



S P CAPITAL
FINANCING LIMITED

29th

ANNUAL REPORT

2011-2012

**SP CAPITAL****FINANCING LTD.****29th ANNUAL REPORT****Board of Directors**

Shri S. P. Jain	Chairman
Shri Baldev L. Boolani	Director
Shri Bhupendra T. Shah	Director
Shri D. P. Jain	Director

Auditors

M/s. SANJAY RAJA JAIN & CO.
Chartered Accountants

Bankers

Central Bank of India
Citi Bank
HDFC Bank
Kotak Mahindra Bank

29th ANNUAL GENERAL MEETING

DATE : 29th September, 2012
TIME : 3.00 p.m.
VENUE : 908, Dalamal Tower, 211, Nariman Point, Mumbai - 400 021.

Legal Adviser

M/s. Kanga & Co.
Advocate & Solicitors

Registrar and Transfer Agents**Bigshare Services Pvt Ltd**

E-2/3, Ansa Industrial Estate,
Sakivihar Road, Saki Naka,
Andheri (E),
Mumbai - 400 072.
Tel.No. : 022 - 40430200
Fax No. : 022 - 28475207
E-Mail : bigshare@bom7.vsnl.net.in

Registered Office

908, Dalamal Towers,
211, Nariman Point,
Mumbai - 400 021.
Tel.: 22844051/63 / 40372424
Fax : 22844052

Branch Office

1,2,3, Indu Chambers,
Wakdewadi Road,
Bombay-Pune Road, Pune
Tel: 9520 - 551121/92

Equity Shares are listed on

Bombay Stock Exchange

CONTENTS

Notice of the Meeting	2
Director's Report.....	4
Report of Corporate Governance	7
Auditors' Report.....	15
Balance Sheet	18
Profit & Loss Account	19
Schedule & Notes to Account	20
Cash Flow Statement	29
Schedule to the notes appended to the Balance Sheet of NBFC	30

**NOTICE**

NOTICE is hereby given that the 29th Annual General Meeting of the members of S P CAPITAL FINANCING LIMITED will be held at 908, Dalamal Towers, 211 Nariman Point, Mumbai 400 021 on Saturday, September 29, 2012 at 3.00 p.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as on March 31, 2012 and the Profit & Loss Account for the year ended on that date together with the Directors' and Auditors' Report thereon.
2. To consider and approve Dividend on Equity Shares.
3. To appoint a Director in place of Shri S. P. Jain who retires by rotation and being eligible to offer himself for reappointment.
4. To appoint a Director in place of Shri Bhupendra T Shah who retires by rotation and being eligible to offer himself for reappointment.
5. To appoint auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

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 SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The instrument appointing a proxy in order to be effective, should be duly completed, stamped and signed, and must be deposited at the Registered Office of the Company not less than 48 hours before the time of the Meeting.
3. Members are requested to bring their copies of the Annual Report to the Meeting. Members/proxies attending the Meeting should bring the Attendance Slip, duly filled, for handing over at the venue of the meeting.
4. Members are requested to advise immediately change in their address, if any, quoting their Folio number(s) to the company.
5. Information as required under Clause 49 of the Listing Agreement with respect to Directors seeking re-appointment in this Annual General Meeting. in respect of item No. 3 & 4 of the notice convening the Meeting is annexed hereto.
6. The Register of Members and Share transfer Books of the Company will remain closed from Saturday, September 22, 2012 to Saturday, September 29, 2012 (both days inclusive)

For and on behalf of the Board

**S. P. Jain
Chairman**

Registered Office:

908, Dalamal Towers,
211, Nariman Point,
Mumbai-400 021.
May 30, 2012

**ANNEXURE TO NOTICE**

Information under Clause 49 of the Listing Agreement with respect to Directors seeking re-appointment in this Annual General Meeting.

Item No. 2

1. Name	Shri S. P. Jain
2. Date of Birth	4th September, 1950
3. Profession	Business
4. Qualification	B. Com. F.C.A
5. List of other Directorship held excluding private Companies	4 (Four)
6. Chairman/Member of the Committee of Board of Director of the Company	1 (one)
7. Chairman/Member of the Committee of Board of Director of the other Company	Nil
8. Expertise in specific functional area	In the field of Finance, Hotels & Construction Business.

Item No. 3

1. Name	Shri Bhupendra T Shah
2. Date of Birth	28th June, 1945
3. Profession	Business
4. Qualification	B.Com
5. List of other Directorship held excluding private Companies	1(One)
6. Chairman/Member of the Committee of Board of Director of the Company	1(One)
7. Chairman/Member of the Committee of Board of Director of the other Company	Nil
8. Expertise in specific functional area	In the field of Finance & Construction.

For and on behalf of the Board

**S. P. Jain
Chairman**

Registered Office:

908, Dalamai Towers,

211, Nariman Point,

Mumbai-400 021.

May 30, 2012

**DIRECTORS REPORT**

Dear Shareholders,

Your Directors have pleasure in presenting the 29th Annual Report of the Company along with the audited statements of accounts for the year ended March 31, 2012.

Financial Results

The standalone financial results of your Company for the financial year ended March, 31, 2012 are summarized below :

(Amount in Rupees)

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Net Sales / Gross Income	3,36,22,318	5,63.10,390
Profit Before Tax	23,51,257	24,57,095
Provision for Taxation (including deferred Tax)	7,03,686	6,64,535
Net Profit After Tax	16,47,571	17,92,560
Profit brought forward from Previous Year	73,06,412	79,11,359
Appropriation – Transferred to Reserve Fund	5,00,000	5,00,000
Transferred to General Reserve	5,00,000	5,00,000
Proposed Dividend	12,02,440	12,02,440
Tax on Proposed Dividend	1,95,066	1,95,066
Surplus carried to Balance Sheet	65,56,477	73,06,412

DIVIDEND

Your Directors are also pleased to recommend dividend for the year ended March 31, 2012 @ 0.20 (2%) per equity share of Rs.10/- each considering overall profitability and growth of the Company.

TURNOVER & OPERATIONS

The turnover of the Company for the year under review is Rs.336.22 lacs as against Rs.563.10 lacs in the previous year which in the opinion of the Directors are not satisfactory. Your Directors are hopeful to improve the growth rate in turnover and profitability in current year. Net profit after tax stood at Rs.16.48 lacs as against Rs.17.93 lacs in the previous year.

PERFORMANCE OF THE COMPANY

During the year Company's performance deteriorated due to bad market conditions and recessionary trend in the overall performance of financial industry globally. The results of the Company for the year under review bear a witness to the effort of the Board to sustain in an environment of bad performance of financial industry globally. The company has concentrated on its goals of consolidating and cutting cost wherever possible.

The Management Discussion and Analysis Report deals with the operations of your Company in detail and forms part of this Annual Report.

FIXED DEPOSITS

Your Company does not accept or hold any deposits and as such, no amount of principal or interest on fixed deposits was outstanding on the date of the Balance Sheet. The Company has not accepted any deposit from the public during the year under review, to which the provisions of Section 58A of the Companies Act, 1956 and the rules made there under would apply.

DIRECTORS

Shri S.P.Jain and Shri Bhupendra T Shah, Directors of the Company retire at the ensuing Annual General meeting and being eligible offer themselves for reappointment.

