

25th
Annual Report of
RR Financial Consultants Limited
2011-2012



Index

S.No.	PARTICULARS	PAGE No.
1.	CHAIRMAN'S SPEECH	1
2.	BOARD OF DIRECTORS	2
3.	NOTICE	4
4.	DIRECTOR'S REPORT	8
5.	CORPORATE GOVERNANCE REPORT	12
6.	MANAGEMENT'S DISCUSSION AND ANALYSIS	25
7.	CONSOLIDATED FINANCIAL STATEMENT	27
8.	FINANCIAL STATEMENT OF RRFCL	41
9.	STATEMENT PURSUANT TO SECTION 212(8)	62
10.	ATTENDANCE SLIP & PROXY FORM	----

Chairman's Speech...

DEAR STAKEHOLDERS

I am pleased to present before you 25th Annual Report of "RR Financial Consultants Limited" (RRFC) and would like to thank you for having reposed your confidence in RRFC. RRFC has been consistently evolving itself in a rapidly changing environment while retaining its core values in an industry which has been very turbulent. We have made great progress in reshaping RRFC into a more focused value oriented organization while consistently enhancing our professional streams. Each of our businesses has developed its own strategy in face of stiff competition to reach a position of profitable market leadership

Our principles are: -

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

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

Sd /-

RAGHUNANDAN PRASAD
Chairman

Board of Directors

Mr. Raghunandan Prasad

(Non Executive-chairman)

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

Ms. P.S. Prasad

(Executive - Managing Director)

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

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

Mr. Mahesh Chandra

(Non-Executive –Independent Director)

He is B. Tech MS (USA) and has 25 years of rich experience in Investment Banking & Corporate Advisory. He has directorship in CMR Design Automation Pvt. Ltd. besides RRFC in order to provide his guidance and important suggestion for betterment of the companies.

Mr. Rajesh Aggarwal

(Non-Executive –Independent Director)

He is B.Com with more than 12 years experience in Capital Market, Merchant Banking, Portfolio Management, dealing in securities, Placement of high volume debt to the institutional and other clients, fund raising programme through private placement route for several corporate, both Public & Private.

Ms. Sarla Prasad

(Non-Executive)

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

ANNUAL REPORT 2012

BOARD OF DIRECTORS

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

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

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AUDITORS

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

BANKERS

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

REGISTERED OFFICE

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

<p>25th Annual General Meeting</p>	<p>Day: Monday Date: December 31st 2012 Time: 9: 30 A.M Venue: 13/24, Village Daulatpur, New Delhi-110043</p>
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NOTICE

NOTICE is hereby given that the **Twenty Fifth Annual General Meeting (AGM)** of the members of **RR Financial Consultants Limited** will be held on **Monday, the 31st December 2012**, at **9:30 A.M** at 13/24 Village Daulatpur, New Delhi - 110043, to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as on 30th June, 2012, Profit & Loss Account for the period ended on that date and the Reports of the Board of Directors & Auditors thereon.
2. To appoint a Director in place of Mr. Raghunandan Prasad, who retires by rotation at this meeting and being eligible, offer himself for re-appointment.
3. To appoint M/s Sandeep Ramesh Gupta & Co., Chartered Accountants as Auditors of the company to hold office from the conclusion of this meeting to the conclusion of the next meeting and to fix their remuneration.

SPECIAL BUSINESS

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

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

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

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

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

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

- a) Salary of ₹ 1,00,000 per month.

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

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

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

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

By Order of the Board of Directors

Sd/-
Raghunandan Prasad
Director

Place : New Delhi
Date : 06.12.2012

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH NEED NOT BE A MEMBER OF THE COMPANY. Proxy in order to be effective must be received by the Company not less than 48 hours before the meeting.
2. Members proxies should bring the attendance slip sent herewith duly filled in for attending the Annual General Meeting. Members are requested to bring their copy of Annual Report while attending the Annual General Meeting.
3. The Register of Members and the Share Transfer books shall remain closed from 24.12.2012 to 31.12.2012 (both days Inclusive).
4. Members desiring any information as regards accounts are requested to write to the Company at least 7 days before the date of meeting, so as to enable the management to keep the information ready. Proxies should bring their copy of the Annual Report for reference at the meeting and also the attendance slip duly filled in for attending the meeting.
5. Members desirous of appointing their nominee for the shares held by them may apply in the nomination form (Form 2B) in duplicate. Members are informed that in case of joint holders attending the meeting, only such joint holder who is first in the order of names will be entitled to vote.

By Order of the Board of Directors

Sd/-

**Raghunandan Prasad
Director**

Place : New Delhi
Date : 06.12.2012

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

Resolution No. (4)

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

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

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

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Resolution No. (5)

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

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

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

Resolution No. (6)

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

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

By Order of the Board of Directors

Sd/-

Raghunandan Prasad
Director

Place: New Delhi
Date : 06.12.2012

DIRECTORS' REPORT

THE MEMBERS,

RR FINANCIAL CONSULTANTS LIMITED

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

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FINANCIAL RESULTS

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

(Amount in ₹)

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

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

(₹ in lacs)

S. No.	Particulars	As on 30 th June 2012	As on 30 th June 2011
1	Gross Income	405.24	1109.21
2	Profit/Loss before Depreciation, Amortisation & Tax	231.45	530.65
3	Depreciation & Amortisation	28.66	26.61
4	Provision for Taxation	Nil	7.33
5	Profit after Tax	202.79	276.37
6	Balance Brought Forward	2160.65	1948.76
7	Profit available for appropriation	2363.44	2225.13
8	Transfer to General Reserve	NIL	NIL
9	Dividend Paid	NIL	55.30
10	Corporate Dividend Tax	NIL	9.19
11	Balance Carried to Balance Sheet	2363.44	2160.65

SHARE CAPITAL

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

SUBSIDIARY COMPANIES

As on 30.06.2012, 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%

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RR Equity Brokers Private Limited has 5 subsidiaries i.e. RR Commodity Brokers Private Limited, RR Information and Investmet 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.

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 ₹ 405.24 Lacs as compared to ₹ **1109.21 Lacs** in the previous period. The Company registered a Profit after Tax and Depreciation amounting ₹ **202.79** Lacs as against profit of ₹ 276.37 Lacs in the previous year.

DIRECTORS

Mr. Raghunandan Prasad director of the company retires by rotation at the ensuing Annual General Meeting being eligible & offer himself for re-appointment.

Ms. Sarla Prasad was appointed as an additional director of the company w.e.f 19th January, 2012.

Ms P.S. Prasad was appointed as an additional director of the Company w.e.f. 3rd August, 2012. & subsequently, appointed as Managing Director of the Company w.e.f 13th August, 2012.

Mr. Rajat Prasad resigned from the Managing Directorship of the Company w.e.f. 13th August, 2012.

The Board places on record its appreciation of the invaluable contributions made by Mr. Rajat Prasad during the long association with the Company.

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 30th June 2012.
2. Your Directors had taken proper and sufficient care for the maintenance of accounting records for the period ended 30th June, 2012 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 Ramesh 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 8th 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, 2012 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 : 29.08.2012

-Sd-
RAGHUNANDAN PRASAD
(Director)

-Sd-
P.S. 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 30.06.2012

S. No.	Status of the Director	No. of Director	Percentage of Total Strength
1	Executive	1	20
2	Non Executive	2	40
3	Non Executive/Independent	2	40
	TOTAL	5	100

Category of Directorship, qualifications etc., of Directors as on 30.06.2012:

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	264200
3.	Ms. Sarla Prasad	Director	19.01.2012	Non Executive	MD	184600
4	Mr. Mahesh Chandra	Director	17.07.2000	Non Executive/Independent	B. Tech, MS (USA)	16000
5.	Mr. Rajesh Agarwal	Director	29.04.2008	Non Executive/Independent	B.Com.	600

Brief Resume of the Directors to be appointed during the year :

Ms. Sarla Prasad

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

Brief Resume of the Directors to be appointed/re-appointed after 30th June, 2012.

1. Mr. Raghunandan Prasad

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.

2. Ms, P.S. Prasad

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

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

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 30.06.2012:

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	32	NIL	NIL
3.	Ms. Sarla Prasad	17	NIL	NIL
4.	Mr. Mahesh Chandra	2	NIL	NIL
5.	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 (24th) 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
Ms. Sarla Prasad	5	3	NO
Mr. Mahesh Chandra Agarwal	11	4	NO
Mr. Rajesh Aggarwal	11	4	YES

DETAILS OF BOARD MEETINGS HELD DURING THE FINANCIAL YEAR 2011-2012

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	20.07.2011	4	3
2	29.08.2011	4	2
3	14.11.2011	4	3
4	26.11.2011	4	2
5	12.12.2011	4	3
6	19.01.2012	4	2
7	14.02.2012	5	5
8	28.02.2012	5	3
9	31.03.2012	5	2
10	04.04.2012	5	2
11	15.05.2012	5	2

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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 2011-2012, 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 AGM (24 TH)
1.	Mr. Mahesh Chandra	Chairman	Non-Executive-Independent	4	NO
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 1 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
24 th AGM	31 st December, 2011	13/24, Village Daulatpur, New Delhi-110 043	9.30AM	1
23 rd AGM	31 st December, 2010	13/24, Village Daulatpur, New Delhi-110 043	9.30AM	1
22 nd AGM	31 st December, 2009	13/24, Village Daulatpur, New Delhi-110 043	9.30AM	4

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

(b) Postal Ballot

No resolution was passed in the last (24th) AGM through Postal Ballot. In the ensuing 25th 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.

4. SUBSIDIARY COMPANIES

RR Financial Consultants Limited has 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 Investmet 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.

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.

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6. . DISCLOSURE

- 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 note 30 of Balance Sheet attached to which is forming part of Balance Sheet & Profit & Loss Account for the period ended 30.06.2012
- There is no pecuniary relationship or transaction with Independent/Non executive Director.
- None of transactions with any of any of related parties were in conflict with the interest of the Company.
- 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	: 25 th Annual General Meeting
Date	: 31 st December, 2012
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 24.12.2012 to 31.12.2012 (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 2011-2012 on the Bombay Stock Exchange Limited.:

Month	Bombay Stock Exchange Limited		
	High (₹)	Low (₹)	Total No. of Share Traded
Jul-11	46.00	31.00	64,459
Aug-11	45.00	27.55	25,631
Sep-11	36.60	25.00	42,203
Oct-11	29.95	23.55	40,525
Nov-11	28.90	20.70	14,804
Dec-11	28.75	14.30	33,115
Jan-12	27.80	15.35	44,145
Feb-12	28.85	22.75	21,741
Mar-12	24.75	19.35	11,922
Apr-12	24.30	18.80	30,663
May-12	21.40	17.05	15,716
Jun-12	21.50	17.00	8,317

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 Limited, Mumbai.

