

## **SPS INTERNATIONAL LIMITED**



### **BOARD OF DIRECTORS**

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

### **COMPANY SECRETARY**

Ms. Meenu Kapoor

### **AUDITORS**

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

### **BANKERS**

United Bank of India, Faridabad  
HDFC Bank Ltd.,  
New Delhi AXIS Bank Ltd., New Delhi

### **REGISTERED OFFICE**

402, Sector-21C Faridabad-121 001

### **CORPORATE OFFICE**

A-111 & 112, DDA Sheds, Okhla Industrial Area,  
Phase-II, New Delhi- 110 020

### **PRODUCTION FACILITIES**

93-B, 1<sup>st</sup> 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



## SPS INTERNATIONAL LIMITED

### NOTICE

NOTICE is hereby given that the Twentieth 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 28<sup>th</sup> day of September, 2013 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, 2013 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. Madhur Jain, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Sh. Shreyans Kumar Patni 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.

Place : Faridabad  
Dated : 12/08/2013

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 21<sup>st</sup> September, 2013 to Saturday, the 28<sup>th</sup> September, 2013 (both days inclusive).
3. Brief resume of Sh. Shreyans Kumar Patni and Sh. Madhur Jain are given in the Corporate Governance Report.
4. For any information or clarification with regard to accounts, written requests should be made at least 7 days before the Annual General Meeting at the Corporate Office address, so as to enable the management to keep ready the information or clarifications, as the case may be.
5. For any correspondence/ query regarding dematerialization or physical transfer of shares, please write to Registrar and Share Transfer Agent of the Company M/s Beetal Financial and Computer Services Pvt. Ltd., at Beetal House, 99 Madangir, 3rd Floor Behind Local Shopping Centre, Near Dada Harsukhdas Mandir, New Delhi-110 017.
6. Members holding shares in physical form may write to the Registrar and Share Transfer Agent for any change in their address. However, members holding shares in electronic form may write to their DP directly.
7. Members/Proxies should bring the attendance slip duly filled in for attending the meeting.
8. No gifts, coupons, complimentaries etc., shall be distributed at the Annual General Meeting.
9. Ballot papers, if required, for each proposed resolution, will be provided to the members/proxies at the registration counter.
10. The registration counter shall open at 10.00 a.m. and close at 11.00 a.m. and thereafter no registration will be done.
11. Members are requested to bring their copy of Annual Report at the AGM.

Place : Faridabad  
Dated : 12/08/2013

By the order of the Board of Directors

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

# SPS INTERNATIONAL LIMITED

## DIRECTORS' REPORT

To  
The Shareholders,

Your Directors are pleased to present the Twentieth Annual Report for the year ended 31st March, 2013.

### FINANCIAL RESULTS

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

PARTICULARS	(₹/Lakh)	
	Year ended on	
	31.03.2013	31.03.2012
Incomes :		
Net Sales/ Income from operations	1434.03	1520.44
Other Income	47.64	5.87
Total (A)	1481.67	1526.31
Expenditure :		
(Increase)/Decrease in stock in trade	71.09	(10.44)
Consumption of raw material	509.50	332.76
Purchase of traded goods	221.64	504.22
Staff cost	208.19	273.95
Other expenditure	329.84	289.10
Finance Cost	63.97	54.65
Depreciation	48.77	57.34
Total (B)	1453.00	1501.58
Profit (+)/ Loss (-) before tax (A-B)	(8.71)	24.73
Provision for taxation	-	4.71
Provision for Fringe Benefit Tax	-	0
Provision for deferred tax liability	-	0
Net profit (+)/ Loss (-)	(8.71)	20.02
Paid-up equity shares capital (Face value)	322.59	322.59
Reserves	127.90	108.78
Basic and diluted EPS	0.89	0.62

During the year under review the total income was ₹ 1481.67 Lac as against ₹ 1526.31 Lac in F.Y. 2011-12. The net profits/ (Loss) after tax for the year are ₹ (8.71) Lac as against ₹ 20.02 Lac in F.Y. 2012-13.

### DIVIDEND

Due to absence 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 2013-2014 has been paid to Bombay Stock Exchange Ltd.

### DIRECTORS

Sh Shreyans Kumar Jain and Sh. Madhur Jain are retiring at the ensuing Annual General Meeting and have offered themselves for re-appointment. Proposal for their re-appointment is being 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 6/8/2013 to the effect that they are eligible and willing to be re-appointed as auditors of the Company. 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 6/08/2013 from the statutory auditors on compliance with the requirements of clause 49 of the listing agreement is annexed to the Directors' Report and forms part of the Corporate Governance Report.

## **FIXED DEPOSITS**

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

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

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

## **PARTICULARS OF EMPLOYEES**

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

## **ACKNOWLEDGEMENTS**

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

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

**By the order of the Board of Directors**

Place : Faridabad

Dated : 12/08/2013

Sd/-

**S.K. JAIN**

**(Chairman and Managing Director)**

**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	
	2012-13	2011-12
OMR Sheets (In Cr.)	2.94	8.23
Scanners	24	36
Image Scanners	36	30
Exercise book (In Cr.)	0.24	-
Printed Answer booklet	0.03	-

The demand of the products being offered by the company is increasing during the financial year 2012-13. 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 revenue was ₹ 1481.67 Lac as against ₹1526.32 Lac in F.Y. 2011-12. The net profits after tax for the year are ₹ 16.70 Lac as against ₹ 19.13 Lac in F.Y. 2011-12. The increasing financial costs, travelling and transportation costs, less realization of sales in terms of money are the main factors for the stagnancy in business.

**RISKS AND CONCERNS**

The customer base of the company is increasing, despite orders from some of the customers in government sector are not being repeated because the open tender system being followed by them for procurement of materials and services. The costs of imports are linked with the stability of Indian currency with respect to US Dollar. Due to continuous increase in the petroleum products, the costs of transportation, freight and fuel are increasing abnormally and disproportionately. On the contrary the number of players in the market are increasing, who are desperately struggling for business and in turn are causing stress on the product price. There has been phenomenal growth in the number of students in the technical sector and the volume in terms of quantity is going up. Despite this, the revenue in terms of rupee is going down because of the above factors, The only way of survival is cost reduction in the prices of products or rescheduling of product mix. The company is endeavoring on both the directions and is hopeful to get better results in the forthcoming year.

As anticipated earlier, the Government has introduced unified system of examination for entrance in the Engineering Course. The examination of CAT is being conducted through online method. The medical examinations are also likely to follow the way of Engineering Examinations. Otherwise also offline method of entrance examination is losing its charms as the institutions are switching over to online method of examinations. Even though the latter has its own limitations, yet it is causing losses to the business of the company. The sale of scanner is worst affected with the increase in the popularity of online examinations. So is the fate of OMR stationery requirement. The company is trying to balance its product mix by adding more items of printing in its business. With the timely review of present situation, company hopes to maintain its revenue level in the forthcoming year.

#### **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 2013-2014**

In view of the increased competition, the Company is taking necessary steps to maintain its leadership position by maintaining / increasing its growth in all its business areas including that OMR Sheets, Scanners and Image Scanners. The company has envisaged a massive cost effective program to make its products more competitive while maintaining the quality. The company is also increasingly participating in the tender process for its business and 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 37 numbers of employees as on 31/3/2013. The relationship of management with employees has been very cordial during the period under review.

Place : Faridabad  
Dated : 12/08/2013

**By the order of the Board of Directors**

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

## REPORT ON CORPORATE GOVERNANCE

### 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.

SPS has been practicing the broad principles of Corporate Governance within the regulatory framework. While following the Corporate Governance principles, 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.