**DIRECTORS RESPONSIBILITY STATEMENT**

Pursuant to Section 217(2AA) of the Companies Act, 1956, your Directors, based on the representations received from the Operating Management and after due enquiry, confirm that:

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed;
- ii) they have, in the selection of the accounting policies, consulted the statutory auditors and these have been applied consistently and reasonable and prudent judgments and estimates have been made so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2012 and of the profit of the Company for the year ended on that date;
- iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the annual accounts have been prepared on a going concern basis.

CASH FLOW STATEMENT

Cash flow statement pursuant to Clause 32 of the listing agreement is attached herewith

SUBSIDIARIES

The company does not have any subsidiary company.

PARTICULARS OF EMPLOYEES

During the year under review none of the employees of the Company was in receipt of remuneration in excess of the limits, specified under section 217 (2A) of the Companies Act, 1956, whether employed for the whole year or part thereof.

CORPORATE GOVERNANCE:

Pursuant to clause 49 of the Listing Agreement with the Stock Exchanges, Management Discussion and Analysis Corporate Governance Report and Auditor's Certificate regarding compliance of conditions of Corporate Governance are made a part of the Annual Reports.

Your Company being a professionally run company, has always believed in transparency and accountability. Your Company is fully compliant with the revised Clause 49 of the Listing Agreement. A report on Corporate Governance is attached to this report.

AUDITORS AND THEIR OBSERVATIONS

The present Auditors of the Company, M/s. SANJAY RAJA JAIN & CO, Chartered Accountants, Mumbai, retire as auditors of the Company at the ensuing Annual General Meeting and being eligible offers themselves for reappointment. Members are required to reappoint Auditors and fix their remuneration.

As required under the provisions of section 224 of the Companies Act, 1956, the Company has obtained written certificate from the above Auditors proposed to be reappointed to the effect that their reappointment, if made, would be in conformity with the limits specified in the said section.

PARTICULARS ON CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

This information is required as per Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended March 31, 2012. Since the Company's operations involve low consumption of energy, the Company has no comments to offer as far as (a) conservation of energy and (b) Technology absorptions are concerned.

FOREIGN EXCHANGE

Foreign exchange earned during the period under consideration was Rs. NIL Foreign exchange expenditure incurred during year amounted to Rs. NIL

**SP CAPITAL****FINANCING LTD.****29th ANNUAL REPORT****LISTING ARRANGEMENT**

Your Company continues to be listed on the Stock Exchange. Mumbai where the Company's shares are being traded. The company has paid listing fee for the year 2012-13.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT**INDUSTRY STRUCTURE AND DEVELOPMENT**

Indian financial market has displayed relative stability for the last several years, even when markets in the Asian region were facing a crisis. India's latest run of strong economic growth and continuing macroeconomic stability is a tribute the important progress made in recent year in macroeconomic management techniques as well as to an earlier generation of structural reforms. However, while growth and stability in the Indian market remains strong, turmoil in the middle East and North Africa have lead to a spike in oil prices and are adding uncertainty to the pace of global recovery. The financial downtrend in the US and Europe has had an adverse effect on the pace of global financial recovery and has added to inflationary woes. Hence going forward countries will have to face the challenge of achieving growth while balancing inflationary concerns and growth momentum.

INTERNAL CONTROL & SYSTEMS

The company has in proper and adequate system of internal control and the same is being reviewed commensurate with its size and nature of operations. The Company has a proper and adequate system of internal control to ensure that all assets are safeguarded and protected against any loss from unauthorized use or disposition and that transaction are authorized, recorded and reported correctly. The Company's internal control systems are periodically reviewed by the management together with the Audit Committee of the Board. The emphasis of internal control prevails across functions and processes, covering the entire gamut of activities including finance.

CAUTIONARY STATEMENT

Having projected fairly achievable expectations, it will not be out of place to indicate that other things remaining equal economic conditions affecting demand/supply, overall price partly both domestic and overseas and government regulations will affect the desired results

HUMAN RESOURCES DEVELOPMENT

The Company believes that the main strength of any organization is its people. It is the people who build the system and create a climate to suit the growth and excellence in the Company.

THE FINANCIAL AND OPERATIONAL PERFORMANCE

The financial statement is in confirmation with provisions of the Companies Act,1956 and applicable accounting standard recommended by the Institute of Chartered Accountants of India. The financial statement reflects the genuine desire for the transparency and best judgment for the estimates made on prudent and reasonable bases to correctly reflect the true and fair affairs of the company.

SEGMENT WISE PERFORMANCE

Presently, company is dealing in single segment activity.

FUTURE PROSPECT / BUSINESS PLANS OF THE COMPANY

The opportunities ahead are immense and Company is fully geared to make the most of them. The company has concentrated on its goals of consolidating and cutting cost wherever possible. Various organization development initiatives were undertaken during the year. These are expected to help create a robust organization based on strong values, uniform and systematic business processes and people empowerment.

ACKNOWLEDGEMENTS

The Directors would like to thank all clients, Bankers for the un-stinted support received from them during the year. The Directors would also like to place on record their appreciation for the dedicated efforts and services put in by the employees of the Company.

For and on behalf of the Board

Dated: May 30, 2012
Place : Mumbai

S. P. Jain
Chairman

**REPORT ON CORPORATE GOVERNANCE**

The report has been mentioned below pursuant to Clause 49 of the listing Agreement. We report that the steps taken by the Company so far in this direction are as under:

1. Company's Philosophy on Code of Governance:

Company's Philosophy always strives to achieve optimum performance at all levels by adhering to Corporate Governance practice and envisages fair and transparent business practices, effective management control by the Board, adequate representation of promoter and independent Directors on the Board, accountability for performance, compliance of laws, transparent and timely disclosure of financial and management information and voluntary best practice and disclosures.

2. Board of Directors:

The present strength of Board of Directors consists of two (Promoter) Directors and two Non Executive (independent) Directors who are themselves experienced industrialists heading their business empire and category are given below:

(A) The Constitution of the Board as on March 31, 2012.

The Composition of the Board of Directors and also the number of other Directorship of Committees of which they are member/Chairperson are as given below:

Directors	Category	No. of Directorship		No. of Committee position	
		Public	Private	Member	Chairman
Shri S. P. Jain	Promoter Chairman	4	11	1	1
Shri Baldev L Boolani	Independent	1	3	2	-
Shri Bhupendra T Shah	Independent	1	1	1	2
Shri D. P. Jain	Promoter Non- Executive	3	11	1	-

(B) Board Procedure:

The Board of the Company met 5 times during the year ended March 31, 2012. Notice and Agenda were circulated in advance of each meeting of the Board of Directors. The Chairman briefed the Board at every meeting on the overall performance of the Company.

(C) Attendance of each Director at the Board Meeting and the Last Annual General Meeting:

The Board meetings were held on the following dates: 30th May, 2011, 08th July, 2011 15th July, 2011, 31st October, 2011 and 16th January, 2012.

During the year under review, Five Board meetings were held which were attended to by each of the Directors as detailed herewith:

Name of Directors	Category	No. of Board Meeting attended	Attendance of last AGM
Shri S. P. Jain	Promoter / Chairman	5	Present
Shri Baldev L Boolani	Non-promoter / Independent Director	2	Present
Shri Bhupendra T Shah	Non-promoter / Independent Director	1	Present
Shri D. P. Jain	Promoter / Director	5	Present

(D) Directors seeking appointment / Re-appointment:

Pursuant to provisions of the Companies Act, 1956, Shri S. P. Jain and Shri Bhupendra T Shah, retire by rotation and being eligible, offer themselves for re-appointment.

