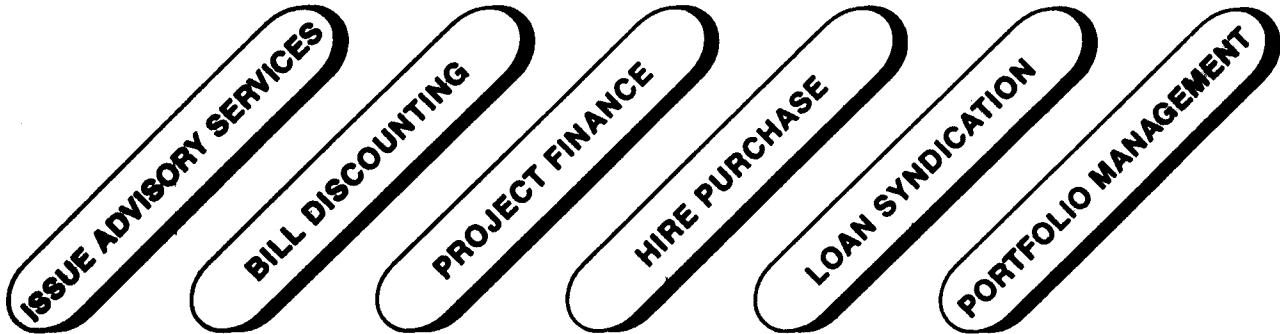




SP CAPITAL FINANCING LIMITED



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21st

ANNUAL REPORT 2003-2004



SP CAPITAL FINANCING LTD.

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Board Director

Shri S.P. Jain	(Chairman)
Shri Baldev L. Boolani	(Director)
Shri Hasmukh Sheth	(Director)
Shri Bhupendra T. Shah	(Director)
Mrs. Meena S. Jain	(Director)
Shri D.P. Jain	(Director)

Auditors

M/s. O.G. Soni & Co.
Chartered Accountants

Bankers

Central Bank of India
Bank of Baroda
Citi Bank

Legal Adviser

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.: 28470652/28470653
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

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S P CAPITAL FINANCING LTD.

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NOTICE

The 21ST ANNUAL GENERAL MEETING of S P CAPITAL FINANCING LIMITED will be held on 30th day of September, 2004 at 3.00 p.m. at 908, Dalamal Towers, 211 Nariman Point, Mumbai 400 021, to transact the following business:-

ORDINARY BUSINESS

1. To receive consider and adopt the Audited Balance Sheet as at 31st March, 2004 and the Profit and Loss Account for the year ended 31st March, 2004, and the Report of Directors and Auditors thereon.
2. To appoint a director in place of Shri S.P. Jain who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a director in place of Shri Bhupendra T. Shah who retires by rotation and being eligible, offers himself for re-appointment.
4. M/S. O.G. SONI & Co. Chartered Accountants, Mumbai retire at the conclusion of the 21ST Annual General Meeting and are eligible for re-appointment, at a remuneration to be decided by the Board of Directors.

For and on behalf of the Board

S.P. JAIN
CHAIRMAN

PLACE : MUMBAI
DATE : 31/05/2004

NOTES

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company.
2. Proxies in order to be effective must be submitted at the Company's Registered office, not less than 48 hours before the meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 24th September 2004 to 30th September 2004.
4. The Dividend, if declared will be paid to members whose names appear on the Register of Members as on 30th September 2004.
5. Members are requested to bring their copy of the Annual Report to the meeting.
6. Members are requested to notify the change in address, if any immediately to the company quoting their Folio numbers.



S P CAPITAL
FINANCING LTD.

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DIRECTOR'S REPORT

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

Your Directors have pleasure in presenting the 21st Annual Report of the company along with Audited Accounts for the year ended 31st March, 2004.

1. **FINANCIAL RESULTS**

The highlights of the Financial Results are : (Rs. In Lakhs)

Particulars	Year Ended 31\03\2004	Year Ended 31\03\2003
Total Income from Operation	1,727.17	510.76
Profit Before Depreciation & Tax	114.53	18.46
Depreciation	7.60	7.60
Profit Before Tax	106.93	10.86
Provision for Tax	1.50	2.00
Profit After Tax	105.43	8.86
Profit b/f from previous year	7.15	36.35
Balance available for Appropriation	112.59	45.21
Transfer to General Reserve	79.94	35.06
Transfer to Reserve Fund	26.00	3.00
Balance carried to Balance Sheet	6.65	7.15

2. **DIVIDEND**

Your Directors have not recommended any dividend on Equity shares for the ended year 31st March, 2004

3. **DEPOSITS**

The company has not accepted any deposits from the public within the meaning of the Non Banking Companies Acceptance of Public Deposits (Reserve Bank) direction 1998.

4. **DIRECTORS**

In accordance with the provision of the Companies Act, 1956 and the Company's Articles of Association Mr. S.P. Jain & Mr. Bhupendra T. Shah retires by rotation and are eligible for re-appointment.