### Board of Directors

#### Composition of the Board

As on 31<sup>st</sup> March 2013, SPS's Board has six Directors, three of whom are Executive Directors, while the remaining three are all non-executive independent Directors. The Chairman of the Board is Executive Director.

#### Composition of the Board as on 31<sup>st</sup> March 2013.

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

- 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.*
- 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 2012-13, the Board of Directors met 9 times on 30<sup>th</sup> May 2012, 19<sup>th</sup> June 2012, 5<sup>th</sup> August 2012, 11<sup>th</sup> August 2012, 10<sup>th</sup> November 2012, 27<sup>th</sup> November 2012, 4<sup>th</sup> December, 2012, 19<sup>th</sup> January 2013 and 14<sup>th</sup> February 2013. The longest gap between any two Board meetings did not exceed 4 months.

**Attendance record of Board of Directors as on 31<sup>st</sup> March 2013. (Total Meetings held-9)**

<b>Name of Director</b>	<b>No of Board meetings attended</b>	<b>Whether attended last AGM</b>
Sh. S.K. Jain	9	Yes
Sh. Shreyans Kumar Patni	9	Yes
Sh. Vipin Gupta	9	Yes
Sh. Ankur Jain	9	Yes
Sh. Madhur Jain	9	Yes
Sh. R.C. Jain	9	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 2012-2013 are as under.

Amount(₹)

Name of Directors	Salary	Sitting fees	Perquisites	Deferred Benefits (PF and superannuation)	Comm-ission	Term-inal Benefits	Total
Sh. S.K. Jain	12,00,000	-	-	1,44,000	-	-	13,44,000
Sh. Shreyans Kumar Patni	-	9,000	-	-	-	-	9,000
Sh. Vipin Gupta	-	9,000	-	-	-	-	9,000
Sh. R.C. Jain	-	9,000	-	-	-	-	9,000
Sh. Ankur Jain	12,00,000	-	-	1,44,000	-	-	13,44,000
Sh. Madhur Jain	12,00,000	-	-	1,44,000	-	-	13,44,000
<b>Total</b>	<b>36,00,000</b>	<b>27,000</b>	<b>-</b>	<b>4,32,000</b>	<b>-</b>	<b>-</b>	<b>40,59,000</b>

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 31<sup>st</sup> March, 2013, 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 31<sup>st</sup> March, 2013 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 31<sup>st</sup> March, 2013, 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 2012-13, the Committee met 4 times on 30<sup>th</sup> May 2012, 11<sup>th</sup> August 2012, 10<sup>th</sup> November 2012 and 14<sup>th</sup> February 2013.

Details of the Audit Committee as on 31<sup>st</sup> March 2013 (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. R 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.

**Shareholders/Investors Grievance Committee**

As on 31<sup>st</sup> March, 2013, 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 2012-13, the Committee met 5 times on 20<sup>th</sup> April 2012, 11<sup>th</sup> June 2012, 17<sup>th</sup> September 2012, 10<sup>th</sup> December 2012 and 21<sup>st</sup> February 2013.

**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	5
2	Sh. Vipin Gupta	Independent Director	5
3	Sh. R. C. Jain	Independent Director	5
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 31<sup>st</sup> March 2013, no complaint was pending.

## **Management**

### **Management Discussion & Analysis**

This report contains a separate section on Management Discussion & Analysis, which is also a part of Directors' Report.

### **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,  
A-111& 112, DDA Sheds  
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 31<sup>st</sup> March 2013 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 a 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. Shreyans Kumar Patni (65)** is an Engineer by profession and has an experience of approximately 31 years in the industry. He has been on the Board of the Company since 15<sup>th</sup> February 2002. He is retiring by rotation at the ensuing AGM. He has given his consent to act as the Director of the Company, if appointed.

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

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

**Sh. Madhur Jain (25)** is a graduate in Mechanical Engineering. He has worked with M/s Shriram Pistons and Rings Ltd., Ghaziabad before joining the Company. He has also successfully completed couple of engineering projects during the graduation.

### Means of Communication

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

### General Body Meetings

Location and time of last three AGMs

Year	Location	Date	Time	Special Resolution passed
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
2011-12	93-B, DLF Industrial Estate, Phase-I, Faridabad	29/9/2012	11.00 a.m.	Nil

No resolution was passed by the shareholders through postal ballot during 2011-12.

## Additional shareholder information

### Annual General Meeting

Date : Saturday, 28th September 2013

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 2013

During the year ended 31 March 2013, results were announced on:

30 <sup>th</sup> May 2012	: Annual financial results
11 <sup>th</sup> August 2012	: First Quarter
10 <sup>th</sup> November 2012	: Second Quarter
14 <sup>th</sup> February 2013	: Third quarter

The tentative schedule for the financial year 2013-14:

August 2013 (Second week)	: First quarter
November 2013 (Second week)	: Half yearly
February 2014 (Second week)	: Third quarter
May 2014 (last week)	: Annual/ Fourth quarter

### Book Closure Date

Saturday 21<sup>st</sup> September, 2013 to Saturday, the 28th September, 2013 (both days inclusive).

### Dividend

Due to absence 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 2013-2014 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 2012-13 is as under:

Year 2012-13	Price of Share of the Company at BSE			BSE SENSEX	
	High(Rs.)	Low (Rs.)	Volume (Nos.)	High	Low
April	4.05	3.90	1504	17,664.10	17,010.16
May	4.08	3.98	20104	17,432.33	15,809.71
June	4.21	3.94	1751	17,448.48	15,748.98
July	4.25	3.98	23309	17,631.19	16,598.48
August	4.28	3.75	573	17,972.54	17,026.97
September	5.39	4.49	2244	18,869.94	17,250.80
October	4.88	3.44	391	19,137.29	18,393.42
November	3.28	3.00	2798	19,372.70	18,255.69
December	3.15	2.87	1233	19,612.18	19,149.03
January	2.73	2.26	1001	20,203.66	19,508.93
February	3.00	2.82	3508	19,966.69	18,793.97
March	2.82	2.31	229	19,754.66	18,568.43

## Distribution of shareholding

Distribution of shareholding by number of shares held as on 31<sup>st</sup> March, 2013

No. of equity shares held	No. of share holders	% of shareholders	No. of shares	% of share holding
Upto 500	1945	78.71	346314	10.7354
501 – 1000	226	9.15	191234	5.9281
1001-2000	147	5.95	243638	7.5526
2001-3000	54	2.19	136128	4.2198
3001-4000	18	0.73	63,319	1.9628
4001-5000	25	1.01	115917	3.5933
5001-10000	31	1.25	227625	7.0562
10001 and above	25	1.01	1901725	58.9518
<b>Total</b>	<b>2471</b>	<b>100.00</b>	<b>3225900</b>	<b>100.0000</b>

Distribution of shareholding by shareholding pattern as on 31<sup>st</sup> March, 2013

SL. NO	CATEGORY	NO. OF SHARES HELD	% AGE OF HOLDING
A.	Shareholding of promoter and promoter group	1371980	42.53
B.	Public Shareholding		
	Bodies Corporate	288283	8.94
	Individual shareholders holding nominal share capital up to Rs. 1 Lac	1136810	35.24
	Individual shareholders holding nominal share capital in excess of Rs. 1 Lac	307820	9.54
	NRIs	40784	1.26
	HUF	80218	2.49
	<b>Total</b>	<b>3,225,900</b>	<b>100.00</b>

### Dematerialisation of shares as on 31st March 2013

There were 24,11,490 shares in electronic form, which constitute 74.75 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 four years

The Company has not obtained any public funding in the last four 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 in accordance with the requirements of the Listing Agreement.

