



Board Directors

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

Auditors

M/s. SANJAY RAJA JAIN & CO.
Chartered Accountants

Bankers

Central Bank of India
Citi Bank
HDFC Bank
Kotak Mahindra Bank

27th ANNUAL REPORT 2010 :

DATE : 30th September, 2010

TIME : 3.00 p.m.

VENUE : 908, Dalamal Tower, 211, Nariman Point, Mumbai - 400 021.

Legal Adviser

M/s. Kanga & Co.
Advocate & Solicitors

Registrar and Transfer Agents
Bigshare Services Pvt Ltd

E-2/3, Ansa Industrial Estate,
Sakivihar Road, Saki Naka,
Andheri (E),
Mumbai – 400 072.
Fax : 28475207

Registered Office

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

Branch Office

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

Equity Shares are listed on

Bombay Stock Exchange

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NOTICE

NOTICE is hereby given that the 27th Annual General Meeting of the members of S P CAPITAL FINANCING LIMITED will be held at 908, Dalamal Towers, 211 Nariman Point, Mumbai 400 021 on Thursday, September 30, 2010 at 3.00 p.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as on March 31, 2010 and the Profit & Loss Account for the year ended on that date together with the Directors' and Auditors' Report thereon.
2. To appoint a Director in place of Shri S. P. Jain who retires by rotation and being eligible to offer himself for reappointment.
3. To appoint a Director in place of Shri Bhupendra T. Shah who retires by rotation and being eligible to offer himself for reappointment.
4. To appoint auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

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

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

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

"RESOLVED THAT pursuant to the provisions of Sections 16, 94 and other applicable provisions, if any, of the Companies Act, 1956, and as permissible by the Company's Memorandum of Association, the Authorized Share Capital of the Company of Rs.121,000,000/- (Rupees Twelve Crore Ten Lakhs only) divided into 61,00,000 (Sixty one Lacs) Equity Shares of Rs.10/- (Rupees Ten Only) each, and 6,00,000 (Six lac) Preference Shares of Rs.100/- (Rupees One Hundred Only) each be and is hereby altered without increasing or decreasing the aggregate amount thereof by dividing and reclassifying the unissued 6,00,000 (Six lac) Preference Shares of Rs.100/- (Rupees Hundred Only) each to 60,00,000 (Sixty lac) Equity Shares of Rs.10/- (Rupees Ten each) thereby increasing the total number of Equity Shares included in the Authorised Share Capital from 61,00,000 (Sixty One Lacs) Equity Shares to 121,00,000 (One Crores Twenty OneLacs) Equity Shares and consequently the respective Authorised capital of the Company stands as Rs.121,000,000/- (Rupees Twelve Crore Ten Lakhs only) divided into121,00,000 (One Crores Twenty OneLacs) Equity Shares of Rs.10/- (Rupees Ten Only) each, and NIL Preference Shares of Rs.100/- (Rupees Hundred Only) each and consequently the respective capital clauses in the Memorandum and Articles of Association of the Company do stand altered accordingly and also as provided in the succeeding resolutions to be proposed at the Meeting."

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

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

The Authorised Share Capital of the Company is Rs.121,000,000/- (Rupees Twelve Crore Ten Lakhs only) divided into121,00,000 (One Crores Twenty One Lacs) Equity Shares of Rs.10/- (Rupees Ten Only) each with the power to increase, reduce, or alter the same in accordance with the provisions of the Companies Act,1956.

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



Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The instrument appointing a proxy in order to be effective, should be duly completed, stamped and signed, and must be deposited at the Registered Office of the Company not less than 48 hours before the time of the Meeting.
3. Members are requested to bring their copies of the Annual Report to the Meeting. Members/proxies attending the Meeting should bring the Attendance Slip, duly filled, for handing over at the venue of the meeting.
4. Members are requested to advise immediately change in their address, if any, quoting their Folio number(s) to the company.
5. Information as required under Clause 49 of the Listing Agreement with respect to Directors seeking re-appointment in this Annual General Meeting. in respect of item No. 2 & 3 of the notice convening the Meeting is annexed hereto.
6. The Register of Members and Shares Transfer Books of the Company will remain closed from Thursday, September 23, 2010 to Thursday, September 30, 2010 (both days inclusive)

For and on behalf of the Board

S. P. Jain
Chairman

Registered Office:

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

ANNEXURE TO THE NOTICE

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

Item 5 (Ordinary Resolution)

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

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

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

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

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

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

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

Item 6 -7 (Ordinary Resolution)

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



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

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

ANNEXURE TO NOTICE

Information under Clause 49 of the Listing Agreement with respect to Directors seeking re-appointment in this Annual General Meeting.

