

11TH ANNUAL REPORT 1996-97

MD			BKC	
CS	✓		DPY	
RO	✓		DIV	
TRA	✓		AC	
AGM	✓	✓	SHI	✓
YE	✓	✓		✓

Report  Junction.com



RR FINANCIAL CONSULTANTS LTD.

RR FINANCIAL CONSULTANTS LTD.**BOARD OF DIRECTORS**

SH. RAGHUNANDAN PRASAD

CHAIRMAN

SH. ROHIT PRASAD

VICE CHAIRMAN

SH. RAJAT PRASAD

MANAGING DIRECTOR

SH. N.N. AGARWALA

SH. JAGDISH S. MEHTA

COMPANY SECRETARY

SH. NAVNEET K. GUPTA

BANKERS

THE VYSYA BANK

BANK OF AMERICA

STATE BANK OF INDIA

GLOBAL TRUST BANK

REGD. OFFICE3RD FLOOR, GROVER MANSION,
3/17-A, ASAF ALI ROAD,
NEW DELHI-110002.**HEAD OFFICE**412-422, INDRAPRAKASH,
21, BARAKHAMBA ROAD,
NEW DELHI-110001.**MUMBAI OFFICE**133A, 13TH FLOOR,
MITTAL TOWER, 'A' WING,
NARIMAN POINT,
MUMBAI-400 021.**CALCUTTA OFFICE**704, KRISHNA BLDG.,
AJC BOSE ROAD,
CALCUTTA-700019**RR INVESTMENT SHOPS**

- | | | |
|--|---|--|
| 1. UB-24, Indraprakash,
21, Barakhamba Road,
New Delhi-110 001. | 5. Shop No.24, FD Market,
Near Madhuban Chowk,
Pitampura,
Delhi-110 034. | 8. 114, Satyam Building,
Rajnagar District Centre,
Ghaziabad, UP |
| 2. 118, Gagandeep,
Rajendra Place,
New Delhi-110 008 | 6. Flat No.105, Anchal Plaza,
Plot No.7, Sector-B,
Pocket 7, Vasant Kunj,
New Delhi-110 070. | 9. UGF Ocean Plaza,
P-5, Sector-18,
Noida-U.P. |
| 3. 111, Jyoti Shikhar, 8,
District Centre, Janakpuri,
New Delhi-110 058. | 7. 106, Pankaj Chambers,
Preet Vihar Comm.Centre,
Delhi-110 091. | 10. Shop No.55, 1st Floor,
Near Fly Over, Neelam Chowk,
Faridabad. |
| 4. 105, Pratap Chambers,
Bahadur Shah Zafar Marg,
New Delhi-110 002. | | 11. G-32, Shriram Tower,
13-Ashok Marg,
Lucknow-226 001. |

CONTENTS	PAGE NO.	SUBSIDIARY COMPANY	PAGE NO.
NOTICE	1	DIRECTOR'S REPORT	17
DIRECTOR'S REPORT	3	AUDITOR'S REPORT	18
AUDITOR'S REPORT	4	BALANCE SHEET	19
BALANCE SHEET	5	PROFIT & LOSS A/C	19
PROFIT & LOSS A/C	6	SCHEDULES	20
SCHEDULES	7-13		
CASH FLOW STATEMENT	15		
STATEMENT ON SUBSIDIARY	16		

RR FINANCIAL CONSULTANTS LTD.**NOTICE**

Notice is hereby given that the 11th Annual General Meeting of the members will be convened on Saturday, 20th Dec. 1997 at Gandhi Memorial Hall, Bahadur Shah Zafar Marg, New Delhi-110 002 at 10.30 A.M. to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the annual accounts for the year ended 30th September, 1997, alongwith the Directors Report and Auditors Report thereon.
2. To declare dividend, for the financial year ended 30th September, 1997
3. To appoint Director in place of Sh.R. Prasad who retires by rotation and being eligible offers himself for reappointment.
4. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS**5. AMENDMENT OF ARTICLES OF ASSOCIATION**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution :-

