

**Board Directors**

Shri S. P. Jain	Chairman
Shri Baldev L. Boolani	Director
Shri Siddharth Bharilla	Director
Shri Bhupendra T. Shah	Director
Mrs. Meena S. Jain	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

**27th ANNUAL REPORT 2010 :**

DATE : 30th September, 2010

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.  
Fax : 28475207

**Registered Office**

908, Dalamal Towers,  
211, Nariman Point,  
Mumbai – 400 021.  
Tel.: 22844051/63 / 22824945  
Fax : 22844052

**Branch Office**

1,2,3, Indu Chambers,  
Wakdewadi Road,  
Bombay-Pune Road, Pune  
Tel: 9520 – 5511121/92

**Equity Shares are listed on**

Bombay Stock Exchange

**CONTENTS**

Notice of the Meeting .....
Director's Report .....
Report of Corporate Governance .....
Auditors' Report .....
Balance Sheet .....
Profit & Loss Account .....
Schedule & Notes to Account .....
Balance Sheet Abstract .....
Cash Flow Statement .....

**NOTICE**

NOTICE is hereby given that the 27<sup>th</sup> 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 Thursday, September 30, 2010 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, 2010 and the Profit & Loss Account for the year ended on that date together with the Directors' and Auditors' Report thereon.
2. To appoint a Director in place of Shri S. P. Jain who retires by rotation and being eligible to offer himself for reappointment.
3. To appoint a Director in place of Shri Bhupendra T. Shah who retires by rotation and being eligible to offer himself for reappointment.
4. 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.

**SPECIAL BUSINESS:**

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

**"RESOLVED THAT** Mr. Siddharth Bharilla who was appointed as an Additional Director to fill the casual vacancy caused by resignation of Mr. Hasmukh Sheth at the meeting of the Board of Directors held on 31<sup>st</sup> October, 2009 and who holds office as such upto the date of this Annual General Meeting and in respect of whom notice under Section 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose Mr. Siddharth Bharilla as a candidate for the office of Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

6. To consider and, if thought fit to pass with or without modification the following resolution as a Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 16, 94 and other applicable provisions, if any, of the Companies Act, 1956, and as permissible by the Company's Memorandum of Association, the Authorized Share Capital of the Company of Rs.121,000,000/- (Rupees Twelve Crore Ten Lakhs only) divided into 61,00,000 (Sixty one Lacs) Equity Shares of Rs.10/- (Rupees Ten Only) each, and 6,00,000 (Six lac) Preference Shares of Rs.100/- (Rupees One Hundred Only) each be and is hereby altered without increasing or decreasing the aggregate amount thereof by dividing and reclassifying the unissued 6,00,000 (Six lac) Preference Shares of Rs.100/- (Rupees Hundred Only) each to 60,00,000 (Sixty lac) Equity Shares of Rs.10/- (Rupees Ten each ) thereby increasing the total number of Equity Shares included in the Authorised Share Capital from 61,00,000 (Sixty One Lacs) Equity Shares to 121,00,000 (One Crores Twenty OneLacs) Equity Shares and consequently the respective Authorised capital of the Company stands as Rs.121,000,000/- (Rupees Twelve Crore Ten Lakhs only) divided into 121,00,000 (One Crores Twenty OneLacs) Equity Shares of Rs.10/- (Rupees Ten Only) each, and NIL Preference Shares of Rs.100/- (Rupees Hundred Only) each and consequently the respective capital clauses in the Memorandum and Articles of Association of the Company do stand altered accordingly and also as provided in the succeeding resolutions to be proposed at the Meeting."

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

**"RESOLVED THAT** the existing Clause V of the Memorandum of Association of the Company be and is hereby deleted and substituted by the following new Clause V:

The Authorised Share Capital of the Company is Rs.121,000,000/- (Rupees Twelve Crore Ten Lakhs only) divided into 121,00,000 (One Crores Twenty One Lacs) Equity Shares of Rs.10/- (Rupees Ten Only) each with the power to increase, reduce, or alter the same in accordance with the provisions of the Companies Act, 1956.

The shares in the capital of the Company for the time being whether original or increased may be divided into several classes with any preferential, qualified or other special rights, privileges, conditions or restrictions attached thereto, whether in regard to dividend, voting right, return of capital or otherwise".

**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. 2 & 3 of the notice convening the Meeting is annexed hereto.
6. The Register of Members and Shares Transfer Books of the Company will remain closed from Thursday, September 23, 2010 to Thursday, September 30, 2010 (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 31, 2010

**ANNEXURE TO THE NOTICE**

Explanatory statement pursuant to sec.173(2) of the Companies Act,1956 in respect of special business

**Item 5** (Ordinary Resolution)

Mr. Siddharth Bharilla was appointed as an additional Director of the Company with effect from 31<sup>st</sup> October,2009. By virtue of the provisions of Section 260 of the Companies Act, 1956, read with Article 110 of the Articles of Association of the Company, Mr. Siddharth Bharilla would hold office only upto the date of the ensuing Annual General Meeting.

The Company has received notice from a member under Section 257 of the Companies Act, 1956, with requisite deposit proposing the name of Mr. Siddharth Bharilla as a candidate for the office of Director of the Company.

**Mr. Siddharth Bharilla is** Bachelor of Science and is in the Hospitality business. He is presently based in Nagpur and has vast experience in management and operations.