Status of Paid up Share Capital as on 30.06.2012

Total Issued Capital	No. of Shares	% of Total Capital
Demat Form	96,55,500	87.30
Physical Form	14,05,200	12.70
Total	110,60,700	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 RR Financial Consultants Limited	Link Intime India Private Limited
Registered Office: Address:	47, M. M. Road, Rani Jhansi Marg, Jhandewalan, New Delhi-110 055.	44, Community Centre, 2 nd Floor, Phase - I, Near PVR, Naraina Industrial Area, New Delhi-110028.
Phone:	011-23636362/63	011 – 41410592/93/94
Fax:	011-23636845	011-41410591

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 30.06.2012

S. No	Category(Amount)	No. of cases	% of Cases	Total Shares	Amount	% of Amount
	(From - To)					
1	Upto 2500	3167	77.813	546913	5469130	4.945
2	2501 to 5000	390	9.582	153596	1535960	1.389
3	5001 to 10000	283	6.953	213399	2133990	1.929
4	10001 to 20000	132	3.243	209514	2095140	1.894
5	20001 to 30000	27	0.663	69868	698680	0.632
6	30001 to 40000	15	0.369	56436	564360	0.510
7	40001 to 50000	9	0.221	41750	417500	0.377
8	50001 to 100000	12	0.295	89988	899880	0.814
9	100001 & above	35	0.860	9679236	96792360	87.510
	Total	4070	100.00%	11060700	110607000	100.00%

Statement showing Shareholding Pattern

Name of Company: RR Financial Consultants Limited	
Scrip Code: 511626	Quarter ended: 30.06.2012

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	5	6685500	6685500	60.44	60.44
(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)	9	7697700	7697700	69.59	69.59
(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)	9	7697700	7697700	69.59	69.59
(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	89	1674685	1128985	15.14	15.14
(a)						
(b)	Individuals					
	I. Individual Shareholders holding nominal share Capital up to ₹1 Lakh.	3919	1294946	555846	11.71	11.71
	II. Individual Shareholders holding nominal share capital in excess of ₹ 1 lakhs.	10	318595	198195	2.88	2.88
(c)	Any Other (specify)					
	1. Non- Resident Indians	9	1301	1301	0.011	0.011
	2. Clearing Members	nil	nil	nil	nil	nil
	3. Hindu Undivided Families	34	73473	73473	0.66	0.66
	Sub-Total (B)(2)	4061	3363000	1957800	30.40	30.40
	Total Public Shareholding (B)=(B)(1)+(B)(2)	4061	3363000	1957800	30.40	30.40
	TOTAL (A)+(B)	4070	11060700	9655500	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)	4070	11060700	9655500	100.00	100.00

(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 (l)(a) above
1.	Mr. Raghunandan Prasad	264200	2.39
2.	Mr. Rajat Prasad	6236700	56.39
3.	Mrs. Sarla Prasad	184600	1.66
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
	Total	7697700	69.60

(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	261420	2.36
4.	Ritu Prasad	120400	1.09
	Total	1356160	12.26

(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
	TOTAL	NIL	NIL	NIL

(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
			TOTAL	NIL

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 30th June 2012 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)
Partner
Membership No. 90039

Place : New Delhi
Dated : 29th August, 2012

CERTIFICATION

I, **P.S. Prasad, Managing Director** hereby certify that:

- a) I have reviewed financial statement and the cash flow statement for the period ended 30.06.2012 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 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 role in the Company's internal control system.

For and On behalf of the Board of Directors

Sd/-

P.S. Prasad
Managing Director

Place : New Delhi
Date : 29th August, 2012

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.

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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 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. A NBFC Licence has been granted by the 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 to good 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.

Chartered Accountants
90/31 B, 1st Floor, Malviya Nagar
New Delhi-110017

REPORT OF THE AUDITOR ON THE CONSOLIDATED ACCOUNTS

To the Members of

RR FINANCIAL CONSULTANTS LIMITED :

We have examined the attached Consolidated Balance Sheet of RR Financial Consultants Ltd. and its subsidiaries as at 30th June 2012, and the Consolidated Profit and Loss Account Statement for the year ended on 30th June 2012.

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. Those 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 ₹ 3,003.25 Lacs as at 30th June 2012 and total revenue Nil for the previous year ended 30th June 2012.

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 30th June 2012 whose financial statements together reflect total assets of ₹ 6,958.64 Lacs as at 30th June 2012 and total revenue of ₹ 6,013.30 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 of M/s RR Financial Consultants Ltd. and its subsidiaries included in the consolidated financial statements.

Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India :

- (a) in the case of the consolidated balance sheet, of the state of affairs of the RR FINANCIAL CONSULTANTS LIMITED and its subsidiaries as at 30th June 2012 and
- (b) in the case of the consolidated profit and loss account, of the loss for the year ended on that date.

Place: - New Delhi
Date : - 29/08/2012

For: SANDEEP RAMESH GUPTA & CO.
(Chartered Accountant)

TM

Sd/-

(SANDEEP GUPTA)
Proprietor
Membership No. 90039

RR FINANCIAL CONSULTANTS LIMITED
CONSOLIDATED BALANCE SHEET AS AT
30th June, 2012

(Amount in ₹)

S.No.	PARTICULARS	NOTE NO.	FIGURES AS AT THE END OF CURRENT REPORTING PERIOD	FIGURES AS AT THE END OF PREVIOUS REPORTING PERIOD
I	<u>EQUITY AND LIABILITIES</u>			
1	<u>SHAREHOLDERS FUNDS</u>			
	(a) SHARE CAPITAL	2	110,694,500	110,694,500
	(b) RESERVES AND SURPLUS	3	453,673,894	465,152,054
	(ii) MINORITY INTEREST		52,321,548	56,111,779
	Share Capital 50,02,000			
	Reserves and Surplus 473,19,548			
	(c) MONEY REC. AGST. SHARE WARRANTS			
	TOTAL(1)		616,689,942	631,958,333
2	<u>SHARE APPLICATION MONEY PENDING ALLOTMENT</u>	4	-	-
3	<u>NON-CURRENT LIABILITIES</u>			
	(a) LONG TERM BORROWINGS	5	2,995,100	5,104,757
	(b) DEFERRED TAX LIABILITIES (NET)	6	3,700,320	4,050,308
	(c) LONG-TERM PROVISIONS			
	TOTAL(3)		6,695,420	9,155,065
4	<u>CURRENT LIABILITIES</u>			
	(a) SHORT TERM BORROWINGS	7	49,060,494	89,014,588
	(b) TRADE PAYABLES	8	36,751,680	33,337,047
	(c) OTHER CURRENT LIABILITIES	9	151,277,874	103,261,326
	(d) SHORT TERM PROVISIONS	10	415,713	550,619
	TOTAL(4)		237,505,760	226,163,580
	TOTAL(1+2+3+4)		860,891,122	867,276,978
II	<u>ASSETS</u>			
1	<u>NON-CURRENT ASSETS</u>			
	(a) FIXED ASSETS			
	(i) TANGIBLE ASSETS	11	312,376,874	316,802,095
	(ii) INTANGIBLE ASSETS	11	5,798,168	7,398,452
	(iii) CAPITAL WORK-IN-PROGRESS	11	-	-
	(iv) INTANGIBLE ASSETS UNDER DEV.	11	-	-
	(b) NON-CURRENT INVESTMENTS	12	23,366,963	30,544,666
	(c) LONG-TERM LOANS AND ADVANCES	13	83,080,630	81,990,712
	(d) OTHER NON-CURRENT ASSETS	14	342,170	347,664
	TOTAL(1)		424,964,805	437,083,589
2	<u>CURRENT ASSETS</u>			
	(a) CURRENT INVESTMENTS		-	-
	(b) INVENTORIES	15	31,340,087	58,746,013
	(c) TRADE RECEIVABLES	16	152,410,770	154,458,341
	(d) CASH AND CASH EQUIVALENTS	17	73,314,931	66,029,506
	(e) SHORT-TERM LOANS AND ADVANCES	18	171,964,868	142,739,881
	(f) OTHER CURRENT ASSETS	19	6,895,661	8,219,648
	TOTAL(2)		435,926,316	430,193,389
	TOTAL(1+2)		860,891,122	867,276,978

Significant Accounting Policies and Notes on Financial Statements (1-35)

As per our report of even date attached
For : Sandeep Ramesh Gupta & Co.
Chartered Accountants
(Membership No.90039)

For and on behalf of the Board

Sd/-

Sandeep Gupta

(Proprietor)
Place : New Delhi
Date : 29/08/2012

Sd/-

Ragunandan Prasad

(Director)

Sd/-

P.S.Prasad

(Managing Director)

Sd/-

Deepthi Grover

(Company Secretary)

RR FINANCIAL CONSULTANTS LIMITED
CONSOLIDATED PROFIT & LOSS STATEMENT FOR THE YEAR ENDED
30th June, 2012

(Amount in ₹)

S.No	PARTICULARS	NOTE No	FIGURES FOR THE CURRENT REPORTING PERIOD	FIGURES FOR THE PREVIOUS REPORTING PERIOD
	REVENUE FROM OPERATIONS			
I	REVENUE FROM OPERATIONS	20	608,419,278	953,245,990
II	OTHER INCOME	21	33,434,008	95,560,502
III	TOTAL REVENUE(I+II)		641,853,286	1,048,806,492
IV	EXPENSES:			
	CHANGES IN INVENTORIES OF FINISHED GOODS- WORK-IN-PROGRESS AND STOCK -IN-TRADE			
a	EMPLOYEE BENEFITS EXPENSES	22	141,097,845	158,387,066
b	FINANCE COSTS	23	24,939,911	12,494,645
c	DEPRECIATION AND AMORTIZATION EXPENSE	24	8,391,872	8,158,587
d	OTHER EXPENSES	25	480,100,418	791,170,669
	TOTAL EXPENSES		654,530,046	970,210,967
V	PROFIT BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX (III-IV)		(12,676,760)	78,595,525
VI	EXCEPTIONAL ITEMS		-	-
VII	PROFIT BEFORE EXTRAORDINARY ITEMS AND TAX (V-VI)		(12,676,760)	78,595,525
VIII	EXTRAORDINARY ITEMS		-	22,033,952
IX	PROFIT BEFORE TAX (VII-VIII)		(12,676,760)	56,561,573
X	TAX EXPENSE			
a	CURRENT TAX		2,500,000	10,066,100
b	EARLIAR YEARS TAX		429,676	(64,376)
c	DEFERRED TAX		(338,045)	296,845
XI	PROFIT(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS (IX-X)		(15,268,391)	46,263,004
XII	PROFIT(LOSS) FROM DISCONTINUING OPERATIONS		-	-
XIII	TAX EXPENSE OF DISCONTINUING OPERATIONS		-	-
XIV	PROFIT(LOSS) FROM DISCONTINUING OPERATIONS (AFTER TAX) (XII-XIII)		-	-
XV	PROFIT (LOSS) FOR THE PERIOD (XI+XIV)		(15,268,391)	46,263,004
XVI	EARNING PER EQUITY SHARE			
a	BASIC		-1.38	4.18
b	DILUTED		-1.38	4.18

Significant Accounting Policies and Notes on Financial Statements

(1-35)

As per our report of even date attached

For : Sandeep Ramesh Gupta & Co.

