

R B GUPTA FINANCIALS LIMITED

19TH ANNUAL REPORT

2011-2012

: BOARD OF DIRECTORS :

MR. BHARAT R. GUPTA

(Managing Director)

Mrs. ANUPAMA B. GUPTA

(Director)

MR. KAMAL BACHUBHAI PANDYA

(Director)

MR. RAMESH N. CHAUHAN

(Director)

MR. NARENDRA C. PATEL

(Director)

: BANKERS :

**BANK OF INDIA
INDUSIND BANK**

: AUDITORS :

M/S. AMIN PARIKH & CO.

*Chartered Accountant
Vadodara*

: Registered Office :

**401, 402, Earth Complex, Opp. Vaccine Institute,
Old Padra Road, Vadodara, Gujarat, 390015**

NOTICE

NOTICE is hereby given that the 19th Annual General Meeting of the members of **R B GUPTA FINANCIALS LIMITED** will be held at 9.00 a.m. on Saturday, 29TH September, 2012 at 401, 402, Earth Complex, Opp. Vaccine Institute, Old Padra Road, Vadodara, Gujarat, 390015 to transact the following business:

ORDINARY BUSINESS:

1. To receive consider and adopt the Audited Balance Sheet as at 31st March 2012 and the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mrs. Anupama Bharat Gupta, who retires by rotation and being eligible offers herself for reappointment.
3. 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:

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

RESOLVED that pursuant to section 257 and other provisions applicable, if any of the Companies Act, 1956 consent of the members of the Company be and is hereby given for the appointment of Mr. Kamal Bachubhai Pandya as Director of the Company.

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

RESOLVED that pursuant to section 269, 198, 309, and other provisions applicable, if any and schedule XIII of the Companies Act, 1956 consent of the members of the Company be and is hereby given for the appointment of Mr. Bharat Ramchandra Gupta as Managing director of the Company for a period of five years with effect from the 01st April, 2012 on the terms and conditions as detailed hereunder, with a liberty to the Board of Directors of the Company to modify the said terms and conditions within the limits prescribed/which may be prescribed in schedule XIII of the Companies Act, 1956 and any amendment thereof from time to time:

[i] Salary:

Not exceeding Rs.75,000 [Rupees Seventy Five Thousand Only] per month [including perquisites and other allowance, if any].

[ii] Perquisites and other allowances:

Perquisites and other allowances shall also be allowed in addition to salary. However, total managerial remuneration by way of salary, perquisites and other allowances shall not exceed the overall limit of Rs.9,00,000 per annum.

- [iii]** Contribution to provident fund, superannuation fund and annuity fund will not be included in the computation of the ceiling on managerial remuneration to the extent these either singly or put

R B GUPTA FINANCIALS LIMITED

together are not taxable under the Income-Tax Act. Gratuity payable should not exceed half a month's salary for each completed year of service.

- [iv] Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.
- [v] Provision of car with driver for use on Company's business and telephone at residence will not be considered as perquisites/remuneration. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the individual appointee concerned.

RESOLVED FURTHER THAT, where in any financial year, during the currency of tenure of Mr. Bharat Ramchandra Gupta as Managing director the Company has no profit or its profits are inadequate, it may pay him minimum remuneration by way of salary, perquisites and allowances not exceeding the limits specified above.

3rd September 2012

Regd. Office:
401, 402, Earth Complex,
Opp. Vaccine Institute,
Old Padra Road,
Vadodara, Gujarat, 39001

By Order of the Board

Bharat R. Gupta
Managing Director

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 book of the company will remain closed from Monday, 27th September, 2012 to 29th September, 2012.
3. Explanatory statement in respect of the special business u/s 173 (2) of the companies Act, 1956

Item No. 4

Mr. Kamal Bachubhai Pandya was appointed as additional director of the company on 31-3-2012. The Company has received request in writing from a member With a deposit Rs 500 proposing his candidature for appointment as Director of the Company in accordance with the provisions of Section 257 and all other applicable provisions of the Companies Act, 1956.

