

**Board 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

28th ANNUAL REPORT 2011 :

DATE : 30th September, 2011
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 / 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

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**NOTICE**

NOTICE is hereby given that the 28th 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 Friday, September 30, 2011 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, 2011 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 D. P. Jain who retires by rotation and being eligible to offer himself for reappointment.
4. To appoint a Director in place of Shri Baldev L Boolani 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 Friday, September 23, 2011 to Friday, September 30, 2011 (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, 2011

**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 D. P. Jain
2. Date of Birth	19 th December, 1960
3. Profession	Industrialist
4. Qualification	B. Com. L.L.B (G), D.T.M
5. List of other Directorship held excluding private Companies	3 (Three)
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 Business.

Item No. 3

1. Name	Shri Baldev L Boolani
2. Date of Birth	19 th February, 1929
3. Profession	Business
4. Qualification	M.Sc.(Tech)
5. List of other Directorship held excluding private Companies	Nil
6. Chairman/Member of the Committee of Board of Director of the Company	2(Two)
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 Mfg plastic processing machines & packaging material Industries..

For and on behalf of the Board

S. P. Jain
Chairman

Registered Office:

908, Dalamal Towers,
211, Nariman Point,
Mumbai-400 021.
May 30, 2011

**DIRECTORS REPORT**

Dear Shareholders,

Your Directors have pleasure in presenting the 28th Annual Report of the Company along with the audited statements of accounts for the year ended March 31, 2011.

(Amount in Lacs Rs.)

Particulars	Year ended March 31, 2011	Year ended March 31, 2010
Net Sales / Income	563.10	3994.60
Profit Before Tax	24.57	35.90
Provision for Taxation (including deferred Tax)	6.64	7.50
Net Profit After Tax	17.93	28.40
Profit brought forward from Previous Year	79.11	57.89
Appropriation – Transferred to Reserve Fund	5.00	8.00
Transferred to General Reserve	5.00	0
Proposed Dividend	12.02	0
Tax on Proposed Dividend	1.95	0
Surplus carried to Balance Sheet	73.06	78.29

DIVIDEND

The Board of Directors of the Company recommend dividend of 0.20 paise per share (2%) on 6012200 equity shares of Rs.10/- each for the year ended March 31, 2011.

OPERATIONS

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 Profit after tax for the year was Rs. 17.93 Lakhs as compared to Rs. 28.40 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

During the year two of the Directors of the Company Mr. Siddharth Bharill & Mrs. Meena Jain have resigned due to preoccupation. The Board of Directors recorded the valuable contribution made by Mr. Siddharth Bharill & Mrs. Meena Jain during their tenure on the Board. Shri D.P.Jain and Shri Baldev L Boolani, 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, 2011 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 there under 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 employee 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, 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, 2011.

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 2010-11 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 121 crores a strong 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

Our country requires new cities new townships where our population can reside & work. Investors have identified India and potent body of 300 million middle class, the world's largest waiting to unleash its nascent strength of popular consumerism. As per the recent survey population of India stands at 121 crores, 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 metropolis 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 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's 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. 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.

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.

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 changes in Government regulation and tax structure, economic developments within India and other factors such as litigations and Industrial relations of India. The Company assumes no responsibility in respect of forward 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

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 30, 2011

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, 2011.

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	1	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, 2011. 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: 31st May, 2010, 31st July, 2010, 9th August, 2010, 30th October, 2010 and 31st January, 2011.

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	3	Present
*Shri Siddharth Bharilla	Non-promoter / Independent Director	1	-
Shri Bhupendra T Shah	Non-promoter / Independent Director	2	Present
*Mrs. Meena S Jain	Promoter / Director	1	-
Shri D. P. Jain	Promoter / Director	5	Present

* Mr. Siddharth Bharilla & Mrs. Meena Jain have resigned as Directors from 31.07.2010

(D) Directors seeking appointment / Re-appointment:

Pursuant to provisions of the Companies Act, 1956, Shri D. P. Jain and Shri Baldev L. Boolani, retire by rotation and being eligible, offer themselves for re-appointment.

**MR. D.P.JAIN- DIRECTOR**

Mr. D.P. Jain is the Promoter Non Executive Director of the Company. He is 51 years old and is post graduate B. Com. L.L.B (G), D.T.M. He has vast experience in the field of Finance, & Construction Business.

