

ISO:9001:2000

***SPS* International Ltd.**

SIXTEENTH ANNUAL REPORT
2008-2009

SPS International Limited

* * * *

BOARD OF DIRECTORS

Sh. S.K. Jain, Chairman & Managing Director
Sh. Sudhir Jain, Wholetime Director
Sh. Shreyans Kumar Patni
Sh. Vipin Kumar Gupta
Sh. Anoop Dawar

COMPANY SECRETARY

Ms. Meenu Kapoor

AUDITORS

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

BANKERS

Corporation Bank, New Delhi
ICICI Bank, New Delhi

REGISTERED OFFICE

402, Sector-21C Faridabad-121 001

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.
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 Sixteenth Annual General Meeting of the shareholders of the Company will be held at Plot No. 51, Naharpar, Kheri Road, Bharat Colony, Old Faridabad on Tuesday, the 29th day of September, 2009 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, 2009 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. Shreyans Kumar Patni, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Sh. Sudhir Jain, 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.

By the order of the Board of Directors

Place : Faridabad
Dated : 29th July, 2009

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 23rd September, 2009 to Tuesday, the 29th September, 2009 (both days inclusive).
3. Brief resume of Sh. Shreyans Kumar Patni and Sh. Sudhir 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 dematerialisation 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.

By the order of the Board of Directors

Place : Faridabad
Dated : 29th July, 2009

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

SPS International Limited

DIRECTORS' REPORT

To
The Shareholders,

Your Directors are pleased to present the Sixteenth Annual Report for the year ended 31st March, 2009.

FINANCIAL RESULTS

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

(Rs./Lakh)

PARTICULARS	Year ended on	
	31.03.2009	31.03.2008
Incomes:		
Net Sales/ Income from operations	1324.41	1320.54
Other Income	12.37	12.65
Total (A)	1336.78	1333.19
Expenditure:		
(Increase)/Decrease in stock in trade	(45.31)	(89.39)
Purchase of traded goods	945.60	944.89
Staff cost	136.69	116.47
Other expenditure	199.40	238.85
Interest	16.61	19.75
Depreciation	52.24	75.46
Total (B)	1305.23	1306.03
Profit (+)/ Loss (-) before tax (A-B)	31.55	27.16
Provision for taxation	13.50	10.90
Provision for Fringe Benefit Tax	2.55	2.12
Provision for deferred tax liability	(4.95)	(2.50)
Net profit (+)/ Loss (-)	20.45	16.64
Paid-up equity shares capital. (Face value)	322.59	322.59
Reserves	86.56	66.11
Basic and diluted EPS	0.63	0.51

The performance of the Company during the year has been satisfactory. During the year under review the total income is Rs. 1336.78 Lac as against Rs. 1333.19 Lac in F.Y. 2007-08. The net profits after tax for the year are Rs. 20.45 Lac (previous year : Rs. 16.64 Lac).

DIVIDEND

Due to inadequacy 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 2009-2010 has been paid to Bombay Stock Exchange Ltd.

DIRECTORS

Sh. Shreyans Kumar Patni and Sh. Sudhir 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 16th Annual General Meeting.

PROMOTER GROUP

The promoter group consists of Sh. S.K. Jain, Smt. Sarla Jain, Sh. Ankur Jain, MAJA Merchandise Private Limited and Tender Leasing and Finance Ltd.

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 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;
- iii) 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 25/7/2009 to the effect that they are eligible and willing to be re-appointed as 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 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 22/6/2009 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 : 29th July, 2009

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

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENT

The Company is primarily involved in the IT business comprising of sale of OMR Sheets, Scanners, Image Scanners, and Service Bureau for scanning and data capturing. The Company holds the major share of the market in its business operations.

The comparison of the sales of the products of the Company over the previous year is as under:

Particulars	Sale Quantity	
	2008-09	2007-08
OMR Sheets (In Cr.)	5.86	4.20
OMR Scanners	49	56
Image Scanners	12	9

Despite the global recession, the demand for the products of the Company has remained stable during the financial year 2007-08 and is expected to grow in future.

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 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, increased competition may have some impact on the profitability.

FINANCIAL PERFORMANCE

The performance of the Company during the year has been satisfactory. During the year under review the total income is Rs. 1336.78 Lac as against Rs. 1333.19 Lac in F.Y. 2007-08. The net profits after tax for the year are Rs. 20.45 Lac (previous year : Rs. 16.64 Lac).

RISKS AND CONCERNS

The business of Company largely depends upon the Govt. policies particularly in educational sector. If, in future due to some political or economic reasons, there is adverse change in these policies, earnings of the Company may be adversely affected. Awareness about education is on the increase in Indian masses. Government has also been launching campaigns to promote educational awareness. Indian professionals are in great demand in other countries. It has established the significance of education and is attracting more students in every passing year. There is a clear demand supply gap of resources in education sector.

The Government may, to promote the education and bridge the gap may take certain promotional measures like removing entrance test from certain sectors. This may have adverse affect on business and profitability of the Company. However, these are very remote possibilities and management does not have any worries about such a scenario in the present. The management does not foresee any risk on account of availability of raw material and manpower, as these are available in the market. Also with vast experience in the field, the Company has sufficient back up to develop manpower for future.

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 9001-2000 certification by NQAQSR-JAS ANZ

OUTLOOK FOR THE YEAR 2009-2010

In view of the increased competition, the Company is taking necessary steps to maintain its leadership position and by maintaining / increasing its growth in all its business areas like sale of OMR Sheets and Scanners and Image Scanners during the financial year 2009-10.

HUMAN RESOURCES DEVELOPMENT/ INDUSTRIAL RELATIONS

The Company has a system for 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 organised. This process has helped in career planning and growth of the employees.

The Company has 51 numbers of employees as on 31/3/2009. The relationship of management with employees has been very cordial during the period under review.

Place : Faridabad
Dated : 29th July, 2009

By the order of the Board of Directors

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

ANNEXURE -II

REPORT ON CORPORATE GOVERNANCE

Company's philosophy on Corporate Governance

SPS believes in adopting best practices in the area of Corporate Governance and follows the principles of full transparency and accountability, thereby protecting the interests of all its stakeholders.

