

SPS INTERNATIONAL LIMITED
CIN : L74140HR1993PLC031900

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BOARD OF DIRECTORS

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

COMPANY SECRETARY

Smt. Meenu Kapoor

CHIEF FINANCIAL OFFICER

Sh. Rajesh Arora

AUDITORS

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

BANKERS

Corporation Bank, New Delhi

**REGISTERED OFFICE &
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 fourth Annual General Meeting of the shareholders of the Company will be held on Friday, the 29th day of September, 2017 at 10 A.M. at the registered office of the Company situated at Plot No. 93-B, DLF Industrial Estate, Phase-I, Faridabad - 121003 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, 2017, the Reports of Board of Directors and Auditors thereon;
2. To appoint a Director in place of Sh. Madhur Jain (DIN - 01526237), who retires by rotation and being eligible, offers himself for re-appointment; and
3. To appoint CA Neha Pandey (Membership No. 543703), as Statutory Auditors of the Company and to fix her remuneration and to pass with or without modification(s), the following resolution, as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules made thereunder as modified from time to time, CA Neha Pandey (Membership No. 543703) be and is hereby appointed as the auditor of the Company, to hold office for a term of 5 years from the conclusion of this Annual General Meeting till the conclusion of the 29th Annual General Meeting (subject to ratification of the appointment by the members at every intervening Annual General Meeting held after this Annual General Meeting) in respect of the financial years beginning from April 1, 2017 and ending on March 31, 2022, and that the Board of Directors of the Company be and is hereby authorised to fix remuneration and other terms and conditions in respect of this appointment in consultation with the Auditor"

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, 203 and 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, Sh. Surendra Kumar Jain (DIN: 00088064) be and is hereby re- appointed as Chairman & Managing Director of the Company for a period of five years with effect from February 01, 2017 at a remuneration as follows:

- | | | |
|----------------------------|---|--|
| I. Basic Salary | : | Upto Rs.2,50,000/- 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 in addition to salary. |

- i. Special Allowance : Upto Rs. 1,00,000/- per month 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, Sh. Surendra Kumar 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 Sh. Surendra Kumar 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. Sh. Surendra Kumar Jain shall not be entitled to sitting fees for attending Board Meetings/Committees thereof."

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 Chairman & Managing Director of the Company."

5. 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, the revised remuneration of Mr. Madhur Jain (DIN 01526237) be and are hereby approved and ratified with effect from 1st November 2016 as follows:

- | | |
|--|--|
| I. Basic Salary | Upto Rs. 1,30,000/- 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.

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

E. 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.

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

"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."

6. 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, the remuneration of Smt. Shikha Jain (DIN 03457584) from November 01, 2016 up to July 31, 2017, the date on which she resigned as Whole Time Director of the Company, be and are hereby approved and ratified 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, Smt. Shikha 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.

- G. The aggregate of the Salary, Perquisites/Allowances and other entitlements shall not exceed the limits specified in the Companies Act, 2013.
- H. 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.
- I. Smt. Shikha Jain shall not be entitled to sitting fees for attending Board Meetings/Committees thereof upto July 31, 2017. However she will be entitled to receive the sitting fee for attending the meetings of the Board of Directors or Committees thereof after July 31, 2017."

By the order of the Board of Directors

Place : Faridabad

Dated : August 24, 2017

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 Tuesday, the 26th September, 2017 to Friday, the 29th September, 2017 (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. 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-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.
9. 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.
10. 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.
11. 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.
12. 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.
13. Members/Proxies should bring the attendance slip duly filled in for attending the meeting.
14. No gifts, coupons, complimentaries etc., shall be distributed at the Annual General Meeting.
15. Polling papers, if required, for each proposed resolution, will be provided to the members/proxies at the registration counter.
16. 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 September 26, 2017 at 10AM and ends on September 28, 2017 at 5PM. 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 22, 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
- For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) 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.
- (vii) 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 first two letters of their name and the 8 digits of the sequence number in the PAN field. 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. Eg. 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)	<p>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.</p> <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 (iv).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) 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.

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant company on which you choose to vote.
- (xii) 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.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) 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.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a 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.
- (xviii) 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. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) 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.
- (xx) 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.
17. 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.
 18. The registration counter shall open at 9:30 A.M.
 19. Members are requested to bring their copy of Annual Report at the AGM.
 20. 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.
 21. The route map to reach the venue of the AGM is annexed.

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 : August 24, 2017

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

Item No. 4

Subject to the approval of shareholders, the Board of Directors on recommendations of the Nomination and Remuneration Committee, re-appointed Sh. S.K. Jain as Chairman and Managing Director for a period of five years w.e.f. February 01, 2017.