Chartered Accountants

(Membership No.90039)

Sd/-

Sandeep Gupta

(Proprietor)

For and on behalf of the Board

Sd/-

Raghunandan Prasad

(Director)

Sd/-

P.S.Prasad

(Managing Director)

Sd/-

Deepti Grover

(Company Secretary)

Place : New Delhi

Date : 29/08/2012

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th June,2012

(Amount in ₹)

NOTE No.	S.No	PARTICULARS	FIGURES AS AT THE END OF CURRENT REPORTING PERIOD	FIGURES AS AT THE END OF PREVIOUS REPORTING PERIOD
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1 Significant Accounting Policies on Consolidated Accounts.

a PRINCIPLES OF CONSOLIDATION

- i The consolidated financial statements (CFS) comprise the financial statements of RR Financial Consultants Ltd. And its following subsidiaries as at 30th June 2012.

S.No.	NAME OF THE COMPANY	COUNTRY OF INCORPORATION	PERCENTAGE SHAREHOLDING AND VOTING POWER
1	RR Insurance Brokers Private Limited	India	100%
2	RR Fincap Private Limited	India	100%
3	Arix Consultants Private Limited	India	100%
4	RR Investors Capital Services Private Limited	India	66.66%
5	RR Equity Brokers Private Limited	India	100%
6	RR Infra Estates Private Limited	India	100%

- ii The consolidated financial statements have been prepared using uniform accounting policies, in accordance with the generally accepted accounting policies and as per AS 21.
- 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.
- vi The difference between the proceeds from disposal of investment in subsidiaries and the carrying amount of its assets less liabilities as of the date of disposal is recognised in the consolidated profit and Loss Account being the profit or Loss on disposal of investment in subsidiary.

b Other Significant Accounting policies.

These are set out under "Significant Accounting Policies" as given in the Company's separate financial statements.

2 SHARE CAPITAL:

a DISCLOSURE PURSUANT TO NOTE No.6(A) (a,b & c) OF PART I OF SCHEDULE VI TO THE COMPANIES ACT, 1956

(i) AUTHORISED:

1,20,00,000 (Previous Year 1,20,00,000) EQUITY SHARES OF ₹ 10/-EACH	120,000,000	120,000,000
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(ii) ISSUED, SUBSCRIBED& PAID UP

SHARES AT THE BEGINNING OF THE ACCOUNTING PERIOD 1,10,60,700 (Previous Year 1,10,60,700) EQUITY SHARES OF ₹ 10/- EACH	110,607,000	110,607,000
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Add : ADDITIONS DURING THE YEAR	-	-
Add : Share Forfieted	87,500	87,500

SHARES AT THE END OF THE ACCOUNTING PERIOD 1,10,60,700 (Previous Year 1,10,60,700) EQUITY SHARES OF ₹ 10/- EACH	110,694,500	110,694,500
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th June,2012

NOTE No.	S.No	PARTICULARS	FIGURES AS AT THE END OF CURRENT REPORTING PERIOD	FIGURES AS AT THE END OF PREVIOUS REPORTING PERIOD
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b DISCLOSURE PURSUANT TO NOTE No.6(A) (d) OF PART I OF SCHEDULE VI TO THE COMPANIES ACT, 1956

PARTICULARS	EQUITY SHARES		PREFERENCE SHARES	
	Number	₹	Number	₹
Shares Outstanding at the Beginning of the year	1,10,60,700	11,06,07,000	Nil	Nil
Shares Issued during the Year				
Shares bought back during the year				
Shares Outstanding at the End of the year	1,10,60,700	11,06,07,000	Nil	Nil

c DISCLOSURE PURSUANT TO NOTE No.6(A) (g) OF PART I OF SCHEDULE VI TO THE COMPANIES ACT, 1956 (more than 5%)

PARTICULARS	CURRENT REPORTING YEAR		PREVIOUS REPORTING YEAR	
	Number	₹	Number	₹
Sh Rajat Prasad	62,36,700	56.%	62,36,700	56.%

d DISCLOSURE PURSUANT TO NOTE No.6(A) (i) OF PART I OF SCHEDULE VI TO THE COMPANIES ACT, 1956

PARTICULARS	Year (Aggregate No. of Shares)				
	2011-12	2010-11	2009-10	2008-09	2007-08
Equity Shares:					
Fully paid up pursuant to contract(s) without payment being received in cash	Nil	Nil	Nil	Nil	Nil
Fully paid up by way of bonus shares	Nil	55,30,350	Nil	Nil	Nil
Shares bought back	Nil	Nil	Nil	Nil	Nil
Preference Shares:					
Fully paid up pursuant to contract(s) without payment being received in cash	Nil	Nil	Nil	Nil	Nil
Fully paid up by way of bonus shares	Nil	Nil	Nil	Nil	Nil
Shares bought back	Nil	Nil	Nil	Nil	Nil

3 RESERVE & SURPLUS:

a GENERAL RESERVE

AT THE BEGINNING OF THE ACCOUNTING PERIOD*	42,726,877	42,726,877
ADDITIONS DURING THE YEAR	-	-
AT THE END OF THE ACCOUNTING PERIOD	42,726,877	42,726,877

b SECURITIES PREMIUM ACCOUNT

AT THE BEGINNING OF THE ACCOUNTING PERIOD*	41,188,523	96,492,023
ADDITIONS DURING THE YEAR	-	-
Less: BONUS SHARES ISSUED	-	55,303,500
AT THE END OF THE ACCOUNTING PERIOD	41,188,523	41,188,523

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th June 12

NOTE No.	S.No	PARTICULARS	FIGURES AS AT THE END OF CURRENT REPORTING PERIOD	FIGURES AS AT THE END OF PREVIOUS REPORTING PERIOD
	c	<u>SURPLUS</u>		
		AT THE BEGINNING OF THE ACCOUNTING PERIOD	381,236,654	345,992,390
		ADDITIONS DURING THE YEAR (BALANCE IN STATEMENT OF PROFIT & LOSS A/C)	(15,268,391)	46,263,004
		Less : ALLOCATIONS AND APPROPRIATIONS	-	-
		MINORITY INTEREST	(3,790,231)	4,569,868
		PROPOSED DIVIDEND	-	-
		INTERIM DIVIDEND	-	5,530,350
		TAX ON DIVIDEND	-	918,522
		BONUS SHARES ISSUED	-	-
		AT THE END OF THE ACCOUNTING PERIOD	369,758,494	381,236,654
		GRAND TOTAL	453,673,894	465,152,054
		<i>*Net of Minority Interest</i>		
	4	<u>SHARE APPLICATION MONEY PENDING ALLOTMENT</u>	-	-
			-	-
	5	<u>LONG TERM BORROWINGS</u>		
	a	<u>SECURED</u>		
		(a.) BONDS / DEBENTURES	-	-
		(b.) TERM / LOANS	-	-
		HDFC Bank Ltd.	-	199,418
		TATA Capital Ltd.*	2,995,100	4,905,339
		(c.) OTHER LOANS AND ADVANCE	-	-
			2,995,100	5,104,757
		<i>*Secured Against Hypothecation of car.</i>		
	b	<u>UNSECURED</u>		
		(a.) BONDS / DEBENTURES	-	-
		(b.) TERM / LOANS	-	-
		(c.) LOANS AND ADVANCE FROM RELATED PARTIES	-	-
		(d.) OTHER LOANS AND ADVANCE	-	-
			-	-
		GRAND TOTAL	2,995,100	5,104,757
	6	<u>DEFERRED TAX LIABILITIES (NET)</u>		
		DEFERRED TAX LIABILITIES	3,700,320	4,050,308
			3,700,320	4,050,308

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th June,2012

NOTE No.	S.No	PARTICULARS	FIGURES AS AT THE END OF CURRENT REPORTING PERIOD	FIGURES AS AT THE END OF PREVIOUS REPORTING PERIOD
7		<u>CURRENT LIABILITIES</u>		
		<u>SHORT-TERM BORROWINGS:</u>		
	a	<u>SECURED</u>		
		(i) LOANS REPAYABLE ON DEMAND HDFC Bank Ltd.*	40,000,000	50,000,000
		(ii) OTHER LOANS AND ADVANCE	-	62,858
			40,000,000	50,062,858
	b	<u>UNSECURED</u>		
		(i) LOANS REPAYABLE ON DEMAND Corporation bank**	-	32,630,803
		(ii) OTHER LOANS AND ADVANCE	9,060,494	6,320,927
			9,060,494	38,951,730
		GRAND TOTAL	49,060,494	89,014,588
		<i>*Short Term Borrowing of ₹ 4 Crore secured against Fixed Deposit of ₹ 2 Crore.</i>		
		<i>** Corporation Bank OD (Secured against Mortgage of Property and personal Guarantee of Director).</i>		
8		<u>TRADE PAYABLES</u>		
		SUNDRY CREDITORS	36,751,680	33,337,047
		ADVANCE FROM PARTIES-INTEREST FREE	-	-
			36,751,680	33,337,047
9		<u>OTHER CURRENT LIABILITIES</u>		
			-	-
	a	DEPOSIT FROM PARTIES-INTEREST FREE	10,588,880	10,511,885
	b	CURRENT YEAR,S TAXES PAYABLE	8,362,730	16,879,385
	c	TEMPORARY OVERDRAWN BANK BALALCE AS PER BOOKS	51,558,491	34,923,975
	d	OTHER LIABILITIES PAYABLE	80,767,772	40,946,081
			151,277,874	103,261,326
10		<u>SHORT-TERM PROVISIONS</u>		
		(a) PROVISIONS FOR EMPLOYEE BENEFITS	-	-
		(b) LIABILITIES OF EXPENSES FOR EXPENSES PROVISION	415,713	550,619
			415,713	550,619

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th June,2012

NOTENO.	S.No	PARTICULARS	FIGURES AS AT THE END OF CURRENT REPORTING PERIOD	FIGURES AS AT THE END OF PREVIOUS REPORTING PERIOD
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11 FIXED ASSETS