MR. BALDEV L. BOOLANI- DIRECTOR

Mr. Baldev L. Boolani is Independent Non Executive Director of the Company. He is around 82 years old and is post graduate M.Sc.(Tech). He has got vast experience in the field of Mfg plastic processing machines & packaging material Industries.

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 31st May, 2010, 9th August, 2010, 30th October, 2010, and 31st January, 2011 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 29.01.2011 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 31/3/2011
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
2007 - 2008	30 th September, 2008	Registered Office	3 p.m.
2008 - 2009	30 th September, 2009	Registered Office	3 p.m.
2009 - 2010	30 th September, 2010	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 30, 2011 at 3.00 p.m.
Venue : 908 Dalamal Tower,
211 Nariman Point,
Mumbai – 400 021.

c) Financial Calendar 2011 – 2012 (tentative schedule)

First Quarter ending June 30, 2011	By the end of July, 2011
Half/Second Quarter ending September 30, 2011	By the end of October, 2011
Third Quarter/Nine Months ending December 31, 2011	By the end of January, 2012
Yearly Audited /Fourth Quarter ending March 31, 2012	By the end of May, 2012

d) Date of Book Closure:

The Register of Members and Transfer Register of the Company will remain closed from 23rd September, 2011 to 30th September, 2011 (both days inclusive).

e) **Dividend Payment Date:** on or after 30th September, 2011

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

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

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

Month	Mumbai Stock Exchange	
	High	Low
April – 2010	31.50	19.80
May – 2010	22.55	18.45
June – 2010	23.90	17.55
July – 2010	33.15	20.65
August – 2010	33.35	21.70
September – 2010	68.85	31.70
October –2010	80.30	58.00
November – 2010	61.95	45.00
December – 2010	54.85	36.20
January - 2011	64.00	49.35
February – 2011	66.95	47.90
March – 2011	56.00	46.70

i) Shareholding pattern as at 31st March, 2011:

Sr.No	Category	No. of Shares	% of paid up Capital
1.	Promoters	4467100	74.30
2.	Mutual Fund, Institution & Bank	49800	0.83
3.	Corporate Bodies	722500	12.02
4.	NRI's	11700	0.19
5.	Public	761100	12.66
	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

h) 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 31st March 2011:**

Range of Shares	Number of Shareholders	Percentage of Shareholders	No. of Shares	Amt. Percentage
01 to 5000	478	67.99	143800	2.39
5001 to 10000	111	15.79	88100	1.47
10001 to 20000	29	4.13	48400	0.80
20001 to 30000	15	2.13	37500	0.62
30001 to 40000	4	0.57	13900	0.23
40001 to 50000	8	1.14	38900	0.65
50001 to 100000	22	3.13	179100	2.98
100001 to 99999999	36	5.12	5462500	90.86
Total ...	703	100	6012200	100.00

m) Dematerialisation of Shares and Liquidity

As on 31st March, 2011, 92.91% 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

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

8. 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. 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, 2011

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 2011.

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

S. P. Jain
Chairman

Mumbai, 30th May, 2011

**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, 2011 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: 30.05.2011

**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 31st March 2011, 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 : 30.05.2011

SURJEET JAIN
(PARTNER)

**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 2011 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 31st March, 2011 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 31st March, 2011;
 - (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 : 30.05.2011

**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 13 parties referred above of Rs. 136.84 lakhs during the year and the closing Balance as at the end is Rs. 90.60 lakhs.
The Company has granted loan to 16 parties aggregating to Rs. 741.37 lakhs and the closing year end balance is Rs.67.06 Lakhs.
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 2011 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 : 30.05.2011