None of the director except Mr Kamal Bachubhai Pandya is not interested in the above resolution.

Item No. 5

Mr. Bharat Ramchandra Gupta was appointed as Managing Director of the Company with effect from 01st April, 2012 by the Board of Directors at their meeting held on 31st March, 2012.

Mr. Bharat Ramchandra Gupta is B.Com. and has experience of more than about 29 years He will look after overall function of the company under the control and superintendence of the Board of Directors. He has good knowledge and experience of business. Therefore, your Board recommends to appoint Mr. Bharat Ramchandra Gupta as Managing Director of the Company with effect from 01st April, 2012.

None of the Directors except Mr. Bharat Ramchandra Gupta as Managing Director for drawing his remuneration and Anupama Gupta, being relative of Mr. Bharat Ramchandra Gupta is interested in these resolutions.

This explanatory statement together with the accompanying notice may also be considered as an abstract of terms of the contract and memorandum under section 302 of the Companies Act, 1956.

3rd September 2012

Regd. Office:
401, 402, Earth Complex,
Opp. Vaccine Institute,
Old Padra Road,
Vadodara, Gujarat, 39001

By Order of the Board

Bharat R. Gupta
Managing Director

DIRECTOR'S REPORT

Dear Members, Your Directors hereby present the 19th Annual Report together with the audited statement of account for the year ended on 31st March, 2012.

1. FINANCIAL RESULTS:

The financial Results for the year ended are as under:

Particulars	Year ended 2011-2012	Year ended 2010-2011
(Rs. In Lac)		
Total Turnover and other income	23.86	95.08
Profit (Loss) before interest, depreciation and tax.	13.51	2.37
Interest	0.02	0.03
Depreciation	0.21	0.21
Profit (Loss) before tax	13.29	2.13
Provision for fringe benefit tax	2.60	0.35
Add : Deferred Tax Asset	13.32	0.18
Profit/ Loss After Tax	21.35	1.54
Transfer to special reserve	2.65	0.43
Balance carried to balance sheet.	30.81	9.46

2. DIVIDEND :

Your Directors have not recommended any dividend for the year ended 31-03-2012.

3. PUBLIC DEPOSIT:

The company has not accepted any deposit U/S 58 A of the Companies Act, 1956 during the year under report.

4. REPORT ON CORPORATE GOVERNANCE :

Pursuance to clause-49 of the listing agreement entered with stock exchange. A separate section on corporate government in the annual report of the company is attach to the annual report.

5. AUDITORS :

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

6. AUDITOR'S REPORT:

The observations of the auditors are explained whenever necessary, by way of appropriate notes to the account.

7. DIRECTOR'S RESPONSIBILITY STATEMENT:

Your Board States that;

- (i) In the preparation of the annual accounts for the year ended on 31st March 2012, the applicable accounting standards had been followed except interest income on loan

given has not been added to other income as it is doubtful to recover and there had been no other material departures from the said standards.

- (ii) The directors had selected such accounting policies and applied them consistently and made judgments 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, 2012 and of the profit of the company for the year ended on that day.
- (iii) The directors had taken proper and sufficient care for the maintenance of adequate accounting statement 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 directors had prepared the annual accounts for the year ended on 31st March 2012 on a going concern basis.

8.. DIRECTORS:

Mrs. Anupama Bharat Gupta, Director retires by rotation at the ensuing annual general meeting of the company and being eligible offers herself for re-appointment.

Mr. Kamal Pandya was appointed as additional director during the year. The Company has received notice under section 257 of the Companies Act, 1956 proposing to appoint him as Director of the Company. Your Board recommends to appoint him as Director

9. SECRETARIAL COMPLIANCE CERTIFICATE:

Compliance certificate U/S 383(1A) of the Companies Act, 1956 obtained from practicing Company Secretary is attached herewith.

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 amend regarding employees is nil.

**11. PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY
ABSORPTION AND FOREIGN EXCHANGE INCOME AND OUTGO:**

Information in accordance with the provisions 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.