### **Plant/Business Location**

SPS International Limited  
A-111 & 112, DDA Sheds, Okhla Industrial Area  
Phase-II, New Delhi-110020

### **Address for Correspondence**

#### **Campay :**

#### **Sh. S.K. Jain**

Chairman and Managing Director  
SPS International Ltd.  
A-111 & 112, DDA Sheds,  
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 2013, 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 2013 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 : 06/08/2013

For Sudhir Chaudhary & Associates  
Chartered Accountants

Sd/-  
Sudhir Chaudhary (Partner)  
M. No. 91302

**ANNEXURE – III**

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

**CONSERVATION OF ENERGY**

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

**FORM – A**

Form for disclosure of particulars with respect to conservation of energy

A. Power and Fuel consumption	2012-13	2011-12
<b>1. Electricity</b>		
a) Purchased unit	246911	140371
Total amount	1239246	1079400
Rate / Unit (Rs)	5.08	7.69
b) Own generation through DG Sets/Turbine	668552	36418
<b>2. Coal</b>	Nil	Nil
<b>3. Furnace Oils</b>	Nil	Nil
<b>B. Consumption per unit of Production :</b>		
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 :

<b>A. Research and Development</b>		
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>B. Technology absorption, adaptation &amp; Innovation (R&amp;D)</b>		
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
<b>C. Exchange earnings and outgo</b>		
1. Earned (₹ in lac)	Nil	Nil
2. Outgo (₹ in lac)	178.68	262.67

By the order of the Board of Directors

Place : Faridabad  
Dated : 12/08/2013

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



## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SPS INTERNATIONAL LIMITED

To  
The Members,

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

We have audited the accompanying financial statement of M/s SPS INTERNATIONAL LIMITED which comprises the Balance Sheet as at 31<sup>st</sup> March 2013 and the Statement of Profit and Loss and Cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

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

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

### **Auditor's Responsibility :**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### **Opinion :**

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

1. In the case of the **Balance sheet**, of the state of affairs of the Company as at 31<sup>st</sup> March 2013;
2. In the case of the **Statement of Profit and Loss**, of the profit for the year ended on that date;
3. In the case of the **Cash Flow Statement**, of the cash flows for the year ended on that date;
4. In the case of the **Segment Reporting**, of the segment wise revenue, result and capital employed.

### **Report on Other Legal and Regulatory Requirements:**

1. As required by the **Companies (Auditor's Report) Order, 2003**, as amended, issued by the Central Govt. of India in terms of sub-section (4A) of the section 227 of the Act, 1956, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
2. As required by Section 227(3) of the Act, we report that;
  - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) In our opinion proper books of account as required by law have been kept by the company so far as appears from our examination of those books;

- (c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- (d) In our opinion, the Balance Sheet and Statement of Profit and Loss comply with the Accounting Standards referred to in sub-section (3C) of the section 211 of the Companies Act, 1956; and
- (e) On the basis of written representations received from the Directors as on **31<sup>st</sup> March, 2013**, and taken on record by the Board of Directors, none of the Directors is disqualified as on **31<sup>st</sup> March, 2013** from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of The Companies Act, 1956.
- (f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

Place : Faridabad  
Dated : 06/08/2013

**For Sudhir Chaudhary & Associates**  
**Chartered Accountants**

Sd/-  
**Sudhir Chaudhary (Partner)**  
M. No. 91302

#### ANNEXURE

- 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 programmed 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 disposed off building, a major part of the Fixed Assets. According to the information and explanations given to us, we are of the opinion that the sale of the said part of Fixed Assets has not affected the going concern status of the company.
- 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. During the year the company had not taken 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. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- 5.a. According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- b. In our opinion and according to the information and explanations given to us, there are Nil transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year.
6. This clause is not applicable to the company hence not given.

7. In our opinion, the company has an internal audit system commensurate with the size and nature of its business. This clause is not applicable to the company hence not given.
- 8.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 2013 for a period of more than six months from the date they became payable.
  - c. According to the information and explanation given to us, there are no dues of sales tax, income tax, customs duty, wealth tax, excise duty, service tax and cess which have not been deposited on account of any dispute.
9. 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.
10. 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.
11. We are of the opinion that the company has maintained adequate records where the company has granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
12. In our opinion, the company is not a chit fund or a nidhi mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies Order, 2003 are not applicable of the company.
13. In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments, the provisions of clause 4(xiv) of the companies Order, 2003 are not applicable of the company.
14. In our opinion, the terms and conditions on which the company has given guarantees for loans taken by others from banks or financial institutions are not prejudicial to the interest of the company.
15. In our opinion, the terms loans have been applied for the purpose for which they were raised.
16. 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. No long-term funds have been used to finance short-term assets except permanent working capital.
17. To the information and explanations given to us, the company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
18. Clause is not applicable to the company hence not given.
19. This clause is not applicable to the company hence not given.
20. 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 : 30/05/2013

**For Sudhir Chaudhary & Associates**  
**Chartered Accountants**

Sd/-  
**Sudhir Chaudhary (Partner)**  
M. No. 91302  
F.R No. 015222N

**SPS INTERNATIONAL LIMITED**  
**BALANCE SHEET AS AT 31ST MARCH, 2013**

Particulars	Notes No.	Amount (Rs.) As at 31.03.2013	Amount (Rs.) As at 31.03.2012
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	4	32,259,000	32,259,000
(b) Reserves and Surplus	5	14,459,373	12,789,773
<b>(2) Non-Current Liabilities</b>			
(a) Long-Term Borrowings	6	900,000	46,095,903
<b>(3) Current Liabilities</b>			
(a) Short Term Borrowings	7	12,576,737	938,069
(b) Trade Payables	8	31,501,247	50,238,987
(c) Other Current Liabilities	9	4,851,402	19,982,958
(d) Short-Term Provisions	10	2,222,233	2,316,029
<b>TOTAL</b>		<b>98,769,992</b>	<b>164,620,719</b>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
<b>(a) Fixed Assets</b>			
(i) Tangible assets	11	24,236,307	41,982,047
(ii) Intangible assets		889,502	444,766
(b) Other Non-Current Assets	12	5,484,500	8,456,166
(c) Deferred Tax Assets (Net)	13	- 548,304	321,117
(d) Long term loans and advances	14	6,569,176	9,474,121
<b>(2) Current Assets</b>			
(a) Inventories	15	14,751,073	26,711,138
(b) Trade receivables	16	34,789,101	59,575,029
(c) Cash and cash equivalents	17	5,550,590	2,351,694
(d) Short-term loans and advances	18	6,829,443	15,304,641
(e) MAT Credit		218,604	-
<b>TOTAL</b>		<b>98,769,992</b>	<b>164,620,719</b>
<b>SIGNIFICANT ACCOUNTING POLICIES</b>		1-3	-

"The Schedules referred 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/-  
**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. 091302  
F.R No. 015222N