**BALANCE SHEET AS AT 31ST MARCH, 2011**

<u>PARTICULARS</u>	<u>SCHEDULE</u>	<u>AS AT 31ST MAR' 11</u> (Rs.)	<u>AS AT 31ST MAR' 10</u> (Rs.)
<u>SOURCES OF FUNDS</u>			
SHAREHOLDERS FUND			
Share Capital	1	60,038,500	59,890,527
Reserve & Surplus	2	61,432,990	60,889,963
LOAN FUNDS			
Unsecured Loans	3	9,060,730	4,872,730
		<u>130,532,220</u>	<u>125,653,220</u>
<u>APPLICATION OF FUNDS</u>			
FIXED ASSETS			
Gross Block	4	3,478,991	3,478,991
Less : Depreciation		<u>2,744,849</u>	<u>2,554,774</u>
Net Block		734,142	924,216
INVESTMENTS			
		-	-
DEFERRED TAX ASSETS			
		67,276	42,367
CURRENT ASSETS, LOANS AND ADVANCES			
Stock In Trade	5	29,034,823	42,450,490
Loans , Advances & Deposits	6	86,876,818	44,796,792
Cash & Bank Balance	7	16,831,110	39,414,724
		<u>132,742,751</u>	<u>126,662,006</u>
Less : CUURENT LIABILITIES & PROVISIONS			
Current Liabilities	8	50,000	390,370
Provisions	9	2,961,949	1,585,000
		<u>3,011,949</u>	<u>1,975,370</u>
Net Current Assets		129,730,802	124,686,636
MISCELLANIOUS EXPENDITURE	10	-	-
		<u>130,532,220</u>	<u>125,653,220</u>

Significant Accounting Policies and Notes on Accounts14

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 : 30.05.2011

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 ACCOUNT FOR THE YEAR ENDED 31 ST MARCH,2011**

<u>PARTICULARS</u>	<u>SCHEDULE</u>	<u>YEAR ENDED</u> <u>31ST MARCH 2011</u> (Rs.)	<u>YEAR ENDED</u> <u>31ST MARCH 2010</u> (Rs.)
<u>INCOME</u>			
Sale of Security		50,222,258	393,579,029
Other Income	11	6,088,132	5,880,880
Total Income		56,310,390	399,459,909
<u>EXPENDITURE</u>			
Operating Expenses	12	847,694	1,144,618
Employees Remuneration	13	966,227	873,267
Cost of Security		51,849,301	393,661,914
Total Expenses		53,663,222	395,679,799
Profit before Depreciation & Tax		2,647,168	3,780,110
Depreciation		(190,074)	(190,074)
Profit before Tax		2,457,094	3,590,036
Less : Provision for taxation			
Current Tax		(689,443)	(710,000)
Deferred Tax		24,908	(39,742)
Profit after Tax		1,792,559	2,840,294
Add : balance Brought Forward		7,911,359	5,788,955
Balance avialable for Appropriaton		9,703,918	8,629,249
<u>APPROPRIATION</u>			
Proposed Dividend		1,202,440	-
Tax on Proposed Dividend		195,066	-
Transfer to General Reserve		500,000	-
Transfer to Reserve Fund (RBI)		500,000	800,000
Balance carried to Balance Sheet		7,306,412	7,829,249
EPS (Basic & Diluted) Face value of shares is Rs. 10/- each		0.30	0.47

Significant Accounting Policies and

Notes on Accounts

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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 : 30.05.2011

For & on behalf of the Board

S.P. JAIN
CHAIRMAN

BALDEV L. BOOLANI
DIRECTOR

D.P. JAIN
DIRECTOR

BHUPENDRA T. SHAH
DIRECTOR

**SCHEDULES FORMING PART OF ACCOUNTS**

	AS AT 31ST MAR' 11 (Rs.)	AS AT 31ST MAR' 10 (Rs.)
SCHEDULE - 1.		
SHARE CAPITAL		
AUTHORISED SHARE CAPITAL		
1,21,00,000 (61,00,000) Equity Shares of Rs.10/- each	121,000,000	61,000,000
6,00,000 Preference Shares of Rs. 100/= each	-	60,000,000
	<u>121,000,000</u>	<u>121,000,000</u>
ISSUED AND SUBSCRIBED SHARE CAPITAL		
60,12,200 Equity Shares of Rs.10/- each	60,122,000	60,122,000
(P.Y. 60,12,200 Equity Shares of Rs.10/- each)	<u>60,122,000</u>	<u>60,122,000</u>
PAID UP CAPITAL		
Issued and Subscribed Equity Share Capital	60,122,000	60,122,000
Less : Call in Arrears	83,500	231,473
	<u>60,038,500</u>	<u>59,890,527</u>
SCHEDULE - 2.		
RESERVE & SURPLUS		
A. SHARE PREMIUM		
Less : Miscellaneous Expenses balance written off	3,111,922	3,111,922
Less : Share premium receivable on calls in arrears	83,500	231,473
	<u>26,926,578</u>	<u>26,778,605</u>
B. GENERAL RESERVE		
As per Last balance Sheet	14,500,000	14,500,000
Add: Transferred from Profit & Loss A/c.	500,000	-
	<u>15,000,000</u>	<u>14,500,000</u>
C. RESERVE FUND (U/S. 45 OF RBI ACT)		
As per Last balance Sheet	11,700,000	10,900,000
Add: Transferred from Profit & Loss A/c.	500,000	800,000
	<u>12,200,000</u>	<u>11,700,000</u>
D. PROFIT & LOSS A/C.		
Surplus in Profit & Loss Account	7,306,412	7,829,249
Add: Deferred tax assets on Opening WDV	-	82,109
	<u>7,306,412</u>	<u>7,911,358</u>
TOTAL A+B+C+D	<u>61,432,990</u>	<u>60,889,963</u>
SCHEDULE - 3		
UNSECURED LOANS		
Intercorporate Deposit	9,060,730	4,872,730
	<u>9,060,730</u>	<u>4,872,730</u>

