



S P CAPITAL

FINANCING LIMITED

BILL DISCOUNTING

PROJECT FINANCE

HIRE PURCHASE

LOAN SYNDICATION

REPORTJUNCTION.COM

22nd

ANNUAL REPORT

2004-2005



SP CAPITAL FINANCING LTD.

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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 Advisor

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.: 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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NOTICE

Notice is hereby given that 22nd Annual General Meeting of **S P Capital Financing Limited** will be held on Friday, the 30th day of September, 2005 at the Registered Office of the Company at 908, Dalamal Towers, 211 Nariman Point, Mumbai 400 021, at 3.00 p.m. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2005 and the Profit and Loss Account for the year ended on the date along with schedules and the Report of Directors and Auditors.
2. To appoint a Director in place of Shri D.P. Jain, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri Hasmukh Sheth, who retires by rotation and being eligible, offers himself for re-appointment.
4. To re-appoint M/s. O. G. Soni & Co., Chartered Accountants, Mumbai as Auditors and to fix their remuneration.

For and on behalf of the Board

Place: Mumbai
Date: 31/05/2005

S. P. Jain
Chairman

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 22nd September, 2005 to 30th September, 2005 (both day inclusive) in terms of the Clause 16 of the Listing Agreement.
4. Members are requested to bring their copy of the Annual Report to the meeting.
5. Members are requested to notify the change in address if any, immediately to the company quoting their Folio numbers.

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 | D. P. Jain |
| 2. Date of Birth | 19 th December, 1960 |
| 3. Profession | Industrialist |
| 4. Qualification | B. Com, LL.B.(G), D.T.M. |
| 5. List of other Directorship held excluding Private Companies | 2 (Two) |
| 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 and Construction Business. |

Item No. 3

- | | |
|---|--|
| 1. Name | Hasmukh Sheth |
| 2. Date of Birth | 03.02.1939 |
| 3. Profession | Business |
| 4. Qualification | Industrial Engineer in West Germany. |
| 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 Petrochemical and Fertilizer Industries. |



S P CAPITAL FINANCING LTD.

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DIRECTORS' REPORT

The Members
S. P. Capital Financing Limited
Mumbai.

Your Directors have pleasure in presenting the 22nd Annual Report of the Company along with Audited Accounts for the year ended 31st March 2005.

1. Financial Results

The highlights of the Financial Results are:

(Rs. In Lacs)

Particulars	Year Ended 31-03-2005	Year Ended 31-03-2004
Total Income from Operation	413.57	1,727.17
Profit Before Depreciation & Tax	17.62	114.53
Depreciation	7.56	7.60
Profit Before Tax	10.06	106.93
Provision for Tax	2.00	1.50
Profit After Tax	8.06	105.43
Profit B/f from previous year	6.65	7.15
Balance available for Appropriation	14.71	112.59
Transfer to General Reserve	-	79.94
Transfer to Reserve Fund	5.00	26.00
Balance carried to Balance Sheet	9.71	6.65

2. Dividend

Your Directors have not recommend any dividend on Equity shares for the year ended 31st March, 2005.

3. 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 rule made their under would apply.

4. Directors

Mr. D. P. Jain and Mr. Hasmukh Sheth, retire by rotation and being eligible, offer themselves for re-appointment. Your Directors recommended their re-appointment.

5. Particulars of Employees

None of the employee of the Company were in receipt of remuneration in excess of the limit prescribed under the Provisions of Section 217(2A) of Companies Act, 1956 read with Companies (Particulars of Employees) Rules 1975, as amended by the Companies amendment act, 1988.

6. 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.

**SP CAPITAL****FINANCING LTD.****22nd ANNUAL REPORT****7. Directors' Responsibility Statement**

Pursuant to provision of Section 217(2AA) of the Companies Act, 1956, the Directors to the best of their knowledge and belief 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 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; and
- iv) that the Directors had prepared the accounts on a going concern basis.

8. Listing of Securities

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.

9. Corporate Governance

The Company's philosophy on Corporate Governance is attainment of the highest level of transparency, accountability and equity in all the spheres of operations, interaction with the Shareholders, employees, government and others.

The Certificate of the Statutory Auditors of the Company regarding compliance of the Corporate Governance has been include in the annual report.

10. Auditors

M/s. O G. Soni & Co., Chartered Accountants, Mumbai retire at this Annual General Meeting and are eligible offer themselves for re-appointment.

11. 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

Place : Mumbai

Dated: 31st May 2005.

**S.P.Jain
Chairman**

**SP CAPITAL****FINANCING LTD.****22nd ANNUAL REPORT****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 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 Director 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. 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	Promoters / Chairman	5	Present
Shri Baldev L Boolani	Non-promoter / Independent Director	3	Present
Shri Hasumukh Sheth	Non-promoter / Independent Director	4	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

The Board meeting were held on the following dates: 15th April, 2004, 31st May, 2004, 22nd July, 2004, 30th October, 2004 and 24th January, 2005.

Pursuant to provisions of the Companies Act, 1956, Mr. D. P. Jain and Mr. Hasumukh Sheth, retire by rotation and being eligible, offer themselves for re-appointment.

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.

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

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

Recommending the appointment/removal 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 requirement.

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.

**S P CAPITAL****FINANCING LTD.****22nd ANNUAL REPORT****4. Remuneration Committee****Terms of Reference**

The Board terms of reference of the Remuneration Committee is to fix remuneration payable to the Director 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 Hasumukh Sheth	Member	1	1

Attendance during the year:

The Committee met on 29.01.2005 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 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.

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 grievances 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

Financial Year	Date of AGM	Venue / Location	Time
2001 -- 2002	30 th September, 2002	Registered Office	3 p.m.
2002 -- 2003	30 th September, 2003	Registered Office	3 p.m.
2003 -- 2004	30 th September, 2004	Registered Office	3 p.m.

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

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 31/3/2005
1)	Non receipt of Annual Report	Nil	Nil	Nil
2)	Complaints relating to dematerialization of Shares	2	2	Nil
3)	Non-receipt of Share Certificates after transfer / duplicate / name correction	2	2	Nil
4)	Others	8	8	Nil
	TOTAL	12	12	Nil