**MR. S.P.JAIN-DIRECTOR**

Mr. S.P. Jain is the Promoter Chairman of the Company. He is 61 years old and is post graduate B. Com. F.C.A. He has vast experience in the field of Finance, Hotels & Construction Business.

MR. BHUPENDRA T SHAH-DIRECTOR

Mr. Bhupendra T Shah is Independent Non Executive Director of the Company. He is around 66 years old and is post graduate B. Com. He has got vast experience in the field of Finance & Investments.

3. Committees of the board:

The Board of Directors has constituted Three committees of the Board (i) the Audit committee (ii) Remuneration Committee and (iii) Investor's and shareholders grievance & Share Transfer Committee.

i) Audit Committee

During the year an Audit Committee of Directors comprising of Shri S. P. Jain, Shri Baldev L. Boolani and Shri Bhupendra T Shah was constituted in line with the amendments in the Companies Act, 1956. The Committee elected Shri Bhupendra T. Shah as the Chairman. The Audit Committee acted as interface between the management and statutory Auditor and the terms of reference were specified as per the requirement of the Act.

Composition, name of members and Chairperson:

Sr.No.	Name of the Director	Position held Chairman / Member	Meeting held	Meeting attended
1.	Shri Bhupendra T Shah	Chairman	4	4
2.	Shri Baldev Boolani	Member	4	4
3.	Shri S. P. Jain	Member	4	4

Attendance during the year:

The Committee met on 30th May, 2011, 15th July, 2011, 31st October, 2011 and 16th January, 2012 and was attended by all the members.

Apart from various responsibility stipulated by the Board to the Audit Committee, the responsibility areas are as follows:

Review of the Company's financial reporting process and disclosures to ensure that the financial statements are correct, sufficient and credible.

Recommending the appointment/removal of external Auditors, fixing of Audit fee and payment for other services.

Reviewing annual financial statement before submission to the Board with focus on change in accounting policies and practice. Major accounting entries, qualification in draft audit report, significant adjustments arising out of audit, accounting standards compliance, compliance with Stock Exchange and other legal requirements.

Reviewing with the management, external and internal auditors, the adequacy of internal control systems and internal audit functions.

Discussions with auditors, any significant findings and follow-up thereon. Reviewing any suspected fraud, irregularity or failure of internal Control system of material nature and reporting the matter to the Board.

Discussion with external auditor in respect of pre and post audit matters.

Reviewing Company's financial and risk management policies.

Look into reasons for substantial defaults in payment to shareholders and creditors.

**ii) Remuneration Committee****Terms of Reference**

The Broad terms of reference of the Remuneration Committee is to fix remuneration payable to the Directors in terms of provisions of the Companies Act, 1956 and refer the same to the Board.

Composition, name of members and Chairperson:

Sr.No.	Name of the Director	Position held Chairman / Member	Meeting held	Meeting attended
1.	Shri Bhupendra T Shah	Chairman	1	1
2.	Shri Baldev Boolani	Member	1	1

Attendance during the year:

The Committee met on 29.01.2012 and was attended by all the members.

Remuneration Policy:

Non-executive Directors are remunerated by way of sitting fees only. The Company does not pay any remuneration by way of Salary, Perquisites and Allowances to the Directors as prescribed under provisions of the Companies Act, 1956.

The minutes of the Remuneration Committee Meeting were circulated to the Board, discussed and taken note of.

iii) Investors' and Shareholders Grievances & Share Transfer Committee:

Mr. S. P. Jain, the Director of your Company has always remained very cautious, conscious and concerned about the shareholders' grievances. This resulted in quick attendance and settlement of any grievance leaving no complaint unattended to for a longer time. The Board of Directors are pleased to announce that there were nil complaints received during the year under review.

a). Share Holder Committee

During the year under review the following Directors were the Members of the Shareholders' / Investors' Grievance Committee.

Sr.No.	Name of the Director	Position held Chairman / Member	Meeting held	Meeting attended
1.	Shri S.P. Jain	Chairman	2	2
2.	Shri D.P. Jain	Member	2	2
3.	Shri Bhupendra T Shah	Member	2	2

b). The Particulars of Investors, grievances received and redressed during the year are furnished below:

Sr.No.	Nature of Complaints	No. Of Complaints		
		Received	Resolved	Pending as on 31/3/2012
1.	Non receipt of Annual Report	Nil	Nil	Nil
2.	Complaints relating to dematerialization of Shares	Nil	Nil	Nil
3.	Non-receipt of Share Certificates after transfer / duplicate / name correction	Nil	Nil	Nil
4.	Others	Nil	Nil	Nil
	TOTAL	Nil	Nil	Nil

**c). Code of Insider Trading**

The Company has adopted a code of conduct for prevention of insider trading in the shares of the Company. The code inter-alia prohibits purchase/ sale, dealing of shares of the Company by the insiders while in possession of unpublished price sensitive information in relation to the Company.

4. General Body Meeting

Financial Year	Date of AGM	Venue / Location	Time
2008 - 2009	30th September, 2009	Registered Office	3 p.m.
2009 - 2010	30th September, 2010	Registered Office	3 p.m.
2010- 2011	30th September, 2011	Registered Office	3 p.m.

No Special Resolution was required to be put through postal ballot paper last year.

5. Disclosures

1. Disclosure on materially significant related party transactions that may have potential conflict with the interest of the company at large. **None**
2. Details of non compliance by the company, penalties, strictures imposed on the company by SEBI, ROC, Stock Exchange, or any other statutory authorities on any matter related to capital market during the last three financial years. **None**

6. Means of Communication

The quarterly results are published in national daily newspaper viz Free Press Jouneral in English & Nav Shakti in Marathi. The annual reports and accounts are posted to every shareholder of the company.

7. General Shareholder Information

a) **Registered Office** : 908 Dalamal Tower, **211 Nariman Point**,
Mumbai – 400 021.

b) **Annual General Meeting**
Date and time : September 29, 2012 at 3.00 p.m.
Venue : 908 Dalamal Tower, 211 Nariman Point,
Mumbai – 400 021.

c) Financial Calendar 2012 – 2013 (tentative schedule)

First Quarter ending June 30, 2012	By the end of July, 2012
Half/Second Quarter ending September 30, 2012	By the end of October, 2012
Third Quarter/Nine Months ending December 31, 2012	By the end of January, 2013
Yearly Audited /Fourth Quarter ending March 31, 2013	By the end of May, 2013

d) Date of Book Closure:

The Register of Members and Transfer Register of the Company will remain closed from 22nd September, 2012 to 29th September, 2012 (both days inclusive).

e) **Dividend Payment Date:** On or after 29th September, 2012

f) **Listing at Stock Exchanges:** Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001.

g) **Stock Code:** Physical Segment
(BSE), 530289

**h) Market Price Data: (RS.)**

Month	Mumbai Stock Exchange	
	High	Low
April – 2011	53.25	33.90
May – 2011	36.50	33.00
June – 2011	36.20	32.00
July – 2011	49.50	33.00
August – 2011	-	-
September – 2011	57.90	47.90
October –2011	52.15	34.30
November – 2011	59.00	30.25
December – 2011	66.00	58.00
January - 2012	69.70	54.10
February – 2012	67.50	44.15
March – 2012	103.00	70.85

i) Shareholding pattern as at 31st March, 2012:

Sr.No	Category	No. of Shares	% of paid up Capital
1.	Promoters	2478800	41.2295
2.	Mutual Fund, Institution & Bank	49800	0.8283
3.	Corporate Bodies	738914	12.2902
4.	Corporate Bodies (Promoter Co)	1892800	31.4827
5.	NRI's	1700	0.0283
6.	Clearing Member	47020	0.7821
7.	Public	707566	11.7688
8.	Relatives of Director	95600	1.5901
	Total	6012200	100.00

j) Dematerialisation of Shares:

The Demat facility is available to all shareholders of the Company who request for such facility. ISIN No. of the Company's Equity shares in Demat form : INE 102 F 01015
 Depository Connectivity: NSDL and CDSL

k) Registrar and Transfer Agent:

Bigshare Services Private Limited, E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (East), Mumbai -400 072.

l) Share Transfer System:

The Company has continued the appointment of Registrar and Transfer Agents, for accepting transferring and delivering the transferred Share Certificates. All the transfers received in order, are processed within a period of 30 days from the date of receipt.

