

Sixth **ANNUAL REPORT 1999-2000**

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TRC Financial Services Ltd.

BOARD OF DIRECTORS

T. R. Chadha - Chairman

Prem Nath Anand

Anuj Anand

Harsukh B. Gohel

Manu Chadha, Whole Time Director

Sumant Chadha, Whole Time Director

Deepak Virmani

(Alternate to Prem Nath Anand)

Ajesh Tuli

(Alternate to Anuj Anand)

FINANCIAL CONTROLLER & COMPANY SECRETARY

Bharat Bhushan Batra

AUDITORS

Johar & Kathpalia

Chartered Accountants

405, South-Ex Plaza-II

South Extension II

New Delhi - 110 049

BANKERS

*Central Bank of India,
Green Park, New Delhi*

*Canara Bank,
SDA Commercial Complex, New Delhi.*

*Citi Bank N.A.,
Connaught Place, New Delhi.*

REGISTERED OFFICE

*C-11, SDA Commercial Complex,
New Delhi - 110 016.*

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NOTICE

Notice is hereby given that the Sixth Annual General Meeting of the Members of TRC Financial Services Limited will be held on Friday, the 29th day of September, 2000 at 11.00 a.m. at ARJUN FARMS, (Khasra No. 11/16), Village Pindwala Khurd, Jhatikra Road, New Delhi-110 071, to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2000 and the Profit & Loss Account for the year ended on that date and the Reports of the Board of Directors' & Auditors thereon.
2. To appoint a Director in place of Mr. Prem Nath Anand, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. H.B. Gohel who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

"RESOLVED THAT M/s. Johar & Kathpalia, Chartered Accountants, New Delhi, be and are hereby re-appointed as Auditors of the company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting at a remuneration mutually agreed between the Board of Directors of the Company and the Auditors."

SPECIAL BUSINESS :**Item No. 5**

To consider and if thought fit to pass with or without modification(s) the following resolution as a Special

Resolution.

"RESOLVED THAT the following clause No. III (A) 2 to (A) 5 be added to the Main Objects in the Memorandum of Association of the company."

III(A)(2) To carry on the business of production and distribution of programmes, serials, documentary and feature films for Television, Radio and other media including the silver screen, whether electronic or otherwise including internet, cable, or by and other means, for the purpose of entertainment business and to act as event managers, professional, organisers, right holders for all kinds of events, shows, plays, movies, concerts, operas, functions, celebrations, road shows, launch and pre-launch shows and previews, dance dramas, competitions of all kinds, TV shows and any other events, whether live or on recorded media.

III(A)(3) To carry on the business of manufacturers, dealers, importers, exporters and designers of all types of electronics equipment, appliances, instruments and apparatus for generating, transmitting, receiving, recording, reducing, storing, retrieving, amplifying, computing and otherwise service providers of internet, intranet, e-commerce, banking, electronics shopping, secured server, satellite connection data/ internet gateways, e-mail, voice-mail, video conferencing, closed users group domestic/ international data network via satellite systems, online credit card verification, unified messaging, internet via wireless and satellite, satellite service, board band multimedia, internet entertainment service, VSAT, Ku & C Band, Sat service and allied telecom services or by and other means for the purpose of entertainment business and research.

III(A)(4) To carry on the business of software development, web designing, internet, manpower resourcing, database management, data entry, call centres, to

run internet computer training centre, processing centres, computer coaching classes and all types of management and other consultancy, computer internet consultancy, software consultancy and all other allied activities connected with the above businesses including exports and imports of software, setting up of software technology park and technology related businesses.

III(A)(5) To manufacture, develop, buy, sell, trade, import, export, put-up, install, let on hire, repair, distribute or otherwise deal in computers, hardwares, software system designing, data processing, internet & internet connections, internet equipments and services, electronic communication equipments, electronic data processing equipments, their peripherals and allied products, such as modems, plotters, digitizers scanners, mouse, key board, power supply systems, card sets, connectors, cables, components, accessories and consumables of all kinds, nature, description.

Item No. 6

To consider and if thought fit to pass with or without modification(s) the following resolution as a Special Resolution.

