

12TH ANNUAL REPORT 1997-98

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

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RR FINANCIAL CONSULTANTS LTD.

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

SH. RAGHUNANDAN PRASAD
SH. ROHIT PRASAD
SH. RAJAT PRASAD
SH. N.N. AGARWALA

CHAIRMAN
VICE CHAIRMAN
MANAGING DIRECTOR

COMPANY SECRETARY

SH. NAVNEET K. GUPTA

BANKERS

STATE BANK OF INDIA
BANK OF AMERICA
THE VYSYA BANK

REGD. OFFICE

3RD FLOOR, GROVER MANSIN,
3/17-A, ASAF ALI ROAD,
NEW DELHI-110002.

HEAD OFFICE

412-422, INDRAPRAKASH,
21, BARAKHAMBHA 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

LUCKNOW OFFICE

G-32, SHRI RAM TOWER
13, ASHOK MARG,
LUCKNOW-226 001

BANGALORE OFFICE

S-111, MANIPAL CENTRE,
41, DECKANSON ROAD,
BANGALORE-560 042

INVESTMENT SHOPS

☞ UB-24, Indraprakash,
21, Barakhamba Road,
New Delhi-110 001.

☞ 106, Pankaj Chambers,
Preet Vihar Comm. Centre,
Delhi-110 091

☞ Flat No. 105,
Anchal Plaza,
Plot No. 7, Sector-B, Pocket 7,
Vasant Kunj,
New Delhi-110 070.

☞ UFG Ocean Plaza,
P-5, Sector-18,
Noida-U.P.

☞ 114, Satyam Building,
Rajnagar District Centre,
Ghaziabad, UP.

☞ Shop No. 24, FD Market,
Near Madhuban Chowk,
Pitampura,
Delhi-110 034.

☞ 105, Pratap Chambers,
Bahadur Shah Zafar Marg,
New Delhi-110 002.

☞ 118, Gagandeep,
Rajendra Place,
New Delhi-110 008

☞ Shop No. 55, 1st Floor,
Near Fly Over, Neelam Chowk,
Faridabad.

☞ 111, Jyoti Shikhar, 8,
District Centre, Janakpuri,
New Delhi-110 058.

☞ 82/1, Bombay Samachar Marg,
Appollo House, Gr. Floor,
Fort, Mumbai-400 023

CONTENTS	PAGE NO.	SUBSIDIARY COMPANY	PAGE NO.
NOTICE	1	DIRECTOR'S REPORT	20
DIRECTOR'S REPORT	3	AUDITOR'S REPORT	21
AUDITOR'S REPORT	5	BALANCE SHEET	22
BALANCE SHEET	7	PROFIT & LOSS A/C	22
PROFIT & LOSS A/C	8	SCHEDULES	23
SCHEDULES	9-16		
CASH FLOW STATEMENT	18		
STATEMENT ON SUBSIDIARY	19		

RR FINANCIAL CONSULTANTS LTD.**NOTICE**

Notice is hereby given that the Twelfth Annual General Meeting of the members will be convened on Thursday, the 24th day of December, 1998 at the Ghalib Institute, Aiwan-e-Ghalib Marg, New Delhi - 110 002 at 9.30 AM to transact the following business.

ORDINARY BUSINESS:

1. To receive, consider and adopt the annual accounts for the Financial year ended 30th September 1998, alongwith the Directors' Report and Auditors' Report thereon.
2. To appoint Director in place of Sh. Narendra Nath Agarwala who retires by rotation and being eligible offers himself for reappointment.
3. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS

4. To consider and if thought fit, to pass with or without modification the following resolution as an Special Resolution :
 "RESOLVED THAT Wef 18th November 1998, the shares of company be delisted from the following Stock Exchanges:-
 (1) Calcutta Stock Exchange
 (2) Madras Stock Exchange
 (3) Ludhiana Stock Exchange
 (4) U.P. Stock Exchange

"RESOLVED FURTHER THAT Sh. Rohit Prasad, Vice Chairman and Sh. Rajat Prasad Managing Director be & are hereby authorised jointly or severally to comply with the procedure & do all acts execute deed documents and accept any condition imposed by any of stock exchange pursuant to this resolution."

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 in suppression of Resolution No 5 passed in the Annual General Meeting dated 20th December 1997 and 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 by inclusion of following Clauses :-

Buyback of 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, at such rate(s) and on such terms as prescribed and the Board may make payment(s) for such purchases and may 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.

