

EIGHTH ANNUAL REPORT

2000 - 2001

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***SPS* International Limited**

SPS International Limited

NOTICE

NOTICE is hereby given that the Eighth Annual General Meeting of the shareholders of the Company will be held at Lions Bhawan, 1143, Sector-14, Faridabad - 121 002 on Tuesday, the 25th September, 2001 at 10.30 a.m. to transact the following business:

1. To consider and adopt the audited Balance Sheet as at 31st March, 2001 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 Sh. Sudhir Jain who retires by rotation and being eligible offers himself for re-appointment.
3. 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.
2. The Register of Members and Share Transfer Books shall remain closed from Tuesday, 18th September, 2001 to Tuesday, 25th September, 2001 (both days inclusive).
3. For any information or clarification with regard to accounts, written requests should be made at least 15 days before the Annual General Meeting so as to enable the management to keep ready the information or clarifications, as the case may be.
4. For Demat of the shares of the Company, the DRFs along with share certificates may be sent through the Depository Participants to the Share Transfer Agent of the Company M/s Beetal Financial and Computer Services Pvt. Ltd., 321-S, Chirag Delhi, Near Shaheed Bhagat Singh College, New Delhi-110 017. However, the physical share transfer forms should be directly sent to the share transfer agents at the above address.

By the order of the Board

Place : New Delhi

Dated : 31.07.2001

Sd/-

S. K. JAIN

(Chairman and Managing Director)

5. Members/Proxies should bring the attendance slip duly filled in for attending the meeting.
6. No gifts, coupons, complimentaries etc., shall be distributed at the Annual General Meeting.

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.
7. 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 9.30 A.M. and close at 10.00 a.m. and thereafter no registration will be done.
8. Members are requested to bring their copy of Annual Report at the AGM.

SPS International Limited

DIRECTORS' REPORT

To the Shareholders,

Your Directors are pleased to present the Eighth Annual Report of the Company along with the Audited Accounts for the year ended 31st March, 2001

FINANCIAL RESULTS

During the year under review the total income of the Company was Rs. 343.66 Lakhs as compared to Rs. 319.02 Lakhs in the previous year, thereby showing an increase of 7.72%. The net profit of the Company stands at Rs. 6.37 Lakhs as compared to Rs 19.49 Lakhs in the previous year showing decrease of 67.30%. The drop in net profits is essentially due to increased depreciation cost.

DIVIDEND

No dividend for the year is being recommended.

STOCK EXCHANGES

Shares of the Company are listed at Delhi (Regional), Mumbai, Ahmedabad and Calcutta Stock Exchanges. The listing fee for the financial year 2001-2002 has been paid to all the above Stock Exchanges.

DEMAT OF SHARES

The shares of the Company are available for demat. The Company had entered into agreements with both NSDL and CDSL for this purpose. The shareholders may send their shares for demat through their respective DPs to the Share Transfer Agents of the Company, M/s Beetal Financial & Computer Services Pvt. Ltd.

DIRECTORS

Sh. Sudhir Jain is retiring at the ensuing Annual General Meeting and has offered himself for reappointment. Proposal for his reappointment is being included in the notice convening Annual General Meeting.

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 had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Profit of the Company for that period;
- iii) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the directors had prepared the annual accounts on a going concern basis.

AUDITOR AND AUDITORS' REPORT

M/s Sudhir Chaudhary & Associates, Chartered Accountants were appointed by the shareholders as Statutory Auditors of the Company in the Extra Ordinary General Meeting held on 28.02.2001. Their term of office is coming to an end at 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 the 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 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.

ACKNOWLEDGEMENTS

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

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

On behalf of the Board

Place : Faridabad

Dated : 31.07.2001

Sd/-

S. K. JAIN

(Chairman and Managing Director)

ANNEXURE TO THE DIRECTORS' REPORT

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.

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	2000-01	1999-00
1. Electricity		
a) Purchased unit	26178	22634
Total amount	104710	90534
Rate / Unit (Rs.)	4.00	4.00
b) Own generation through DG Sets / Turbine	12721	4461
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)	17.41	12.04
2. Outgo (Rs. in lac)	30.11	52.11

On behalf of the Board

Place : Faridabad

Dated : 31.07.2001

Sd/-

S. K. JAIN

(Chairman and Managing Director)

SPS International Limited

AUDITORS' REPORT

To
The Shareholders
SPS International Limited

We have audited the attached Balance Sheet of **M/s SPS INTERNATIONAL LIMITED**, as at 31st March, 2001 and the annexed Profit and Loss Account for the year ended on that date and report that :

- a) in the case of Balance Sheet, of the statement of affairs of the company as at 31st March, 2001 ; and
- b) in the case of the Profit and Loss Account, of the profit for the year ended on that date.

**For Sudhir Chaudhary & Associates
Chartered Accountants**

**Sd/-
SUDHIR CHAUDHARY
(Proprietor)**

**Place : Faridabad
Date : 17.05.2001**

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

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

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- 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 such books;
- c) the Balance Sheet and Profit and Loss Account dealt with by this Report are in agreement with the books of account.
- d) in our opinion, the Balance Sheet and Profit and Loss Account of the Company complies with the Accounting Standards referred to in sub section 3(C) of section 211 of the Companies Act, 1956.
- e) None of the Director is disqualified from being appointed as Director under clause (g) of subsection (1) of section 274.
- f) 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.

ANNEXURE

[Referred to in paragraph 1 of our report of even date]

1. The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets. According to the information and explanations given to us, the fixed assets have been physically verified by the Management during the period. In our opinion the frequency of such verification is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification as compared to the book records.
2. None of the fixed assets has been revalued during the year.
3. The stocks of finished goods, stores, spare parts and raw materials including components have been physically verified during the period by the management. In our opinion, the frequency of verification is reasonable.
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. The discrepancies noticed on verification between the physical stocks and books records were not