SPS has been practicing the broad principles of Corporate Governance. In addition to the basic governance issues, your Company lay 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.

SPS believes that all its operations and actions must serve the underlying goal of enhancing over all shareholders value over a sustained period of time.

Board of Directors

Composition of the Board

As on 31st March 2009, SPS's Board has five Directors, two of whom are Executive Directors, while the remaining three are all non-executive independent Directors. The Chairman is Executive Director.

Composition of the Board as on 31st March 2009.

Sl. No.	Name of Director	Category of Director	No. of other Directorships	No. of Committees chairpersonship/ membership held	
				Chairperson	Member
1	Sh. S.K. Jain	Executive	-	-	1
2	Sh. Sudhir Jain	Executive	-	-	-
3	Sh. Shreyans Kumar Patni	Non-executive independent	-	2	-
4	Sh. Vipin Gupta	Non-executive independent	-	-	2
5	Sh. Anoop Dawar	Non-executive independent	-	-	2

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.

Board Meetings

During 2008-09, the Board of Directors met 7 times on 1st April 2008, 25th June 2008, 30th July 2008, 10th October 2008, 24th October 2008, 29th December 2008, and 29th January 2009. The longest gap between any two Board meetings did not exceed 4 months.

Attendance record of Board of Directors as on 31st March, 2009. (Total Meetings held-7)

Name of Director	No of Board meetings attended	Whether attended last AGM
Sh. S.K. Jain	7	Yes
Sh. Sudhir Jain	7	Yes
Sh. Shreyans Kumar Patni	7	Yes
Sh. Vipin Gupta	7	Yes
Sh. Anoop Dawar	7	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 2008-2009 are as under.

Name of Directors	Salary	Sitting fees	Perquisites	Deferred Benefits (PF and superannuation)	Amount (Rs.)		
					Comm-ssion	Terminal Benefits	Total
Sh. S.K. Jain	12,00,000	-	-	1,44,000	-	-	13,44,000
Sh. Sudhir Jain	12,00,000	-	-	1,44,000	-	-	13,44,000
Sh. Shreyans Kumar Patni	-	8,500	-	-	-	-	8,500
Sh. Vipin Gupta	-	8,500	-	-	-	-	8,500
Sh. Anoop Dawar	-	8,500	-	-	-	-	8,500
Total	24,00,000	25,500	-	2,88,000	-	-	27,13,500

Committees of the Board

Audit Committee

As on 31 March 2009, 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 2008-09, the Committee met 5 times on 1st April 2008, 25th June 2008, 30th July 2008, 24th October 2008 and 29th January 2009.

Details of the Audit Committee as on 31st March 2009 (Total Meetings held-5)

Sl. No.	Name of Member	Category	Number of meetings attended
1.	Sh. Shreyans Kumar Patni	Chairman, Independent Director	5
2.	Sh. Vipin Gupta	Independent Director	5
3.	Sh. Anoop Dawar	Independent Director	5

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.

Managerial Remuneration Committee

The Managerial Remuneration Committee comprises three members, all of whom are independent. Sh. Shreyans Kumar Patni is the Chairman, while Sh. Vipin Gupta and Sh. Anoop Dawar are the other members. The Committee decides the amount of salary, perquisites and commission to be paid to the Directors (within the overall ceiling fixed by shareholders).

Shareholders/Investors Grievance Committee

As on 31st March, 2009, 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 2008-09, the Committee met 5 times.

Details of Shareholders' ad Investors' Grievance Committee as on 31st March, 2009 (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. Anoop Dawar	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 31st March 2009, no complaint was pending.

Management

Management Discussion & Analysis

This report contains a separate section on Management Discussion & Analysis.

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

Shareholders

The following Directors are retiring by rotation and being eligible offer themselves for re-appointment :

Sh. Shreyans Kumar Patni (60) is an Engineer by profession and has an experience of approximately 29 years in the industry. He has been on the Board of the Company since 15th 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.

Sh. Sudhir Jain (46) is a Bachelor of Engineering (Electronics) from Bangalore. He has over 20 years of experience in the industry. He has associated with many MNCs like National Computer System USA, Qualstar Corporation USA and Kontron Electronics, Germany etc. He has been associated with the company for last 15 years and is on the Board of the Company and he is a whole time director since 28th October 1995. He is a Director retiring by rotation and his term of office is expiring at the ensuing Annual General Meeting.

Sh. Sudhir Jain is not director in any other Public Limited Company and is not member of any committee of directors. He holds 1000 equity shares of the Company.

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.

The Company is regularly filing financial information, statements and reports on the Electronic Data Information Filing and Retrieval (EDIFAR) maintained on SEBI website.

General Body Meetings

Location and time of last three AGMs

General Body Meetings

Location and time of last three AGMs

Year	Location	Date	Time	Special Resolution passed
2005-06	FF-1, Vishnu Palace, Sector 20-B, Faridabad	28/9/2006	11.00 a.m.	Nil
2006-07	Village Tatarpur Road, Teh. Palwal, Distt. Faridabad	28/9/2007	11.00 a.m.	Nil
2007-08	51, Naharpar, Kheri Road, Bharat Colony, Old Faridabad	30/9/2008	11.00 a.m.	Nil

No resolution was put through postal ballot during 2008-09.

Additional shareholder information

Annual General Meeting

Date : Tuesday, 29th September 2009
 Time : 11.00 A.M.
 Venue : Plot.No. 51, Naharpar, Kheri Road, Bharat Colony, Old. Faridabad

Financial Calendar

Financial year : 1 April to 31 March 2009

During the year ended 31 March 2009, results were announced on:

25th June 2008 : Annual financial results
 30th July 2008 : First Quarter
 24th October 2008 : Second Quarter
 29th January 2009 : Third Quarter

The tentative schedule for the financial year 2009-10 :

July 2009 (last week) : First Quarter
 October 2009 (last week) : Half yearly
 January 2010 (third week) : Third quarter
 June 2010 (last week) : Annual and Fourth quarter

Book Closure Date

Wednesday, 23rd September, 2009 to Tuesday, 29th September, 2009 (both days inclusive).