He is an Executive Director and his appointment and remuneration is 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. S.K. Jain as Chairman and Managing Director of the Company.

Brief resume of Sh. S.K. Jain is given below:

Age	:	61
Qualification	:	FCA
Experience	:	36 Yrs
Terms and conditions for appointment	:	As stated in the resolution
Date of first appointment on the Board	:	20-01-1993
Shareholding in the Company	:	72000
Relationship with other directors, and other Key Managerial Personnel of the Company	:	Chairman and Managing Director He is father of Sh. Madhur Jain and father in law of Smt. Shikha Jain
No. of Board Meeting attended during the year	:	8
Other Directorships	:	SPS Infratech Pvt Ltd

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. S.K. Jain is holding 72000 shares in the Company and is Director in 1 Company other than the Company itself.

Except Sh. S K Jain himself, Smt. Shikha Jain and Sh. Madhur Jain being relatives of Sh. S.K. 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.

Item No. 5

Subject to the approval by shareholders and on the recommendations of Nomination and Remuneration Committee, the Board of Directors had increased the remuneration of Sh. Madhur Jain w.e.f. November 01, 2016.

He is an Executive Director and his enhanced 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 enhanced remuneration 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, 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. 5 for approval of the members.

Item No. 6

Subject to the approval of shareholders and on the recommendation of Nomination and remuneration Committee, the Board of Directors increased the remuneration Smt. Shikha Jain w.e.f. November 01, 2016 for her remaining term as whole time director.

Smt. Shikha Jain has, however, resigned as Whole Time Director of the Company w.e.f. August 24, 2017 and at present she is a non-executive director on the Board of the Company and the Board of Directors have approved the payment of sitting fee to her for attending the meetings of Board and Committees thereof. Her enhanced remuneration from November 01, 2016 to July 31, 2017 were 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 enhanced remuneration of Smt. Shikha Jain as Whole-Time Director of the Company for the period from November 01, 2016 to July 31, 2017.

Except Smt. Shikha Jain herself, and Sh. S.K. Jain and Sh. Madhur Jain, being relatives of Smt. Shikha 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. 6 for approval of the members.

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 : August 24, 2017**

ATTENDANCE SLIP

(Member(s) or his/ her proxy(ies) are requested to produce this slip at the venue of Meeting duly filed and signed)

Regd. Folio No./ Client ID* : _____

DP ID* : _____

Name of Member : _____

Name of Proxy Holder (if any) : _____

Number of Shares Held : _____

* Applicable to members holding shares in electronic form.

I hereby record my presence at the 24th Annual General Meeting of the members of SPS International LIMITED held on Friday, the 29th day of September, 2017 at 10 A.M. at the registered office of the Company situated at Plot No. 93-B, DLF Industrial Estate, Phase-I, Faridabad - 121003.

Member's Signature

Proxy's Signature

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 : 93-B, DLF Industrial Estate, Phase – 1, Faridabad, Haryana - 121003

Name of the member (s):

Registered address:

E-mail Id:

Folio No/Client ID:

DP ID:

I/We, being the member(s) of _____ shares of the above named 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 : _____, or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the Company, to be held on Friday, the 29th day of September, 2017 at 10 A.M. at the registered office of the Company situated at Plot No. 93-B, DLF Industrial Estate, Phase-I, Faridabad - 121003 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

- 1.
- 2.
- 3.