The Directors consider his association at the Board level will be of immense value to the Company and hence your Directors recommend his appointment in terms of the resolution at item No. 4 of the Notice for your approval.

Mr. Siddharth Bharilla is interested in the resolution as it relates to his appointment. None of the other Directors of the Company is concerned or interested in the said resolution.

The Directors consider his association at the Board level will be of immense value to the Company and hence your Directors recommend his appointment in terms of the resolution at item No. 4 of the Notice for your approval.

Mr. Siddharth Bharilla is interested in the resolution as it relates to his appointment. None of the other Directors of the Company is concerned or interested in the said resolution.

**Item 6 -7** (Ordinary Resolution)

It was felt necessary by Board that the Companies Authorised capital lying idle in form of Preference shares be reclassified without increasing or decreasing the aggregate amount thereof by dividing and reclassifying the unissued 6,00,000 (Six lac) Preference Shares of Rs.100/- (Rupees Hundred Only) each to 60,00,000 (Sixty lac) Equity Shares of Rs.10/- (Rupees Ten each)



thereby increasing the total number of Equity Shares included in the Authorised Share Capital from 61,00,000 (Sixty One Lacs) Equity Shares to 121,00,000 (One Crores Twenty OneLacs) Equity Shares and consequently the respective Authorised capital of the Company stands as Rs.121,000,000/- (Rupees Twelve Crore Ten Lakhs only) divided into 121,00,000 (One Crores Twenty One Lacs) Equity Shares of Rs.10/- (Rupees Ten Only) each, and NIL Preference Shares of Rs.100/- (Rupees Hundred Only) each and consequently the respective capital clauses in the Memorandum and Articles of Association of the Company be also stand altered accordingly.

None of the other Directors of the Company is concerned or interested in the said resolution.

**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	S.P.Jain
2. Date of Birth	4 <sup>th</sup> 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	Bhupendra T Shah
2. Date of Birth	06.08.1948
3. Profession	Business
4. Qualification	B.Com.
5. List of other Directorship held excluding private Companies	Nil
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 & Investments.

**For and on behalf of the Board**

**S. P. Jain**  
**Chairman**

***Registered Office:***

908, Dalamal Towers,  
211, Nariman Point,  
Mumbai-400 021.  
May 31, 2010

**DIRECTORS REPORT**

Dear Shareholders,

Your Directors have pleasure in presenting their 27<sup>th</sup> Annual Report of the Company along with the audited statements of accounts for the year ended March 31, 2010.

<b>Particulars</b>	(Amount in Lacs Rs.)	
	<b>Year ended March 31, 2010</b>	<b>Year ended March 31, 2009</b>
Net Sales / Income	3994.60	949.95
<b>Profit Before Tax</b>	<b>35.90</b>	<b>15.80</b>
Provision for Taxation (including deferred Tax)	7.50	2.50
<b>Net Profit After Tax</b>	<b>28.40</b>	<b>13.30</b>
Profit brought forward from Previous Year	57.89	48.59
Appropriation – Transferred to Reserve Fund	8.00	4.00
<b>Surplus carried to Balance Sheet</b>	<b>78.29</b>	<b>57.89</b>

**DIVIDEND**

The Board of Directors of the Company have not recommended any dividend for the year 2009-10.

**OPERATIONS**

During the year Company has grown up mainly due to liberal government policies and overall improvement of performance of financial industry globally. The results of the Company for the year under review bear a witness to the effort of the Board in an environment of healthy competition. The company has concentrated on its goals of consolidating and strengthening its marketing network, delivering quality products and cutting cost wherever possible. All these factors resulted in the Company posting a higher post tax profit as compared to the last year. The Profit after tax for the year was Rs. 28.40 Lakhs as compared to Rs. 13.30 Lakhs in the previous year.

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

Your directors are hopeful of better results for the company in the current year.

**DIRECTORS**

Shri S.P.Jain and Shri Bhupendra T Shah, Director of the Company retire at the ensuing Annual General meeting and being eligible offers 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, 2010 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.

**FIXED DEPOSITS**

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 thereunder would apply.

**PARTICULARS OF EMPLOYEES**

Particulars of the employees under the provision of section 217 (2A) of the Companies Act, 1956 are not given as no employees was in receipt of remuneration exceeding Rs. 24,00,000/- p.a. if employed for the full year or Rs.2,00,000/—p.m. if employed for part of the year.

**AUDITORS AND THEIR OBSERVATIONS**

The present Auditors of the Company, M/s. SANJAY RAJA JAIN & CO, Chartered Accountants, Mumbai, retires 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, 2010.

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.

**LISTING ARRANGEMENT**

The Company's equity shares are listed on the Bombay Stock Exchange and the listing fee for the year 2009-10 has been paid.

**MANAGEMENT'S DISCUSSION AND ANALYSIS****A. INDUSTRY OVERVIEW****1. India – Today**

India today, is a fast emerging economic super power. With a population of a strong 300 million and the world's largest middle class population, it unleashes the latent strength of popular consumerism while reshaping both business & the way of life. With the surging trend in all sectors, International Trade Journals have rightly billed India as one of the fastest growing economies in the world.

**2. Indian Finance Industry – An overview**

As our country requires new cities new townships where our population can reside & work. Investors have identified India potent body of 300 million middle class. The world's largest waiting to unleash its nascent strength of popular consumerism. Where 54% of the population is below 25 years of age.