Dividend

Due to inadequacy 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 2009-2010 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 2007-08 is as under:

Year 2008-09	Price of Share of the Company at BSE			BSE SENSEX	
	High (Rs.)	Low (Rs.)	Volume (Rs.)	High	Low
April	4.71	3.32	57682	17,480.74	15,297.96
May	5.10	4.08	18373	17,735.70	16,196.02
June	5.10	4.10	10142	16,632.72	13,405.54
July	6.46	4.39	37102	15,130.09	12,514.02
August	6.13	4.48	20408	15,579.78	14,002.43
September	5.77	4.96	5248	15,107.01	12,153.55
October	5.23	5.15	213	13,203.86	7,697.39
November	6.82	6.08	179	10,945.41	8,316.39
December	5.78	4.81	166	10,188.54	8,467.43
January	5.64	5.50	3	10,469.72	8,631.60
February	5.64	5.57	1810	9,724.87	8,619.22
March	5.55	4.94	515	10,127.09	8,047.17

Distribution of shareholding

Distribution of shareholding by number of shares held as on 31st March, 2009

No. of equity shares held	No. of share holders	% of shareholders	No. of shares	% of share holding
Upto 500	1960	76.86	357963	11.0965
501 – 1000	251	9.84	213693	6.6243
1001-2000	170	6.67	285942	8.8639
2001-3000	64	2.51	160420	4.9729
3001-4000	19	0.75	67232	2.0841
4001-5000	24	0.94	122864	3.4987
5001-10000	34	1.33	251582	7.7988
10000 and above	28	1.10	1776204	54.0607
Total	2550	100.00	3225900	100.0000

Distribution of shareholding by shareholding pattern as on 31st March, 2009.

SL. NO.	CATEGORY	NO. OF SHARES HELD	% AGE OF HOLDING
A.	Shareholding of promoter and promoter group	1206856	37.41
B.	Public Shareholding		
	Bodies Corporate	199091	6.17
	Individual shareholders holding nominal share capital up to Rs. 1 Lac	1268959	39.34
	Individual shareholders holding nominal share capital in excess of Rs. 1 Lac	489248	15.17
	NRIs	61246	1.90
	Clearing members	500	0.01
	Total	3,225,900	100.00

Dematerialisation of shares as on 31st March 2009

There were 19,73,690 shares in electronic form, which constitute 61.18 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 three years

The Company has not obtained any public funding in the last three 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

Remuneration Committee has been constituted in accordance with the requirements of the Listing Agreement.

Plant/Business Location

SPS International Limited

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

Address for Correspondence

Company:

Sh. S.K. Jain
Chairman and Managing Director
SPS International Ltd.
302-B, Sant Nagar, East of Kailash
New Delhi-110 065
Tel No. + 91 011-26434122
Fax No. + 91 011-26433731
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, 2009 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 2009 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.

**For Sudhir Chaudhary & Associates
Chartered Accountants**

Sd/-

**Sudhir Chaudhary (Partner)
M. No. 91302**

**Place : Faridabad
Dated : 22.06.2009**

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	2008-09	2007-08
1. Electricity		
a) Purchased unit	74624	76307
Total amount	429089	427320
Rate / Unit (Rs.)	5.75	5.60
b) Own generation through DG Sets/Turbine	14264	20132
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	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. 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)	7.69	54.36
2. Outgo (Rs. in lac)	198.15	214.79

On behalf of the Board of Directors

Sd/-

S.K. JAIN

(Chairman and Managing Director)

Place : Faridabad

Dated : 29th July 2009

AUDITORS' REPORT TO THE MEMBERS OF SPS INTERNATIONAL LIMITED

To
The Members,

We have audited the attached Balance Sheet of M/s SPS INTERNATIONAL LIMITED as at 31ST March 2009 and also the Profit & Loss Account for the year ended on that date annexed thereto and Cash Flow Statement of the Company for the year ended on that date. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the **Companies Auditor's Report (Amendment) Order, 2004** issued by the Central Govt. of India in terms of sub-section (4A) of the section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.

Further to our comments in the annexure referred to above, we report that :

1. 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.
2. In our opinion, proper books of accounts as required by law have been kept by the company so far as appears from our examination of those books.
3. The Balance Sheet, Profit & Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
4. In our opinion, the Balance Sheet, Profit & Loss Account and the Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of the section 211 of the Companies Act, 1956.
5. On the basis of written representations received from the Director's, as on 31st March, 2009 and taken on record by the Board of Director's, we report that none of the Director's is disqualified as on 31st March, 2009 from being appointed as a Director in terms of clause (g) of sub section (1) of section 274 of The Companies Act, 1956.
6. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
 - a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2009;
 - b) In the case of the Profit and Loss Account, of the Profit for the year ended on that date.
 - c) In the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

For Sudhir Chaudhary & Associates
Chartered Accountants

Sd/-

Sudhir Chaudhary (Partner)

M. No. 91302

Place : Faridabad

Dated : 22.06.2009

ANNEXURE TO THE AUDITOR'S REPORT

(Referred to in paragraph 1 of our report of even date on the accounts of
SPS INTERNATIONAL LIMITED for the year ended March 31, 2009)

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 programme 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 not disposed off any major part of the fixed assets.

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. The company has not granted loan to other companies covered in the register maintained under section 301 of the companies Act, 1956.
 - b. The company has not accepted 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 and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
5. During the year covered by our Audit Report, there was no contracts or arrangements during the year which are to be entered into the register maintained under section 301 of the Companies Act, 1956.
6. During the year covered by our Audit Report, the company has not accepted any deposits pursuant to section 58A, section 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.
7. In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
8. Since the company is not covered for the purpose of cost records under section 209(1)(d) of the Companies Act, this clause is not applicable so it is not given.
9.
 - 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 2009 for a period of more than six months from the date they became payable.
10. 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.
11. 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.
12. This clause is not applicable so it is not given.
13. In our opinion, the company is not a chit fund or a nidhi mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) Order are not applicable to the company.
14. In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable to the company.
15. According the information and explanation given to us, the company has not given any guarantee for loan taken by others from banks or financial institution.
16. In our opinion, the terms loans have been applied for the purpose for which they were raised.
17. According 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 except permanent working capital.
18. According to the information and explanations given to us, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
19. According to the information and explanations given to us, during the period covered by our audit report, the company has not issued any debentures.
20. No money was raised by public issues during the period covered by our Audit Report.
21. According 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.