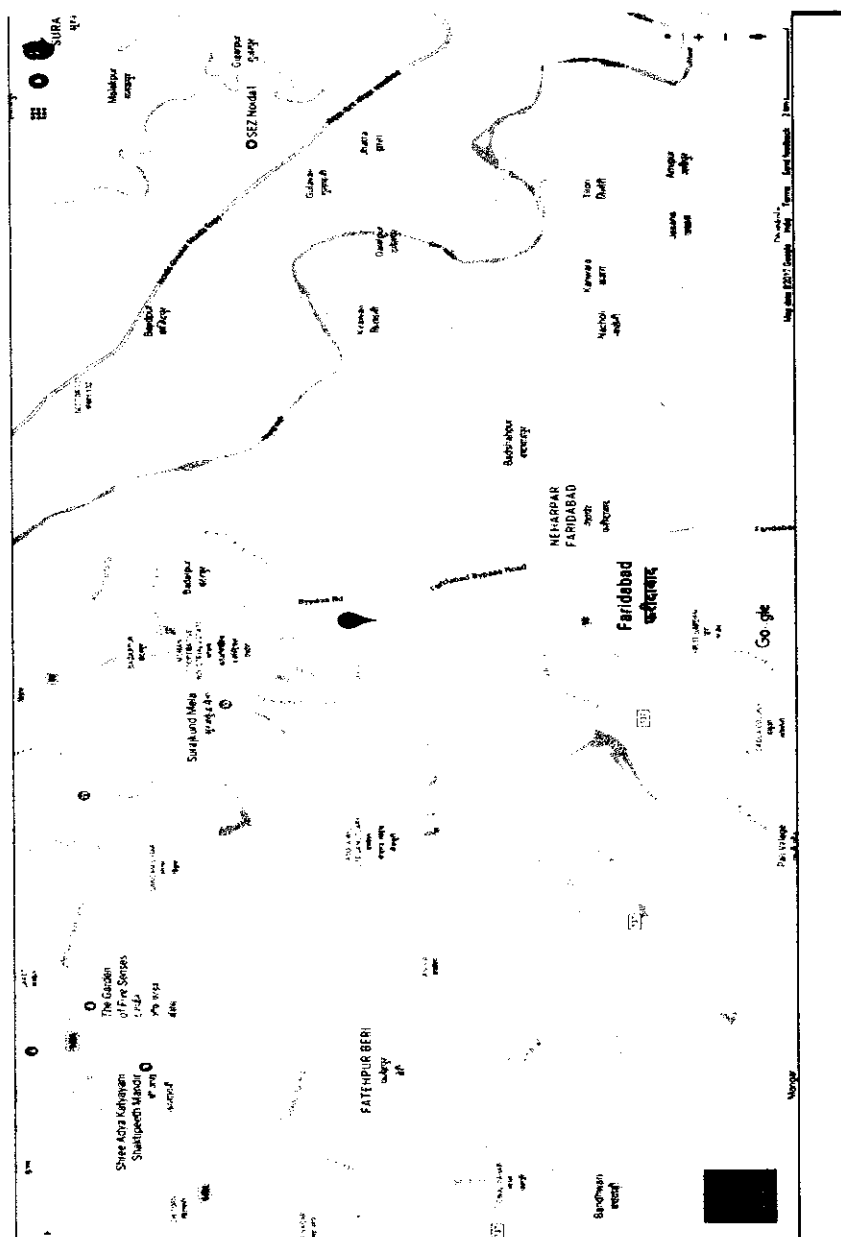
Signed this day of, 2017

Signature of shareholder

Signature of Proxy holder(s)

Affix Revenue
Stamp

ROUTE MAP



DIRECTORS' REPORT

To
The Shareholders,

Your Directors are pleased to present the Twenty Fourth Annual Report for the year ended 31st March, 2017.

FINANCIAL RESULTS

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

(Rs./Lakh)

PARTICULARS	Year ended on	
	31.03.2017	31.03.2016
Income:		
Net Sales/ Income from operations	1113.11	1125.66
Other Income	9.11	3.11
Total (A)	1122.22	1128.77
Expenditure:		
(Increase)/Decrease in stock in trade	15.76	41.68
Consumption of raw material	537.40	589.79
Purchase of traded goods	14.82	44.82
Personnel expenses	168.24	124.46
Other expenditure	311.41	239.13
Finance Cost	8.42	15.88
Depreciation	51.44	47.99
Total (B)	1107.49	1103.75
Profit (+)/ Loss (-) before tax (A-B)	14.73	25.02
Tax Expenses	6.53	4.39
Provision for MAT	-	-
Provision for Fringe Benefit Tax	-	-
Provision for deferred tax liability	-	1.29
Net profit (+)/ Loss (-)	8.20	19.34
Paid-up equity shares capital (Face value)	322.59	322.59
Reserves	202.19	193.99
Basic and diluted EPS	0.25	0.60

OPERATIONS REVIEW

During the year under review the total income was Rs. 1122.22 Lac as against Rs. 1128.77 Lac in F.Y. 2015-16. The net profit after tax for the year is Rs. 8.20 Lac as against Rs. 19.34 Lac in F.Y. 2015-16.

Few major contracts being executed by the Company have not been renewed/ allocated to the Company in the re-tendering process. This has resulted in decline in the sale/ orders of the Company. This may have an impact on the future operations/ turnover and profitability of the Company.

DIVIDEND AND TRANSFER TO RESERVE:

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

STOCK EXCHANGES

The shares of the Company are listed at Bombay Stock Exchange (BSE Ltd.). The listing fee for the financial year 2017-2018 has been paid to BSE 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 between the end of the financial year and 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. The Company has been impleaded as a party in a criminal case filed by Jharkhand Public Service Commission. The matter is pending in Special CBI Court at Ranchi, Jharkhand. The Company has denied all the charges levied against it and is defending it through all possible means in the Court. Your directors are sure that the matter will be decided in favour of the Company.

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.

