

**25<sup>th</sup>**  
**Annual Report of**  
**RR Financial Consultants Limited**  
**2011-2012**



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## Chairman's Speech...

### DEAR STAKEHOLDERS

I am pleased to present before you 25<sup>th</sup> Annual Report of “RR Financial Consultants Limited” (RRFC) and would like to thank you for having reposed your confidence in RRFC. RRFC 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 RRFC 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.

### **Ms. P.S. Prasad**

(Executive - Managing Director)

She is B.Com (H), MBA and has varied experience in areas of Financial & IT Products. She has reengineered the company to become a leader in financial & insurance services in India.

She is constantly involved in organizational building and development, motivating people, managing / supporting teams to achieve results, building and maintaining relationships .

### **Mr. Mahesh Chandra**

(Non-Executive –Independent Director)

He is B. Tech MS (USA) and has 25 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 12 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.

### **Ms. Sarla Prasad**

(Non-Executive)

She is MD & MBBS and has experience in the medical line and business experience in financial Services related areas..

## ANNUAL REPORT 2012

### BOARD OF DIRECTORS

Mr. Raghunandan Prasad  
Ms. P.S. Prasad  
Ms. Sarla Prasad  
Mr. Mahesh Chandra  
Mr. Rajesh Aggarwal

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

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### 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

25<sup>th</sup> Annual General Meeting

Day: Monday

Date: December 31<sup>st</sup> 2012

Time: 9: 30 A.M

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

## NOTICE

**NOTICE** is hereby given that the **Twenty Fifth Annual General Meeting (AGM)** of the members of **RR Financial Consultants Limited** will be held on **Monday, the 31<sup>st</sup> December 2012**, 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 30<sup>th</sup> June, 2012, 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. Raghunandan Prasad, 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 Ms. Sarla Prasad**, appointed during the year as an Additional Director of the Company by the Board of Directors and ceases to hold office under section 260 of the companies Act, and in respect of whom the company has received a notice in writing proposing his candidature for the office of director, be and is hereby appointed Director of the Company liable to retirement by rotation”.

5. To Consider and if thought fit, to pass with or without modification, the following as an Ordinary Resolution:

**“RESOLVED THAT Ms. P.S. Prasad** appointed during the year as an Additional Director of the Company by the Board of Directors and ceases to hold office under section 260 of the companies Act, and in respect of whom the company has received a notice in writing proposing his candidature for the office of director, be and is hereby appointed Director of the Company liable to retirement by rotation .”.

**“RESOLVED FUTHER THAT** pursuant to the provisions of Section 198, 269, 309 & 310 of the Companies Act, 1956 read with Schedule XIII to the Companies Act, 1956,, **Ms. P.S. Prasad**, continue as a managing director also for the period for which she is elected by the Board subject to subsequent shareholders approvals

6. **RESOLVED** pursuant to the Shareholders approval in General Meeting & provisions of the Sections 198, 309, & 310 and all other applicable provisions of the Companies Act, 1956, read With Schedule XIII to the Companies Act, 1956 and other related provisions if any, **Ms. P.S. Prasad** be and is hereby appointed as Managing Director of the Company with effect from 13<sup>th</sup> August, 2012 for a period of 5 years to be remunerated in the manner provided herein below:

- a) Salary of ₹ 1,00,000 per month.

- b) Commission on net profits as per the provisions of the Companies Act, 1956 at the rate to be determined by the Board of Directors from time to time.
- c) Fully furnished accommodation or House Rent Allowances at the rate of 60% of salary.
- d) Medical Reimbursement against submission of bills.
- e) Hospitalization Insurance
- f) Leave Travel Concession once in a calendar year upto ₹ 1,00,000/- per annum.
- g) A Company maintained Car with Driver for official and personal use. As and when needed. The valuation for personal use shall be as per Income Tax Rules.
- h) One mobile and one telephone at residence for official use, which will be available for his personal use also as and when needed. The Company shall recover expenditure on personal long distance calls.
- i) Contribution to Provident Fund to the extent not taxable under the Income Tax Act, 1961.
- j) Gratuity at the rate not exceeding half a month's salary for each completed year of service.
- k) Encashment of leave at the end of the tenure.
- l) Reimbursement of Entertainment Expenses incurred in the ordinary course of business.

**FURTHER RESOLVED THAT** in the event of absence or inadequacy of profits in any financial year, the remuneration as above shall be paid as minimum remuneration subject to the ceiling as prescribed in schedule XIII of the Companies Act, 1956.