Description	Gross Block				Depreciation				Net Block	
	As at 01/07/2011	Additions	Deductions / Adjustments	As at 30/06/2012	As at 01/07/2011	For the Year	Deductions / Adjustments	Up to 30/06/2012	As at 30/06/2012	As at 30/06/2011
TANGIBLE ASSETS :										
Land	51,300	-	-	51,300	-	1,693	-	1,693	49,607	51,300
Plant & Machinery	16,238,380	368,839	-	16,607,219	14,973,499	564,346	-	15,537,845	1,069,374	1,264,881
Vehicle	17,488,998	-	-	17,488,998	7,359,108	1,661,454	-	9,020,562	8,468,436	10,129,890
Furniture & Fixture	17,796,475	-	-	17,796,475	13,719,630	1,116,274	-	14,835,904	2,960,571	4,076,844
Office Premises	302,021,051	-	-	302,021,051	13,643,422	57,592	-	13,701,014	288,320,037	288,377,629
Office Equipments	6,978,545	303,211	-	7,281,756	1,086,098	356,873	-	1,442,971	5,838,785	5,892,447
Computers	12,896,628	774,925	-	13,671,553	5,887,526	2,113,962	-	8,001,488	5,670,065	7,009,104
Total (A)	373,471,376	1,446,975	-	374,918,351	56,669,282	5,872,195	-	62,541,477	312,376,874	316,802,095
INTANGIBLE ASSETS :										
Software	14,136,027	788,900	-	14,924,927	6,737,574	2,389,185	-	9,126,759	5,798,168	7,398,452
Total (B)	14,136,027	788,900	-	14,924,927	6,737,574	2,389,185	-	9,126,759	5,798,168	7,398,452
Total (A+B)	387,607,403	2,235,875	-	389,843,278	63,406,857	8,261,380	-	71,668,236	318,175,042	324,200,547
Previous Year	313,720,767	105,055,083	31,168,446	387,607,404	60,474,066	7,988,793	5,056,002	63,406,857	324,200,547	-
Capital Work-in-Progress	-	-	-	-	-	-	-	-	-	-
Intangible Assets under- Development	-	-	-	-	-	-	-	-	-	-

Depreciation on Office Premises not Provided in two subsidiary companies, as no business activity during the year.

Shop No. N-24 & N-25 Connaught Place, Delhi has been mortgaged against loan taken from bank by a subsidiary Company.

12 NON CURRENT INVESTMENT (Value at Cost)
(Long Term other Investments)

INVESTMENTS IN EQUITY SHARES - QUOTED

INVESTMENTS IN EQUITY SHARES - UNQUOTED

	No. of Shares		
Joy Print Hotel	15200	1,520,000	1,520,000
Joy Print Plastic Dealers	15200	1,520,000	1,520,000
<u>Other Investments</u>		20,326,963	27,504,666
		23,366,963	30,544,666

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th June,2012

NOTE No.	S.No	PARTICULARS	FIGURES AS AT THE END OF CURRENT REPORTING PERIOD	FIGURES AS AT THE END OF PREVIOUS REPORTING PERIOD
13		<u>LONG TERM LOANS AND ADVANCES:</u>		
		SECURITY DEPOSITS TO RELATED PARTIES	-	
		SECURITY DEPOSIT TO OTHERS	83,080,630	81,990,712
		<i>(Unsecured Considered Good Unless Otherwise Stated)</i>		
			83,080,630	81,990,712
14		<u>OTHER NON-CURRENT ASSETS</u>		
		<u>MISC . EXPENDITURE</u>		
		<i>(To the Extent Not Written Off or Adjusted)</i>		
		<u>PRELIMINARY & PRE OPERATIVE EXPENSES</u>		
		OPENING BALANCE/ADDITION	347,664	517,458
		ADD. : ADDITION DURING THE YEAR	125,000	-
		LESS: WRITTEN OFF DURING THE YEAR	130,493	169,794
			342,170	347,664
		<u>CURRENT ASSETS</u>		
15		<u>CURRENT INVESTMENTS (Valued at Lower of Cost or Market Price)</u>		-
		<i>(As Taken Valued & Certified by the Management)</i>		
	a	STOCK IN TRADE (In respect of Shares/Bonds Acquired for Trading)	31,340,087	58,746,013
	b	Others	-	-
			31,340,087	58,746,013
16		<u>TRADE RECEIVABLES*:</u>		
		<i>(Unsecured Considered Good Unless Otherwise Stated)</i>		
	a	DEBTS OUTSTANDING FOR A PERIOD EXCEEDING SIX MONTHS (From the Date they are Due)	90,474,011	48,058,072
	b	OTHER DEBTS	61,936,760	106,400,269
			152,410,770	154,458,341
		<i>* In respect of two subsidiary companies involved in security / commodity trading, Balance of Parties Account shown net (i.e. net of Debit & Credit) as in the opinion of management it is difficult to differential Parties as nature of account differs from day to day.</i>		
17		<u>CASH & CASH EQUIVALENTS :</u>		
	a	BALANCE WITH BANKS :		
		MARGIN MONEY	-	
		SECURITY AGAINST BORROWINGS	-	
		BANK DEPOSITED WITH MORE THAN 12 MONTHS MATURITY	55,154,706	52,670,703
		IN CURRENT ACCOUNTS:	15,293,611	10,248,125
	b	CHEQUES,DRAFTS ON HAND	-	
	c	CASH ON HAND	2,866,614	3,110,678
			73,314,931	66,029,506

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th June,2012

NOTE No.	S.No	PARTICULARS	FIGURES AS AT THE END OF CURRENT REPORTING PERIOD	FIGURES AS AT THE END OF PREVIOUS REPORTING PERIOD
18		<u>SHORT TERM LOANS & ADVANCES:</u> <i>(Unsecured Considered Good Unless Otherwise Stated)</i> ADVANCES RECOVERABLE IN CASH OR IN KIND FOR THE VALUE TO BE RECEIVED		
	a	ADVANCE TO PARTIES	22,568,347	28,261,465
	b	RECIEVABLE FROM REVENUE AUTHORITIES	72,636,625	25,562,225
	c	CURRENT YEARS TAXES RECOVERABLE <i>(Net of Liability)</i>	26,965,800	48,994,899
	d	OTHERS	49,794,095	39,921,292
			171,964,868	142,739,881
19		<u>OTHER CURRENT ASSETS:</u> PREPAID EXPENSES INTEREST RECEIVABLE	3,140,662 3,754,999	3,047,854 5,171,794
			6,895,661	8,219,648
20		<u>REVENUE FROM OPERATIONS</u>		
	a	BROKERAGE, CONSULTANCY & AUXILLIARY SERVICES	576,719,876	923,434,085
	b	SALE OF SHARES / DEBENTURES / SECURITIES TRADING (Net)*	1,238,856	31,459,432
	c	OTHER OPERATING REVENUES	30,460,546	(1,647,527)
			608,419,278	953,245,990
		<i>* Income from securities trading net of (after reducing value of purchase ₹ 32,438.45 Lacs and value of opening stock ₹ 587.46 Lacs from value of sale ₹32,718.74 Lacs value closing stock ₹ 313.40 Lacs and net of derivative ₹ 6.15 Lacs)</i>		
21		<u>OTHER INCOME:</u> INTEREST INCOME DIVIDEND INCOME NET GAIN/LOSS ON SALE OF FIXED ASSET OTHER NO-OPERATING INCOME	29,127,849 49,466 - 4,256,693	15,100,467 1,428,196 68,110,856 10,920,983
			33,434,008	95,560,502
22		<u>EMPLOYEE BENEFITS EXPENSE</u> SALARY AND WAGES DIRECTOR,S REMUNERATIONS CONTRIBUTION TO PROVIDENT FUND AND ESIC ARREAR PROVIDENT FUND AND ESIC OTHER EXPENSES WORKERS AND STAFF WELFARE BONUS	131,027,352 6,550,785 1,221,340 - 89,205 2,209,163 -	141,848,581 7,827,336 1,508,637 - 151,359 5,105,337 1,945,816
			141,097,845	158,387,066
23		<u>FINANCIAL COSTS:</u> INTEREST EXPENSES INTEREST TO BANK INTEREST TO PARTIES/DISTRIBUTORS(NET) INTEREST TO BANK ON VEHICLE LOAN INTERST ON TDS & OTHER TAXES OTHER BORROWING COSTS	2,606,714 11,811,073 - 363,097 607,069 9,551,959	310,419 6,486,867 84,570 284,025 619,047 4,709,717
			24,939,911	12,494,645

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th June,2012

NOTE No.	S.No	PARTICULARS	FIGURES AS AT THE END OF CURRENT REPORTING PERIOD	FIGURES AS AT THE END OF PREVIOUS REPORTING PERIOD
24		<u>DEPRECIATION AND AMORTIZATION EXPENSE:</u>		
		DEPRECIATION	8,261,379	7,988,793
		PRELIMINARY & PRE-OPERATIVE EXP.WRITTEN OFF	130,493	169,794
			8,391,872	8,158,587
25		<u>OTHER EXPENSES:</u>		
		ADVERTISEMENT EXPS.	696,569	2,687,315
		CONFERENCE EXPENSES	937,310	791,217
		DEMAT EXPENSES	702,745	1,098,169
		DR./CR. W/O	59,320	(81,222)
		ELECTICITY EXPENSES	6,015,806	4,620,550
		ENTERTAINMENT EXP.	103,154	12,978,002
		FASTIVAL CELEBERATION EXPENSES	33,327	905,168
		FEES & TAXES	380,701	987,485
		GENERAL EXPENSES	11,438,241	23,266,440
		INSURANCE	614,509	928,363
		LEGAL EXPENSES	4,805,826	1,176,806
		NEWS PAPER & PERIODICALS	49,127	4,432,797
		PAYMENT TO THE AUDITORS	126,762	59,688
		PENALTIES	9,903	320,410
		POSTAGE & COURIER EXP.	3,857,729	22,719,994
		PRINTING & STATIONERY	3,018,578	15,476,492
		PROFESSIONAL CHARGES	3,409,444	1,466,189
		RENT PAID	11,968,779	9,500,924
		REPAIR & MAINTENANCE	7,029,916	28,626,677
		SUB-BROKERAGE / COMMISSION & INCENTIVES ETC.	405,846,905	615,392,925
		SUBSCRIPTION/MEMBERSHIP FEES	860,053	843,031
		TELEPHONE EXP.	7,066,543	19,187,778
		TRAVELLING EXPENSES	7,525,445	17,375,813
		VEHICLE RUNNING AND MAINTENANCE EXPENSES	435,061	3,623,163
		V-SET & LEASELING CHARGES	3,108,667	2,786,495
		TOTAL	480,100,418	791,170,669
26		<u>EARNING PER SHARE (EPS)</u>		
	i	Net Profit / (Loss) after tax as per Statement of Profit and Loss attributable to Equity Shareholders (₹)	(15,268,391)	46,263,004
	ii	Weighted Average number of equity shares used as denominator for calculating EPS	11,060,700	11,060,700
	iii	Basic and Diluted Earnings per share (₹)	(1.38)	4.18
	iv	Face Value per equity share (₹)	10	10

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th June,2012

NOTE No.	S.No	PARTICULARS	FIGURES AS AT THE END OF CURRENT REPORTING PERIOD	FIGURES AS AT THE END OF PREVIOUS REPORTING PERIOD
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27 RELATED PARTY DISCLOSURE

As per Accounting Standard 18, the disclosures of transactions with the related parties are given below :

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

S.No.	Name of the Related Party	Relationship
1	Shri Raghunandan Prasad	Key Managerial Personnel
2	Shri Rajat Prasad	Key Managerial Personnel
3	Shri Rajender Routella	Key Managerial Personnel
4	Mrs Minu Tondon	Key Managerial Personnel
5	Shri Sandeep Mahajan	Key Managerial Personnel
6	Shri Monojit Bose	Key Managerial Personnel
7	Shri Manish Agarwal	Key Managerial Personnel

b Transactions during the year with related parties.