DEPOSITS

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

AUDITOR AND AUDITORS' REPORT

Pursuant to Section 139(2), office of M/s Sudhir Chaudhary & Associates, Chartered Accountants, as Auditor of the Company shall come to an end at the ensuing Annual General Meeting .

Now, it is proposed to appoint CA NEHA PANDEY, Chartered Accountant as Statutory Auditor of the Company for a period of five year, from conclusion of the ensuing Annual General Meeting until the conclusion of the Annual General Meeting to be held for the financial year 2021-22. The Company has received from her a letter dated 16-08-2017 to the effect that she is eligible and willing to be appointed as auditor of the Company. Her appointment, if made, would be within the limits prescribed under section 139 of the Companies Act, 2013.

Further, there are no comments or qualification in the Auditors' Report by the present Auditors, 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, Ms. Sonal Bajaj, Practicing Company Secretary (Bajaj & Associates, Company Secretaries), has conducted the Secretarial Audit for the financial year 2016-17 and the 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

Pursuant to the provisions of section 92(3) of the Act, the details forming part of the extract of the Annual Return in Form MGT-9 is annexed herewith as **Annexure-II**.

DIRECTORS/KEY MANAGERIAL PERSONNEL (KMP)

At the last Annual General Meeting held on 30th September, 2016, the Members of the Company had:-

- (1) Appointed Sh. Madhur Jain as an Executive Whole-Time Director for a period of five years w.e.f 14th January 2016 on the Board of Director of the Company;
- (2) Smt. Shikha 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) Sh. Madhur Jain is retiring at the ensuing Annual General Meeting and has offered himself for re-appointment.
- (2) Sh. S.K. Jain was appointed as Chairman & Managing Director w.e.f. February 01, 2017 for a period of five years. His appointment and remuneration as Chairman & Managing Director are subject to the approval of the shareholders in the forthcoming Annual General Meeting.

Apart from the above, the remunerations of Sh. Madhur Jain and Smt. Shikha Jain were revised during the year. The items for approval/ ratification of their revised remuneration is being included in the notice convening the annual general meeting. Also, Smt. Shikha Jain has resigned as Whole Time Director of the Company w.e.f. August 24, 2017. However, she continues to be a non-executive director on the Board of the Company.

Also, Sh. Akhilesh Chandra Mishra, resigned as CFO of the Company w.e.f. March 11, 2017 and Sh. Rajesh Arora was appointed as CFO of the Company on April 03, 2017.

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	30.05.2016	√	√	√	√	√	√
2	12.08.2016	√	√	√	√	√	√
3	31.08.2016	√	√	√	√	√	√
4	15.11.2016	√	√	√	√	√	√
5	12.12.2016	√	√	√	√	√	√
6	31.01.2017	√	√	√	√	√	√
7	01.02.2017	√	√	√	√	√	√
8	14.02.2017	√	√	√	√	√	√
9	02.03.2017 (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 BSE Ltd. As per Regulation 34 read with Schedule V of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, a Report on the Corporate Governance is enclosed as **Annexure-IV**. A certificate dated August 24, 2017 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 02, 2017, 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 February 14, 2017 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 Nomination and 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 whistle blower 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

List of 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 is enclosed as **Annexure VI**.

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.

SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

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 2016-17, 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.

REGISTERED OFFICE

The Company has shifted its registered office from 402, Sector - 21C, Faridabad, Haryana - 121001 to 93-B DLF Industrial Estate, Phase-I, Faridabad, Haryana - 121003 with effect from August 16, 2017.

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.

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 : August 24, 2017

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: 31.03.2017

To,
The Members,
SPS International Limited
CIN: L74140HR1993PLC031900

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, 2017 (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, 2015;
 - 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 (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client **(Not Applicable to the Company during the Audit Period)**;
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not Applicable to the Company during the Audit Period)**; and
- h. 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, Standards, 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

**For and on behalf of
Bajaj & Associates**

Sd/-

Sonal Bajaj

Practicing Company Secretary

ACS No. 49653

CP. No. – 18009

Place : New Delhi

Date : August 24, 2017

ANNEXURE-II

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 31.03.2017

**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

*w.e.f. 16.08.2017, the registered office of the Company has been shifted to 93-B DLF Industrial Estate, Phase-I, Faridabad, Haryana – 121003

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	75.00
2	Scanning and Processing including Image Scanning & Servicing	723	15.00

III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

SI No	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
NIL					

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

Category of Shareholders	No. of Shares held at the beginning of the year i.e April 01, 2016				No. of Shares held at the end of the year i.e. March 31, 2017				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	8,62,092	0	8,62,092	26.72	8,62,092	0	8,62,092	26.72	0.00
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	5,11,488	0	5,11,488	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)	13,73,580	0	13,73,580	42.58	13,73,580	0	13,73,580	42.58	0.00
(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	13,73,580	0	13,73,580	42.58	13,73,580	0	13,73,580	42.58	0.03

