

**24<sup>th</sup>**  
**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**

TM

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

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

Day: Saturday

Date: December 31<sup>st</sup> 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 31<sup>st</sup> 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 30<sup>th</sup> 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 30<sup>th</sup> June, 2011 along with the Audited Accounts, Auditor's Report for the year ending 30<sup>th</sup> June, 2011.

### FINANCIAL RESULTS

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

(Amount in ₹)

Name of the Companies (Subsidiaries as on 30 <sup>th</sup> June 2011)	Revenues	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

(₹ in lacs)

S. No.	Particulars	As on 30 <sup>th</sup> June 2011	As on 30 <sup>th</sup> 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. 18<sup>th</sup> 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.

## **PUBLIC DEPOSIT**

Your company has never invited/accepted any deposit from the public within the meaning of Section 58A of the Companies Act, 1956 and the Rules made there under during the period under review.

## **AUDITORS**

M/s Sandeep Ramesh Gupta & Co., Chartered Accountants, the Auditors of the Company retire at the ensuing Annual General Meeting and shall be eligible for reappointed as the auditors of the Company from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company. The necessary eligibility certificate under Section 224(1B) of the Companies Act, 1956 has been received from them. The Audit Committee and Board of Directors have also recommended the appointment of M/s Sandeep Ramesh Gupta & Co., Chartered Accountants, as the auditors of the Company. Also, The Board of Directors of the Company are hereby authorized to fix their remuneration plus traveling and other out of pocket expenses incurred by them in connection with Statutory audit and/or continuous audit and also such other remuneration, as may be decided to be paid by the Board of Directors for performing the duties of auditing the accounts of the company.

## **AUDITORS REPORT**

The observation made by the Auditors in their report is self-explanatory and does not require any clarification.

## **DIVIDEND**

To conserve the resources of the Company, Board of Director decided not to declare any dividend.

## **LISTING ON STOCK EXCHANGES**

The shares of the company are listed with Delhi, Mumbai, Kolkata, Kanpur, Madras and Ludhiana Stock Exchanges. With the wide and extensive network of Mumbai Stock Exchange, the investors have access to online dealings in the company's equity shares across the country. The company is taking steps to delist its equity shares from Delhi, Madras, Kolkata, Kanpur and Ludhiana stock exchanges as there is hardly any trading on these stock exchanges and listing fee payable to these exchanges no more offer commensurate benefits to the company and its investors. Therefore, delisting of the equity from all Stock Exchanges except Bombay Stock Exchange is considered necessary, firstly on the ground that the cost to the company would stand reduced and secondly that the interest of the members located in the regions where the said Stock Exchanges are located would remain unaffected.

## **DIRECTORS RESPONSIBILITY STATEMENT PURSUANT TO SECTION 217(2AA) OF COMPANIES ACT, 1956:**

### **The Board of Directors hereby confirms that:**

1. In the preparation of the annual accounts, all the applicable accounting standards had been followed. Your Directors had selected the accounting policies, which are in the best interest of the company and are as prudent so as to give a true and fair view of state of affairs of the company and of the profit or loss of the company for the accounting period ended 30<sup>th</sup> June 2011.
2. Your Directors had taken proper and sufficient care for the maintenance of accounting records for the period ended 30<sup>th</sup> June, 2011 in accordance with provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
3. Your Directors had prepared annual accounts on a going concern basis.

## PERSONNEL

The Directors hereby wish to place their appreciation for the efficient and loyal services rendered by the staff of the Company. The Company has not paid any remuneration attracting the provisions, of the Companies (Particulars of Employees) Rules, 1975 read with section 217(2A) of the Company Act, 1956. Hence, no information is required to be appended to this regard.

## CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION AND INNOVATION

Since the Company does not own any manufacturing facility, the provision of Section 217(1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of particular in the Report of Board of Directors) Rules 1988, are not applicable.

## FOREIGN EXCHANGE EARNINGS & OUTGO

There is no Foreign Exchange earnings & Foreign Exchange Outflow during the year under review.

## CORPORATE GOVERNANCE

A separate statement on Corporate Governance is produced as a part of the Annual Report with a certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under clause 49 of Listing Agreement of the Stock Exchanges **as Annexure A**. A certificate from the auditors, M/s Sandeep Gupta & Co., Chartered Accountants, of the Company regarding compliance of the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is attached to this Directors' Report **as Annexure A1**.

## MANAGEMENT ANALYSIS AND DISCUSSION REPORT

Management discussion and analysis Report as required under the Listing Agreement with Stock Exchange is attached as **Annexure B** of this Report.

## PARTICULARS REQUIRED AS PER SECTION 212 OF THE COMPANIES ACT, 1956

As per the Circular No 2/2011, issued by Ministry of Corporate Affairs on 8<sup>th</sup> February, 2011, general exemption is provided to all holding Companies pertaining to Central Government approval (Section – 212(8) of Companies Act, 1956) for availing the exemption for not attaching the annual accounts of the subsidiary Companies. Accordingly, the Balance Sheet, Profit & Loss Account and other documents of the subsidiaries of the company are not being attached with the Balance Sheet of the Company. A statement containing brief financial details of the company's subsidiaries for the year ended as on June 30, 2011 is included in the Annual Report. The company will make available the audited annual accounts and related information of the subsidiary companies, on request by any member of the company. These documents will also be available for inspection during business hours at our Registered Office.



**ACKNOWLEDGEMENT**

Your Board of Directors wishes their sincere thanks to Clients, Government Regulators, Stock Exchanges, Statutory Bodies, Bankers, and Agencies, and Business Associates for having extended their continued support. Your Directors would like to place on record their sincere appreciation of the employees for their continuing support and unparalleled efforts in ensuring an excellent all-round operational performance. Also Your Directors wish to extend their appreciation for the wholehearted, sincere and continuous support & belief extended by the members who have also been a tremendous source of support for the company.



**On Behalf of the Board of Directors**

Place : New Delhi  
Date : 29.08.2011

-Sd-

**RAGHUNANDAN PRASAD**  
*(Chairman)*

-Sd-

**RAJAT PRASAD**  
*(Managing Director)*

## CORPORATE GOVERNANCE

## 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company's philosophy on Corporate Governance is to attain highest standards of transparency, accountability and business prosperity with the ultimate objective to enhance long-term economic value of the Company, its shareholders. Your Company will continue its efforts towards raising its standards in Corporate Governance and will also review its system and procedures constantly in order to keep pace with the changing economic environment.

Key elements of good corporate governance principles include honesty, trust and integrity, openness, performance orientation, responsibility and accountability, mutual respect, and commitment to the organization.

Your Directors and Management have developed a model of governance that aligns the values of the corporate participants and have ensured timely and adequate evaluation of this model periodically for its effectiveness. Senior Executives have conducted themselves honestly and ethically, especially concerning actual or apparent disclosure in financial reports and Statements.

Corporate Governance is not just a discipline imposed by the regulator, rather a culture that guides the Board, management and employees to function towards best interest of stakeholders. It involves essentially a creative, generative and positive thinking activity that adds value to the various stakeholders that are served as end customers of the Corporate Entity.

## 2. BOARD OF DIRECTORS

## COMPOSITION OF THE BOARD as on 30.06.2011

S. No.	Status of the Director	No. of Director	Percentage of Total Strength
1	Executive	1	25
2	Non Executive	1	25
3	Non Executive/Independent	2	50
	TOTAL	4	100

## Category of Directorship, qualifications etc., of Directors as on 30.06.2011:

S. No.	Name of the Director	Designation	Date of Joining	Status of the Director	Academic Qualifications	No. of Shares held in RRFC
1	Mr. Rajat Prasad	Managing Director	01.11.1987	Executive	B.Com (H), ACA	6236700
2	Mr. Raghunandan Prasad	Chairman	15.06.1990	Non Executive	B.Com, L.LB, FCA, MBA	199500
3	Mr. Mahesh Chandra	Director	17.07.2000	Non Executive/ Independent	B. Tech, MS (USA)	29722
4.	Mr. Rajesh Agarwal	Director	29.04.2008	Non Executive/ Independent	B.Com.	600

### Brief Resume of the Directors to be appointed/re-appointed:

#### Mr. Mahesh Chandra

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.

### Details of Other Directorships, Chairmanship of Directors on Board and/or Board Committees of other Companies

#### Category of Directorship, qualifications etc., of Directors as on 30.06.2011:

S. No.	Name of the Director	No. of Directorships/ Chairmanship in other Board*	No. of Memberships in Committees of board of other Companies	No. of Chairmanship in Committees of board of other Companies**
1	Mr. Rajat Prasad	8	NIL	NIL
2	Mr. Raghunandan Prasad	31	NIL	NIL
3	Mr. Mahesh Chandra	2	NIL	NIL
4.	Mr. Rajesh Aggarwal	2	NIL	NIL

\* Directorship in Companies incorporated outside India is excluded for this purpose.

\*\* For this purpose Audit Committee, Shareholders/Investors' Grievance Committee and Remuneration Committee is considered.

#### Attendance of Directors at the Board Meetings and the Last (23<sup>rd</sup>) Annual General Meeting

Name of the Director	No. of Board Meeting held during the tenure of the director	No. of Board Meeting attended	Attendance at the Last AGM
Mr. Rajat Prasad	11	11	YES
Mr. Raghunandan Prasad	11	7	YES
Mr. Mahesh Chandra	11	4	YES
Mr. Rajesh Aggarwal	11	5	YES

#### DETAILS OF BOARD MEETINGS HELD DURING THE FINANCIAL YEAR 2010-2011

Eleven meetings of the Board of Directors held during the period under review. The Board regularly met to consider amongst other business matters, the quarterly performance of the Company, financial results & activities. Directors attending the meeting actively participated in the deliberations at these meetings.

During the period under review, the date on which Board meetings held were as follows:

S. No	Date of Meeting	Board Strength	No. of Directors Present
1	05.07.2010	4	3
2	30.08.2010	4	2
3	28.9.2010	4	3
4	15.11.2010	4	2
5	26.11.2010	4	3
6	02.02.2010	4	2
7	05.01.2011	4	4
8	18.01.2011	4	2
9	14.02.2011	4	2
10	01.03.2011	4	2
11	13.05.2011	4	2

### 3. Committees of the Board

Currently, the Board has three committees, the Audit Committee, the Remuneration Committee and the Shareholders' Grievance Committee. The Board is responsible for constituting, assigning, co-opting and fixing terms of service for committee members. The Committees appointed by the Board focus on specific areas and make informed decisions within the authority delegated.

The chairman of the Board, in consultation with the Compliance Officer and the committee chairman, determines the frequency and duration of the committee meetings. Normally, Audit Committee meets four times a year, whereas the Shareholders' Committee and Remuneration Committee meet as and when the need arises. Recommendations of the committees are submitted for the Board's approval. The quorum for meetings is either two members or one-third of the members of the committee, whichever is higher.

#### AUDIT COMMITTEE

##### (a) Terms of Reference

The Constitution, quorum, scope etc. of the Audit Committee covers the areas mentioned under Clause 49 of the Listing Agreement and Section 292(A) of the Companies Act, 1956, besides other terms as may be referred by the Board of Directors of the Company.

##### (b) Composition, Name of the Members and Chairman of the Audit Committee

During the year 2010-2011 Audit Committee of the Company comprised of three Directors out of which two are Non- executive (Independent Director).

