

SEVENTH ANNUAL REPORT

1999-2000

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***SPS* International Limited**

SPS INTERNATIONAL LIMITED

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BOARD OF DIRECTORS

MR. S.K. JAIN	:	CHAIRMAN AND MANAGING DIRECTOR
MR. SUDHIR JAIN	:	WHOLETIME DIRECTOR
MRS. SARLA JAIN	:	DIRECTOR

STATUTORY AUDITORS

M/S GUPTA VIJAY KUMAR & CO.	:	C-17, 1st FLOOR, NEHRU GROUND
CHARTERED ACCOUNTANTS	:	FARIDABAD

BANKERS

SYNDICATE BANK	:	FARIDABAD
CORPORATION BANK	:	NEW DELHI

REGISTERED OFFICE	:	FF-8 VISHNU PALACE, SECTOR-20B FARIDABAD-121003
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CORPORATE OFFICE	:	302-B, SANT NAGAR, EAST OF KAILASH NEW DELHI-110 065
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SHARE TRANSFER AGENTS

M/s. BEETAL FINANCIAL & COMPUTER SERVICES PVT LTD	:	321-S, CHIRAG DELHI, NEAR SHAHEED BHAGAT SINGH COLLEGE, NEW DELHI - 110 017 PHONE NOS. 6231990, 6232390, 6453591
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SPS INTERNATIONAL LIMITED

Regd. Off : FF-8, Vishnu Palace, Sector-20B, Faridabad-121003
Corporate Off : 302-B, Sant Nagar, East of Kailash, New Delhi-110 065

NOTICE

NOTICE is hereby given that the Seventh Annual General Meeting of the shareholders of the Company will be held at Lions Bhawan, 1143, Sector-14, Faridabad-121 002 on Thursday, the 14th September, 2000 at 12.00 noon to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the audited Balance Sheet as at 31st March, 2000 and the Profit and Loss Account of the company as on that date together with Directors' and Auditors' Report thereon.
2. To appoint a Director in place of Smt. Sarla Jain who retires by rotation and being eligible offers herself for re-appointment.
3. To appoint M/s Gupta Vijay Kumar and Co. retiring auditors as the auditors of the company to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

4. To pass with or without modification(s) the following resolution as an ordinary resolution.

"Resolved that pursuant to provisions of section 310 of the Companies Act, 1956 and Schedule XIII thereto the consent of the company be and is hereby accorded to the increase in the remuneration of Sh. Sudhir Jain, wholetime director of the company from Rs. 40,000/- per month to Rs. 47,000/- per month w.e.f. 1st September, 2000 as per details given here under:

	Existing (Rs)	Proposed (Rs)
Basic Salary	22,000	27,000
House Rent Allowance	8,800	10,800
Reimbursement of Conveyance Expenses	7,200	7,200
Reimbursement of Medical Expenses	2,000	2,000
Total	40,000	47,000

The existing benefits of Provident Fund, Leave Travel Concession, Gratuity and other applicable benefits shall be as per Company Rules.

By the order of the Board

Place : New Delhi
Dated : 16/08/2000

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 Thursday, 7th September, 2000 to Thursday, 14th September, 2000 (both days inclusive).
3. The documents referred to in the accompanying Notice are open for inspection at the Registered Office during the business hours on all working days except Saturdays and other Holidays between 11.00 A.M. and 1.00 P.M. upto the date of the Annual General Meeting.

4. For any information or clarification with regard to accounts, written requests should be made at least 15 days before Annual General Meeting so as to enable the management to keep ready the information or clarification as the case may be.
5. Shareholders holding more than one folio are requested to write to M/s Beetal Financial and Computer Services Pvt. Ltd., 321-S, Chirag Delhi, Near Shaheed Bhagat Singh College, New Delhi-110 017, the Share Transfer Agents of the company, for consolidation of folios.
6. Members/Proxies should bring the attendance slip duly filled in for attending the meeting.
7. No gift, coupons, complimentaries etc., shall be distributed at the Annual General Meeting.
8. Ballot papers for each proposed resolution, if required will be given to the members/proxies at the registration counter. Therefore, ensure to get yourself registered for attending the meeting in time. The registration counter shall open at 11.30 A.M. and close at 12.00 noon and after that no registration will be done.
9. Members are requested to bring their copy of Annual Report.

EXPLANATORY STATEMENT

Explanatory statement pursuant to section 173(2) of the Companies Act, 1956 for Item No. 4 of the accompanying notice is as under :

ITEM NO. 4

By a notification dated 2nd March, 2000, the Central Govt. has revised the minimum Remuneration payable to managerial personnel in a company. In case of our company the revised limit is Rs. 1 Lac. Therefore it is proposed to increase the remuneration of Sh. Sudhir Jain.

