



**S P CAPITAL**  
**FINANCING LIMITED**

**25th**  

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**ANNUAL REPORT**  
**2007-2008**



# SP CAPITAL FINANCING LTD.

## 25th ANNUAL REPORT

### 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. P.M.PANDAY & ASSOCIATES.  
Chartered Accountants

### Bankers

Central Bank of India  
Citi Bank  
HDFC Bank

### 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.: 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 25<sup>th</sup> Annual General Meeting of S P Capital Financing Limited will be held on Tuesday, the 30<sup>th</sup> day of September, 2008 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 31<sup>st</sup> March, 2008 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 Hasumukh Sheth, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

### 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 24<sup>th</sup> September, 2008 to 30<sup>th</sup> September, 2008 (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 <sup>th</sup> 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	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 & Construction Business.

#### Item No. 3

1. Name	Hasumukh 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.

For and on behalf of the Board

Place: Mumbai  
Date: 31/05/2008

S. P. Jain  
Chairman



# SP CAPITAL FINANCING LTD.

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### DIRECTORS' REPORT

The Members  
S. P. Capital Financing Limited  
Mumbai.

Your Directors have pleasure in presenting the 25<sup>th</sup> Annual Report of the Company along with Audited Accounts for the year ended 31<sup>st</sup> March 2008.

#### 1. Financial Results

The highlights of the Financial Results are:

Particulars	Year Ended 31-03-2008	(Rs. In Lacs) Year Ended 31-03-2007
Total Income from Operation	974.59	219.55
Profit Before Depreciation & Tax	46.79	17.45
Depreciation	6.69	6.69
Profit Before Tax	40.10	10.76
Provision for Tax	6.50	2.50
Profit After Tax	33.60	8.26
Profit b/f from previous year	24.99	21.72
Balance available for Appropriation	58.59	29.99
Transfer to General Reserve	-	-
Transfer to Reserve Fund	10.00	5.00
Balance carried to Balance Sheet	48.59	24.99

#### 2. Dividend

Your Directors have not recommended any dividend on Equity shares for the ended year 31<sup>st</sup> March, 2008.

#### 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. Has Mukh Sheth, retire by rotation and being eligible, offer themselves for re-appointment. Your Directors recommended their re-appointment.

#### 5. Cash Flow Statement

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

#### 6. Particulars of Employees

None of the employee of the Company was 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.

#### 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.


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**8. 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.

**9. Subsidiary Companies**

The Company has acquired 55% share of Pride Orchid Pvt Ltd, hence this company has become subsidiary company. The statement pursuant to section 212 of the Companies Act 1956 in respect of the subsidiary of your company is annexed and forms part of this report.

**10. 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.

**11. 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 including in the annual report.

**12. Auditors:**

M/s. P.M.PANDAY & ASSOCIATES., Chartered Accountants, Mumbai retire at the conclusion of the 25<sup>th</sup> Annual General Meeting and are eligible for re-appointment.

**13. 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: 31<sup>st</sup> May 2008.

S.P.Jain  
Chairman



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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 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	4	Present
Shri Hasumukh Sheth	Non-promoter / Independent Director	3	Present
Shri Bhupendra T Shah	Non-promoter / Independent Director	2	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: 31<sup>st</sup> May, 2007, 20<sup>th</sup> June 2007, 30<sup>th</sup> July, 2007, 31<sup>st</sup> October, 2007 and 29<sup>th</sup> January, 2008.

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.