5. **CASH FLOW STATEMENTS**

Cash Flow Statement pursuant to clause 32 of the Listing Agreement is attached herewith forming a part of this Report.

6. **PARTICULARS OF EMPLOYEES**

The Company has not paid any remuneration attracting Provision of Section 217(2A) of Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975. Hence no information is required to be appended with this report.


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7. CONSERVATION OF ENERGY TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO

Your Company being in the financial services sector no particulars are required to be furnished under Section 217(1)(e) of the Companies Act, 1956 relating to conservation of energy or technology absorption. There was no foreign exchange earning or out go during the year.

8. DIRECTORS 'S RESPONSIBILITY STATEMENT

Pursuant to provision of Section 217(2AA) of the companies (Amendment) Act, 2000, the Directors confirm:

- i) that in the preparation of annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures if any;
- ii) that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss of the Company for that period;
- iii) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records with the provision of the Act so to prevent and detect fraud and other irregularities;
- iv) that the Directors had prepared the accounts on a going concern basis.

9. LISTING OF COMPANY'S EQUITY SHARES :

The Company's Equity shares are being traded at the Stock Exchange, Mumbai. The Company has paid Annual listing fees to the above Stock Exchange for the current year.

10. CORPORATE GOVERNANCE :

Pursuant to the amendment to the listing Agreements your company has taken adequate steps to ensure that all mandatory provisions of corporate governance as prescribed under the amended listing Agreements of the stock exchange with which the company is listed are complied with .

A separate report on Corporate Governance is produced as part of the Annual Report along with the Auditors Certificates on its compliance.

11. AUDITORS :

M/s. O.G. Soni & Co Chartered Accountants, Mumbai retire at the conclusion of the 21st Annual General Meeting and are eligible for re-appointment.

12. ACKNOWLEDGEMENT

Your Directors express their deep appreciation of the dedication and commitment of the staff of the company. Your directors also take this opportunity to express their sincere thanks to the company 's bankers, and client companies for their support and assistance during the year and also the shareholders for the confidence and faith reposed by them in the company.

For and on behalf of the Board

S.P. JAIN
CHAIRMAN

PLACE : MUMBAI
DATE : 31/05/2004


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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 :

Company's Philosophy of Corporate Governance is to ensure that the Board and top Management of the company are fully apprised of the affairs of the Company that is aimed at the efficient conduct of the company's business so as to meet company's obligation to the shareholders.

The Board exercises its fiduciary responsibility towards shareholders and creditors so as to ensure high accountability.

The Board has ensured that all legal provision laid down in various enactments have been duly complied with.

The process of decision-making in the organization has been and is being reviewed periodically so as to make it transparent.

The Board has always endeavored to disclose all relevant and material information to the shareholders.

2. CONSTITUTION OF THE BOARD AND ITS MEETING

The present Boards of Directors consists of three (Promoter) Executive Directors and three Non Executive (independent) Director who are themselves experienced industrialists heading their business empire.

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

Name of Directors	Category	No. of Board Meeting attended	Attendance of last AGM
Shri S.P.Jain	Chairman	5	Present
Shri Baldev L Boolani	Director	4	Present
Shri Hasumukh Sheth	Director	3	Present
Shri Bhupendra T Shah	Director	4	Present
Mrs. Meena S Jain	Director	5	Present
Shri D.P.Jain	Director	4	Present

The Board meeting were held on the following dates: 31st May, 2003, 28th June, 2003, 31st July, 2003, 31st October 2003, 30th January, 2004,

3. AUDIT COMMITTEE :

During the year an Audit Committee of Directors comprising of Shri S.P.Jain, Shri Hasumukh Sheth, 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.

4. Remuneration Committee
Terms of Reference:

The board terms of reference of the Remuneration Committee is to fix remuneration payable to the managers, Executive / Managing / Whole time Director in terms of Schedule XIII of the Companies Act, 1956 and refer the same to the Board.



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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 Hasumukh Sheth	Member	1	1

Attendance during the year:

The Committee met on 29.01.2004 and was attended by all the members.

Remuneration Policy:

Non-executive Directors are remunerated by way of sitting fees only. The Company pays remuneration by way of Salary, Perquisites and Allowances to the Director. Salary is paid within the range approved by the members and as permitted under Schedule XIII of the Companies Act, 1956.

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

5. SHAREHOLDERS GRIEVANCES :

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 Director is pleased to announce that there were no complaints received during the year under review.

6. GENERAL BODY MEETING

Date of AGM	Financial Year	Venue / Location	Time
29.09.2001	2000 – 2001	908, Dalalal Tower, Mumbai – 400 021.	3 P.M.
30.09.2002	2001 – 2002	908, Dalalal Tower, Mumbai – 400 021.	3 P.M.
30.09.2003	2002 – 2003	908, Dalalal Tower, Mumbai – 400 021.	3 P.M.

7. 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

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 31/3/2004
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	6	6	Nil
	TOTAL	6	6	Nil