Nomination:

Article 43A : Subject to the provision of the Act, every holder(s) of shares in, or holder(s) of debentures of, the company may, at any time nominate, in the prescribed manner person(s) to whom his/their shares in, or debentures of the Company shall vest in the event of his/their death.

By order of the Board
for RR FINANCIAL CONSULTANTS LIMITED

Sd/

RAJAT PRASAD
MANAGING DIRECTOR

Date : 18/11/98
Place : New Delhi

NOTE

- i) MEMBERS ARE REQUESTED TO NOTE THAT NO GIFTS WILL BE DISTRIBUTED AT THE ANNUAL GENERAL MEETING.
- ii) 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.
- iii) The Register of Members and Share Transfer Books will remain closed from Tuesday the 22nd December, 1998, to Thursday the 24th December 1998, (both days inclusive).

RR FINANCIAL CONSULTANTS LTD.

- iv) 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.
- v) Members are requested to bring this copy of annual report with them at the time of meeting.
- vi) Unpaid Dividend for the financial year of 1994-95 of the Company has been transferred to the Central Government Account. Any shareholder or member of the company entitled to claim the dividend for the said financial year can submit claim to the Registrar of Companies, Delhi & Haryana according to the prescribed rules & regulations.

Explanatory Statement Under Section 173(2) of the Companies Act, 1956

ITEM NO.4

The shares of the company were issued pursuant to prospectus dated October 17, 1994 and were listed at Delhi, Mumbai, Calcutta, Madras, Ludhiana & Kanpur stock exchanges. However the trading of shares on certain stock exchanges has been negligible and no direct advantage is being achieved by shareholders resident in specific jurisdiction of these stock exchanges.

Since Delhi stock exchange is Regional exchange and at Bombay Stock Exchange there is active trading in shares of Company, delisting is not sought at these two exchanges. The Board of Director will fix a record date giving exit opportunity to the shareholders in these region at a price which will be determined as per the valuation procedure prescribed.

None of the Director is interested in resolution.

The Board recommends passing of resolution.

ITEM NO.5

The Company (Amendment) Ordinance 1998 has added Section 77 A in the existing Companies Act 1956, which allows buyback of shares by Company on certain terms & condition. Since Articles of Association at present doesn't provide for same vide item No. 5, it is proposed to insert Clause No.4A in Articles of Association to enable the Company to buyback its shares. In addition the nomination Clause No.43A is also being proposed to facilitate shareholders to nominate any person to whom shares etc will vest in event of their death. With the passing of this resolution, the resolution No.5 passed at AGM dated 20-12-97 shall stand suppressed as it was passed with reference to Companies Bill, which is yet to take effect of Law.

The Board recommends the passing of resolution. None of the director is interested in the resolution.

By order of the Board
for RR FINANCIAL CONSULTANTS LIMITED

Sd/-

RAJAT PRASAD
MANAGING DIRECTOR

Date : 18/11/98

Place : New Delhi

RR FINANCIAL CONSULTANTS LTD.

DIRECTORS' REPORT

To,

The Members,

The Board of Directors of RR FINANCIAL CONSULTANTS LIMITED have pleasure in presenting the Twelfth Annual Report together with the Audited Accounts for the financial year 1997-98 ended 30th September 1998.

FINANCIAL RESULTS

(Rs. in Lacs)

Particulars	Year ended	
	30-09-1998 (12 Months Audited)	30-09-1997 (15 Months Audited)
Gross Turnover	1386.40	2952.63
Other Income	—	—
Total Expenditure	1370.84	2729.60
Interest	17.29	39.41
Depreciation	(14.55)	152.46
Gross profit after interest & depreciation but before taxation	12.82	31.21
Provision for Taxation	7.00	5.00
Profit after Tax	5.82	26.21
Prior year adjustment	(113.90)	—
Paid-up Equity Capital	398.62	398.62
Reserves excluding revalued reserves	1534.31	1642.39

OPERATIONS

The Company has gone through a period of consolidation of its business activities which has been expanding rapidly in the past three years. The year has been significant for the Company as it has maintained its position in the industry and diversified its range of services.

The Company opened offices in Bangalore and another retail office in Mumbai. With these, the basis infrastructure required for nation-wide access to clients is complete. The thrust now is towards upgrading communication(s), Networking Systems and procedures to enable it to give best services to clients.

The Board of the Company has followed a planned strategy which would bear fruit in long term only. Despite depressed capital Markets the Company has reached an enviable position in the industry and is poised to take of into the next millennium as the most efficient service provider in the Indian Capital Market.