**SCHEDULE - 4.****STATEMENT OF FIXED ASSETS**

PARTICULARS	GROSS BLOCK		DEPRECIATION		NET BLOCK		
	ASAT 01/04/10 RS.	ADDITION (DEDUCTION) RS.	ASAT 01/04/10 RS.	FOR THE YEAR RS.	TOTAL RS.	ASAT 31/03/11 RS.	ASAT 31/03/10 RS.
PREMISES	291,000	-	69,638	4,564	74,202	216,798	221,362
OFFICE FURNITURE	2,157,003	-	1,853,935	136,538	1,990,473	166,530	303,068
OFFICE EQUIPMENTS	1,030,988	-	631,201	48,972	680,173	350,814	399,786
TOTAL	3,478,991	-	2,554,774	190,074	2,744,849	734,142	924,216
P. Y. TOTAL	3,478,991	-	2,364,700	190,074	2,554,774	924,216	

**SCHEDULES FORMING PART OF ACCOUNTS**

	AS AT 31ST MAR' 11 (Rs.)	AS AT 31ST MAR' 10 (Rs.)
SCHEDULE - 5		
<u>STOCK IN TRADE</u>		
(As certified by the management)		
Stock In Trade (Quoted)	10,313,923	23,729,590
Stock In Trade (Un Quoted)	<u>18,720,900</u>	<u>18,720,900</u>
	<u>29,034,823</u>	<u>42,450,490</u>
SCHEDULE - 6		
<u>LOANS, ADVANCES & DEPOSITS</u>		
(Unsecured considered good)		
Loans & Advances	7,869,890	19,826,364
Other Advances	64,000,000	9,934,814
Deposits	10,027,300	10,027,300
Taxes with Revenue Authorities	<u>4,979,628</u>	<u>5,008,315</u>
	<u>86,876,818</u>	<u>44,796,792</u>
SCHEDULE - 7		
<u>CASH & BANK BALANCE</u>		
Cash in hand	10,930	502,892
Balance in scheduled Bank		
In current Account	<u>16,820,180</u>	<u>38,911,832</u>
	<u>16,831,110</u>	<u>39,414,724</u>
SCHEDULE - 8		
<u>CURRENT LIABILITIES</u>		
Sundry Creditors & Other Liabilities	<u>50,000</u>	<u>390,370</u>
	<u>50,000</u>	<u>390,370</u>
SCHEDULE - 9		
<u>PROVISIONS</u>		
Provision For Taxation	689,443	710,000
Provision For N.P.A	875,000	875,000
Provision For Dividend	1,202,440	-
Provision for Proposed Dividend tax	<u>195,066</u>	<u>-</u>
	<u>2,961,949</u>	<u>1,585,000</u>
SCHEDULE - 10		
<u>MISCELLANIOUS EXPENDITURE</u>		
(To the extent not written off)		
opening balance	-	3,111,922
Less: Written off & adjusted in share premium A/c	<u>-</u>	<u>(3,111,922)</u>
	<u>-</u>	<u>-</u>