The Finance industry is one of the key industries in the Indian economy and India is today one of the leading countries in the world as far as trade is concerned. Though new opportunities are rapidly emerging India's future position will largely depend on how effectively the Industry and Government are able to resolve core issues and take advantage of an increasingly fragmented industry structure. The Industry, which is one of the oldest in existence, has promoted economic development even in far-flung areas of the country, both urban and rural. One of the highly developed metropolises of Modern India Mumbai has grown over the years and has the main business base of Finance Industry.

**B. INDUSTRY STRUCTURE AND DEVELOPMENT:**

Great changes are taking place in the global industry, and as the company is establishing its position in the Indian Economy and also restructuring itself to fit in the competitive market. Despite the market conditions, the company performance during the year is satisfactory.

**C. FUTURE PROSPECT / BUSINESS PLANS OF THE COMPANY**

The opportunities ahead are immense and Company is fully geared to make the most of them. Company is planning to get into other segment of finance during the current year. The company has concentrated on its goals of consolidating and strengthening its marketing network, delivering quality products 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.

**D. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

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, supply chain, distribution, marketing etc.

**F. HUMAN RESOURCES DEVELOPMENT/INDUSTRIAL RELATIONS:**

The Company recognizes the need for continuous growth and development of its employees in order to provide greater job satisfaction and also to equip them to meet growing organizational challenges. Industrial relations have continued to be harmonious at all units throughout the year. Measures for safety of employees, Welfare and development continue to receive top priorities.

**G. CAUTIONARY STATEMENT:**

Statements in this report on Management Discussion and Analysis describing the Company's objectives, expectations or predictions may be forward looking statements within the meaning of applicable security laws and regulations. These statements are based on certain assumptions and expectations of future events. Actual results could however differ materially from those expressed or implied.

Important factors that could make a difference to the company's operation include demand and supply conditions, finished good prices, raw materials cost and availability, changes in Government regulation and tax structure, economic developments within India and the countries with which the company has business contacts and other factors such as litigations and Industrial relations of India. The Company assumes no responsibility in respect of forwarded looking statements herein which may undergo changes in future on the basis of subsequent developments, information or events of the Company.

**PUBLIC DEPOSITS**

The Company has not invited and / or accepted any deposits, during the year.

**CASH FLOW STATEMENT**

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

**SUBSIDIARIES**

During the year. The company does not have any subsidiary company.

**CORPORATE GOVERNANCE**

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.

**FOREIGN EXCHANGE**

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

**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 31, 2010

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 Boards of Directors consists of three (Promoter) Directors and three Non Executive (independent) Directors who are themselves experienced industrialists heading their business empire and category is given below:

**(A) The Constitution of the Board as on March 31, 2010.**

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	Promoters Chairman	1	11	1	1
Shri Baldev L Boolani	Independent	1	3	-	-
Shri Siddharth Bharilla	Independent	1	5	-	-
Shri Bhupendra T Shah	Independent	1	1	-	-
Mrs. Meena S Jain	Promoter Non- Executive	1	9	1	-
Shri D. P. Jain	Promoter Non- Executive	1	6	-	-

**(B) Board Procedure:**

The Board of the Company met 5 times during the year ended March 31, 2010. 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 meeting were held on the following dates: 31<sup>st</sup> May, 2009, 3<sup>rd</sup> June 2009, 31<sup>st</sup> July, 2009, 31<sup>st</sup> October, 2009 and 29<sup>th</sup> January, 2010.

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	Promoters / Chairman	5	Present
Shri Baldev L Boolani	Non-promoter / Independent Director	4	Present
Shri Siddharth Bharilla	Non-promoter / Independent Director	1	Present
Shri Bhupendra T Shah	Non-promoter / Independent Director	3	Present
Mrs. Meena S Jain	Promoter / Director	5	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.



**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 Siddharth Bharilla, 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.

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 Board 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
3.	Shri Siddharth Bharilla	Member	1	1

**Attendance during the year:**

The Committee met on 29.01.2010 and was attended by all the members.

**Remuneration Policy:**

Non-executive Directors are remunerated by way of sitting fees only. The Company do not pays 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 of 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 31/3/2010
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
	<b>TOTAL</b>	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
2006 – 2007	29 <sup>th</sup> September, 2007	Registered Office	3 p.m.
2007 - 2008	30 <sup>th</sup> September, 2008	Registered Office	3 p.m.
2008 - 2009	30 <sup>th</sup> September, 2009	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 Journal 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 30, 2010  
Venue : 908 Dalamal Tower,  
211 Nariman Point,  
Mumbai – 400 021.
- c) **Financial Calendar 2010 – 2011 (tentative schedule)**  
First Quarter ending June 30, 2010 By the end of July, 2010  
Half/Second Quarter ending September 30, 2010 By the end of October, 2010  
Third Quarter/Nine Months ending December 31, 2010 By the end of January, 2011  
Yearly Audited /Fourth Quarter ending March 31, 2011 By the end of July, 2011
- d) **Date of Book Closure:**  
The Register of Members and Transfer Register of the Company will remain close from 23<sup>rd</sup> September, 2010 to 30<sup>th</sup> September, 2010 (both days inclusive).
- e) **Listing at Stock Exchanges:** Bombay Stock Exchange Limited  
Phiroze Jeejeebhoy Towers, Dalal Street,  
Mumbai 400 001.
- f) **Stock Code:** Physical Segment  
(BSE), 530289
- g) **Market Price Data: (RS.)**