For Sudhir Chaudhary & Associates
Chartered Accountants

Sd/-

Sudhir Chaudhary (Partner)
M. No. 91302

Place : Faridabad
Dated : 22.06.2009

SPS International Limited
BALANCE SHEET AS AT 31ST MARCH, 2009

Particulars	Sch No.	Current Year 31/03/2009 Amount (Rs)	Previous Year 31/03/2008 Amount (Rs)
SOURCES OF FUNDS :			
Shareholders Funds :			
a) Share Capital	1	32259000	32259000
b) Reserves and Surplus	2	8656059	6611339
Loan Funds :			
a) Secured Loans	3	14011841	15956591
Deferred Tax Liability		1209411	1704624
TOTAL :		56136311	56531554
APPLICATION OF FUNDS :			
Fixed Assets :			
Gross Block	4	88126172	87428585
Under Construction		3930648	0
		92056820	87428585
Less : Depreciation		65189526	59965945
Net Block		26867294	27462640
CURRENT ASSETS, LOANS & ADVANCES :			
a) Inventories	5	16120068	11588936
b) Sundry Debtors	6	22000046	21243841
c) Cash and Bank balances	7	3227875	7089821
d) Loans and Advances	8	9693330	4889656
		51041319	44812254
Less : Current Liabilities	9	19437391	14951471
Less : Provisions		2695000	1302000
NET CURRENT ASSETS		28908928	28558783
MISCELLANEOUS EXPENDITURE :			
(To the extent not written off or adjusted)			
- Preliminary Expenses	10	360089	510131
PROFIT AND LOSS ACCOUNT (DR)			
TOTAL		56136311	56531554
NOTES TO THE ACCOUNTS :	17		

"The Schedules 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 the Board of Directors

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

Sd/-
SUDHIR JAIN
(Director)
Sd/-
MEENU KAPOOR
(Company Secretary)

Sd/-
D.S. BHATI
AGM (Commercial)

As per our report of even date
For SUDHIR CHAUDHARY & ASSOCIATES
CHARTERED ACCOUNTANTS

Sd/-
SUDHIR CHAUDHARY (Partner)
M.NO. 091302

Place : Faridabad
Dated : 22.06.2009

SPS International Limited

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2009

Particulars	Sch No.	Current Year 31/03/2009 Amount (Rs)	Previous Year 31/03/2008 Amount (Rs)
INCOME :			
- Sales and Services	11	132440731	132054163
- Other Income	12	1236922	1264590
- Increase/(Decrease) in the stocks	13	4531132	8939186
TOTAL		138208785	142257939
EXPENDITURE :			
- Processing, Administrative and Selling Expenses	14	114350235	118223669
- Personnel Expenses	15	13669141	11647490
- Financial Expenses	16	1661279	1975064
- Depreciation	4	5223581	7545937
		134904236	139392160
Net Profit		3304549	2865779
Less : Preliminary Expenses written off		150042	150042
Net Profit before tax for the year		3154507	2715737
Less : Provision for Taxation (Current Tax)		1350000	1090000
Provision for Fringe Benefit Tax		255000	212000
Add/(Less) : Deferred Tax (Liability)/Assets		495213	250757
Net Profit for the year		2044720	1664494
Less : Prior Period Adjustment		0	88156
Add : Profit Brought Forward		4211339	2635001
PROFIT / (LOSS) CARRIED OVER TO BALANCE SHEET		6256059	4211339
Notes to the Accounts	17		

"The Schedules referred to above form an integral part of the Profit and Loss Account. This is the Profit and Loss Account referred to in our report of even date".

For and on behalf of the Board of Directors

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

Sd/-
SUDHIR JAIN
(Director)

Sd/-
D.S. BHATI
AGM (Commercial)

Sd/-
MEENU KAPOOR
(Company Secretary)

As per our report of even date
For **SUDHIR CHAUDHARY & ASSOCIATES**
CHARTERED ACCOUNTANTS

Sd/-
SUDHIR CHAUDHARY (Partner)
M.NO. 091302

Place : Faridabad
Dated : 22.06.2009

SPS International Limited

SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2009

Particulars	For the Year Ended 31/03/2009 Amount (Rs)	For the Year Ended 31/03/2008 Amount (Rs)
SCHEDULE - 1		
Share Capital :		
Authorised :		
- 10000000 Equity shares of Rs. 10/- each	100000000	100000000
	=====	=====
Issued, Subscribed and Paid up :		
- 3225900 Equity shares of Rs. 10/- each fully paid up	32259000	32259000
	32259000	32259000
SCHEDULE - 2		
Reserves and Surplus :		
General Reserve :		
- Opening Balance	2400000	2400000
- Profit during the year	6256059	4211339
Carried forwarded to Balance sheet	8656059	6611339
SCHEDULE - 3		
Secured Loans :		
(Including interest accrued and due thereon)		
- Corporation Bank Cash Credit	9838588	10431651
- Corporation Bank - Term Loan	3431764	4804471
- ICICI Bank OD A/c	443551	0
- Apeejay Finance Group (Santro)	0	74412
- Car Loan ICICI Bank Ltd. (CRV Honda)	0	62833
- Car Loan ICICI Bank Ltd. (Corolla)	0	201496
- Car Loan Corporation Bank (Swift)	297938	381728
	14011841	15956591