**SCHEDULES FORMING PART OF ACCOUNTS**

	YEAR ENDED 31ST MAR' 11 (Rs.)	YEAR ENDED 31ST MAR' 10 (Rs.)
<u>SCHEDULE - 11</u>		
Bad Debts Recovered	596,939	2,162,250
Interest & Discount Received	5,172,647	2,570,607
Dividend	318,546	1,148,023
	<u>6,088,132</u>	<u>5,880,880</u>
<u>SCHEDULE - 12</u>		
<u>OPERATING EXPENSES</u>		
Printing & Stationery	21,059	24,526
Office Expenses	61,944	33,712
Books & Periodicals	21,388	19,407
Advertisement Expenses	36,595	25,631
Audit Fees	50,000	27,500
Bank Charges	14,099	5,827
Brokerage	-	283,578
Conveyance & Motor Car Expenses	163,312	113,384
Directors Sitting Fees	30,000	-
Postage Courier & Stamp	46,130	42,463
Professional Fees	-	172,468
Retainership A/C.	70,600	86,040
Listing & Membership Expenses	83,366	85,081
Repair & Maintenance Exp	8,817	8,839
Telephone Expenses	53,254	45,956
Rent	120,000	120,000
Sundry Expenses	36,655	31,339
Legal Expenses	30,474	18,868
	<u>847,694</u>	<u>1,144,618</u>
<u>SCHEDULE - 13</u>		
<u>EMPLOYEES REMUNERATION & BENEFITS</u>		
Salary	885,588	794,268
Staff Welfare	80,639	78,999
	<u>966,227</u>	<u>873,267</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

	(RS.)	
	2010-2011	2009-2010
i) Audit Fees	50,000	27,500
ii) Other Matters	NIL	NIL
iii) Expense	NIL	NIL
TOTAL	50,000	27,500

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 30th 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 there has been a change in accounting policy in recognizing the profit or loss from dealings in derivative transactions and the resultant net profit or loss is included in sales or cost of securities respectively, as the case be. Prior to this year the gross values of derivative contracts sold and derivative contracts purchased were included in sales and cost of securities respectively. The above Change has no impact on the overall net profit of the Company.
7. Information pertaining to related party disclosures as required under A S – 18 issued by the Institute of Chartered Accounts of India is enclosed herewith.
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 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	2010 – 2011	2009 – 2010
		(Rs. In Lacs)
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

8. Earning per share as per Accounting Standard 20:

<u>PARTICULARS</u>	<u>2010-2011</u>	<u>2009-2010</u>
Profit & Loss after tax (RS)	17,92,559	28,40,294
Equity share of Rs.10/- each (Nos.)	60,12,200	60,12,200
Basic/Diluted Earnings per share (Rs.)	0.30	0.47

9. Calculation of Deferred Tax Assets:

On account of opening WDV	0	82,109
On account of Depreciation	24,908	(39,742)

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

10. Previous Years figures have been regrouped / rearranged wherever necessary.
11. 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 **SANJAY RAJA JAIN & CO**
CHARTERED ACCOUNTANTS
FRN : 120132W

SURJEET JAIN
(PARTNER)
M.No. 129531

PLACE : MUMBAI
DATE : 30.05.2011

For & on behalf of the Board

S.P. JAIN
CHAIRMAN

BALDEV L. BOOLANI
DIRECTOR

D.P. JAIN
DIRECTOR

BHUPENDRA T. SHAH
DIRECTOR

Information on related party transactions as required by Accounting Standard 18," for the year ended 31st March 2011.

(RS)

<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>
Loan Given	-	-	90,000	-	7,40,47,440	1,59,60,153
Repayment of Loan given	-	-	90,000	-	8,55,84,198	5,96,78,234
Loan Taken	2,12,000	-	6,40,000	-	1,28,32,250	3,37,730
Repayment of Loan taken	2,12,000	-	6,40,000	-	86,44,250	75,000
Purchase					88,18,345	1,191,850
Sales			-	-	43,00,400	1,199,110
Interest Received	-	-	-	-	47,36,022	2,428,491
Rent Paid	60,000	60,000			60,000	60,000
Compensation Recd(incl. of Service Tax)	-	-	-	-	-	-
Outstanding Balance as on 31.03.2011						
Loans Given	-	-	-	-	67,06,420	2,07,37,705
Loan Taken	-	-	-	-	90,60,730	48,72,730
Security Deposit Recd	3,000,000	3,000,000	-	-	7,000,000	7,000,000

- a) Key Managerial Persons: Sureshchand P Jain
Meena S Jain
- b) Relatives of Key Managerial Persons: Sureshchand Dhannalal HUF
Premchand Chatrural HUF
Sontibai 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 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 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.