Promoter (A)= (A)(1)+(A)(2)										
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 Fund	0	0	0	0	0	0	0	0.00	0	
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	1,39,651	91,400	2,31,051	7.16	1,41,167	91,400	2,32,567	7.21	0.05	
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0	
b) Individuals										
i) Individual shareholders holding nominal share capital upto Rs 2 lakh	5,38,847	6,52,610	11,91,457	36.93	5,14,388	6,52,010	11,66,398	36.16	0.77	
ii) Individuals shareholders holding nominal share capital in excess of Rs. 2 lakhs	2,78,090	25,000	3,03,090	9.40	2,89,327	25,000	3,14,327	9.74	0.34	
c) Others (NRI, Trusts, Clearing members and HUF's)	87,322	39,400	1,26,722	3.92	99,628	39,400	1,39,028	4.31	0.39	
SUB TOTAL (B)(2):	10,43,910	8,08,410	18,52,320	57.42	10,44,510	8,07,810	18,52,320	57.42	1.55	
Total Public Shareholding (B)= (B)(1)+(B)(2)	10,43,910	8,08,410	18,52,320	57.42	10,44,510	8,07,810	18,52,320	57.42	1.55	

C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	24,17,490	8,08,410	32,25,900	100.00	24,18,090	8,07,810	32,25,900	100.00	0.00

(ii) **SHARE HOLDING OF PROMOTERS**

Sl No.	Shareholder's Name	Shareholding at the beginning of the year i.e. April 01, 2016			Shareholding at the end of the year i.e. March 31, 2017			% 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	13,200	0.41	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	13,73,580	42.58	0	13,73,580	42.58	0	0

(iii) **CHANGE IN PROMOTERS' SHAREHOLDING**

Sl.	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/swe at 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.	Ayush Mittal				
	At the beginning of the year	40,609	1.26	40,609	1.26
	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	40,609	1.26	40,609	1.26
2.	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)	4218	0.13	4,218	0.13
	At the end of the year	43,201	1.34	43,201	1.34
3.	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
4.	Vipul Rajendrabhai Gandhi				
	At the beginning of the year	36,000	1.12	36,000	1.12
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	4,000	0.12	1,000	0.12
	At the end of the year	40,000	1.24	40,000	1.24
5.	Bimla Aggarwal				
	At the beginning of the year	31,995	0.99	31,995	0.99
	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	31,995	0.99	31,995	0.99

6	Satya Prakash Mittal				
	At the beginning of the year	51,481	1.59	51,481	1.60
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	24,545	0.76	24,545	0.76
	At the end of the year	26,936	0.83	26,936	0.83
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.	Pratik Rajendra Gandhi				
	At the beginning of the year	40000	1.24	40,000	1.24
	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	40,000	1.24	40,000	1.24
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 Rajesh Arora				
	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	2,32,063	0	0	2,32,063
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	-	-	2,32,063
Change in Indebtedness during financial the year				
Additions	5,00,000	0	0	5,00,000

Reduction	3,56,313			3,56,313
Net Change	1,43,687			1,43,687
Indebtedness at the end of the financial year				
i) Principal Amount	3,75,750	0	0	3,75,750
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	3,75,750			3,75,750

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No	Particulars of Remuneration	Name of the MD/WTD/Manager			Total Amount (INR)
		S.K. Jain	Madhur Jain	Shikha Jain	
1	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961	12,10,000	12,10,000	8,50,000	32,70,000
	(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 (PF)	0	1,45,200	1,02,000	0
	Total (A)	12,10,000	12,10,000	8,50,000	32,70,000
	Ceiling as per the Act				

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	9,000	9,000	9,000	27,000
	(b) Commission	0	0	0	0
	(c) Others, please specify	0	0	0	0

	Total (1)	9,000	9,000	9,000	27,000
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)	9,000	9,000	9,000	27,000
	Total Managerial Remuneration	9,000	9,000	9,000	27,000
	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			
		CEO	Company Secretary	CFO	Total
1	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	N.A.	1,97,832	4,20,000	6,17,832
	(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.	1,97,832	4,20,000	6,17,832

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 Director

Sd/-

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

Address: 402, Sector-21C,
Faridabad-121001, Haryana, India

Place : Faridabad
Date : August 24, 2017

ANNEXURE-III

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	
	2016-17	2015-16
OMR Sheets (In Cr.)	4.76	6.14
OMR Scanners	3	15
Image Scanners	0	0
Exercise books (In lacs)	0.13	0.21
Printed Answer booklet (In Cr)	1.25	0.14

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. 1122.23 Lac as against Rs. 1128.77 Lac in F.Y. 2015-16. The profits before tax for the year are Rs. 14.73 Lac as against Rs. 25.02 Lac in F.Y. 2015-16. Net profit making provision for current tax and deferred tax liability comes to Rs. 8.20 Lac in the current year and Rs. 19.34 Lac in the year 2016. 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 2017-18

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 22 numbers of employees as on March 31, 2017. 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)**

**Place : Faridabad
Dated : August 24, 2017**

**DIN: 00088064
Address: 402, Sector-21C,
Faridabad-121001, Haryana**

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.