SCHEDULE - 4 FIXED ASSETS

		Amount (Rs)									
S. No.	DESCRIPTION OF ASSETS	COST				DEPRECIATION				WDV	
		AS ON 1.4.2008	ADDI-TIONS	SALES/ TRANS-FER	AS ON 31.3.2009	UPTO 1.4.2008	DURING THE YR.	WRIT- TEN BACK	UPTO 31.3.2009	AS ON 31.3.2009	AS ON 31.3.2008
1.	LAND, SANT NAGAR	300000	0	0	300000	0	0	0	0	300000	300000
2.	LAND, W-12, OKHLA	11280350	374387	1703000	9951737	0	0	0	0	9951737	11280350
3.	BUILDING, SANT NAGAR	2828500	0	0	2828500	1326053	75122	0	1401175	1427325	1502447
4.	BUILDING, W-12 OKHLA	0	1703000	0	1703000	0	85150	0	85150	1617850	
5.	COMPUTERS	59081709	323200	0	59404909	48996374	4139414	0	53135788	6269121	10085335
6.	ELECTRIC EQUIPMENTS	4282060	0	0	4282060	3038355	172999	0	3211354	1070706	1243705
7.	OFFICE EQUIPMENTS	666834	0	0	666834	451780	29914	0	481694	185140	215054
8.	VEHICLES	7324162	0	0	7324162	4736030	670067	0	5406097	1918065	2588132
9.	FURNITURE & FIXTURES	1530186	0	0	1530186	1310410	39779	0	1350189	179997	219776
10.	SOFTWARE & LICENSE	134784	0	0	134784	106943	11136	0	118079	16705	27841
	CAPITAL WORK-IN-PROGRESS:										
11.	-BUILDING, W-12 OKHLA	0	3507313	0	3507313	0	0	0	0	3507313	0
12.	-ELECTRIC EQUIPMENT	0	423335	0	423335	0	0	0	0	423335	0
	TOTAL	87428585	6331235	1703000	92056820	59965945	5223581	0	65189526	26867294	27462640
	PREVIOUS YEAR'S FIGURES	81117588	7918961	1607964	87428585	53181505	7545937	761497	59965945	27462640	27936082

Particulars	For the Year Ended 31/03/2009 Amount (Rs)	For the Year Ended 31/03/2008 Amount (Rs)
SCHEDULE - 5		
Inventories :		
(As taken valued and certified by the management)		
- Pre printed stationery	50775	771000
- OMR sheets	158736	1169075
- Scanners	11502568	5586854
- Stores and Spares	1391904	1503180
- Packing material	487214	519640
- Computer and General Stationery	409222	549317
- Work in process	2119649	1489870
	16120068	11588936
SCHEDULE - 6		
Sundry Debtors :(Considered good unless stated otherwise)		
a) Debts outstanding for a period not exceeding six months	15982831	19119762
b) Debts outstanding for a period exceeding six months	6017215	2124079
c) Suit filed debtors (considered doubtful)	305925	305925
d) Doubtful debtors	348477	348477
	22654448	21898243
Less : Provision for doubtful & Suit filed debts	654402	654402
	22000046	21243841
SCHEDULE - 7		
Cash and Bank Balances :		
- Cash in hand	229825	227995
Balance in Current Accounts with:		
- Corporation Bank, New Delhi (CCSDL A/c)	11686	2447730
- Corporation Bank, New Delhi (Fixed deposits)	2717850	2580742
- ICICI Bank, New Delhi (Current A/c)	0	1681333
- State Bank of India, Faridabad (Current A/c)	35193	35193
- Interest accrued on FDR's	233321	116828
	3227875	7089821
SCHEDULE - 8		
Advances Recoverable in cash or in kind or for value to be received :		
(Considered good)		
-Advances recoverable	6977739	3558627
- Tax deducted at source	2715591	1331029
	9693330	4889656
SCHEDULE - 9		
Current Liabilities and Provisions :		
a) Current Liabilities and Provisions :		
- Sundry Creditors	15309880	10884876
- Advance / deposits from customers	750716	1547042
- Expenses Payable	2883711	2323178
- Other Liabilities	493084	196375
	19437391	14951471
b) Provisions :		
- Provision for taxation	2440000	1090000
- Provision for Fringe Benefit Tax	255000	212000
	2695000	1302000
SCHEDULE - 10		
Miscellaneous Expenditure :		
(To the extent not written off or adjusted)		
- Travelling Expenses capitalized	80089	120131
- Market Development Expenses Capitalised	280000	390000
	360089	510131

Particulars	For the Year Ended 31/03/2009 Amount (Rs)		For the Year Ended 31/03/2008 Amount (Rs)	
SCHEDULE – 11				
Sales and Services :				
- Sales (Export)		0		4949285
- Gross Sales (Domestic)	120370250		121759759	
Less : taxes	4460160	115910090	4686031	117073728
- Gross Services	17738590		9966348	
Less : taxes	1976612	15761978	869807	9096541
- Commission		768663		934609
		132440731		132054163
SCHEDULE – 12				
Other Income :				
- Interest received (Gross)		192979		105509
- Miscellaneous Income		1043943		805548
- Profit on sale of fixed assets		0		353533
		1236922		1264590
SCHEDULE – 13				
Increase/Decrease in Closing Stocks :				
Closing Stocks :				
- Pre printed stationery		50775		771000
- Computer and General Stationery		409222		549317
- Scanners		11502568		5586854
- OMR Sheets		158736		1169075
- Stores and Spares		1391904		1503180
- Packing material		487214		519640
- Work in process		2119649		1489870
		16120068		11588936
Opening Stocks :	11588936		7203748	
Less : Stock capitalized	0	11588936	4553998	2649750
Increase		4531132		8939186
SCHEDULE - 14				
Processing, Administrative and Selling Expenses:				
Purchase of Scanners & Computers		22988145		26826873
Purchase of OMR Sheets & Stationery		70180382		66391155
Purchase of OMR Spare Parts		1391832		1183145
Floppies and Tapes		0		2888513
Computer and General Stationery		797152		10897896
Insurance charges		397271		367435
Scanning / Data Entry expenses		587442		78991
Electricity and water charges		454015		453406
Freight and Cartage		10098553		3624160
Legal and Professional Charges		521050		70500
Travelling and Conveyance		3193639		2365514
Directors' Travelling and Conveyance		902640		741995
Directors' Meeting fee		25500		33000
Mailing Charges		30429		33670
Telephone, Mobile and Fax Expenses		496138		439233
Rent, rates and taxes		863794		225074
Auditors' Remuneration :				
- As Auditors		45000		35000
- For Income tax matters		30720		28600
Repairs and maintenance		876024		516203
Subscription and Periodicals		24840		14552
Miscellaneous Expenses		352919		901627
Marketing Expenses		92750		102927
Rebate and Discount		0		4200
		114350235		118223669

