



SPS International Ltd.

(Where delivering quality is way of life)

CIN No. L74140HR1993PLC031900



A-111&112, 1st Floor, DDA Sheds,
Okhla Industrial Area, Phase-II, New Delhi-110020
Tel. : (91-11) 4719 0190 Telefax : (91-11) 4719 0150
Website : www.spsintl.co.in

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SPS/SKJ/2016-2017/A-38
Dated: 7th September, 2016

To,


The Bombay Stock Exchange Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai-400001, India

Dear Sir,

Sub: Copy of Annual Report

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, please find enclosed a copy of Annual Report for the financial year ended 31.03.2016 to be approved and adopted in the 23rd Annual General Meeting of the Company.

Thanking you,
Yours faithfully


Surendra Kumar Jain
(Chairman and Managing Director)
DIN: 00088064





ISO : 9001 : 2008

SPS International Limited

TWENTY THIRD ANNUAL REPORT
2015 - 2016

SPS INTERNATIONAL LIMITED
CIN : L74140HR1993PLC031900

* * * *

BOARD OF DIRECTORS

Sh. S.K. Jain, Chairman & Managing Director
Sh. Madhur Jain, Whole-time
Director(Operations)
Smt. Shikha Jain, Whole-time Director
Sh. Shreyans Kumar Patni
Sh. Vipin Kumar Gupta
Sh. Ramesh Chand Jain

COMPANY SECRETARY

Smt. Meenu Kapoor

CHIEF FINANCIAL OFFICER

Sh. Akhilesh Chandra Mishra

AUDITORS

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

BANKERS

Corporation Bank, New Delhi

REGISTERED OFFICE

402, Sector-21C
Faridabad-121 001- Haryana (India)

CORPORATE OFFICE

A-111, DDA Sheds, Okhla Industrial Area,
Phase-II, New Delhi- 110 020

PRODUCTION FACILITIES

93-B, 1st Floor, DLF Industrial Estate Phase-I
Faridabad-121003 (Haryana)

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 Twenty Third Annual General Meeting of the shareholders of the Company will be held on Friday, the 30th day of September, 2016 at 02.00 p.m. at Plot No. 93-B, DLF Industrial Estate, Phase-I, Faridabad to transact the following business:

A. ORDINARY BUSINESS:

1. To consider and adopt the audited Financial Statements for the Financial Year ended on 31st March, 2016, the Reports of Board of Directors and Auditors thereon; and
2. To appoint a Director in place of Smt. Shikha Jain (DIN - 03457584), who retires by rotation and being eligible, offers herself for re-appointment.
3. To ratify the appointment of M/s. Sudhir Chaudhary & Associates, Chartered Accountants (Registration No. 015222N), as Statutory Auditors of the and to fix their remuneration.

B. 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 pursuant to the provisions of Section 196, 197 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 and Articles of Association of the Company and subject to the approval of the shareholders of the Company and Central Government or other Government Authority/Agency/Board, if any, Mr. Madhur Jain be and is hereby appointed as Whole-Time Director of the Company for a period of five years with effect from January 14, 2016 at a remuneration as follows:

- | | |
|----------------------------|--|
| I. Basic Salary | Upto Rs. 1,00,000/- per month as may be determined by the Board of Directors or any Committee of the Board or any person authorised by the Board or any Committee of the Board from time to time. |
| II. Perquisites/Allowances | Perquisites shall be allowed upto Rs. 1,50,000/- in addition to salary. |
| i. Special Allowance | Upto Rs. 1,00,000/- per month (within the overall limit of perquisites as stated above) as may be decided by the Board of Directors or any Committee of the Board or any person authorised by the Board or any Committee of the Board from time to time. |

ii. Leased accommodation or HRA in lieu thereof and reimbursement of expenditure or allowance in respect of medical expenses and leave travel concession incurred for self and family, soft furnishing, maintenance of furniture & fixtures etc., ex-gratia and education allowance and any other perquisites or allowances etc.

In accordance with the rules of the Company.

In addition to above perquisites/allowances, Mr. Madhur Jain shall also be entitled to following benefits:

iii. Other entitlements

a) Contribution to Provident Fund & Superannuation Fund or Annuity Fund - Contribution to Provident Fund & Superannuation Fund or Annuity Fund to the extent, these either singly or put together are not taxable under the Income Tax Act, 1961, and shall be subject to maximum amount as may be permitted under the Company's rules.

b) Gratuity - Gratuity payable shall not exceed half a month's salary for each completed year of service and shall be subject to maximum amount as may be permitted under the Gratuity Act.

c) Car and Telephone - Provision of car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to Mr. Madhur Jain.

III. Performance linked Incentive

Such amounts or percentage of net profits as may be decided by the Board of Directors or any Committee of the Board or any person authorized by the Board or any Committee of the Board from time to time.

A. The aggregate of the Salary, Perquisites/Allowances and other entitlements shall not exceed the limits specified in the Companies Act, 2013.

B. In the absence or inadequacy of Profits in any year, the remuneration by way of salary, perquisites/allowances and other entitlements will be in accordance with and shall not exceed the limits prescribed under the Companies Act, 2013.

C. Mr. Madhur Jain shall not be entitled to sitting fees for attending Board Meetings/Committees thereof."

“RESOLVED FURTHER THAT in the event of any further revision in the levels of permissible managerial remuneration, the Board of Directors/ Nomination and Remuneration Committee be and is hereby authorised to alter, vary and increase the remuneration of Sh. Madhur Jain notwithstanding the overall remuneration set out above, as may then be prescribed/permissible without requiring any further resolution or consent of or reference to the general meeting.”

“RESOLVED FURTHER THAT the Nomination and Remuneration Committee be and is hereby authorised to recommend/ decide from time to time the salary, perquisites and commission payable to Sh. Madhur Jain during his tenure within the approved ceiling of remuneration in accordance with the Nomination and Remuneration Policy, as amended from time to time.

RESOLVED FURTHER THAT the powers and authorities delegated by the Board to Sh. Madhur Jain from time to time including powers to sub-delegate shall remain valid upon his re-appointment.

RESOLVED FURTHER THAT all the Director of the Company be and are hereby severally authorized to do all the acts, deeds and things which are necessary to the appointment of aforesaid person as Whole Time Director of the Company.”

By the order of the Board of Directors

Place : Faridabad
Dated : August 31, 2016

Sd/-
Surendra Kumar Jain
(Chairman and Managing Director)
DIN: 00088064
Address: 402, Sector-21C,
Faridabad-121001, Haryana

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. Pursuant to Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent (10%) of the total paid up share capital of the Company. A member holding more than ten percent (10%) of the total share capital of the Company may appoint a single person as proxy and such person shall not act as a proxy for any other shareholder.**
- 3. Corporate members intending to send their authorized representatives to attend the Meeting and requested to send to the Company a certified copy of the Board Resolution authorizing there representative to attend and vote on their behalf at the Meeting.**
- 4. The Register of Members and Share Transfer Books shall remain closed from Saturday, the 24th September, 2016 to Friday, the 30th September, 2016 (both days inclusive).**
- 5. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting is annexed hereto.**

6. Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company. The Company or its Registrars cannot act on any request received directly from Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members.

Members holding shares in physical form and desirous of either registering bank particulars or changing bank particulars already registered against their respective folios are requested to write to the Registrar and Share Transfer Agent.

7. **The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Registrar and Share Transfer Agent.**
8. Brief resume of Sh. Madhur Jain and Smt. Shikha Jain are given in the Corporate Governance Report.
9. 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 of the Company situated at A-111 & 112 DDA Sheds, Okhla Industrial Area, Phase-II, New Delhi-110 020, India, so as to enable the management to keep ready the information or clarifications, as the case may be.
10. For any correspondence/ query regarding dematerialization 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-110017, India.
11. Members holding shares in physical form may write to the Registrar and Share Transfer Agent for any change in their bank particulars or address. However, members holding shares in electronic form may write to their DP directly and not to the Company.
12. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
13. In case of joint holders attending the AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote
14. Members/Proxies should bring the attendance slip duly filled in for attending the meeting.
15. No gifts, coupons, complimentaries etc., shall be distributed at the Annual General Meeting.
16. Polling papers, if required, for each proposed resolution, will be provided to the members/proxies at the registration counter.

17. Pursuant to Section 108 of the Companies Act, 2013, read with the Companies (Management & Administration) Rules, 2014, as substituted by the Companies (Management and Administration) Amendment Rules, 2015 ('Amended Rules 2015'), Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, the Company is pleased to provide facility to the members to exercise their right to vote by electronic means.

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on Tuesday, September 27, 2016 at 10.00 a.m. and ends on Thursday, September 29, 2016 at 5 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of September 23, 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the the first two letters of their name and the 8 digits of the sequence number in the PAN field. Sequence number is printed on address label. • In case the sequence number is less than 8 digits enter the applicable

	number of 0's before the number after the first two characters of the name in CAPITAL letters. E.g. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN-160830049 for SPS International Limited on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xviii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on **Forgot Password** & enter the details as prompted by the system.

(xix) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.**

(xx) **Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to **www.evotingindia.com** and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to **helpdesk.evoting@cdslindia.com**.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to **helpdesk.evoting@cdslindia.com** and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. September 23, 2015 may follow the same instructions as mentioned above for e-Voting.
 - In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at **www.evotingindia.com**, under help section or write an email to **helpdesk.evoting@cdslindia.com**
18. Relevant documents referred to in the accompanying Notice and the Explanatory Statement and the other statutory records shall be open for inspection at the Registered Office of the Company during normal business hours (10.00 am to 5.00 pm) on all working days except Saturdays, up to the date of the Annual General Meeting of the Company.
19. The registration counter shall open at 01.30 p.m.
20. Members are requested to bring their copy of Annual Report at the AGM.
21. As per the provisions of Section 72 of the Companies Act, 2013, the facility for making nomination is available for the Members in respect of the shares held by them. Members who

have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. Members holding shares in physical form may submit the same to the Company. Members holding shares in electronic form may submit the same to their respective depository participant.

22. The route map to reach the venue of the AGM is annexed.

Place : Faridabad
Dated : August 31, 2016

By the order of the Board of Directors
Sd/-
Surendra Kumar Jain
(Chairman and Managing Director)
DIN: 00088064
Address: 402, Sector-21C,
Faridabad-121001, Haryana

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013

Item No. 4

The Board of Directors at their meeting held on January 18, 2016, on the recommendation of the Nomination and Remuneration Committee, had re- appointed Sh. Madhur Jain as Whole-Time Director w.e.f January 14, 2016 for a period of five years.

He is an Executive Director and his appointment and remuneration are in accordance with the requirements of Section 196, 197 and 198 of the Companies Act, 2013. In accordance with the requirements of Section 196 (4) of the Companies Act, 2013, the members of the Company are required to approve the appointment of Sh. Madhur Jain as Whole-Time Director of the Company.

The information required by the Regulation 36 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given in the Corporate Governance Report, which is part of the Annual Report being sent to the shareholders alongwith this notice. Sh. Madhur Jain is holding 3,88,146 shares in the Company. He is not holding directorship in any other company.

Except Sh. Madhur Jain himself and Sh. S K Jain and Smt. Shikha Jain being relatives of Sh. Madhur Jain, none of the other Directors, Key Managerial Personnel or their relatives are concerned or interested, financially or otherwise, in the Resolution. In context of the above, the Board of Directors recommends the Resolution No. 4 for approval of the members.

Place : Faridabad
Dated : August 31, 2016

By the order of the Board of Directors
Sd/-
Surendra Kumar Jain
(Chairman and Managing Director)
DIN: 00088064
Address: 402, Sector-21C,
Faridabad-121001, Haryana

DIRECTORS' REPORT

To
The Shareholders,

Your Directors are pleased to present the Twenty Third Annual Report for the year ended 31st March, 2016.

FINANCIAL RESULTS

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

(Rs./Lakh)

PARTICULARS	Year ended on	
	31.03.2016	31.03.2015
Income:		
Net Sales/ Income from operations	1125.66	1569.18
Other Income	3.11	4.06
Total (A)	1128.77	1573.24
Expenditure:		
(Increase)/Decrease in stock in trade	41.68	2.67
Consumption of raw material	589.79	789.33
Purchase of traded goods	44.82	165.62
Staff cost	124.46	192.58
Other expenditure	239.13	292.27
Finance Cost	15.88	11.72
Depreciation	47.99	77.96
Total (B)	1103.75	1532.15
Profit (+)/ Loss (-) before tax (A-B)	25.02	41.09
Tax Expenses	4.39	13.90
Provision for MAT	-	-
Provision for Fringe Benefit Tax	-	-
Provision for deferred tax liability	1.29	5.74
Net profit (+)/ Loss (-)	19.34	21.45
Paid-up equity shares capital (Face value)	322.59	322.59
Reserves	193.99	174.66
Basic and diluted EPS	0.60	0.66

During the year under review the total income was Rs. 1128.77 Lac as against Rs. 1573.24 Lac in F.Y. 2014-15. The net profit after tax for the year is Rs. 19.34 Lac as against Rs. 21.45 Lac in F.Y. 2014-15.

DIVIDEND AND TRANSFER TO RESERVE:

Due to inadequacy of profits in the current year, no dividend for the year is being recommended. Consequently no amount is being transferred to reserves.

STOCK EXCHANGES

The shares of the Company are listed at Bombay Stock Exchange Ltd. The listing fee for the financial year 2016-2017 has been paid to Bombay Stock Exchange Ltd by the Company.

MATERIAL CHANGES AND COMMITMENTS

There have been no material changes and commitments, affecting the financial position of the company which occurred during the financial year and upto the date of this report.

SIGNIFICANT AND MATERIAL ORDERS

No significant and material orders have been passed by any regulators or courts or tribunals impacting the going concern status and Company's operations in future.

INTERNAL FINANCIAL CONTROLS

Pursuant to Section 134 of the Companies Act 2013, the Directors state that:-

- a. The Board, through the operating management has laid down Internal Financial Controls to be followed by the Company.
- b. To the best of their knowledge and ability and inputs provided by various assurance providers confirm that such financial controls are adequate and were operating effectively.

SUBSIDIARY/ASSOCIATE/JOINT VENTURE

The Company does not have any Subsidiary, Associate or Joint Venture.

FIXED DEPOSITS

During the year under review, your Company has not accepted any deposits from directors, shareholders and public.

AUDITOR AND AUDITORS' REPORT

M/s Sudhir Chaudhary & Associates, Chartered Accountants, were appointed as the Statutory Auditors of the Company to hold office until the conclusion of the Annual General Meeting to be held for the financial year 2016-17 in the 22nd Annual General Meeting of the Company subject to ratification by the shareholders at every Annual General Meeting.

Accordingly, the Board of Directors recommends the ratification of appointment of the Statutory Auditors for the Financial Year 2016-17.

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

SECRETARIAL AUDITOR AND SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013, Mr. Harbans Gondi, Practising Company Secretary, has conducted the Secretarial Audit for the financial year 2016-17 and their Secretarial Audit Report is attached as **Annexure - I** to this Report.

There are no comments or qualification in the Secretarial Auditor's Report requiring an explanation or comments by the Board.

EXTRACTS OF ANNUAL RETURN

In terms of Section 134(3)(a) of the Companies Act, 2013 read with Rule 12(1) of Companies (Management & Administration) Rules, 2014, the extracts of Annual Return of the Company in Form MGT-9 is attached as Annexure - II to this Report.