The Company has complied with the requirements of the Corporate Governance in terms of Listing Agreement executed with BSE Limited and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

DATE OF REPORT

The information provided in the Report on Corporate Governance for the purpose of uniformity is as on March 31, 2017. 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 2017, 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 2017.

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.

** Smt. Shikha Jain has resigned from the post of Whole Time Director of the Company w.e.f. 24.08.2017. However, she is continuing as a Woman Non-Executive Director.

The Company does not have any pecuniary relationship with any of the non-executive directors except for 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 2016-17, the Board of Directors met 9 times on May 30, 2016, August 12, 2016, August 31, 2016, November 15, 2016, December 12, 2016, January 31, 2017, February 1, 2017, February 14, 2017 and March 2, 2017 (March 2, 2017 is Independent Director's Meeting). The maximum gap between any two Board meetings did not exceed 120 days. Meetings are usually held at the Registered Office of the Company.

The last Annual General Meeting of the Company was held on 30th September, 2016.

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	8	Yes
Smt. Shikha Jain	8	Yes
Sh. Madhur Jain	8	Yes
Sh. Ramesh Chand Jain	9	Yes
Sh. Shreyans Kumar Patni	9	Yes
Sh. Vipin Gupta	9	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 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, 2017, 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, 2017 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. Neither of the Independent Directors serve in more than seven listed companies nor does any Independent Director who is a Whole Time Director in any other Company serve as Independent Director in more than 3 listed companies.

During the year under review, the Independent Directors met once on March 2, 2017, 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;
- 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.

	<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>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 2016-2017 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	12,10,000	-	-	-	-	-	12,10,000
Sh. Shreyans Kumar Patni	-	9,000	-	-	-	-	9,000
Sh. Vipin Gupta	-	9,000	-	-	-	-	9,000
Sh. Ramesh Chand Jain	-	9,000	-	-	-	-	9,000
Smt. Shikha Jain	8,50,000	-	-	1,02,000	-	-	9,52,000
Sh. Madhur Jain	12,10,000	-	-	1,45,200	-	-	13,55,200
Total	32,70,000	27,000	-	2,47,200	-	-	36,89,400

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 Transactions of Non-Executive Directors:

There is no other pecuniary relationship or transaction by the Company with Non-Executive Directors except payment of sitting fee for attending Board/Committee meetings and reimbursement of expenses incurred by them for attending these meetings.

COMMITTEES OF THE BOARD

(1) Audit Committee

(2) Nomination & Remuneration Committee

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

(4) Risk Management Committee

Constitution of Risk Management Committee is not mandatory for 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, 2017, 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 2016-17, the Committee met 5 times on May 30, 2016, August 12, 2016, November 15, 2016, December 12, 2016 and February 14, 2017.

Details of the Audit Committee as on 31st March, 2017 (Total Meetings held-5)

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

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 further 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, 2017, the Committee comprises of three members, all of them are independent non-executive Directors. During 2016-17, the Committee met twice on November 15, 2016, and January 31, 2017.

Details of Nomination and Remuneration Committee as on 31st March, 2017 (Total Meetings held- 3)

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
1. How well has he performed in his area of responsibility with respect to budget and business plan? 2. How well has he performed in development and expansion of business with respect to his area of operation? 3. How well does he involve	1. How well prepared and informed is he for the Board/ Committee meetings and is his attendance at meetings satisfactory? 2. Does he demonstrate willingness to devote time and effort to understand the Company and its business?	1. Does the Committee has full and common understanding of its roles and responsibilities. 2. How effective the Committee has been vis-à-vis the roles and responsibilities assigned to it? 3. Is the composition of the Committee appropriate, with the right mix of knowledge and skills to maximize	1. Whether the Board has full and common understanding of its roles and responsibilities. 2. Is the Board as a whole up to date with latest developments in the regulatory environment and the market? 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>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 conditions?</p>	<p>3. What has been the quality and value of his contributions at Board/ Committee meetings?</p> <p>4. Does he constructively 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 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>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 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>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 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</p>
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Stakeholders' Relationship Committee cum Shareholders' / Investors' Grievance Committee

As on March 31, 2017, 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 2016-17, the Committee met 3 times on June 15, 2016, August 31, 2016 and March 02, 2017.