**Place: Faridabad**  
**Date : 30th May, 2013**

**SPS INTERNATIONAL LIMITED**  
**PROFIT & LOSS STATEMENT FOR THE PERIOD ENDED ON 31st MARCH, 2013**

Sr. No.	Particulars	Notes No.	Amount (Rs.) For the year ended 31.03.2013	Amount (Rs.) For the year ended 31.03.2012
I	Revenue from operations			
II	Other Income	19	143,402,753	152,044,773
III		20	4,764,348	587,158
	<b>Total Revenue (I+II)</b>		<b>148,167,101</b>	<b>152,631,931</b>
IV	Expenses:			
	Cost of materials Consumed	21	50,950,436	33,275,829
	Purchase of Traded Goods	22	22,163,740	46,075,600
	Changes in inventories of finished goods & work-in-progress and Stock-in-Trade			
	Personnel Expenses	23	7,108,946	-1,044,267
	Financial Costs	24	20,819,123	27,395,298
	Depreciation and Amortization Expenses	25	6,397,161	5,890,320
	Other Expenses	26	4,876,698	6,065,129
		27	32,984,486	33,512,067
	<b>Total Expenses</b>		<b>145,300,590</b>	<b>151,169,976</b>
V	Profit Before Tax		<b>2,866,511</b>	<b>1,461,955</b>
VI	Tax Expense & Provision:			
	(1) Current tax		546,094	471,328
	(2) Deferred tax		869,421	922,441
	(3) MAT Credit		(218,604)	-
VII	Profit for the period		<b>1,669,600</b>	<b>1,913,068</b>
VIII	Earning per equity share:			
	(1) Face Value per share		10.00/-	10.00/-
	(2) Basic & Diluted		0.52	0.59
	<b>SIGNIFICANT ACCOUNTING POLICIES</b>	1-3		

"The Schedules referred 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/-  
**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. 091302  
 F.R No. 015222N

Place: Faridabad  
 Date : 30th May, 2013

# SPS INTERNATIONAL LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 2013

### 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

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

#### B) FIXED ASSETS

- a) 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.
- b) Capital work in progress includes cost of assets at sites, construction expenditure, advances made for acquisition of capital assets and interest on the funds deployed
- c) Estimated amount of contracts remaining to be executed exceeding rupees one lakh in each case are disclosed in the notes to accounts.

#### 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	At Cost or Market Value whichever is lower ( FIFO)
Stock of Raw Material	At Cost or Market Value whichever is lower ( FIFO)
Stock of Work in Progress	At Cost or Market Value whichever is lower ( FIFO)
Stock of Scrap	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

## SPS INTERNATIONAL LIMITED

- 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. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

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) SEGMENT REPORTING

The Company identifies primary segments based on the Geographical Area. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Inter-segment revenue is accounted on the basis of transactions.

### L) 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.

### M) 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.

### N) 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.

### O) BONUS

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

### SERVICE TAX INPUT CREDIT

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is no uncertainty in availing / utilising the credits.

## SPS INTERNATIONAL LIMITED

### NOTE : 4 Share Capital

		Amount (Rs.)	Amount (Rs.)
Sr.No.	Particulars	Current Year	Previous Year
1	<b>AUTHORIZED CAPITAL</b> 10000000 (10000000) Equity Shares of Rs. 10/- each.	100,000,000	100,000,000
		<b>100,000,000</b>	<b>100,000,000</b>
2	<b>ISSUED, SUBSCRIBED &amp; PAID UP CAPITAL</b> 3225900 (3225900) Equity Shares of Rs. 10/- each. Fully Paid	32,259,000	32,259,000
	<b>Total in INR</b>	<b>32,259,000</b>	<b>32,259,000</b>

### A) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Particulars	31st March, 2013		31st March, 2012	
	No of shares	Amount of Shares	No of shares	Amount of Shares
Equity Shares of Rs. 10/- each fully paid				
At the Beginning of the period	3,225,900	32,259,000	3,225,900	32,259,000
Issued During the Year	-	-	-	-
Outstanding at the end of the period	<b>3,225,900</b>	<b>32,259,000</b>	<b>3,225,900</b>	<b>32,259,000</b>

### 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, 2013		31st March, 2012	
	No. of Shares	Percentage of Holding	No. of Shares	Percentage of Holding
SPS Infratech Pvt. Ltd.	671,488	20.82	829,488	25.71
Madhur Jain	308,146	9.55	161,357	5.00
Ankur Jain	307,146	9.52	185,935	5.76

### NOTE : 5 RESERVES AND SURPLUS

		Amount (Rs.)	Amount (Rs.)
Sr.No.	Particulars	Current Year	Previous Year
1	<b>General Reserve</b>		
	Opening Balance	2,400,000	2,400,000
	Add: During the Year	-	-
	Closing Balance (1)	2,400,000	2,400,000
2	<b>Surplus in Statement of Profit and Loss</b>		
	Opening Balance	10,389,773	8,476,705
	Add: Profit for the Year	1,669,600	1,913,068
	Closing Balance (2)	12,059,373	10,389,773
	<b>Total ( Sum of 1 to 2)</b>	<b>14,459,373</b>	<b>12,789,773</b>



## SPS INTERNATIONAL LIMITED

### NOTE : 6 Long Term Borrowings

Sr.No.	Particulars	Amount (Rs.)			
		Non Current Portion		Current maturities	
		Current Year	Previous Year	Current Year	Previous Year
I	<b>Secured Loans:</b>				
1	Corporation Bank CMTCC Secured by Residential Property of Directors payable monthly)	-	20,067,771	-	-
2	HDFC Bank - Car Loan ( BMW -1)	-	718,989	792,014	843,691
3	HDFC Bank - Car Loan ( BMW -2) (Secured by BMW Car payable monthly)	-	718,988	-	843,692
4	HDFC Bank - Term Loan ( Secured by Head office Property payable monthly)	-	24,590,155	-	6,228,060
II	<b>Unsecured Loans:</b>				
1	SPS Infratech Pvt Ltd	900,000	-	-	-
		900,000	46,095,903	792,014	7,915,443
	Total of current maturities Disclosed Under the head Other Current Liabilities Refer Note No. 11	-	-	792,014	7,915,443
	<b>Total</b>	<b>900,000</b>	<b>46,095,903</b>	<b>792,014</b>	<b>-</b>

### NOTE: 07 Short Term Borrowings

Sr.No.	Particulars	Amount (Rs.)	
		Current Year	Previous Year
1	UBI CC A/c	12,576,737	-
2	ICICI Bank - OD A/c	-	938,069
	<b>Total</b>	<b>12,576,737</b>	<b>938,069</b>

### NOTE: 08 Trades Payables

Sr.No.	Particulars	Amount (Rs.)	
		Current Year	Previous Year
1	Sundry Creditors for Material/Supplies	9,753,758	47,182,907
2	Sundry Creditors for Others	1,747,489	3,056,080
	<b>Total</b>	<b>31,501,247</b>	<b>50,238,987</b>
	Disclosures required under Section 22 of the Micro, small and medium Enterprises Development Act, 2006 Particulars  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.	As At 31.03.2013	As At 31.03.2012
		NA	NA

**SPS INTERNATIONAL LIMITED**

**NOTE : 09 Other Current Liabilities**

**Amount (Rs.)**

<b>Sr.No.</b>	<b>Particulars</b>	<b>Current Year</b>	<b>Previous Year</b>
1	Statutory Remittancies	626,270	857,383
2	Liability towards Revenue Expenses	1,847,494	3,362,560
3	Advance from customers	871,844	416,059
4	Other's Liabilities	80,701	6,881,513
5	Current maturities of long term borrowings including finance lease obligation	792,014	7,915,443
6	Unearned Income	633,079	-
7	Security Deposits Received		- 550,000
	<b>Total</b>	<b>4,851,402</b>	<b>19,982,958</b>

**NOTE: 10 Short Term Provisions**

**Amount (Rs.)**

<b>Sr.No.</b>	<b>Particulars</b>	<b>Current Year</b>	<b>Previous Year</b>
1	<b><u>Employees Benefit</u></b>		
(a)	Contribution To PF	131,968	174,940
(b)	Contribution To Gratuity Fund	1,544,171	1,669,761
2	<b><u>Others</u></b>		
	Provision for Current Taxation	546,094	471,328
	<b>Total</b>	<b>2,222,233</b>	<b>2,316,029</b>