Remuneration	Key Managerial Personnel	₹ 65,50,785/-
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28 Previous years figures has been regrouped and rearranged wherever considered necessary so as to make them comparable with those of the current year.

29 Micro, Small and Medium Enterprises Development Act, 2006

On the basis of information and record available with the Management, the following disclosure pursuant to the above Act are made for the amount due to the Micro and small Enterprises, who have registered with the competent authorities :

Particulars	2011-12	2010-11
The principal amount and the interest due thereon remaining unpaid to any Micro / Small Supplier	Nil	Nil
The interest by the buyer as above, alongwith the amount of payment made beyond the appointed date during each accounting year	Nil	Nil
The amount of interest due and payable for the period of delay in making payment (Which has been paid but beyond the appointed day during the year) but without adding the interest.	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of each accounting years.	Nil	Nil
The amount of further interest remaining due and payable even in the succeeding years, untill such date when the interest dues as above are actually paid to the Small / Micro Enterprises.	Nil	Nil

30 The accounts of Two Subsidiaries of R R Financial Consultants Ltd, Two Subsidiaries of R R Equity Brokers Private Limited and One Subsidiaries of Investor Capital Services private limited, whose financial year closes on 31st March 2012 have been prepared for the year ended on 30th June 2012 for the purpose of consolidation.

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

32 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 segments and cannot be segregated. In the circumstances segment information required by AS 17, cannot be furnished.

33 The management has not provided / account for deferred tax liability / assets in holding company, in accordance with the Accounting Standards 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th June,2012

NOTE No.	S.No	PARTICULARS	FIGURES AS AT THE END OF CURRENT REPORTING PERIOD	FIGURES AS AT THE END OF PREVIOUS REPORTING PERIOD
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34 Contingent Liabilities and Commitments .
(to be extent not provided for)

(i) Contingent Liabilities shall be classified as :

(a) Claims against the company not acknowledged as debts	NIL
(b) Bank guarantees outstanding	2550 Lac
(c) Other money for which the company is contingently liable	NIL

(ii) Commitments shall be classified as :

(a) Estimated amount of contracts remaining to be executed on capital amount and not provided for	NIL
(b) Uncalled liability on shares and other investments party paid	NIL
(c) Other commitments (specify nature)	NIL

35 No provision has been made for Income Tax Demand amounting to ₹ 11.33/- Lacs for the Assessment Year 2006-07 as contested in the appeal.

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

Chartered Accountants
(Membership No.90039)

Sd/-

Sandeep Gupta
(Proprietor)

For and on behalf of the Board

Sd/-

Raghunandan Prasad
(Director)

Sd/-

P.S.Prasad
(Managing Director)

Sd/-

Deepti Grover
(Company Secretary)

Place : New Delhi
Date : 29/08/2012

SANDEEP RAMESH GUPTA & CO. CHARTERED ACCOUNTANTS

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:

TM

1. We have audited the Balance Sheet of **RR Financial Consultants Limited** as at June 30, 2012, 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, 2011 to June 30, 2012, 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 a proper book 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, 2012 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, 2012, and
- (ii) In the case of the Profit and Loss Account, the profit for the period from July 1, 2011 to June 30, 2012.
- (iii) In the case of the Cash Flow Statement, of the cash flow for the year ended on that date.

Place: New Delhi

Date: 29.08.2012

For Sandeep Ramesh Gupta & Co
Chartered Accountants

Sd/-

Sandeep Gupta

Membership No.: 90039

TM

RR FINANCIAL CONSULTANTS LIMITED

ANNEXURE TO AUDITORS' REPORT - 30th, June 2012

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 (₹ lacs)
1.	Four	79.42	11.00

- (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.	Four	225.34	193.34

(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.

TM

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 some delays in depositing of service tax.

(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 and 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 the Subsidiaries 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.

TM

For Sandeep Ramesh Gupta & Co.
Chartered Accountants

Sd/-

Sandeep Gupta

Membership No.: 90039

Place: New Delhi

Dated: 29.08.2012

RR FINANCIAL CONSULTANTS LIMITED

BALANCE SHEET AS AT

30th June, 2012

(Amount in ₹)

S.No.	PARTICULARS	NOTE NO.	FIGURES AS AT THE END OF CURRENT REPORTING PERIOD	FIGURES AS AT THE END OF PREVIOUS REPORTING PERIOD
I	<u>EQUITY AND LIABILITIES</u>			
1	<u>SHAREHOLDERS FUNDS</u>			
	(a) SHARE CAPITAL	2	110,694,500	110,694,500
	(b) RESERVES AND SURPLUS	3	303,213,048	282,933,942
	TOTAL(1)		413,907,548	393,628,442
2	<u>SHARE APPLICATION MONEY PENDING ALLOTMENT</u>	4	-	-
3	<u>NON-CURRENT LIABILITIES</u>			
	(a) LONG TERM BORROWINGS	5	2,995,100	5,104,757
	(b) DEFERRED TAX LIABILITIES (NET)	6	-	-
	TOTAL(3)		2,995,100	5,104,757
4	<u>CURRENT LIABILITIES</u>			
	(a) SHORT TERM BORROWINGS	7	58,018,456	67,696,559
	(b) TRADE PAYABLES	8	26,648	26,648
	(c) OTHER CURRENT LIABILITIES	9	8,022,585	2,068,120
	(d) SHORT TERM PROVISIONS	10	-	-
	TOTAL(4)		66,067,689	69,791,327
	TOTAL(1+2+3+4)		482,970,337	468,524,526

II	<u>ASSETS</u>			
1	<u>NON-CURRENT ASSETS</u>			
	(a) FIXED ASSETS			
	(i) TANGIBLE ASSETS	11	10,675,825	13,172,999
	(ii) INTANGIBLE ASSETS	11	-	-
	(b) NON-CURRENT INVESTMENTS	12	225,794,477	225,794,477
	(c) LONG-TERM LOANS AND ADVANCES	13	3,698,813	3,698,813
	(d) OTHER NON-CURRENT ASSETS	14	-	-
	TOTAL(1)		240,169,115	242,666,289
2	<u>CURRENT ASSETS</u>			
	(a) INVENTORIES	15	9,816,608	9,836,601
	(b) TRADE RECEIVABLES	16	7,437,374	563
	(c) CASH AND CASH EQUIVALENTS	17	506,570	581,697
	(d) SHORT-TERM LOANS AND ADVANCES	18	225,040,670	215,439,375
	(e) OTHER CURRENT ASSETS	19	-	-
	TOTAL(2)		242,801,222	225,858,236
	TOTAL(1+2)		482,970,337	468,524,526

Significant Accounting Policies and Notes on Financial Statements (1-34)

As per our report of even date attached
For : Sandeep Ramesh Gupta & Co.
 Chartered Accountants
 (Membership No.90039)

For and on behalf of the Board

Sd/

Sd/-

Sd/-

Sd/-

Sandeep Gupta
 (Proprietor)

Raghunandan Prasad
 (Director)

P.S.Prasad
 (Managing Director)

Deepti Grover
 (Company Secretary)

Place : New Delhi
 Date : 29/08/2012

RR FINANCIAL CONSULTANTS LIMITED
PROFIT & LOSS STATEMENT FOR THE YEAR ENDED
30th June, 2012

(Amount in ₹)

S.No	PARTICULARS	NOTE No	FIGURES FOR THE CURRENT REPORTING PERIOD	FIGURES FOR THE PREVIOUS REPORTING PERIOD
	REVENUE FROM OPERATIONS	-	-	
I	REVENUE FROM OPERATIONS	20	40,465,991	42,199,652
II	OTHER INCOME	21	57,702	68,721,575
III	TOTAL REVENUE(I+II)		40,523,693	110,921,227
IV	EXPENSES:			
a	EMPLOYEE BENEFITS EXPENSES	22	309,000	6,178,606
b	FINANCE COSTS	23	385,891	851,923
c	DEPRECIATION AND AMORTIZATION EXPENSE	24	2,866,013	2,660,991
d	OTHER EXPENSES	25	16,683,683	50,825,428
	TOTAL EXPENSES		20,244,587	60,516,948
V	PROFIT BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX (III-IV)		20,279,106	50,404,279
VI	EXCEPTIONAL ITEMS		-	-
VII	PROFIT BEFORE EXTRAORDINARY ITEMS AND TAX (V-VI)		20,279,106	50,404,279
VIII	EXTRAORDINARY ITEMS		-	22,033,952
IX	PROFIT BEFORE TAX (VII-VIII)		20,279,106	28,370,327
X	TAX EXPENSE			
a	CURRENT TAX		-	800,000
b	EARLIAR YEARS TAX		-	(66,711)
c	DEFERRED TAX		-	-
XI	PROFIT(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS (IX-X)		20,279,106	27,637,038
XII	PROFIT(LOSS) FROM DISCONTINUING OPERATIONS		-	-
XIII	TAX EXPENSE OF DISCONTINUING OPERATIONS		-	-
XIV	PROFIT(LOSS) FROM DISCONTINUING OPERATIONS (AFTER TAX) (XII-XIII)		-	-
XV	PROFIT (LOSS) FOR THE PERIOD (XI+XIV)		20,279,106	27,637,038
XVI	EARNING PER EQUITY SHARE			
a	BASIC		1.83	2.50
b	DILUTED		1.83	2.50

Significant Accounting Policies and Notes on Financial Statements (1-34)

As per our report of even date attached

For : Sandeep Ramesh Gupta & Co.Chartered Accountants
(Membership No.90039)

Sd/-

Sandeep Gupta
(Proprietor)

Sd/-

Raghunandan Prasad
(Director)

Sd/-

P.S.Prasad
(Managing Director)