DIRECTORS/KEY MANAGERIAL PERSONNEL (KMP)

At the last Annual General Meeting held on 30th September, 2015, the Members of the Company had:-

(1) Appointed Smt. Shikha Jain as an Executive Whole-Time Woman Director for a period of five years w.e.f 25.03.2015 on the Board of Director of the Company;

(2) Appointed Sh. Shreyans Kumar Patni, Sh. Vipin Gupta and Sh. Ramesh Chand Jain as Non-Executive Independent Directors on the board of the Company for a period of five years.

(3) Sh. Madhur Jain was liable to retire by rotation and accordingly was re-appointed as Director.

At the ensuing Annual General Meeting, the proposal of the following directors for appointment/re-appointment has being included in the notice of the Annual General Meeting, forming part of the Annual Report.

(1) Smt. Shikha Jain is retiring at the ensuing Annual General Meeting and has offered herself for re-appointment.

(2) Sh. Madhur Jain was appointed as Whole-Time Director w.e.f January 14, 2016 for a period of five years by the Board of Directors. His appointment as Whole-Time Director is subject to the approval of the shareholders in the forthcoming Annual General Meeting.

Besides the above, there was no change in the constitution of the Board of your Company.

MEETINGS

a. BOARD MEETINGS & ATTENDANCE OF DIRECTORS

During the year, 8 board meetings were convened and held, the details are as follows.

S. No.	Date of Board Meeting	Attendance of the Directors					
		S.K. Jain	Shikha Jain	Madhur Jain	Ramesh Chand Jain	Shreyans Kumar Patni	Vipin Gupta
1	30.05.2015	√	√	√	√	√	√
2	14.08.2015	√	√	√	√	√	√
3	14.11.2015	√	√	√	√	√	√
4	07.12.2015	√	√	√	√	√	√
5	18.01.2016	√	√	√	√	√	√
6	12.02.2016	√	√	√	√	√	√
7	22.02.2016	√	√	√	√	√	√
8	17.03.2016 (Independent Director's Meeting)	N.A.	N.A.	N.A.	√	√	√

b. COMMITTEE MEETINGS:

Details of Committee Meetings are given in the Corporate Governance Report.

MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis forms part of the Directors' Report and is annexed as **Annexure-III**.

CORPORATE GOVERNANCE

Your Company is complying with all the mandatory provisions of Corporate Governance of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Bombay Stock Exchange Ltd. As per Regulation 34 read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Report on the Corporate Governance is enclosed as **Annexure-IV**. A certificate dated May 30, 2016 from the statutory auditors on compliance with the requirements of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 is annexed to the Directors' Report and forms part of the Corporate Governance Report.

INDEPENDENT DIRECTORS

The Independent Directors hold office for a fixed term of five years and are not liable to retire by rotation. In accordance with Section 149(7) of the Act, each independent director has given a written declaration to the Company confirming that he/she meets the criteria of independence as mentioned under Section 149(6) of the Act and SEBI Regulations.

AUDIT COMMITTEE

The Audit Committee comprises of 3 Independent Non-Executive Directors. Sh. Shreyans Kumar is the Chairman, Mrs. Meenu Kapoor, Company Secretary, acts as the Secretary and Sh. Ramesh Chand Jain and Sh. Vipin Gupta are Members of the Committee.

The Board of Directors have accepted all the recommendation of the Audit Committee.

FORMAL ANNUAL PERFORMANCE EVALUATION OF THE BOARD AND THAT OF ITS COMMITTEES AND INDIVIDUAL DIRECTORS

Pursuant to the provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Independent Directors at their separate meeting held on March 17, 2016, without participation of the Non-Independent Directors and Management, have considered and evaluated the Board's performance and performance of the Chairman and Non-Independent Directors. The Independent Directors in the said meeting have also assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board.

The Board of Directors in their meeting held on January 18, 2016 have evaluated the performance of each of the Independent Directors (without participation of the relevant Director). The criteria for performance evaluation have been detailed in the Corporate Governance Report which is attached as Annexure - IV to this Report.

POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNELS AND OTHER EMPLOYEES

The Board on the recommendation of Remuneration Committee has framed a policy on Directors' Appointment and Remuneration, including criteria for determining qualifications, positive attributes, independence of a director and relating to remuneration for the Directors, Key Managerial Personnel and Other Employees in terms of sub-section (3) of section 178 of the Companies Act, 2013. The Remuneration Policy is available on the Company's website.

VIGIL MECHANISM

The Company has in place a vigil mechanism in the form of Whistle Blower Policy. It aims at providing avenues for employees to raise complaints and to receive feedback on any action taken and seeks to reassure the employees that they will be protected against victimization and for any whistle blowing conducted by them in good faith. The policy is intended to encourage and enable the employees of the Company to raise serious concerns within the organization rather than overlooking a problem or handling it externally. The Company is committed to the highest possible standard of openness, probity and accountability. It contains safeguards to protect any person who uses the Vigil Mechanism (whistle blower) by raising any concern in good faith. The Company does not tolerate any form of victimization and takes appropriate steps to protect a whistleblower that raises a concern in good faith and treats any retaliation as a serious disciplinary offence that merits disciplinary action. The Company protects the identity of the whistle blower if the whistle blower so desires, however the whistle blower needs to attend any disciplinary hearing or proceedings as may be required for investigation of the complaint. The mechanism provides for a detailed complaint and investigation process. If circumstances so require, the employee can make a complaint directly to the Chairman of the Audit Committee. The Company also provides a platform to its employees for having direct access to the Chairman and Managing Director and Whole-time Directors of the Company for raising any concerns. Smt. Meenu Kapoor, Company Secretary is the Compliance Officer. The confidentiality of those reporting violations is maintained and they are not subjected to any discriminatory practice.

CORPORATE SOCIAL RESPONSIBILITY POLICY

The Company does not fall under the limit prescribed under Section 135(1) to constitute Corporate Social Responsibility Committee therefore; formulation of Corporate Social Responsibility policy is not applicable to the Company.

LOANS, GUARANTEES AND INVESTMENT

In accordance with Section 134(3)(g) of the Companies Act, 2013, the Company has not given any loans or guarantees within the meaning of Section 186 of the Companies Act, 2013. During the year no investments were made under section 186 of the Companies Act, 2013.

RELATED PARTY TRANSACTIONS

In accordance with Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of Companies (Accounts) Rules, 2014, the particulars of contracts or arrangements with related parties, referred to in Section 188(1) of the Companies Act, 2013, in the prescribed Form AOC-2 are attached as Annexure - V to this Report.

RISK MANAGEMENT POLICY

The Company has developed and implemented a Risk Management Policy. The details of elements of risk are provided in the Management Discussion and Analysis section of the Annual Report.

PARTICULARS OF EMPLOYEES

There are no employees in the Company, within the meaning of provisions of Section 197 read with Rule 5 (2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The details as required in terms of the provisions of Section 197 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are attached as **Annexure – VI** to this Report.

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. During the year 2015-16, no complaints were received.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company being in service industry, the details as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of Companies (Accounts) Rules, 2014, regarding conservation of energy, technology absorption are not applicable.

There was no transaction involving foreign exchange earnings during the year under review. The particulars with regard to foreign exchange outgoings appear in Schedule 31 of Balance Sheet forming part of Annual Report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements of Sub-Sections (3)(c) and (5) of Section 134 of the Companies Act, 2013, it is hereby confirmed:

1. that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, wherever applicable;
2. that the Directors have selected such accounting policies and applied them consistently and made judgments 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 or loss of the Company for the period under review;
3. that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

4. that the Directors have prepared the annual accounts of the Company on a 'going concern' basis;

5. that the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively and

6. that the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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.

Place: Faridabad
Dated: May 30, 2016

By the order of the Board of Directors
Sd/-
Surendra Kumar Jain
(Chairman and Managing Director)
DIN: 00088064
mAddress: 402, Sector-21C,
Faridabad-121001, Haryana

ANNEXURE-I

Form No. MR-3 SECRETARIAL AUDIT REPORT

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

FOR THE FINANCIAL YEAR ENDED: 31.03.2016

To,
The Members,
SPS International Limited

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by SPS International Limited. (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on my verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the financial year ended on March 31, 2016 (the audit period) complied with the statutory provisions listed hereunder and also that the Company has proper compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company during the audit period according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment. **There was no External Commercial Borrowing and Foreign Direct Investment.**
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **(Not Applicable to the Company during the Audit Period);**
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 w.e.f. October 28, 2014 **(Not Applicable to the Company during the Audit Period);**
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not Applicable to the Company during the Audit Period);**
 - f. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not Applicable to the Company during the Audit Period);** and
 - g. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not Applicable to the Company during the Audit Period);**

We have also examined compliance with the applicable clauses of the Listing Agreement entered into by the Company with BSE Ltd. and the compliance by the Company with the Secretarial Standards issued by the Institute of Company Secretaries of India.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above, to the extent applicable to the Company.

I further report that compliance of applicable financial laws including Direct and Indirect Tax laws by the Company has not been reviewed in this Audit since the same has been subject to review by the Statutory Auditors and other designated professionals.

We further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

- Adequate notice were given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in accordance with the provisions of the Act, and a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting

- Adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

MANAGEMENT RESPONSIBILITY:

i. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit;

ii. We have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion;

iii. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company or verified compliances of laws other than those mentioned above;

iv. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis;

v. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company

Date: 30.05.2016
Place: Faridabad

Sd/-
Harbans Gondi
Practicing Company Secretary
CP. No. - 8248

EXTRACT OF ANNUAL RETURN
(As required under section 134(3)(a) of the Companies Act, 2013
read with Rule 12(1) of Companies (Management & Administration) Rules, 2014)

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN
as on financial year ended on 31.03.2016

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the
Company (Management & Administration) Rules, 2014

I REGISTRATION & OTHER DETAILS

i	CIN	L74140HR1993PLC031900
ii	Registration Date	18-01-1993
iii	Name of the Company	SPS INTERNATIONAL LIMITED
iv	Category/Sub-category of the Company	Public Company limited by shares/ Non-Government Company
v	Address of the Registered office & contact details	402, Sector-21C, Faridabad-121001, Haryana, India Email:sk.jain@spsintl.co.in Phone No. 011-47190117
vi	Whether listed company	Yes
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Beetal Financial and Computer Services (P) Ltd, Beetal House, 3 rd Floor, 99, Madangir, BH-Local Shopping Centre, Near Dada Harsukhdas Mandir, New Delhi-110062, India

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated

SL No	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	OMR Sheets printing	222	70.00
2	Scanning and Processing including Image Scanning & Servicing	723	19.14

III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

Sl No	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
Not Applicable					

IV SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

(i) Category- wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year i.e April 01, 2015				No. of Shares held at the end of the year i.e. March 31, 2016				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	8,61,092	0	8,61,092	26.69	8,62,092	0	8,62,092	26.72	0.03
b) Central Govt. or State Govt.	0	0	0	0.00	0	0	0	0.00	0
c) Bodies Corporates	5,11,488	0	5,11,488	15.86	511488	0	511488	15.86	0
d) Bank/FI	0	0	0	0.00	0	0	0	0.00	0
e) Any other	0	0	0	0.00	0	0	0	0.00	0
SUB TOTAL:(A) (1)	13,72,580	0	13,72,580	42.55	13,73,580	0	13,73,580	42.58	0.03
(2) Foreign									
a) NRI-Individuals	0	0	0	0	0	0	0	0.00	0
b) Other Individuals	0	0	0	0	0	0	0	0.00	0
c) Bodies Corp.	0	0	0	0	0	0	0	0.00	0
d) Banks/FI	0	0	0	0	0	0	0	0.00	0
e) Any other...	0	0	0	0	0	0	0	0.00	0
SUB TOTAL (A) (2)	0	0	0	0	0	0	0	0.00	0
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	13,72,580	0	13,72,580	42.55	13,73,580	0	13,73,580	42.58	0.03
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0.00	0
b) Banks/FI	0	0	0	0	0	0	0	0.00	0
c) Central govt	0	0	0	0	0	0	0	0.00	0
d) State Govt.	0	0	0	0	0	0	0	0.00	0
e) Venture Capital	0	0	0	0	0	0	0	0.00	0

Fund									
f) Insurance Companies	0	0	0	0	0	0	0	0.00	0
g) FIIS	0	0	0	0	0	0	0	0.00	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0.00	0
i) Others (specify)	0	0	0	0	0	0	0	0.00	0
SUB TOTAL (B)(1):	0	0	0	0	0	0	0	0.00	0
(2) Non Institutions									
(a) Bodies Corporate									
i) Indian	91,400	1,57,837	2,49,237	7.73	1,39,651	91,400	2,31,051	7.16	0.57
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	4,92,386	6,31,110	11,23,496	34.83	5,38,847*	6,52,610*	11,91,457*	36.93 *	0
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	3,06,564	48,500	3,55,064	11.01	2,78,090**	25,000**	3,03,090**	9.40**	0
c) Others (NRI, Trusts, Clearing members and HUF's)	86,123	39,400	1,25,523	3.89	87,322	39,400	1,26,722	3.92	(0.03)
SUB TOTAL (B)(2):	10,42,910	8,10,410	18,53,320	57.45	10,43,910	8,08,410	18,52,320	57.42	0.00
Total Public Shareholding (B)= (B)(1)+(B)(2)	10,42,910	8,10,410	18,53,320	57.45	10,43,910	8,08,410	18,52,320	57.42	0.00
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	24,15,490	8,10,410	32,25,900	100.00	24,17,490	8,08,410	32,25,900	100.00	0.00

* Details are of individual shareholders holding nominal share capital upto Rs. 2 Lakhs.

