F.R No. 016222N

Place: Faridabad

Date :30.06.2012



SPS INTERNATIONAL LIMITED
Regd. Office : 402, Sector-21C, Faridabad.

PROXY FORM

I/We of
in the district of being a member/members of SPS INTERNATIONAL LTD hereby
appoint of in the district of
..... or failing him/her
of in the district of as
my/our proxy to attend and vote for me/us and on my/our behalf at the Nineteenth Annual General Meeting of the
Company to be held Saturday the 29th day of September, 2012 and at any adjournment thereof.

As witness my/our hand(s) this day of 2012.

Signed by said shareholder(s)

Regd. Folio No./DPID CLID No. of shares jointly with

Note : The proxy form duly stamped and completed must be deposited at the Regd. Office of the Company not less than 48 hours before the time fixed for holding the aforesaid meeting.

SPS INTERNATIONAL LIMITED
Regd. Office : 402, Sector-21C, Faridabad.

ATTENDANCE SLIP
TO BE HANDED OVER AT THE ENTRANCE OF THE MEETING HALL

Name of the Attending member
(In Block Letters)

Members' Registered Folio No/ DPID CLID

Name of the proxy (in Block Letters)
(To be filled in if the proxy attends instead of the members)

No. of shares held

I hereby record my presence at the Nineteenth Annual General Meeting of the Company held at 93-B, 1st Floor, DLF Industrial Estate, Phase-I, Faridabad on Saturday the 29th day of September, 2012.

.....
Member's/ Proxy's Signature
(To be signed at the time of handing over the slip)

NOTE : The members are requested to bring their own copy of the Annual Report at the AGM.