Sr. No	Name of Director	Position	Category
1.	Mr. Mahesh Chandra	Chairman	Non-Executive-Independent
2.	Mr. Raghunandan Prasad	Member	Non- Executive
3.	Rajesh Aggarwal	Member	Non-Executive-Independent

##### (c) Meeting and Attendance:

The Audit committee met Four times during the period. The representative of the Statutory Auditor is invitee to audit committee meetings. The details of attendance of the members at the meetings are as under: -

Sr. No.	Name of Director	Position	Category	Attendance at Audit Committee Meeting	Whether Attended the Last (23 <sup>RD</sup> ) AGM
1.	Mr. Mahesh Chandra	Chairman	Non-Executive-Independent	4	YES
2.	Mr. Raghunandan Prasad	Member	Non-Executive	4	YES
3.	Mr. Rajesh Aggarwal	Member	Non-Executive-Independent	4	YES

Out of the three members of the Audit Committee, Two of Directors are independent. Mr. Mahesh Chandra is the Present Chairman of the Committee. All members of the Audit Committee have adequate financial and accounting knowledge.

In addition, the statutory Auditors and the Internal Auditors are invited to attend the meeting of the Audit Committee.

##### (d) Scope of Audit Committee:

- Reviewing the adequacy of the Internal Control System of the Company.



- Reviewing the Quarterly and half-yearly financial statements before submission to the board for approval.
- Reviewing the company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Reviewing the annual financial statements before submission to the board for approval, in regard with:
  - (1) Matters to be included in the Director's responsibility statement to be included in the Board's report in terms of Clause 2(AA) of Section 217 of the Companies Act, 1956.
  - (2) Changes in Accounting policies
  - (3) Compliance with the Listing and other legal requirements relating to financial statements
  - (4) Disclosure of any related party transactions
  - (5) Qualifications in the draft Audit report.
- Reviewing, with the management, performance of statutory and internal auditors, the adequacy of internal control systems and suggesting for improvement of the same.
- Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is any suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as have post-audit discussion to ascertain any area of concern
- Fulfill such other duties and responsibilities as may be assigned to the Committee, from time to time, by the Board or the Chairman of the Board, or as may be required by law or regulation.

#### SHARE TRANSFER & SHAREHOLDERS/ INVESTORS GRIEVANCE COMMITTEE

##### (a) Terms of Reference

The Constitution, quorum, scope etc. of the Share Transfer/Investor Grievance Committee covers the areas mentioned under Clause 49 of the Listing Agreement besides other terms as may be referred by the Board of Directors of the Company.

##### (b) Scope of this Committee

The Shareholders' committee is empowered to perform all the functions of the Board in relation to share transfers/transmissions and handling of Shareholders' grievances.

##### (c) Composition, Name of the Members and Chairman of the Shareholders/Investors Grievance Committee

Following are the members of the Share Transfer & Shareholders/ Investors Grievance Committee:

Sr. No	Name of Director	Category
1.	Mr. Raghunandan Prasad	Non Executive (Chairman)
2.	Mr. Rajat Prasad	Executive

During the year company received 2 complaints. The compliance officer of the company properly and adequately replied to all the complaints. Our Share Transfer Agents within the statutory period, except in some cases in which there was delay, completed all share transfer work. On the date of this report no investors' complaints are pending.

#### 4. GENERAL BODY MEETING

##### (a) Details of Annual General Meeting (AGM) for the last Three Years:

Description of Meeting	Date	Venue	Time	No. of Special resolution passed
23 <sup>rd</sup> AGM	31 <sup>st</sup> December, 2010	13/24, Village Daulatpur, New Delhi-110 043	9.30AM	1
22 <sup>nd</sup> AGM	31 <sup>st</sup> December, 2009	13/24, Village Daulatpur, New Delhi-110 043	9.30AM	4
21 <sup>st</sup> AGM	31 <sup>st</sup> December, 2008	13/24, Village Daulatpur, New Delhi-110 043	9.30AM	0

No Extra Ordinary General Meeting was held during the period under review.

(b) Postal Ballot

No resolution was passed in the last (23<sup>rd</sup>) AGM through Postal Ballot. In the ensuing 24<sup>th</sup> AGM also the company has not proposed any resolution for approval of the shareholders through postal ballot since none of the business items proposed requires approval through postal ballot as per provisions of the Companies Act, 1956 and rules framed there under.

## 5. SUBSIDIARY COMPANIES

RR Financial Consultants Limited have Six subsidiary companies, which are RR Equity Brokers Private Limited, RR Insurance Brokers Private Limited, RR Investor Capital Services Private Limited, Arix Consultants Private Limited, RR Infra Estates Private Limited and RR Fincap Private Limited.

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. 18<sup>th</sup> 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. All the subsidiaries of RR Financial Consultants Limited are unlisted.

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.

## 6. DISCLOSURE

- a. Related parties & transaction with them as required under Accounting Standard 18 (AS- 18), issued by the Institute of Chartered Accountants of India, are furnished as item No.6 of Schedule B relating to Significant & Accounting Policies and Notes on Accounts attached to & forming part of Balance Sheet & Profit & Loss Account for the period ended 30.06.2011
- b. There is no pecuniary relationship or transaction with Independent/Non executive Director.
- c. None of transactions with any of any of related parties were in conflict with the interest of the Company.
- d. The Company has adopted all items to be included in the Report on Corporate Governance.

## 7 MEANS OF COMMUNICATION

The Company has regularly published its Quarterly & half yearly financial results generally in the Newspaper i.e. Pioneer / Financial Express (ENGLISH) & Hari Bhumi (HINDI). Complying with the provisions of the Listing Agreement, Norms, Guidelines and Circulars etc. and Information like Quarterly Financial results and other significant developments in the Company has been made available from time to time to the press and had also been submitted to the Stock Exchanges to enable them to put them on their websites.

## 8 CEO/CFO CERTIFICATION

The Managing Director has signed a certificate accepting responsibility for the financial statement and confirming the effectiveness of the internal control systems, as required in Clause 49 of the Listing Agreement with the Stock Exchanges that is given separately herewith.

## 9 SHAREHOLDERS' INFORMATION

Annual General Meeting : 24<sup>th</sup> Annual General Meeting  
 Date : 31<sup>st</sup> December, 2011  
 Location : 13/24, VILLAGE DAULATPUR, NEW DELHI-110 043  
 Time : 9:30 A.M.

### Date of Book Closure

The Transfer Books of the company shall remain closed from 24.12.2011 to 31.12.2011 (both days inclusive) for the purpose of Annual General Meeting.

### Stock Code

ISIN No. : INE 229D01011  
 Scrip Code : 511626 at Bombay Stock Exchange

### Listing on Stock Exchanges:

The shares of the company are listed at Mumbai, Delhi, Kanpur, Ludhiana, Kolkata and Madras Stock Exchanges.

### **Market Price Data**

High - Low (based on the closing prices) and number of share traded during each month in the financial year 2010-2011 on the Bombay Stock Exchange Limited.

<b>Bombay Stock Exchange Limited</b>			
<b>Month</b>	<b>High (₹)</b>	<b>Low (₹)</b>	<b>Total No. of Share Traded</b>
Jul-10	78.95	58.00	39,261
Aug-10	90.00	72.60	99,502
Sep-10	161.40	78.00	1,15,4371
Oct-10	104.00	86.55	63,154
Nov-10	118.00	77.30	1,42,863
Dec-10	96.45	79.55	40,345
Jan-11	104.00	33.85	1,12,508
Feb-11	35.10	28.55	47,319
Mar-11	36.90	28.80	2,47,505
Apr-11	47.80	32.40	37,266
May-11	45.00	33.90	18,882
Jun-11	38.85	32.35	20,524

### Dematerialization of Shares

Company has entered into an agreement with CDSL & NSDL whereby the shareholders have the option to dematerialize their shares with either of depositories. Equity shares of Company are actively traded at Bombay Stock Exchange, Mumbai.

Status of Paid up Share Capital as on 30.06.2011

Total Issued Capital	No. of Shares	% of Total Capital
Demat Form	6411300	57.96
Physical Form	4649400	42.04
Total	11060700	100.00

### Registered Office

47, M. M. Road, Rani Jhansi Marg, Jhandewalan, New Delhi-110 055.

### Corporate Office

47, M. M. Road, Rani Jhansi Marg, Jhandewalan, New Delhi-110 055.

### Address for correspondence

	Company	REGISTRAR AND SHARE TRANSFER AGENT
Contact Person:	Company Secretary	Link Intime India Private Limited
Registered Office Address:	RR Financial Consultants Limited 47, M. M. Road, Rani Jhansi Marg, Jhandewalan, New Delhi-110 055.	A-40, 2 <sup>nd</sup> Floor, Naraina Industrial Area, Phase - II, New Delhi-110028.
Phone:		
Fax:	011-23636362/63 011-23636845	011 – 41410592/93/94

### Share Transfer System

The company's shares are traded in the Stock Exchanges compulsorily in demat mode. Physical Shares which are lodged with the Registrar and Transfer Agents/ or with the Company for transfer are processed and returned to the shareholders duly transferred within the time limit stipulated under the Listing Agreement subject to the documents being in order.

Distribution Schedule as on 30.06.2011

S. No.	Category(Amount) ( From - To)	No. of cases	% of Cases	Total Shares	Amount	% of Amount
1	Upto 2500	3228	77.578	559060	5590600	5.054
2	2501 to 5000	401	9.637	157981	1579810	1.428
3	5001 to 10000	295	7.090	222561	2225610	2.012
4	10001 to 20000	134	3.220	217753	2177530	1.969
5	20001 to 30000	28	0.673	72597	725970	0.656
6	30001 to 40000	15	0.360	55334	553340	0.500
7	40001 to 50000	11	0.264	51266	512660	0.463
8	50001 to 100000	16	0.385	119736	1197360	1.083
9	100001 & above	33	0.793	9604412	96044120	86.834
	<b>Total</b>	<b>4161</b>	<b>100.00%</b>	<b>11060700</b>	<b>110607000</b>	<b>100.00%</b>

### Statement showing Shareholding Pattern

<b>Name of Company: RR Financial Consultants Limited</b>	
Scrip Code: 511626	Quarter ended: 30.06.2011

Category	Category of Shareholder	Number of Shareholders	Total Number of Shares	Number of Shares held in dematerialized form	Total Shareholding as a percentage of total number of shares	
					As a percentage of (A+B)	As a percentage of (A+B+C)
(A)	Shareholding of Promoter and Promoter Group					
(1)	Indian					
(a)	Individuals/ Hindu Undivided Family	4	6658000	3458500	60.20	60.20
(b)	Central Govt./ State Government(s)	0	0	0	0	0
(c)	Bodies Corporate	4	1012200	1012200	9.15	9.15
(d)	Financial Institutions/ Banks	0	0	0	0	0
(e)	Any other (Specify)	0	0	0	0	0
	Sub-Total (A)(1)	8	7670200	4470700	69.35	69.35
(2)	Foreign					
(a)	Individuals (Non-resident Individuals/ Foreign Individuals)	0	0	0	0	0
(b)	Bodies Corporate	0	0	0	0	0
(c)	Institutional	0	0	0	0	0
(d)	Any Other (Specify)	0	0	0	0	0
	Sub-Total (A)(2)	0	0	0	0	0
	Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	8	7670200	4470700	69.35	69.35
(B)	Public Shareholding					
(1)	Institutions					
(a)	Mutual Funds/UTI	0	0	0	0	0

