



***SPS* International Limited**
NINTH ANNUAL REPORT
2001 - 2002

SPS INTERNATIONAL LIMITED

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BOARD OF DIRECTORS

Sh. S.K. Jain, Chairman & Managing Director

Sh. Sudhir Jain, Wholetime Director

Smt. Sarla Jain, Director

Sh. Shreyans Kumar Jain

Sh. Vipin Kumar Gupta

Sh. Anoop Dawar

AUDITORS

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

BANKERS

Syndicate Bank, Faridabad
Corporation Bank, New Delhi

REGISTERED OFFICE

FF-8, Vishnu Palace, Sector-20B
Faridabad-121 003

CORPORATE OFFICE

302-B, Sant Nagar, East of Kailash
New Delhi- 110 065

SHARE TRANSFER AGENTS

For physical and Demat Shares

Beetal Financial & Computer Services Pvt. Ltd.
321-S, Chirag Delhi, Near Shaheed Bhagat
Singh College, New Delhi-110 017
Phone No. 6231990, 6232390, 6453591
Fax No. 6222146

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SPS INTERNATIONAL LIMITED

NOTICE

NOTICE is hereby given that the Ninth Annual General Meeting of the shareholders of the Company will be held at Lions Bhawan, 1143, Sector-14, Faridabad-121 002 on Wednesday, the 25th September, 2002 at 10.30 a.m. to transact the following businesses:

ORDINARY BUSINESS :

1. To consider and adopt the audited Balance Sheet as at 31st March, 2002 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 Sudhir Chaudhary & Associates, Chartered Accountants as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS :

4. To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution.

"Resolved that Sh. Shreyans Kumar Patni, be and is hereby appointed as Director of the Company liable to retire by rotation".

5. To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution.

"Resolved that Sh. Vipin Kumar Gupta, be and is hereby appointed as Director of the Company liable to retire by rotation".

6. To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution.

"Resolved that Sh. Anoop Dawar, be and is hereby appointed as Director of the Company liable to retire by rotation".

7. To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution.

"Resolved that Sh. S.K. Jain be and is hereby reappointed as Chairman and Managing Director of the Company for a period of five years effective from 1st February, 2002 on a monthly remuneration as set out below :

1. Salary in the scale of 50,000 – 6,000 – 80,000
2. Provident Fund contribution as per Rules and Regulations of the company in force from time to time.

Apart from this he is also entitled to gratuity as per the Gratuity Act, 1965 and any contribution to superannuation fund or any other pension fund as per the Company's Rules and Superannuation Fund Act. He is also entitled to Leave Travel Concession for himself, his wife and children once in a period of two years for going anywhere in India.

He is also entitled to other benefits which are applicable as per the Rules of the Company.

Resolved further that the duties of the Managing Director shall be the overall supervision of the functioning of the company, handling day to day affairs of the company, appointment and termination of services of employees, operating bank account, signing cheques, promissory notes, bills of exchange, regularly reporting to the board on the activities of the company and to perform all other duties that the board may delegate to the Managing Director from time to time and such other duties, rights, powers as are specified in the Articles of Association of the Company."

8. To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution.

"Resolved that pursuant to sections 198/269 and Schedule XIII to the Companies Act, 1956. The remuneration of Sh. Sudhir Jain, Wholetime Director be and are hereby revised as under :

1. Salary in the scale of 40,000 – 5,000 – 60,000
2. House Rent Allowance @ 40% of basic.
3. Provident Fund contribution as per Rules and Regulations of the company in force from time to time.

Apart from this he is also entitled to gratuity as per the Gratuity Act, 1965 and any contribution to Superannuation Fund or any other pension fund as per the Company's Rules and Superannuation Fund Act. He is also entitled to Leave Travel Concession for himself, his wife and children once in a period of two years for going anywhere in India.

He is also entitled to other benefits which are applicable as per the Rules of the Company."

By the order of the Board

Place : New Delhi

Dated : 09/08/2002

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 Wednesday, 18th September, 2002 to Wednesday, 25th September, 2002 (both days inclusive).
3. The relative explanatory statement pursuant to section 173(2) of the Companies Act, 1956, in respect of the Special Businesses is annexed hereto.
4. 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.
5. 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.
6. Members/Proxies should bring the attendance slip duly filled in for attending the meeting.
7. No gifts, 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 9.30 a.m. and close at 10.00 a.m. and thereafter no registration will be done.