DIVIDEND

In view of reduced profit the Board has decided not to recommend any dividend for the year.

DIRECTORS

In accordance with Article 89 of Articles of Association & Section 256 of the Companies Act 1956, Sh. Narendra Nath Agarwala 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 appointment.

Sh. Jagdish S. Mehta, Director of the Company ceased to be Director in accordance with Section 283 of the Companies Act, 1956. The Board places on record the valuable guidance provided by him.

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 for the existing Auditors M/s Ashwini & Associates expire at the conclusion of forthcoming 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 1997-98. The information as required by Non Banking Financial Companies (Reserve Bank) Directions, 1977 is NIL.

RR FINANCIAL CONSULTANTS LTD.**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 requirements relating to conservation of Energy & technology absorption are not applicable to the Company.

However, during the period under review, the company has spent Rs.1,77,369.05 worth foreign exchange on travelling of executives in relation to business of the Company. There has not been any earning in foreign exchange during the period.

PARTICULARS OF EMPLOYEES

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

(A) Employed for the whole of the year:-

Name	Designation	Age	Gross Remuneration	Qualification	Experience	Date of Commencement of Employment	Last Employment
Sh. Sunil Chandra	G.M. Operation (Dealing & Trading Delhi)	44 Years	Rs. 3,43,077/-	C.A., I.I.B.	21 Years	30-06-1997	Manager- Punjab National Bank (Investment Deptt.)
Sh. Naresh Varshney	Vice President (Retail Marketing)	36 Years	Rs. 2,66,817/-	C.A.	11 Years	07-01-1987	Nil
Sh. Aman Kumar Rajoria	Senior Manager	27 Years	Rs. 3,21,090/-	M.F.C.	3 Years	09-10-1995	Nil
(B) Employed for the part of the year :							
Sh. Vineet Tandon	Vice President (Corporate Finance)	33 Years	Rs. 2,39,800/-	I.C.W.A.	N.A.	01-04-1998	Vice President- Pioneer Invest Corporation Ltd.
Sh. Rajesh Gupta	Vice President (Corporate Finance- Delhi)	30 Years	Rs. 2,14,035/-	C.A.	-Years	30-01-1998	Phoenix International Ltd., Dalai Street, H.B. Portfolio

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 (Rs. in Lacs)	
	Actual	Projected
Total Income	1,386.40	862.01
Profit after tax	5.82	410.92
EPS(Rs.)	0.32	10.30
Dividend	Nil	Nil

UNPAID DIVIDEND

Unpaid Dividend for the financial year of 1994-95 of the Company has been transferred to the Central Government Account. Any shareholder or member of the company entitled to claim the dividend for the said financial year can submit claim to the Registrar of Companies, Delhi & Haryana according to the prescribed rules & regulations.

DELISTING OF SHARES

The shares of the Company were enlisted on Calcutta, Madras, Ludhiana & U.P. Stock Exchanges. Among other stock exchanges with a view to provide better trading facilities for the shareholders of the concerned region. However it has been found that there is hardly any activity in the shares of the Company and thus there is no benefit of continuing listing of the shares at all Stock Exchanges. Now with the computerisation of all exchange & expansion of Mumbai & Delhi stock exchange territorial jurisdiction, all people can transact in the shares of the company without much difficulty.

Therefore keeping in view the same, it is proposed to delist the shares from such stock exchanges.

ACKNOWLEDGEMENT

The Directors thank the shareholders and investors for their support and confidence in the Company. Your Directors also wish to place on record their deep appreciation for the service rendered by the employees of the Company at all levels.

For RR FINANCIAL CONSULTANTS LIMITED

Sd/-

Sd/-

Place : New Delhi
Date : 18/11/98

ROHIT PRASAD
(Vice Chairman)

RAJAT PRASAD
(Managing Director)

RR FINANCIAL CONSULTANTS LTD.

ASHWANI & ASSOCIATES
Chartered Accountants

103, Pratap Bhawan
Bahadur Shah Zafar Marg
New Delhi-110 002

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, 1998 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 accounts 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 accounts:
 - (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, 1998 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 : 18.11.98



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., 1998.

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 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 loans 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 same 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 and 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.

RR FINANCIAL CONSULTANTS LTD.

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 except there are delays in some cases.
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., 1998 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 practice .
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.

Place : New Delhi
Date : 18.11.98

For Ashwani & Associates
Chartered Accountants

Sd/-

Sanjeeva Narayan
(Partner)

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