Month	Mumbai Stock Exchange	
	High	Low
April – 2009	NIL	NIL
May – 2009	36.15	32.25
June – 2009	34.25	34.25
July – 2009	NIL	NIL
August – 2009	35.00	34.50
September – 2009	34.75	27.00
October – 2009	27.00	27.00
November – 2009	28.00	26.90
December – 2009	NIL	NIL
January - 2010	26.65	26.65
February – 2010	NIL	NIL
March – 2010	29.25	26.60

**h) Shareholding pattern as at 31st March, 2010:**

Sr.No	Category	No. of Shares	% of paid up Capital
1.	Promoters	4456900	74.13
2.	Mutual Fund, Institution & Bank	49800	0.83
3.	Corporate Bodies	985600	16.39
4.	NRI's	37400	0.62
5.	Public	482500	8.03
	Total	6012200	100.00

**i) Dematerialisation of Shares:**

The equity Shares of the Company are traded compulsorily in Demat. 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

**j) Registrar and Transfer Agent:**

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

**k) 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.

**l) Distribution of Shareholding as on 31<sup>st</sup> March 2010:**

Range of Shares	Number of Shareholders	Percentage of Shareholders	No. of Shares	Amt. Percentage
01 to 5000	669	94.09	357000	5.94
5001 to 10000	14	1.97	116000	1.93
10001 to 20000	3	0.42	49700	0.83
20001 to 30000	6	0.85	147000	2.44
30001 to 40000	1	0.14	33700	0.56
40001 to 50000	4	0.56	195200	3.25
50001 to 100000	2	0.28	154000	2.56
100001 to 99999999	12	1.69	4959600	82.49
<b>Total ...</b>	<b>711</b>	<b>100</b>	<b>6012200</b>	<b>100.00</b>

**m) Dematerialisation of Shares and Liquidity**

As on 31<sup>st</sup> March, 2010, 84.04 % of Company's Equity Share Capital has been dematerialised.

**n) 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. 22844051/63 Fax No. 22844052  
 : Email : Pridemumbai @ reddifmail.com

**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 :
  - i. These statements do not contain any materially untrue statement or omit any material fact nor do they 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 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. there are 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, 31<sup>st</sup> May, 2010

**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 31<sup>st</sup> March 2010.

For **S. P. CAPITAL FINANCING LIMITED**

**S. P. Jain**  
Chairman

*Mumbai, 31<sup>st</sup> May, 2010*

**AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT**

**To The Members of S. P. Capital Financing Limited**

We have examined the compliance of conditions of Corporate Governance by S. P. Capital Financing Limited, for the year ended on 31<sup>st</sup> March 2010, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of 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 and the representations made by the Directors and Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

We state that no investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the Shareholders / Investors Grievance Committee.

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 **SANJAY RAJA JAIN & CO.**  
CHARTERED ACCOUNTANTS

Place : Mumbai.  
Date : 31.05.2010

**SURJEET JAIN**  
(PARTNER)

**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, 2010 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

S/d

(Martinho Ferrao)

Proprietor

C.P.No.5676

Place: Mumbai

Dated: 31.05.2010

**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 31<sup>st</sup> March 2010 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) In our opinion, and to the best of our information and explanations given to us none of the directors of the company are disqualified as on 31<sup>st</sup> March, 2010 from being appointed as directors in terms of clause "g" of sub-section (1) of section 274 of the companies Act 1956.
  - (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 31<sup>st</sup> March, 2010;
    - (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 : 31.05.2010**



**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 the company covered in the register maintained U/s. 301 of the companies Act, 1956. The year-end balance of loan taken from the such parties was Rs. 48.73 Lacs.  
  
The Company has granted loans to the parties and the year end the balance of the loan given to such parties was Rs139.81 Lacs.
  - 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 31<sup>st</sup> March 2010 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 : 31.05.2010**

**BALANCE SHEET AS ON 31ST MARCH, 2010**

<b>PARTICULARS</b>	<b>SCHEDULE</b>	<b>AS AT 31ST MAR' 10</b>	<b>AS AT 31ST MAR' 09</b>
<b>SOURCES OF FUNDS</b>			
<b>SHAREHOLDERS FUND</b>			
Share Capital	1	59,890,527	59,832,027
Reserve & Surplus	2	60,889,963	61,037,982
<b>LOANS FUNDS</b>			
Unsecured Loans	3	4,872,730	4,610,000
		<u>125,653,220</u>	<u>125,480,009</u>
<b>APPLICATION OF FUNDS</b>			
<b>FIXED ASSETS</b>			
Gross Block	4	3,478,991	13,475,447
Less : Depreciation		<u>2,554,774</u>	<u>12,361,157</u>
Net Block		924,216	1,114,291
<b>INVESTMENTS</b>			
		-	-
<b>DEFERRED TAX ASSETS</b>			
		42,368	-
<b>CURRENT ASSETS, LOANS AND ADVANCE</b>			
Stock In Trade	5	42,450,490	36,798,392
Loans & Advances	6	29,761,178	62,844,510
Cash & Bank Balance	7	39,414,724	8,239,416
Other current Assets	8	15,035,615	14,503,979
		<u>126,662,006</u>	<u>122,386,297</u>
<b>Less : CUURENT LIABILITIES &amp; PROVISIONS</b>			
Current Liabilities	9	390,370	7,500
Provision	10	<u>1,585,000</u>	<u>1,125,000</u>
		1,975,370	1,132,500
<b>Net Current Assets</b>		<b>124,686,636</b>	<b>121,253,797</b>
<b>MISCELLANIOUS EXPENDITURE</b>	11	-	3,111,922
		<u>125,653,220</u>	<u>125,480,009</u>
Significant Accounting Policies and Notes on Accounts	15		