(b)	Financial Institutions/ Banks	0	0	0	0	0
(c)	Central Government/ State Government(s)	0	0	0	0	0
(d)	Venture Capital Funds	0	0	0	0	0
(e)	Insurance Companies	0	0	0	0	0
(f)	Foreign Institutional Investor	0	0	0	0	0
(g)	Foreign Venture Capital Investors	0	0	0	0	0
(h)	Any other (Specify)	0	0	0	0	0
	Sub-Total (B) (1)	0	0	0	0	0
(2)	Non-Institutions Bodies Corporate	104	1651295	1104995	14.93	14.93
(a)						
(b)	Individuals I. Individual Shareholders holding nominal share Capital up to ₹1 Lakh.	3995	1332495	573995	12.05	12.05
	II. Individual Shareholders holding nominal share capital in excess of ₹ 1 lakhs.	10	351072	205972	3.17	3.17
(c)	Any Other (specify)					
	1. Non- Resident Indians	9	1147	1147	0.01	0.01
	2. Clearing Members	4	3142	3142	0.03	0.03
	3. Hindu Undivided Families	31	51349	51349	0.46	0.46
	Sub-Total (B)(2)	4153	3390500	1940600	30.65	30.65
	Total Public Shareholding (B)=(B)(1)+(B)(2)	4153	3390500	1940600	30.65	30.65
	TOTAL (A)+(B)	4161	11060700	6411300	100.00	100.00
(C)	Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	0	0
	GRAND TOTAL (A)+(B)+(C)	4161	11060700	6411300	0	100

**(1)(b) Statement showing Shareholding of persons belonging to the category “Promoter and Promoter Group”**

Sr. No.	Name of the shareholder	Number of Shares	Shares as a percentage of total number of shares (i.e. Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above
1.	Mr. Raghunandan Prasad	264200	2.39
2.	Mr. Rajat Prasad	6236700	56.39
3	Mrs. Sarla Prasad	157100	1.42
4	M/s Prasad Holdings Pvt. Ltd.	118050	1.07
5	M/s Priyadarshini Holdings (P) Ltd.	388050	3.51
6	M/s R.P Credits (P) Ltd.	118050	1.07
7	M/s Sabre Trading & Finance (P) Ltd.	388050	3.51
	<b>Total</b>	<b>7670200</b>	<b>69.35</b>

**(I)(c) Statement showing Shareholding of persons belonging to the category “Public” and holding more than 1% of the total number of shares**

Sr. No.	Name of the shareholder	Number of Shares	Shares as a percentage of total number of shares(i.e. Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above
1.	Narayan Travels & Tours Limited	427200	3.86
2	Shiva Parvati Mercantile Private Limited.	547140	4.95
3	Azure Commotrade Private Limited	*122636	1.11
4	Azure Commotrade Private Limited	123861	1.12
5	Ritu Prasad	120400	1.09
	<b>Total</b>	<b>1341237</b>	<b>12.13</b>

\* These shares are lying in a Trading Member’s Beneficiary Account to meet pay in and pay out obligations.

**(I)(d) Statement showing details of locked-in shares**

Sr.No.	Name of the shareholder	Number of locked-in shares	Locked-in Shares as a percentage of total number of shares (i.e. Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above
1.	NIL	NIL	NIL

**(II)(a) Statement showing details of Depository Receipts(DRs)**

Sr.No.	Type of outstanding DR (ADRs, GDRs, SDR, etc)	Number of outstanding DRs	Number of shares underlying outstanding DRs	Shares underlying outstanding DRs as a percentage of total number of shares {i.e. Grand Total (A)+(B)+(C) indicated in statement at para(I)(a) above}
1.	NIL	NIL	NIL	NIL
2.	NIL	NIL	NIL	NIL
	<b>TOTAL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>

**(II)(b) Statement showing Holding of Depository Receipts (DRs), where underlying shares held by “promoter/ promoter group” are in excess of 1% of the total number of shares**

Sr. No.	Name of the DR Holder	Type of Outstanding DR(ADRs, GDRs, SDRs etc)	Number of Shares underlying outstanding DRs	Shares underlying outstanding DRs as a percentage of total number of Shares {i.e. Grand Total (A)+(B)+(C) indicated in statement at para (I)(a) above}
1.	NIL	NIL	NIL	NIL
2.	NIL	NIL	NIL	NIL
			<b>TOTAL</b>	<b>NIL</b>



ANNEXURE-A1**AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE**

To,  
The Members of  
**RR Financial Consultants Limited,**

We have examined the compliance of conditions of Corporate Governance by RR Financial Consultants Limited ("The Company") for the period ended on 30<sup>th</sup> June 2011 as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For SANDEEP RAMESH GUPTA & Co.  
Chartered Accountants**

-Sd-

**(SANDEEP GUPTA)**  
*(Proprietor)*  
Membership No. 90039

Place : New Delhi  
Dated : 29<sup>th</sup> August, 2011

## CERTIFICATION

I, Rajat Prasad, Managing Director hereby Certify that:

- a) I have reviewed financial statement and the cash flow statement for the period ended 30.06.2011 and that to the best of my knowledge and belief:
- I. These statements do not contain any material untrue statement or omit any material fact or contain statements that might be misleading;
  - II. These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There is to the best of my knowledge and belief, no transaction entered into by the company during the period, which is fraudulent, illegal or violative of the company's code of conduct.
- c) Further I accept responsibility to establish and maintain internal controls for financial reporting and Accordingly, I have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting and I have disclosed to the auditors and the Audit committee, wherever applicable:
- I. Deficiencies in the design or operation of the internal controls, if any of which I am aware and the steps have been taken or propose to take rectify these deficiencies.
  - II. Significant changes in the internal control over the financial reporting during the period;
  - III. Significant changes in accounting policies during the period and that the same have been disclosed in the notes to the financial statements;
  - IV. Any significant fraud of which I became and involvement therein, if any, of the management or an employee having a significant in the Company's internal control system.

**For and On behalf of the Board of Directors**

Sd/-

**Rajat Prasad**  
Managing Director

Place : New Delhi  
Date : 29<sup>th</sup> August, 2011

## Management's Discussion and Analysis

### Overview

The company is leading financial services company and has earned a distinction in the field of Capital raising, Insurance & Broking services and research and advisory services. Exploring opportunities through its network across the country and its ability to organize with professionalism and dedication is the core of RR Business aspirations. The Primary objective of the Company is to maintain a rapid pace of growth through quality services in all aspects of product innovations and investment avenues.

### Financial Performance

The financial statements of the Company have been prepared in compliance with the requirements of the Companies Act, 1956 and the Generally Accepted Accounting Principals (GAAP) in India. The management of the Company accepts the responsibility of for the objectivity and integrity of these financial statements as well as, for various estimates and judgments used therein. The statement have been made on a prudent and reasonable basis, so that financial statements reflects in a true and fair manner, the form and substances of transactions and reasonably present the Company's state of affairs.

### Opportunities

The company has following verticals i.e. Stock & Commodity Broking, Financial Product Distribution, Insurance Broking, Investment Banking and Lending Business. The main source of income being Brokerage, the Company expects to show stable growth in coming years. The company has been granted a NBFC Licence by RBI to its wholly owned subsidiary RR Fincap Private Limited.

### Risks and concerns

The Company's main risk remains costs which are growing at a fast pace. The company has increased the variable salary structures and is consistently making conscious efforts to mitigate this risk.

### Outlook

The Company has broad based revenue stream to cover all the major segments of Financial & Insurance business and foresees a stable growth in the coming years.

### Risk management systems

We manage the risks associated with our broking operations through the use of fully automated risk management software's and direct monitoring of certain operating parameters. Our automated risk management procedures rely primarily on internally developed risk management system as well as systems provided by our vendors. We manage our business risk through strict compliance and internal checks. We have a well-managed internal audit



and internal control system working along with the external audit performing checks at regular intervals to identify any discrepancies and rectify at the earliest.

### **Human Resources**

The nature of our business requires a skilled and trained human capital, which is one of the key assets of our organization. Our human resource policy is based on the philosophy of 'owner mindset'. We believe that the key to our continued growth lies in unleashing the entrepreneurial energy of our employees. We encourage all employees to behave more as owners of their departments rather than employees. Our people are highly motivated and work towards increasing RR's brand and market share across our various product lines. We have developed some extensive in-house training modules. We lay an emphasis on 'on-the-job training' where an experienced and senior person mentors a junior executive. Further, prospective employees need to undergo pre-joining domain training and tests. This basically tests the understanding and aptitude of the employee for the job and reduces attrition and improves employee satisfaction.

### **Internal control systems**

As remarked by the auditors in their report, the Company has an internal control system commensurate with its requirements and the size of the business. The Company has internal control systems that are adequate and commensurate to the size of the company to ensure that all the transactions are authorized, recorded and reported correctly under the overall supervision of Audit Committee of the Board of Directors. These systems provide efficiency to the operations and safeguard assets of the company as also the compliances of all statutes. There are adequate measures for the security of database.

### **Cautionary statement**

The statements made in this report describe the Company's objectives and projections that may be forward looking statements within the meaning of applicable securities laws and regulations. The actual results might differ materially from those expressed or implied depending on the economic conditions, government policies and other incidental factors, which are beyond the control of the Company.

**SANDEEP RAMESH GUPTA & CO.**  
C H A R T E R E D   A C C O U N T A N T S

B-102, East Of Kailash  
New Delhi – 110 065  
Phone: (91-11) 2683 5848

90/31B, Malviya Nagar  
New Delhi – 110 017  
Ph: (91-11) 5564 8424, Fax: (91-11) 5100 3436  
E-mail: sandygupta@vsnl.com

**REPORT OF THE AUDITOR ON THE CONSOLIDATED ACCOUNTS**

We have examined the attached Consolidated Balance Sheet of RR Financial Consultants Ltd. its subsidiaries as at 30<sup>th</sup> June 2011, and the Consolidated Profit and Loss Account Statement for the year ended on 30<sup>th</sup> June 2011.

These consolidated financial statements are the responsibility of the management. Our responsibility is to express an opinion on these financial statements based on our audit. We have conducted our audit in accordance with the generally accepted auditing standards in India. These standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.

We have audited the financial statement of its subsidiaries whose financial statements reflect total assets of ₹ 2,928.56 Lacs as at 30<sup>th</sup> June 2011 and total revenue of ₹ 1.77 Lacs for the previous year ended 30<sup>th</sup> June 2011.

We did not audit the financial statements of RR Insurance Brokers (P) Ltd., RR Fincap (P) Ltd., Arix Consultant (P) Ltd., RR Investor Capital Services (P) Ltd. & its one subsidiaries, RR Equity Brokers (P) Ltd & its Four subsidiaries and two Subsidiaries of RR Infra Estates (P) Ltd. for the period ended 30<sup>th</sup> June 2011 whose financial statements together reflect total assets of ₹ 7,064.40 Lacs as at 30<sup>th</sup> June 2011 and total revenue of ₹ 9,377.49 Lacs for the period ended. These financial statements have been audited by other auditors.

Auditors, whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of the subsidiaries, is based solely on the reports of the other auditors.