## SPS INTERNATIONAL LIMITED

Schedules Forming Integral Part of the Balance Sheet as at 31st March, 2013

NOTE : 11 Fixed Asset

Sr. No	Particulars	Rate	Gross Block			Depreciation			Amount (Rs.)			
			As on 01.04.2012	Addition during the year	Sale during the year	Total as on 31.03.2013	Upto 01.04.2012	Addition during the year	Adjustment	Upto 31.3.2012	As At 31.03.2013	As At 31.03.2012
I	<b>Tangible Assets</b>											
I	Land, W-12, Okhla	0.00%	10,235,797	-	10,235,797	-	-	-	-	-	-	10,235,797
II	Building	5.00%	7,373,807	6,046,098	13,419,905	1,028,180	299,551	1,327,731	-	-	-	6,345,627
	Plant & Machinery											
III	Electric Equipments,	13.91%	2,801,045	441,291	2,376,370	821,580	247,760	944,518	124,822	741,144	1,979,465	
IV	Office Equipments	13.91%	1,315,847	145,350	1,108,329	872,148	78,892	704,175	46,683	305,205	643,701	
V	Plant & Machinery	13.91%	15,805,599	4,680,017	5,132,015	1,334,654	1,750,589	695,331	2,389,912	12,763,079	14,270,935	
	Vehicles											
VI	Vehicles	25.89%	14,132,805	801,097	748,230	10,157,902	1,080,477	522,419	10,715,960	3,569,712	3,974,803	
	Furnitures & Fixtures											
VII	Furnitures & Fixtures	18.10%	1,571,984	153,265	-	458,780	201,566	-	660,346	1,064,903	1,113,204	
	Computer											
VIII	Computers	40.00%	65,275,656	5,896,855	65,353,146	61,857,241	971,527	62,801,067	27,701	5,791,664	3,418,415	
	Intangible Assets											
II	Intangible Assets		713,041	691,272	-	268,275	246,536	-	514,811	889,502	444,766	
	Softwares & Licence	40.00%										
	<b>SUB-TOTAL (A)</b>		<b>119,026,571</b>	<b>18,955,245</b>	<b>98,374,792</b>	<b>39,606,024</b>	<b>76,598,758</b>	<b>4,876,698</b>	<b>68,995,241</b>	<b>14,480,215</b>	<b>25,125,809</b>	<b>42,426,813</b>

## SPS INTERNATIONAL LIMITED

**NOTE : 12 Other Non Current Assets**

Amount (Rs.)

Sr.No.	Particulars	Current Year	Previous Year
1	Deffered Expenditure	-	2,971,666
2	Other Investments (Refer B below)		
	<b>(a) Investment in Equity instruments</b>		
	Solitaire Printotech Ltd.	2,300,000	2,300,000
	SPS Edutech Ltd.	460,000	460,000
	<b>(b) Other non-current investments</b>		
	Application Money Pending For Allotment:-		
	Solitaire Printotech Ltd.	1,474,500	1,474,500
	SPS Edutech Ltd.	1,250,000	1,250,000
	<b>Total</b>	<b>5,484,500</b>	<b>8,456,166</b>

**NOTE : 13 Deferred Tax Assets**

Amount (Rs.)

Sr.No.	Particulars	Current Year	Previous Year
1	Tax Effect of Items constituting deferred tax assets On Difference between book balance and tax balance of Fixed Assets	- 548,304	321,117
	<b>Total</b>	<b>- 548,304</b>	<b>321,117</b>

**NOTE : 14 Long Term Loans and Advances**

Amount (Rs.)

Sr.No.	Particulars	Current Year	Previous Year
1	<b>Security Deposit</b>		
a	Unsecured, Considered Good :	6,569,176	9,474,121
	<b>Total</b>	<b>6,569,176</b>	<b>9,474,121</b>

**NOTE : 15 Inventories**

Amount (Rs.)

Sr.No.	Particulars	Current Year	Previous Year
1	Work-in-Progress	3,444,355	5,939,460
2	Preprinted Stationer	-	236,842
3	Papers	3,249,756	4,634,198
4.	OMR Readers	4,087,665	13,193,245
5	Stores & Spares	3,969,297	2,568,821
6	Packing Materials (Loose Tools)	-	138,571
	<b>Total</b>	<b>14,751,073</b>	<b>26,711,138</b>

**NOTE : 16 Trade Recievables**

Amount (Rs.)

Sr.No.	Particulars	Current Year	Previous Year
1	Unsecured, considered good unless stated otherwise <u>Outstanding for the period exceeding six months from the date they are due for payment</u>		
(a)	Unsecured, Considered Good :	8,013,826	7,230,333
2	<u>Others</u>	26,775,275	52,344,696
	<b>Total</b>	<b>34,789,101</b>	<b>59,575,029</b>

## SPS INTERNATIONAL LIMITED

### NOTE : 17 Cash & Cash Equivalent

		Amount (Rs.)	
Sr.No.	Particulars	Current Year	Previous Year
1	<b>Cash-in-Hand</b>		
	Cash Balance	20,258	76,929
	<b>Sub Total (A)</b>	<b>20,258</b>	<b>76,929</b>
2	<b>Bank Balances</b>		
	Corporation bank CCSDL	53,018	146,681
	SBI- Faridabad	-	35,193
	Axis Bank - Okhla	1,506,730	869,658
	United Bank of India	3,009,924	-
	Axis Bank- Faridabad	-	42,101
	HDFC Bank	760,660	1,181,132
	UTI Bank- FDR	200,000	-
	<b>Sub Total (B)</b>	<b>5,530,332</b>	<b>2,274,765</b>
	<b>Total [ A + B ]</b>	<b>5,550,590</b>	<b>2,351,694</b>

### NOTE : 18 Short Terms Loans and Advances

		Amount (Rs.)	
Sr.No.	Particulars	Current Year	Previous Year
1	<b>Advances</b>		
	(Unsecured Considered Goods)		
1	Advance to Suppliers of materials	149,132	6,123,522
2	Advance against Capital Expenditure	-	3,172,000
3	Balance with Revenue Authorities (Indirect Tax)	3,057,399	3,324,000
4	Advances to Employees	427,156	720,525
5	Income Tax Recoverable	1,385,619	785,595
6	Interest Accrued On FDR	89,851	60,239
7	Other Recoverable	1,514,869	924,869
8	Funding Charges	75,000	-
9	Prepaid Expenses	130,417	193,891
	<b>Total</b>	<b>6,829,443</b>	<b>15,304,641</b>

### NOTE : 19 Revenue from Operations

		Amount (Rs.)	
Sr.No.	Particulars	Current Year	Previous Year
1	<b>Sales</b>		
	(A)	135,543,374	137,738,162
2	<b>Services</b>	<b>135,543,374</b>	<b>137,738,162</b>
	(B)	11,144,573	16,886,264
	<b>11,144,573</b>	<b>16,886,264</b>	
3	<b>Other Operating Revenues</b>		
	(C)	1,617,051	3,750,349
	<b>Sum ( A+B+C)</b>	<b>1,617,051</b>	<b>3,750,349</b>
	<b>148,304,998</b>	<b>158,374,775</b>	
	Less:- Sales Tax (1)	3,626,988	4,698,415
	Less:- Service Tax (2)	1,275,257	1,631,587
	<b>Total Tax ( 1+2)</b>	<b>4,902,245</b>	<b>6,330,002</b>
	<b>Total (A+B+C-D)</b>	<b>143,402,753</b>	<b>152,044,773</b>

**SPS INTERNATIONAL LIMITED**

**NOTE : 20 Other Income**

Amount (Rs.)