Item No. 2

1. Name	S.P.Jain
2. Date of Birth	4 th September, 1950
3. Profession	Business
4. Qualification	B. Com. F.C.A
5. List of other Directorship held excluding private Companies	4 (Four)
6. Chairman/Member of the Committee of Board of Director of the Company	1 (one)
7. Chairman/Member of the Committee of Board of Director of the other Company	Nil
8. Expertise in specific functional area	In the field of Finance, Hotels & Construction Business.

Item No. 3

1. Name	Bhupendra T Shah
2. Date of Birth	06.08.1948
3. Profession	Business
4. Qualification	B.Com.
5. List of other Directorship held excluding private Companies	Nil
6. Chairman/Member of the Committee of Board of Director of the Company	1(One)
7. Chairman/Member of the Committee of Board of Director of the other Company	Nil
8. Expertise in specific functional area	In the field of Finance & Investments.

For and on behalf of the Board

S. P. Jain
Chairman

Registered Office:

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



DIRECTORS REPORT

Dear Shareholders,

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

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

DIVIDEND

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

OPERATIONS

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

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

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

DIRECTORS

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

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, your Directors, based on the representations received from the Operating Management and after due enquiry, confirm that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed;
- they have, in the selection of the accounting policies, consulted the statutory auditors and these have been applied consistently and reasonable and prudent judgments and estimates have been made so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2010 and of the profit of the Company for the year ended on that date;
- 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;
- the annual accounts have been prepared on a going concern basis.

FIXED DEPOSITS

The Company has not accepted any deposit from the public during the year under review, to which the provisions of Section 58A of the Companies Act, 1956 and the rules made thereunder would apply.



PARTICULARS OF EMPLOYEES

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

AUDITORS AND THEIR OBSERVATIONS

The present Auditors of the Company, M/s. SANJAY RAJA JAIN & CO, Chartered Accountants, Mumbai, retires as auditors of the Company at the ensuing Annual General Meeting and being eligible offers themselves for reappointment. Members are required to reappoint Auditors and fix their remuneration.

As required under the provisions of section 224 of the Companies Act, 1956, the Company has obtained written certificate from the above Auditors proposed to be reappointed to the effect that their reappointment, if made, would be in conformity with the limits specified in the said section.

PARTICULARS ON CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

This information is required as per Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended March 31, 2010.

Since the Company's operations involve low consumption of energy, the Company has no comments to offer as far as (a) conservation of energy and (b) Technology absorptions are concerned.

LISTING ARRANGEMENT

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

A. INDUSTRY OVERVIEW

1. India – Today

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

2. Indian Finance Industry – An overview

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

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

B. INDUSTRY STRUCTURE AND DEVELOPMENT:

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

C. FUTURE PROSPECT / BUSINESS PLANS OF THE COMPANY

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

Various organization development initiatives were undertaken during the year. These are expected to help create a robust organization based on strong values, uniform and systematic business processes and people empowerment.



D. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The company has a proper and adequate system of internal control to ensure that all assets are safeguarded and protected against any loss from unauthorized use or disposition and that transaction are authorized, recorded and reported correctly. The Company's internal control systems are periodically reviewed by the management together with the Audit Committee of the Board. The emphasis of internal control prevails across functions and processes, covering the entire gamut of activities including finance, supply chain, distribution, marketing etc.

F. HUMAN RESOURCES DEVELOPMENT/INDUSTRIAL RELATIONS:

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

G. CAUTIONARY STATEMENT:

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

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

PUBLIC DEPOSITS

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

CASH FLOW STATEMENT

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

SUBSIDIARIES

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

CORPORATE GOVERNANCE

Your Company being a professionally run company, has always believed in transparency and accountability. Your Company is fully compliant with the revised Clause 49 of the Listing Agreement. A report on Corporate Governance is attached to this report.

FOREIGN EXCHANGE

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

ACKNOWLEDGEMENTS

The Directors would like to thank all clients, Bankers for the un-stinted support received from them during the year. The Directors would also like to place on record their appreciation for the dedicated efforts and services put in by the employees of the Company.