We report that the consolidated financial statements have been prepared by the company in the accordance with the requirements of Accounting Standard (AS) 21 Consolidated Financial Statements, issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements M/s RR Financial Consultants Ltd. and its subsidiaries included in the consolidated financial statements.

On the basis of the information and explanation given to us and subject to the separate audit reports on individual audited financial statements of RR Financial Consultants Ltd. and its subsidiaries wherein the auditors have expressed their reservations by way of qualifications on the audited accounts, we are of the opinion that:-

1. The consolidated Balance Sheet gives a true and fair view of the consolidated state of affairs of RR Financial Consultants Ltd. and its subsidiaries as at 30<sup>th</sup> June 2011 and
2. The Consolidated Profit and Loss Account gives a true and fair view of the consolidated results of operations of RR Financial Consultants Ltd. and its subsidiaries for the period ended on that date.

TM

**For Sandeep Ramesh Gupta & Co**  
(Chartered Accountants)

Sd/-

**SANDEEP GUPTA**

Membership No.: 90039

Place : New Delhi

Date : 29/08/2011

## RR FINANCIAL CONSULTANTS LTD.

### CONSOLIDATED BALANCE SHEET AS AT 30th JUNE,2011

( Amount in ₹ )

Particulars	Schedule	As at 30th June, 2011	As at 30th June, 2010
<b>SOURCES OF FUNDS</b>			
<b>SHAREHOLDERS FUNDS</b>			
Share Capital	1	110,694,500	55,391,000
Reserves & Surplus	2	465,152,056	485,221,502
Minority Interest :			
Share Capital		5,002,000	5,002,200
Reserves & Surplus		51,109,779	46,539,711
Share Application Money		-	-
<b>LOAN FUNDS</b>			
Secured loans	3	87,798,418	34,693,985
Unsecured Loans	3a	-	15,206,726
<b>TOTAL</b>		<b>719,756,753</b>	<b>642,055,124</b>
<b>APPLICATION OF FUNDS</b>			
<b>FIXED ASSETS</b>			
Gross Block	4	387,607,404	313,720,767
Less: Depreciation		63,406,857	60,474,066
<b>INVESTMENTS</b>			
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>			
Stock in Trade	5	324,200,547	253,246,701
		30,544,666	58,862,490
Stock in Trade		58,746,013	23,600,005
Sundry Debtors	7	152,998,640	187,108,741
Cash & Bank balances	8	65,895,587	37,897,355
Loans & Advances	9	297,226,406	261,920,472
		574,866,646	510,526,573
<b>LESS: CURRENT LIABILITIES AND PROVISIONS</b>			
Current Liabilities	10	166,611,986	126,386,207
Provisions	11	43,590,784	54,716,616
		210,202,770	181,102,823
<b>NET CURRENT ASSETS</b>			
<b>MISCELLANEOUS EXP.</b>			
(To the extent not written off or adjusted)	12	364,663,876	329,423,750
		347,664	522,183
<b>TOTAL</b>		<b>719,756,753</b>	<b>642,055,124</b>
<b>Notes to Accounts &amp; Accounting Polices</b>	15	-	-

As per our report of even date attached  
**For : Sandeep Ramesh Gupta & Co.**  
 Chartered Accountants

**For and on behalf of the Board**

Sd/-  
**Sandeep Gupta**  
 ( Proprietor )  
 Membership No. 90039

Sd/-  
**Raghunandan Prasad**  
 ( Director )

Sd/  
**Rajat Prasad**  
 (Managing Director)

Sd/-  
**Rupali Vaish**  
 (Company Secretary)

Place : New Delhi  
 Date : 29/08/2011

## RR FINANCIAL CONSULTANTS LTD.

### CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 30th JUNE, 2011

( Amount in ₹ )

Particulars	Schedule	As at 30th June, 2011	As at 30th June, 2010
<b>INCOME</b>	-		
Income from Operation	13	1,048,490,393	744,170,457
Other Income		-	-
<b>Total</b>		<b>1,048,490,393</b>	<b>744,170,457</b>
<b>EXPENDITURE</b>			
Operating and other Expenses	14	961,736,281	622,942,344
Miscellaneous expenses written off		169,794	132,618
Depreciation	4	7,988,793	7,978,465
<b>Total</b>		<b>969,894,868</b>	<b>631,053,427</b>
Profit(Loss) Before Taxation		78,595,525	113,117,030
Provision for FBT		-	(45,304)
Provision for taxation		10,066,100	18,798,500
Provision for Deferred Tax Liability		296,845	1,019,142
Profit(Loss) After Taxation		68,232,580	93,344,692
Balance Brought Forward		371,694,803	278,342,677
<b>PROFIT AVAILABLE FOR APPROPRIATION</b>		<b>439,927,383</b>	<b>371,687,369</b>
Prior Year Adjustment		22,033,952	-
Income Tax		-	-
Income Tax Adjst. For Earlier Years		(64,376)	(17,444)
Dividend Paid		5,530,350	-
Dividend Tax		918,522	-
<b>BALANCE CARRIED TO BALANCE SHEET</b>		<b>411,508,935</b>	<b>371,704,813</b>
<b>Notes to Accounts</b>	15		

As per our report of even date attached

**For : Sandeep Ramesh Gupta & Co.**

Chartered Accountants

Sd/-

**Sandeep Gupta**  
( Proprietor )

(Membership No. : 90039)

Sd/-

**Raghunandan Prasad**  
( Director )

Sd/-

**Rajat Prasad**  
( Managing Director )

Sd/-

**Rupali Vaish**  
( Company Secretary )

**For and on behalf of the Board**

Place : New Delhi

Date : 29/08/2011



Schedules Forming Part of Consolidated Balance Sheet

30th June, 2011

30th June, 2010

**SCHEDULE 1 SHARE CAPITAL**

<u>Authorised</u> 12000000 (Previous year 12000000) equity shares of ₹ 10/- each	<b>120,000,000</b>	120,000,000
<u>ISSUED, SUBSCRIBED AND PAIDUP</u> 11060700(previous year 55,30,350) equity shares of ₹ 10/- each	<b>110,607,000</b>	55,303,500
	-	-
	-	-
Add: Forfeited Shares (Amt. Originally Paid Up)	<b>87,500</b>	87,500
	<b>110,694,500</b>	55,391,000

( Note :out of the above 60,30,350 Equity Share of ₹10/-each have been allotted for consideration other than cash by way of Bonus Shares by capitalisation of General Reserve. And 15,52,950/- share in consideration of Merged Companies )

**SCHEDULE 2 RESERVES & SURPLUS**

Share premium	<b>117,329,523</b>	117,329,523
Less :Capitalised for allotment of Bonus Shares	(55,303,500)	-
General Reserve	<b>42,726,877</b>	42,726,877
Profit & loss A/c	<b>411,508,935</b>	371,704,813
Less : Minority Interest	(51,109,779)	(46,539,711)
	<b>465,152,056</b>	485,221,502

**SCHEDULE 3 SECURED LOANS**

Banks ( Loan from Sch. Bank Agst. Mortgage of Property )	<b>82,630,803</b>	33,884,456
Banks ( Loan from Sch. Bank Agst. Hypothecation of car)	<b>262,276</b>	809,529
Others	<b>4,905,339</b>	-
	<b>87,798,418</b>	34,693,985

**SCHEDULE 3a UNSECURED LOANS**

Others	-	15,206,726
	-	15,206,726

**SCHEDULE 5 INVESTMENT**

At cost, other than trade (unless otherwise stated)

Name of the company	No of Sh.	(₹)	(₹)
<u>Quoted</u>		-	-
<u>Unquoted</u>			
Joy Print Hotel	15,200	1,520,000	1,520,000
Joy Print Plastic Dealers	15,200	1,520,000	1,520,000
		-	-
Other Investments		<b>27,504,666</b>	55,822,490
		<b>30,544,666</b>	58,862,490

**SCHEDULE 7 SUNDRY DEBTORS**

(Unsecured considered good)

More than six Months	<b>62,565,366</b>	60,157,477
Less than six months	<b>90,433,274</b>	126,951,264
	-	-
	<b>152,998,640</b>	187,108,741

Schedules Forming Part of Consolidated Balance Sheet

30th June, 2011

30th June, 2010

**SCHEDULE 8 CASH AND BANK BALANCES**

Balance with scheduled Bank / Fixed Deposit	62,784,909	35,753,355
Cash in hand	3,110,678	2,144,000
	65,895,587	37,897,355

**SCHEDULE 9 LOANS AND ADVANCES**

(i) Advance to staff	559,966	2,000
(ii) Advance tax including T.D.S.	108,659,867	84,653,059
(iii) Public Issue application money	-	2,000,000
(iv) Advance recoverable in cash or in kind for the value to be received	77,970,435	85,385,609
(v) Security Deposit	80,273,789	44,344,289
(vi) Other	29,762,349	45,535,515
	297,226,406	261,920,472

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**SCHEDULE 10 CURRENT LIABILITIES**

Sundry Creditors	140,994,224	54,278,835
Other Liabilities	25,617,762	72,107,372
	166,611,986	126,386,207

**SCHEDULE 11 PROVISIONS**

Provisions for Taxation	39,540,476	51,234,099
Provisions for FBT	-	158,450
Provisions for Deferred Tax Liability	4,050,308	3,324,067
	43,590,784	54,716,616

**SCHEDULE 12 MISCELLANEOUS EXPENDITURE**

(To the extent not written off or adjusted )		-
Public Issue/Misc. Expenses	517,458	654,501
Less: (written off )/ Pre -operative to P & L A/C	169,794	132,318
	347,664	522,183

Schedules Forming Part of Consolidated PROFIT AND LOSS ACCOUNT 30th June, 2011 30th June, 2010
**SCHEDULE 13 TOTAL INCOME**

Sale / Purchase of Shares / Debentures / Securities ( Net )	(3,715,827)	1,402,583
Brokerage / Adviseroy Services ect.	926,214,197	705,922,129
Interest ( Net )	13,958,409	5,720,992
Dividend	1,428,196	106,270
Misc Balance / Stale Cheques Written Back	565,392	1,198,204
Profit on Sale of Investment	-	484,148
Profit on Sale of Fixed Assets	68,110,856	13,117,544
Miscellaneous Income	6,647,148	5,727,806
Closing Stock	58,746,013	23,600,006
	<b>A</b>	<b>1,071,954,384</b>
Less: Opening Stock	<b>B</b>	<b>23,463,991</b>
	<b>Income (A-B)</b>	<b>1,048,490,393</b>
		<b>757,279,682</b>
		<b>13,109,225</b>
		<b>744,170,457</b>