** Details are of individual shareholders holding nominal share capital greater than Rs. 2 Lakhs.

(ii) SHARE HOLDING OF PROMOTERS

Sl No.	Shareholder's Name	Shareholding at the beginning of the year i.e. April 01, 2015			Shareholding at the end of the year i.e. March 31, 2016			% change in share holding during the year
		No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	Ankur Jain	3,87,146	12.00	0	3,87,146	12.00	0	0
2	Madhur Jain	3,88,146	12.03	0	3,88,146	12.03	0	0
3	Sarla Jain	12,200	0.38	0	13,200	0.41	0	0
4	Surendra Kumar Jain	72,000	2.23	0	72,000	2.23	0	0
5	Shikha Jain	1,600	0.05	0	1,600	0.05	0	0
6	SPS Infratech Pvt. Ltd.	5,11,488	15.86	0	5,11,488	15.86	0	0
	Total	13,72,580	42.55	0	13,73,580	42.58	0	0

(iii) CHANGE IN PROMOTERS' SHAREHOLDING

(There is no change in the promoter's shareholding except of Smt. Sarla Jain)

Sl. No	Particulars	Shareholding		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Shri Ankur Jain				
	At the beginning of the year	3,87,146	12.00	3,87,146	12.00
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g.allotment/transfer/bonus/sweat equity etc)				
	At the end of the year	3,87,146	12.00	3,87,146	12.00
2.	Shri Madhur Jain				
	At the beginning of the year	3,88,146	12.03	3,88,146	12.03

	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g.allotment/transfer/bonus/swe at equity etc)	-	-	-	-
	At the end of the year	3,88,146	12.03	3,88,146	12.03
3.	Smt. Sarla Jain				
	At the beginning of the year	13,200	0.41	13,200	0.41
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g.allotment/transfer/bonus/swe at equity etc)	-	-	-	-
	At the end of the year	13,200	0.41	13,200	0.41
4.	Smt. Shikha Jain				
	At the beginning of the year	1,600	0.05	1,600	0.05
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g.allotment/transfer/bonus/swe at equity etc)	-	-	-	-
	At the end of the year	1,600	0.05	1,600	0.05
5.	Shri Surendra Kumar Jain				
	At the beginning of the year	72,000	2.23	72,000	2.23
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g.allotment/transfer/bonus/swe at equity etc)	-	-	-	-
	At the end of the year	72,000	2.23	72,000	2.23
6.	M/s SPS Infratech Pvt. Ltd.				
	At the beginning of the year	5,11,488	15.86	5,11,488	15.86
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g.allotment/transfer/bonus/swe at equity etc)	-	-	-	-
	At the end of the year	5,11,488	15.86	5,11,488	15.86

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)

Sl. No	For Each of the Top 10 Shareholders	Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No of shares	% of total shares of the company
1.	Satya Prakash Mittal				
	At the beginning of the year	51,441	1.59	51,441	1.59
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	40	0.001	40	0.001
	At the end of the year	51,481	1.59	51,481	1.60
2.	Ayush Mittal				
	At the beginning of the year	41,627	1.29	41,627	1.29
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	1,018	(0.03)	1,018	(0.03)
	At the end of the year	40,609	1.26	40,609	1.26
3.	Neelam Mittal				
	At the beginning of the year	47,419	1.47	47,419	1.47
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	-	-	-	-
	At the end of the year	47,419	1.47	47,419	1.47
4.	Satya Prakash Mittal (HUF)				
	At the beginning of the year	48,309	1.50	48,309	1.50
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	-	-	-	-
	At the end of the year	48,309	1.50	48,309	1.50
5.	Vipul Rajendrabhai Gandhi				
	At the beginning of the year	35,000	1.08	35,000	1.08
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	1,000	0.03	1,000	0.03

	At the end of the year	36,000	1.11	36,000	1.11
6.	Bimla Aggarwal				
	At the beginning of the year	33,345	1.03	33,345	1.03
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	1,350	(0.04)	1,350	(0.04)
	At the end of the year	31,995	0.99	31,995	0.99
7.	SPS International & Finance Limited				
	At the beginning of the year	38,000	1.18	36,000	1.18
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	-	-	-	-
	At the end of the year	38,000	1.18	36,000	1.18
8.	Mankind Distributors Pvt. Ltd.				
	At the beginning of the year	27,208	0.84	27,208	0.84
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	-	-	-	-
	At the end of the year	27,208	0.84	27,208	0.84
9.	Shiv Kumar Goel				
	At the beginning of the year	25,003	0.78	25,003	0.78
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	-	-	-	-
	At the end of the year	25,003	0.78	25,003	0.78
10.	Ashok Mahajan				
	At the beginning of the year	25,000	0.77	25,000	0.77
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	-	-	-	-
	At the end of the year	25,000	0.77	25,000	0.77

(v) Shareholding of Directors & KMP

Sl. No	Particulars	Shareholding		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
	For each Directors & KMP				
1.	Shri Madhur Jain				
	At the beginning of the year	3,88,146	12.03	3,88,146	12.03
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g.allotment/transfer/bonus/sweat equity etc)	-	-	-	-
	At the end of the year	3,88,146	12.03	3,88,146	12.03
2.	Smt. Shikha Jain				
	At the beginning of the year	1,600	0.05	1,600	0.05
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g.allotment/transfer/bonus/sweat equity etc)	-	-	-	-
	At the end of the year	1,600	0.05	1,600	0.05
3.	Shri Surendra Kumar Jain				
	At the beginning of the year	72,000	2.23	72,000	2.23
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g.allotment/transfer/bonus/sweat equity etc)	-	-	-	-
	At the end of the year	72,000	2.23	72,000	2.23
4.	Shri Ramesh Chand Jain				
	At the beginning of the year	0	0	0	0
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g.allotment/transfer/bonus/sweat equity etc)	-	-	-	-
	At the end of the year	0	0	0	0
5.	Shri Shreyans Kumar Patni				
	At the beginning of the year	0	0	0	0

	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g.allotment/transfer/bonus/sweat equity etc)	-	-	-	-
	At the end of the year	0	0	0	0
6.	Shri Vipin Gupta				
	At the beginning of the year	350	0.00	350	0.00
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g.allotment/transfer/bonus/sweat equity etc)	-	-	-	-
	At the end of the year	350	0.00	350	0.00
7.	Smt. Meenu Kapoor				
	At the beginning of the year	0	0.00	0	0.00
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g.allotment/transfer/bonus/sweat equity etc)	-	-	-	-
	At the end of the year	0	0.00	0	0.00
8.	Shri Akhilesh Chandra Mishra				
	At the beginning of the year	0	0.00	0	0.00
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g.allotment/transfer/bonus/sweat equity etc)	-	-	-	-
	At the end of the year	0	0.00	0	0.00

V. -INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of financial the year				
i) Principal Amount	7,56,048	0	8,808,307	95,64,355
ii) Interest due but not paid	0	0	0	0

iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	7,56,048	0	88,08,307	95,64,355
Change in Indebtedness during financial the year				
Additions	0	0	17,02,747	17,02,747
Reduction	5,23,985	0	49,87,352	55,11,337
Net Change	(5,23,985)	0	(32,84,605)	(38,08,590)
Indebtedness at the end of the financial year				
i) Principal Amount	2,32,063	0	55,23,702	57,55,765
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	2,32,063	0	55,23,702	57,55,765

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole time director and/or Manager: (INR)

Sl. No	Particulars of Remuneration	Name of the MD/WTD/Manager			Total Amount
1	Gross Salary	S.K. Jain	Madhur Jain	Shikha Jain	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961	7,20,000	7,20,000	4,80,000	19,20,000
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	0	0	0	0
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	0	0	0	0
2	Stock option	0	0	0	0
3	Sweat Equity	0	0	0	0
4	Commission	0	0	0	0
	as % of profit	0	0	0	0
	others (specify)	0	0	0	0
5	Others, please specify	0	0	0	0
	Total (A)	7,20,000	7,20,000	4,80,000	19,20,000
	Celling as per the Act	Section II of Part- II of Schedule-V- Rs. 30 lacs whole-time Director/Managing Director			

B. Remuneration to other directors:

Sl. No	Particulars of Remuneration	Name of the Directors			Total Amount
		Shreyans Kumar Patni	Ramesh Chand Jain	Vipin Gupta	
1	Independent Directors				
	(a) Fee for attending board/committee meetings	7,500	7,500	7,500	22,500
	(b) Commission	0	0	0	0
	(c) Others, please specify	0	0	0	0
	Total (1)	7,500	7,500	7,500	22,500
2	Other Non-Executive Directors	Not Applicable			
	(a) Fee for attending board committee meetings	N.A.	N.A.	N.A.	N.A.
	(b) Commission	N.A.	N.A.	N.A.	N.A.
	(c) Others, please specify.	N.A.	N.A.	N.A.	N.A.
	Total (2)	0	0	0	0
	Total (B)=(1+2)	7,500	7,500	7,500	22,500
	Total Managerial Remuneration	7,500	7,500	7,500	7,500
	Overall Ceiling as per the Act.	N.A.	N.A.	N.A.	N.A.

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	Company Secretary	CFO	
1	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	N.A.	2,14,404	2,32,884	4,47,288
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	N.A.	0	0	0
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	N.A.	0	0	0
2	Stock Option	N.A.	0	0	0
3	Sweat Equity	N.A.	0	0	0
4	Commission	N.A.	0	0	0
	as % of profit	N.A.	0	0	0
	others, specify	N.A.	0	0	0
5	Others, please specify	N.A.	0	0	0

Total	N.A.	2,14,404	2,32,884	4,47,288
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VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment /Compounding fees imposed	Authority (RD/NCLT/Court)	Appeal made if any (give details)
A. COMPANY					
Penalty	N.A	N.A	N.A	N.A	N.A
Punishment	N.A	N.A	N.A	N.A	N.A
Compounding	N.A	N.A	N.A	N.A	N.A
B. DIRECTORS					
Penalty	N.A	N.A	N.A	N.A	N.A
Punishment	N.A	N.A	N.A	N.A	N.A
Compounding	N.A	N.A	N.A	N.A	N.A
C. OTHER OFFICERS IN DEFAULT					
Penalty	N.A	N.A	N.A	N.A	N.A
Punishment	N.A	N.A	N.A	N.A	N.A
Compounding	N.A	N.A	N.A	N.A	N.A

By the order of the Board of Directors

Sd/-

Surendra Kumar Jain
(Chairman and Managing Director)

DIN: 00088064

mAddress: 402, Sector-21C,
Faridabad-121001, Haryana

Place: Faridabad
Dated: May 30, 2016

ANNEURE-III

MANAGEMENT

Management Discussion & Analysis

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

OTHER 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.
- All disclosures relating to financial and commercial transactions where Directors may have a potential interest are provided to the Board and the interested Directors do not participate in the discussion nor do they vote on such matters.
- The Company has complied with all the mandatory requirements of Corporate Governance as specified in SEBI (Listing Obligation and Disclosure Requirements), Regulation 2015.

Related Party Transactions

The Company has formulated a policy on materiality of Related Party Transactions and dealing with Related Party Transactions and the same has been disclosed on the Company's website. All related party transactions including those transactions of repetitive in nature requiring omnibus approval are placed before the Audit Committee for approval.

The details of related party transactions entered into by the Company pursuant to each Omnibus approval given, are reviewed by the Audit Committee.

Disclosure of Accounting Treatment in Preparation of Financial Statements

The Company has followed the guidelines on accounting standards laid down by the Institute of Chartered Accountants of India (ICAI) in preparation of its financial statements.

Whistle-Blower Policy

The Company has in place a vigil mechanism in the form of Whistle Blower Policy. It aims at providing avenues for employees to raise complaints and to receive feedback on any action taken and seeks to reassure the employees that they will be protected against victimization and for any whistle blowing conducted by them in good faith. The policy is intended to encourage and enable the employees of the Company to raise serious concerns within the organization rather than overlooking a problem or handling it externally. The Company is committed to the highest possible standard of openness, probity and accountability. It contains safeguards to protect any person who uses the Vigil Mechanism (whistle blower) by raising any concern in good faith. The Company does not tolerate any form of victimization and take appropriate steps to protect a whistleblower that raises a concern in good faith and treats any retaliation as a serious disciplinary offence that merits disciplinary action. The Company protects the identity of the whistle blower if the whistle blower so desires, however the whistle blower needs to attend any disciplinary hearing or proceedings as may be required for investigation of the complaint. The mechanism provides for a detailed complaint and investigation process.

If circumstances so require, the employee can make a complaint directly to the Chairman of the Audit Committee. The Company also provides a platform to its employees for having direct access to the Chairman and Managing Director of the Company for raising any concerns. Smt. Meenu Kapoor, Company Secretary of the Company is the Compliance Officer. The confidentiality of those reporting violations is maintained and they are not subjected to any discriminatory practice.

Code of Conduct to Regulate, Monitor and Report Trading by Insiders and Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information

Pursuant to the Securities Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, (the Regulations), the Company has laid down a code of conduct for regulation, monitoring and reporting of insider trading by employees of the Company, including directors, and other "connected persons" (as defined in the Regulations), in relation to the securities of the Company (the Code).

The Code clearly specifies the guidelines and procedures to be followed and disclosures to be made, while dealing with shares of the Company and cautioning of the consequences of violations. The code clearly specifies, among other matters, that Directors and specified employees of the Company and other "connected persons can trade in the shares of the Company only during 'Trading Window Open Period'. The trading window is closed during the time of declaration of results, dividend and material events, as per the code. Smt. Meenu Kapoor, Company Secretary, is the Compliance Officer of the Company.

Further pursuant to the above regulations, the Company has formulated a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information. The Company will adhere to the principles for fair disclosure of unpublished price sensitive information as laid down in the above code without diluting the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as applicable (the "Regulations") in any manner.

Sh. Madhur Jain, Whole time Director – Operations is designated as Chief Investor Relations Officer to deal with dissemination of information and disclosure of unpublished price sensitive information.

ANNEXURE-IV

REPORT ON CORPORATE GOVERNANCE

Company's philosophy on Corporate Governance

SPS International Limited (SPS) believes in adopting best practices in the area of Corporate Governance and follows the principles of full transparency and accountability.

SPS has been practicing the broad principles of Corporate Governance within the regulatory framework. While following the Corporate Governance principles, SPS lays 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.

SEBI in exercise of the powers conferred by Section 11, sub-section (2) of Section 11A and Section 30 of the Securities and Exchange Board of India Act, 1992 (15 of 1992) read with Section 31 of the Securities Contracts (Regulation) Act, 1956 (42 of 1956) issued SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The New Regulation has become applicable to all listed companies with effect from December 01, 2015.

The Company has complied with the requirements of the Corporate Governance in terms of Listing Agreement executed with Bombay Stock Exchange Limited (BSE).

DATE OF REPORT

The information provided in the Report on Corporate Governance for the purpose of uniformity is as on March 31, 2016. The Report is updated as on the date of the report wherever applicable.

BOARD OF DIRECTORS

Composition of the Board & Directorships and Membership on Committees:

As on 31st March 2016, SPS's Board has six Directors, three of whom are Executive Directors, while the remaining three are all Non-Executive Independent Directors. The Chairman of the Board is Executive and Promoter Director. The Composition of the Board meets the requirements of Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Composition of the Board as on 31st March 2016.

Sl. No	Name of Director	Category of Director	No. of other Directorships in other public limited Companies*	No. of Board Level Committee memberships/chairpersonship/ in other Indian public companies**	
				Chairperson	Member
1	Sh. S.K. Jain	Executive, Promoter	-	-	-
2	Smt. Shikha Jain	Executive, Promoter	-	-	-
3	Sh. Madhur Jain	Executive, Promoter	-	-	-
4	Sh. Shreyans Kumar Patni	Non-executive independent	-	-	-
5	Sh. Vipin Gupta	Non-executive independent	-	-	-
6	Sh. Ramesh Chand Jain	Non-executive independent	-	-	-

* The directorships held by Directors as mentioned above do not include alternate directorships and directorships of foreign companies, Section 8 companies and private limited companies.

**In accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, Memberships / Chairmanships of only the Audit Committees and Stakeholders' Relationship Committee/ Shareholders'/ Investors' Grievance Committees of all public limited companies have been considered.

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.

Sh. S. K. Jain, Chairman and Managing Director, Sh. Madhur Jain and Smt. Shikha Jain are relatives to each other. Sh. S. K. Jain is father of Sh. Madhur Jain and Father in Law of Smt. Shikha Jain.

None of the Directors is a member of more than 10 Board-level Committees of public companies in which they are Directors, nor is Chairman of more than five such Committees.

Number of Board Meetings held

During 2015-16, the Board of Directors met 8 times on May 30, 2015, August 14, 2015, November 14, 2015, December 07, 2015, January 18, 2016, February 12, 2016, February 22, 2016 and March 17, 2016. The maximum gap between any two Board meetings did not exceed 120 days. Meetings are usually held at the Registered Office at 402, Sector-21C, Faridabad.

The last Annual General Meeting of the Company was held on 30th September, 2015.