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

**SIDDHARTH BHARILLA**  
DIRECTOR

**SURJEET JAIN**  
(PARTNER)  
M.No. 129531

**D.P. JAIN**  
DIRECTOR

**BHUPENDRA T. SHAH**  
DIRECTOR

**MEENA JAIN**  
DIRECTOR

PLACE : MUMBAI  
DATE : 31.05.2010

**PROFIT & LOSS A/C. AS ON 31ST MARCH, 2010**

<b><u>PARTICULARS</u></b>	<b><u>SCHEDULE</u></b>	<b><u>AS AT 31ST MAR' 10</u></b>	<b><u>AS AT 31ST MAR' 09</u></b>
<b><u>INCOME</u></b>			
Sale of Security		<b>393,579,029</b>	83,510,015
Other Income	<b>12</b>	<b>5,880,880</b>	11,486,397
<b>Total of Income</b>		<b><u>399,459,909</u></b>	<b><u>94,996,412</u></b>
<b><u>EXPENDITURE</u></b>			
Operating Expenses	<b>13</b>	<b>1,144,618</b>	810,471
Employees Remuneration	<b>14</b>	<b>873,267</b>	1,175,465
Cost of Security		<b>393,661,914</b>	90,794,275
<b>Total of Expenses</b>		<b><u>395,679,799</u></b>	<b><u>92,780,211</u></b>
<b>Profit before Depreciation &amp; Tax</b>		<b>3,780,110</b>	2,216,201
Depreciation		<b>(190,074)</b>	(635,806)
<b>Profit before Tax</b>		<b>3,590,036</b>	1,580,395
Less : Provision for taxation			
Current Tax		<b>(710,000)</b>	(250,000)
Deferred Tax		<b>(39,742)</b>	-
<b>Profit after Tax</b>		<b>2,840,294</b>	1,330,395
Add : balance Brought Forward		<b>5,788,955</b>	4,858,560
Balance available for Appropriation		<b>8,629,249</b>	<b>6,188,955</b>
<b><u>APPROPRIATION</u></b>			
Transfer to Reserve Fund (RBI)		<b>800,000</b>	400,000
Balance carried to Balance Sheet		<b>7,829,249</b>	<b>5,788,955</b>
EPS (Basic & Diluted) Face value of shares is Rs. 10/- each		<b>0.47</b>	<b>0.22</b>
Significant Accounting Policies and Notes on Accounts	<b>15</b>		

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**

**SIDDHARTH BHARILLA**  
**DIRECTOR**

**SURJEET JAIN**  
**(PARTNER)**  
**M.No. 129531**

**D.P. JAIN**  
**DIRECTOR**

**BHUPENDRA T. SHAH**  
**DIRECTOR**

**MEENA JAIN**  
**DIRECTOR**

PLACE : MUMBAI  
DATE : 31.05.2010

**SCHEDULES FORMING PART OF ACCOUNTS**

	<b>AS AT 31ST MAR' 10</b>	<b>AS AT 31ST MAR' 09</b>
<b>SCHEDULE - 1.</b>		
<b>SHARE CAPITAL</b>		
<b>AUTHORISED SHARE CAPITAL</b>		
61,00,000 Equity Share of Rs.10/- each	61,000,000	61,000,000
6,00,000 Preference Share of Rs. 100/= each	60,000,000	60,000,000
	<u>121,000,000</u>	<u>121,000,000</u>
<b>ISSUED AND SUBSCRIBED SHARE CAPITAL</b>		
60,12,200 Equity Share of Rs.10/- each	60,122,000	60,122,000
(P.Y. 60,12,200 Equity Share of Rs.10/- each)	<u>60,122,000</u>	<u>60,122,000</u>
<b>PAID UP CAPITAL</b>		
Issued and Subscribed equity Share Capital		
Less : Call in Arrears	60,122,000	60,122,000
	<u>231,473</u>	<u>289,973</u>
	<u>59,890,527</u>	<u>59,832,027</u>
<b>SCHEDULE - 2.</b>		
<b>RESERVE &amp; SURPLUS</b>		
<b>A. SHARE PREMIUM</b>	30,122,000	30,122,000
Less : Miscellaneous Expenses balance written off	3,111,922	-
Less : Share premium receivable on calls in arrears	<u>231,473</u>	<u>272,973</u>
	26,778,605	29,849,027
<b>B. GENERAL RESERVE</b>		
As per Last balance Sheet	14,500,000	14,500,000
<b>C. RESERVE FUND (U/S. 45 OF RBI ACT)</b>		
As per Last balance Sheet	10,900,000	10,500,000
Add : Transferred from P & L A/C.	<u>800,000</u>	<u>400,000</u>
	11,700,000	10,900,000
<b>D. PROFIT &amp; LOSS A/C.</b>		
Surplus in Profit & Loss Account	7,829,249	5,788,955
Add: Deferred tax assets on Opening WDV	82,109	-
	<u>7,911,358</u>	<u>5,788,955</u>
<b>TOTAL A+B+C+D</b>	<u>60,889,963</u>	<u>61,037,982</u>
<b>SCHEDULE - 3</b>		
<b>UNSECURED LOANS</b>		
Intercorporate Deposit	4,872,730	4,610,000
	<u>4,872,730</u>	<u>4,610,000</u>