**SCHEDULE 14 OPERATING AND OTHER EXPENSES**

Commission rebate/Sub Brokerage & M.E.S.	615,499,686	320,895,407
Salaries Bonus & Other Benefit	145,455,276	136,995,754
Books & Periodicals	4,373,410	2,714,896
Printing & Stationery	15,532,589	14,358,846
Postage, Telegram & Telephone expenses	44,798,153	34,927,729
Conveyance, & Vehicle Expenses	9,118,603	10,119,330
Staff Welfare	7,711,177	4,244,076
Repair & Maintenance	28,313,871	27,758,941
Legal Exp.	2,276,670	300,007
Bank Charges	8,117,223	1,177,866
Electricity Water and Sanitary	4,620,550	4,155,650
Audit fee	54,688	66,587
Advertisement, Publicity & conference expenses	2,687,316	2,757,733
Membership & Subscription	51,250	1,871
Consultancy Fee	75,000	7,634,352
Director Remuneration	7,827,336	3,647,025
Security Services Charges	2,198,319	1,645,448
Tour & Travelling	7,538,005	9,612,762
Computer Maintenance	3,439,617	3,636,072
Lease rent/Hire Charges/Licence Fees	123,662	110,000
Business Promotion	14,401,767	7,393,029
Miscellaneous Expenses	13,910,631	14,702,901
Secretarial Expenses	478,348	1,401,921
Demat Charges	1,107,001	1,300,630
Festival / Diwali Exp.	905,168	1,038,579
Rent	9,500,924	7,451,260
Property tax	30,534	256,494
Interest / Service Tax Paid (Net)	7,782,066	2,072,726
Insurance	801,442	564,454
Loss on Share Trading (FNO)	3,005,999	-
	<b>961,736,281</b>	<b>622,942,344</b>

Schedules Forming Part of Consolidated Balance Sheet

**SCHEDULE 4 FIXED ASSETS**

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AT 1/07/2010	ADDITIONS	DELETIONS	AT 30/06/2011	AT 1/07/2010	FOR THE YEAR	SALE / Adj.	Total	AT 30/06/2011	AT 30/06/2010
Land / Building	51,300	-	-	51,300	-	-	-	-	51,300	51,300
Plant and Machinery	16,238,380	-	-	16,238,380	14,875,514	549,301	451,316	14,973,499	1,264,881	1,362,866
Vehicle	10,124,998	7,364,000	-	17,488,998	6,041,750	1,317,358	-	7,359,108	10,129,890	4,083,249
Furniture and Fixture	17,383,365	408,795	(4,315)	17,796,475	12,587,688	1,127,628	(4,315)	13,719,631	4,076,844	4,795,677
Office Premises	239,053,727	94,223,300	31,255,976	302,021,051	18,142,262	193,376	4,692,216	13,643,422	288,377,629	220,911,465
Office Equipment	6,344,504	600,199	(13,973)	6,958,676	737,885	326,873	(13,973)	1,078,731	5,879,945	5,606,620
Computers	11,724,251	1,136,135	(36,242)	12,896,628	3,718,260	2,133,022	(36,242)	5,887,524	7,009,104	8,005,990
Software	12,780,512	1,322,654	(32,861)	14,136,027	4,364,497	2,340,217	(32,861)	6,737,575	7,398,452	8,416,015
Generator	19,730	-	(139)	19,869	6,210	1,018	(139)	7,367	12,502	13,520
<b>Total</b>	<b>313,720,767</b>	<b>105,055,083</b>	<b>31,168,446</b>	<b>387,607,404</b>	<b>60,474,066</b>	<b>7,988,793</b>	<b>5,056,002</b>	<b>63,406,857</b>	<b>324,200,547</b>	<b>253,246,700</b>
PREVIOUS YEAR	303,833,288	48,722,618	38,835,139	313,720,767	74,743,886	7,978,465	22,248,285	60,474,066	253,246,701	229,140,972

## SCHEDULE '15'

### RR FINANCIAL CONSULTANTS LTD.

#### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

##### 1. PRINCIPLES OF CONSOLIDATION

I. The consolidated financial statements (CFS) comprise the financial statements of RR Financial Consultants Ltd and its following subsidiaries as at 30<sup>th</sup> June 2011.

S.NO	NAME OF THE COMPANY	COUNTRY OF INCORPORATION	PERCENTAGE SHAREHOLDING AND VOTING POWER
1.	RR Insurance Brokers (P) Ltd.	India	100 %
2.	RR Fincap (P) Ltd.	India	100 %
3.	Arix Consultants (P) Ltd	India	100 %
4.	RR Investors Capital Services Pvt. Ltd.	India	66.66 %
5.	RR Equity Brokers (P) Ltd.	India	100 %
6.	RR Infra Estates (P) Ltd.	India	100 %

II. The consolidated financial statements have been prepared using uniform accounting policies, in accordance with the generally accepted accounting policies.

III. The effects of inter group balances are eliminated in consolidation.

IV. The difference between the costs to the holding company of its investment in the subsidiary company over the holding company's portion of equity of the subsidiary has been reduced from share premium account / Balance of Profit & Loss Account.

V. (a) Minority interest in net results of consolidated subsidiaries for the year is identified and adjusted against the results of the group in order to arrive at the net results attributable to shareholders of the holding company.

(b) Minority interest share of net assets of consolidated subsidiaries is identified and presented in the Consolidated Financial Statements.

2. Previous years figures has been regrouped and rearranged wherever considered necessary so as to make them comparable with those of the current year. However during the year two subsidiaries of RR Infra Estate (P) Ltd. i.e. Lakshminarayan Buildwell (P) Ltd & Shivom Infra Estates (P) Ltd are no longer associated as subsidiaries. Hence Previous year figure are not comparable.

3. The accounts of Two subsidiaries of RR Financial Consultants Ltd, two subsidiaries of RR Equity Brokers (P) Ltd. And one subsidiaries of RR Investor Capital Services (P) Ltd., whose financial year closes on 31<sup>st</sup> March 2011 have been prepared for the year ended on 30<sup>th</sup> June 2011 for the purpose of consolidation.

4. Capital commitments net of Advance ₹ Nil.

5. Additional information pursuant to Part II of Schedule VI to the Companies Act, 1956.

As on 30/06/2011

(a)	Expenditure in foreign currency	Nil
(b)	Income in foreign currency	Nil
(c)	Other information	Nil
(d)	Bank Guaranties	25.50 crore (Net of Security Amount)

6. As per the information available, there are no amounts due to small scale industrial undertakings. Correspondingly, there are also no small-scale industrial undertakings to which the company owes sums exceeding ₹ 1/- lacs which are outstanding for more than 30<sup>th</sup> days.

7. Sundry debtors, creditors and few in-operative bank accounts are subject to confirmation.

8. Related Party Disclosure:-

(As identified by the Management)

I.	Name of the related party	Relationship
(1)	Shri Raghunandan Prasad	Key Management Personnel
(2)	Shri Rajat Prasad	
(3)	Shri Rajender Routella	
(4)	Mrs Minu Tondon	
(5)	Rajesh Agarwal	
(6)	Sandeep Mahajan	
(7)	Monojit Bose	

II. Details of transaction of related parties:-

( ₹ In Lacs )

Remuneration	Key Man. Personnel	₹ 78.27
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9. As per the management all fees are received from financial services and capital markets. Therefore, in accordance with Accounting Standard 17 issued by The Institute of Chartered Accountants of India (AS17) on segment reporting, financial services is the only reportable business segment and cannot be segregated. In the circumstances segment information required by AS 17, cannot be furnished.

- 10. Dividend paid amounting of ₹ 55,30,350/- was approved by the members in the AGM held on 31-12-2010.
- 11. Prior Period items of ₹ 220.33 Lacs includes amount paid towards amount of Govt. dues of previous years.
- 12. The management has not provided/accounted for deferred tax liability/assets in holding company, in accordance with the Accounting Standard 22 issued by The Institute of Chartered Accountants of India (AS22) on 'Accounting for Taxes On Income' as the same is not expected to be realized in the foreseeable future.

In term of our report of even date attached

TM

**For : SANDEEP RAMESH GUPTA & CO**  
**Chartered Accountant**

**For and on behalf of the Board**

Sd/-

**SANDEEP GUPTA**  
*(Proprietor)*

Membership No. 90039

Place : New Delhi

Date : 29/08/2011

Sd/-

**RAGHUNANDAN PRASAD**  
*(Director)*

Sd/-

**RAJAT PRASAD**  
*(Managing Director)*

Sd/-

**Rupali Vaish**  
*(Company Secretary)*



**SANDEEP RAMESH GUPTA & CO.**  
C H A R T E R E D   A C C O U N T A N T S

B-102, East Of Kailash  
New Delhi – 110 065  
Phone: (91-11) 2683 5848

90/31B, Malviya Nagar  
New Delhi – 110 017  
Ph: (91-11) 5564 8424, Fax: (91-11) 5100 3436  
E-mail: sandygupta@vsnl.com

**AUDITOR'S REPORT**

To the Members of

**RR FINANCIAL CONSULTANTS LIMITED:**

1 We have audited the Balance Sheet of RR Financial Consultants Limited as at June 30, 2011, the related Profit and Loss Account and also the Cash Flow Statement on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2 We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3 We have also examined the matters specified in paragraphs 4 & 5 of the Companies (Auditor's Report) (Amendment) Order, 2004 (the 'Order'), for the period from July 1, 2010 to June 30, 2011, as they relate to the Company. Our report thereon is annexed.

4 Further to our comments in the Annexure referred to in paragraph 4, 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 purposes of our audit;

(b) In our opinion, the Company has maintained proper books of account, as required by law, in so far as appears from our examination of those books;

(c) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account;

(d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report, comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ('the Act');



(e) On the basis of the confirmation received from the Directors, and taken on record by the Board of Directors, none of the Directors is disqualified as on June 30, 2011 from being appointed as a Director in terms of section 274 (1) (g) of the Act; as on the said date.

(f) In our opinion, and to the best of our information and according to the explanations given to us, the accompanying financial statements give a true and fair view in conformity with the accounting principles generally accepted:

- (i) In the case of the Balance Sheet, of the state of affairs of the Company as at June 30, 2011, and
- (ii) In the case of the Profit and Loss Account, the profit for the period from July 1, 2010 to June 30, 2011.
- (iii) In the case of the Cash Flow Statement, of the cash flow for the year ended on that date.

**For Sandeep Ramesh Gupta & Co**  
*(Chartered Accountants)*

Sd/-

**SANDEEP GUPTA**

Membership No.: 90039

Place : New Delhi

Date : 29/08/2011

## RR FINANCIAL CONSULTANTS LIMITED

### ANNEXURE TO AUDITORS' REPORT – 30th, June 2011

1 (a) The Company has maintained proper records, showing full particulars, including quantitative details and situation of fixed assets.

(b) Fixed assets were physically verified during the period and no material discrepancies were noted. In our opinion, the frequency of verification is reasonable.

2 (a) The inventory of shares / debentures has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.

(b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.

(c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.

3 (a) The Company has granted unsecured loan to companies covered in the register maintained under section 301 of the Companies Act, 1956. The details are as follows:

S. No.	Number of Parties	Maximum outstanding (₹ lacs)	Year end Balance (₹ acs)
1.	Six	143.10	84.78

(b) In our opinion, the rate of interest and other terms and conditions of such loans are not, prima facie, prejudicial to the interest of the company.

(c) The loan is recoverable on demand.

(d) There is no overdue amount in excess of ₹ 1 Lakh in respect of loans granted to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.

- (e) The Company had taken unsecured loans, from persons covered in the register maintained under section 301 of the Act. The details are as follows:

S. No.	Number of Parties	Maximum outstanding (₹ lacs)	Year end Balance (₹ lacs)
1.	Six	676.97	676.97

- (f) In our opinion, terms and conditions of the loans taken by the Company are prima-Facie not prejudicial to the interest of the Company.

- (g) The loan is repayable on demand.

4 In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets and with regard to the sale of services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system of the company.

5 (a) In our opinion, the contracts or arrangements referred to in section 301 of the Act, that need to be recorded in the register required to be maintained under the said section, have been adequately recorded.

(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.