The agenda papers and detailed notes are circulated to the Board well in advance of every meeting, where it is not practicable to attach any document to the agenda, then same is placed before the Board at the meeting and in special circumstances, additional items on the agenda are taken up at the meeting. In case of business exigencies or urgency of matters, resolutions are passed by circulation and same are placed before the Board in the next meeting.

The Board is given presentation on the operations of the Company covering all business areas of the Company, inter alia marketing, sales, finance, internal audit, etc.

Attendance of Directors at Board Meetings and last annual general meeting

The details of attendance of the Directors at the Board Meeting and at Annual General Meeting are as follows:

Name of Director	No. of Board Meetings attended	Whether attended last AGM
Sh. S.K. Jain	7	Yes
Smt. Shikha Jain	7	Yes
Sh. Madhur Jain	7	Yes
Sh. Ramesh Chand Jain	8	Yes
Sh. Shreyans Kumar Patni	8	Yes
Sh. Vipin Gupta	8	Yes

BOARD INDEPENDENCE

In compliance with SEBI(Listing Obligations and Disclosure Requirements), Regulation, 2015 and Companies Act, 2013, half of the Board of Directors of the Company i.e. 3 out of 6, comprise of Independent Directors. The term '**Independent Director**' is defined under Section 149 (6) of the Companies Act, 2013 and Regulation 16 (1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and each Independent Director meets the criteria of Independence as per the declaration submitted by them in writing to the Company.

The Company does not have any pecuniary relationship with any non-executive or independent director except for payment of commission, sitting fee and reimbursement of travelling expenses for attending the Board and Committee meetings.

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 thereof.
- Quarterly results for the company and its operating divisions or business segments.
- Minutes of meetings of audit committee and other committees of the board.
- 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 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 investments, subsidiaries, assets which are material in nature and 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.
- General notices of interest of Directors.

These items as and when applicable 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.

Shares and Convertible instruments held by Non-Executive Directors

As on 31st March, 2016, none of the Non-Executive Directors held any convertible instruments of the Company.

Details the shares of the Company held by the non-executive Directors as on 31st March, 2016 are as under:

Name of the Director	No. of shares held (Each of face value of Rs. 10/-)
Sh. Shreyans Kumar Patni	Nil
Sh. Vipin Gupta	350
Sh. Ramesh Chand Jain	Nil

Independent Directors

Sh. Shreyans Kumar Patni, Sh. Ramesh Chand Jain and Sh. Vipin Gupta are Independent Directors on the Board of the Company. None of the Independent Directors neither serve in more than seven listed companies nor any Independent Director who is a Whole Time Director in any other Company serves as Independent Director in more than 3 listed companies.

During the year under review, the Independent Directors met once on March 17, 2015, without the attendance of Executive Directors and members of management. All the Independent Directors were present in that meeting.

The Independent Directors in the said meeting had, inter-alia:

- reviewed the performance of non-independent directors and the Board as a whole;
- reviewed the performance of the Chairperson of the Company, taking into account the views of executive directors and non-executive directors;

iii. assessed the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The Company has framed various programmes to familiarize the Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company etc. The details of such programmes have been disclosed on the Company's website.

COMMITTEES OF THE BOARD

(1) Audit Committee

(2) Nomination & Remuneration Committee

(3) Stakeholders' Relationship Committee cum Shareholder's Grievance Committee

(4) Risk Management Committee

The Risk Management Committee is not applicable to the Company on the basis of market Capitalisation. The terms of reference of the Board Committees are determined by the Board from time to time. The role and composition of these Committees, including the number of meetings held during the financial year and the related attendance, are provided below.

Audit Committee

As on March 31, 2016, the Audit Committee of the Company comprises of three Independent Directors and Mrs. Meenu Kapoor, Company Secretary as Secretary. The constitution of the Committee meets the requirements of the Companies Act, 2013 as well as requirements of Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015. During 2015-16, the Committee met 4 times on May 30, 2015, August 14, 2015, November 14, 2015 and February 12, 2016.

Details of the Audit Committee as on 31st March, 2016 (Total Meetings held-4)

Sl. No.	Name of Member	Category	Number of meetings attended
1	Sh. Shreyans Kumar Patni	Chairman, Independent Director	4
2.	Sh. Vipin Gupta	Independent Director	4
3.	Sh. Ramesh Chand Jain	Independent Director	4

The terms of reference of the Audit Committee are as set out in Part C of Schedule II of SEBI (Listing Obligations and Disclose Requirements) Regulation, 2015 read with Section 177 of the Companies Act, 2013.

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 (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
- 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;
- Modified opinion(s)/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;
- Approval or any subsequent modification of transactions of the company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- To review the functioning of the Whistle Blower mechanism;
- Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Committee shall have such powers and rights as are prescribed under the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and the Companies Act, 2013 and the rules made thereunder, as notified or may be notified from time to time.

The Company has systems and procedures in place to ensure that the Audit Committee mandatorily reviews:

- Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;

- Management letters/letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses;
- The appointment, removal and terms of remuneration of the chief internal auditor;

The Audit Committee is also apprised on information with regard to related party transactions by being presented:

- A statement in summary form of transactions with related parties in ordinary course of business.
- Details of material individual transactions with related parties which are not in the normal course of business.
- Details of material individual transactions with related parties or others, which are not on an arm's length basis along with management's justification for the same.

Nomination and Remuneration Committee

As on 31st March, 2016, the Committee comprises of three members, all of them are independent non-executive Directors. During 2015-16, the Committee met twice on November 14, 2015 and January 14, 2016.

Details of Nomination and Remuneration Committee as on 31st March, 2016 (Total Meetings held- 2)

S. No	Name of Directors	Category	Meetings attended
1	Sh. Shreyans Kumar Patni	Chairman, Independent Director	2
2	Sh. Vipin Gupta	Independent Director	2
3	Sh. Ramesh Chand Jain	Independent Director	2

The matters referred to the Committee are:

- To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, in accordance with the requirements of the Act, relating to the remuneration for the directors, key managerial personnel and other employees.
- To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal.
- To carry out evaluation of every director's performance.
- To consider and recommend to the Board, the remuneration to be paid by the Company to Executive Directors / Whole time Directors of the Company, keeping in view the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- To perform such other functions as have been referred / may be referred by the Board or required in accordance with the Act or SEBI Regulations as amended from time to time.

The Nomination and Remuneration Committee had formulated the following policies:

1. Policy on Directors' Appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and relating to remuneration for the directors, key managerial personnel and other employees.
2. Policy on Board diversity.
3. The Criteria for performance evaluation of Independent Directors and the Board as provided herein below:

Evaluation Criteria for Performance Evaluation of Executive Directors, Independent Directors, Committee and Board of Directors

Executive Director (s)	Independent Director(s)	Committee of Board	Board
<p>1. How well has he performed in his area of responsibility with respect to budget and business plan?</p> <p>2. How well has he performed in development and expansion of business with respect to his area of operation?</p> <p>3. How well does he involve himself in day to day affairs of the Company?</p> <p>4. Does he show willingness to spend time and effort learning about the Company and its business?</p> <p>5. How successfully the director brought his knowledge and experience to bear in the consideration of strategy?</p> <p>6. Is he up-to-date with the latest developments in areas such as the corporate governance framework and financial reporting and in the industry and market</p>	<p>1. How well prepared and informed is he for the Board/ Committee meetings and is his attendance at meetings satisfactory?</p> <p>2. Does he demonstrate willingness to devote time and effort to understand the Company and its business?</p> <p>3. What has been the quality and value of his contributions at Board/ Committee meetings?</p> <p>4. Does he challenge the matters and decisions at the Board/ Committee meetings?</p> <p>5. How successfully has he brought his knowledge and experience to bear in the consideration of strategy?</p> <p>6. How effectively and proactively has he followed up in his areas of concern?</p> <p>7. How well does he communicate</p>	<p>1. Does the Committee has full and common understanding of its roles and responsibilities.</p> <p>2. How effective the Committee has been vis-à-vis the roles and responsibilities assigned to it?</p> <p>3. Is the composition of the Committee appropriate, with the right mix of knowledge and skills to maximize performance in the light of future strategy?</p> <p>4. Does Committee members come to meetings familiar with the agenda, backup reports and other materials circulated beforehand?</p> <p>5. How well does the Board communicate with its Committees, the management team, Company employees and others?</p> <p>6. Is the Committee as a whole up to date with latest developments in the regulatory environment and the market?</p> <p>7. Is appropriate, timely information of the right length and quality provided to</p>	<p>1. Whether the Board has full and common understanding of its roles and responsibilities.</p> <p>2. Is the Board as a whole up to date with latest developments in the regulatory environment and the market?</p> <p>3. Whether the Board has full understanding of the business plan and performance of operations and management of the Company and received regular input on this from Chief Executive?</p> <p>4. How effective has the Board's contribution been to the development of strategy, policy and to ensuring robust and effective risk management?</p> <p>5. Has the Board responded effectively to any problems or crises that have emerged, and could/should these have been foreseen?</p> <p>6. Is appropriate, timely information of the rights length and quality provided to the Board, and is management responsive to requests for clarification or amplification? Does the Board provide helpful feedback to management on its requirements?</p> <p>7. Do the Board members receive their information in a timely manner and come to meetings familiar with the agenda, backup reports and other materials circulated beforehand.</p> <p>8. Does the Board regularly</p>

<p>conditions?</p>	<p>with fellow Board members and senior management?</p> <p>8. Does he behave in accordance with Company's values and beliefs?</p> <p>9. How well do they maintain their independence according to Section 149 of the Companies Act, 2013 and Regulation 16 (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 applicable only for Independent Director.</p> <p>10. Do the non executive directors willing to participate in events outside Board meetings such as site visits?</p> <p>11. How well do they adhere the code for Independent Director pursuant to Schedule IV of the Companies Act, 2013?</p>	<p>the Committee, and is management responsive to requests for clarification or amplification?</p> <p>8. Does the Committee provide helpful feedback to Board on its requirements?</p> <p>9. How well has the Committee performed against any objective that was set?</p> <p>10. Are sufficient Committee meetings of appropriate length held to enable proper consideration of issues? Is time used effectively?</p>	<p>monitors and evaluates progress towards strategic goals and assesses operational performance?</p> <p>9. Whether the Board holds an appropriate number of meetings each year and Board meetings include appropriate level of information, of appropriate length for productive use of its time?</p> <p>10. Does the Board has established a Committee structure that enables clear focus on the important issues facing the Company? Are the Committees functioning satisfactorily?</p> <p>11. Is the composition of the Board and its Committees appropriate, with the right mix of knowledge and skills to maximize performance in the light of future strategy?</p> <p>12. How well does the Board communicate with its Committees, the management team, Company employees and others?</p> <p>13. How has the Board responded to any problems or crises that arose?</p> <p>14. How effectively does the Board use mechanisms such as the AGM and the annual report?</p> <p>15. Are relationships inside and outside the Board working effectively?</p>
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Remuneration of Directors

Details of the remuneration package of Directors for 2015-2016 are as under:

Name of Directors	Salary	Sitting fees	Perquisites	Deferred Benefits (PF and superannuation)	Commission	Terminal Benefits	Amount (Rs)
							Total
Sh. S.K. Jain	7,20,000	-	-	86,400	-	-	8,06,400
Sh. Shreyans Kumar Patni	-	7,500	-	-	-	-	7,500
Sh. Vipin Gupta	-	7,500	-	-	-	-	7,500
Sh. Ramesh Chand Jain	-	7,500	-	-	-	-	7,500
Smt. Shikha Jain	4,80,000	-	-	57,600	-	-	5,37,600
Sh. Madhur Jain	7,20,000	-	-	86,400	-	-	8,06,400
Total	19,20,000	22,500	-	2,30,400	-	-	21,72,900

There is no formal service contract with the Executive Directors of the Company. Their term of appointment and separation are governed by the Shareholders' Resolution, Company's Article of Association and Company's Rules and Regulations for other employees. There is no provision for any separation fee for the Executive Directors. The Company does not have any Employee Stock Option Scheme.

Pecuniary relationship or Transaction:

There is no other pecuniary relationship or transaction by the Company with Non-Executive Directors.

Payments to Non- Executive Directors

Except sitting fee for attending meetings of the Board and Committees thereof, no other payment is being made to the Non-Executive Directors of the Company.

Stakeholders' Relationship Committee cum Shareholders' / Investors' Grievance Committee

As on March 31, 2016, 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 2015-16, the Committee met 1 time on August 14, 2015.

Details of Stakeholders' Relationship Committee Cum Shareholders' / Investors' Grievance Committee - as on 31st March, 2016 (Total Meetings held-1)

S. No	Name of Directors	Category	Meetings attended
1	Sh. Shreyans Kumar Patni	Independent Director	1
2	Sh. Vipin Gupta	Independent Director	1
3	Sh. Ramesh Chand Jain	Independent Director	1
4	Sh. S.K. Jain	Executive Director	1

The Committee is empowered pursuant to its terms of reference to:

- Consider and resolve the grievances of security holders of the Company.
- Specifically look into the redressal of shareholder(s) and investors complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc.
- Perform such other functions as have been referred / may be referred by the Board or required in accordance with the Act or SEBI Regulations as amended from time to time.

During the year, no investor complaint was received. As on 31st March 2016, no complaint was pending. Smt. Meenu Kapoor is the Compliance Officer of the Company.

Risk Management Committee

In terms of Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Risk Management Committee is not applicable to the Company on the basis of market Capitalisation.

Information to Shareholders

Pursuant to Regulation 36 (3), the brief resumes of the directors being appointed/ re-appointed are given below:

Sh. Madhur Jain (28) is a graduate in Mechanical Engineering. He has worked with M/s Shriram Pistons and Rings Ltd., Ghaziabad before joining the Company. He has also successfully completed couple of engineering projects during the graduation. He has been instrumental in handling the operations of the Company. Sh. Madhur Jain is not director in any other company and is not holding membership of any committee of any other company. He is holding 3,88,146 equity shares of the Company constituting 12.03% of the paid up capital.

Smt. Shikha Jain (30) is Commerce Graduate having business experience for approx. 8 years in various businesses and administration. Smt. Shikha Jain is not director in any other company and she is holding 1600 equity shares of the Company.

General Body Meetings

Location and time of last three AGMs

Year	Location	Date	Time	Special Resolution passed
2012-13	93-B, DLF Industrial Estate, Phase-I, Faridabad	28/9/2013	11.00 a.m.	Nil
2013-14	93-B, DLF Industrial Estate, Phase-I, Faridabad	30/09/2014	11.00 a.m.	Nil
2014-15	93-B, DLF Industrial Estate, Phase-I, Faridabad	30/09/2015	11.00 a.m.	Nil

No Special Resolution was passed in the previous three annual general meetings;

No resolution was put through postal ballot during 2014-15.

At present the Company has not proposed any special resolution through postal ballot.

Means of Communication

(a) Quarterly Results

The Unaudited quarterly/half yearly financial statements are announced within 45 (Forty Five) days of the end of the quarter.

The aforesaid financial statements reviewed by the Audit Committee are taken on record by the Board of Directors and are communicated to the Bombay Stock Exchange Ltd. where the Company's securities are listed.

Once the stock exchanges have been intimated, these results are given by way of a press release to news agency and published within 48 hours of conclusion of the board meeting in two leading daily news papers - one in English and one in Hindi.