Details of Stakeholders' Relationship Committee Cum Shareholders' / Investors' Grievance Committee as on 31st March, 2017 (Total Meetings held-3)

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

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 2017, 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 constitution of Risk Management Committee is not mandatory for the Company on the basis of market capitalisation.

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.

Information to Shareholders

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

Sh. S.K. Jain (61) is a member of Institute of Chartered Accountants of India since 1981. He has varied experience in the matters relating to Finance, Accounting, Corporate affairs. He promoted the company in 1993 and has been associated with it since then and has been instrumentally growth made by the company. He is member of Shareholders'/Investors' Grievance Committee of the Company. He holds 72000 equity shares of the company . He is also Director in SPS Infratech Private Limited.

Sh. Madhur Jain (29) 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.

General Body Meetings

Location and time of last three AGMs

Year	Location	Date	Time	Special Resolution passed
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
2015-16	93-B, DLF Industrial Estate, Phase-I, Faridabad	30/09/2016	02.00 p.m.	Nil

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

No resolution was put through postal ballot during 2015-16.

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, 2017. 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, 29th September 2017

Time : 10.00 A.M.

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

Financial Year

Financial year: 1st April, 2016 to 31st March, 2017.

During the year ended 31st March 2017, results were announced on:

30 th May, 2016	: Annual financial results
12 th August, 2016	: First Quarter
12 th December, 2016	: Second Quarter
14 th February, 2017	: Third quarter

The tentative schedule for the financial year 2017-18:

August 2017 (Second week)	: First quarter
November 2017 (Second week)	: Half yearly
February 2017 (Second week)	: Third quarter
May 2017 (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 BSE Ltd. The listing fee for the financial year 2017-2018 has been paid to BSE Ltd.

Book Closure Date

From Tuesday, the 26th September, 2017 to Friday, the 29th September, 2017 (both days inclusive).

Depository Fees

Annual Custody /Issuer fees for the year 2017-18 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 2016-17 is as under:

Year 2016-17	Price of Share of the Company at BSE			BSE SENSEX	
	High (Rs.)	Low (Rs.)	Volume (Nos.)	High	Low
April	3.97	3.78	1074	26100.54	24523.20
May	0	0	0	26837.20	25057.93
June	4.13	3.42	3281	27105.41	25911.33
July	4.71	3.95	7966	28240.20	27034.14
August	6.8	4.94	36286	28532.25	27627.97
September	6.18	5.59	110	29077.28	27716.78
October	5.81	4.99	4720	28477.65	27488.30
November	6.61	5.62	2290	28029.80	25717.93
December	5.9	5.02	1177	26803.76	25753.74
January	4.77	4.5	1300	27980.39	26447.06
February	4.72	4.3	4965	29065.31	27590.10
March	6.42	4.78	16906	29824.62	28716.21

Distribution of shareholding**Distribution of shareholding by number of shares held as on 31st March, 2017**

No. of equity shares held	No. of share holders	% of shareholders	No. of shares	% of share holding
Upto 500	1941	79.03	339845	10.534
501 - 1000	214	8.71	180305	5.589
1001-2000	148	6.02	244545	7.580
2001-3000	53	2.15	134585	4.172
3001-4000	18	0.73	63051	1.954
4001-5000	25	1.01	117364	3.638
5001-10000	31	1.26	236807	7.340
10001 and above	26	1.05	1909398	59.189
Total	2456	100.00	3225900	100.000

Distribution of shareholding by shareholding pattern as on 31st March, 2017

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		
	Individual shareholders holding nominal share capital up to Rs. 2 Lac	232567	7.21
	Individual shareholders holding nominal share capital in excess of Rs. 2 Lac	1166398	36.16
	NRIs	314327	9.74
	HUF	41484	1.29
	Trusts	97544	3.02
	Clearing Member	0	0
		0	0
	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 Stakeholders' Relationship Committee cum Shareholder's Grievance 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, 2017

There were 24,18,090 shares in electronic form, which constitute 74.96 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**

**shifted to 93-B DLF Industrial Estate, Phase-I, Faridabad, Haryana - 121003 with effect from August 16, 2017

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-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

CEO/ CFO Certification

The CEO and CFO certification of the financial statements for the year is as under:

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

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 2017 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 and Managing Director

Sd/-
Rajesh Arora
CFO

ANNEXURE-V

**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	i) Lease Rent Rs. 10,35,000/- ii) Rent of Plant and Machinery Rs. 15,00,000/- iii) Purchase Rs. 3,78,926/-	Sales & Services i) 0	Scanning & Processing Services i) Rs. 9,99,401/-
c)	Duration of the contracts/arrangements/transaction	i) Rent Agreement shall be valid till terminated by the parties. 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.	Sales & services are need based.	Scanning & Processing Services are 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

By the order of the Board of Directors

Sd/-

Place : Faridabad
Dated : August 24, 2017

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	5.43	62.5%
Madhur Jain	Whole-time Director	5.43	62.5%
Shikha Jain	Whole-time Director	4.18	100%
Akhilesh Mishra	CFO	0.85	5%
Meenu Kapoor	CS	0.68	0%

3. The percentage increase in the median remuneration of employees in the financial year. The average percentage increase in the remuneration of is 4.26%

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, 2017 is 22

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.