"RESOLVED THAT pursuant to the provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification or re-enactment thereof, the Articles of Association of the Company be amended in accordance with the provisions of Companies Bill, 1997 to the extent the said provisions are incorporated in the Companies Act, after its amendment and wherever necessary, by altering/ substituting or deleting the existing Articles to the extent and in the manner detailed hereunder:-

The following new Articles be added in the Articles of Association of the Company:-

Power of Company to purchase its own securities

Article 4A - Subject to the provisions of the Companies Act as in force, the company may purchase from time to time such quantity or quantities of its own shares or other specified securities, whether or not they are redeemable, at such rate(s) and on such terms as the Board may deem proper and make payment(s) for such purchases and to keep them alive/cancel them and/or resell from time to time such number(s) of the shares so purchased at such rate(s) and on such terms as the Board may deem proper, in accordance with the provisions of the Companies Act and any other law/rules and regulations as may be applicable from time to time.

Issue with disproportionate rights

Article 4B - The Company may issue shares and quasi equity instruments with differential rights, as to dividend,

voting or otherwise in accordance with such rules as may be prescribed, or hybrids, derivatives and options as may be allowed under the Companies Act or any other regulations/enactment, from time to time.

Nomination :

Article 43 : The Clause 43 be amended by addition of following words in the very beginning of clause.

Every holder of fully paid shares, debentures or other securities may at any time nominate in the prescribed manner, a person in whom his shares, debentures or other securities shall vest in the event of his death in accordance with the provisions of the law as may be applicable from time to time. If no such nomination is made....."

6. BUY BACK OF SHARES

To consider and if thought fit to pass, with or without modification (s), the following resolution as a Special Resolution :

"RESOLVED THAT subject to the provisions of the Companies Act 1956 as amended from time to time or any re-enactment thereof permitting the Company to buy back its own shares, the Board of Directors of the Company be and are hereby authorised to purchase from time to time such quantity or quantities of the shares of the Company whether or not they are redeemable, at such rate(s) as may be thought fit by the Board on such terms and conditions as the Board may deem proper and make payment(s) for such purchases out of the funds from free reserves and share premium account or out of such funds as may be allowed under the law/ rules & regulations and to keep them alive, cancel and/ or resell from time to time such number(s) of the shares so purchased, at such rate(s) and on such terms as the Board may deem fit and proper".

"RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to raise funds in one or more trenches through issue/private placement of Debentures/Bonds or any other form of securities for the purpose of Buy-Back of Company's securities on such terms and conditions as may be decided by the Board of Directors and permissible under the law".

"RESOLVED FURTHER THAT the Board of Directors of the Company shall exercise the powers conferred by this resolution only after necessary provision for the purpose is incorporated in the Companies Act, 1956 or any statutory modification or re-enactment thereof and in such manner and after complying with the conditions prescribed in such provisions or any other law or regulations and not otherwise".

RR FINANCIAL CONSULTANTS LTD.**7. PLACE OF KEEPING STATUTORY REGISTERS**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution :-

RESOLVED THAT pursuant to Section 163 of the Companies Act and in suppression of earlier resolution passed in Annual General Meeting of the company held on 7th September, 1995, consent of the company be & is hereby accorded to the Board of Directors to keep the Register of Members together with Index of Members, and copies of all Returns prepared U/S 159 & 160 of the Companies Act 1956, as also the copies of Certificates & Documents required to be annexed there to at 3rd Floor, Grover Mansion, 3/17-A, Asaf Ali Road, New Delhi instead of 290, Gagan Vihar, Delhi-110 092

By order of the Board
For RR FINANCIAL CONSULTANTS LTD.