(b) Financial Results

The Audited annual financial results are announced within 60 (Sixty) days from the end of last quarter i.e. 31st March to meet with the requirements of Stock Exchanges and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Audited annual financial results were announced on 30th May, 2016. The aforesaid Audited annual financial results are taken on record by the Board of Directors and are communicated to the Stock Exchanges where the Company's securities are listed. These results are then given by way of a press release to news agency and published within 48 hours in two leading daily news papers one in English and one in Hindi. The Audited annual financial results form a part of the Annual Report which is sent to the Shareholders prior to the Annual General Meeting.

(c) Website Display

The Company's Official news releases, presentation, policies, financial results, shareholder's general information etc. are displayed on the Company's website www.spsintl.co.in.

The press releases, if any, is also forwarded to Stock Exchanges for placing on its website. Stock Exchanges and displayed on websites. The Company has not made any formal presentations to institutional investors or to analysts during the year.

GENERAL SHAREHOLDER INFORMATION**Annual General Meeting**

Date : Friday, 30th September 2016

Time : 02.00 P.M.

Venue : Plot No. 93-B, DLF Industrial Area, Phase-I, Faridabad, Haryana

Financial Year

Financial year: 1st April, 2015 to 31st March, 2016.

During the year ended 31st March 2016, results were announced on:

30th May, 2015 : Annual financial results

12th August, 2015 : First Quarter

14th November, 2015 : Second Quarter

12th February, 2016 : Third quarter

The tentative schedule for the financial year 2016-17:

August 2016 (Second week) : First quarter

November 2016 (Second week) : Half yearly

February 2016 (Second week) : Third quarter

May 2016 (last week) : Annual/ Fourth quarter

Dividend

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

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 2016-2017 has been paid to Bombay Stock Exchange Ltd.

Book Closure Date

Saturday, 24th September, 2016 to Friday, the 30th September, 2016 (both days inclusive).

Depository Fees

Annual Custody /Issuer fees for the year 2015-16 has been paid by the Company to National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as and when bills were received from them.

Stock Code

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 2015-16 is as under:

Year 2014-15	Price of Share of the Company at BSE			BSE SENSEX	
	High (Rs.)	Low (Rs.)	Volume (Nos.)	High	Low
April	4.29	4.29	429	29,094.61	26,897.54
May	4.71	4.08	16,564	28,071.16	26,423.99
June	5.40	4.61	24,945	27,968.75	26,307.07
July	4.69	4.46	2,156	28,578.33	27,416.39
August	4.26	4.26	852	28,417.59	25,298.42
September	4.05	3.61	14,613	26,471.82	24,833.54
October	3.43	3.00	4,437	27,618.14	26,168.71
November	3.20	3.20	89	26,824.30	25,451.42
December	3.87	3.36	11,723	26,256.42	24,867.73
January	4.23	3.61	86,774	26,197.27	23,839.76
February	4.29	4.29	429	25,002.32	22,494.61
March	4.71	4.08	16,564	25,479.62	23,133.18

Distribution of shareholding**Distribution of shareholding by number of shares held as on 31st March, 2016**

No. of equity shares held	No. of share holders	% of shareholders	No. of shares	% of share holding
Upto 500	2404	97.80	1102071	34.160
501 - 1000	28	1.14	208768	6.470
1001-2000	10	0.41	139674	4.330

2001-3000	5	0.20	123794	3.840
3001-4000	3	0.12	104995	3.250
4001-5000	3	0.12	136337	4.230
5001-10000	2	0.08	123481	3.830
10001 and above	23	0.12	1286780	39.890
Total	2458	100.00	3225900	100.000

Distribution of shareholding by shareholding pattern as on 31st March, 2016

Sl. No	Category	No. of Shares Held	% Age of Holding
A.	Shareholding of promoter and promoter group	1373580	42.58
B.	Public Shareholding		
	Bodies Corporate	231051	7.16
	Individual shareholders holding nominal share capital up to Rs. 2 Lac	1191457	36.93
	Individual shareholders holding nominal share capital in excess of Rs. 2 Lac	303090	9.39
	NRIs	41484	1.29
	HUF	83238	2.58
	Trusts	1800	0.06
	Clearing Member	200	0.01
	Total	3,225,900	100.00

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.

Beetal Financial & Computer Services Pvt. Ltd.
 BEETAL House, 3rd Floor, 99 Madangir
 Behind Local Shopping Complex
 Near Dada Harsukhdas Mandir, New Delhi-110062
 Tel. No. +91 011-29961281
 Fax No. +91 011-29961282
 e-mail: beetal@rediffmail.com

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.

Dematerialization of shares as on 31st March, 2016

There were 24,17,490 shares in electronic form, which constitute 74.94 per cent of the total paid-up share capital of the Company.

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.

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.

Plant/Business Location

SPS International Limited

Registered Office: 402, Sector 21 C, Faridabad 121001, Haryana, India

Production Facilities: 93-B, 1st Floor, DLF Industrial Estate Phase-I
Faridabad-121003(Haryana), India

Address for Correspondence

Company:	Registrar & Share Transfer Agent:
Sh. S.K. Jain Chairman and Managing Director SPS International Ltd. A-111 & 112, DDA Sheds, Okhla Industrial Area Phase-II, New Delhi-110020 Tel No. + 91 011-47190190 Fax No. + 91 011-47190160 e-mail : skjain402@gmail.com	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-110062 Tel. No. +91 011-29961281 Fax No. +91 011-29961282 e-mail: beetal@rediffmail.com

Compliance with Corporate Governance

The Company is fully compliant with the mandatory requirements of the Corporate Governance as specified in Regulation 17 to 27 and Regulation 46 (2) (b) to (i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Adoption of Non-mandatory Requirements

The Company has not adopted any of the discretionary requirements of Part-E of Schedule II.

Code of Conduct

As per the requirements of Regulation 17 (5) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has adopted a Code of Conduct for Directors and Sr. Management Personnel. The duties of Independent Directors have been suitably incorporated in the said Code as laid down in the Companies Act, 2013. A copy of the code is available on Company's website.

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

COMPLIANCE CERTIFICATE BY CEO AND CFO

Compliance Certificate by CEO and CFO certification of the financial statements for the year is as under:

The Board of Directors,
SPS International Limited,
A-111& 112, DDA Sheds
Okhla Industrial Area, Phase-II,
New Delhi-110020, India

Dear Sirs,

We, the undersigned hereby certify to the Board that:

- (A) We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2016 and that to the best of our knowledge and belief:
- (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading:
 - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (B) There are, to the best of our knowledge and belief, no transactions entered into by SPS International Limited during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (C) We accept responsibility for establishing and maintaining internal controls for financial reporting in SPS International Limited and we have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting. We have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal

controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

(d) We have indicated to the auditors and Audit Committee

- (i) Significant changes in internal control over financial reporting during the year;
- (ii) Significant changes in accounting policies during the year and the same have been disclosed in the notes to the financial statements; and
- (iii) Instances of significant fraud of which we become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.

Sd/-
S. K. Jain
Chairman & Managing Director
DIN: 00088064

Sd/-
Akhilesh Chandra Mishra
CFO

AUDITOR'S CERTIFICATE ON 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 31st March, 2016, as stipulated in Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the listing agreement of the said Company with the stock exchanges in India.

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 Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the listing agreement of the said Company with Stock Exchanges.

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 31st March, 2016 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.

Place : Faridabad
Dated : 30th May, 2016

For Sudhir Chaudhary & Associates
Chartered Accountants
Sd/-
Sudhir Chaudhary (Partner)
M. No. 091302

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SECTION 188(1) OF THE COMPANIES ACT, 2013

FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis.

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	
b)	Nature of contracts/arrangements/transaction	
c)	Duration of the contracts/arrangements/transaction	
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Nil
e)	Justification for entering into such contracts or arrangements or transactions'	
f)	Date of approval by the Board	
g)	Amount paid as advances, if any	
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	

2. Details of material contracts or arrangements or transactions at Arm's length basis.

Sl. No.	Particulars	Details		
a)	Name (s) of the related party & nature of relationship	Solitaire Printotech Ltd. - Related Party	Secure Enterprises Prop. - Smt. Shikha Jain is the proprietor	SPS Infratech Private Limited - Sh. S.K. Jain is a common director
b)	Nature of contracts/arrangements/ transaction	Lease Agreement i)Lease Rent Rs. 10,35,000/- ii)Plant and Machinery Rs. 15,00,000/- iii)Sales Rs. 33,17,764/-	Sales & Services i)Rs.51,05,523	Scanning & Processing Services i) Rs. 7,47,989
c)	Duration of the contracts/arrangements/ transaction	i)Rent Agreement shall be valid till terminated by the parties.	Sales & services are need based.	Scanning & Processing Services are need based.

		The rent shall be increased by 15% every three years. ii) Plant and Machinery : Same as above iii) Sales : sales are ongoing and need based.		
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	As above	As above	As above
e)	Date of approval by the Board	N.A.	N.A.	N.A.
f)	Amount paid as advances, if any	Nil	Nil	Nil

Place: Faridabad
Dated: May 30, 2016

By the order of the Board of Directors
Sd/-
Surendra Kumar Jain
(Chairman and Managing Director)
DIN: 00088064
Address: 402, Sector-21C,
Faridabad-121001, Haryana

ANNEXURE-VI

DETAILS OF REMUNERATION OF EMPLOYEES AND DIRECTORS

(Section 197 of the Companies Act, 2013 and Rule 5(1) of Companies (Appointment and remuneration of managerial personnel) Rules 2014)

1. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year.

And

2. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:-

Name	Designation	Directors Remuneration to Median Remuneration	Percentage Increase in Remuneration
S.K. Jain	Chairman and Managing Director	0.12	0%
Madhur Jain	Whole-time Director	0.12	0%
Shikha Jain	Whole-time Director	0.08	0%

There was no change in the remuneration of Key Managerial personnel during the year.

3. The percentage increase in the median remuneration of employees in the financial year.

The average percentage increase in the remuneration of employees is 6.40%

4. The number of Permanent employees on the rolls of the Company.

The number of permanent employees on the rolls of the Company as on 31st March, 2016 is 23.

5. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.

There was no increase in the salaries of Key managerial personnel. The average percentage increased in the salaries of employees was 6.40 %

6. The key parameters for any variable component of remuneration availed by the directors.

No variable component was paid to the directors.

7. Affirmation that the remuneration is as per the remuneration policy of the company.

It is hereby affirmed that the remuneration paid during the year is as per the Remuneration Policy of the Company.

ANNEXURE-VII

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENT

The Company is continuing its business of sale/ purchase of Optical Mark Readers, Image Scanners, Insight Scanners, Computers and other allied peripherals and equipments, designing, printing and supply of OMR Application/ Registration forms and Answer sheets, Answer booklets, confidential printing along with other necessary stationery.

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

Particulars	Sale Quantity	
	2015-16	2014-15
OMR Sheets (In Cr.)	6.14	4.43
OMR Scanners	15	25
Image Scanners	0	10
Exercise books (In lacs)	0.21	0.38
Printed Answer booklet (In Cr)	0.14	0.65

The demand of the products and services of the company is falling sharply due to increase in competition as also due to switching over all the major examinations to online method of test. The company is seriously planning to stop printing of OMR stationery.

OPPORTUNITY AND THREATS

There is an always great opportunity for the company due to ever growing number of Educational Institutes, Skilled Development Centers and overall thrust of our Central Government and State Governments to generate and provide more employment. These are the application areas of the products and services of the company. These opportunities are accompanied by threats also due to increasing cases of unfair means being adopted in examinations, recruitment scams, extra ordinary volumes of applicants, a need is arising to switch over the examination system to online method. The biggest user of these services Railway Recruitment Boards have already taken this step in the current year itself. The company at present is not providing any service of online tests. In addition to this as usual the number of competitors are increasing rapidly thereby posing tough competition in rates and forcing the company to continue this business on narrow margins of profits.

The Company is finding it very difficult to maintain its market share as also its costs of production, because of ever increasing labour rates, power charges, transportation charges, cost of materials and on the other hand the smart buying tactics of the customers to buy the products of the company on the prices of all inclusive (that means tax, transportation, loading and unloading etc.).

FINANCIAL PERFORMANCE

During the year under review the total revenue was Rs. 1128.77 Lac as against Rs. 1573.24 Lac in F.Y. 2014-15. The net profits after tax for the year are Rs. 25.02 Lac as against Rs. 41.09 Lac in F.Y. 2014-15. Net profit making provision for current tax and deferred tax liability comes to 19.34 Lac in the current year and Rs. 21.45 lac in the year 2015. The management has embarked upon a program of cost management, control our expenses and efficiency in production due to which the company is able to maintain its revenue and profitability.

RISKS AND CONCERNS

The customer base of the company is static, despite orders from some of the customers in government sector are not being repeated because the open tender system being followed by them for procurement of materials and services. The costs of imports are linked with the stability of Indian currency with respect to US Dollar. Due to continuous increase in the petroleum products, the costs of transportation, freight and fuel are increasing abnormally and disproportionately. On the contrary the number of players in the market are increasing, who are desperately struggling for business and in turn are causing stress on the product price. There has been phenomenal growth in the number of students in the technical sector and the volume in terms of quantity is going up. Despite this, the revenue in terms of rupee is going down because of the above factors. The only way of survival is cost reduction in the prices of products or rescheduling of product mix. The company is endeavoring on both the directions and is hopeful to get better results in the forthcoming year.

As anticipated earlier, the Government has introduced unified system of examination for entrance in the Engineering Course. The examination of CAT is being conducted through online method. The medical examinations have also been ruled to be taken in unified way by the Hon'ble Supreme Court and followed by the Government. Otherwise also offline method of entrance examination is losing its charms as the institutions are switching over to online method of examinations. Even though the latter has its own limitations, yet it is causing losses to the business of the company. So is the fate of OMR stationery requirement. The company is contemplating to modify its product mix by adding more items of printing in its business, but finding it very difficult to set any remarkable success.

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 9001-2008 certification by VINCOTTE.

OUTLOOK FOR THE YEAR 2016-2017

In view of the increased competition, the Company is taking necessary steps to maintain its leadership position by maintaining / increasing its growth in all its business areas including that OMR Sheets, Scanners and Image Scanners. The company has envisaged a massive cost effective program to make its products more competitive while maintaining the quality. The company is also increasingly participating in the tender process for its business and new customers are pouring in. The business of the confidential printing is rather secured and remunerative. The company believes that in the forthcoming year its performance will be quite satisfactory.

HUMAN RESOURCES DEVELOPMENT/ INDUSTRIAL RELATIONS

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

The Company has 23 numbers of employees as on March 31, 2016. The relationship of management with employees has been very cordial during the period under review.

By the order of the Board of Directors

Sd/-

Surendra Kumar Jain
(Chairman and Managing Director)
DIN: 00088064
Address: 402, Sector-21C,
Faridabad-121001, Haryana

Place: Faridabad
Dated: May 30, 2016

Independent Auditor's Report

**To
The Members
SPS International Limited**

Report on the Financial Statements

We have audited the accompanying standalone financial statements of **M/s SPS International Limited**, which comprise the balance sheet as at 31 March 2016, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records; relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidences about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments the auditors consider internal financial controls relevant to the company's preparation of the financial statements that give a true and fair view in order to design audit procedure that are appropriate

in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure A** a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

2. As required by section 143(3) of the Act, we report that:

(a) We have sought and 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 it appears from our examination of those books;

(c) The balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

(e) On the basis of the written representations received from the directors as on 31 March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us the company has made all the disclosures.

i) The Company does not have any pending litigations which would impact its financial position.

- ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For Sudhir Chaudhary & Associates
Chartered Accountants**

**Sd/-
Sudhir Chaudhary
(Partner)
M.No. 091302
FRN. 015222N
30th May, 2016**

ANNEXURE - A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2016, we report that:

- 1) (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties are held in the name of the company.
- 2) (a) The inventory has been physically verified during the year by management. In our opinion, the frequency of verification is reasonable.

(b) The procedures of physical verification of inventory 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) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.

- 4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.
- 5) The Company has not accepted any deposits from the public.
- 6) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
- 7) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including provident fund, employees state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities. There is no arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no material dues of duty of customs, , duty of excise, value added tax, cess and any other statutory dues which have not been deposited with the appropriate authorities on account of any dispute.
- 8) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not taken any loan either from financial institutions or from the government and has not issued any debentures during the year of audit.
- 9) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- 10) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- 11) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- 12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of paragraph 3 (xii) of the Order is not applicable.
- 13) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- 14) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

- 15) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- 16) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For Sudhir Chaudhary & Associates

Chartered Accountants

Sd/-

Sudhir Chaudhary

(Partner)

M.No. 091302

FRN. 015222N

Annexure - B to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of SPS International Limited ("the Company") as of 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

The system of Internal financial controls over financial reporting with regard to the company at 31st march, 2016 were not made available to us to determine if the company has established adequate Internal financial controls over financial reporting and whether such internal financial controls were operating effectively as at 31st march, 2016. This disclaimer does not impact our opinion on the financial statements of the company.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

The system of Internal financial controls over financial reporting with regard to the company at 31st march, 2016 were not made available to us to determine if the company has established adequate Internal financial controls over financial reporting and whether such internal financial controls were operating effectively as at 31st march, 2016

This disclaimer does not affect our opinion on the financial statements of the company.

For Sudhir Chaudhary & Associates
Chartered Accountants

Sd/-
Sudhir Chaudhary
(Partner)
M.No. 091302
FRN. 015222N

Date: 30th May, 2016

SPS INTERNATIONAL LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2016

Sr. No.	Particulars	Note No.	Amount (Rs.) As At 31.03.2016	Amount (Rs.) As At 31.03.2015
I. EQUITY AND LIABILITIES				
1	Shareholder's Funds			
(a)	Share Capital	4	32,259,000	32,259,000
(b)	Reserves and Surplus	5	19,399,903	17,466,255
2	Non-Current Liabilities			
(a)	Long-Term Borrowings	6	232,064	237,861
3	Current Liabilities			
(a)	Short Term Borrowings	7	6,304,021	7,437,581
(b)	Trade Payables	8	24,248,626	29,050,095
(c)	Other Current Liabilities	9	2,614,930	5,918,133
(d)	Short-Term Provisions	10	3,420,998	3,292,293
TOTAL			88,479,542	95,661,218
II. ASSETS				
1	Non-Current Assets			
(a)	Fixed Assets	11		
	(i) Tangible assets		24,223,905	26,759,545
	(ii) Intangible assets		559,095	473,341
(b)	Other Non-Current Assets	12	2,760,000	2,760,000
(c)	Deferred Tax Assets (Net)	13	2,204,779	2,076,153
(d)	Long term loans and advances	14	5,523,702	8,808,307
2	Current Assets			
(a)	Inventories	15	11,774,335	16,906,060
(b)	Trade receivables	16	31,667,269	32,000,604
(c)	Cash and cash equivalents	17	3,957,694	2,189,416
(d)	Short-term loans and advances	18	10,218,321	7,840,098
(e)	MAT Credit		-	-
TOTAL			88,479,542	95,661,218
SIGNIFICANT ACCOUNTING POLICIES		1-3	-	-

"The Schedules referred above form an integral part of the Balance Sheet. This is the Balance sheet referred to in our report of even date."

For Sudhir Chaudhary & Associates
Chartered Accountants

Sd/-
Sudhir Chaudhary (Partner)
M.No. 091302
F.R No. 015222N

Place: Faridabad
Date : 30th May, 2016

For and on Behalf of Board Of Directors

Sd/-
S.K. Jain
(Chairman & managing Director)
DIN:- 00088064
Address: 402, Sector-21C
Faridabad-121001

Sd/-
Madhur Jain
(Whole- Time Director)
DIN:- 01526237
Address: 402, Sector-21C
Faridabad-121001

Sd/-
Meenu Kapoor
(Company Secretary)
M. No.: 17867

Sd/-
Akhilesh Chandra Mishra
(CFO/ Accounts Manager)

SPS INTERNATIONAL LIMITED
PROFIT & LOSS STATEMENT FOR THE PERIOD ENDED ON 31st MARCH, 2016

Sr. No.	Particulars	Note No.	Amount (Rs)	
			For the year ended 31.03.2016	For the year ended 31.03.2015
I	Revenue from operations	19	112,565,892	156,917,446
II	Other Income	20	311,495	406,355
III	Total Revenue (I+II)		112,877,387	157,323,801
IV	Expenses:			
	Cost of materials Consumed	21	58,978,893	78,932,957
	Purchase of Traded Goods	22	4,482,137	16,562,093
	Changes in inventories of finished goods & work-in-progress and Stock-in-Trade	23	4,167,881	266,893
	Personnel Expenses	24	12,446,097	19,257,871
	Financial Costs	25	1,588,071	1,594,060
	Depreciation and Amortization Expenses	26	4,799,493	7,796,407
	Other Expenses	27	23,913,282	28,804,743
	Total Expenses		110,375,854	153,215,024
V	Profit Before Tax		2,601,533	4,108,777
VI	Tax Expense & Provision:			
	(1) Current tax		439,259	1,389,527
	(2) Deferred tax		128,626	574,272
	(3) MAT		-	-
VII	Profit for the period		1,933,648	2,144,978
VIII	Earning per equity share:			
	(1) Face Value per share		0.60	0.66
	(2) Basic & Diluted		0.60	0.66
	SIGNIFICANT ACCOUNTING POLICIES	1-3		

"The Schedule referred to above form an integral part of the Profit & Loss Statement. This is the Profit & Loss Statement referred to in our report of even date."

For Sudhir Chaudhary & Associates
Chartered Accountants

Sd/-
Sudhir Chaudhary (Partner)
M.No. 091302
F.R No. 015222N

Place: Faridabad
Date : 30th May, 2016

For and on Behalf of Board Of Directors

Sd/-
S.K. Jain
(Chairman & managing Director)
DIN:- 00088064
Address: 402, Sector-21C
Faridabad-121001

Sd/-
Meenu Kapoor
(Company Secretary)
M. No.: 17867

Sd/-
Madhur Jain
(Whole- Time Director)
DIN:- 01526237
Address: 402, Sector-21C
Faridabad-121001

Sd/-
Akhilesh Chandra Mishra
(CFO/ Accounts manager)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 2016

1 CORPORATE INFORMATION

SPS International Ltd. is a Limited Company domiciled in India and incorporated under the provisions of Companies Act, 1956 on 18.01.1993 which was originally incorporated under the name of SPS Data Products Private Limited with the main object to act as consultant and advisors for all kinds of accounts, Finance, Issue of Shares, Company Secretarial Work and to undertake all the above and allied jobs on assignment. Consequently upon name change it was registered under the name of SPS Data Products Limited on 22.05.1995. The company is engaged since 1996, in Import & Sale of OMR/Image scanners, service & maintenance, sale of spares. It is also carrying its on printing facilities for printing of OMR Stationery, Confidential & Examination material required for its business. The company is also engaged in scanning of OMR Answer sheets, data processing & result preparation of various Government and alike institutions.

2 BASIS OF ACCOUNTING

The Financial statement have been prepared under the historical cost convention, on a going concern basis and in accordance with the generally accepted accounting principles and the provisions of companies Act, 2013, as adopted consistently by the company. The company generally follows mercantile system of accounting and recognizes significant items of income and expenditure on accrual basis.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**3.1 USE OF ESTIMATES**

In preparing the Company's financial statements in conformity with accounting principles generally accepted in India, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of revenue and expenses during the reporting period, actual results could differ from those estimates.

3.2 INVENTORIES

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

Stock of Finished Goods	At Cost or Market Value whichever is lower (FIFO)
Stock of Raw Material	At Cost or Market Value whichever is lower (FIFO)
Stock of Work in Progress	At Cost or Market Value whichever is lower (FIFO)
Stock of Scrap	At Cost or Market Value whichever is lower (FIFO)

3.3 CASH FLOW STATEMENT

Cash Flow are reported using the indirect method, whereby a profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, financing and investing activities of the company are segregated.

3.4 DEPRECIATION

Depreciation is computed as per the Company Act, 2013 and the depreciation for the current year has been computed on the basis of remaining useful life of the asset in accordance with the new Act and provisions of transition from Company Act, 1956 to company act, 2013 have been followed.

3.5 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

3.6 TANGIBLE FIXED ASSETS

- Fixed Assets are stated at cost less accumulated depreciation. The cost of asset comprised of purchase price and directly attributable cost of bringing the asset 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

3.7 INTANGIBLE FIXED ASSETS

Intangible assets are carried at cost less accumulated amortization. The cost of an intangible asset comprises its purchase price and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible asset after its purchase / completion is recognized as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

3.8 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.

3.9 INVESTMENTS

Long-term investments (excluding investment properties), are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties. Investment properties are carried individually at cost less accumulated depreciation and impairment, if any. Investment

3.10 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.

3.11 BORROWING COST

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

3.12 EARNING PER SHARE (EPS)

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

3.13 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. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. 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.

3.14 IMPAIRMENT OF ASSETS

An Asset is impaired if there is sufficient indication that the carrying cost would exceed the recoverable cash generating asset in that event an impairment loss so computed would be recognised in the accounts in the relevant year.

3.15 PROVISIONS, CONTINGENT LIABILITIES & CONTINGENT ASSETS

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Liabilities which are material and whose future outcome cannot be ascertained with reasonable certainty, are treated as contingent, and disclosed by way of notes to the accounts. Contingent assets are neither recognised nor disclosed in Financial statements.

3.16 GRATUITY:

The Company has been providing for the Gratuity to the extent it is accrued at the end of financial year. However such Gratuity is paid when it becomes actually due.

Contingent liabilities are not provided for in the accounts and shown separately in notes to accounts.

3.17 BONUS

Provision for bonus is made according to the provisions of bonus act, 1965.

3.18 SERVICE TAX INPUT CREDIT

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is no uncertainty in availing / utilising the credits.

NOTE : 4 Share Capital

Sr. No	Particulars	Amount (Rs.)	
		Current Year	Previous Year
1	AUTHORIZED CAPITAL 10000000 (10000000) Equity Shares of Rs. 10/- each.	100,000,000	100,000,000
2	ISSUED , SUBSCRIBED & PAID UP CAPITAL 3225900(3225900) Equity Shares of Rs. 10/- each, Fully Paid	32,259,000	32,259,000
	Total in INR	32,259,000	32,259,000

A) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Particulars	Amount (Rs.)			
	31st March, 2016		31st March, 2015	
Equity Shares of Rs. 10/- each fully paid	No. of shares	Amount of shares	No. of shares	Amount of shares
At the Beginning of the period	3,225,900	32,259,000	3,225,900	32,259,000
Issued During the Year	-	-	-	-
Outstanding at the end of the period	3,225,900	32,259,000	3,225,900	32,259,000

B) TERMS/RIGHT ATTACHED TO EQUITY SHARES

The company has only one class of equity shares having per value of Rs10/- per share. Each holder of equity shares is entitled one vote per Equity share.

C) DETAILS OF SHAREHOLDERS HOLDING MORE THAN 5% SHARES IN THE COMPANY

Equity Shares of Rs. 10/- each fully paid	31st March, 2016		31st March, 2015	
	No. of shares	Percentage of Holding	No. of shares	Percentage of Holding
SPS Infotech Pvt. Ltd.	671,488	21	671,488	21
Madhur Jain	308,148	10	308,148	10
Ankur Jain	307,148	10	307,148	10

NOTE : 5 RESERVES AND SURPLUS

Sr. No	Particulars	Amount (Rs.)	
		Current Year	Previous Year
1	General Reserve		
	Opening Balance	2,400,000	2,400,000
	Add: During the Year	-	-
	Closing Balance (1)	2,400,000	2,400,000
2	Surplus in Statement of Profit and Loss		
	Opening Balance	15,066,255	14,779,954
	Less: Carrying Amount of Fixed Asset having Nil life w/off as per Company Act,	-	1,858,677
	Add: Profit for the Year	1,933,648	2,144,978
	Closing Balance (2)	16,999,903	15,066,255
	Total (Sum of 1 to 2)	19,399,903	17,466,255

NOTE : 6 Long Term Borrowings

Amount (Rs.)

Sr. No	Particulars	Non Current Portion		Current maturities	
		Current Year	Previous Year	Current Year	Previous Year
1	Secured Loans: Skoda (ICICI Loan)	232,064	237,861	-	518,188
		232,064	237,861	-	518,188
	Total	232,064	237,861	-	518,188

NOTE: 7 Short Term Borrowings

Amount (Rs.)

Sr. No	Particulars	Current Year	Previous Year
1	UBI CC A/c	-	7,437,581
2	Corporation Bank -CC/160001	6,304,021	-
	Total	6,304,021	7,437,581

NOTE: 8 Trades Payables

Amount (Rs.)

Sr. No	Particulars	Current Year	Previous Year
1	Sundry Creditors for Material/Supplies	23,045,432	28,141,148
2	Sundry Creditors for Others	1,203,194	908,947
	Total	24,248,626	29,050,095

Disclosures required under Section 22 of the Micro, small and medium Enterprises Development Act, 2008 Particulars

As At 31.03.2016

As At 31.03.2015

Principal Amount remaining unpaid to any supplier at the end of the accounting year. There are no specific claims from suppliers for interest on delayed payments No interest is accrued or provided for in respect of interest payable to these small/medium enterprises.

NA

NA

NOTE : 9 Other Current Liabilities

Amount (Rs.)