Particulars	For the Year Ended 31/03/2009 Amount (Rs)	For the Year Ended 31/03/2008 Amount (Rs)
SCHEDULE – 15		
Personnel Expenses :		
Salaries	6645129	6118771
HRA	1852928	1638810
Incentive paid/ Overtime Allowance	985618	983056
ESI Contribution	108347	105665
Provident Fund	734691	704532
Bonus	295871	316065
Ex-gratia payments	528915	413549
Leave encashment	325014	313378
Leave travelling allowance	308086	172565
Staff Welfare expenses	310738	297246
Medical Allowance	757417	0
Transportation Allowance/ Travelling Allowance	803335	456480
Contribution to App. gratuity fund	13052	127373
	13669141	11647490
SCHEDULE – 16		
Financial Expenses :		
Bank charges and commission	196179	395249
Bank Interest	1417226	1491406
Interest others	47874	88409
	1661279	1975064

SCHEDULE-17 :

NOTES FORMING PART TO THE ACCOUNTS FOR THE YEAR ENDED ON 31/03/2009

A. ACCOUNTING POLICIES :

The financial statements are prepared under historical cost convention, on a going concern basis and in accordance with the applicable accounting standards prescribed in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government, in consultation with the National Advisory Committee on Accounting Standards and relevant provisions of the Companies Act 1956.

1. FIXED ASSETS :

- Fixed assets are stated at cost less accumulated Depreciation. The cost of assets comprises of purchase price and directly attributable cost of bringing the assets to working condition for its intended use.
- 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.
- Estimated amount of contracts remaining to be executed exceeding rupees one lakh in each case are disclosed in the notes to accounts.

2. 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.

3. INVENTORIES :

The company has adopted the policy to evaluate its stock-in-trade and other stores and spares at cost (FIFO).

4. SCALE/REVENUE RECOGNITION :

- 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.
- Services are net of service tax. Revenue from services is recognized when services are rendered and related costs are incurred.
- Interest income is recognized on time proportion basis.

5. FOREIGN CURRENCY TRANSACTIONS :

- a) Foreign currency transactions are recorded at the exchange rate prevailing on the date of transaction.
- 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.

6. BORROWING COSTS :

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.

7. 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.

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.

8. 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.

9. AMORTIZATION OF PRELIMINARY EXPENSES, PUBLIC ISSUE EXPENSES AND OTHER CAPITALIZED EXPENSES:

The company has been writing off 1/10th of the preliminary expenses, public issue expenses and other expenses capitalized every year.

10. AMORTIZATION OF DEVELOPMENT EXPENSES:

The company has been writing off 1/10th of the expenditure capitalized and incurred upon traveling and marketing of new products every year.

11. NOTES ON ACCOUNTS :

Particulars	Current Year's Figures	Previous Year's Figures
1. Estimated amount of contracts remaining to be executed on capital account and not provided for	25 Lac	Nil
2. Particulars of Employees who were in receipt of remuneration which in aggregate was not less than Rs. 24,00,000/-, if employed through out the year or Rs. 2,00,000/- p. m if employed for a part of the year	Nil	Nil
3. The company has not received any information from suppliers or service providers, whether they are covered under the "Micro, Small and Medium Enterprises (Development) Act, 2006". Therefore it is not possible to provide the information required under the Act.		
4. In compliance to the provisions of Accounting Standard-22 "Accounting for Taxation of Income", the company has accounted for the deferred tax liability amounting to Rs. Nil during the year.		
5. 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.		

S.No.	Name	Relationship	Nature of transactions	Amount (Rs)
1.	Sh. S.K. Jain	Chairman and Managing Director	A. Salary B. Club Expenses C. Travelling Exps.	1200000 3600 193391
2.	Sh. Sudhir Jain	Wholetime Director	A. Salary B. HRA C. Travelling Exps. D. LTA	1200000 - 709249 112610
3.	Sh. Anoop Dawar	Independent Director	Sitting Fee	8500
4.	Sh. Vipin Gupta	Independent Director	Sitting Fee	8500
5.	Sh. S.K. Patni	Independent Director	Sitting Fee	8500

6. The figures have been rounded off to the nearest of rupees.

7. **Earning per share (EPS) (AS-20)**

	2008-09	2007-08
Net Profit/ (Loss) after current and deferred tax	20,44,720/-	16,64,494/-
Weighted average number of equity shares of Rs. 10/- each	3225900	3225900
EPS (Rs) - Basic and Diluted	0.63	0.52

8. Contingent liability on account of bank guarantee given to customers Rs. 17.49 lac (P.Y. 18.51 Lac)

9. Personal accounts are subject to the confirmation of the respective parties.

10. As per accounting standard 15 "Employee Benefits", the disclosures of employee benefits as defined in the accounting standard are given below.

DEFINED CONTRIBUTION PLAN :

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

	2008-09
Employer's contribution to provident fund	Rs. 7,34,691.00

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.

I. CHANGE IN PRESENT VALUE OF OBLIGATION

Sl. No.	Particulars	Gratuity (Funded) 31/03/2009
a)	Present value of obligation as at the beginning	1624382
b)	Acquisition adjustment	-
c)	Interest cost	129951
d)	Past service cost	-
e)	Current service cost	172230
f)	Curtailment cost/ (Credit)	-
g)	Settlement cost/ (Credit)	-
h)	Benefits paid	-
i)	Actuarial(gain)/ Loss on obligation	(45885)
j)	Present value of obligation as at the end of period (31/3/2009)	1880678
II.	CHANGE IN FAIR VALUE OF PLAN ASSET	
a)	Fair value of plan assets at the beginning of the period	1711603
b)	Acquisition adjustment	-
c)	Expected return on plan assets	154044
d)	Contributions	-
e)	Benefits paid	-
f)	Actuarial gain/(loss) on plan assets	-
g)	Actual Return on Plan Assets	-
g)	Fair value of plan assets at the end of the period.	1865647
III.	FAIR VALUE OF PLAN ASSETS	
a)	Fair value of plan assets at the beginning of the period	1711603
b)	Acquisition adjustment	-
c)	Actual return of plan assets	154044
d)	Contributions	-
e)	Benefits paid	-
f)	Fair value of plan assets at the end of the period	1865647
g)	Actual Return on Plan Assets	-
g)	Funded Status	(15031)
h)	Excess of actual over estimated return on plan assets	-