Sd/-

NAVNEET K. GUPTA
Company Secretary

Place : New Delhi
Date : 8.11.97

NOTES :-

- 1. MEMBERS SHOULD NOTE THAT NO GIFTS WILL BE DISTRIBUTED AT THIS ANNUAL GENERAL MEETING.**
- A member entitled to attend and vote at the meeting is also entitled to appoint a proxy to attend and vote in his/her place. In order to be effective, the proxy must be lodged at least 48 hours before the scheduled time of the meeting. The incomplete proxies are liable to be rejected without any further correspondence.
- The Register of Members and Share Transfer Books will remain closed from Friday, 19th Dec., 1997 to Saturday, 20th Dec., 1997 (both days inclusive)
- Shareholders seeking any information on accounts of the company are requested to write to the Company atleast 10 (ten) days before the date of meeting so that the Information can be kept ready on the date of Meeting.
- Members are requested to bring this copy of annual report with them at the time of meeting.

EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956.**ITEM NO. 5**

Your Directors propose to make certain changes in the Articles of Association of the Company in order to bring these in line with the draft Companies Bill, 1997. These would provide enabling authorisation to the members/the Board to implement the changes as and when Act comes into force. These proposed changes would enable the Company to avail

the benefits of economic liberalisation and provide operational flexibility. Some of the provisions relating to buy-back of shares, issue of different classes of securities, facility of nomination by shareholders, are proposed by way of amending, substituting the existing Articles of Association/or by inserting new Articles in the Articles of Association of the Company. These changes would require your approval by way of Special Resolution

The above changes would become effective only from the date of enactment and enforcement of the changed provisions in law.

None of the Directors of the Company is interested in the resolution.

ITEM NO. 6

The draft Companies Bill, 1997 allows buy-back of shares or other specified securities by a Company from out of its free reserves, securities premium account or the proceeds of prior issue made specifically for the purpose of buy-back subject to certain conditions.

In view of this, it is proposed to take authorisation in the forthcoming Annual General Meeting of members in favour of the Board in respect of the following two proposals:-

1. Buy-back of equity shares of the Company either from the open market or through negotiations or other arrangement or any other permissible mode
2. To raise funds through issue or private placement of debentures, bonds or any other form of securities for the specific purpose of Buy-back of Securities.

The Company would comply with all other terms and conditions as applicable to buy-back of securities.

The above changes would become effective only from the date of enactment of the changed provisions in law.

None of the Directors is interested in the resolution.

ITEM NO. 7

The Company, in Annual General Meeting held on 7th Sept., 1995, was authorised to keep all statutory books etc. at 290, Gagan Vihar, Delhi. However, it has created an operational inconvenience. Therefore, it is proposed to keep all such books etc. back at the Registered office instead of 290, Gagan Vihar, Delhi.

None of the Directors is interested in the resolution.

By order of the Board
For RR FINANCIAL CONSULTANTS LTD.

Sd/-

NAVNEET K. GUPTA
Company Secretary

Place : New Delhi
Date : 8.11.97

RR FINANCIAL CONSULTANTS LTD.**DIRECTORS' REPORT****Dear Shareholders**

The Board of Directors of the Company is pleased to submit its report for the financial year 1996-97 (18 months) ended on 30/9/97

Financial Results

Particulars	(Rs. in Lacs)
Income from Operation	2952.63
Other Income	—
Total Expenditure	2729.60
Interest	39.41
Gross Profit after int. but before depreciation & taxation	183.62
Depreciation	152.46
Provision for Taxation	5.00
Profit after Tax	26.16
Paid-up Equity Capital	398.62
Reserves excluding revalued reserves	1642.33

Dividend

The Board of Directors have recommended dividend @ 5% to be paid to shareholders.

Operations :

The Company is going through a constant phase of expansion in its business activities. This has been a continuous process over the last 18 months, which in the face of lacklustre capital markets and low economic activity has affected all service companies.

The Service Industry in India including yours, i.e. financial services is going through metamorphical process of consolidation and change. The company has been under consistent pressures on upgrading its personnel and services, as also performance. The highlight of the year being the company has been ranked as the largest private placement marketing company in India. The company has taken a conscious decision to enhance its product range into Forex relating activities also. The company has opened office in Calcutta and added a few offices in its direct marketing investment shop division.