For and on behalf of the Board

Dated: May 31, 2010
Place : Mumbai

S. P. Jain
Chairman



REPORT ON CORPORATE GOVERNANCE

The report has been mentioned below pursuant to Clause 49 of the listing Agreement. We report that the steps taken by the Company so far in this direction are as under:

1. Company's Philosophy on Code of Governance:

Company's Philosophy always strives to achieve optimum performance at all levels by adhering to Corporate Governance practice and envisages fair and transparent business practices, effective management control by the Board, adequate representation of promoter and independent Directors on the Board, accountability for performance, compliance of laws, transparent and timely disclosure of financial and management information and voluntary best practice and disclosures.

2. Board of Directors:

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

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

The Composition of the Board of Directors and also the number of other Directorship of Committees of which they are member/Chairperson are as given below:

Directors	Category	No. of Directorship		No. of Committee position	
		Public	Private	Member	Chairman
Shri S. P. Jain	Promoters Chairman	1	11	1	1
Shri Baldev L Boolani	Independent	1	3	-	-
Shri Siddharth Bharilla	Independent	1	5	-	-
Shri Bhupendra T Shah	Independent	1	1	-	-
Mrs. Meena S Jain	Promoter Non- Executive	1	9	1	-
Shri D. P. Jain	Promoter Non- Executive	1	6	-	-

(B) Board Procedure:

The Board of the Company met 5 times during the year ended March 31, 2010. Notice and Agenda were circulated in advance of each meeting of the Board of Directors. The Chairman briefed the Board at every meeting on the overall performance of the Company.

(C) Attendance of each Director at the Board Meeting and the Last Annual General Meeting:

The Board meeting were held on the following dates: 31st May, 2009, 3rd June 2009, 31st July, 2009, 31st October, 2009 and 29th January, 2010.

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

Name of Directors	Category	No. of Board Meeting attended	Attendance of last AGM
Shri S. P. Jain	Promoters / Chairman	5	Present
Shri Baldev L Boolani	Non-promoter / Independent Director	4	Present
Shri Siddharth Bharilla	Non-promoter / Independent Director	1	Present
Shri Bhupendra T Shah	Non-promoter / Independent Director	3	Present
Mrs. Meena S Jain	Promoter / Director	5	Present
Shri D. P. Jain	Promoter / Director	5	Present

(D) Directors seeking appointment / Re-appointment:

Pursuant to provisions of the Companies Act, 1956, Shri S. P. Jain and Shri Bhupendra T Shah, retire by rotation and being eligible, offer themselves for re-appointment.



3. Committees of the board:

The Board of Directors has constituted Three committees of the Board (i) the Audit Committee (ii) Remuneration Committee and (iii) Investor's and shareholders grievance & share Transfer Committee.

i) Audit Committee

During the year an Audit Committee of Directors comprising of Shri S. P. Jain, Shri Siddharth Bharilla, and Shri Bhupendra T Shah was constituted in line with the amendments in the Companies Act, 1956. The Committee elected Shri Bhupendra T. Shah as the Chairman. The Audit Committee acted as interface between the management and statutory Auditor and the terms of reference were specified as per the requirement of the Act.

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

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

Recommending the appointment/removal of external Auditors, fixing of Audit fee and payment for other services.

Reviewing annual financial statement before submission to the Board with focus on change in accounting policies and practice. Major accounting entries, qualification in draft audit report, significant adjustments arising out of audit, accounting standards compliance, compliance with Stock Exchange and other legal requirements.

Reviewing with the management, external and internal auditors, the adequacy of internal control systems and internal audit functions.

Discussions with auditors, any significant findings and follow-up thereon. Reviewing any suspected fraud, irregularity or failure of internal Control system of material nature and reporting the matter to the Board.

Discussion with external auditor in respect of pre and post audit matters.

Reviewing Company's financial and risk management policies.

Look into reasons for substantial defaults in payment to shareholders and creditors.

ii) Remuneration Committee

Terms of Reference

The Board terms of reference of the Remuneration Committee is to fix remuneration payable to the Directors in terms of provisions of the Companies Act, 1956 and refer the same to the Board.

Composition, name of members and Chairperson:

Sr.No.	Name of the Director	Position held Chairman / Member	Meeting held	Meeting attended
1.	Shri Bhupendra T Shah	Chairman	1	1
2.	Shri Baldev Boolani	Member	1	1
3.	Shri Siddharth Bharilla	Member	1	1

Attendance during the year:

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

Remuneration Policy:

Non-executive Directors are remunerated by way of sitting fees only. The Company do not pays any remuneration by way of Salary, Perquisites and Allowances to the Directors as prescribed under provisions of the Companies Act, 1956.

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