

R. B. GUPTA FINANCIALS LIMITED

14th ANNUAL REPORT

2006-2007

BOARD OF DIRECTORS

SHRI BHARAT R. GUPTA
CHAIRMAN CUM MANAGING DIRECTOR

MR. RAMESH N. CHAUHAN
DIRECTOR

MR. RAJENDRA M. AGRAWAL
DIRECTOR

BANKERS
BOMBAY MERCANTILE CO-OP BANK LTD.
BANK OF INDIA
INDUSIND BANK

AUDITORS
MESSRS 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 Fourteen Annual General Meeting of the Members of R. B. GUPTA FINANCIALS LIMITED will be held at 9.00 a.m. On Saturday, the 7th July'2007. 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'2007 and the Reports of Directors and Auditors thereon.
2. To appoint Director in place of Mr. Ramesh N. Chauhan 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 4th July 2007 Wednesday to 7th July '2007, Saturday.

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

By order of the Board

Managing Director

Date : 23-05-2007

14th Annual Report 2006-2007**DIRECTOR'S REPORT**

Dear Members,

Your Directors hereby present the 14th ANNUAL REPORT together with the Audited statement of the account for the year ended 31st March'2007.

(1) FINANCIAL RESULTS :

The financial results for the year ended are as under :

(Rs. in Lac)	Year Ended 2006-2007	Year Ended 2005-2006
Total turn over & other Income	61.09	414.12
Profit/Loss before Int., Dep. & Tax	16.67	(19.54)
Interest	2.84	3.69
Depreciation	0.71	1.04
Profit/Loss before Tax	13.12	(24.47)
Provision FBT	0.10	0.10
Add : Deferred Tax Assets	10.65	5.76
Profit/ Loss after Tax	23.68	(18.81)
Transfer to special Reserve	2.62	0.06
Balance carried to Balance Sheet	21.05	(18.87)

(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) MANAGEMENT DISCUSSION & ANALYSIS :

The financial statements have been prepared in compliance with the requirements of the Companies Act, 1956, and Generally Accepted Accounting Principles(GAAP) in India. However, readers are cautioned that this discussion may contain "Forward - Looking statements by R. B. Gupta Financials Limited(RBGFL) that are not historical in nature.

These forward looking statement, which may include statement relating to future result of operation. Indian Economy, which will propel heal GDP from the 6 percent averaged over the previous two decades.

The Net Profit for the year 2006-2007 amounted to Rs. 13.12 Lakhs. as compared to Rs. -24.47 Lakhs in 2005-2006.

The Company has increasingly diversified its scope of operation into variety of avenues as afforded under the NFBC rules & regulation.

The Company has also planning to investment in Real Estate and Hospital Business.

R. B. GUPTA FINANCIALS LIMITED**(5) REPORT ON CORPORATE GOVERNANCE :-**

Pursuance to clause-49 of the listing agreement entered with stock exchanges. A separate section on corporate Government in the annual report of the company is attached to the annual report.

(6) AUDITORS :

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

7) AUDITORS' REPORT :

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

(8) 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'2007 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.

(9) DIRECTORS :

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

(10) 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.

(11) 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.

(12) ACKNOWLEDGEMENT :

Your Directors appreciate the valuable co-operation and assistance received from the company's Bankers, employees, customers and all those associated with the company during the year under review.

By Order of the Board

Place : Baroda

Date : 23-05-2007

Chairman

14th Annual Report 2006-2007

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'2007

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'2006 to 31st March'2007

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. Chauhan | 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'2006 to 31st March'2007 the Board of Directors met five times on the following dates.

Sr.No.	Date	Board Strength	No. of Directors Present
1.	15.04.2006	3	3
2.	27.06.2006	3	3
3.	15.07.2006	3	3
4.	30.09.2006	3	3
5.	07.08.2006	3	3
6.	22.10.2006	3	3
7.	02.01.2007	3	3
8.	23.02.2007	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'07	No. of Member ships in other Board committees as on 31st March'07
Bharat R. Gupta	8	8	Yes	3	3
Rajendra M. Agrawal	8	8	No	-	3
Ramesh N. Chauhan	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. Chauhan | Non-Executive Independent Director |

Audit committee meetings were held on 07-08-2006 AND 22-10-2006

14th Annual Report 2006-2007

- 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. Chauhan	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 if any, of the Company.
- To present report to the Board on remuneration package of Directors and Company Secretary, if any, of the Company.

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 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. Chauhan	Director

No Shareholder / Investors Grievances Committee Meeting was held during the year ended 31st March'2007 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 held 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
11 th	Thursday 30.09.2004	9.00 am
12 th	Friday 30-09-2005	9.00 am
13 th	Saturday 30-09-2006	9.00 am
EGM	23-02-2007	9.00 am

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

14th Annual Report 2006-2007

Generally, all the resolution in the General Body Meetings are passed through show of hands.

[C] Details of resolutions passed through Postal Ballot : Nil

[D] Area proposed to be conducted through postal ballot and procedure :

The Company proposes to pass resolution of General Body Meetings through postal ballot paper and follow the procedure given under the Companies Act.

5. Disclosure :

[A] Disclosures on materially significant related party transaction i.e. Transaction of the Company of material nature, with its promoters, the Directors or the Management, their subsidiaries or relatives etc. that may have potential conflict with the interests of Company at large;

a. Managerial Remuneration of Rs. 1,20,000/- was paid to Mr. Bharat R. Gupta, Managing Director for the year ended 31st March'2007

[B] Details of non-compliance by the Company, penalties, stricture imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years : Nil

6. Means of Communication :

[A] Company has not made any presentations to any Institutional Investors / Analyst during the period.

[B] All items required to be covered in the Management Discussion & Analysis have been included in the directors Report to Members.

7. General Shareholder Information :

Day and date : Saturday 7th July'2007
 Time : 9.00 am.
 Venue : Satish Gupta Chambers, Near G.P.O., Raopura,
 Baroda - 390 001.

[B] Financial Calender [1st April'2007 to 31st March'2008]

1 Board Meeting	10-04-2007
2 Board Meeting	31-07-2007
3 Board Meeting	31.10.2007
4. Board Meeting	31.01.2008