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### 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 29.01.2008 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 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

Financial Year	Date of AGM	Venue / Location	Time
2004 - 2005	30 <sup>th</sup> September, 2005	Registered Office	3 p.m.
2005 - 2006	30 <sup>th</sup> September, 2006	Registered Office	3 p.m.
2006 - 2007	29 <sup>th</sup> September, 2007	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 31/3/2008
1.	Non receipt of Annual Report	Nil	Nil	Nil
2.	Complaints relating to dematerialization of Shares	1	1	Nil
3.	Non-receipt of Share Certificates after transfer / duplicate / name correction	1	1	Nil
4.	Others	2	2	Nil
	<b>TOTAL</b>	<b>4</b>	<b>4</b>	<b>Nil</b>

**SP CAPITAL****FINANCING LTD.****25th ANNUAL REPORT****8. Code of Insider Trading**

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

**9. General Shareholder Information****Forthcoming Annual General Meeting**

Date and venue : 30<sup>th</sup> September, 2008 at 908, Dalamal Tower, 211, Nariman Point, Mumbai – 400 021

Financial Year : 2007 - 2008

Book Closure dates : 24<sup>th</sup> September, 2008 to 30<sup>th</sup> September, 2008

Listing of equity Shares : Mumbai Stock Exchange

**Financial Calendar 2008 – 2009 (tentative schedule)**

Financial Reporting for the quarter ending June, 2008

By the end of July, 2008

Financial Reporting for the quarter ending September, 2008

By the end of October, 2008

Financial Reporting for the quarter ending December, 2008

By the end of January, 2009

Financial Reporting for the year ending March, 2009

By the end of July, 2009

**Book Closure**

The Register of Members and Transfer Register of the Company will remain close from 24<sup>th</sup> September, 2008 to 30<sup>th</sup> September, 2008 (both days inclusive).

**Market Price Data**

Month	Mumbai Stock Exchange	
	High	Low
April – 2007	12.90	11.10
MAY – 2007	16.64	13.33
June – 2007	29.45	17.40
July – 2007	35.00	26.25
August – 2007	28.80	23.80
September – 2007	29.90	28.45
October – 2007	31.80	28.05
November – 2007	45.50	29.45
December – 2007	51.50	36.15
January - 2008	60.55	34.40
February – 2008	54.70	52.00
March – 2008	-	-

**10. Disclosures**

1. Disclosure on materially significant related party transaction 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**

**11. 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.




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**12. Dematatisation of Shares**

The equity Shares of the Company are traded compulsorily in demat. The Demat facility is available to all shareholder 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

**13. Registrar and Transfer Agent**

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

**14. 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.

Distribution of Shareholding as on 31<sup>st</sup> March 2008.

Sr.No	Category	No. of Shares	% of paid up Capital
1.	Promoters	2578800	42.89
2.	Mutual Fund, Institution Bank	49800	0.83
3.	Corporate Bodies	1986600	33.04
4.	NRI's	62700	1.04
5.	Public	1334300	22.20
	Total	6012200	100.00

**Board Shareholding Distribution**

Range of Shares	Number of Shareholders	Percentage of Shareholders	No. of Shares	Amt. Percentage
01 to 5000	697	94.44	363700.00	6.05
5001 to 10000	13	1.76	109100.00	1.81
10001 to 20000	4	0.54	69800.00	1.16
20001 to 30000	6	0.81	147000.00	2.44
30001 to 40000	1	0.14	33700.00	0.56
40001 to 50000	4	0.54	194600.00	3.24
50001 to 100000	1	0.14	72000.00	1.20
100001 to 99999999	12	1.63	5022300.00	83.54
Total ...	738	100	6012200	100.00

**15. Dematerialisation of Shares and Liquidity**

As on 31<sup>st</sup> March, 2008, 80.50 % of Company's Equity Shares Capital has been dematatised.

**16. Investor Correspondence**

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

Compliance Office : Mr. Sandeep S Gopale  
 908,Dalamal Tower, 211, Nariman Point,  
 Mumbai – 400 021.  
 : Telephone No. 22844051/63 Fax No. 22844052  
 : Email : Pridemumbai @ reddiffmail.com



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**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 2008, 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 P.M.PANDAY & ASSOCIATES**  
**CHARTERED ACCOUNTANTS,**

Mumbai  
Dated : 31.05.2008

**P.M.PANDAY**  
**(PROPRIETOR)**