

**13TH ANNUAL REPORT
1998-99**

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RR FINANCIAL CONSULTANTS LTD.

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

SH. RAGHUNANDAN PRASAD
SH. ROHIT PRASAD
SH. RAJAT PRASAD

CHAIRMAN
VICE CHAIRMAN
MANAGING DIRECTOR

BANKERS

STATE BANK OF INDIA
ABN AMRO BANK
THE VYSYA BANK

REGD. OFFICE

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

HEAD OFFICE

412-422, INDRAPRAKASH,
21, BARAKHAMB 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

CHENNAI OFFICE

4, ANANDAM STREET
T-NAGAR,
CHENNAI-600017

AHMEDABAD

401, ABHIJIT BLDG.
NEAR MITHA KHALI, CROSS ROAD
NAVRANGPURA, AHMEDABAD

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,
Raj Nagar 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.

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RR FINANCIAL CONSULTANTS LTD.

NOTICE

Notice is hereby given that the Thirteenth Annual General Meeting of the members will be held on Saturday, the 18th day of December, 1999 at Gandhi Memorial Hall, Pyare Lal Bhawan, BhadurShah Zafar 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 1999, alongwith the Directors' Report and Auditors' Report thereon
2. To appoint Director in place of Sh. Rohit Prasad who retires by rotation and being eligible offers himself for reappointment.
3. To appoint Auditors and to fix their remuneration.

By order of the Board
for **RR FINANCIAL CONSULTANTS LIMITED**

Sd/

RAJAT PRASAD
MANAGING DIRECTOR

Date : 20/11/99
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 Thursday the 16th December, 1999, to Saturday the 18th December 1999, (both days inclusive).
- 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.

By order of the Board
for **RR FINANCIAL CONSULTANTS LIMITED**

Sd/-

RAJAT PRASAD
MANAGING DIRECTOR

Date : 20/11/99
Place : New Delhi

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

To,

The Members,

The Board of Directors of R R FINANCIAL CONSULTANTS LIMITED have pleasure in presenting the Thirteenth Annual Report together with the Audited Accounts for the financial year 1998-99 ended 30th September 1999.

FINANCIAL RESULTS

(Rs. in Lacs)

Particulars	Year ended	
	30-09-1999 (Audited)	30-09-1998 (Audited)
Income from Operation	1653.47	1386.40
Other Income	—	—
Total Expenditure	1536.01	1370.84
Interest	28.84	17.29
Gross profit/(loss) after interest but before depreciation & tax	88.62	(1.73)
Depreciation	29.36	(14.55)
Profit/(loss) before tax	59.26	12.82
Provision for Taxation	9.00	7.00
Net Profit after Tax	50.26	5.82
Prior year/ Income Tax adjustment	(0.62)	(113.90)
Paid-up Equity Capital	398.62	398.62
Reserves and Surplus	1584.94	1534.30

OPERATIONS

The Company's process of consolidation continues in this year and marginal fruits of its efforts in the last few years have reflected in the growth in the income. It may be noted that income has grown more than the expenditure which has resulted in higher profits after tax of Rs.50 lacs.

The process of upgrading systems, communication and procedure continues. Process of conversion of business practices and procedures and personnel is long. The full effect of all these is expected to be reflected in the coming years.

The company has maintained its standing in the industry, added newer products and is confident of entering the new millenium, as a full service investment bank.

DIVIDEND

Though the profits have increased the board has decided not to recommend any dividend due to company's need for valuable capital for investment in the business.

DIRECTORS

Sh. Narendra Nath Agarwal who was the director of the company has left for heavenly abode and we pray to almighty to grant eternal peace to his soul.

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

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.

RR FINANCIAL CONSULTANTS LTD.**FIXED DEPOSITS :**

Your Company has not accepted any deposits from public or otherwise during the financial year 1998-99. 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 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.3,98,645.90 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:-

(1) Name	:	Sh. Vineet Tandon
Designation	:	Vice President (Corporate Finance)
Age	:	33 Years
Gross Remuneration	:	Rs.4,47,510/-
Qualifications	:	I.C.W.A.
Experience	:	N.A.
Date of Commencement of Employment	:	01-04-98
Last Employment	:	Vice President - Pioneer Invest Corporation Ltd.
% of Equity Shareheld	:	Nil
Nature of Employment	:	Permanent

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	1653.47	862.01
Profit after tax	50.26	410.92
EPS(Rs.)	1.49	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.

LISTING

The Shares of the company are listed on the Delhi, Bombay, Calcutta, Madras, Ludhiana and Kanpur Stock Exchanges. The annual listing fees for the 1998-99 are yet to be paid to the Calcutta, Madras, Ludhiana and Kanpur Stock Exchanges.

Y2K COMPLIANCE

The Company has already upgraded its hardware and modified the software to make it Y2K compliant.

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 : 20/11/98

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

AUDITOR'S 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, 1999 and also the Profit & Loss Account of the company for the year 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 the Balance Sheet and Profit & Loss Account companies with the mandatory accounting standard referred in section 211(3C) of ht Companies Act, 1956.
 - (e) 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, 1999 and
 - (ii) In the case of the profit and loss account, of the profit of the Company for the year ended on that date.

For **Ashwani & Associates**
Chartered Accountants
Sd/-
Sanjeeva Narayan
(Partner)

Place : New Delhi
Date : 20.11.99

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 year ended 30 Sept., 1999.

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 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 or from companies under the same management.
4. The Company has granted interest free loans & advances in the nature of loans to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act 1956, the terms & conditions of which are not prejudicial to the interest of the company.
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.

RR FINANCIAL CONSULTANTS LTD.

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 and with regards to sale of goods.
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.
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, although there have been delays on a couple of occasions.
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., 1999 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 directors 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.

Report Junction

For Ashwani & Associates
Chartered Accountants

Sd/-

Place : New Delhi
Date : 20.11.99Sanjeeva Narayan
(Partner)