9. Members are requested to bring their copy of Annual Report at the AGM.

EXPLANATORY STATEMENT

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

ITEM NO. 4, 5, 6

To broad base the Board of Directors and recast the Board according to SEBI's code for good Corporate Governance. Sh. Sheyans Kumar Patni, Sh. Vipin Kumar Gupta and Sh. Anoop Dawar were inducted as Additional Director in the Board meeting held on 15.2.2002.

Brief Resume of the Directors is as under :-

Sh. Shreyans Kumar Patni is an Engineer by profession and has an experience of approximately 27 years in the industry. He has given his consent to act as the Director of the company, if appointed.

Sh. Vipin Gupta is Chartered Accountant by profession and has over 5 years of experience. He has given his consent to act as the Director of the company, if appointed.

Sh. Anoop Dawar is Company Secretary and has over 5 years of experience. He has given his consent to act as the Director of the company, if appointed.

The terms of office of the above three additional directors is coming to an end at the ensuing Annual General Meeting. Notices under section 257 of the Companies Act 1956 have been received from members signifying their intention to propose the names of Sh. Sheyans Kumar Patni, Sh. Vipin Kumar Gupta and Sh. Anoop Dawar for the office of Director.

The resolutions of item No. 4, 5, 6 are therefore, for the approval by members.

None of the Directors except Sh. Shreyans Kumar Patni, Sh. Vipin Kumar Gupta and Sh. Anoop Dawar are concerned or interested in the resolution.

ITEM NO. 7

Sh. S.K. Jain was appointed as Chairman and Managing Director of the Company for 5 years on 20/2/1997. His term of office had expired on 19/2/2002. Therefore, the Board of Directors in their meeting held on 3/2/2002 re-appointed Sh. S.K. Jain as Chairman and Managing Director w.e.f. 1st February, 2002, subject to approval by shareholders in general meeting.

However, due to a subsequent notification by Central Government, the remuneration of Managerial personnel are required to be approved by Remuneration Committee. Therefore, the Remuneration Committee approved and ratified the remuneration and reappointment of Sh. S.K. Jain in its meeting held on 30/3/2002.

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

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

The proposed resolution is for consideration and approval by the members Sh. S.K. Jain and Smt. Sarla Jain, being relative are interested in the resolution.

ITEM NO. 8

Sh. Sudhir Jain is Wholetime Director of the Company. A general increase in his remuneration was done by the Remuneration Committee in its meeting held on 30.3.2002. The increase was effective from 1.4.2002, subject to approval by shareholders in general meeting. The details of remuneration are set out in the resolution.

The remuneration being paid to Sh. Sudhir Jain are within the limits of Schedule XIII to the Companies Act, 1956.

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

The resolution is for approval by the members.

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

By the order of the Board

Place : New Delhi
Dated : 09/08/2002

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

SPS INTERNATIONAL LIMITED

DIRECTORS' REPORT

To the Shareholders,

Your Directors are pleased to present the Ninth Annual Report for the year ended 31st March, 2002.

FINANCIAL RESULTS

During the year under review the total income of the Company was Rs. 428.09 Lakhs as compared to Rs. 343.66 Lakhs in the previous year, thereby showing an increase of 24.57%. The net profit of the Company (before tax) stands at Rs. 10.71 Lakhs as compared to Rs 6.37 Lakhs in the previous year showing increase of 68.13%.

DIVIDEND

Due to inadequacy of profits, no dividend for the year is being recommended.

STOCK EXCHANGES

Shares of the Company are listed at Delhi (Regional), Mumbai, Ahmedabad and Kolkata Stock Exchanges. The listing fee for the financial year 2002-2003 has been paid to all the above Stock Exchanges.

DEMAT OF SHARES

The shares of the Company are in the list of shares for which SEBI has made trading compulsory in electronic form only. The Company had entered into agreements with both NSDL and CDSL. 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

Smt. Sarla Jain is retiring at the ensuing Annual General Meeting and has offered herself for reappointment. Proposal for her reappointment is being included in the notice convening 9th 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 Profits 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 the Statutory Auditors of the Company are retiring 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 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 said auditors will be included in the notice convening next 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.