

24th
Annual Report of
RR Financial Consultants Limited
2010-2011



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Chairman's Speech...

DEAR STAKEHOLDERS

I am pleased to present before you the 24th Annual Report of “RR Financial Consultants Limited” (RRFC) and would like to thank you for having reposed your confidence in RRFC. RR has been consistently evolving itself in a rapidly changing environment while retaining its core values in an industry which has been very turbulent. We have made great progress in reshaping RR into a more focused value oriented organization while consistently enhancing our professional streams. Each of our businesses has developed its own strategy in face of stiff competition to reach a position of profitable market leadership

Our principles are: -

- € Adhere to principles, practices and values to be a business leader.
- € Build strong and diversify product strengths.
- € Create value through efficiency and products.
- € Devote resources to improve quality and up gradation of people.
- € Enhance value for clients, employees and shareholders

With a strong belief in our principles and enthusiasm of our people, we are looking to the future with confidence.

-Sd-

RAGHUNANDAN PRASAD
(Chairman)

Board of Directors

Mr. Raghunandan Prasad

(Non Executive-chairman)

He is B.Com, L.LB, FCA, MBA and has Diversified business experience in Merchant Banking & Financial Services related areas. He retired as the Chairman of Indian Airlines.

Mr. Rajat Prasad

(Executive-Managing Director)

He is B.Com (H), ACA and has varied experience in areas of Management, Marketing, Corporate Finance and Investment Banking. He is the main architect of growth of RR. He has reengineered the company to become a leader in financial & insurance services in India.

He is constantly involved in Organizational Building and Development, motivating people, managing / supporting teams to achieve results, Building and Maintaining Relationships and spotting opportunities.

He co-founded RR Financial Consultants Limited in 1986 and presently is the Managing Director.

Mr. Mahesh Chandra

(Non-Executive –Independent Director)

He is B. Tech MS (USA) and has 24 years of Rich Experience in Investment Banking & Corporate Advisory. He has directorship in CMR Design Automation Pvt. Ltd. besides RRFC in order to provide his guidance and important suggestion for betterment of the companies.

Mr. Rajesh Aggarwal

(Non-Executive –Independent Director)

He is B.Com with more than 11 years experience in Capital Market, Merchant Banking, Portfolio Management, dealing in securities, Placement of high volume debt to the institutional and other clients, fund raising programme through private placement route for several corporate, both Public & Private.

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BOARD OF DIRECTORS

Mr. Raghunandan Prasad
Mr. Rajat Prasad
Mr. Mahesh Chandra
Mr. Rajesh Aggarwal

Non Executive Chairman
Executive (Managing Director)
Non-Executive Independent Director
Non-Executive Independent Director

AUDITORS

M/s Sandeep Ramesh Gupta & Co.
(Chartered Accountants)
90/31B, Malviya Nagar,
New Delhi-110017

BANKERS

AXIS Bank Ltd.
Statesmen House
148, Barakhamba Road,
New Delhi-110001

REGISTERED OFFICE

47, M. M. Road, Rani Jhansi Marg, Jhandewalan, New Delhi – 110055

24th Annual General Meeting

Day: Saturday

Date: December 31st 2011

Time: 9: 30 A.M

Venue: 13/24, Village Daulatpur, New Delhi-110043

RR FINANCIAL CONSULTANTS LIMITED

Regd off: 47, M. M. Road, Rani Jhansi Marg, Jhandewalan, New Delhi – 110055

NOTICE

NOTICE is hereby given that the **Twenty Fourth Annual General Meeting (AGM)** of the members of **RR Financial Consultants Limited** will be held on **Saturday, the 31st December 2011**, at **9:30 A.M** at 13/24 Village Daulatpur, New Delhi - 110043, to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as on 30th June, 2011, Profit & Loss Account for the period ended on that date and the Reports of the Board of Directors & Auditors thereon.
2. To appoint a Director in place of Mr. Mahesh Chandra, who retires by rotation at this meeting and being eligible, offer himself for re-appointment.
3. To appoint M/s Sandeep Ramesh Gupta & Co., Chartered Accountants as Auditors of the company to hold office from the conclusion of this meeting to the conclusion of the next meeting and to fix their remuneration.

SPECIAL BUSINESS

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

“RESOLVED THAT the consent of the Company be and is hereby granted, in accordance with Section 293 (1)(d) and all other applicable provisions, if any, of the Companies Act, 1956 and the Article of Association of the Company, to the Board of Directors of the Company, to borrow any sum or sums of money from time to time at their discretion, for the purpose of the business of the Company, which together with monies already borrowed by the Company, (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) may exceed at any time, the aggregate of the paid-up capital of the Company and its free reserves (that is to say, reserves, not set apart for any specific purpose) by a sum not exceeding ₹ 450 Crores (Rupees Four Hundred & Fifty Crores Only), and that the Board of Directors be and is hereby empowered and authorized to arrange or fix the terms and condition or all such monies to be borrowed from time to time as to interest, repayment, security or otherwise as it may think fit.”