Sd/-

Deepti Grover
(Company Secretary)Place : New Delhi
Date : 29/08/2012

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th JUNE,2012

NOTE No.	S.No	PARTICULARS	FIGURES AS AT THE END OF CURRENT REPORTING PERIOD	FIGURES AS AT THE END OF PREVIOUS REPORTING PERIOD
1		<p><u>Significant Accounting Policies</u></p> <p><u>Basis of Preparation of Financial Statements</u> The accounts have been prepared on a going concern basis according to the historical cost convention according to the accrual system of accounting materially comply with the mandatory accounting statements and standards issued by the Institute of Chartered Accountants of India and the relevant presentational requirements of the Companies Act, 1956. The significant accounting policies followed by the company are as follows:</p> <p>a <u>Use of Estimates</u> The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the result are known / materialised.</p> <p>b <u>Revenue Recognition</u> Income is being accounted for on accrual basis</p> <p>c <u>Fixed Assets and Depreciation</u></p> <p>i) 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.</p> <p>ii) Depreciation is provided on the Straight Line Method at the rates prescribed by Schedule XIV of the Companies Act, 1956.</p> <p>iii) In respect of revalued assets, the Depreciation attributable to the amount added on revaluation, is adjusted against the Revaluation Reserve.</p> <p>d <u>Valuation of Investment</u> Investments are valued at acquisition cost Provision is made for diminution in the value of investment which is perceived to be of permanent nature.</p> <p>e <u>Valuation of Stock</u> 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.</p> <p>f <u>Method of Accounting</u> Mercantile method of accounting is employed.</p> <p>g <u>Taxation</u> Provision for Income Tax for the current period is made if applicable on the basis of estimated tax liability as per the applicable provisions of the Income Tax Act, 1961.</p> <p>h Gratuity is being provided on cash basis.</p>		
2		<p><u>SHARE CAPITAL:</u></p> <p>a <u>DISCLOSURE PURSUANT TO NOTE No.6(A) (a,b & c) OF PART I OF SCHEDULE VI TO THE COMPANIES ACT, 1956</u></p> <p><u>(i) AUTHORISED:</u></p> <p>1,20,00,000 (Previous Year 1,20,00,000) EQUITY SHARES OF ₹ 10/-EACH</p> <p style="text-align: right;">120,000,000</p> <p style="text-align: right;">120,000,000</p> <p><u>(ii) ISSUED, SUBSCRIBED & PAID UP</u></p> <p>SHARES AT THE BEGINNING OF THE ACCOUNTING PERIOD 1,10,60,700 (Previous Year 1,10,60,700) EQUITY SHARES OF ₹ 10/- EACH</p> <p style="text-align: right;">110,607,000</p> <p style="text-align: right;">110,607,000</p> <p>Add : ADDITIONS DURING THE YEAR</p> <p>Add : Share Forfieted</p> <p style="text-align: right;">87,500</p> <p style="text-align: right;">87,500</p> <hr/> <p>SHARES AT THE END OF THE ACCOUNTING PERIOD 1,10,60,700 (Previous Year 1,10,60,700) EQUITY SHARES OF ₹ 10/- EACH</p> <p style="text-align: right;">110,694,500</p> <p style="text-align: right;">110,694,500</p>		

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th JUNE, 2012

NOTE No.	S.No	PARTICULARS	FIGURES AS AT THE END OF CURRENT REPORTING PERIOD	FIGURES AS AT THE END OF PREVIOUS REPORTING PERIOD
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b DISCLOSURE PURSUANT TO NOTE No.6(A) (d) OF PART I OF SCHEDULE VI TO THE COMPANIES ACT, 1956

PARTICULARS	EQUITY SHARES		PREFERENCE SHARES	
	Number	₹	Number	₹
Shares Outstanding at the Beginning of the year	1,10,60,700	11,06,07,000	Nil	Nil
Shares Issued during the Year				
Shares bought back during the year				
Shares Outstanding at the End of the year	1,10,60,700	11,06,07,000	Nil	Nil

c DISCLOSURE PURSUANT TO NOTE No.6(A) (g) OF PART I OF SCHEDULE VI TO THE COMPANIES ACT, 1956 (more than 5%)

PARTICULARS	CURRENT REPORTING YEAR		PREVIOUS REPORTING YEAR	
	Number	₹	Number	₹
Sh Rajat Prasad	62,36,700	56.0%	62,36,700	56.0%

d DISCLOSURE PURSUANT TO NOTE No.6(A) (i) OF PART I OF SCHEDULE VI TO THE COMPANIES ACT, 1956

PARTICULARS	Year (Aggregate No. of Shares)				
	2011-12	2010-11	2009-10	2008-09	2007-08
Equity Shares:					
Fully paid up pursuant to contract(s) without payment being received in cash	Nil	Nil	Nil	Nil	Nil
Fully paid up by way of bonus shares	Nil	55,30,350	Nil	Nil	Nil
Shares bought back	Nil	Nil	Nil	Nil	Nil
Preference Shares:					
Fully paid up pursuant to contract(s) without payment being received in cash	Nil	Nil	Nil	Nil	Nil
Fully paid up by way of bonus shares	Nil	Nil	Nil	Nil	Nil
Shares bought back	Nil	Nil	Nil	Nil	Nil

3 RESERVE & SURPLUS:

a GENERAL RESERVE

AT THE BEGINNING OF THE ACCOUNTING PERIOD	42,726,877		42,726,877
ADDITIONS DURING THE YEAR		-	-
AT THE END OF THE ACCOUNTING PERIOD	42,726,877		42,726,877

b SECURITIES PREMIUM ACCOUNT

AT THE BEGINNING OF THE ACCOUNTING PERIOD	24,142,500		79,446,000
ADDITIONS DURING THE YEAR		-	-
Less: BONUS SHARES ISSUED		-	55,303,500
AT THE END OF THE ACCOUNTING PERIOD	24,142,500		24,142,500

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th JUNE, 2012

NOTE No.	S.No	PARTICULARS	FIGURES AS AT THE END OF CURRENT REPORTING PERIOD	FIGURES AS AT THE END OF PREVIOUS REPORTING PERIOD
	c	<u>SURPLUS</u>		
		AT THE BEGINNING OF THE ACCOUNTING PERIOD	216,064,565	194,876,399
		ADDITIONS DURING THE YEAR (BALANCE IN STATEMENT OF PROFIT & LOSS A/C)	20,279,106	27,637,038
		Less : ALLOCATIONS AND APPROPRIATIONS	-	-
		PROPOSED DIVIDEND	-	-
		INTERIM DIVIDEND	-	5,530,350
		TAX ON DIVIDEND	-	918,522
		BONUS SHARES ISSUED	-	-
		AT THE END OF THE ACCOUNTING PERIOD	236,343,671	216,064,565
		GRAND TOTAL	303,213,048	282,933,942
	4	<u>SHARE APPLICATION MONEY PENDING ALLOTMENT</u>	-	-
			-	-
			-	-
	5	<u>LONG TERM BORROWINGS</u>		
	a	<u>SECURED</u>		
		(a.) BONDS / DEBENTURES		
		(b.) TERM / LOANS		
		HDFC Bank Ltd.	-	199,418
		TATA Capital Ltd.*	2,995,100	4,905,339
		(c.) OTHER LOANS AND ADVANCE	-	-
			2,995,100	5,104,757
		<i>*Security Against Hypothecation of car.</i>		
	b	<u>UNSECURED</u>		
		(a.) BONDS / DEBENTURES	-	-
		(b.) TERM / LOANS	-	-
		(c.) LOANS AND ADVANCE FROM RELATED PARTIES	-	-
		(d.) OTHER LOANS AND ADVANCE	-	-
			-	-
		GRAND TOTAL	2,995,100	5,104,757
	6	<u>DEFERRED TAX LIABILITIES (NET)</u>		
		DEFERRED TAX LIABILITIES	-	-
			-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th JUNE,2012

NOTE No.	S.No	PARTICULARS	FIGURES AS AT THE END OF CURRENT REPORTING PERIOD	FIGURES AS AT THE END OF PREVIOUS REPORTING PERIOD
7		<u>CURRENT LIABILITIES</u>		
		<u>SHORT-TERM BORROWINGS:</u>		
	a	<u>SECURED</u>		
		(i) LOANS REPAYABLE ON DEMAND	-	-
		(ii) LOANS AND ADVANCE \ OTHER DUES FROM RELATED PARTIES	-	-
		(iii) OTHER LOANS AND ADVANCE	-	-
			-	-
	b	<u>UNSECURED</u>		
		(i) LOANS REPAYABLE ON DEMAND Corporation bank**	-	-
		(ii) LOANS AND ADVANCE \ OTHER DUES FROM RELATED PARTIES	58,018,456	67,696,559
			58,018,456	67,696,559
		GRAND TOTAL	58,018,456	67,696,559
8		<u>TRADE PAYABLES</u>		
		SUNDRY CREDITORS	26,648	26,648
			-	-
			26,648	26,648
9		<u>OTHER CURRENT LIABILITIES</u>		
		CURRENT YEAR,S TAXES PAYABLE	2,628,851	275,669
		OTHER LIABILITIES PAYABLE	5,393,734	1,792,450
			8,022,585	2,068,120
10		<u>SHORT-TERM PROVISIONS</u>		
		(a) PROVISIONS FOR EMPLOYEE BENEFITS	-	-
		(b) LIABILITIES OF EXPENSES FOR EXPENSES PROVISION	-	-
			-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th JUNE,2012

NOTE No.	S.No	PARTICULARS	FIGURES AS AT THE END OF CURRENT REPORTING PERIOD	FIGURES AS AT THE END OF PREVIOUS REPORTING PERIOD
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11 FIXED ASSETS

Description	Gross Block				Depreciation				Net Block	
	As at 01/07/2011	Additions	Deductions / Adjustments	As at 30/06/2012	As at 01/07/2011	For the Year	Deductions / Adjustments	Up to 30/06/2012	As at 30/06/2012	As at 30/06/2011
TANGIBLE ASSETS :										
Land	51,300	-	-	51,300	-	-	-	-	51,300	51,300
Plant & Machinery	16,238,380	368,839	-	16,607,219	14,973,499	564,346	-	15,537,845	1,069,374	1,264,881
Vehicle	13,970,196	-	-	13,970,196	6,705,469	1,327,169	-	8,032,638	5,937,558	7,264,727
Furniture & Fixture	14,485,093	-	-	14,485,093	13,311,069	916,906	-	14,227,975	257,118	1,174,024
Office Premises	3,533,251	-	-	3,533,251	115,184	57,592	-	172,776	3,360,475	3,418,067
Office Equipments	-	-	-	-	-	-	-	-	-	-
Computers	-	-	-	-	-	-	-	-	-	-
Total (A)	48,278,220	368,839	-	48,647,059	35,105,221	2,866,013	-	37,971,234	10,675,825	13,172,999
INTANGIBLE ASSETS										
Software	-	-	-	-	-	-	-	-	-	-
Total (B)	-	-	-	-	-	-	-	-	-	-
Total (A+B)	48,278,220	368,839	-	48,647,059	35,105,221	2,866,013	-	37,971,234	10,675,825	13,172,999
Previous Year	72,170,196	7,364,000	31,255,976	48,278,220	37,611,791	2,636,962	5,143,532	35,105,221	13,172,999	-
Capital Work-in-Progress	-	-	-	-	-	-	-	-	-	-
Intangible Assets under-Development	-	-	-	-	-	-	-	-	-	-