Sr. No	Particulars	Current Year	Previous Year
1	Statutory Remittances	236,721	110,013
2	Liability towards Revenue Expenses	1,256,202	1,430,394
3	Advance from customers	788,180	3,675,249
4	Other's Liabilities	195,993	40,956
5	Current maturities of long term borrowings including finance lease obligation	-	518,188
6	Unearned Income	157,834	143,333
	Total	2,614,930	5,918,133

NOTE: 10 Short Term Provisions

Sr. No	Particulars	Current Year	Previous Year
1	Employees Benefit	-	138,675
	Contribution To PF	88,411	-
	Contribution To Gratuity Fund	2,028,897	1,865,005
2	Others	-	-
	Provision for Current Taxation	1,303,890	864,631
	Provision for Foreign Ex Fluctuation	-	423,982
	Total	3,420,998	3,292,293

Schedules Forming Integral Part of the Balance Sheet as at 31st March, 2015

NOTE :11 Fixed Asset

Sr. No	Particulars	Rate	Gross Block					Depreciation				Net Block			
			As on 01.04.2015	Addition during the year	Sale during the year	Total as on 31.03.2016	Upto 01.04.2015	Carrying Amount of Fixed Asset having Nil life w/off as per Company Act,2013	Addition during the year	Adjustment	Upto 31.3.2016	As At 31.03.2016	AS At 31.03.2015		
A	Tangible Assets														
I	Electric Equipments	-	1,280,910	22,500	-	1,303,410	385,137	-	91,205	-	476,342	827,068	895,773		
II	Office Equipments	-	641,779	237,029	-	878,808	253,268	-	105,111	-	358,379	520,429	388,511		
III	Plant & Machinery	-	17,260,861	295,458	-	17,556,319	5,028,196	-	783,584	-	5,811,780	11,744,539	12,232,665		
IV	Vehicles	-	17,563,772	-	-	17,563,772	14,488,840	-	374,063	-	14,862,903	2,700,869	3,074,932		
V	Furnitures & Fixtures	-	1,978,784	-	-	1,978,784	1,022,787	-	91,088	-	1,113,875	864,908	995,997		
VII	Computers	-	19,805,894	1,586,243	-	21,392,137	10,594,227	-	3,231,819	-	13,826,046	7,566,091	9,211,667		
B	Intangible Assets														
I	Softwares & Licence	-	1,644,934	208,378	-	1,853,312	1,171,594	-	122,623	-	1,294,217	559,085	473,341		
	SUB TOTAL (A)		60,176,934	2,349,608	-	62,526,542	32,944,049	-	4,799,493	-	37,743,542	24,783,000	27,272,886		
	SUB TOTAL (B)		-	-	-	-	-	-	-	-	-	-	-		
	Total [A + B] (Current Year)		60,176,934	2,349,608	-	62,526,542	32,944,049	-	4,799,493	-	37,743,542	24,783,000	27,272,886		
	PREVIOUS YEAR		58,732,476	2,690,577	1,246,118	60,176,935	23,288,965	1,858,677	7,796,407	-	32,944,049	27,232,886	35,443,511		

SPS INTERNATIONAL LIMITED

NOTE : 12 Other Non Current Assets			
Sr. No.	Particulars	Amount (Rs.)	
		Current Year	Previous Year
1	Deffered Expenditure	-	-
2	Other Investments (Refer B below)		
	(a) Investment in Equity instruments		
	Solitaire Printotech Ltd.	2,300,000	2,300,000
	SPS Edutech Ltd.	480,000	460,000
	(b) Other non-current investments	-	-
	Total	2,760,000	2,760,000
NOTE : 13 Deferred Tax Assets			
Sr. No	Particulars	Amount (Rs.)	
		Current Year	Previous Year
1	Tax Effect of Items constituting deferred tax assets		
	On Difference between book balance and tax balance of Fixed Assets		
	For Difference on account of expenses		
	Total	2,204,779	2,076,153
		2,204,779	2,076,153
NOTE : 14 Long Term Loans and Advances			
Sr. No.	Particulars	Amount (Rs.)	
		Current Year	Previous Year
l)	Security Deposit(Trade)		
	a) Unsecured, Considered Good :	5,523,702	8,808,307
	Total	5,523,702	8,808,307
NOTE : 15 Inventories			
Sr. No	Particulars	Amount (Rs.)	
		Current Year	Previous Year
1	Papers	5,699,645	7,485,633
2	OMR Readers	1,437,470	6,355,148
3	Stores & Spares	2,101,364	2,416,584
4	Packing Materials (Loose Tools)	-	648,695
5	Work in progress	2,535,856	-
	Total	11,774,335	16,906,060
NOTE : 16 Trade Recievables			
Sr. No	Particulars	Amount (Rs.)	
		Current Year	Previous Year
1	Unsecured, considered good unless stated otherwise		
	Outstanding for the period exceeding six months from		
	the date they are due for payment		
(a)	Unsecured, Considered Good :	11,387,967	7,266,737
2	Others	20,279,302	24,733,867
	Total	31,667,269	32,000,604

NOTE : 17 Cash & Cash Equivalent		Amount (Rs.)	
Sr. No	Particulars	Current Year	Previous Year
1	Cash-in-Hand		
	Cash Balance	98,490	119,672
	Sub Total (A)	98,490	119,672
2	Bank Balances		
	Corporation bank CCSDL	480,204	285,726
	Axa Bank - Okhla	880,774	595,596
	United Bank of India	59,014	0,024
	HDFC Bank	2,439,212	1,091,154
	UTI Bank	-	9,924
	INDS IND BANK	-	77,420
	Sub Total (B)	3,859,204	2,069,744
	Total [A + B]	3,957,694	2,189,416
NOTE : 18 Short Terms Loans and Advances		Amount (Rs.)	
Sr. No	Particulars	Current Year	Previous Year
	Advances (Unsecured Considered Goods)		
1	Advance to Suppliers of materials	674,350	60,393
2	Balance with Revenue Authorities (Indirect Tax)	3,485,799	3,298,585
3	Advances to Employees	662,125	715,297
4	Interest Accrued On FDR	13,733	30,247
5	Other Recoverable	924,869	924,869
6	Provision for Bad Debts	4,128,834	1,943,600
7	Funding Charges	-	675,000
8	Prepaid Expenses	328,611	192,107
	Total	10,218,321	7,840,098

SPS INTERNATIONAL LIMITED

NOTE : 19 Revenue from Operations		Amount (Rs.)	
Sr. No	Particulars	Current Year	Previous Year
1	Sales	90,177,401	144,589,625
	(A)	90,177,401	144,589,625
2	Services	21,539,643	11,262,608
	(B)	21,539,643	11,262,608
3	Other Operating Revenues	848,848	1,065,213
	(C)	848,848	1,065,213
	Total (A+B+C)	112,565,892	156,917,446

NOTE : 20 Other Income		Amount (Rs.)	
Sr. No	Particulars	Current Year	Previous Year
1	Interest Received (Gross)	231,495	254,466
2	Provision WrittenBack	-	12,499
3	Profit on Sale of Assets	-	34,532
5	Miscellaneous Income	-	20,006
5	Discount received	80,000	84,852
	Total	311,495	406,355

NOTE : 21 Cost of Material Consumed		Amount (Rs.)	
Sr. No	Particulars	Current Year	Previous Year
a)	PURCHASES OF RAW MATERIALS		
	Add:- Purchases during the year	56,042,671	75,753,174
	Consumption during the year (A)	56,042,671	75,753,174
b)	PURCHASES OF CONSUMABLES		
	Purchases during the year	2,936,222	3,179,783
	Consumption during the year (B)	2,936,222	3,179,783
	Total of (A+B)	58,978,893	78,932,957

NOTE : 22 Purchase Of Traded Goods		Amount (Rs.)	
Sr. No	Particulars	Current Year	Previous Year
1	Purchases during the Year	4,482,137	16,562,093
	Total	4,482,137	16,562,093

NOTE : 23 Change in Inventories		Amount (Rs.)	
Sr. No	Particulars	Current Year	Previous Year
	Inventories at the end of the year		
1	Finished Goods:		
	Preprinted Stationery	-	7,485,633
	Paper	5,699,645	-
	OMR Readers	1,437,470	6,355,148
	Stores & Spares	2,101,364	2,416,584
	Packing Materials (Loose Tools)	-	648,695
2	Work In Progress	2,535,856	-
	TOTAL (A)	11,774,335	16,906,060
	Inventories at the beginning of the year		
1	Finished Goods:		
	Preprinted Stationery	7,485,633	352,302
	OMR Sheets	-	-
	OMR Readers	6,355,148	10,164,556
	Stores & Spares	2,416,584	4,338,416
	Packing Materials	648,695	2,535,033
2	Work-in-Progress	-	264,565
	TOTAL	16,906,060	17,654,872
	Less: Capitalised During the Year	963,844	481,919
	Net Opening Stock (B)	15,942,216	17,172,953
	Net (A-B) (Decrease)	4,167,881	266,893

NOTE : 24 Personnel Expenses		Amount (Rs.)	
Sr. No	Particulars	Current Year	Previous Year
1	Salaries	4,085,248	4,776,655
2	HRA	1,210,442	1,508,645
3	Medical Allowances	392,878	798,065
4	Transport Allowance & Travelling Allowances	396,068	1,600,288
5	Bonus	725,911	590,607
6	Ex - Gratia	416,841	753,116
7	Leave Encashments	211,002	235,051
8	Leave Travelling Allowance	-	198,086
9	PF Contribution	606,424	889,774
10	ESI Contribution	58,954	73,872
11	Provision for Approved Gratuity Fund	263,692	2,006,712
12	Staff Welfare	645,363	553,017
13	Contractor Wages	1,508,994	1,669,363
14	Directors Remuneration	1,920,000	3,600,000
15	Labour Welfare Fund	4,280	4,620
	Total	12,446,097	19,257,871

NOTE:25 Financial Cost		Amount (Rs.)	
Sr. No	Particulars	Current Year	Previous Year
1	Bank Interest & others	1,152,073	997,958
2	Bank Charges	435,998	596,102
	Total	1,588,071	1,594,060

NOTE : 26 Depreciation & Amortised Cost		Amount (Rs.)	
Sr. No	Particulars	Current Year	Previous Year
1	Depreciation	4,799,493	7,796,407
	Total	4,799,493	7,796,407

NOTE : 27 Other Expenses		Amount (Rs.)	
Sr. No	Particulars	Current Year	Previous Year
1	Advertisement Expenses	49,292	97,230
2	Freight & Cartage	2,182,999	3,071,122
3	Annual Maintenance	74,355	52,942
4	Auditor's Remuneration	100,000	100,000
5	Bad Debts Written Off	-	1,661,343
6	Business Promotion	8,786	65,529
7	Clearing Charges	32,502	176,399
8	Commission	-	20,745
9	Computer & General Stationery	410,526	629,202
10	Director's Meeting Fee	22,500	24,000
11	Director's Travelling & Conveyance	283,548	156,880
12	Diwali Expenses	155,611	148,315
13	Discount allowed	235,959	107,678
14	Donation	50,300	154,100
15	Electricity & Water Charges	2,100,408	2,530,462
16	Foreign Exchange Loss	124,856	63,934
17	General exp	32,266	21,404
18	Generator Exp.	636,497	997,592
19	House Keeping Exp.	234,673	247,298
20	Insurance Charges	175,289	203,849
21	Jobwork	1,514,859	2,407,967
22	Legal & Professional Charges	494,707	449,083
23	Loss On sale Asset	-	71,122
24	Postage, Courier & Telegram	108,535	204,985
25	Rent, rates & Taxes	6,679,011	6,287,103
26	Repairs and Maintenance	1,929,953	2,229,342
27	Sales Tax Paid	587,084	996,326
28	Scanning / Data Entry Charges	1,257,113	830,195
29	Security Charges	418,435	497,331
30	Short & excess	8,999	4,163
31	Subscription	21,971	9,371
32	Telephone, Mobile & Fax Expenses	530,002	534,894
33	Tender Fees	44,955	41,535
34	Travelling & Conveyance	2,718,840	3,136,008
35	Miscellaneous Expenses	53,845	-
36	Vehicle running and maintenance	634,606	703,162
	Total	23,913,282	28,804,743

28 Disclosures under Accounting Standard 20 - Earning per Share

Particulars	Year ended 31.03.2015	Year ended 31.03.2014
(A) BASIC		
Net Profit attributable to Shareholders	1,933,648	2,144,978
Weighted average number of Equity Shares (in No.)	3,225,900	3,225,900
Weighted earnings per share of Rs.10/- each	0.60	0.66
(B) DILUTED		
Weighted earnings per share of Rs.10/- each	0.60	0.66

29 Information pursuant to provision of Schedule III to the Companies Act, 2013 to the extent applicable:

a)The Company is IT Company and is engaged in the business of sale/purchase of Optical Mark Readers, Image Scanners, Insight Scanners, and 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 affected. 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:

30 In the opinion of the management, the value on realisation of current assets, loans and Advances in the ordinary course of business would be less than the amount at which they are stated in the balance Sheet and Provisions for all the known liabilities has been made.

31 Disclosures under Accounting Standard 11 - Effects Of Changes In Foreign Exchange Rates

	Foreign Exchange Earning & Outgoing	Current Year	Previous Year
1	Value of Imports		
	Parts	913,497	1,327,883
	Scanner	-	15,234,210
2	Earnings in Foreign Exchange	-	-
	Total	913,497	16,562,093

During the year company has recognised as per AS-11- Effects of changes in Foreign Exchange Rates and has provided for the Exchange Rate Fluctuation .

In respect of particular Supplier - M/s Scantron Corporation , the company is not recognising its Foreign Exchange loss/ gain in respect of Foreign Exchange Fluctuation due to a dispute regarding payment.

32 There were no Employee who was in receipt of remuneration which was in aggregate was not less than Rs. 60, 00,000/-, if employed throughout the year or Rs. 5, 00,000/-p.m, if employed for a plant of the year.

33 There were no Contingent liability on account of bank guarantee given to customers.

34 In opinion of the board of directors, Current Assets and Loans & Advance have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the balance sheet.

35 Depreciation has been computed in accordance with the provision of Companies Act,2013 considering the remaining useful life of the assets and has written of the carrying amount of the assets having NIL useful life and company has written of Rs.1823025/- from the Opening retained Earning.

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

37 Disclosures under Accounting Standard 15- Employee Benefit

DEFINED CONTRIBUTION PLAN:

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

Particulars	2016-16	2014-15
Employer's contribution to provident fund (Rs.)	606,424	889,774
Employer's contribution to Gratuity Fund	263,692	2,006,712

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.

Actuarial Valuation for Gratuity		31.03.2016	31.03.2015
a) Economic Assumptions			
i)	Discounting Rate	8.00	7.75
ii)	Future Salary Increase	6.50	6.50
iii)	Expected Rate of return on plan assets	8.35	9.00
b) Demographic Assumption			
i)	Retirement Age	58 years	60 years
ii)	Mortality Table	LIC: 94-96 duly modified	LIC: 94-96 duly modified
iii)	Withdrawal Rates	Ages & Withdrawal Rate (%)	Ages & Withdrawal Rate (%)
		Up to 30 years - 3	Up to 30 years - 3
		From 31 to 44 years - 2	From 31 to 44 years -
		Above 44 years - 1	Above 44 years - 1

38 CHANGE IN PRESENT VALUE OF OBLIGATION

Sl. No.	Particulars	Gratuity (Funded) 31.03.2016	Gratuity (Funded) 31.03.2015
a)	Present value of obligation as at the beginning	1,600,762	2,063,793
b)	Acquisition adjustment	-	-
c)	Interest cost	124,059	175,422
d)	Past service cost	-	-
e)	Current service cost	100,772	98,869
f)	Curtailment cost/ (Credit)	-	-
g)	Settlement cost/ (Credit)	-	-
h)	Benefits paid	-	740,313
i)	Actuarial (gain)/ Loss on obligation	61,139	4,991
ii)	Present value of obligation as at the end of period	1,764,454	1,600,762
39 CHANGE IN FAIR VALUE OF PLAN ASSET			
a)	Fair value of plan assets at the beginning of the period	1,324,691	332,012
b)	Acquisition adjustment	-	-
c)	Expected return on plan assets	119,222	29,881
d)	Contributions	-	1,732,992
e)	Benefits paid	-	740,313
f)	Actuarial gain/(loss) on plan assets	96,307	29,881
g)	Fair value of plan assets at the end of the period.	1,540,220	1,324,691
40 FAIR VALUE OF PLAN ASSETS			
a)	Fair value of plan assets at the beginning of the period	1,324,691	332,012
b)	Acquisition adjustment	-	-
c)	Actual return on plan assets	215,529	-
d)	Contributions	-	1,732,992
e)	Benefits paid	-	740,313
f)	Fair value of plan assets at the end of the period.	1,540,220	1,324,691
g)	Funded Status	224,234	278,071
f)	Excess of actual over estimated return on Plan Assets	96,307	29,881

41	ACTUARIAL GAIN/LOSS RECOGNIZED		
a)	Actuarial gain/(loss) for the period obligation	61,139	4,991
b)	Acquisition gain/(loss) for the period plan assets	96,307	29,811
c)	Total gain/loss for the period	157,446	34,872
d)	Actuarial gain/loss recognized in the period	157,446	34,872
e)	Unrecognized actuarial (gains) losses at the end of period.		