Sr.No.	Particulars	Current Year	Previous Year
1	Interest Received (Gross)	298,017	23,657
2	Profit on Sale	-	836
3	Profit on Sale of Assets	3,738,052	14,600
4	Prior Period Income	154,459	459,399
5	Miscellaneous Income	573,820	60,239
	<b>Total</b>	<b>4,764,348</b>	<b>558,731</b>

**NOTE : 21 Cost of Material Consumed**

Amount (Rs.)

Sr.No.	Particulars	Current Year	Previous Year
A)	<b><u>PURCHASES OF RAW MATERIALS</u></b>		
	Add:- Purchases during the year	50,715,876	30,801,490
	Consumption during the year (A)	<b>50,715,876</b>	<b>30,801,490</b>
b)	<b><u>PURCHASES OF CONSUMABLES</u></b>		
	Purchases during the year	234,560	2,474,339
	Consumption during the year (B)	<b>234,560</b>	<b>2,474,339</b>
	<b>Total of (A+B)</b>	<b>50,950,436</b>	<b>33,275,829</b>

**NOTE : 22 Purchase Of Traded Goods**

Amount (Rs.)

Sr.No.	Particulars	Current Year	Previous Year
1	Purchases during the Year	22,163,740	46,075,600
	<b>Total</b>	<b>22,163,740</b>	<b>46,075,600</b>

**NOTE : 23 Change in Inventories**

Amount (Rs.)

Sr.No.	Particulars	Current Year	Previous Year
	<b><u>Inventories at the end of the year</u></b>		
1	Finished Goods:		
	Preprinted Stationery	-	236,842
	OMR Sheets	3,249,756	4,634,199
	OMR Readers	4,087,665	13,193,245
	Stores & Spares	3,969,297	2,568,821
	Packing Materials ( Loose Tools)	-	138,571
2	Work In Progress	3,444,355	5,939,460
	<b>TOTAL (A)</b>	<b>14,751,073</b>	<b>26,711,138</b>
	<b><u>Inventories at the beginning of the year</u></b>		
1	Finished Goods:		
	Preprinted Stationery	236,842	1,581,600
	OMR Sheets	4,634,199	2,975,696
	OMR Readers	13,193,245	16,693,372
	Stores & Spares	2,568,821	2,259,952
	Packing Materials	138,571	917,220
	Computer & General Stationeries	-	237,517
2	Work-in-Progress	5,939,460	1,001,514
	<b>TOTAL</b>	<b>26,711,138</b>	<b>25,666,871</b>
	Less: Capitalised During the Year	4,851,119	-
	<b>Net Opening Stock (B)</b>	<b>21,860,019</b>	<b>-</b>
	<b>Net (A-B) (Decrease)</b>	<b>7,108,946</b>	<b>(1044267)</b>

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**NOTE : 24 Personnel Expenses**

Sr.No.	Particulars	Amount (Rs.)	
		Current Year	Previous Year
1	Salaries	5,068,652	7,703,566
2	HRA	1,944,368	3,002,169
3	Incentives / Other Allowances	238,378	1,680,640
4	Medical Allowances	1,272,811	1,719,514
5	Transport Allowance & Travelling Allowances	1,774,456	2,224,991
6	Bonus	555,895	1,410,191
7	Ex - Gratia	671,662	138,888
8	Leave Encashments	226,870	327,395
9	Leave Travelling Allowance	303,600	50,041
10	PF Contribution	905,925	1,153,322
11	ESI Contribution	160,433	269,763
12	Contribution to Approved Gratuity Fund	406,908	1,303,329
13	Staff Welfare	817,836	794,193
14	Contractor Wages	2,296,060	1,985,249
15	Directors Remuneration	3,600,000	3,600,000
16	Labour Welfare Fund	6,220	4,385
17	Training Expenses	569,049	27,662
	<b>Total</b>	<b>20,819,123</b>	<b>27,395,298</b>

**NOTE : 25 Financial Cost**

Sr.No.	Particulars	Amount (Rs.)	
		Current Year	Previous Year
	<b>Interest Expenses on</b>		
1	Bank Interest	6,019,872	5,465,027
2	Bank Charges	377,289	425,293
	<b>Total</b>	<b>6,397,161</b>	<b>5,890,320</b>

**NOTE : 26 Depreciation & Amortised Cost**

Sr.No.	Particulars	Amount (Rs.)	
		Current Year	Previous Year
1	Depreciation	4,876,698	5,734,944
2	Deferred Expenses W/o	-	330,185
	<b>Total</b>	<b>4,876,698</b>	<b>6,085,129</b>

**NOTE : 27 Other Expenses**

Sr.No.	Particulars	Amount (Rs.)	
		Current Year	Previous Year
1	Computer & General Stationery	1,037,152	1,525,379
2	Scanning / Data Entry Charges	273,203	735,144
3	Jobwork	6,379,481	4,346,479
4	Advertisement Expenses	135,004	226,848
5	Insurance Charges	292,645	262,499
6	Electricity & Water Charges	1,342,466	1,243,846
7	Freight & Cartage	4,081,907	5,495,366
8	Legal & Professional Charges	718,758	2,657,331
9	Travelling & Conveyance	6,007,114	6,015,404

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Sr.No.	Particulars	Current Year	Previous Year
10	Director's Travelling & Conveyance	213,904	202,755
11	Director's Meeting Fee	27,000	31,500
12	Telephone, Mobile & Fax Expenses	716,266	554,215
13	Rent, rates & Taxes	6,084,346	4,560,457
14	Repairs and Maintenance	2,600,465	2,002,308
15	Commission	256,443	-
16	Postage, Courier & Telegram	244,379	492,693
17	Donation	36,200	165,401
18	Miscellaneous Expenses	113,108	240,961
19	Marketing Expenses	47,252	243,683
20	Auditor's Remuneration	90,000	75,000
21	Security Charges	249,763	385,636
22	Diwali Expenses	174,260	193,538
23	Foreign Exchange Loss	226,986	1,120,978
24	Interest on Income Tax & Others	41,711	53,527
25	Income tax paid	90,510	-
26	Tender Fees	88,230	-
27	Short & excess	384,878	-
28	Sales Tax Paid	25,812	-
29	Earnest Money deposit Forfeited	100,000	-
30	Prior Period Expenses	905,243	681,119
	<b>Total</b>	<b>32,984,486</b>	<b>33,512,067</b>

### 28 Disclosures under Accounting Standard 20 - Earning per Share

Particulars	Year ended 31.03.2012	Year ended 31.03.2012
<b>(A) BASIC</b>		
Net Profit attributable to Shareholders	1,669,600	1,913,068
Weighted average number of Equity Shares (in No.)	3,225,900	3,225,900
Weighted earnings per share of Rs. 10/- each	<b>0.52</b>	<b>0.59</b>
<b>(B) DILUTED</b>		
Weighted earnings per share of Rs. 10/- each	<b>0.52</b>	<b>0.59</b>

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

a) The Company is 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. (No.)	Value (Rs)
<b>OMR Sheets</b>				
Opening Stock	7474784	4634199	1992815	2975696
Purchases	1148000	1670692	4,76,19,754	1,19,19,673
Sales	8622784	4786124	42138055	4,33,23,362
Closing Stock	0	0	74,74,514	46,34,199
<b>OMR Readers :</b>				
Opening Stock	31	17169467	24	1,66,93,372
Purchases	66	17618895	73	2,01,55,511
Sales	80	23813119	66	2,48,31,423
Capitalized	1	4851119	-	-
Closing Stock	16	4087665	31	1,71,69,467