The Board of the Company has a conscious plan & strategy to enhance the Company's network and profitability with an ultimate objective of enhancing the shareholders value on a long term basis.

DIRECTORS

In accordance with Article No.89 of Article of Association & Section 256 of the Companies Act 1956, Sh. R. Prasad, Director of the Company is liable to retire by rotation at the forthcoming Annual General Meeting and being eligible offer himself for reappointment. The Board recommends his reappointment.

SUBSIDIARY COMPANY

As required u/s 212 of the Companies Act 1956, a statement relating to the Priya Business Centre Private Limited, a wholly owned subsidiary of the company is attached with the Annual Report.

AUDITORS

The term of office of the Auditors M/s Ashwini & Associates expire at the conclusion of Annual General Meeting. However being eligible they have offered themselves for reappointment. The required Certificate from M/s. Ashwini & Associates, Chartered Accountants, New Delhi u/s 224(1B) of the

Companies Act, 1956 has been received by the Company certifying that their reappointment, if made, would be in accordance with the provisions of the Companies Act, 1956. The Board recommends their reappointment

FIXED DEPOSITS:

Your Company has not accepted any deposits from public or otherwise during the financial year 1996-97. The information as required by Non Banking Financial Companies (Reserve Bank) Directions, 1977 is Nil.

PARTICULARS RELATING TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO U/S 217(1)(e) OF THE COMPANIES ACT, 1956

As the Company is engaged in financial services, the disclosure requirement relating to conservation of energy, technology absorption and foreign exchange earnings & outgo as specified in the Companies Act, 1956 is not applicable to the report of Board of Directors. Rules 1988 is not applicable to the company.

PARTICULARS OF EMPLOYEE

The particulars required u/s 217(2A) of the Companies Act 1956 read with companies (Particulars of employees) Rules 1975 is as follows :-

Employed for the part of the year :-

Name	Sh. Sunil Chandra
Designation	General Manager (Operations)
Age	43 Years
Gross Remuneration	Rs.81,150/-
Qualifications	B.Com, CAIIB
Experience	20 Years
Date of Commencement of Employment	30/6/1997
Last Employment	Manager-Punjab National Bank, Investment Deptt.

Nature of employment is non-contractual. Remuneration as shown above includes salary, HRA, Companies Contribution to Provident Fund & money value of perquisites. He is not related to any Director of the Company.

INFORMATION PURSUANT TO CLAUSE 43 OF THE LISTING AGREEMENT.

Profitability	Actual (as on 30/9/97)	(Rs. in Lacs) Projected (as on 31/3/97)
Total Income	2952.63	702.69
PAT	26.16	340.77
EPS (Rs.) (weighted average)	0.52	8.54

ACKNOWLEDGEMENT

Your Directors convey their sincere thanks to all the agencies involved with it for their support to the Company during the period under review.

The Directors thank the shareholders and investors for their support and confidence in the Company.

For RR Financial Consultants Ltd.

Sd/- Sd/-
Place : New Delhi ROHIT PRASAD RAJAT PRASAD
Date : 8.11.97 (Vice Chairman) (Managing Director)

RR FINANCIAL CONSULTANTS LTD.

AUDITORS REPORT

To
The Members
RR Financial Consultants Ltd.
New Delhi.

We have audited the attached balance sheet of RR Financial Consultants Limited as at Sept., 30, 1997 and also the Profit & Loss Account of the company for the period ended on that date annexed thereto and report that:-

1. As required by the Manufacturing and other Companies (Auditor's Report) Order, 1988 issued by the Company Law Board in terms of section 227(4A) of the companies Act, 1956, we annex hereto a statement on the matters specified in paragraph 4&5 of the said order in so far as they are applicable to the company.
2. Further to our comments in the Annexure referred to in paragraph above, we report that :-
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the company, so far as appears from our examination of the books.
 - (c) The balance sheet and profit & Loss account dealt with by this report are in agreement with the books of account.
 - (d) In our opinion and to the best of our information and according to the explanations given to us, the accounts read with the notes thereon (vide schedule 16) give the information required by the Companies Act, 1956, in the manner so required, and give a true and fair view:
 - (i) In the case of the Balance Sheet, of the state of the affairs of the Company as at Sept. 30, 1997 and
 - (ii) In the case of the profit and loss account, of the profit of the Company for the period ended on that date.