IV.	ACTUARIAL GAIN/ LOSS RECOGNIZED :	
a)	Actuarial gain/ (loss) for the period obligation	45885
b)	Acquisition gain/ (loss) for the period plan assets	-
c)	Total gain/ loss for the period	(45885)
d)	Actuarial gain/ loss recognized in the period	(45885)
e)	Unrecognized actuarial (gains) losses at the end of period	-
V.	THE AMOUNTS RECOGNIZED IN BALANCE SHEET AND RELATED ANALYSIS:	
a)	Present value of obligation as at the end of the period	1880678
b)	Fair value of plan assets as at the end of the period	1865647
c)	Funded status	(15031)
d)	Excess of actual over estimated	-
e)	Unrecognized actuarial (gains)/ losses	-
f)	Net asset/ (liability) recognized in balance sheet	(15031)
VI.	EXPENSES RECOGNIZED IN STATEMENT OF PROFIT AND LOSS :	
a)	Current service cost	172230
b)	Past service cost	-
c)	Interest cost	129951
d)	Expected return on plan assets	(154044)
e)	Curtailment cost/ (credit)	-
f)	Settlement cost/ (credit)	-
g)	Net actuarial (Gain)/ loss recognized in the period	(45885)
h)	Expenses recognized in the statement of profit & losses	102252
VII.	RECONCILIATION STATEMENT OF EXPENSE IN THE STATEMENT OF PROFIT AND LOSS :	
a)	Present value of obligation as at the end of the period	1880678
b)	Present value of obligation as at the beginning of the period	1624382
c)	Benefits paid	-
d)	Actual return on plan assets	(154044)
e)	Excess recognized in the statement of profit & losses	102252
VIII.	AMOUNT FOR THE CURRENT PERIOD :	
a)	Present value of obligation as at the end of the period	1880678
b)	Fair value of plan assets at the end of the period	1865647
c)	Surplus / (Deficit)	(15031)
d)	Experience adjustment on plan Liabilities (loss)/gain	45885
e)	Experience adjustment on plan Assets (loss)/ gain	-
IX.	MOVEMENT IN THE LIABILITY RECOGNIZED IN THE BALANCE SHEET :	
a)	Opening net liability	1624382
b)	Express as above	102252
c)	Benefits paid	-
d)	Closing Liability	1880678
X.	INVESTMENT DETAILS :	% INVESTED AS AT 31/3/2009
a)	LIC Group Gratuity Policy	100
XI.	ACTUARIAL ASSUMPTIONS :	
a)	Economic Assumptions	
i)	Discounting Rate	8.00
ii)	Future Salary Increase	5.00
iii)	Expected Rate of return on plan assts	9.00
b)	Demographic Assumption	
i)	Retirement Age	60 years
ii)	Mortality Table	LIC : 94-96 duly modified
iii)	Withdrawal Rates	Ages & Withdrawal Rate
		Up to 30 years 3
		Up to 44 years 2
		Above 44 years 1

Since the company makes the payment of unavailed leaves within 1st Qtr of the succeeding year, none of the earned and unavailed leave is carried forward to the next year. As a result no long term liability arises on account of leave encashment, which require actuarial certification. The short term liability as on 31st March on account of leave encashment has been duly provided.

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 an IT Company and is engaged in the business of sale/purchase of Optical Mark Readers, Image Scanners, Insight Scanners, 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 effected. 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.

Particulars of goods Traded :

Particulars	Current Year		Previous Year	
	Qty. (Nos)	Value (Rs)	Qty. (Nos)	Value (Rs.)
OMR Sheets				
Opening Stock	1156320	1169075	474800	366835
Purchases	39468945	41345488	42701127	39619287
Sales	40490215	58564681	42019607	57953179
Closing Stock	135050	158736	1156320	1169075
Scanners :				
Opening Stock	8	5586854	8	5261703
Purchases	78	22503729	70	24767536
Sales	61	26412038	65	30011368
Capitalized	-	-	5	4553998
Closing Stock	25	11502568	8	5586854

Particulars	Current Year		Previous Year
	value (Rs)		
- Scanners	18429106		20557930
- Stores and Spares	1104081		655557

c) The figures of the previous financial year have been re-grouped wherever considered necessary to make them comparable with that of current financial year.

d) The Schedule 14 of the processing administrative and selling expenses and Schedule 15 of personnel expenses include amount paid/credited to the directors under the following heads.

DESCRIPTION	CURRENT YEAR AMOUNT (Rs.)	PREVIOUS YEAR AMOUNT (Rs.)
Remuneration	2400000	2400000
Travelling (including foreign)	902640	809075

e) TOTAL EARNINGS IN FOREIGN CURRENCY	768663	5455719
f) TOTAL EXPENDITURE IN FOREIGN EXCHANGE	19815185	21478781

For and on behalf of the Board of Directors

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

Sd/-
SUDHIR JAIN
(Director)
Sd/-
MEENU KAPOOR
(Company Secretary)

Sd/-
D.S. BHATI
AGM (Commercial)

As per our report of even date
For SUDHIR CHAUDHARY & ASSOCIATES
CHARTERED ACCOUNTANTS