6 The Company has not accepted any deposits from the public within the meaning of section 58A and 58AA or any other relevant provision of the Act, and the rules framed there under.

7 In our opinion, the Company has an internal audit system commensurate with the size of the Company and the nature of its business.

8 The Company is not covered by the maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Act.

9 (a) In our opinion, the Company is generally regular in depositing the undisputed statutory dues including provident fund, employees state insurance, income tax, sales tax, wealth tax, customs duty, excise duty and cess, as applicable, with the appropriate authorities and there are delays in depositing of Provident Fund and ESI, amount not quantified by the management.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, sales tax, wealth tax, customs duty, excise duty, as at the end of the year for a period of more than six months from the date they became payable.

(c) There are no dues of sales tax, income tax, customs duty, wealth-tax, excise duty and cess, which have not been deposited on account of any dispute.

10. There are no accumulated losses in the company. The company has not incurred cash losses in the financial year covered by our audit but incurred cash losses in the immediately preceding financial year.

11. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.

12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

13. The provisions of any special statute, applicable to chit fund / nidhi / mutual benefit fund/societies, are not applicable to the Company. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.

14. In our opinion, the Company has maintained proper records of transactions and contracts in respect of trading in securities, debentures and other investments and timely entries have been made therein. All shares, debentures and other investments have been held by the company in its own name.

15. In our opinion, and according to the information and explanation given to us, the terms and conditions on which the Company has given guarantee for loans taken by a Subsidiary from banks or financial institutions are not prejudicial to the interest of the company.

16. The Company has not obtained any term loans during the year.

17. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that the no funds raised on a short-term basis, which have been used for long-term investments.

18. According to the information and explanation given to us the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.

19 The Company has not issued any debentures, and accordingly, the creation of a security or charge does not arise.

20 The Company has not raised any money by public issue during the period.

21 During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the period, nor have we been informed of such case by the management.

Place : New Delhi  
Date : 29/08/2011

**For Sandeep Ramesh Gupta & Co**  
*(Chartered Accountants)*

*Sd/-*  
**SANDEEP GUPTA**  
Membership No.: 90039

**RR FINANCIAL CONSULTANTS LTD.**  
**BALANCE SHEET AS ON 30.06.2011**

(Amount in ₹)

Particulars	Sch.	As at 30th June, 2011		As at 30th June, 2010	
<b>SOURCES OF FUND</b>					
<b>SHAREHOLDERS FUNDS</b>					
Share Capital	1	110,694,500		55,391,000	
Reserves & Surplus	2	282,933,942	393,628,442	317,049,276	372,440,276
<b>SECURED LOANS</b>					
	3		5,104,757		392,086
<b>Unsecured Loans</b>	3a		-		7,000,000
<b>TOTAL</b>			<b>398,733,199</b>		<b>379,832,362</b>
<b>APPLICATION OF FUNDS</b>					
<b>FIXED ASSETS</b>					
Gross Block	4	48,278,220		72,170,196	
Less: Depreciation Reserve		35,105,221	13,172,999	37,611,791	34,558,405
<b>INVESTMENTS</b>					
	5		225,794,477		213,294,277
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>					
Stock in Trade	6	9,836,601		12,952,522	
Sundry Debtors	7	200,000		200,000	
Cash & Bank balances	8	581,697		449,429	
Loans & Advances	9	226,265,019		174,052,695	
		<b>236,883,317</b>		<b>187,654,646</b>	
<b>LESS: CURRENT LIABILITIES AND PROVISIONS</b>					
Current Liabilities	10	69,073,334		46,248,995	
Provisions	11	8,044,261		9,450,000	
		<b>77,117,595</b>		<b>55,698,995</b>	
<b>NET CURRENT ASSETS</b>			<b>159,765,723</b>		<b>131,955,651</b>
MISCELLANEOUS EXP. (To the extent not written off or adjusted)	12		-		24,029
<b>TOTAL</b>			<b>398,733,199</b>		<b>379,832,362</b>

Notes on Accounts &amp; Accounting Policies 16

In term of our report of even date attached

For Sandeep Ramesh Gupta & Co.  
Chartered Accountants

For and on behalf of Board

sd/-

Sandeep Gupta  
(Proprietor)  
Place: New Delhi  
Dated :29-08-2011

Sd/-

Raghunandan Prasad  
(Director)

Sd/-

Rajat Prasad  
(Managing Director)

Sd/-

Rupali Vaish  
(Company Secretary)

**RR FINANCIAL CONSULTANTS LTD.**  
**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 30.06.2011**

( Amount in ₹ )

Particulars	Sch.	As at 30th June 2011	As at 30th June 2010
<b>INCOME</b>			
Income from Operation	13	42,206,252.08	72,544,040.58
Other income	14	68,357,879.77	14,955,307.86
<b>Total</b>		<b>110,564,131.85</b>	<b>87,499,348.44</b>
<b>EXPENDITURE</b>			
Operating and other Expenses	15	57,498,861.74	37,494,133.11
Miscellaneous expenses written off		24,029.00	40,845.00
Depreciation		2,636,962.00	2,869,299.00
<b>Total</b>		<b>60,159,852.74</b>	<b>40,404,277.11</b>
<b>PROFIT/(LOSS) BEFORE TAXATION &amp; PRIOR PERIOD ITEMS</b>		<b>50,404,279.11</b>	<b>47,095,071.33</b>
Prior Period Items		22,033,952.12	-
Capital Revaluation Reserve			
Provision for taxation		800,000.00	3,500,000.00
Fringe Benefit Tax		-	-
<b>Profit(Loss) After Taxation</b>		<b>27,570,326.99</b>	<b>43,595,071.33</b>
Income Tax Adjustment		(66,711.00)	-
Balance Brought Forward		194,876,399.31	151,281,327.51
<b>Profit available for Appropriation</b>		<b>222,513,437.30</b>	<b>194,876,398.84</b>
<b>APPROPRIATIONS:</b>			
Dividend Paid		5,530,350.00	-
Tax on Dividend		918,522.00	-
Balance carried to Balance Sheet		<b>216,064,565.30</b>	<b>194,876,398.84</b>

Notes to Accounts & Accounting Policies  
In term of our report of even date attached

16

**For Sandeep Ramesh Gupta & Co.**  
Chartered Accountants

**For and on behalf of Board**

sd/-  
**Sandeep Gupta**  
(Proprietor)

sd/-  
**Raghunandan Prasad**  
(Director)

sd/-  
**Rajat Prasad**  
(Managing Director)

sd/-  
**Rupali Vaish**  
(Company Secretary)

Place: New Delhi  
Date : 29-08-2011

## Schedules to the Balance Sheet as at 30th June 2011

2011

2010

**SCHEDULE 1 SHARE CAPITAL**

Authorised

1,20,00,000 (Previous year 1,20,00,000)

equity shares of ₹. 10/- each

120,000,000

120,000,000

ISSUED, SUBSCRIBED AND PAIDUP

110607000 (previous year 55,30,350)

110,607,000

55,303,500

Add: Forfeited Shares

(Amt. Originally Paid Up)

87,500

87,500

**110,694,500****55,391,000**

(Note : Out of the above 60,30,350 Equity Share of ₹ 10/- each have been allotted for consideration other than cash by way of Bonus Shares by capitalisation of General Reserve. And 15,52,950/- share in consideration of Merged Companies)

**SCHEDULE 2 RESERVES & SURPLUS**

Share premium

79,446,000

79,446,000

Less:- capitalised for allotment of Bonus Share

(55,303,500)

General Reserve

42,726,877

42,726,877

Profit &amp; loss A/c

216,064,565

194,876,399

**282,933,942****317,049,276****SCHEDULE 3 SECURED LOANS**

From Banks

199,418

392,086

(Against Hypothecation of car)

From other

4,905,339

-

(Against Hypothecation of car)

**5,104,757****392,086****SCHEDULE 3a UNSECURED LOANS**

from Others

-

7,000,000

**-****7,000,000****SCHEDULE 5 INVESTMENT**

At cost, other than trade (unless otherwise stated)

Name of the company

Unquoted (in wholly owned subsidiary company)

No. of Share

Amount

No. of Share

Amount

Equity Shares Fully Paid up

RR Infra Estate Pvt. Ltd:- \*

77,770

48,834,173

77,770

48,834,173

RR Investor Capital Services P. Ltd. [F.V.₹.10]

1,000,000

10,000,000

1,000,000

10,000,000

RR Brokerage Assurance Ser.P.Ltd. [F.V.₹.10]

2,500,000

56,700,000

2,500,000

56,700,000

Arix Consultants Pvt. Ltd.[F.V.₹10]

50,000

500,000

49,980

499,800

RR Equity Brokers (P) Ltd.

7,500,000

89,760,304

6,250,000

77,260,304

RR Fincap Pvt. Ltd.( F.V. ₹. 1 each)

20,000,000

20,000,000

20,000,000

20,000,000

RR Equity Brokers P. Ltd (F.V.10)

**225,794,477****213,294,277**



## Schedules to the Balance Sheet as at 30th June 2011

2011

2010

**SCHEDULE 7 SUNDRY DEBTORS**

More than six Months	200,000	200,000
Unsecured considered good for outstanding less than six months	-	-
	<u>200,000</u>	<u>200,000</u>

**SCHEDULE 8 CASH AND BANK BALANCES**

Balance with scheduled Banks in current account and Fixed Deposit	516,315	333,847
Cash in hand	65,382	115,582
	<u>581,697</u>	<u>449,429</u>

**SCHEDULE 9 LOANS AND ADVANCES**

(I) Advance to staff	2,000	2,000
(ii) Advance tax including T.D.S.	20,480,414	22,596,258
(iii) Advance recoverable in cash or in kind for the value to be received	5,729,040	5,529,812
(iv) Security Deposit	3,698,813	3,198,813
(v) Advance to/ Debtors -Subsidiaries	196,354,753	142,725,812
	<u>226,265,019</u>	<u>174,052,695</u>

**SCHEDULE 10 CURRENT LIABILITIES**

Sundry Creditors	98,557	4,395,676
Advance from/ Creditors - Subsidiaries	67,696,559	35,661,459
Other Liabilities	1,278,217	6,191,859
	<u>69,073,334</u>	<u>46,248,995</u>

**SCHEDULE 11 PROVISIONS**

Provision for Taxation	8,044,261	9,450,000
	<u>8,044,261</u>	<u>9,450,000</u>

**SCHEDULE 12 MISCELLANEOUS**

To the extent not written off or adjusted	24,029	64,874
Less: written off to Profit & Loss A/c	24,029	40,845
	<u>-</u>	<u>24,029</u>

## Schedules to the Profit &amp; Loss Account for the year ending 30th June 2011

2011

2010

**SCHEDULE 13 TOTAL INCOME**

Sale/Purchase of Shares/Debentures/Securities(Net)	6,403,009.31	589,643.00
Brokerage , Consultancy & Auxiliary Services Income on FNO	43,517,415.63 (4,604,851.86)	72,639,132.86 (615,900.28)
Duplicate Share Issue Fees	6,600.00	1,200.00
Closing stock	9,836,601.00	12,952,522.00
(A)	55,158,774.08	85,566,597.58
Less :Opening Stock (B)	12,952,522.00	13,022,557.00
<b>Income (A-B)</b>	<b>42,206,252.08</b>	<b>72,544,040.58</b>