**SCHEDULE - 4.**

**STATEMENT OF FIXED ASSETS**

PARTICULARS	GROSS BLOCK		DEPRECIATION			NET BLOCK		
	AS ON 31/03/09	ADDITION (DEDUCTION)	TOTAL	AS ON 31/03/09	FOR THE YEAR	TOTAL	AS ON 31/03/10	AS ON 31/03/09
PREMISES	291,000	-	291,000	65,074	4,564	69,638	221,362	225,926
OFFICE FURNITURE	2,157,003	-	2,157,003	1,717,397	136,538	1,853,935	303,068	439,606
OFFICE EQUIPMENTS	1,030,988	-	1,030,988	582,229	48,972	631,201	399,787	448,759
<b>TOTAL</b>	<b>3,478,991</b>	<b>-</b>	<b>3,478,991</b>	<b>2,364,700</b>	<b>190,074</b>	<b>2,554,774</b>	<b>924,216</b>	<b>1,114,291</b>
<b>P. Y. TOTAL</b>	<b>13,906,315</b>	<b>(430,868)</b>	<b>13,475,447</b>	<b>11,725,350</b>	<b>635,806</b>	<b>12,361,157</b>	<b>1,114,291</b>	

**ACCOUNTING YEAR - 2009 - 2010**

	<b>AS AT 31ST MAR' 10</b>	<b>AS AT 31ST MAR' 09</b>
<b>SCHEDULE - 5</b>		
<b>STOCK IN TRADE</b>		
(As certified by the management)		
Stock In Trade (Un Quoted)	18,720,900	18,077,492
Stock In Trade (Quoted)	23,729,590	18,720,900
	<u>42,450,490</u>	<u>36,798,392</u>
<b>SCHEDULE - 6</b>		
<b>LOANS &amp; ADVANCES</b>		
(Unsecured considered good)		
Loans to Bill Discounting	19,793,438	41,088,484
Staff Advances	32,926	81,616
Othe Advances	9,934,814	21,674,410
	<u>29,761,178</u>	<u>62,844,510</u>
<b>SCHEDULE - 7</b>		
<b>CASH &amp; BANK BALANCE</b>		
Cash in hand	502,892	256,756
Balance in schedule Bank In current Account	38,911,832	7,982,660
	<u>39,414,724</u>	<u>8,239,416</u>
<b>SCHEDULE - 8</b>		
<b>OTHER CURRENT ASSETS</b>		
Deposits	10,027,300	10,027,300
Advance Tax paid	5,008,315	4,476,679
	<u>15,035,615</u>	<u>14,503,979</u>
<b>SCHEDULE - 9</b>		
<b>CURRENT LIABILITIES</b>		
Sundry Creditors	362,870	-
Audit fees payable	27,500	7,500
	<u>390,370</u>	<u>7,500</u>
<b>SCHEDULE - 10</b>		
<b>PROVISIONS</b>		
Provision For Taxation	710,000	250,000
Provision For N.P.A	875,000	875,000
	<u>1,585,000</u>	<u>1,125,000</u>
<b>SCHEDULE - 11</b>		
<b>MISCELLANIOUS EXPENDITURE</b>		
(To the extent not written off)		
opening balance	3,111,922	3,111,922
Less: Written off & adjusted in share premium A/c	(3,111,922)	-
	<u>-</u>	<u>3,111,922</u>

**ACCOUNTING YEAR - 2009 - 2010**

	<b><u>AS AT 31ST MAR' 10</u></b>	<b><u>AS AT 31ST MAR' 09</u></b>
<b><u>SCHEDULE - 12</u></b>		
Bad Debts Recovers	2,162,250	9,262,628
Sales of Vashi Office	-	1,025,133
Interest & Discount Received	2,570,607	956,741
Dividend	1,148,023	241,896
	<u>5,880,880</u>	<u>11,486,397</u>
<b><u>SCHEDULE - 13</u></b>		
<b><u>OPERATING EXPENSES</u></b>		
Printing & Stationary	24,526	32,385
Office Expenses	33,712	35,129
Books & Periodicals	19,407	3,259
Advertisement Expenses	25,631	38,428
Audit Fees	27,500	7,500
Bank Charge	5,827	15,791
Brokerage	283,578	95,263
Conveyance & Motor Car Expenses	113,384	105,043
Postage Courier & Stamp	42,463	46,996
Professional Fees	172,468	-
Retainership A/C.	86,040	101,780
Listing & Membership Expenses	85,081	99,654
Repair & Maintance Exp	8,839	2,965
Telephone Expenses	45,956	48,669
Rent	120,000	120,000
Sundry Expenses	31,339	39,461
Legal Expenses	18,868	18,149
	<u>1,144,618</u>	<u>810,471</u>
<b><u>SCHEDULE - 14</u></b>		
<b><u>EMPLOYEES REMUNERATION &amp; BENEFITS</u></b>		
Salary	794,268	1,125,428
Staff Welfare	78,999	50,037
	<u>873,267</u>	<u>1,175,465</u>



**SCHEDULE – 14****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) Investments:**

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

**(D) Revenue recognition:**

- a) Sales of securities also include dealings in Derivatives.
- b) Profit & loss from securities are recognized on settlement dates.
- c) Dividend income is accounted on receipt basis.
- d) In respect of other income, company follow accrual basis of accounting of such income.