**m) Distribution of Shareholding as on 31st March 2012:**

Range of Shares	Number of Shareholders	Percentage of Shareholders	No. of Shares	Amt. Percentage
01 to 500	482	67.8873	138745	2.3077
501 to 1000	105	14.7887	84268	1.4016
1001 to 2000	36	5.0704	58440	0.9720
2001 to 3000	20	2.8169	51839	0.8622
3001 to 4000	4	0.5634	13800	0.2295
4001 to 5000	7	0.9859	33811	0.5624
5001 to 10000	16	2.1127	116395	1.9360
10001 to 99999999	40	5.7747	5514902	91.7286
Total ...	710	100	6012200	100.00

n) Dematerialisation of Shares and Liquidity

As on 31st March 2012 96.547% of Company's Equity Share Capital has been dematerialised.

o) Investor Correspondence

All enquiries, clarification and correspondence should be addressed to the Compliance Officer at the following address:

Compliance Officer : Mr. Sandeep S Gopale
908, Dalamal Tower, 211, Nariman Point,
Mumbai – 400 021.
: Telephone No. 40372424/40372403 Fax No. 22844052
: Email : spcapitalfin@gmail.com

Shareholders may also correspond with the Registrar and Share Transfer Agents, at:

Bigshare Services Private Limited, E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (East),
Mumbai -400 072. Tel: 022- 40430200

9. OTHER DISCLOSURE

1. The Management Discussion and Analysis Report (MDA) has been attached to the Directors' Report and forms part of this Annual Report.

2. CEO Certification

We hereby certify that, to the best of our knowledge and belief.

- a) We have reviewed the financial statements and cash flow statement for the year and that to the best of our knowledge and belief :
- These statements do not contain any materially untrue statement or omit any material fact nor do they contain statements that might be misleading.
 - These statements together present a true and fair view of the company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year that 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 and have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and 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 proposed to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee that :
- i. there are no significant changes in internal control over financial reporting during the year
 - ii. accept F&N accounting treatment, there is no significant changes in accounting policies during the year; and
 - iii. there are no instances of significant fraud, of which we have become aware and the involvement therein, of the management or an employee having a significant role in the Company's Internal Control Systems over financial reporting.

3. Disclosure of Accounting Treatment

The financial statements are prepared under the historical cost convention in accordance with Generally Accepted Accounting Principles in India, the Accounting Standards issued by The Institute of Chartered Accountants of India and the provisions of the Companies Act, 1956.

4. Materially Significant Related Party Transactions

There are no materially significant related party transactions that may have potential conflict with the interests of Company.

5. Code for Prevention of Insider Trading Practices:

In compliance with the SEBI Regulation on Prevention of Insider Trading, the Company has instituted a comprehensive code of conduct for its designated employees. The code lays down guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with shares of the Company, and cautions them on consequences of violations. Mr.Sandeep S. Gopale , has been appointed as the Compliance Officer under this code.

6. Compliance:

The Company is fully compliant with the applicable mandatory requirements of the revised Clause 49. The company has not adopted other non-mandatory requirements.

For S. P. CAPITAL FINANCING LIMITED

S. P. Jain
Chairman

Mumbai, 30th May, 2012

DECLARATION ON CODE OF CONDUCT

To
The Members of
S. P. CAPITAL FINANCING LIMITED, Mumbai

I, S.P.Jain, Chairman of S. P. Capital Financing Limited declare that to the best of my knowledge and belief, all the members of the Board of Directors and the designated personnel in the senior management of the Company have affirmed compliance with the Code of Conduct for the financial year ended 31st March 2012.

For S. P. CAPITAL FINANCING LIMITED

S. P. Jain
Chairman

Mumbai, 30th May, 2012

**Certificate Regarding Compliance of Corporate Governance**

To,
The Members of
S.P.CAPITAL FINANCING LIMITED,
908, Dalamal Tower,
211, Nariman Point,
Mumbai – 400 021.

We have reviewed the compliance of conditions of Corporate Governance by **S.P.CAPITAL FINANCING LIMITED** for the year ended on March 31, 2012 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Bombay Stock Exchange.

The compliance of conditions of corporate governance is the responsibility of the management. Our review was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us. We certify that the company has taken steps to comply with the conditions of Corporate Governance as stipulated in the above – mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Martinho Ferrao & Associates

Company Secretary in Practice

Sd/-

(Martinho Ferrao)

Proprietor

C.P.No.5676

Place: Mumbai

Dated: 30.05.2012

**AUDITORS' REPORTS**

To,
The Members,
M/S. S.P.CAPITAL FINANCING LIMITED,
Mumbai.

We have audited the attached Balance Sheet of **S.P.CAPITAL FINANCING LIMITED** Mumbai as at 31st March 2012 and Profit & Loss Account and also the Cash Flow Statement for the period ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statements based on our audit.

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

1. As required by the other companies (Auditor's Reports) order 2003 issued by the Central Government of India in terms of Sub-section (4A) of section 227 of the Companies Act 1956. We enclose in Annexure hereto a statement on the matters specified in paragraph 4 and 5 of the said order.
2. Further to our comments in the Annexure referred to in paragraph 2 above, we report that:
 - (a) We have obtained all the information and explanation, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, the Company has kept proper books of accounts as required by law, so far as appears from our examination of those books;
 - (c) The Balance Sheet and Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts;
 - (d) In our opinion, Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the mandatory Accounting Standards referred to in Sub-Section (3C) of Section 211 of the Companies Act, 1956.
 - (e) Based on the written representations obtained from the directors and taken on record by the Board of directors, we confirm that none of the directors is disqualified under section 274 (1) (g) of the Companies Act 1956 as at the Balance Sheet date
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Significant Accounting Policies and other notes thereon give the information required by the Companies Act 1956 in the manner so required and present a true and fair view, in conformity with the accounting principles generally accepted in India:
 - (i) In so far as it relates to Balance Sheet, of the State of Affairs of the Company as at 31st March, 2012;
 - (ii) In so as it relates to the Profit and Loss Account, of the Profit of Company for the year ended on that date and;
 - (iii) In the case of Cash Flow Statement, of cash flow for the year ended on that date.