42	THE AMOUNTS RECOGNIZED IN BALANCE SHEET AND RELATED ANALYSIS:		
Sr. No.	Particulars	Gratuity (Funded)	Gratuity (Funded)
a)	Present value of obligation as at the end of the period	1,764,454	1,600,762
b)	Fair value of plan assets as at the end of the period	1,540,220	1,324,691
c)	Funded status	224,234	276,071
d)	Excess of actual over estimated	96,307	29,881
e)	Unrecognized actuarial (gains)/ losses	-	-
f)	Net asset/ (liability) recognized in balance sheet	224,234	276,071
43	EXPENSES RECOGNISED IN STATEMENT OF PROFIT & LOSS:		
a)	Current service cost	100,772	96,869
b)	Past service cost	-	-
c)	Interest cost	124,059	175,422
d)	Expected return on plan assets	119,222	29,881
e)	Curtailment cost/ (credit)	-	-
f)	Settlement cost/ (credit)	-	-
g)	Net actuarial (Gain)/ loss recognized in the period	157,446	34,872
h)	Expenses recognized in the statement of profit & losses	51,837	277,282
44	RECONCILIATION STATEMENT OF EXPENSE IN THE STATEMENT OF PROFIT AND LOSS:		
a)	Present value of obligation as at the end of the period	1,764,454	1,600,762
b)	Present value of obligation as at the beginning of the period	1,600,762	2,063,793
c)	Benefits paid	-	740,313
d)	Actual return on plan assets	215,529	-
e)	Acquisition adjustments	-	-
e)	Excess recognized in the statement of profit & losses	51,837	277,282
45	AMOUNT FOR THE CURRENT PERIOD		
a)	Present value of obligation as at the end of the period	1,764,454	1,600,762
b)	Fair value of plan assets at the end of the period	1,540,220	1,324,691
c)	Surplus / (Deficit)	224,234	276,071
d)	Experience adjustment on plan Liabilities (loss)/ gain	67,759	96,557
e)	Experience adjustment on plan Assets (loss) / gain	96,307	22,411
46	MOVEMENT IN THE LIABILITY RECOGNIZED IN THE BALANCE SHEET	Gratuity (Funded)	Gratuity (Funded)
		42,094	42,094
a)	Opening net liability	1,600,762	2,063,793
b)	Express as above	51,837	277,282
c)	Benefits paid	-	740,313
d)	Actual return on plan assets	215,529	-
e)	Acquisition adjustment	-	-
f)	Closing Liability	1,764,454	1,600,762

47 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	Salary	720,000
2	Shikha Jain	Director	Salary	480,000
3	Sh. Ankur Jain	Relative	Rent	120,000
			Vehicle Lease Rent	480,000
4	Sh. Madhur Jain	Director	Salary	720,000
			Rent	120,000
			Vehicle Lease Rent	240,000
5	Solitare Printotech Limited	Related Party	Rent- Plant & Machinery	1,500,000
			Lease Rent	1,035,000
			Sales	3,317,764
6	Secure Enterprises Prop. Shikha Jain	Related Party	Sales & Services	5,105,523
		Related Party	Scanning & Processing Services	747,989

48 In the opinion of the management, the value on realisation of current assets, loans and Advances in the ordinary course of business would not be less than the amount at which they are stated in the balance Sheet and Provisions for all the known liabilities has been made.

49 Company is a Trading Concern, hence the requirement to give details in respect of the Quantity of Goods manufactured, Licensed Capacity, Installed Capacity or Actual Production is not applicable.

50 All amounts in the financial statements are rounded off to the nearest Rupee, except as otherwise stated.

51 Notes 1-50 are annexed to and form an integral part of the Balance Sheet as at 31.03.2016 and statement of Profit & Loss for the year ended as on that date.

For Sudhir Chaudhary & Associates
Chartered Accountants

Sudhir Chaudhary (Partner)
M.No. 091302
F.R No. 016222N

Place: Faridabad
Date : 30th May, 2016

For and on Behalf of Board Of Directors

Sd/-
S.K. Jain
(Chairman & managing Director)
DIN:- 00088064
Address: 402, Sector-21C
Faridabad-121001

Sd/-
Meenu Kapoor
(Company Secretary)
M. No.: 17867

Sd/-
Madhur Jain
(Whole- Time Director)
DIN:- 01626237
Address: 402, Sector-21C
Faridabad-121001

Sd/-
Akhilesh Chandra Mishra
(CFO/ Accounts manager)

SPS INTERNATIONAL LIMITED

Cash Flow Statement for the Year ended 31st March, 2016

Particulars	Current Year 31.03.2016	Previous Year
A. Cash Flow from Operating activities:		
Net profit before Tax & Extraordinary items	2,501,533	4,108,777
Adjustments for:		
Provision for Gratuity	263,692	187,610
Gratuity Paid	100,000	1,650,000
Amount of Carrying Amount W/off	-	574,424
Depreciation	4,799,493	7,796,407
Interest received	231,495	-
Interest Expense	1,152,073	1,594,060
Profit / (Loss) on sale of Assets	-	36,590
Operating profit before Working Capital Change	8,385,296	14,725,840
Adjustments for:		
(Increase) / Decrease in Sundry Debtors	333,335	2,671,756
(Increase) / Decrease in Inventories	5,131,725	266,893
Increase / (Decrease) in Sundry Creditors	4,801,469	8,682,957
(Increase) / Decrease in Other Current Assets	2,378,223	784,384
Increase / (Decrease) in Other Current Liability	3,259,261	2,747,543
Increase / (Decrease) in Other Current Liability	1,133,560	-
Cash Generated from Operation	2,277,843	5,449,605
Income Taxes paid	-	-
Cash flow before extraordinary items	2,277,843	5,449,605
Net Cash Generated from Operating activities	2,277,843	5,449,605
B. Cash Flow from Investing activities:		
Purchase of Fixed Assets	2,349,608	2,690,577
Sale of Fixed Assets	-	1,246,118
Security Deposits	3,284,605	1,807,016
Net Cash Generated from Investing activities	934,997	3,251,475
C. Cash Flow from Financing activities:		
Interest received	231,495	-
Proceeds from Long Term Borrowings	523,985	518,100
Proceeds from Short Term Borrowings	-	-
Repayment of Short Term Borrowings	-	3,203,200
Repayment of Financial Lease Liabilities	-	-
Repayment of Financial interest	1,152,073	1,594,060
Net Cash Generated from Financial activities	1,444,563	5,315,360
Net increase / (Decrease) in Cash & Cash equivalents	1,768,277	3,361,174
Cash & Cash equivalents at beginning of period	2,189,416	5,550,590
Cash & Cash equivalents at end of period	3,957,694	2,189,416

"The Schedule referred to above form an integral part of the Balance Sheet. This is the Cashflow statement referred to in our report of even date."

For Sudhir Chaudhary & Associates
Chartered Accountants

Sd/-
Sudhir Chaudhary (Partner)
M.No. 091302
F.R No. 015222N

Place: Faridabad
Date : 30th May, 2016

For and on Behalf of Board Of Directors

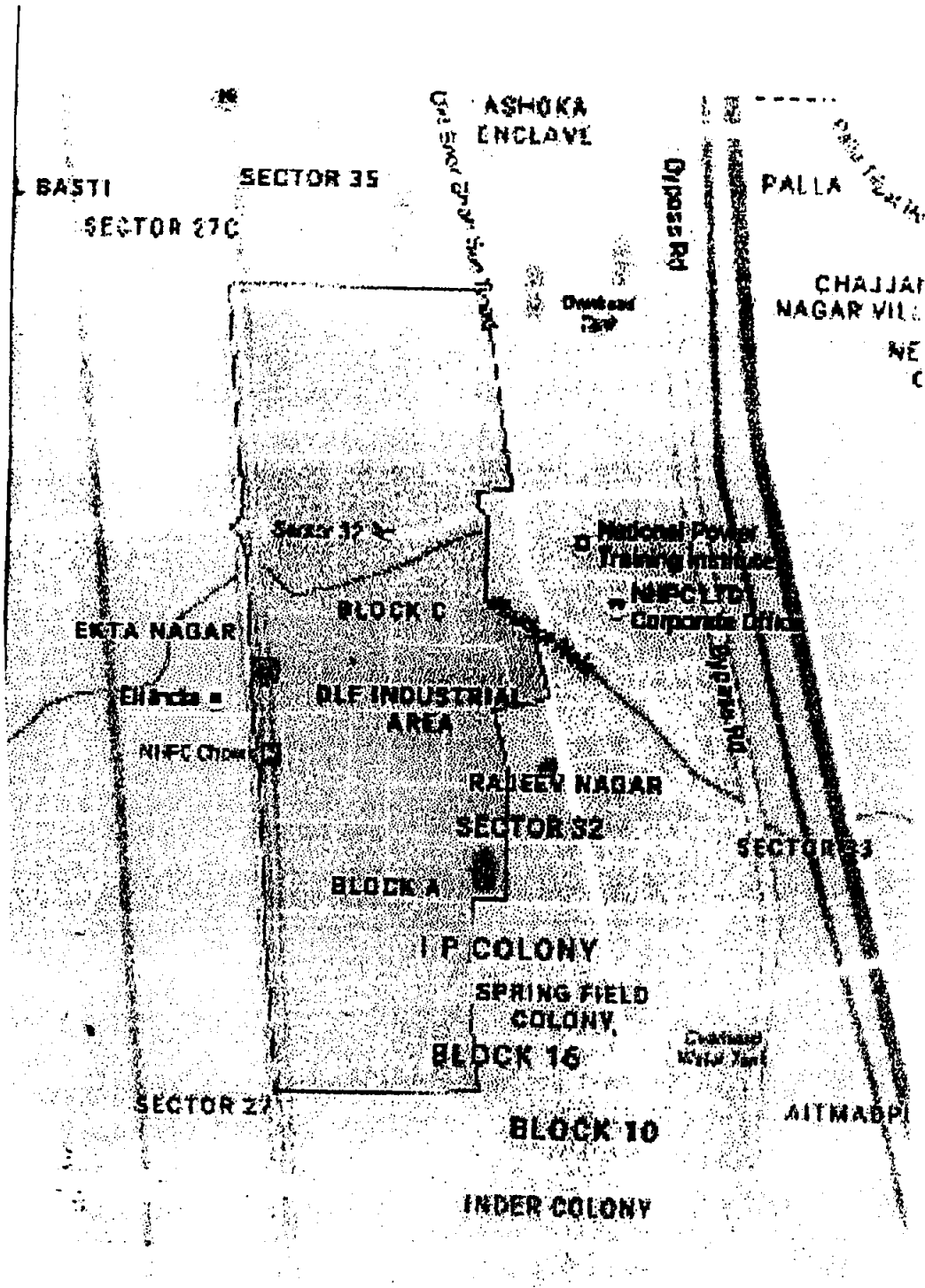
Sd/-
S.K. Jain
(Chairman & managing Director)
DIN:- 00088064
Address: 402, Sector-21C
Faridabad-121001

Sd/-
Meenu Kapoor
(Company Secretary)
M. No.: 17867

Sd/-
Madhur Jain
(Whole- Time Director)
DIN:- 01526237
Address: 402, Sector-21C
Faridabad-121001

Sd/-
Akhilesh Chandra Mishra
(Accounts manager)

ROUTE MAP



SPS INTERNATIONAL LIMITED

CIN: L74140HR1993PLC031900

Registered Office: 402, Sector-21C, Faridabad-121001, Haryana, India

ATTENDANCE SLIP

To be handed over at the registration counter over the entrance

Reg. Folio No. _____ / DP ID No. _____ Client ID/Ben. A/C _____
No. of shares held _____

I certify that I am a registered shareholder/proxy for the registered Shareholder of the Company and hereby record my presence at the 23rd Annual General Meeting of the Company on **Friday, 30th September, 2016 at 02.00 p.m.** at Plot No. 93-B, DLF Industrial Estate, Phase-I, Faridabad

Name of the Shareholder/ Proxy **Member's/Proxy's Signature**

Note: Shareholders / Proxies attending the meeting are requested to bring this Attendance Slip and hand it over at the entrance.

Form No. MGT - 11

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN: L74140HR1993PLC031900

Name of the Company : **SPS INTERNATIONAL LIMITED**

Registered Office: 402, Sector-21C, Faridabad-121001, Haryana, India

Name of the Member (s) :

Registered address :

E-mail ID :

Folio No/ Client ID :

DP ID :

I/We, being the member(s) ofEquity shares of the abovenamed company, hereby appoint :

1. Name : _____

Address : _____

E-mail ID : _____

Signature : _____ or failing him

2. Name: _____

Address : _____

E-mail ID : _____

Signature : _____ or failing him

3. Name: _____

Address : _____

E-mail ID : _____

Signature : _____

as my/ our proxy to attend and vote (on a poll) for me /us and on my/ our behalf at the 23rd Annual General Meeting of the Company, to be held on Friday, 30th September, 2016 at 02.00 p.m. at 93-B, 1st Floor, DLF Industrial Estate Phase-I Faridabad-121003 (Haryana), India and at any adjournment thereof in respect of resolutions indicated below:.

1 Adoption of the audited Financial Statements for the financial year ended on 31st March, 2016 and the reports of the Board of Directors and auditors thereon.

1. Appointment of Smt. Shikha Jain (DIN: 03457584), Whole-Time Director, who is liable to retire by rotation and, being eligible, offers herself for re-appointment.

2. Ratify the Appointment of M/s Sudhir Chaudhary & Associates, Chartered Accountants, -having Registration No. 015222N as the Auditors of the Company.

3. Appointment of Shri Madhur Jain (DIN: 01526237) as Whole- Time Director for five years w.e.f. 14.01.2016.

Signed: this _____ day of _____ 2016

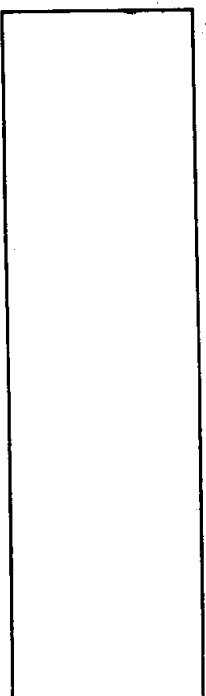
Signature of Member(s): _____

Signature of the Proxy holder(s): _____

Affix Revenue Stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

BOOK POST



If undelivered please return to :-

SPS International Ltd.

A-111, DDA Sheds, First Floor,
Okhla Industrial Area, Phase-II, New Delhi - 110020