For Ashwani & Associates
Chartered Accountants
Sd/-

SANJEEVA NARAYAN
(Partner)

Place : New Delhi
Date : 8.11.1997

ANNEXURE

Annexure referred to in paragraph 1 of the report of even date of the auditors to the members of M/s RR Financial Consultants Limited, on the accounts for the period ended 30th Sept., 1997.

1. The Company has maintained proper records showing full particulars including quantitative details and situation of all its tangible fixed assets. We have been informed that the fixed assets of the company have been physically verified at random, by the management at reasonable intervals during the year and no discrepancies were noticed on such verification.
2. The Company has not revalued any of its fixed assets during the year.
3. The Company has not taken any loan from companies or firms listed in the register maintained under section 301 of the companies Act, 1956. In respect of the unsecured loans taken by the company from the other parties listed in the register maintained under the said section, the terms and conditions of the interest free loans are not prima facie prejudicial to the interests of the company or its members. However the company has paid the some loan during the year.

4. The Company has not granted any loans to companies, firms or other parties listed in the register maintained under section 301 of the companies Act, 1956.
5. The parties to whom loans and advances in the nature of loans have been given by the company are repaying the principal amounts as stipulated and are also regular in payment of interest, whenever applicable.
6. In our opinion and according to the information and explanations given to us, the Company has an adequate internal control procedure commensurate with its size and nature of its business, for the purchase of machinery, equipment and other assets.
7. The transactions made in pursuance of contracts or arrangements entered for purchase and sale of goods, materials or services in the register (s) maintained under section 301 of the companies Act, 1956 as aggregating during the year to Rs. 50,000/- (Rupees fifty thousand only) or more in respect of each party, have been made at the rates which are reasonable having regard to prevailing market rates for such goods, materials or services or rates at which transactions for similar services have been made with other parties.
8. The company has not accepted any deposits from the public during the year.
9. In our opinion the company has an adequate internal audit system commensurate with the size and nature of its business.
10. The dues under the Employees Provident Fund and Miscellaneous Provisions Act, 1952 and the Employees State Insurance Act, 1948 have regularly been deposited with the appropriate authorities by the company.
11. According to the information and explanations given to us, there are no undisputed amounts payable in respect of Income Tax, Wealth Tax and Sales Tax as at 30th Sept., 1997 which are outstanding for a period of more than six months from the date they became payable. The Provisions of Customs Duty and Excise Duty are not applicable to the Company.
12. In our opinion and according to the information and explanations given to us, personal expenses of employees or director have not been charged to revenue account other than those payable under contractual obligations or in accordance with the generally accepted business provisions.
13. The company is not a sick Industrial Company within the meaning of clause (o) of sub-section (1) of section 3 of the sick Industrial Companies (Special Provisions) Act, 1985.
14. The service activities of the company does not involve consumption of materials and hence the question of reporting on the existence or otherwise of a reasonable system to record the receipts, issues and consumption of materials does not arise.
15. The company is dealing or trading in share, securities, debentures and other investments. In our opinion, proper records have been maintained of the transaction and contracts entered into and timely entries have been made therein. The shares, securities, debentures and other investments have been held by the company in its own name except to the extent of the exemption, if any, granted under section 49 of the Companies Act, 1956 (1 of 1956). Some shares and debentures are in the process of transfer in the name of the company as at the close of the year.

For Ashwani & Associates
Chartered Accountants
Sd/-

SANJEEVA NARAYAN
(Partner)

Place : New Delhi
Date : 8.11.1997