**30 Disclosures under Accounting Standard 11 - Effects Of Changes In Foreign Exchange Rates**

FOREIGN EXCHANGE EARNING & OUTGOING	Previous Year	Previous Year
<b>i) VALUE OF IMPORTS ON CIF BASIS</b>		
SCANNERS	16,812,355	19,253,457
STORES AND SPARES	2,516,011	2,234,090
<b>ii) Total expenditure in foreign currency</b>	1,77,48,472	2,62,66,953
<b>iii) Closing Rate</b>	54.355	50.876
<b>iv) EARNING IN FOREIGN EXCHANGE</b>		
Exchange Difference Transferred to Statement of profit and loss (as per para 13)	(226,986)	(1,120,978)

31

Contingent liabilities and commitments (to the extent not provided for)	As at	As at
	31 March 2013	31 March 2012
<b>(i) Contingent Liabilities</b>		
(a) Claims against the company not acknowledged as debt	-	-
(b) Guarantees	21.29	11.53
(c) Other money for which the company is contingently liable	-	-
	21.29	11.53
<b>(ii) Commitments</b>		
(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)	-	-
	21.29	11.53

32 **Disclosures under Accounting Standard 15- Employee Benefit  
DEFINED CONTRIBUTION PLAN:**

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

Particulars	2012-13	2011-2012
Employer's contribution to provident fund (Rs.)	9,05,925/-	11, 53,322/-
Employer's contribution to Gratuity Fund	4,06,908/-	16, 69,761/-

**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.

33

INVESTMENT DETAILS:	31.03.2013	31.03.2012
a) LIC Group Gratuity Policy	100	100

34

a) Economic Assumptions	AS AT 31.03.2013	AS AT 31.03.2012
i) Discounting Rate	8.00%	8.00%
ii) Future Salary Increase	6.00%	6.00%
iii) Expected Rate of return on plan assts	9.00%	9.00%
b) Demographic Assumption		
i) Retirement Age	60 years	60 years
ii) Mortality Table	LIC: 94-96 duly modified	LIC: 94-96 duly modified
iii) Withdrawal Rates	Ages & Withdrawal Rate (%)	Ages & Withdrawal Rate (%)
	Up to 30 years - 3	Up to 30 years - 3
	Up to 44 years - 2	Up to 44 years - 2
	Above 44 years - 1	Above 44 years - 1

35 **CHANGE IN PRESENT VALUE OF OBLIGATION**

Sl.No.	Particulars	Gratuity (Funded) 31.03.2013	Gratuity (Funded) 31.03.2012
a)	Present value of obligation as at the beginning	1,984,456	28,10,664
b)	Acquisition adjustment	-	-
c)	Interest cost	158,756	2,38,906
d)	Past service cost	-	-
e)	Current service cost	121,805	1,42,826
f)	Curtailement cost/ (Credit)	-	-
g)	Settlement cost/ (Credit)	-	-
h)	Benefits paid	(345936)	(21,08,657)
i)	Actuarial (gain)/ Loss on obligation	(63892)	1,09,572
j)	Present value of obligation as at the end of period	1,855,189	19,84,456

36 CHANGE IN FAIR VALUE OF PLAN ASSET

Sl.No.	Particulars	Gratuity (Funded) 31.03.2013	Gratuity (Funded) 31.03.2012
a)	Fair value of plan assets at the beginning of the period	382,451	14,06,248
b)	Acquisition adjustment	-	-
c)	Expected return on plan assets	34,421	1,26,526
d)	Contributions	229,742	9,92,104
e)	Benefits paid	(345,936)	(21,08,657)
f)	Actuarial gain/(loss) on plan assets Actual Return on Plan Assets	340	(1,26,562)
g)	Fair value of plan assets at the end of the period.	311,018	2,89,695
<b>37 FAIR VALUE OF PLAN ASSETS</b>			
a)	Fair value of plan assets at the beginning of the period	382,451	14,06,248
b)	Acquisition adjustment	-	-
c)	Actual return on plan assets	34,761	-
d)	Contributions	239,742	9,92,104
e)	Benefits paid	(345,936)	(21,08,657)
f)	Fair value of plan assets at the end of the period.	311,018	2,89,695
g)	Funded Status	(1,544,171)	16,94,761
f)	Excess of actual over estimated return on Plan Assets	340	(1,26,562)
<b>38 ACTUARIAL GAIN/LOSS RECOGNIZED</b>			
a)	Actuarial gain/(loss) for the period obligation	63,892	9,00,717
b)	Acquisition gain/(loss) for the period plan assets	(340)	1,26,562
c)	Total gain/loss for the period	(64,232)	10,27,279
d)	Actuarial gain/loss recognized in the period	(64,232)	10,27,279
e)	Unrecognized actuarial (gains) losses at the end of period.	-	-
<b>39. THE AMOUNTS RECOGNIZED IN BALANCE SHEET AND RELATED ANALYSIS:</b>			
a)	Present value of obligation as at the end of the period	1,855,189	19,84,456
b)	Fair value of plan assets as at the end of the period	311,018	2,89,695
c)	Funded status	(1,544,171)	(16,94,761)
d)	Excess of actual over estimated	340	(1,26,562)
e)	Unrecognized actuarial (gains)/ losses	-	-
f)	Net asset/ (liability) recognized in balance sheet	(1,544,171)	(16,94,761)
<b>40 EXPENSES RECOGNISED IN STATEMENT OF PROFIT &amp; LOSS:</b>			
a)	Current service cost	121,805	1,42,826
b)	Past service cost	-	-
c)	Interest cost	158,756	2,38,906
d)	Expected return on plan assets	(34,421)	(1,26,562)
e)	Curtailement cost/ (credit)	-	-
f)	Settlement cost/ (credit)	-	-
g)	Net actuarial (Gain)/ loss recognized in the period	(64,232)	10,27,279
h)	Expenses recognized in the statement of profit & losses	181,908	12,82,449
<b>41 RECONCILIATION STATEMENT OF EXPENSE IN THE STATEMENT OF PROFIT AND LOSS:</b>			
a)	Present value of obligation as at the end of the period	1,855,189	19,84,456
b)	Present value of obligation as at the beginning of the period	1,984,456	28,10,664
c)	Benefits paid	345,936	21,08,657
d)	Actual return on plan assets	(34,761)	-
e)	Acquisition adjustments	-	-
e)	Excess recognized in the statement of profit & losses	181,9081	2,82,449

## 42 AMOUNT FOR THE CURRENT PERIOD

Sl.No.	Particulars	Gratuity (Funded) 31.03.2013	Gratuity (Funded) 31.03.2012
a)	Present value of obligation as at the end of the period	1,855,189	19,84,456
b)	Fair value of plan assets at the end of the period	311,018	2,89,695
c)	Surplus / (Deficit)	(1,544,171)	(16,94,761)
d)	Experience adjustment on plan Liabilities (loss)/ gain	72,385	(9,12,987)
e)	Experience adjustment on plan Assets (loss) / gain	340	(1,26,562)
<b>43</b>	<b>MOVEMENT IN THE LIABILITY RECOGNIZED IN THE BALANCE SHEET</b>	<b>Gratuity</b>	<b>Gratuity</b>
a)	Opening net liability	1,884,456	25,10,664
b)	Express as above	181,908	12,82,449
c)	Benefits paid	(345,936)	(21,08,657)
d)	Actual return on plan assets	34,761	-
e)	Acquisition adjustment	-	-
f)	Closing Liability	1,855,189	19,84,456