**(E) 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.

**(F) Stock In Trade:**

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

**(G) 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.

**(H) 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.

**II. NOTES ON ACCOUNTS:**

1. Contingent Liability is Nil (P.Y. Nil).
2. The company does not have any dealings with any enterprise under the Micro, Small and Medium Enterprises Development Act, 2006.
3. Auditor's Remuneration

	<b>2009-2010</b>	<b>2008 -2009</b>
i) Audit Fees	27,500	7,500
ii) Other Matters	NIL	NIL
iii) Expense	NIL	NIL
<b>TOTAL</b>	<b>27,500</b>	<b>7,500</b>



4. Other Information pursuant to the provisions of Para 3 and 4 of Part-II of Schedule VI of Companies Act, 1956 (vide notification dated 30<sup>th</sup> October, 1973 of the Department of Company Affairs, Government of India) are either Nil or Not Applicable.
5. 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.
6. During the year Preliminary Expenses (being shares issue expenses) appearing in the Assets as on 31.03.2009 has been written off and adjusted with the credit balance in Share premium account appearing in reserve & surplus.
7. Related party disclosures as required by Accounting Standard 18," Related party disclosures" are given below

<u>Particulars</u>	<u>Key Managerial Persons</u>		<u>Relative of Key Managerial Person</u>		<u>Companies/Firms Controlled by key managerial Persons/Relatives</u>	
	<u>Current Year</u>	<u>Previous Year</u>	<u>Current Year</u>	<u>Previous Year</u>	<u>Current Year</u>	<u>Previous Year</u>
<b>Transactions during the year</b>						
Loan Given	-	-	-	-	1,59,60,153	9,79,59,000
Repayment of Loan given	-	-	-	-	5,96,78,234	6,32,79,950
Purchase					1,191,850	-
Sales				1,000,000	1,199,110	
Interest Received	-	-	-	-	2,428,491	946,960
Rent Paid	60,000	60,000			60,000	60,000
Compensation Recd (incl. of Service Tax)	-	-	-	-	-	-
<b>Outstanding Balance as on 31.03.2010</b>						
Loans Given	-	-	-	-	2,07,37,705	6,19,07,434
Warehouse/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:

No transaction with them

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 institute of Hosp & Bus Mgt  
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 Invetment Corporation  
S.P.Realtors Pvt Ltd  
The Executive Inn Ltd

**8. 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 20 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:

(Rs. In Lacs)

<b>PARTICULARS</b>	<b>2009 – 2010</b>	<b>2008– 2009</b>
Future Minimum lease payments obligation on non-cancelable operating leases :		
Not later than one year	—	1.20
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

**8. Earning per share as per Accounting Standard 20:**

<b>PARTICULARS</b>	<b>2009-2010</b>	<b>2008-2009</b>
Profit & Loss after tax	28,40,294	13,30,395
Equity share of Rs.10/- each (Nos.)	60,12,200	60,12,200
Basic/Diluted Earnings per share (Rs.)	0.47	0.22

**10. Calculation of Deferred Tax Assets:**

On account of opening WDV	82,109
On account of Depreciation	(39,742)

(Deferred Tax on opening WDV of Fixed Assets is provided and adjusted from the opening balance in the profit and loss account).

11. Previous Years figures have been regrouped / rearranged wherever necessary.

12. Additional information pursuant to the provisions of Part IV of Schedule VI to the Companies Act, 1956.

As per our report of even date

For &amp; on behalf of the Board

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

**S.P. JAIN**  
 CHAIRMAN

**BALDEV L. BOOLANI**  
 DIRECTOR

**SIDDHARTH BHARILLA**  
 DIRECTOR

**SURJEET JAIN**  
 (PARTNER)  
 M.No. 129531

**D.P. JAIN**  
 DIRECTOR

**BHUPENDRA T. SHAH**  
 DIRECTOR

**MEENA JAIN**  
 DIRECTOR

PLACE : MUMBAI  
 DATE : 31.05.2010

**ACCOUNTING YEAR - 2009 - 2010**

Additional Information pursuant to part VI to the Companies ACT, 1956.