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

I.	Registration Details		
	Registration No.	29,494	29,494
	State Code	11	11
	Balance Sheet Date	<u>31ST MAR' 11</u>	<u>31ST MAR' 10</u>
		RS.	RS.
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	130,532,220	125,653,220
	Total Assets	130,532,220	125,653,220
	Sources of Fund		
	Paid - up Capital	60,038,500	59,890,527
	Reserve & Surplus	61,432,990	60,889,963
	Secured Loans	-	-
	Unsecured Loans	9,060,730	4,872,730
	Application Money		
	Application of Funds		
	Net Fixed Assets	734,142	924,216
	Investments	-	-
	Net Current Assets	129,730,802	124,686,636
	Misc. Expenditure	-	-
	Accumulated Losses	-	-
	Deferred Tax	67,276	42,368
	Performance of Company		
	Turnover / Receipt	56,310,390	399,459,909
	Total Expenditure	53,853,296	395,869,873
	Profit / Before Tax	2,457,094	3,590,036
	Profit / After Tax	1,792,559	2,840,294
	Earning per Share in Rs.	0.30	0.47
	Dividend (RS)	0.20	-
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

SURJEET JAIN
(PARTNER)
M.No. 129531

PLACE : MUMBAI
DATE : 30.05.2011

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, 2011****(Rs. In Lacs)**

A. CASH FLOW FROM OPERATING ACTIVITIES :	AS AT 31ST MAR' 11	AS AT 31ST MAR' 10
	(Rs.)	(Rs.)
Net Profit /Loss Before Tax & Extra Ordinary items	2,457,094	3,590,036
Adjustment for :		
Depreciation & Amortisation	190,074	190,074
Operating Profit Before Working Capital Changes	2,647,168	3,780,110
Adjustment for Working Capital :		
(Increase)/Decrease in Closing Stock	13,415,667	(5,652,098)
(Increase)/Decrease in Loans & Advances	(42,080,026)	32,551,696
Increase/(Decrease) in Creditors & Outstanding Liabilities	(360,926)	842,870
	(26,378,117)	31,522,578
Income Tax Paid & Tax Deducted at Source	(689,443)	(710,000)
Cash Generated from Operating Activities	(27,067,560)	30,812,578
B. Cash Flow from Investing Activities :		
Sale of Investments	-	-
Purchase of Investments	-	-
Purchase of Fixed Assets-Work in Progress	-	-
Cash (used in) / from Investing Activities	-	-
C. Cash Flow from Financing Activities :		
Call In Arrers Recd	295,946	100,000
Increase / (Decrease) in Unsecured Loan	4,188,000	262,730
Dividend Paid	-	-
Dividend Tax Paid	-	-
Cash Generated from Financing Activities	4,483,946	362,730
	(22,583,614)	31,175,308
Net Cash Generated/Used in Operating, Investing & Financing Activities	22,583,614	(31,175,308)
Opening Balance of Cash & Cash Equivalents	39,414,724	8,239,416
Closing Balance of Cash & Cash Equivalents	16,831,110	39,414,724

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 : 30.05.2011

For & on behalf of the Board

S.P. JAIN
CHAIRMAN

BALDEV L. BOOLANI
DIRECTOR

D.P. JAIN
DIRECTOR

BHUPENDRA T. SHAH
DIRECTOR

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 31st March 2011. 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 30th May 2011 to the members of the company.

For SANJAY RAJA JAIN & CO
CHARTERED ACCOUNTANTS

MUMBAI
DATE : 30.05.2011

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 28th Annual General Meeting of the Company to be held of 30th day of Sept. 2011 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 _____

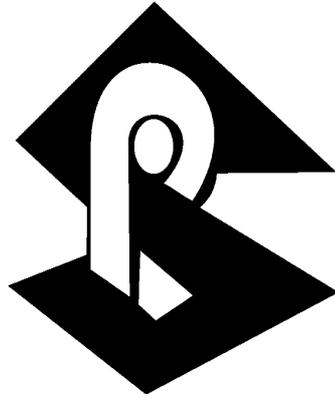
as my/our proxy to attend and vote for my/us on my/our behalf at the 28th Annual General Meeting of the Company to be held on 30th Sept. 2011 at 3.00 p.m. at 908, Dalamal Tower, 211, Nariman Point, Mumbai - 400 021, and any adjournment thereof.

Signed this _____ day of 2011.

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.



S P CAPITAL
FINANCING LIMITED

28th

ANNUAL REPORT
2010-2011

BOOK-POST

To,

If undelivered please return to :-



SP CAPITAL

FINANCING LTD.

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