

R. B. GUPTA FINANCIALS LIMITED

12th ANNUAL REPORT

2004-2005

BOARD OF DIRECTORS

SHRI BHARAT R. GUPTA
CHAIRMAN CUM MANAGING DIRECTOR

MR. RAMESH N. ROHIT
DIRECTOR

MR. RAJENDRA M. AGRAWAL
DIRECTOR

BANKERS
BOMBAY MERCANTILE CO-OP BANK LTD.
BARODA PEOPLE'S CO-OP BANK LTD.
INDUSIND BANK

AUDITORS
MESSERS AMIN PARIKH & CO.
Chartered Accountants
Vadodara

Registered Office :
Satish Gupta Chambers, Near G.P.O.,
Raopura, Vadodara - 390 001.

NOTICE :

NOTICE is hereby given that the Twelfth Annual General Meeting of the Members of R. B. GUPTA FINANCIALS LIMITED will be held at 9.00 a.m. On Friday, the 30th September, 2005, at the registered office of the Company situated at Satish Gupta Chambers, Near G.P.O., Raopura, Bhopal to transact the following business.

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March'2005 and the Reports of Directors and Auditors thereon.
2. To appoint Director in place of Mr. Ramesh N. Rohit who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS :

4. To consider and if thought fit, to pass with or without modifications, the following resolution as an ordinary resolution.

RESOLVED THAT subject to the provision of section 269, 198, 309, 310, 311 and other provisions applicable, if any of the Schedule XIII of the said Act (including any statutory modifications or re-enactment thereof, for the time being in force). Mr. Bharat R. Gupta be and is hereby re-appointed as Managing Director of the Company for a period of 5 years w.e.f. 01-10-2005 on the following terms and condition, with liberty to the Directors to alter and vary the said terms and conditions in such manners as may be agreed between the Directors and Mr. Bharat R. Gupta, subject however to the relevant provisions of the Companies Act, 1956.

- A. **Salary** : Not exceeding Rs. 75,000/- per month.
- B. **Perquisites** : The following perquisites not exceeding the overall ceiling prescribed under schedule XIII will be provided to Mr. Bharat R. Gupta
 - i) **Housing** : Rent free furnished accommodation along with benefits of gas, fuel, water, electricity, telephone and municipal tax as also upkeep and maintenance of company's/own furnished accommodation.

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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. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE MEETING.
2. Members Register and Share Transfer Books of the Company will remain closed from wednesday, 28th September 2005 to Friday, 30th September'2005.
3. Explanatory statement pursuant to section 173 of the Companies Act. 1956 is attached herewith.

Explanatory statement pursuant to section 173 of the Companies Act. 1956**ITEM NO. 4 :**

Mr. Bharat R. Gupta is a B.com. and has experience of more than 22 years and his re-appointment as Managing Director of the company will be in the interest the company. He will look after the overall function of the company under the control and suprintendence of the Board of Directors of the company. Therefore, your Board recommend to appoint Mr. Bharat R. Gupta as Managing Director of the company on a remuneration mentioned in the resolution.

The above may also be treated as an abstract of the terms of the proposed agreement between the company and Mr. Bharat R. Gupta pursuant to section 302 of the Companies act, 1956.

None of the Directors except Mr. Bharat R. Gupta for his appointment as Managing Director directly or indirectly interested or concerned in the above resolution.

Regd. Office :
Satish Gupta Chambers,
Near G.P.O.,
Raopura, Baroda.

By order of the Board

Managing Director

Date : 01-08-2005

R. B. GUPTA FINANCIALS LIMITED

If the company does not provide rent free accommodation, Mr. Bharat R. Gupta will be entitled house rent allowance.

- ii) **Medical Reimbursement** : Reimbursement of medical for self and family as per Rules of the company.
- iii) **Leave Travel Concession** : Leave travel concession will be paid by the company for self and family once in a year subject to a ceiling of one and half month's salary in a year.
- iv) **Club Fees** : Reimbursement of club fees subject to a maximum of two clubs.
- v) **Personal Accident Insurance** : Personal Accident Insurance cover as applicable will be provided to him by the company.

Apart from the above, the Managing Director shall also be entitled to the following :

- i) **Provident Fund & Superannuation Fund** : Contribution to Provident Fund. Superannuation fund in accordance with the Rules of the company.
- ii) **Gratuity** : Gratuity, at a rate not exceeding half month salary for each completed year of services.
- iii) **Car** : One car with the service of driver, to be maintained by the company for official use.
- iv) **Reimbursement of the entertainment , Traveling and all other expenses incurred for the business of the company.**
- v) **Leave as per Rules of the company, Encashment of leaves as per the Rules of the company at the end of the tenure.**

Commission : @2% of the net profit of the company calculated in accordance with Section 198 and 309 of the Companies Act, 1956.

In the event of absence or inadequacy of profit of the company in any year, Mr. Bharat R. Gupta will be entitled to salary and perquisites as above as minimum remuneration.

Regd. Office :
Satish Gupta Chambers,
Near G.P.O.,
Raopura, Baroda.

By order of the Board

Managing Director

Date : 01-08-2005

DIRECTOR'S REPORT

Dear Members,

Your Directors hereby present the 12th ANNUAL REPORT together with the Audited statement of the account for the year ended 31st March'2005.

(1) FINANCIAL RESULTS :

The financial results for the year ended are as under :

(Rs. in Lac)	Year Ended 2004-2005	Year Ended 2003-2004
Total turn over & other Income	17.08	15.74
Profit before Int., Dep. & Tax	0.00	2.15
Interest	1.35	0.74
Depreciation	1.81	2.15
Profit/Loss before Tax	0.32	-0.74
Provision Tax Income Tax	NIL	NIL
Add : Deferred Tax Assets	4.86	1.06
Profit after Tax	5.17	0.32
Balance carried to Balance Sheet	5.17	0.32

(2) DIVIDEND :

Your Director's do not recommend any dividend for the year.