For **SANJAY RAJA JAIN CO.**
FRN : 120132W
CHARTERED ACCOUNTANTS

SURJEET JAIN
M No. 129531
(PARTNER)

Place : Mumbai.
Date : 30.05.2012

**ANNEXURE TO THE AUDITORS REPORT****(Referred to in Paragraph 2 of our report of even date)**

1.
 - a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
 - b) As explained to us, the fixed assets have been physically verified by the management during the year in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - c) In our opinion, the Company has not disposed of substantial part of fixed assets during the year.
2.
 - a) As explained to us, inventories have been physically verified by the management at regular intervals during the year.
 - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c) In our opinion and according to the information and explanation given to us, the Company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventory as compared to the book records.
3. In respect of loans, secured or unsecured taken or granted by the Company from/to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956:
 - a) The Company had taken loans from 7 parties referred above of Rs. 49,03,450 during the year and the closing Balance as at the end is Rs. 83,50,730. The Company has granted loan to 17 parties aggregating to Rs. 3,75,11,405 and the closing year end balance is Rs.2,09,60,110.
 - b) In our opinion and according to the information and explanations given to us, the rate of interest, wherever applicable and other Terms and Conditions are not prima facie prejudicial to the interest of the company.
 - c) In respect of loans taken by the Company, the company is regular in repaying the principal amounts as stipulated and has been regular in the payment of interest, wherever applicable.
 - d) There is no overdue amount in respect of loans taken / given by the Company.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and also for the sale of goods. During the course of our audit, we have not observed any major weaknesses in internal controls.
5.
 - a) In our opinion and according to the information and explanations given to us, the transaction made in pursuance of contracts or arrangements, that needed to be entered into in the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
 - b) In our opinion and according to the information and explanations given to us, the transactions in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding Rs. 5,00,000/- (Rupees Five Lacs only) in respect of any party during the year have been made at price, which are reasonable having regards to prevailing market price at the relevant time.
6. As explain to us the Company has not accepted any deposits from the public within the meaning of Section 58 A and 58 AA of the Companies Act, 1956 and the Rules framed there under.
7. In our opinion, the internal audit system of the Company is commensurate with its size and nature of its business.
8. The Company is not required to maintain cost record U/s. 209(1)(d) of the Companies Act, 1956.



9. According to the information and explanation given to us, and records being made available to us, the undisputed statutory dues including, Income-tax, Sales Tax, Wealth Tax, and other statutory dues wherever applicable have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respects of the aforesaid dues were outstanding as at 31st March 2012 for a period of more than six months from the date of becoming payable.
10. The Company has no accumulated losses and has not incurred any cash losses during the financial year covered by our audit.
11. Based on our audit procedures and according to the information and explanation given to us, we are of the opinion that the Company has not defaulted in repayment of dues to banks.
12. In our opinion and according to the information and explanation given to us, no loans and advances have been granted by the company on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore clause 4(xiii) of the Companies (Auditor'Report) Order 2003 is not applicable to the Company.
14. *The Company has maintained proper records of transaction and contracts in respect of trading in securities, debentures and other investments and timely entries have been made therein. All shares, debentures and other investments have been held by the company in its own name.*
15. According to information and explanation given to us and to the best of knowledge, the Company has not given guarantees for loans taken by others from banks or financial institutions.
16. In our opinion and according to information and explanation given to us, a company has not received any terms loan during the year.
17. According to information and explanation given to us, and on an overall examination of the Balance Sheet of the Company, we are of the opinion that the Company has not raised funds from Shorts Term sources and utilized the same towards long Term investments and vice-versa.
18. During the year, the Company had not made any preferential allotment of shares to parties and companies covered in the register maintained U/s. 301 of the Companies Act, 1956.
19. According to information and explanation given to us, the Company has not issued any secured debentures during the year.
20. The company has not raised any money by way of public issue during the year.
21. In our opinion and according to the information and explanation given to us, no fraud on or by the Company has been noticed or reported during the year that causes the financial statements to be materially misstated.

For **SANJAY RAJA JAIN CO.**
FRN : 120132W
CHARTERED ACCOUNTANTS

SURJEET JAIN
M No. 129531
(PARTNER)

Place : Mumbai.
Date : 30.05.2012

**BALANCE SHEET AS AT 31ST MARCH, 2012**

<u>PARTICULARS</u>	<u>NOTE NO.</u>	<u>AS AT 31ST MAR' 12</u> (Rs.)	<u>AS AT 31ST MAR' 11</u> (Rs.)
I. EQUITY AND LIABILITIES			
1. Shareholders' funds			
(a) Share capital	2	60,122,000	60,038,500
(b) Reserves and surplus	3	61,766,553	61,432,990
2. Current liabilities			
(a) Short-term borrowings	4	8,350,730	9,060,730
(b) Other current liabilities	5	23,530	5,000
(c) Short-term provisions	6	3,071,987	3,006,949
TOTAL		133,334,800	133,544,169
II. ASSETS			
1. Non-current assets			
(a) Fixed assets			
Tangible assets	7	3,044,068	734,142
(b) Deferred tax assets (net)	8	95,721	67,276
(c) Long-term loans and advances	9	74,027,300	76,527,300
2. Current assets			
(a) Inventories	10	28,758,651	29,034,823
(b) Cash and cash equivalents	11	383,746	16,831,110
(c) Short Term Loans & Advances	12	27,025,315	10,349,518
TOTAL		133,334,800	133,544,169
Significat Accounting Policies	1		

**III. NOTES FORMING PART OF
THE FINANCIAL STATEMENT**

As per our report of even date
For **SANJAY RAJA JAIN & CO**
CHARTERED ACCOUNTANTS
FRN : 120132W

SURJEET JAIN
(PARTNER)
M.No. 129531

PLACE : MUMBAI
DATE : 30.05.2012

For & on behalf of the Board

S.P. JAIN
CHAIRMAN

BALDEV L. BOOLANI
DIRECTOR

D.P. JAIN
DIRECTOR

BHUPENDRA T. SHAH
DIRECTOR

**Profit and loss statement for the year ended 31ST MARCH 2012**

<u>PARTICULARS</u>	<u>NOTE NO.</u>	<u>YEAR ENDED</u>	
		<u>31ST MARCH 2012</u> (Rs.)	<u>31ST MARCH 2011</u> (Rs.)
I. Revenue From Operations	13	33,622,328	56,310,390
II. Total Revenue		<u>33,622,318</u>	<u>56,310,390</u>
III. Expenses:			
Cost of Shares Sold	14	29,631,547	51,849,301
Employee benefits expense	15	717,751	966,227
Depreciation and amortization expense		190,074	190,074
Other expenses	16	731,701	847,694
Total expenses		<u>31,271,073</u>	<u>53,853,295</u>
IV. Profit before exceptional and extraordinary items and tax (II - III)		2,351,255	2,457,095
VI. Profit before extraordinary items and tax (IV - V)		2,351,255	2,457,095
VIII. Profit before tax (VI - VII)		2,351,255	2,457,095
IX. Tax expense:			
(1) Current tax		732,131	689,443
(2) Deferred tax		<u>(28,445)</u>	<u>(24,908)</u>
		703,686	664,535
X. Profit (Loss) for the period (VIII - IX)		<u>1,647,569</u>	<u>1,792,560</u>
XI. Earnings per equity share:			
(1) Basic		0.27	0.30
(2) Diluted		0.27	0.30
Number of shares used in computing earning per share			
(1) Basic		6012200	6003850
(2) Diluted		6012200	6003850

XII NOTES FORMING PART OF THE FINANCIAL STATEMENT

As per our report of even date
For **SANJAY RAJA JAIN & CO**
CHARTERED ACCOUNTANTS
FRN : 120132W

SURJEET JAIN
(PARTNER)
M.No. 129531

PLACE : MUMBAI
DATE : 30.05.2012

For & on behalf of the Board

S.P. JAIN
CHAIRMAN

D.P. JAIN
DIRECTOR

BALDEV L. BOOLANI
DIRECTOR

BHUPENDRA T. SHAH
DIRECTOR

**FORMING PART OF THE FINANCIAL STATEMENTS****NOTE 1****SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS****I. SIGNIFICANT ACCOUNTING POLICIES****(A) Basis of preparation of Financial Statements:**

- (a) The financial statements have been prepared under the historical cost convention, in accordance with the generally accepted accounting principles and the provisions of the Companies Act, 1956, as adopted consistently.
- (b) Accounting policies not specially referred to otherwise are consistent with generally accepted accounting principles followed by the Company.
- (c) The company generally follows mercantile system of accounting and recognizes significant items of income and expenditure on accrual basis.