By Order of the Board of Directors

Sd/-
Rajat Prasad
(Managing Director)

Place : New Delhi
Date : 03.12.2011

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH NEED NOT BE A MEMBER OF THE COMPANY. Proxy in order to be effective must be received by the Company not less than 48 hours before the meeting.
2. Members proxies should bring the attendance slip sent herewith duly filled in for attending the Annual General Meeting. Members are requested to bring their copy of Annual Report while attending the Annual General Meeting.
3. The Register of Members and the Share Transfer books shall remain closed from 24.12.2011 to 31.12.2011 (both days Inclusive).
4. Members desiring any information as regards accounts are requested to write to the Company at least 7 days before the date of meeting, so as to enable the management to keep the information ready. Proxies should bring their copy of the Annual Report for reference at the meeting as also the attendance slip duly filled in for attending the meeting.
5. Members desirous of appointing their nominee for the shares held by them may apply in the revised nomination form (Form 2B) in duplicate. Members are informed that in case of joint holders attending the meeting, only such joint holder who is first in the order of names will be entitled to vote.

By Order of the Board of Directors

Sd/-

Rajat Prasad
(Managing Director)

Place : New Delhi
Date : 03.12.2011

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the special business items

Pursuant to the provisions of Clause (d) subsection (1) of section 293 of the Companies Act, 1956, the Board of Directors can not borrow more than the aggregate of the paid up capital of the Company and its free reserves at any time except with the consent of the shareholders of the Company in a General Meeting. Also the Company is in the process of its expansion programme and for which additional funds shall be required in the future.

TM

By Order of the Board of Directors

Sd/-

**Rajat Prasad
Managing Director**

Place : New Delhi
Date : 03.12.2011

DIRECTORS' REPORT

THE MEMBERS,

RR FINANCIAL CONSULTANTS LIMITED

Your Directors take pleasure in presenting the Twenty Fourth Annual Report and Audited Statement of Accounts of the Company for the period ended on 30th June, 2011 along with the Audited Accounts, Auditor's Report for the year ending 30th June, 2011.

FINANCIAL RESULTS

(1) A quick Glance on the financial achievements of the Company and its Subsidiaries for the year 2010-11

Name of the Companies (Subsidiaries as on 30 th June 2011)	Revenues	(Amount in ₹)	
		Profit before Depreciation and Tax	Profit after Tax
RR Financial Consultants Limited (<i>Holding Company</i>)	110564131.85	53041241.11	27637037.00
RR Equity Brokers Private Limited (as on 31.03.2011)	99524393.82	8338557.11	4286927.03
RR Insurance Brokers Private Limited	155069931.72	8426461.62	3162787.62
RR Investor Capital Services Private Limited	147230597.00	16192654.00	14294649.00
Arix Consultants Private Limited	7421.00	(45827.00)	(52504.00)
RR Infra Estates Private Limited	0.00	(65063.20)	(65163.20)
RR Fincap Private Limited	6268901.00	3065399.00	2604799.00

(2) The Standalone financial results of the Company for the period under review are summarized below. The previous figures in the financial statements have been regrouped, wherever necessary

S. No.	Particulars	(₹ in lacs)	
		As on 30 th June 2011	As on 30 th June 2010
1	Gross Income	1105.64	874.99
2	Profit/Loss before Dep. & Tax	530.41	499.64
3	Depreciation	26.37	28.69
4	Provision for Taxation	8.00	35.00
5	Profit after Tax	276.37	435.95
6	Balance Brought Forward	1948.76	1512.81
7	Profit available for appropriation	2225.13	1948.76
8	Transfer to General Reserve	NIL	NIL
9	Dividend Paid	55.30	NIL
10	Corporate Dividend Tax	9.18	NIL
11	Balance Carried to Balance Sheet	2160.65	1948.76

SHARE CAPITAL

The Share Capital remained the same during the period under review.

SUBSIDIARY COMPANIES

As on 30.06.2011, RR Financial Consultants Limited has six subsidiary companies. The names of the subsidiaries along with the Percentage of Holding company in these Subsidiary Companies is given as below:-

Name of the Companies	% of Holding
RR Equity Brokers Private Limited	100%
RR Insurance Brokers Private Limited	100%
RR Investor Capital Services Private Limited	66.65%
Arix Consultants Private Limited	100%
RR Infra Estates Private Limited	100%
RR Fincap Private Limited	100%

RR Equity Brokers Private Limited has 5 subsidiaries i.e. RR Commodity Brokers Private Limited, RR Information and Investment Research Private Limited, RR Investor Retail services Private Limited, RR IT Solutions Private Limited and RR Investor Distribution Company Private Limited.

RR Investor capital services Private Limited has 1 subsidiary i.e. RR Investor Securities Trading Private Limited.

RR Infra Estates Private Limited has 2 subsidiaries i.e. RR Land Estates Private Limited and Lakshminarayan Infra Estates Private Limited. Lakshmi Narayan Buildwell Private Limited and Shivom Infra Estates Pvt. Ltd. have not remained its subsidiaries w.e.f. 18th September, 2010.

As per sec 4 (1)c of The Companies act, 1956 the subsidiaries of subsidiaries of RRFC are deemed to be subsidiaries of RRFC.

As required under the new Clause 49 of the Listing Agreement, the Company has adopted a practice of placing the minutes and statements of all the significant transactions of all the un-listed subsidiary companies in the meeting of Board of Directors of RR Financial Consultants Limited. The Audit Committee of the Company regularly reviews the financials of the subsidiary companies.

REVIEW OF PERFORMANCE

The Total Income of the company during the period under review is ₹ 1105.64 Lacs as compared to ₹ 874.99 Lacs in the previous period. The Company registered a Profit after Tax and Depreciation amounting ₹ 276.37 Lacs as against profit of ₹ 435.95 Lacs in the previous year.

DIRECTORS

Mahesh Chandra, director of the company retires by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment.