

SIXTH ANNUAL REPORT

1998-99



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***SPS* International Limited**

SPS INTERNATIONAL LIMITED

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BOARD OF DIRECTORS	:	<i>MR. S.K. JAIN MR. SUDHIR JAIN MRS. SARLA JAIN</i>
STATUTORY AUDITORS	:	<i>M/S GUPTA VIJAY KUMAR & CO. CHARTERED ACCOUNTANTS C-17, 1st FLOOR, NEHRU GROUND FARIDABAD</i>
BANKERS	:	<i>SYNDICATE BANK, FARIDABAD CORPORATION BANK, NEW DELHI</i>
REGISTERED OFFICE	:	<i>103, BHAGYA BHAWAN, 5R/8 B.P NEELAM CHOWK, NIT, FARIDABAD-121001</i>
CORPORATE OFFICE	:	<i>3-B, BHARAT NAGAR, NEW FRIENDS COLONY, NEW DELHI-110 065</i>
SHARE TRANSFER AGENTS	:	<i>M/s. BEETAL FINANCIAL AND COMPUTER SERVICES PRIVATE LIMITED 321-S, CHIRAGH DELHI, NEAR SHAHEED BHAGAT SINGH COLLEGE, NEW DELHI - 110 017</i>

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SPS INTERNATIONAL LIMITED

DIRECTORS' REPORT

Your Directors are pleased to present their Sixth Annual Report along with the Audited Accounts of the company for the year ended 31st March, 1999

FINANCIAL RESULTS :

During the year the turnover of the company was Rs. 268.10 Lac as compared to Rs. 208.86 Lac in previous year thereby showing an impressive increase of 28.36 %. The net profit of the company stands at Rs. 16.70 Lac as compared to Rs. 12.43 Lac in the previous year showing an increase of about 34.35%. The company will concentrate on its present activities which continues to be profitable area of business.

DIVIDEND

As the profits for the year are insufficient, your directors are unable to recommend any dividend.

STOCK EXCHANGES :

In the Last Annual General Meeting members had approved the proposal for delisting of shares of the company from Ahmedabad and Calcutta Stock Exchanges. As SEBI has now prescribed the guidelines for delisting of shares, steps will now be taken to this effect.

The listing fee of Delhi, Mumbai, Ahmedabad and Calcutta Stock Exchanges have been paid till date.

Y2K BUG

Y2K issue has no effect on the operations of the company

DIRECTORS :

Sh. Sudhir Jain is retiring at the ensuing Annual General Meeting and has offered himself for reappointment. Your directors recommend his reappointment by the members at the Annual General Meeting.

AUDITORS AND AUDITORS' REPORT :

M/s Gupta Vijay Kumar and Co., Chartered Accountants, Auditors of the company hold office until the conclusion of the ensuing Annual General Meeting. The company has received from them a letter to the effect that they are willing to act as the auditors of the company and their appointment, if made, would be within the limits prescribed under

section 224 (1-B) of the Companies Act, 1956. Accordingly, the resolution for appointment of the said auditors will be placed at the Annual General Meeting.

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

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.

PARTICULARS OF 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 and forms part of this report.

PARTICULARS OF EMPLOYEES :

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

ACKNOWLEDGMENTS :

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, workers and vendors of the company.

For and on behalf of the Board

Place : Faridabad

Dated : 26/05/1999

Sd/-

S.K. JAIN

(Chairman and Managing Director)

Disclosures under section 217 (1)(E) of the Companies Act, 1956 read with companies (Disclosure of particulars in the report of Board of Directors) Rules, 1989

1. 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	1998-99	1997-98
1. Electricity		
a) Purchased unit	13264	36708
Total amount	39791	110124
Rate / Unit (Rs.)	3.00	3.00
b) Own generation through DG Sets/Turbine		Nil
2. Coal	Nil	Nil
3. Furnace Oils	Nil	Nil
B. Consumption per unit of Production :		
Production	N.A	N.A
Electricity	N.A	N.A
Furnace Oil	N.A	N.A
Coal	N.A	N.A

FORM - B

Form of disclosure of particulars with respect to technology absorption :

A. Research and Development

1. Specific areas in which research and development were carried out by the company	Nil	Nil
2. Benefits derived	Nil	Nil
3. Future plan of action	Nil	Nil
4. Expenditure on R & D	Nil	Nil

B. Technology absorption, adaptation & Innovation (R & D)

1. Efforts made towards technology Absorption, adaptation & Innovation	N.A	N.A
2. Benefits derived	N.A	N.A
3. Particulars of imported Technologies	N.A	N.A

C. Exchange earnings and outgo

1. Earned (Rs. in lac)	20.97	10.75
2. Outgo (Rs. in lac)	30.14	18.54

For and on behalf of the Board

Place : Faridabad
 Date : 26th May, 1999

Sd/-

S.K. JAIN

(Chairman and Managing Director)

AUDITORS' REPORT

To

The Shareholders of
 SPS International Limited.