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

12 NON CURRENT INVESTMENT (Value at Cost) (Long Term other Investments)

INVESTMENTS IN EQUITY SHARES - QUOTED

-
-

INVESTMENTS IN SUBSIDIARY EQUITY SHARES - UNQUOTED

	<u>No. of Shares</u>		
RR Infra Estate (P) Ltd.	77770	48,834,173	48,834,173
RR Investors Capital Services (P) Ltd.	1000000	10,000,000	10,000,000
RR Brokerage Assurance Ser.(P) Ltd.	2500000	56,700,000	56,700,000
Arix Consultant (P) Ltd.	50000	500,000	500,000
RR Equity Brokers (P) Ltd.	7500000	89,760,304	89,760,304
RR Fincap (P) Ltd.	20000000	20,000,000	20,000,000
		225,794,477	225,794,477

Aggregate Amount of Quoted Investments	-	-
Market value of Quoted Investments	-	-
Aggregate Amount of unquoted Investments	225794477	225,794,477

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th JUNE,2012

NOTE No.	S.No	PARTICULARS	FIGURES AS AT THE END OF CURRENT REPORTING PERIOD	FIGURES AS AT THE END OF PREVIOUS REPORTING PERIOD
13		<u>LONG TERM LOANS AND ADVANCES:</u>		
		SECURITY DEPOSITS TO RELATED PARTIES	-	-
		SECURITY DEPOSITS TO OTHERS <i>(Unsecured Considered Good Unless Otherwise Stated)</i>	3,698,813	3,698,813
			3,698,813	3,698,813
14		<u>OTHER NON-CURRENT ASSETS</u>		
		<u>MISC . EXPENDITURE</u> (To the Extent Not Written Off or Adjusted)		
		<u>PRELIMINARY & PRE OPERATIVE EXPENSES</u>		
		OPENING BALANCE/ADDITION	-	24,029
		ADD. : ADDITION DURING THE YEAR	-	-
		LESS: WRITTEN OFF DURING THE YEAR	-	24,029
			-	-
		<u>CURRENT ASSETS</u>		
15		<u>INVENTORIES</u> <i>(Valued at Lower of Cost or Market Price)</i> <i>(As Taken Valued & Certified by the Management)</i>		-
	a	STOCK IN TRADE (In respect of Shares/Bonds Acquired for Trading)*	9,816,608	9,836,601
	b	Others	-	-
			9,816,608	9,836,601

* Stock in Trade (In respect of Shares / Bonds Acquired for Trading)

Name of Scrips	As at 30/06/2012		As at 30/06/2011	
	No. of Shares / Debenture	Amount	No. of Shares / Debenture	Amount

Quoted Share	As at 30/06/2012		As at 30/06/2011	
	No. of Shares / Debenture	Amount	No. of Shares / Debenture	Amount
A.P.Rayon Ltd	450	8,865	450	8,865
Elder Health care	500	18,500	500	18,500
Gujarat Inject Ltd.	150	232	150	233
Essar Securities	400	12,320	400	20,620
K.C.Textiles	100	1,325	100	1,325
Man Diesel & Turbo India Ltd. (Fly. Known -Modi Mirrless Black Stone Ltd.)	5000	5,250	5000	5,250
Motorol India Ltd.	1000	2,100	1000	2,100
Motorol India Ltd.(Bonus)	1000	-	1000	-
Namaste Export Ltd.	100	260	100	810

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th JUNE, 2012

NOTE No.	S.No	PARTICULARS	FIGURES AS AT THE END OF CURRENT REPORTING PERIOD		FIGURES AS AT THE END OF PREVIOUS REPORTING PERIOD	
		Namaste Export Ltd.	300	780	300	2,430
		Pal Peugeot	123300	73,980	123300	73,980
		Parasram Puria Syn	100000	95,000	100000	95,000
		Pasupati Spinning & Weaving Mill	30	195	30	195
		PCS Data General Ltd.	450	4,500	450	4,500
		Pitte Cement	10000	40,000	10000	40,000
		Rajashtan Brewaries	4200	24,150	4200	24,150
		Rajashtan Brewaries	300	1,725	300	1,725
		Rajashtan Brewaries	600	3,450	600	3,450
		Rinki Petro	4000	1,000	4000	1,000
		Sanghi Polyesters Ltd.	100	165	100	175
		ISGEC Heavy Engg. Ltd. (Formally Known as -Saraswati Ind.Syndicate Ltd.)	380	7,030	380	7,030
		Sarla credit & Securities Ltd.	5300	53,000	5300	53,000
		Sarla credit & Securities Ltd.	2800	38,360	2800	38,360
		Sarla credit & Securities Ltd.	3300	45,210	3300	45,210
		Sarla credit & Securities Ltd.	145000	1,986,500	145000	1,986,500
		TANFAC Industries Ltd.	100	1,625	100	1,950
		Winsome Yams Ltd.	1800	18,000	1800	4,770
		Rathi Alloys Steel Ltd.	100	1,700	100	1,700
		Total Quoted Shares		2,445,222		2,442,828
		Unquoted Share				
		Disco Electronics	500	2,250	500	2,250
		Esanda Finance & Leasing Ltd.	18000	270,000	18000	270,000
		Narayan Travels & Tours Ltd.	350000	3,500,000	350000	3,500,000
		Narayan Travels & Tours Ltd.(RRSSBL)	200000	2,000,000	200000	2,000,000
		Spartek Goods (P) Ltd.	3000	1,500,000	3000	1,500,000
		Total Unquoted Shares		7,272,250		7,272,250
		Quoted Debentures				
		DCM Shri Ram Consolidate (NCD)	33	2,211	33	2,211
		Herdila Unimers Ltd. (NCD)	10	625	10	625
		ICICI Bank Ltd.	14	5,600	14	5,600
		Niwas Spinning (FCD)	4975	9,950	4975	32,338
		Total Quoted Debentures		18,386		40,774
		Unquoted Debentures				
		Pasupati Spinning & Weaving Mills	3230	80,750	3230	80,750
		Total Unquoted Debentures		80,750		80,750
		Total Stock		9,816,608		9,836,601

16 TRADE RECEIVABLES*:
(Unsecured Considered Good Unless Otherwise Stated)

a DEBTS OUTSTANDING FOR A PERIOD EXCEEDING SIX MONTHS
(From the Date they are Due)

- -

b OTHER DEBTS

7,437,374 563

7,437,374 563

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th JUNE,2012

NOTE No.	S.No	PARTICULARS	FIGURES AS AT THE END OF CURRENT REPORTING PERIOD	FIGURES AS AT THE END OF PREVIOUS REPORTING PERIOD
17		<u>CASH & CASH EQUIVALENTS :</u>		
	a	BALANCE WITH BANKS :		
		MARGIN MONEY	-	-
		SECURITY AGAINST BORROWINGS	-	-
		BANK DEPOSITED WITH MORE THAN 12 MONTHS MATURITY	-	-
		IN CURRENT ACCOUNTS:	506,570	516,315
	b	CHEQUES,DRAFTS ON HAND	-	-
	c	CASH ON HAND	-	65,382
			506,570	581,697
18		<u>SHORT TERM LOANS & ADVANCES:</u> <i>(Unsecured Considered Good Unless Otherwise Stated)</i>		
		ADVANCES RECOVERABLE IN CASH OR IN KIND FOR THE VALUE TO BE RECEIVED		
	a	ADVANCE / OTHER DUES TO RELATED PARTIES	189,512,604	196,354,753
	b	RECIEVABLE FROM REVENUE AUTHORITIES	11,377,376	5,235,768
	c	CURRENT YEARS TAXES RECOVERABLE <i>(Net of Liability)</i>	3,500,221	7,200,385
	d	SHARE APPLICATION MONEY TO SUBSIDIARY COMPANYS	17,500,000	-
	e	OTHERS	3,150,470	6,648,470
			225,040,670	215,439,375
19		<u>OTHER CURRENT ASSETS:</u>		
		PREPAID EXPENSES	-	-
		INTEREST RECEIVABLE	-	-
			-	-
20		<u>REVENUE FROM OPERATIONS</u>		
	a	BROKERAGE, CONSULTANCY & AUXILLIARY SERVICES	40,485,984	43,517,416
	b	SALE OF SHARES / DEBENTURES / SECURITIES TRADING (Net)*	(19,993)	3,287,088
	c	OTHER OPERATING REVENUES	-	(4,604,852)
			40,465,991	42,199,652

* Income from securities trading net of (after reducing value of purchase ₹ 0/- and value of opening stock ₹ 98,36,601/- from value of sale ₹ 0/- value closing stock ₹ 98,16,608/-)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th JUNE,2012

NOTE No.	S.No	PARTICULARS	FIGURES AS AT THE END OF CURRENT REPORTING PERIOD	FIGURES AS AT THE END OF PREVIOUS REPORTING PERIOD
21		<u>OTHER INCOME:</u>		
		INTEREST INCOME	49,250	579,123
		DIVIDEND INCOME	4,952	24,996
		NET GAIN/LOSS ON SALE OF INVESTMENT	-	68,110,856
		OTHER NO-OPERATING INCOME	3,500	6,600
			57,702	68,721,575
22		<u>EMPLOYEE BENEFITS EXPENSE</u>		
		SALARY AND WAGES	309,000	6,027,581
		DIRECTOR,S REMUNERATIONS	-	-
		CONTRIBUTION TO PROVIDENT FUND AND ESIC WORKERS AND STAFF WELFARE	-	151,025
		BONUS	-	-
			309,000	6,178,606
23		<u>FINANCIAL COSTS:</u>		
		INTEREST EXPENSES	-	100,685
		INTEREST TO BANK	-	-
		INTEREST TO BANK ON VEHICLE LOAN	351,978	256,410
		INTERST ON TDS & OTHER TAXES	33,913	494,828
		OTHER BORROWING COSTS	-	-
			385,891	851,923
24		<u>DEPRECIATION AND AMORTZATION EXPENSE:</u>		
		DEPRECIATION	2,866,013	2,636,962
		PRELIMINARY & PRE-OPERATIVE EXP.WRITTEN OFF	-	24,029
			2,866,013	2,660,991
25		<u>OTHER EXPENSES:</u>		
		BANK CHARGES	22,166	4,846
		BUSINESS PROMOTION EXPENSES	-	3,475
		CONVEYANCE EXPE.	-	609,962
		SUBSCRIPTION/MEMBERSHIP FEES	122,178	104,075
		ELECTICITY WATER & SANITARY EXP.	25,369	156,150
		FEES & TAXES	10,000	-
		GENERAL EXPENSES	24,762	204,937
		RENT PAID	2,650	-
		INSURANCE	138,127	126,921
		LEGAL EXPENSES	1,549,926	210,520
		PAYMENT TO THE AUDITORS	79,191	16,545
		POSTAGE & COURIER EXP.	47,481	4,542,158
		PROFESSIONAL CHARGES	1,050,000	1,391,189
		PRINTING & STATIONERY	-	2,257,631
		REPAIR & MAINTENANCE EXP.	-	898,069
		SERVICE TAX	56,753	3,223,656
		SECURITY GUARD EXP.	15,590	113,669
		TELEPHONE EXP.	196,343	1,428,828
		VEHICLE RUNNING EXP.	68,579	-
		ADVERTISEMENT EXPS.	54,277	9,466
		BROKERAGE, COMMISSION & DIRECT MARKETING EXP.	13,220,291	35,158,581
		TRAVELLING EXPENSES	-	364,750
		TOTAL	16,683,683	50,825,428