44 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:-

Sl.No.	Particulars	Relationship	Nature of transactions	Amount (Rs)
1	Sh. S.K. Jain	Chairman and Managing Director	A. Salary	12,00,000/-
2	Sh. Ankur Jain	Director	B. Club Expenses	3,600/-
3	Sh. Madhur Jain	Director	A. Salary	12,00,000/-
4	Solitare Printotech Limited	Associate	B. Rent	1,20,000/-
			C. Vehicle Lease Rent	4,80,000/-
			A. Salary	12,00,000/-
			B. Rent- Building	1,20,000/-
			A. Rent- Plant & Machinery	15,00,000/-
			B. Lease Rent	9,00,000/-
			C. Purchases	7,76,939/-

- 45 In the opinion of the management, the value on realisation of current assets, loans and Advances in the ordinary course or 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.
- 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 31.03.2013 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/-  
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. 091302  
F.R No. 015222N

Place: Faridabad  
Date : 30th May, 2013

**SPS INTERNATIONAL LIMITED**  
**ACCOUNTING STANDARD 3 C**  
**Cash Flow Statement for the Year ended 31st March, 2013**

Particulars	Currnt Year 31.03.2013 (Rs.)	Previous Year 31.03.2012 (Rs.)
<b>A. Cash Flow from Operating activities:</b>		
Net profit before Tax & Extraordinary items	2,866,511	1,461,955
<b>Adjustments for:</b>		
Provision for Gratuity Made	181,908	1,303,329
Gratuity Paid	(307,498)	(1,037,984)
Depreciation	4,876,698	5,734,944
Interest Expense	6,397,161	5,890,320
Preliminary / Deferred Revenue Expenditure	-	330,185
Profit / (Loss) on sale of Assets	(3,738,052)	(15,436)
Operating profit before Working Capital Change	<u>10,276,728</u>	<u>13,667,313</u>
<b>Adjustments for:</b>		
(Increase) / Decrease in Sundry Debtors	24,755,730	(37,400,422)
(Increase) / Decrease in Inventories	7,108,946	(1,044,267)
Increase / (Decrease) in Sundry Creditors	(18,737,740)	28,113,760
(Increase) / Decrease in Other Current Assets	8,505,396	(2,885,750)
Increase / (Decrease) in Other Current Liability	(15,645,856)	(604,523)
<b>Cash Generated from Operation</b>	<u>6,263,204</u>	<u>(153,889)</u>
Income Taxes paid	-	-
Cash flow before extraordinary items	16,263,204	(153,889)
<b>Net Cash Generated from Operating activities</b>	<u>16,263,204</u>	<u>(153,889)</u>
<b>B. Cash Flow from Investing activities:</b>		
Purchase of Fixed Assets	(11,132,460)	(19,438,630)
Sale of Fixed Assets	35,117,603	5,287,324
Security Deposits	2,904,945	(5,702,978)
Sale of Investments	-	3,440,000
<b>Net Cash Generated from Investing activities</b>	<u>26,890,088</u>	<u>(16,414,284)</u>
<b>C. Cash Flow from Financing activities:</b>		
Proceeds from Long Term Borrowings	(37,280,460)	28,280,765
Proceeds from Short Term Borrowings	12,576,737	-
Repayment of Short Term Borrowings	(938,069)	-
Repayment of Financial Lease Liabilities	(7,915,443)	(7,211,823)
Repayment of Financial interest	(6,397,161)	(5,890,320)
<b>Net Cash Generated from Financail activities</b>	<u>(39,954,396)</u>	<u>15,178,622</u>
Net increase / (Decrease) in Cash & Cash equivalents	3,198,896	(1,389,551)
Cash & Cash equivalents at beginning of period	2,351,694	3,741,245
<b>Cash &amp; Cash equivalents at end of period</b>	<u>5,550,590</u>	<u>2,351,694</u>

"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/-  
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. 091302  
F.R No. 015222N

Place: Faridabad  
Date : 30th May, 2013

**SPS INTERNATIONAL LIMITED**

<b>SEGMENT REPORTING</b>	
Particulars	Current Year 31.03.2013
<b>Revenue by Business Segment :</b>	
Segment - Delhi	57,878,400
Segment - Faridabad	95,447,618
<b>Total</b>	<b>153,326,018</b>
Less: Inter Segment Revenue	9,923,265
<b>Net Sales/Income From Operation</b>	<b>143,402,753</b>
<b>Segment Result before finance cost and tax</b>	
Segment - Delhi	2,177,138
Segment - Faridabad	11,440,810
<b>Total segment result before finance cost and tax</b>	<b>9,263,672</b>
Less: Finance Cost	6,397,161
<b>Profit/(Loss) before tax</b>	<b>2,866,511</b>
Less: Tax Expense	1,415,515
<b>Net Profit</b>	<b>1,450,996</b>
<b>Segment Assets</b>	
Segment - Delhi	59,070,588
Segment - Faridabad	40,029,104
Add: Unallocated Assets	1,245,758
<b>Total</b>	<b>100,345,450</b>
<b>Segment Liabilities</b>	
Segment - Delhi	30,155,311
Segment - Faridabad	21,350,214
<b>Total</b>	<b>51,505,525</b>
<b>Segment Capital Expenditure</b>	
Segment - Delhi	13,283,021
Segment - Faridabad	5,672,224
<b>Total</b>	<b>18,955,245</b>
<b>Segment Depreciation</b>	
Segment - Delhi	2,919,097
Segment - Faridabad	1,957,601
<b>Total</b>	<b>4,876,698</b>

The group is primarily engaged in business of sale and purchase of scanners and providing services of Repair and Maintenance of Scanners and Annual Maintenance on Contract Basis. The Group has identified Primary business Segments on the basis of Geographical areas, namely Delhi and Faridabad which in the context of Accounting Satndard-17 on "Segment Reporting" constitute reportable segments.

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

As Per our Report of Even date  
For Sudhir Chaudhary & Associates  
Chartered Accountants

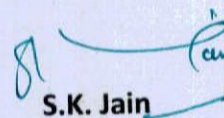
Sd/-  
Sudhir Chaudhary (Partner)  
M.No. 091302  
F.R No. 015222N

Place: Faridabad  
Date : 30th May, 2013

## FORM A

### Format of covering letter of the Annual Audit Report to be filed with the Stock Exchange

1	Name of the Company	SPS International Limited
2	Annual financial statements for the year ended	31st March 2013
3	Type of Audit observation	N.A
4	Frequency of observation	N.A
5	To be signed by <ul style="list-style-type: none"><li>• CEO/Managing Director</li><li>• CFO</li><li>• Auditor of the company</li><li>• Audit Committee Chairman</li></ul>	Managing Director

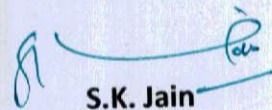
  
S.K. Jain

(Chairman and Managing Director)

## FORM B

### Format of covering letter of the Annual Audit Report to be filed with the Stock Exchange

1	Name of the Company	SPS International Limited
2	Annual financial statements for the year ended	31st March 2013
3	Type of Audit qualification	N.A
4	Frequency of qualification	N.A
5	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report:	N.A
	Additional comments from the board/audit committee chair:	N.A
5	To be signed by • CEO/Managing Director • CFO • Auditor of the company • Audit Committee Chairman	Managing Director

  
S.K. Jain

(Chairman and Managing Director)