Keeping in view the salaries drawn by the professionals of Sh. Sudhir Jain's calibre and potential, the Board of Directors have proposed the increase in remuneration of Sh. Sudhir Jain.

The members may however note that the proposed remuneration is well within the limits prescribed under Schedule XIII to the Companies Act, 1956. Any increase in remuneration of directors requires the approval of shareholders. Therefore, the resolution is for the approval by the members.

This may be treated as abstract within meaning of section 302 of the Companies Act, 1956.

None of the directors except Sh. Sudhir Jain is concerned or interested in the resolution.

By the order of the Board

Place : Faridabad
Dated : 16/08/2000

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

SPS INTERNATIONAL LIMITED
302-B, Sant Nagar, East of Kailash, New Delhi-110 065
Tel. No. 6434122, 6434123, 6434124

Dear Shareholder (s),

Dated, 16th August, 2000

Sub : Demat of shares of the Company

I take this opportunity to inform you that effective 30th October 2000, shares of SPS are to be traded compulsorily in Dematerialised (Demat) form. You must be aware that Demat allows physical shares to be converted into electronic form. This facilitates quicker transfer, elimination of junk paper stock and higher security.

To give you a brief inside of demat environment, provided below is a brief introduction.

1. DEPOSITORY SYSTEM

Depository

In a Depository, the securities are held in the electronic form through a Depository Participant (DP). At present, there are two Depositories namely National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Limited (CDSL).

A Depository is like a Bank. You are required to open an account with a DP. This is similar to the opening of an account with any of the branches of a bank in order to utilise the services of that bank. The DP will issue a passbook to you and will despatch a statement of the holdings and of transactions to you periodically giving details of your holdings and transactions in your account.

Depository Participant (DP)

DP is an agent of the Depository registered with SEBI who interacts with the investors on behalf of the Depository. DPs charge you for the services provided by them. It is, therefore, advisable that you get full details of charges from DP with whom you wish to open your account.

The services provided by a DP inter-alia include :-

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|---|--|
| • Open demat account. | • Receive securities for demat. |
| • Receive securities for demat. | • Send the securities with DRF to the Company. |
| • Receive confirmation for validity of the securities from the Company. | • Credit your account with the Number of shares given for dematerialisation. |

Beneficial Owner

An investor is a beneficial owner in the Depository and Depository is recognised as Registered owner. However, all the rights and benefits e.g. right to receive dividend, right to attend and vote at general meetings, etc. would be with you.

Opening of account with a DP

You can approach a DP and fill-up an Account Opening Form available with the DP. You may consider following points while opening such account :-

- For holding in joint names, open your account in the same order of names
- You have to open separate account for each combination of names
- Sign the 'Participant-Client Agreement' with the DP at the time of account opening, which binds the DP to indemnify you for any misuse of your holdings

After the completion of necessary formalities, DP will allot you an account number called Client ID number, which is to be quoted in all your correspondence with DP. You can have multiple accounts with the same DP and may also open accounts with different DPs. There is no need to keep minimum balance of securities in your account. An account may even have Nil balance.

2. DEMATERIALISATION

Dematerialisation is a process by which physical certificates are given back to the Company through a DP and an equivalent number of securities are credited in your electronic account. You can dematerialise your holding either fully or in part. You can dematerialise your entire eligible portfolio of different securities through one account.

Procedure for Dematerialisation

It involves the following :

1. Surrenders your certificates to DP along with Dematerialisation Request Form (DRF) available with DPs.
2. DP intimates Depository of the request electronically.
3. DP submits the certificate along with DRF to the Company.
4. Depository electronically conveys the demat request to the Registrar who will inform the Company for confirmation/ any objection.
5. The Company confirms the demat to the DP or in the case of any objection, the same will be communicated to the DP.
6. After the confirmation, the certificates are dematerialised.
7. Company updates accounts and informs Depository of completion of Dematerialisation through Registrar.
8. Depository updates its accounts and informs the DP.
9. DP updates its accounts and informs the investors.

Please note that the dematerialised shares can also be converted into physical form.

3. OTHER INFORMATION

Advantages of Depository system

Few advantages of the depository system are :-

- Elimination of bad deliveries.
- Less time for transfer of shares purchased in demat mode
- No risk of loss, mutilation, theft, forgery or damage to share certificates.
- Faster credit of bonus/ rights issues and dividends.
- Reduced paper work.
- No stamp duty on transfer of shares
- Faster payment on sale of shares
- Nomination facility.

Keeping in view the advantages of Demat system, we request you to convert your shareholding in the company into electronic form.

In case of any further clarification or assistance, feel free to contact or write the undersigned.

Thanking you
Yours truly,

S.K. JAIN
(Chairman and Managing Director)