PLACE : VADODARA
3rd September, 2012

On behalf of the board

BHARAT R. GUPTA
Managing Director

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 provision of the Companies [Amendments] Act, 2000, has been implemented by the Company effective from 30th January 2003.

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 2012

The Board comprises of five Directors. Of whom one was Managing Director, Three are Non- Executive director and One is Additional Director. The Chairman of the Board was a Managing Director/Director.

A Composition of the Board for the period from 1st April, 2011 to 31st March 2012

Names of the Directors

Names of the Directors	Status
1. Shri Bharat Ramchandra Gupta	Managing Director
2. Mrs Anupama Bharat Gupta	Director
3. Shri Rameshbhai Narshinhbhai Chauhan	Non-Executive Independent Director
4. Shri Narendrakumar Chandubhai Patel	Non-Executive Independent Director
5. Shri Kamal Bachubhai Pandya	Additional Director

Shri Kamal Bachubhai Pandya was appointed as Additional Director on 31st March, 2012.

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 2011 to 31st March 2012 the Board of Directors met six times on the following dates:

Sr.No.	Date	Board Strength	No. of Directors Present
1.	29.04.2011	4	3
2.	28.07.2011	4	3
3.	20.10.2011	4	3
4.	14.12.2011	4	3
5.	03.02.2012	4	3
6.	31.03.2012	4	4

II Attendance of Directors:

Names of the Directors	No. of Board Meeting held	No. of Board Meetings Attended	Attendance at the last annual general meeting	No. of Director Ship in other Boards as on 31 st March 2012	No. of member Ships in other Board committees as on 31 st March 2012
Bharat R Gupta	6	6	Yes	1	3
Anupama B Gupta	6	6	Yes	1	3
Rameshbhai Chauhan	6	6	Yes	NIL	3
Narendrakumar Patel	6	0	No	NIL	1
Kamal Pandya	6	1	No	NIL	NIL

2 Committees of Directors:

Non-Executive 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 Directors of the Board.

Name of Directors

Status

- | | |
|------------------------------|------------------------------------|
| 1 Shri Bharat R. Gupta | Managing Director |
| 2 Mrs. Anupama B. Gupta | Director |
| 3 Shri Rameshbhai N. Chauhan | Non-Executive Independent Director |
- Audit committee meetings were held on 28th July 2011, and 20th October, 2011.

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

Name of Directors

Status

- | | |
|-------------------------------|------------------------------------|
| 1 Mrs. Anupama B. Gupta | Director |
| 2 Shri Rameshbhai N. Chauhan | Non-Executive Independent Director |
| 3 Shri Narendrakumar C. Patel | Non-Executive Independent Director |

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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. Broad Terms of reference of the Remuneration Committee:

- To recommend and review remuneration package of Executive Director and Company Secretary 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, 2012.

(a) Executive Director

Name of the Director	Salary	Perquisites	Total
Mr. Bharat R. Gupta Managing Director (up to 30.09.2011)	Nil	Nil	Nil

The above Managing/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 Contract
Mr Bharat R. Gupta Managing Director	01/04/2012	31-03-2017

The above Managing Director was required to give 3 month notice period for resignation as managing director, If before expiry of service contract then tenure of office of managing director is determined, he will be entitled compensation as per section 318 of companies Act.

(b) Non-Executive Directors:

- No sitting fee is paid to Non-Executive Directors.
- No Remuneration committee meeting was held during the year ended 31st March 2012.

(c) Shareholder/Investors' Grievances Committee:

This committee comprises of the following Directors, reviewing shareholders' complaints and resolution thereof.

Name of Directors	Status
1 Shri Bharat R. Gupta	Managing Director
2 Mrs. Anupama B. Gupta	Director
3 Shri Rameshbhai N. Chauhan	Non-Executive Independent Director
4. Shri Narendra C. Patel	Non-Executive Independent Director

No share holders/investors' Grievance Committee Meeting was held during the year ended 31st March, 2012 as the company did not receive any letter of major grievances from shareholders/investors.

3. General Body Meetings:

The last three Annual General Meeting [AGMS] of the Company were held on the following dates and