(B) Fixed Assets and Depreciation:

- (a) Fixed assets are stated at cost less depreciation.
- (b) Depreciation on fixed assets is provided on the straight line method at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956.

(C) Foreign Exchange Transaction:

Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transaction. Outstanding balances are valued at the rate prevailing on the Balance Sheet date.

(D) Investments:

Securities are classified into long term or stock in trade as considered by the management.

(E) Revenue recognition:

- a) Sales of securities are recognized on the date of sale.
- b) Profit & loss from Derivatives are recognized on the date of sale.
- c) Dividend income is recognized when the right to receive dividend is established.
- d) In respect of other income, company follow accrual basis of accounting of such income.

(F) Employees Benefits:

The Provident Fund contribution and Gratuity is not required to be provided as the Company does not fulfill the criterion of minimum number of Employee employed during the year.

(G) Stock In Trade:

The securities held as stock-in-trade are valued at cost.

(H) Taxation:

Current Taxes, if any, are provided as per the provision of Income Tax Act 1961.

Deferred Tax is recognized on the timing difference being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in future. Deferred Tax Assets is recognized only upon actual certainty of sufficient taxable profit, in the future against which such deferred tax asset can be rectified.

(I) Impairment of Assets:

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

**NOTE 2:- SHARE CAPITAL**

	As at 31 March 2012		As at 31 March 2011	
	Number	Rs.	Number	Rs.
Authorised				
Equity Shares of ₹ 10/- each	12100000	121,000,000	12100000	121,000,000
Issued,Subscribed & Paidup				
Equity Shares of ₹ 10/- each	6012200	60,122,000	6012200	60,122,000
Less: Calls Unpaid by Others				-83500
Total	6012200	60122000	6012200	60038500

2.1 There are no items for reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period.

2.2 Terms/Rights Attached to Shares

The company has only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends to the holders of equity shares in Indian rupees. The dividend proposed by Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

2.3 The details of shareholder holding more than 5% shares as at March 31, 2012 is set out below:

Name of Shareholder	As at 31 March 2012		As at 31 March 2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Class of Shares: Equity Shares				
Meena Sureshchand Jain	1150200	19.13	1150200	19.13
Mr.Sureshchand Jain	700200	11.65	700200	11.65
S.P.Capital Consultants Pvt Ltd	462400	7.69	462400	7.69
A.S.P.Enterprises P Ltd	433800	7.22	433800	7.22
Pride Hotels Ltd	327700	5.45	327700	5.45
S.P.Realtors Pvt Ltd	318800	5.30	318800	5.30
Khairana Development P Ltd	314400	5.23	314400	5.23

2.4 There are no Bonus Shares /Buyback/Shares for consideration other than cash issued during past five years.



	As At 31st March 2012 (Rs.)	As At 31st March 2011 (Rs.)
NOTE 3:- RESERVES AND SURPLUS		
A) Capital Reserves		
Opening Balance	15,000,000	14,500,000
Add: Transferred From Surplus	500,000	500,000
Closing Balance	<u>15,500,000</u>	<u>15,000,000</u>
B) Securities Premium Reserve		
Opening Balance	26,926,578	27,010,078
Add: Securities premium credited on calls unpaid received	83,500	-
Less: Securities premium receivable on calls in arrears	-	83,500
Closing Balance	<u>27,010,078</u>	<u>26,926,578</u>
C) Other Reserves		
Reserves Fund U/S.45 of RBI Act		
Opening Balance	12,200,000	11,700,000
Add: Transferred From Surplus	500,000	500,000
Closing Balance	<u>12,700,000</u>	<u>12,200,000</u>
D) Surplus		
Surplus - Opening balance	7,306,412	7,911,359
Add: Net Profit after tax transferred	1,647,569	1,792,559
Amount available for appropriation	8,953,983	9,703,918
Appropriations:		
Proposed Dividends	1,202,440	1,202,440
Dividend Tax	195,066	195,066
Amount transferred to Capital reserves	500,000	500,000
Amount transferred to Reserves Fund U/S.45 of RBI Act	500,000	500,000
Surplus - Closing Balance	<u>6,556,475</u>	<u>7,306,412</u>
Total (A+B+C+D)	<u><u>61,766,553</u></u>	<u><u>61,432,990</u></u>
NOTE 4:- SHORT-TERM BORROWINGS		
Loans and advances from related parties	8,350,730	9,060,730
Total	<u><u>8,350,730</u></u>	<u><u>9,060,730</u></u>
NOTE 5:- OTHER CURRENT LIABILITIES		
Unpaid dividends	18,380	-
Other Payables:		
TDS payable	5,150	5,000
Total	<u><u>23,530</u></u>	<u><u>5,000</u></u>
NOTE 6:- SHORT TERM PROVISIONS		
Others		
Provision For Income Tax	732,131	689,443
Proposed Equity Dividend	1,202,440	1,202,440
Provision For tax on proposed Dividend	195,066	195,066
Audit Fees Payable	67,350	45,000
Provision For N.P.A	875,000	875,000
Total	<u><u>3,071,987</u></u>	<u><u>3,006,949</u></u>



NOTE 7 FIXED ASSETS

FIXED ASSETS	G R O S S B L O C K			A C C U M U L A T E D D E P R E C I A T I O N			N E T B L O C K	
	Balance as at 1 April 2011 Rs.	Additions/ (Disposals) Rs.	Balance as at 31 March 2012 Rs.	Balance as at 1 April 2011 Rs.	Depreciation charge for the year Rs.	Balance as at 31 March 2012 Rs.	Balance as at 1 April 2011 Rs.	Balance as at 31 March 2012 Rs.
Tangible Assets								
Land	11,000	-	11,000	-	-	-	11,000	11,000
Land at Pune	-	2,500,000	2,500,000	-	-	-	-	2,500,000
Office at Pune	280,000	-	280,000	74,202	4,564	78,766	205,798	201,234
Furniture and Fixtures	2,157,003	-	2,157,003	1,990,472	136,538	2,127,010	166,531	29,993
Office equipment	99,836	-	99,836	67,195	4,742	71,937	32,641	27,899
Air Conditioner	82,427	-	82,427	65,170	3,915	69,085	17,257	13,342
Computer	695,725	-	695,725	428,852	33,047	461,899	266,873	233,826
Fax Machine	48,000	-	48,000	38,068	2,280	40,348	9,932	7,652
Printer	18,000	-	18,000	15,311	855	16,166	2,689	1,834
Telex	12,000	-	12,000	10,208	570	10,778	1,792	1,222
Xerox	75,000	-	75,000	55,371	3,563	58,934	19,629	16,066
Total	3,478,991	2,500,000	5,978,991	2,744,849	190,074	2,934,923	734,142	3,044,068