We have audited the attached Balance Sheet of SPS INTERNATIONAL LIMITED, as at 31st March 1999, and the annexed Profit and Loss Account for the year ended on that date, along with notes and Schedules there to as approved by the Board of Directors and report that :

1. As required by the Manufacturing and other companies (Auditor's Report) Order, 1988, issued by the Company Law Board in terms of section 227(4A) of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 & 5 of the said order.

2. Further to our comments in the annexures referred to in paragraph 1 above, we state that ;

i) We have obtained all the informations and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

ii) In our opinion, proper books of account as required by law have been kept by the company, so far as appears from our examination of such books.

iii) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account.

iv) The company has followed all the Accounting Standards to the extent as applicable to it, while preparing the accounts, so far as appears from our examination of books.

v) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view.

a) In the case of Balance Sheet of the statement of affairs of the company as at 31st March, 1999 ; and

b) In the case of the Profit and Loss Account, of the profit for the year ended on that date.

For GUPTA VIJAY KUMAR & Co.
 Chartered Accountants

Sd/-

VIJAY GUPTA
 (Partner)

Place : Faridabad
 Date : 26th May, 1999

ANNEXURE**[Referred to in paragraph I of our report of even date]**

1. In our opinion and according to the informations and explanations given to us the company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets. The fixed assets have been physically verified by the Management at reasonable intervals. No material discrepancies were noticed on such verification.
2. None of the fixed assets has been revalued during the year.
3. In our opinion and according to the informations and explanations given to us physical verification has been conducted by the management at reasonable intervals in respect of finished goods, stores, spare parts and raw materials.
4. In our opinion and according to the informations and explanations given to us the procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
5. In our opinion and according to the informations and explanations, given to us no materials discrepancies have been noticed on physical verification of stocks as compared to book records and these have been properly dealt with in the books of accounts.
6. In our opinion and according to the informations and explanations given to us, we are satisfied that the valuation is fair and proper in accordance with the normally accepted accounting principles. The basis of valuation of stocks is same as in the preceeding year.
7. In our opinion the rate of interest and the terms and conditions on which loans have been obtained from persons listed in the register maintained U/S 301 of The Companies Act, 1956 are not prima-facie pre-judice to the interest of the company. No loans have been taken from the companies under the same management within the meaning of Section 370 (1B) of the Companies Act, 1956.
8. So far, we have been able to ascertain and according to the informations and explanations given to us, the Company has not granted any loans, or advances in the nature of loans to the companies, firms or other parties listed in the registers maintained under section 301 of the Companies Act, 1956.
9. In our opinion, and according to the information and explanations given to us, there is adequate internal control procedure commensurate with the size of the company and the nature of its business for the purchase of stores, raw materials including components, plant and machinery, equipment and other assets and for the sale of goods.
10. In our opinion and according to the information and explanations given to us, there is no transactions of purchase of goods and material and sales of goods, materials and services, made in pursuance on contracts or arrangements entered in the register(s) maintained under section 301 of the Companies Act, 1956 aggregating during the year to Rs. 50,000/- (Rs. Fifty thousand) or more in respect of each party.
11. In our opinion and according to the informations and explanations given to us, there are no unserviceable or damaged stores, raw materials or finished goods in the company.
12. The Company has not accepted deposits from the public covered by the directives issued by the Reserve Bank of India and the provisions of section 58-A of the Companies Act, 1956.
13. In our opinion and according to the informations and explanations given to us the company is maintaining reasonable records for the sale and disposal of realisable by-products and scraps of any.
14. In our opinion the company has proper internal audit system commensurate with the size and nature of its business.
15. The company is not covered under the Provisions of Section 209 (1)(d) of Companies Act, 1956.
16. In our opinion and according to the informations and explanations given to us, the company is regular in depositing ESIC and Provident Fund dues.
17. In our opinion and according to the informations and explanations given to us there is no disputed amount payable in respect of income tax, wealth tax, sales tax, customs duty and excise duty ;
18. In our opinion and according to the informations and explanations given to us, no personal expenses have been charged to revenue account other than those payable under contractual obligation or in accordance with generally accepted business practice.
19. In our opinion and according to the informations given to us, the company is not a sick industrial company within the meaning Section 3 (1)(0) of the Sick Industrial Companies (Spl. Provisions) Act, 1985.

For **GUPTA VIJAY KUMAR**
& Co Chartered Accountants

Place : Faridabad
 Date : 26th May, 1999

Sd/-

VIJAYGUPTA
(Partner)