(3) PUBLIC DEPOSIT :

The Company has not accepted any deposits u/s 58A of the Companies Act 1956 during the year under report.

(4) AUDITORS :

M/s. Amin Parikh & Co. Chartered Accountants, Auditors of the Company retire at the ensuing Annual General Meeting and are eligible for reappointment.

(5) AUDITOR'S REPORT :

The observation of the auditors are explained wherever necessary, by way of appropriate notes to the accounts.

(6) DIRECTORS RESPONSIBILITY :

Pursuant Section 217(2AA) of the Companies (Amendment) Act, 2000 the Directors confirm that:

(i) In the preparation of the Annual Accounts, the applicable standards have been followed.

- (ii) Appropriate accounting policies been selected and applied consistently and have made judgement 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 31st March'2003 and of the Profit & Loss Account for the year ended on that day.
- (iii) Proper and sufficient care has been take 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.

(7) DIRECTORS :

Mr. RAMESH N ROHIT, Director retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re appointment.

(8) PARTICULARS OF EMPLOYEES :

Information in accordance with the provisions of section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended regarding employees is nil.

(9) PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY, ABSORPTION AND FORIEGN EXCHANGE AND OUT GO :

Information in accordance with the provision of section 217 (1E) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is Nil.

By Order of the Board

Place : Baroda

Date : 01/08/2005

CHAIRMAN

REPORT ON CORPORATE GOVERNANCE

The Corporate Governance Code. Introduced by Securities and Exchange Board of India [("SEBI")] as adopted by incorporating a new clause No. 49 in the Listing Agreement of the Stock Exchange and also by applicable and also by applicable provision of the Companies [Amendments] Act, 2000, has been implemented by the Company effective from 1st April'2004

The Company has taken necessary steps to comply with all the requirement of the guidelines on Corporate Governance as would be applicable to it.

1. Board of Directors as on 31st March'2005

The Board comprises of three Directors, of whom one is Managing Director and two are Non-Executive Directors. The Chairman of the Board was a Managing Director.

A. Composition of the Board for the period from 1st April'2004 to 31st March'2005

Name of the Directors	Status
1. Shri Bharat R. Gupta	Chairman & Managing Director
2. Shri Rajendra M. Agrawal	Non-Executive Independent Director
3. Shri Ramesh N. Rohit	Non-Executive Independent Director

B. Board Meeting :

The meeting of the Board of Directors are scheduled well in advance. The notice convening the meeting and the detailed agenda is sent at least seven days in advance to all the Directors. The Board meets at least once in a quarter to review the quarterly performance and financial results.

I. Number of Board Meeting

During the year from 01st April'2004 to 31st March'2005 the Board of Directors met five times on the following dates.

Sr.No.	Date	Board Strength	No. of Directors Present
1.	17.04.2004	3	3
2.	30.05.2004	3	3
3.	25.07.2004	3	3
4.	02.08.2004	3	3
5.	30.09.2004	3	3
6.	22.10.2004	3	3
7.	20.01.2005	3	3
8.	20.03.2005	3	3

II. Attendance of Directors :

Names of the Directors	No. of Board Meeting held	No. of Board Meeting Attended	Attendance at the last Annual General Meeting	No. of Director ship in other Boards as on 31st March'05	No. of Member ships in other Board committees as on 31st March'05
Bharat R. Gupta	8	8	Yes	2	3
Rajendra M. Agrawal	8	8	No	-	3
Ramesh N. Rohit	8	8	No	-	3

2. Committees of Directors :

Non-Executive Independent Directors, Including the Chairman, provide guidance to operating management on policy matters as well as in the monitoring actions of operating management. The Committees are intended to provide regular exchange of information and ideas between the Non-executive Directors and the operating management.

The Board has accordingly formed Committees, which comply with the requirements of Clause 49 of the Listing Agreement with the Stock Exchanges and other Applicable provisions of the Companies [Amendment] At, 2000.

[A] Audit Committee :

Audit Committee comprises of the following Executive Director and Non-Executive Independent Directors of the Board.

Name of the Directors	Status
1. Shri Bharat R. Gupta	Chairman & Managing Director
2. Shri Rajendra M. Agrawal	Non-Executive Independent Director
3. Shri Ramesh N. Rohit	Non-Executive Independent Director

Audit committee meetings were held on 22.10.2004.

- I Remuneration Committee comprises of the following Non-Executive Independent Directors of the Board :

Name of the Directors	Status
1. Shri Bharat R. Gupta	Chairman & Managing Director
2. Shri Rajendra M. Agrawal	Non-Executive Independent Director
3. Shri Ramesh N. Rohit	Non-Executive Independent Director

- II. Remuneration Policy :

The Company follows a market linked remuneration policy, which is aimed at enabling the company to attract and retain the best talent. The Company does not have an Employees Stock option Policy.

- III. Board terms of reference of the Remuneration Committee.

- To recommend and review remuneration package of Executive Director and Company Secretary in any, of the Company.
- To present report to the Board on remuneration package of Directors and Company Secretary.

- IV. Details of remuneration paid to the executive director during the year ended 31st March'2005.

- a. Executive Director :

Name of the Director	Salary	Perquisites	Total
Mr. Bharat R. Gupta Managing Director	1,20,000/-	Nil	1,20,000/-

The above Executive Director has not been given any package of stock option, pension etc.

Terms of Contract :

Name of the Director	Date of Appointment	Expiry of the Contract
Mr. Bharat R. Gupta Managing Director	01.10.2000	30.09.2005