	As At 31st March 2012 (Rs.)	As At 31st March 2011 (Rs.)
NOTE 8:- DEFERRED TAX ASSET (NET)		
Opening Deferred Tax Asset	67,276	42,368
(a) Deferred Tax Asset:		
Related to Fixed Assets	28,445	24,908
Total	95,721	67,276
NOTE 9:- LONG TERM LOANS AND ADVANCES		
Un-secured considered good		
Capital Advance		
Deposits with Others	64,000,000	66,500,000
Security Deposits:		
Electricity and Other Deposits	27,300	27,300
Rental Deposit	10,000,000	10,000,000
Total	74,027,300	76,527,300
NOTE 10:- INVENTORIES		
Stock in Trade	28,758,651	29,034,823
Total	28,758,651	29,034,823
NOTE 11:- CASH AND BANK BALANCES:		
Cash and cash equivalents		
Balances with banks		
Current accounts in Rupees	293,174	16,820,180
Cash in hand	72,192	10,930
Other Bank Balances		
Unpaid Dividend accounts	18,380	-
Total	383,746	16,831,110
NOTE 12:- SHORT TERM LOANS AND ADVANCES		
Un-secured considered good		
Other Loans and advances:		
Loans to employees	56,000	21,691
Balances with statutory/government authorities	684,351	681,313
Advance Income Taxes	4,232,615	4,298,315
Loan & Advances due from Co under same Mangement	20,960,110	4,206,420
Loans to Others	1,092,239	1,141,779
Total	27,025,315	10,349,518



	As At 31st March 2012 (Rs.)	As At 31st March 2011 (Rs.)
<u>NOTE 13:- REVENUE FROM OPERATION</u>		
Interest Income	3,568,381	5,172,647
<u>Other Operating Revenue</u>		
Sale of Securities	29,839,759	50,222,258
Dividend Income	97,587	318,546
Bad debts recovers	116,610	596,939
Total	33,622,318	56,310,390
<u>NOTE 14:- COST OF SECURITIES SOLD</u>		
Opening Stock	29,034,823	42,450,489
Add: Purchases	29,355,375	38,433,635
	58,390,186	80,884,124
Less: Closing Stock	28,758,651	29,034,823
Total	29,631,547	51,849,301
<u>NOTE 15:- EMPLOYEES BENEFIT EXPENSES</u>		
Salaries	607,500	885,588
Staff Welfare expenses	110,251	80,639
Total	717,751	966,227
<u>NOTE 16:- OTHER EXPENSES</u>		
Printing & Stationery Expenses	25,193	21,059
Office Expenses	14,073	61,944
Books & Periodicals Exp	19,716	21,388
Advertisements Exp	9,387	36,595
Audit Fees	50,000	50,000
Bank Charges	9,599	14,099
Conveyance & Motor Car Expenses	160,118	163,312
Directors Sitting Fees	24,500	30,000
Postage Courier & Stamp	50,072	46,130
Retainership A/c.	80,000	70,600
Listing & Membership Expenses	84,583	83,366
Repair & Maintaince Exp	2,850	8,817
Telephone Expenses	33,593	53,254
Rent	120,000	120,000
Sundry Expenses	34,419	36,655
Legal Expenses	13,599	30,474
Total	731,701	847,694

**NOTES ON ACCOUNTS****Note 17**

Contingent Liability is Nil (P.Y. Nil).

Note 18

The Company has not received any intimation from suppliers regarding their status under Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures regarding :

- a) Amount due and Outstanding as at the end of accounting year.
- b) Interest paid during the year.
- c) Interest payable at end of accounting year.
- d) interest accrued and unpaid at the end of the accounting year, have not been given.

Note 19

Auditor's Remuneration	(RS.)	
	2011-2012	2010-2011
i) Audit Fees	50,000	50,000
ii) Other Matters	NIL	NIL
iii) Expense	NIL	NIL
TOTAL	50,000	50,000

Note 20

Other Information pursuant to the provisions of Para 3 and 4 of Part-II of Schedule VI of Companies Act, 1956 (vide notification dated 30th October, 1973 of the Department of Company Affairs, Government of India) are either Nil or Not Applicable.

Note 21

In the opinion of the management the company is mainly engaged in the business of Capital Market Activities and all other activities of the Company revolve around the main business, and as such, there are no separate reportable segments.

Note 22

Information on related party transactions as required by Accounting Standard 18," issued by the Institute of Chartered Accounts of India for the year ended 31st March 2012.

(RS)

Particulars	Key Managerial Persons		Relative of Key Managerial Person		Companies/Firms Controlled by key managerial Persons/Relatives	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Loan Given	99,000	-	3,96,500	90,000	3,70,15,905	7,40,47,440
Repayment of Loan given	99,000	-	3,96,500	90,000	2,57,02,355	8,55,84,198
Loan Taken	-	2,12,000	-	6,40,000	49,03,450	1,28,32,250
Repayment of Loan taken	-	2,12,000	-	6,40,000	56,13,450	86,44,250
Purchase					1,38,28,800	88,18,345



Sales			-	-	30,90,675	43,00,400
Interest Received			-	-	35,21,126	47,36,022
Rent Paid	60,000	60,000			60,000	60,000
Compensation Recd(incl. of Service Tax)	-	-	-	-	-	-
Outstanding Balance as on 31.03.2012						
Loans Given	-	-	-	-	2,09,60,110	67,06,420
Loan Taken	-	-	-	-	83,50,730	90,60,730
Security Deposit Recd	3,000,000	3,000,000	-	-	7,000,000	7,000,000

- a) Key Managerial Persons: Sureshchand P Jain
- b) Relatives of Key Managerial Persons: Meena S Jain
Sureshchand Dhannalal HUF
Premchand Chatrural HUF
Somtibai Jain
Namrata Jain
Satyen S Jain
Sureshchand Premchand HUF
- c) Companies/Firms over which the key Managerial Persons/ Relatives have significant Influence or control:
A.S.P.Enterprises Pvt Ltd
Executive Hsg Finance Co Ltd
Kopra Estate Pvt Ltd
Pride Beach Resorts Pvt Ltd
Pride Builders Pvt. Ltd.
Pride Centre & Dev P Ltd
Pride Hotels Ltd
Pride Plaza (India) Pvt Ltd
Pride Network Pvt Ltd
Pride Paradise & Development Pvt Ltd
Pride Realty Pvt Ltd
Pride Regency & Developers Pvt Ltd
Meena Investment Corporation
S.P.Realtors Pvt Ltd
The Executive Inn Ltd
Pride Estate Pvt Ltd
Indralok Hotels P Ltd
Somti Hotels Pvt Ltd
S.P.Capital Consultants P Ltd
Jagson Hotels Pvt. Ltd.

Note 23 Information (to the extent applicable) pursuant to AS 19:

The Company's significant leasing arrangements are in respect of operating leases for Office premises. These leasing arrangements which are not non-cancelable range between 8 months, or longer, and are usually renewable by mutual consent on mutually agreeable terms. The aggregate lease rentals payable are charged as rent under schedule E.



