

**SP CAPITAL****FINANCING LTD.****28th ANNUAL REPORT****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:

- 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, 2011 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;



- 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