I. Registration Details		
Registration No.	<b>29,494</b>	<b>29,494</b>
State Code	<b>11</b>	<b>11</b>
Balance Sheet Date	<b><u>31ST MAR' 10</u></b>	<b><u>31ST MAR' 09</u></b>
II. Capital Raised During the year		
Public Issue (Issue through prospect)	-	-
Right Issue	-	-
Bonus Issue	-	-
Private Placement	-	-
III. Position of Mobilisation and Deployment of fund		
Total Liabilities	<b>125,653,220</b>	125,480,009
Total Assets	<b>125,653,220</b>	125,480,009
Sources of Fund		
Paid - up Capital	<b>59,890,527</b>	59,832,027
Reserve & Surplus	<b>60,889,963</b>	61,037,982
Secured Loans	-	-
Unsecured Loans	<b>4,872,730</b>	4,610,000
Application Money		
Application of Funds		
Net Fixed Assets	<b>924,216</b>	1,114,291
Investments	-	-
Net Current Assets	<b>124,686,636</b>	121,253,797
Misc. Expenditure	-	3,111,922
Accumulated Losses	-	-
Deferred Tax	<b>42,368</b>	-
Performance of Company		
Turnover / Receipt	<b>399,459,909</b>	94,996,412
Total Expenditure	<b>395,869,873</b>	93,416,017
Profit / Before Tax	<b>3,590,036</b>	1,580,395
Profit / After Tax	<b>2,840,294</b>	1,330,395
Earning per Share in Rs.	<b>0.47</b>	0.22
Dividend	-	-
IV. Generic Name of Principal Products of Company ( As per Monetary Terms)		
Item Code No.	-	-
Product Description	-	-

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

For &amp; on behalf of the Board

**S.P. JAIN**  
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 DIRECTOR

**MEENA JAIN**  
 DIRECTOR

PLACE : MUMBAI  
 DATE : 31.05.2010

**CASH FLOW STATEMENT PURSUANT TO CLAUSE 32 OF THE LISTING AGREEMENTS****31ST MARCH, 2010****( Rs. In Lacs)**

<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>	<b>AS AT 31ST MAR' 10</b>	<b>AS AT 31ST MAR' 09</b>
Net Profit before tax and extraordinary items		
Adjustment for :	<b>35.90</b>	15.80
Add : Depreciation	<u>1.90</u>	<u>6.36</u>
	<u><b>37.80</b></u>	<u><b>22.16</b></u>
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>		
Adjustment for :		
1. Change in Loans & Advances	<b>330.83</b>	(312.72)
2. Trade Payables and other Liabilities	<b>8.43</b>	(4.08)
3. Increase/Decrease in Stock in Trade	<b>(56.52)</b>	80.49
4. Other current Assets	<u><b>(5.32)</b></u>	<u>-</u>
	<u><b>277.42</b></u>	<u><b>(236.31)</b></u>
<b>CASH GENERATED FROM OPERATION</b>		
1. Direct Tax	<b>(7.10)</b>	(2.50)
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<u><b>308.12</b></u>	<u><b>(216.65)</b></u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Sales of Fixed Assets	-	4.31
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<u>-</u>	<u><b>4.31</b></u>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Issue of share cap.(include.Pre)	<b>1.00</b>	-
Increase in borrowings	<u><b>2.63</b></u>	<u>-</u>
<b>NET CASH FROM (USED IN) FINANCING ACTIVITIES</b>	<u><b>3.63</b></u>	<u>-</u>
<b>NET INCREASE/ (DECREASE) IN CASH OR CASH EQUIVA</b>	<u><b>311.75</b></u>	<u><b>(212.34)</b></u>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>82.39</b>	294.73
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	<b>394.14</b>	82.39

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

**SIDDHARTH BHARILLA**  
 DIRECTOR

**SURJEET JAIN**  
 (PARTNER)  
 M.No. 129531

**D.P. JAIN**  
 DIRECTOR

**BHUPENDRA T. SHAH**  
 DIRECTOR

**MEENA JAIN**  
 DIRECTOR

PLACE : MUMBAI  
 DATE : 31.05.2010

To,  
 The Board of Directors  
 S.P.Capital Financing Ltd,  
 908, Dalamal Tower, 211, Nariman Point,  
 Mumbai – 400 021.

We have examined the attached cash flow statement of S.P.Capital Financing Ltd for the year ended 31<sup>st</sup> March 2010. The statement has been prepared by the company in accordance with the requirements of listing agreement Clause 32 with the Stock Exchange, Mumbai and is based on and in agreement with the corresponding Profit and Loss Account and Balance Sheet of the Company covered by our report of 31<sup>st</sup> May 2010 to the members of the company.

**For SANJAY RAJA JAIN & CO**  
**CHARTERED ACCOUNTANTS**

**MUMBAI**  
**DATE : 31.05.2010**

**SURJEET JAIN**  
**(PROPRIETOR)**



**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 27th Annual General Meeting of the Company to be held of 30th day of Sept. 2010 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 \_\_\_\_\_

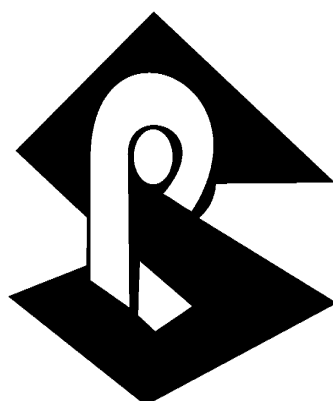
as my/our proxy to attend and vote for my/us on my/our behalf at the 27th Annual General Meeting of the Company to be held on 30th Sept. 2010 at 3.00 p.m. at 908, Dalamal Tower, 211, Nariman Point, Mumbai - 400 021, and any adjournment thereof.

Signed this \_\_\_\_\_ day of 2010.

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.



**SP CAPITAL**  
**FINANCING LIMITED**

**27th**  

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**ANNUAL REPORT**  
**2009-2010**

BOOK-POST

To,

*If undelivered please return to :-*



**SP CAPITAL**

**FINANCING LTD.**

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