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th JUNE, 2012

NOTE No.	S.No	PARTICULARS	FIGURES AS AT THE END OF CURRENT REPORTING PERIOD	FIGURES AS AT THE END OF PREVIOUS REPORTING PERIOD
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26 EARNINGS PER SHARE (EPS)

i	Net Profit / (Loss) after tax as per Statement of Profit and Loss attributable to Equity Shareholders (₹)	20,279,106	27,637,038
ii	Weighted Average number of equity shares used as denominator for calculating EPS	11,060,700	11,060,700
iii	Basic and Diluted Earnings per share (₹)	1.83	2.50
iv	Face Value per equity share (₹)	10	10

27 RELATED PARTY DISCLOSURE

As per Accounting Standard 18, the disclosures of transactions with the related parties are given below :

a List of Related Parties. (as identified and certified by the Management) Parties where control exists

S.No.	Name of the Related Party	Relationship
1	RR Investors Capital Services Pvt. Ltd.	Subsidiary
2	RR Insurance Broker (P) Ltd.	Subsidiary
3	RR Equity Brokers Pvt. Ltd.	Subsidiary
4	Arix Consultants Pvt. Ltd.	Subsidiary
5	RR Fincap Pvt. Ltd.	Subsidiary
6	RR Infra Estates Pvt. Ltd.	Subsidiary
7	RR Commodity Broker (P) Ltd.	Subsidiary
8	RR Investor Securities Trading (P) Ltd.	Subsidiary
9	RR IT Solution (P) Ltd.	Subsidiary
10	RR Information & Investment Research (P) Ltd.	Subsidiary
11	RR Land (P) Ltd	Subsidiary
12	RR Investor Distribution Company (P) Ltd	Subsidiary
13	RR Investors Retail Services Pvt. Ltd.	Subsidiary
14	Lakshmi Narayan Infra Estates (P) Ltd	Subsidiary

S.No.	Key Managerial Personnel	
1	Shri Rajat Prasad	Managing Director
2	Shri Raghunandan Prasad	Director

b Transactions during the year with related parties.

(₹ in Lacs)

S.No.	Nature of Transaction	30th June, 2012		30th June, 2011		30th June 2012
		Subsidiary Co.	Associate Co.	Subsidiary Co.	Associate Co.	Key Management
1	Sale of Bonds	-	-	200.00	-	-
2	Purchase of Bonds	-	-	201.00	-	-
3	Sale of Services / Reimbursement of Exp.	-	-	-	-	-
4	Purchase Services / Reimbursement of Exp.	-	146.02	4.67	336.62	-
5	Sale of Propriety	-	-	942.23	-	-
6	Investment	2,257.94	-	2,257.94	-	-
7	Amount Due from us as at	453.18	127.00	549.97	127.00	-
8	Amount Due to us as at	1,891.17	3.96	1,959.59	3.96	7.03
9	Director Remuneration	-	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th JUNE, 2012

NOTE No.	S.No	PARTICULARS	FIGURES AS AT THE END OF CURRENT REPORTING PERIOD	FIGURES AS AT THE END OF PREVIOUS REPORTING PERIOD
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28 Contingent Liabilities and Commitments .
(to be extent not provided for)

(i) Contingent Liabilities shall be classified as :

(a) Claims against the company not acknowledged as debts	NIL
(b) Bank guarantees outstanding	2550 Lac
(c) Other money for which the company is contingently liable	NIL

(ii) Commitments shall be classified as :

(a) Estimated amount of contracts remaining to be executed on capital amount and not provided for	NIL
(b) Uncalled liability on shares and other investments party paid	NIL
(c) Other commitments (specify nature)	NIL

29 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.

30 Micro, Small and Medium Enterprises Development Act, 2006

On the basis of information and record available with the Management, the following disclosure pursuant to the above Act are made for the amount due to the Micro and small Enterprises, who have registered with the competent authorities :

Particulars	2011-12	2010-11
The principal amount and the interest due thereon remaining unpaid to any Micro / Small Supplier	Nil	Nil
The interest by the buyer as above, alongwith the amount of payment made beyond the appointed date during each accounting year	Nil	Nil
The amount of interest due and payable for the period of delay in making payment (Which has been paid but beyond the appointed day during the year) but without adding the interest.	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of each accounting years.	Nil	Nil
The amount of further interest remaining due and payable even in the succeeding years, untill such date when the interest dues as above are actually paid to the Small / Micro Enterprises.	Nil	Nil

31 Foreign Currency Transaction

Expenditure incurred in Foreign Currency
Income in foreign currency
Other information

32 Deferred Tax

The management has not provided / accounted for deferred tax liability / assets in terms of accounting standard AS-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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th JUNE, 2012

NOTE No.	S.No	PARTICULARS	FIGURES AS AT THE END OF CURRENT REPORTING PERIOD	FIGURES AS AT THE END OF PREVIOUS REPORTING PERIOD
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- 33** Parties accounts whether is debit or credit are subject to reconciliation and confirmation.
- 34** Previous year figure are regrouped and rearrange wherever necessary so as to make them comparable with those of the current year.



As per our report of even date attached

For : Sandeep Ramesh Gupta & Co.

Chartered Accountants
(Membership No.90039)

Sd/-

Sandeep Gupta
(Proprietor)

For and on behalf of the Board

Sd/-

Raghunandan Prasad
(Director)

Sd/-

P.S.Prasad
(Managing Director)

Sd/-

Deepti Grover
(Company Secretary)

Place : New Delhi
Date : 29/08/2012

Standalone Cash Flow Statement for the year ended 30th June, 2012

(Amount in ₹)

A	30/06/2012	30/06/2011
Cash flow from operating actives		
Profit before tax	20,279,106	50,404,279
Adjustment for :		
Depreciation / Amortization	2,866,013	2,660,991
Interest and dividend income	(54,202)	(173,149)
Interest expense	385,891	851,923
Unrealised foreign exchange (gain) / loss	-	-
Profit / (loss) on sale of Fixed assets	-	(68,110,856)
Profit on sale of investment	-	-
Operating profit before working capital changes	23,476,808	(14,366,812)
Adjustment for :		
(Increase) / decrease in inventories	19,993	3,115,921
(Increase) / decrease in sundry debtors	(7,436,810)	-
(Increase) / decrease in loans and advances	3,498,000	(699,227)
Increase / (decrease) in trade payables and other liabilities	5,954,465	22,824,339
Cash generated from opration	25,512,456	10,874,221
Current taxes paid (Net of refund)	2,441,444	23,185
Cash Flow before Extra ordinary items	23,071,013	10,851,036
Extra-ordinary items	-	(22,033,952)
Net cash from operating activities (A)	23,071,013	(11,182,916)
B		
Cash flow from investing activities		
Purchase of Fixed Assets	(368,839)	(7,364,000)
Sale of Fixed Assets	-	94,223,300
(Increase) / decrease in current investments	-	(12,500,200)
Profit on Sale of investment	-	-
Loans / deposits with subsidiaries	(2,835,955)	(53,628,941)
Share Application Money Paid to subsidiaries Co.	(17,500,000)	-
Interest and dividend received	54,202	173,149
Net cash used in investing activities (B)	(20,650,592)	20,903,308
C		
Cash flow from financing activities		
Proceeds from issue of share capital	-	-
Repayment of long term borrowings	(2,109,657)	4,712,671
Proceeds from long term borrowings	-	(7,000,000)
Repayment from short term borrowings	-	-
Interest paid	(385,891)	(851,923)
Dividend paid	-	(5,530,350)
Corporate dividend tax	-	(918,522)
Net cash used in financing activities (C)	(2,495,548)	(9,588,124)
Net Increase in cash and cash equivalents (A+B+C)	(75,127)	132,268
Cash and cash equivalents at the beginning of the year	581,697	449,429
Cash and cash equivalents at the end of the year	506,570	581,697

Notes:

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

For : Sandeep Ramesh Gupta & Co.
Chartered Accountants
(Membership No. 90039)

For and on behalf of the Board

Sd/-
Sandeep Gupta
(Proprietor)

Sd/-
Raghunandan Prasad
(Director)

Sd/-
P.S.Prasad
(Managing Director)

Sd/-
Deepti Grover
(Company Secretary)

Place : New Delhi
Date : 29/08/2012

Regarding Financial Details of Subsidiary Companies for the year ended on 30th June 2012

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 2012	March 31st 2012	June 30th 2012	June 30th 2012	June 30th 2012	June 30th 2012
2	Share Capital	75000000.00	25000000.00	15002000.00	500000.00	777700.00	20000000.00
3	Reserve & Surplus	13875785.77	60279204.04	141930258.64	1269443.79	61724352.12	4061710.33
4	Total Assets	257387885.05	90826608.42	214937133.13	2015614.79	301201883.24	24159887.33
5	Total Liabilities	257387885.05	90826608.42	214937133.13	2015614.79	301201883.24	24159887.33
6	Details of Investment (except in case of investment in subsidiaries)	Nil	Nil	Nil	Nil	8616963.00	14750000.00
7	Turnover (incl. other income)	183825893.62	84195302.90	127149836.83	Nil	0.00	5024239.73
8	Profit before Tax (After Dep)	4690170.19	187506.53	-10929744.29	(1782.00)	-39607.20	649400.66
9	Provision for Current & Deferred Tax	139289.00	13130.00	438674.00	Nil	0.00	103878.00
10	Profit After Tax	4550881.19	174376.53	11368418.29	-1782.00	-39607.20	545522.66
11	Proposed Dividend	0.00	0.00	0.00	0.00	0.00	0.00

Consolidated as on 30th June, 2012

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 Fifth Annual General Meeting on Monday, the 31st day of December, 2012, 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.

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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 Fifth Annual General Meeting to be held on Monday, the 31st day of December, 2012, at 9:30 A.M. at 13/24, Village Daulatpur, New Delhi-110 043 and at any adjournment thereof.

Signed this -----day of -----2012

Folio No.
DP ID No.*
Client ID No.*

Affix
₹ 1
Revenue
Stamp

Signature: _____

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

To, _____

If undelivered, please return to

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

✓✓