**Schedule NO 14 Other Income**

Dividend	24,996.00	20,250.00
Miscellaneous Income	73,875.00	146,226.41
Depreciation Return back		1,703,982.00
Intt. Received ( Net )	148,152.77	
Profit on Sale of Mutual Fund	-	(32,694.55)
Profit on sale of Fixed Asset	68,110,856.00	13,117,544.00
	<b>68,357,879.77</b>	<b>14,955,307.86</b>

**SCHEDULE 15 OPERATING AND OTHER EXPENSES**

Audit Fees	16,545.00	16,545.00
Commission ,Brokerage & Direct Marketing Exp.	35,158,581.46	24,350,119.03
Salaries Bonus & Other Benefit	6,027,581.00	2,822,354.00
Conveyance& Vehicle Expenses	609,962.00	315,240.00
Tour & Travelling	364,750.00	60,336.62
Staff Welfare	151,025.00	305,470.00
Postage Telegram & Telephone expenses	5,970,985.65	388,215.52
Books & Periodicals	-	1,560.00
Business Promotion Exp	3,475.00	65,057.00
Printing & Stationery	2,257,631.00	459,436.95
Advertisement Publicity & conference expenses	9,466.00	7,827.00
Electricity Water and Sanitary	156,150.00	140,941.00
Miscellaneous Expenses	354,151.00	430,955.00
CONSULTANCY CHARGES OF BUSINESS DEVELOPMENT	-	3,067,154.00
Professional & legal expenses	1,601,709.00	2,289,810.00
Property Tax	-	67,608.00
Rent	-	625,000.00
Repair & Maintenance	898,069.05	1,111,994.55
Secretarial Expenses	81,782.00	576,852.00
Security Services Charges	113,669.00	53,110.00
Intt. Paid ( Net )		311,544.86
Bank Charges	4,845.58	27,002.58
SERVICE TAX & Interest	3,718,484.00	
	<b>57,498,861.74</b>	<b>37,494,133.11</b>

### SCHEDULE 4 FIXED ASSETS

PARTICULAR	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01/07/2010	ADDITIONS	DELETIONS	As at 30/06/2011	As at 01/07/2010	FOR THE PERIOD	Sale/Adj.	Total	As at 30/06/2011	As at 30/06/2010
Land	51,300	-	-	51,300	-	-	-	-	51,300	51,300
Plant and Machinery	16,238,380			16,238,380	14,875,514	549,301	451,316	14,973,499	1,264,881	1,362,866
Office Premises	34,789,227		31,255,976	3,533,251	4,614,024	193,376	4,692,216	115,184	3,418,067	30,175,203
Furniture and Fixture	14,485,093			14,485,093	12,394,163	916,906	-	13,311,069	1,174,024	2,090,930
Vehicle	6,606,196	7,364,000		13,970,196	5,728,090	977,379		6,705,469	7,264,727	878,106
<b>Total</b>	<b>72,170,196</b>	<b>7,364,000</b>	<b>31,255,976</b>	<b>48,278,220</b>	<b>37,611,791</b>	<b>2,636,962</b>	<b>5,143,532</b>	<b>35,105,221</b>	<b>13,172,999</b>	<b>34,558,405</b>
Previous year	85,984,355	188,500	14,002,659	72,170,196	38,800,677	2,869,299	4,058,185	37,611,791	34,558,405	47,183,678

### SCHEDULE 6 VALUATION OF STOCK

NAME OF SCRIPS	As at 30.06.2011		As at 30.06.2010	
	No. of Share/ Debenture	Lower of Cost or Market Price	No. of Share/ Debenture	Lower of Cost or Market Price
<b>QUOTED SHARE</b>				
A P Rayon Ltd	450.00	8,865.00	450	8,865.00
Elder Health Care	500.00	18,500.00	500	18,500.00
India Securities			5000	67,000.00
Gujarat Inject Ltd.	150.00	232.50	150.00	233.00
Essar Securities	400.00	20,620.00		
K.C. Textiles	100.00	1,325.00	100	1,325.00
Modi Luff Ltd (RRSSBL)(Spice Jet)	-	-	1,200,000	3,072,000.00
Modi Mirrless Black Stone Ltd (New Name:- Man Diesel & Turbo India Ltd)	5,000.00	5,250.00	5,000	5,250.00
Motorol India Ltd	1,000.00	2,100.00	1,000	2,100.00
Motorol India Ltd(bonus)	1,000.00	-	1,000	0.00
Namaste Export Ltd	100.00	810.00	100	810.00
Namaste Export Ltd	300.00	2,430.00	300.00	2,430.00
Pal Peugeot	123,300.00	73,980.00	123,300	73,980.00
Parasram Puria Syn.	100,000.00	95,000.00	100,000	95,000.00
Pasupati Spinning & Weaving Mill	30.00	195.00	30	195.00
PCS data General Ltd;	450.00	4,500.00	450	4,500.00
Plitte Cement	10,000.00	40,000.00	10,000	40,000.00
Rajashtan Brewaries	5,100.00	29,325.00	5,100.00	29,325.00
Rinki Petro	4,000.00	1,000.00	4,000	1,000.00
Sanghi Polyesters Ltd.	100.00	175.00	100	325.00
Saraswati Industrial Syndicate	380.00	7,030.00	380	7,030.00
Sarla Credit & Securities Ltd	156,400.00	2,123,070.00	156,400.00	2,123,070.00
TANFAC Industries Ltd	100.00	1,950.00	100	1,950.00
Winsome Yams Ltd	1,800.00	4,770.00	1,800	2,160.00
Rathi Alloys Steel Ltd.	100.00	1,700.00	100	1,700.00
<b>Total of Quoted Shares</b>		<b>2,442,827.50</b>		<b>5,558,748.00</b>
<b>UNQUOTED SHARE</b>				
Disco Electronics	500.00	2,250.00	500	2,250.00
Esanda Finance & Leasing Ltd	18,000.00	270,000.00	18,000	270,000.00
Narayan Travels & Tours Ltd	350,000.00	3,500,000.00	350,000.00	3,500,000.00
Narayan Travels & Tours Ltd(RRSSBL)	200,000.00	2,000,000.00	200,000.00	2000000
Spartek Goods (P) Ltd	3,000.00	1,500,000.00	3,000	1,500,000.00
<b>Total of Unquoted Shares</b>		<b>7,272,250.00</b>		<b>7,272,250.00</b>
<b>UNQUOTED DEBENTURE</b>				
Pasupati Spinning & Weaving Mills	3,230.00	80,750.00	3,230	80,750.00
<b>Total of Unquoted Debentures</b>		<b>80,750.00</b>		<b>80,750.00</b>
<b>QUOTED DEBENTURE / SECURITIES</b>				
DCM Shri Ram Consolidate (NCD)	33.00	2,211.00	33	2,211.00
Herdila Unimers Ltd. (NCD)	10.00	625.00	10	625.00
ICICI Ltd.	14.00	5,600.00	14	5,600.00
Niwas Spinning (FCD)	4,975.00	32,337.50	4,975	32,338.00
<b>Total of Quoted Debentures</b>		<b>40,773.50</b>		<b>40,774.00</b>
<b>Total Stock</b>		<b>9,836,601.00</b>		<b>12,952,522.00</b>

## Standalone cash flow statement for the year ended 30 June,2011

(Amount in ₹)

A	30-Jun-11	30-Jun-10
<b>Cash flow from operating activities</b>		
Profit before tax	50404279	47095071
Adjustments for :		
Depreciation	2636962	2869299
Miscellaneous expenditure written off	24029	40845
Interest and dividend income	-173149	-20250
Interest expense	0	311545
Unrealised foreign exchange (gain) / loss	0	0
(Profit) / loss on sale of fixed assets	-68110856	-13117544
Profit on sale of investment	0	0
<b>Operating profit before working capital changes</b>	<b>-15218735</b>	<b>37178966</b>
Adjustments for :		
(Increase) / decrease in inventories	3115921	70035
(Increase) / decrease in sundry debtors	0	-1335
(Increase) / decrease in loans and advances	-699227	-43201324
Increase/(decrease) in trade payables and other liabilities	22824339	-23545641
<b>Cash generated from operations</b>	<b>10022298</b>	<b>-29499299</b>
Current taxes paid (Net of refund)	23185	0
Cash Flow before Extra ordinary Items	9999113	-29499299
Extra-ordinary items	-22033952	0
<b>Net cash from operating activities (A)</b>	<b>-12034839</b>	<b>-29499299</b>
<b>B Cash flow from investing activities</b>		
Purchase of fixed assets	-7364000	-188500
Sale of fixed assets	94223300	23062018
(Increase)/decrease in current investments	-12500200	20827742
Profit on sale of investment	0	0
Loans/ deposits with subsidiaries	-53628941	-20991183
Interest and dividend received	173149	20250
<b>Net cash used in investing activities (B)</b>	<b>20903308</b>	<b>22730327</b>
<b>C Cash flow from financing activities</b>		
Proceeds from issue of share capital	0	0
Repayment of long term borrowings	4712671	-2437402
Proceeds from long term borrowings	-7000000	7000000
Repayment from short term borrowings	0	0
Interest paid	0	-311545
Dividend paid	-5530350	0
Corporate dividend tax	-918522	0
<b>Net cash used in financing activities (C)</b>	<b>-8736201</b>	<b>4251053</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>132268</b>	<b>-2517919</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>449429</b>	<b>2967348</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>581697</b>	<b>449429</b>

**Notes:**

1. Cash flow statement has been prepared under the indirect method as set out in Accounting Standard - 3 issued by the Institute of Chartered Accountants of India

2. Previous year's figures regrouped / recasted where ever necessary

For : Sandeep ramesh Gupta &amp; Co.

(Chartered Accountants)

Sd/-

**Sandeep Gupta**  
(Proprietor)  
Membership No. 90039

For and on behalf of Board

Sd/-

**Ragunandan Prasad**  
(Director)

Sd/-

**Rajat Prasad**  
(Managing Director)

Sd/-

**Rupali Vaish**  
(Company Secretary)

Place : New Delhi

Dated : 29/08/2011

**RR FINANCIAL CONSULTANTS LIMITED****NOTES TO THE FINANCIAL STATEMENTS****FOR THE PERIOD FROM JULY 1st, 2010 TO JUNE 30th, 2011****SCHEDULE '16'****(All amounts in rupees)****1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements are prepared according to historical cost convention, on the accrual basis of accounting (except as stated below) and materially comply with the mandatory statements and Accounting Standards referred to in section 211(3C) of the Companies Act, 1956, ('the Act').

**Revenue Recognition**

- (a) Income from operations including brokerage is accounted for on accrual basis.
- (b) Lease Rentals are recognized as revenue over the lease period as per the terms of the lease agreements.
- (c) Interest on fixed deposits with banks is accounted for on Accrual Basis.

**Fixed Assets**

Fixed assets are stated at cost, including freight, installation, duties and taxes, finance charges and other incidental expenses incurred during construction or installation to bring the assets to their state of intended use. The amounts added on revaluation are credited in Revaluation Reserve.

Shop No. N-24 Connaught Place has been mortgaged against loan taken from bank by a subsidiary Company.

**Depreciation**

- a) Depreciation on fixed assets are provided to straight – line method in accordance with and at the rate specified in schedule XIV to the Companies Act, 1956. Pro- rata depreciation is charged in respect of additions made during the year with reference to the month in which the addition takes place.
- b) In respect of revalued assets, the Depreciation attributable to the amount is added on revaluation is adjusted against the Revaluation Reserve.