The particulars of these leases are as follows:

PARTICULARS	(Rs. In Lacs)	
	2011 - 2012	2010 - 2011
Future Minimum lease payments obligation on non-cancelable operating leases :		
Not later than one year	—	—
Later than one year and not later than five years.	—	—
Later than five years	—	—
Lease payments recognized in Profit & Loss Account	1.20	1.20

Note 24

Earning per share as per Accounting Standard 20:

PARTICULARS	(Rs.)	
	2011-2012	2010-2011
Profit & Loss after tax (RS)	16,47,569	17,92,559
Equity share of Rs.10/- each (Nos.)	60,12,200	60,12,200
Basic/Diluted Earnings per share (Rs.)	0.27	0.30

Note 25

The Financial statements for the year ended March 31,2011 had been prepared as per the then applicable, pre-revised schedule VI to the Companies Act 1956, the financial statements for the year ended March 31,2012 are prepared as per Revised Schedule VI. Accordingly, the previous year figure have also been reclassified to conform to this year's classification. The adoption of Revised Schedule VI for the previous year figures does not impact recognition and measurement principles followed for preparation of financial statements.

As per our report of even date
For **SANJAY RAJA JAIN & CO**
CHARTERED ACCOUNTANTS
FRN : 120132W

SURJEET JAIN
(PARTNER)
M.No. 129531

PLACE : MUMBAI
DATE : 30/05/2012

For & on behalf of the Board

S.P. JAIN
CHAIRMAN

BALDEV L. BOOLANI
DIRECTOR

D.P. JAIN
DIRECTOR

BHUPENDRA T. SHAH
DIRECTOR

**CASH FLOW STATEMENT PURSUANT TO CLAUSE 32 OF THE LISTING AGREEMENTS 31ST MARCH, 2012**
(Amount in Rupees)

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
A. Cash flow from operating activities		
Net Profit after tax	2,351,257	2,457,095
<u>Adjustments for:</u>		
Depreciation and amortisation	190,074	190,074
Operating profit before working capital changes	<u>2,541,331</u>	<u>2,647,169</u>
<u>Changes in working capital:</u>		
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Short-term loans and advances	-16,675,797	-2,945,185
Long-term loans and advances	2,500,000	-39,134,841
Inventories	276,172	13,415,668
<i>Adjustments for increase / (decrease) in operating liabilities:</i>		
Proceeds from other short-term borrowings (Net of Repayment)	-710,000	4,188,000
Other current liabilities & Provisions	83,568	-360,926
Short-term provisions		
Cash flow from extraordinary items		
Net income tax (paid) / refunds	-732,131	-689,443
	<u>-12,716,858</u>	<u>-22,879,558</u>
Net cash flow from / (used in) investing activities (B)		
B. Cash flow from investing activities		
Purchase of Fixed Assets	-2,500,000	-
C. Cash flow from financing activities		
Proceeds from issue of equity shares	167,000	295,944
Dividends paid	-1,202,440	-
Tax on dividend	-195,066	-
Net cash flow from / (used in) financing activities (C)	<u>-1,230,506</u>	<u>295,944</u>
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	<u>-16,447,364</u>	<u>-22,583,614</u>
Cash and cash equivalents at the beginning of the year	16,831,110	39,414,724
Cash and cash equivalents at the end of the year	383,746	16,831,110
Reconciliation of Cash and cash equivalents with the Balance Sheet:	<u>16,447,364</u>	<u>22,583,614</u>

Notes to Cash flow Statement for the year ended March 31, 2012.**1. Cash and Cash Equivalents include the following Balance Sheet amounts**

Cash on hand	72,191
Cheques on hand	23,486
Balances with banks	
- In Current Accounts	288,069
	<u>383,746</u>

2. The above Cash Flow Statement has been prepared under the indirect method as set out to Accounting Standard 3 on Cash Flow Statement.

As per our report of even date
For SANJAY RAJA JAIN & CO
CHARTERED ACCOUNTANTS
FRN : 120132W

For & on behalf of the Board

S.P. JAIN
CHAIRMAN

BALDEV L. BOOLANI
DIRECTOR

SURJEET JAIN
(PARTNER)
M.No. 129531

D.P. JAIN
DIRECTOR

BHUPENDRA T. SHAH
DIRECTOR

PLACE : MUMBAI
DATE : 30.05.2012



(iv) Government Securities	Nil	Nil
(v) Others (please specify)	Nil	Nil
2 Unquoted		
(i) Shares: (a) Equity	Nil	Nil
(b) Preference	Nil	Nil
(ii) Debentures and Bonds	Nil	Nil
(iii) Units of mutual funds	Nil	Nil
(iv) Government Securities	Nil	Nil
(v) Others (please specify)	Nil	Nil
Long Term Investments:		
1. Quoted		
(i) Shares: (a) Equity	100.38	100.38
(b) Preference	Nil	Nil
(ii) Debentures and Bonds	Nil	Nil
(iii) Units of mutual funds	Nil	Nil
(iv) Government Securities	Nil	Nil
(v) Others (please specify)	Nil	Nil
2 Unquoted		
(i) Shares: (a) Equity	187.21	187.21
(b) Preference	Nil	Nil
(ii) Debentures and Bonds	Nil	Nil
(iii) Units of mutual funds	Nil	Nil
(iv) Government Securities	Nil	Nil
(v) Others (please specify)	Nil	Nil

(5) Borrower group-wise classification of assets
financed as in (2) and (3) above:
Please see Note 2 below:

Category	Amount net of provisions		
	Secured	Unsecured	Total
1. Related Parties**			
(a) Subsidiaries	Nil	Nil	Nil
(b) Companies in the same group	Nil	209.60	209.60
(c) Other related parties	Nil	Nil	Nil
2. Other than related Parties	Nil	651.48	651.48
Total	Nil	861.08	861.08

(6) Investor group-wise classification of all investments
(current and long term) in shares and securities
(both quoted and unquoted):
Please see Note 3 below:

Category	Market Value Break up or fair value or NAV	Book Value (Net of Provisions)
1. Related Parties**		
(a) Subsidiaries	Nil	Nil
(b) Companies in the same group	187.21	187.21



S P CAPITAL
FINANCING LTD.

Regd. Office : 908, Dalamal Towers, 211, Nariman Point, Mumbai - 400 021.

ATTENDANCE SLIP

Regd. Folio No. _____ No. of Shares held _____

I hereby record my presence at 29th Annual General Meeting of the Company to be held of 29th day of Sept. 2012 at 3.00 p.m. at 908, Dalamal Tower, 211, Nariman Point, Mumbai - 400 021.

Member's/Proxy's Name

Member's/Proxy's Signature

S P CAPITAL
FINANCING LTD.

Regd. Office : 908, Dalamal Towers, 211, Nariman Point, Mumbai - 400 021.

Regd. Folio No. _____ No. of Shares held _____

I/We _____

of _____

being a member/members of S P Capital Financing Limited hereby appoint _____

of failing him/her, Shri/Smt. of _____

as my/our proxy to attend and vote for my/us on my/our behalf at the 29th Annual General Meeting of the Company to be held on 29th Sept. 2012 at 3.00 p.m. at 908, Dalamal Tower, 211, Nariman Point, Mumbai - 400 021, and any adjournment thereof.

Signed this _____ day of 2012.

Affix
Rs. 1/-
Revenue
Stamp

Signature

NOTE : The proxy form duly completed must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding of the meeting.

If undelivered please return to :-



S P CAPITAL

FINANCING LTD.

Regd. Office : 908, Dalamai Towers,
211, Nariman Point,
Mumbai - 400 021.