

R. B. GUPTA FINANCIALS LIMITED

13th ANNUAL REPORT

2005-2006

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.

R. B. GUPTA FINANCIALS LIMITED**NOTICE :**

NOTICE is hereby given that the Thirteen Annual General Meeting of the Members of R. B. GUPTA FINANCIALS LIMITED will be held at 9.00 a.m. On Saturday, the 30th September, 2006. at the registered office of the Company situated at Satish Gupta Chambers, Near G.P.O., Raopura, Baroda to transact the following business.

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March'2006 and the Reports of Directors and Auditors thereon.
2. To appoint Director in place of Mr. Rajendra M. Agrawal 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.

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 Thursday, 28th September 2006 to Saturday, 30th September'2006.

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

By order of the Board

Managing Director

Date : 07-08-2006

13th Annual Report 2005-2006**DIRECTOR'S REPORT**

Dear Members,

Your Directors hereby present the 13th ANNUAL REPORT together with the Audited statement of the account for the year ended 31st March 2006.

(1) FINANCIAL RESULTS :

The financial results for the year ended are as under :

(Rs. in Lac)	Year Ended 2005-2006	Year Ended 2004-2005
Total turn over & other Income	414.12	17.08
Profit/Loss before Int., Dep. & Tax.	(19.54)	0.00
Interest	3.69	1.35
Depreciation	1.04	1.81
Profit/Loss before Tax	(24.47)	0.32
Provision FBT	0.10	NIL
Add : Deferred Tax Assets	5.76	4.86
Profit / Loss after Tax	(18.81)	5.17
Transfer to special Reserve	0.06	NIL
Balance carried to Balance Sheet	(18.87)	5.17

(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.

R. B. GUPTA FINANCIALS LIMITED

- (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'2006 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. Rajendra M. Agrawal, 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 : 07-08-2006

Chairman

13th Annual Report 2005-2006

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'2006

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'2005 to 31st March'2006

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.

C. Number of Board Meeting

During the year from 01st April'2005 to 31st March'2006 the Board of Directors met five times on the following dates.

Sr.No.	Date	Board Strength	No. of Directors Present
1.	20.04.2005	3	3
2.	23.05.2005	3	3
3.	25.07.2005	3	3
4.	01.08.2005	3	3
5.	15.10.2005	3	3
6.	25.01.2005	3	3
7.	20.03.2006	3	3

R. B. GUPTA FINANCIALS LIMITED**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'06	No. of Member ships in other Board committees as on 31st March'06
Bharat R. Gupta	7	7	Yes	2	3
Rajendra M. Agrawal	7	7	No	-	3
Ramesh N. Rohit	7	7	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] Act, 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 1-8-2005 AND 15-10-2005.

13th Annual Report 2005-2006

- 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	01.10.2005	30.09.2010

R. B. GUPTA FINANCIALS LIMITED

The above Managing Director is required to give 3 months notice period for resignation as Managing Director, if before expiry of service contract, the tenure of office of the Managing Director is determined, he will be entitled compensation as per section 318 of the companies Act.

b. Non-Executive Directors :

No sitting fee is paid to Non-Executive Directors.

No remuneration committee meeting was held on during the year.

[C] Shareholder/Investors Grievances Committee :

This committee of the following Executive Director, and Non-Executive Directors, reviewing shareholders, complaints and resolution thereof.

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

No Shareholder / Investors Grievances Committee Meeting was held during the year ended 31st March 2006 as the Company did not receive any letter of major grievances from the shareholders / Investors.

3. General Body Meetings :

The last three Annual General Meeting [AGMS] of the Company were hold on the following dates and time at Satish Gupta Chambers, Near G.P.O., Raopura , Baroda-390 001.

[A] Details of last three AGMs held :

AGM	Day and date	Time
10 th	Tuesday 30.09.2003	9.00 am
11 th	Thursday 30.09.2004	9.00 am
12 th	Friday 30-09-2005	9.00 am

[B] Whether special resolutions were put through postal ballot last year ? No