**FURTHER RESOLVED THAT** the Board of Directors of the Company be and are hereby authorized to take all necessary steps as may be required to give effect to this resolution.

**FURTHER RESOLVED THAT** the remuneration committee and/ or the Board of Directors of the Company may revised the remuneration payable to **Ms. P.S. Prasad** from time to time at its discretion subject, however, to the overall limits laid down under schedule XIII read with other applicable provisions of Companies Act, 1956 without further reference to the shareholders."

**By Order of the Board of Directors**

Sd/-  
**Raghunandan Prasad**  
Director

**Place** : New Delhi  
**Date** : 06.12.2012

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY 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 24.12.2012 to 31.12.2012 (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 and 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 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/-

**Raghunandan Prasad  
Director**

**Place** : New Delhi  
**Date** : 06.12.2012

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

**Resolution No. (4)**

Ms. Sarla Prasad was appointed as an Additional Director with effect from 19<sup>th</sup> January, 2012 after the approval of the Board of Directors as per the provisions of section 260 of the Companies Act, 1956.

According to the provisions of section 260 of the Companies Act, 1956, she holds office director only upto the date of the Annual General meeting of the Company. The Board considers it desirable that the Company should continue to avail itself of her services.

Therefore, The Board recommended regularising his appointment as director of the company.

**Resolution No. (5)**

Ms. P.S. Prasad was appointed as an Additional Director with effect from 3<sup>rd</sup> August, 2012 after the approval of the Board of Directors as per the provisions of section 260 of the Companies Act, 1956. Thereafter, she was appointed as Managing Director of the Company w.e.f. 13<sup>th</sup> August, 2012.

According to the provisions of section 260 of the Companies Act, 1956, she holds office director only upto the date of the Annual General meeting of the Company. The Board considers it desirable that the Company should continue to avail itself of her services as Director & Managing Director .

Therefore, The Board recommended regularising his appointment as director of the company.

**Resolution No. (6)**

Pursuant to provisions of the Companies Act, 1956, Board approved the appointment of **Ms. P.S. Prasad** as Managing Director of the Company subject to subsequent shareholders approval with effect from 13<sup>th</sup> August, 2012 .

Therefore the board recommended the appointment & remuneration of **Ms. P.S. Prasad** as Managing Director of the Company in the Annual General Meeting.

**By Order of the Board of Directors**

Sd/-

**Raghunandan Prasad**  
Director

**Place:** New Delhi  
**Date :** 06.12.2012

## DIRECTORS' REPORT

### THE MEMBERS,

### RR FINANCIAL CONSULTANTS LIMITED

Your Directors take pleasure in presenting the Twenty Fifth Annual Report and Audited Statement of Accounts of the Company for the period ended on 30<sup>th</sup> June, 2012 along with the Audited Accounts, Auditor's Report for the year ending 30<sup>th</sup> June, 2012.

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### FINANCIAL RESULTS

(1) A quick Glance on the financial achievements of the Company and its Subsidiaries for the year 2011-12

Name of the Companies (Subsidiaries as on 30 <sup>th</sup> June 2012)	Revenues	(Amount in ₹)	
		Profit before Depreciation, Amortisation and Tax	Profit after Tax
RR Financial Consultants Limited ( <i>Holding Company</i> )	40,523,693.02	23,145,118.79	20,279,105.96
RR Equity Brokers Private Limited (as on 31.03.2012)	183,825,893.62	8,076,191.62	4,550,881.19
RR Insurance Brokers Private Limited (as on 31.03.2012)	84,195,302.90	996,459.28	174,376.53
RR Investor Capital Services Private Limited	126,363,741.83	(11,478,287.02)	(12,047,507.02)
Arix Consultants Private Limited	Nil	(1,655.00)	(1782.00)
RR Infra Estates Private Limited	NIL	(1,124)	(35,124.00)
RR Fincap Private Limited	5,024,239.73	698696.66	545,522.66

(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 <sup>th</sup> June 2012	As on 30 <sup>th</sup> June 2011
1	Gross Income	405.24	1109.21
2	Profit/Loss before Depreciation, Amortisation & Tax	231.45	530.65
3	Depreciation & Amortisation	28.66	26.61
4	Provision for Taxation	Nil	7.33
5	Profit after Tax	202.79	276.37
6	Balance Brought Forward	2160.65	1948.76
7	Profit available for appropriation	2363.44	2225.13
8	Transfer to General Reserve	NIL	NIL
9	Dividend Paid	NIL	55.30
10	Corporate Dividend Tax	NIL	9.19
11	Balance Carried to Balance Sheet	2363.44	2160.65