**Investments**

Investments are valued at acquisition cost Provision is made for diminution in the value of investment which is perceived to be permanent nature.

**Valuation of Stocks**

Stocks of quoted shares / debentures and other securities are valued at cost or market price whichever is less, by comparing each scrip with its market price. Market price of each scrip is determined on the basis of the closing price of the scrip prevailing at the principal stock exchange where the same is traded.

Stock of Unquoted shares & debentures are valued at cost.

### Retirement Benefits

Provident fund benefits are recorded on the basis of contributions to the fund.

### Foreign Currency Transactions

There is no transaction in foreign currency during the year.

### Taxation

Provision for income tax for the current period is made on the basis of estimated tax liability as per the applicable provisions of the Income-tax Act, 1961.

## 2. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

Provision is made for all known liabilities except contingent liabilities that are disclosed at their estimated value as detail below:-

- |   |                                |
|---|--------------------------------|
| (a) Bank guarantees outstanding         | (30 June, 2011 - ₹. 2550 Lac). |
| (b) Capital commitments net of Advances | (30 June, 2011 - ₹. Nil).      |

## 3. DEFERRED TAX

The management has not provided / accounted for deferred tax liability / assets in terms of accounting standard (A.S. – 22) on 'Accounting for Taxes on Income' issued by the Institute of Chartered Accountants of India as the same is not expected to be realized in the foreseeable future.

## 4. SUPPLEMENTARY PROFIT AND LOSS STATEMENT DATA

	30 <sup>th</sup> June,2011	30 <sup>th</sup> June,2010
(a) Capacity and production	NA	NA
(b) Earnings in foreign exchange	Nil	Nil
(c) Expenditure in foreign currency	Nil	Nil
(d) Payments to auditors –Auditors Fees	16,545	16,545

## 5. SEGMENT REPORTING

As per the management all fees are received from financial services and capital market. Therefore in accordance with accounting standard 17 on segment reporting, financial services is the only reportable business segment and cannot be segregated. In the circumstances segment information required by AS 17 of the Institute of Chartered Accountants of India, cannot be furnished.

## 6. RELATED PARTY DISCLOSURES

### List of Related Parties (as identified and certified by the Management)

#### Parties where control exists

	Relationship
RR Investors Capital Services (P) Ltd	Subsidiary
RR Insurance Brokers (P) Ltd	Subsidiary
Arix Consultants (P) Ltd	Subsidiary
RR Equity Brokers (P) Ltd.	Subsidiary
RR Fincap (P) Ltd.	Subsidiary
RR Infra Estates (P) Ltd.	Subsidiary

#### Associates Companies

RR Investor Securities Trading (P) Ltd.
RR Commodity Brokers (P) Ltd.
RR IT Solutions (P) Ltd.
RR Information & Investment Research (P) Ltd.
RR Land Estates (P) Ltd.
RR Investor Distribution Company (P) Ltd.
Lakshminarayan Infra Estates Pvt. Ltd.
RR Investor Retail Services (P) Ltd.

#### Key Management Personnel

Rajat Prasad	Managing Director
Raghunandan Prasad	Director

#### Transaction with Related Parties

( ₹ in lakhs)

S.No.	Particulars	Subsidiary Companies	Associate Companies	Key Management Personnel
a	Sale of Bond	200.00	-	-
b	Purchase of Bond	200.00	-	-
c	Purchase of Services	-	-	-
d	Sale of Services	327.48	-	-
e	Rent Received	-	-	-
f	Miscellaneous Income Received	-	-	-
g	Apportionment of Exp.	-	-	-
h	Investment as on 30.06.2011	-	-	-
i	Amt due from Co. as at 30.06.2011	1963.55	-	5.38
j	Amt due to Co. as at 30.06.2011	676.96	41.90	-
k	Remuneration	-	-	-
l	Sale of propriety	942.23	-	-

## 7. EARNING PER SHARE (EPS)

	<u>June 30, 2011</u>	<u>June 30, 2010</u>
(a) Net Profit attributable to equity shareholders - Net Profit after taxation -	27570327	43595071
(b) Weighted average number of equity shares (Nos.) Denominator used for calculation	11060700	55,30,350
(c) Basic and Diluted Earning Per Share (₹) of ₹ 10 each	2.49	7.88
1) Before Extraordinary items		
2) After Extraordinary items		

TM

8 Share Trading (Net) ₹ 64,03,009/- has been shown after deducting purchases of Shares/debenture of ₹ 22,444,616/- from sale of Share\Debenture of ₹ 28,847,625/-.

9 Dividend paid amounting of ₹ 55,30,350/- was approved by the members in the AGM held on 31-12-2010.

10 Prior Period items of ₹ 220.33 Lacs includes amount paid towards amount of Govt. dues of previous years.

## 11. RECLASSIFICATION

Previous year's figures have been regrouped or rearranged wherever considered necessary so as to make them comparable with those of the current year.

**For RR Financial Consultants Ltd.**

**For Sandeep Ramesh Gupta & Co.**  
(Chartered Accountants)

Sd/-

Sd/-

Sd/-

Sd/-

**Raghunandan Prasad**  
(Director)

**Rajat Prasad**  
(Managing Director)

**Rupali Vaish**  
(Company Secretary)

**Sandeep Gupta**  
(Proprietor)

Place : New delhi  
Date : 29/08/2011



## RR FINANCIAL CONSULTANTS LIMITED

### Balance Sheet Abstract and Company's General Business Profile

#### I. Registration Details

Registration No	:	55- 23530
State Code	:	55
Balance Sheet Date	:	30      06      2011
		Date    Month    Year

#### II. Capital raised during the year (Amount in ₹ Thousands)

Public Issue	:	Nil	Right Issue	:	Nil
Bonus Issue	:	Nil	Private Placement	:	Nil

#### III. Position of Mobilization and Deployment of Funds (Amount in ₹ Thousands)

Total Liabilities	:	398733	Total Assets	:	398733
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##### Source of Funds

Paid-up Capital	:	110694	Reserves & Surplus	:	282933
Secured Loans	:	5104	Unsecured Lo	:	-

##### Application of Funds

Net Fixed Assets	:	13173	Investments	:	225794
Net Current Assets	:	159766	Misc. Expenditure	:	-

#### IV. Performance of the Company (Amount in ₹ Thousands)

Turnover	:	110564	Total Expenditure	:	60160
Profit/(Loss) Before Tax	:	50404	Profit/(Loss) After Tax	:	27570

#### V. Generic Names of Three Principal Products/Services of Company (as per monetary terms)

<u>Product Description</u>	:	<u>Item Code No</u>
Investment	:	Not Applicable
Dealing in Financial Instrument	:	Not Applicable

#### VI. Earning per share (in ₹) (Weighted Average)      Dividend Rate

Nil      Nil

For RR Financial Consultants Ltd.

For Sandeep Ramesh Gupta & Co.  
(Chartered Accountants)

Sd/-

Sd/-

Sd/-

Sd/-

Raghunandan Prasad  
(Director)

Rajat Prasad  
(Managing Director)

Rupali Vaish  
(Company Secretary)

Sandeep Gupta  
(Proprietor)

Place : New delhi  
Date : 29/08/2011

**Statement Pursuant to Section 212 (8) of the Companies Act, 1956  
regarding Financial Details of Subsidiary Companies for the year ended on  
30th June 2011**

Sr. No	Particulars	RR Equity Brokers Pvt Ltd #	RR Insurance Brokers Pvt Ltd	RR Investor Capital Services Pvt Ltd #	Arix Consultants Pvt Ltd	RR Infra Estates Pvt Ltd #	RR Fincap Pvt Ltd
1	Financial Year Ending on	March 31st 2011	March 31st 2011	June 30th 2011	June 30th 2011	June 30th 2011	June 30th 2011
2	Share Capital	75000000	25000000	15002000	500000	777700	20000000
3	Reserve & Surplus	56279223	60104827	153298677	1271226	75012300	3516188
4	Total Assets	346585616	114624157	219931621	2249742	306953107	23528788
5	Total Liabilities	346585616	114624157	219931621	2249742	306953107	23528788
6	Details of Investment (except in case of investment in subsidiaries)	Nil	0	0	0	8616963	21927703
7	Turnover (incl. other income)	630117602	155069932	147094575	7421	0	6268901
8	Profit before Tax (After Dep)	9634706	7771540	15585267	-47004	-73327	3065399
9	Provision for Current & Deferred Tax	5121174	4608752	1866919	5500	0	460600
10	Profit After Tax	4513532	3162788	13718348	-52504	-73327	2604799
11	Proposed Dividend	0	0	0	0	0	0

# Consolidated as on 30th June, 2011

Note:- The above details have been annexed in term of general circular No. 2/2011 issued by minister of corporate affairs on 08th feb 2011

**RR FINANCIAL CONSULTANTS LIMITED**

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

**ATTENDANCE SLIP**

**ANNUAL GENERAL MEETING**

To be handed over at the entrance of the meeting venue.

Name of the attending member (In block letters)

Mr./ Mrs./ Miss \_\_\_\_\_ Name of the proxy  
(in block letters to be filled in by Proxy attending instead of the member) \_\_\_\_\_

No. of shares held: \_\_\_\_\_ Ledger Folio No. \_\_\_\_\_

DP Id No.\* \_\_\_\_\_ Client Id.\* \_\_\_\_\_

I hereby record my presence at the Twenty Forth Annual General Meeting on Saturday, the 31<sup>st</sup> day of December, 2011, at 9.30 A.M at 13/24, village Daulatpur, New Delhi- 110043.

\_\_\_\_\_  
(Member's Signature)

\_\_\_\_\_  
(Proxy's Signature.)

Note: 1. Shareholders / proxies are requested to bring the attendance slip with them.  
2. Additional/Duplicates attendance slips will not be issued the meeting hall.  
\*Applicable for investors holding share in electronics form.

----- Tear Here -----

**RR FINANCIAL CONSULTANTS LIMITED**

Regd. Office: 47, M. M. Road, Rani Jhansi Marg, Jhandewalan, New Delhi - 110055

**PROXY FORM**

I/we \_\_\_\_\_ of \_\_\_\_\_

being a member/Members of **RR Financial Consultants Ltd.** hereby Appoint \_\_\_\_\_

\_\_\_\_\_ of \_\_\_\_\_

as my / our proxy to attend and vote for me /us on my / our behalf at the Twenty Forth Annual General Meeting on Saturday, the 31<sup>st</sup> day of December, 2011, at 9:30 A.M. at 13/24, Village Daulatpur, New Delhi-110 043 and at any adjournment thereof.

Signed this -----day of -----2011

Signature:

Affix  
₹ 1  
Revenue  
Stamp

Note: The Proxy, to be effective, should be deposited at the Company's Registered office not later than 48 Hours before the commencement of aforesaid meeting. Proxy need not be a member of the Company.  
\* Applicable for investors holding shares in electronic form.

**BOOK POST**  
**UNDER CERTIFICATE OF POSTING**

To, \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

*If undelivered, please return to*

**RR FINANCIAL CONSULTANTS LIMITED**  
*Regd. Office : 47, M.M. Road, Rani Jhansi Marg,  
Jhandewalan, New Delhi – 110055.*