The average percentage increased in the salaries of employees was 4.26% and the same in the salaries of managerial personnel is 62.5%. The shareholders recommended the remuneration of whole time directors as per the provisions of the Companies Act, 2013 read Schedule V. However, considering the financial position of the Company, the directors were drawing the remunerations well below the limits approved by the shareholders. The increase in salary during the financial year was one time correction in their salaries. Since the operational and financial condition of the Company has shown a sharp decline after the closure of the financial

year, the management is again contemplating reduction in salaries of the whole time directors in the financial year 2017-18.

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.

Sl.	Name	Age (Yrs)	Designation & Nature of Duties	Gross Remuneration (INR)	Qualification	Total Experience (Yrs)	Date of Commencement of Employment	Last Employment & Designation
1	Mr. Vivek Goel	40	AGM	809664	B.Com	16	20-08-2001	SPS International Ltd AGM
2	Mrs. Radhamony	50	Secretary	525852	BA	20	07-01-1997	SPS International Ltd Secretary to Chairman
3	Mr. Jeevan Singh Bhandari	46	programmer	486900	MBA	6	06-01-2011	SPS International Ltd Programmer
4	Mr. Radhacharan	48	Asst. Mgr	341280	BA	20	07-01-1997	SPS International Ltd Asstt. Manager
5	Mr. Satvir Singh	42	Asst. Mgr	332820	12th	16	08-10-2001	SPS International Ltd Asstt. Manger
6	Mr. Anand Singh	49	Supervisor	329988	10th	5	01-02-2012	SPS International Ltd Supervisor
7	Mr. Sampurnanand	46	Executive	273564	12th	20	07-01-1997	SPS International Ltd Executive
8	Mr. Rajiv Pathak	33	Vice President	258576	BE	1	07-04-2016	SPS International Ltd VDP Manager
9	Mr. Jai Singh Chauhan	35	Asst. Mgr	250476	BA	7	16-07-2011	SPS International Ltd Asstt. Manager
10	Mr. Chanderpal	47	Driver	249540	10th	20	07-01-1997	SPS International Ltd Driver

By the order of the Board of Directors

Sd/-

Place : Faridabad
Dated : August 24, 2017

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

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 2017, 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.

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. 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements and to express an opinion on the company's internal financial controls over financial reporting 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 there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and the Guidance Note on Audit of Internal Financial Controls over Financial Reporting. 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 and whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

An audit involves performing procedures to obtain audit evidences about the amounts and disclosures in the financial statements and adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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 Company's internal financial controls system over financial reporting and standalone financial statements.

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

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, 2017, 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 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 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) The Company has not established its internal financial control over financial reporting on criteria based on or considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Control over Financial Reporting issued by the ICAI. Because of this reason, we are unable to obtain sufficient appropriate audit evidence to provide a basis for our opinion whether the Company had adequate internal financial controls over financial reporting and whether such internal financial controls were operating effectively as at 31st March 2017 the disclaimer does not affect our opinion on the financial statements of the Company.
 - (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.
- iv) The Company has provided requisite disclosures in its standalone financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company Refer Note 51 to the standalone financial statements.

**For Sudhir Chaudhary & Associates
Chartered Accountants**

Sd/-
Sudhir Chaudhary
(Partner)
M.No. 091302
FRN. 015222N
30th May, 2017

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 2017, 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) The company does not hold inventories, thus paragraph 3(ii) of the order is not applicable to the company.

- 3) The Company has granted unsecured loan to one company covered in the Register maintained under section 189 of the Act.
 - (a) In our opinion, the rate of interest and other terms and conditions on which the loan had been granted to the company listed in the register maintained under section 189 of the Act was not, prima facie, prejudicial to the interest of the company.
 - (b) In the case of the loan granted to the company covered in the register maintained under section 189 of the Act, the borrowers have been regular in the payment of Interest.
 - (c) There is no overdue amount in respect of the loan granted to a company covered in the register maintained under section 189 of the Act.
- 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
Date: 30th May 2017