Sd/-
SUDHIR CHAUDHARY (Partner)
M.NO. 091302

Place : Faridabad
Dated : 22.06.2009

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009

Particulars	Figures as at 31.3.2009	Figures as at 31.3.2008
A. CASH FLOW FROM OPERATING ACTIVITIES:		
i) Net Profit before tax & extraordinary items	31,54,507	27,15,737
Adjustment for :		
Depreciation	52,23,581	75,45,937
Interest/Dividend	16,61,279	19,75,064
Preliminary/Deferred revenue expenditure	1,50,042	1,50,042
Profit/Loss on Sale of Assets	0	3,53,533
ii) Operating Profit before working capital charges	1,01,89,409	1,20,33,247
Adjustment for :		
Trade & other receivable	-55,59,879	27,43,365
Inventories	-45,31,132	-43,85,188
Trade payable	58,78,920	44,06,439
iii) Cash generated from operations	59,77,318	1,47,97,863
Interest paid	-16,61,279	-19,75,064
Direct Taxes Paid	-13,35,000	-24,81,157
iv) Cash Flow before Extraordinary items	29,81,039	1,03,41,642
Net cash generated from operating Activities	29,81,039	1,03,41,642
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of fixed assets	-46,28,235	79,18,961
Purchase of Investments	0	0
Sale of Fixed Assets	0	12,00,000
Sale of Investments	0	0
Net cash generated from investing activities	-46,28,235	-67,18,961
C. CASH FLOW FROM FINANCIAL ACTIVITIES :		
Proceeds from long term borrowings	4,43,551	37,85,967
Proceeds from short term borrowings	0	-2,45,839
Repayment of financial lease liabilities	0	-17,58,501
Net cash generated from financial activities	4,43,551	17,81,627
Net increase in cash & cash equivalents	-12,03,645	54,04,308
Cash & Cash equivalents (Opening Balance)	70,89,821	16,85,513
Cash & cash equivalents (Closing Balance)	32,27,875	70,89,821

For and on behalf of the Board of Directors

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

Sd/-
SUDHIR JAIN
(Director)

Sd/-
D.S. BHATI
AGM (Commercial)

Sd/-
MEENU KAPOOR
(Company Secretary)

As per our report of even date
For **SUDHIR CHAUDHARY & ASSOCIATES**
CHARTERED ACCOUNTANTS

Sd/-
SUDHIR CHAUDHARY (Partner)
M.NO. 091302

Place : Faridabad
Dated : 22.06.2009

**ADDITIONAL INFORMATION AS REQUIRED UNDER PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

REGISTRATION DETAILS :

CIN No. L74140HR1993PLC031900

STATE CODE : 05

BALANCE SHEET DATE : 31/03/2009

CAPITAL RAISED DURING THE YEAR (AMOUNT IN RS. '000) :

PUBLIC ISSUE / RIGHTS ISSUE / BONUS ISSUE / PRIVATE PLACEMENT : NIL

POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMOUNT IN RS. '000) :

TOTAL LIABILITIES 78269 TOTAL ASSETS 78269

SOURCE OF FUNDS (AMOUNT IN RS. '000) :

PAID UP CAPITAL 32259 RESERVES & SURPLUS 8656 UNSECURED LOANS 0
SECURED LOANS 14012 DEFERRED TAX LIABILITY 1209

APPLICATION OF FUNDS (AMOUNT IN RS. '000) :

NET FIXED ASSETS 26867 INVESTMENT 0 NET CURRENT ASSETS 28909
MISC. EXPENDITURE 360 ACCUMULATED LOSSES 0

PERFORMANCE OF COMPANY (AMOUNT IN RS. '000)

TURNOVER 133678 EXPENDITURE 134904 PROFIT BEFORE TAX 3155
PROFIT AFTER TAX 2045 EARNING PER SHARE 0.63 DIVIDEND NIL

GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF COMPANY AS PER MONETARY TERMS :

PRODUCT DESCRIPTION : OMR SHEETS, SCANNERS, IMAGE SCANNERS, SERVICE BUREAU

For and on behalf of the Board of Directors

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

Sd/-
SUDHIR JAIN
(Director)

Sd/-
D.S. BHATI
AGM (Commercial)

Sd/-
MEENU KAPOOR
(Company Secretary)

As per our report of even date
For **SUDHIR CHAUDHARY & ASSOCIATES**
CHARTERED ACCOUNTANTS

Sd/-
SUDHIR CHAUDHARY (Partner)
M.NO. 091302

Place : Faridabad
Dated : 22.06.2009

SPS International Limited

Regd. Office : 402, Sector-21C, Faridabad.

PROXY FORM

I/We of
in the district of being a member/members of SPS INTERNATIONAL LTD hereby appoint
..... of in the district of
..... or failing him/her
of in the district of
as my/our proxy to attend and vote for me/us and on my/our behalf at the Sixteenth Annual General Meeting of the
Company to be held Tuesday the 29th day of September, 2009 and at any adjournment thereof.

As witness my/our hand(s) this day of 2009.

Signed by said shareholder(s)

Regd. Folio No./DPID CLID..... No. of shares jointly with.....

Note : The proxy form duly stamped and completed must be deposited at the Regd. Office of the Company not less than
48 hours before the time fixed for holding the aforesaid meeting.

SPS International Limited

Regd. Office : 402, Sector-21C, Faridabad.

ATTENDANCE SLIP

TO BE HANDED OVER AT THE ENTRANCE OF THE MEETING HALL

Name of the Attending member
(In Block Letters)

Members' Registered Folio No/ DPID CLID

Name of the proxy (in Block Letters)
(To be filled in if the proxy attends instead of the members)

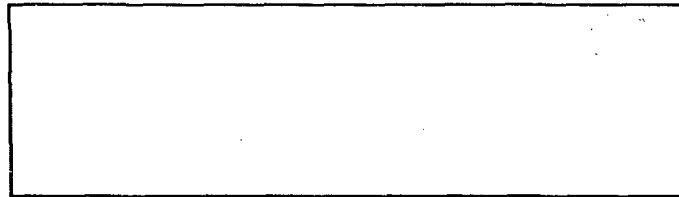
No. of shares held

I hereby record my presence at the Sixteenth Annual General Meeting of the Company held at Plot No. 51, Naharpar,
Kheri Road, Bharat Colony, Old Faridabad on Tuesday the 29th day of September, 2009.

.....
Member's/ Proxy's Signature
(To be signed at the time of handing over the slip)

NOTE : The members are requested to bring their own copy of the Annual Report at the AGM.

BOOK POST



If undelivered please return to :-

***SPS* International Ltd.**

W-12, Okhla Industrial Area, Phase-II,
New Delhi-110020 (India)