"RESOLVED THAT subject to the provisions of Section 81, 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 and the Memorandum and Articles of Association of the Company, regulations/guidelines prescribed by the Securities and Exchange Board of India (SEBI) or any other relevant authority and subject to such approvals or consents of such authorities as may be necessary and subject also to such conditions or modifications as may be prescribed by any of them in granting any such approval or consent which may be agreed to by the Board of Directors (hereinafter referred to as "the Board"), the consent of the Company be and is hereby accorded to the Board for the issue and allotment, through prospectus and/or letter of offer and/or on private

placement basis to individuals, firms, Indian Financial Institutions, Indian/Foreign Mutual Funds, India Funds, Domestic Corporate Bodies, Foreign Institutional Investors, Non-Resident Indians, Overseas Body Corporates (whether shareholders or not) of Equity Shares of the face value of Rs. 10/- each, subject to maximum of Rs. 200 lakhs at such premium, if any, as may be fixed on the said Equity Shares and/or Preference Shares bearing such coupon rate of Dividend whether cumulative or not, redeemable or convertible whether such issues and allotment to be made in one or more tranches, at such time, at such price and on such terms and conditions as to redemption period in case of Preference Shares, manner of redemption and at discount or premium to redemption and any other matter related to or incidental as the Board may in its absolute discretion deem fit."

Item No. 7

To consider and, if thought fit, to pass, with or without modification(s) the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to Section 31 and all other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be altered as follows :

Insert the following Article as Article 50A after Article 50:

50A – DEMATERIALISATION OF SECURITIES

Definitions

1. For the purpose of this Article:

"Beneficial Owner" means a person or person's whose name is recorded as such with a depository;

"SEBI" means the Securities & Exchange Board of India;

"Depository" means a company formed and registered under the Companies Act, 1956

and which has been granted a certificate of registration to act as a depository under the Securities & Exchange Board of India Act, 1992;

"Security" means such security as may be specified by SEBI from time to time and

Depository Act, 1996 includes any statutory modification or re-enactment thereof for the time being in force.

Dematerialisation of Securities

2. Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form pursuant to the Depositories Act, 1996.

Options for investors

3. Every person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold the securities with a depository. Such a person who is the beneficial owner of the securities can any time opt out of a depository, if permitted by the law, in respect of any security in the manner provided by the Depositories Act, and the company shall in the manner and within the time prescribed, issue to the beneficial owner the required Certificates of Securities.

If a person opts to hold his security with a depository, the Company shall intimate such depository the details of allotment of the security, and on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the security.

Securities in depositories to be in fungible form

4. All securities held by a depository shall be dematerialised and be Depositories in fungible form. Nothing contained in Sections

153, 153A, 153B, 187B, 187C and 372 of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.

Rights of depositories And beneficial owners

- 5.(a) Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owner.

- (b) Save as otherwise provided in (a) above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.

- (c) Every person, holding securities of the Company and whose name is entered as the beneficial owner in records of the depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a depository.

Service of documents

6. Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the company by means of electronic mode or by delivery of floppies and discs.

Transfer of Securities

7. Nothing contained in Section 108 of the Act or these Articles shall apply to a transfer of securities effected by a transferor and the transferee both of whom are entered as beneficial owners in the records of a depository.

Allotment of Securities dealt within a depository

8. Notwithstanding anything in the Act or these Articles, where securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.

Register and Index of Beneficial owners

10. The Register and Index of beneficial owners maintained by a depository under the Depositories Act, 1996, shall be deemed to be the Register and Index of members and Security holders for the purposes of these Articles.

Distinctive number of Securities held in a depository

9. Nothing contained in the Act or these Articles, regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held with a depository.

By Order of the Board
For TRC FINANCIAL SERVICES LIMITED

Place : New Delhi
Date : 29.07.2000

(B.B. BATRA)
Company Secretary

Notes :

1. The explanatory statement as required by Section 173(2) of the Companies Act, 1956 in respect of Special Business is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL IN HIS/HER STEAD. A PROXY 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 COMMENCEMENT OF THE MEETING.
3. The Register of Members and Share Transfer Books of the Company shall remain closed from 15.09.2000 to 29.09.2000 (both days inclusive).
4. Members are requested to bring their copies of the Annual Report to the meeting, since additional copies will not be available.

EXPLANATORY STATEMENT AS REQUIRED BY SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No. 5

In the last 4 years, the company has witnessed significant adverse developments affecting the entire NBFC Sector coupled with recessionary economic conditions, which has taken its toll on the NBFCs in the country. The profitability in the NBFC Sector continued to be under strain due to decrease in the spread, high delinquency level and slow down of business.

plans to improve the networth through issue of equity/preference shares not exceeding Rs. 200 lakhs.

The Directors of the company will be concerned or interested to the extent the allotment is made to them, their relatives or to a sister concern or a company under the same management, if any.

The company is exploring the possibility of diversifying its area of operations in line with the present scenario subject to and within technical and financial constraints. The company is looking into the possibilities of entering into Software/Media segment of business, including through tie-up or franchise. Accordingly the Main Objects of the Memorandum of Association are sought to be amended.

Your directors recommend the adoption of the resolution.

Item No. 7

None of the Director(s) is concerned or interested in this resolution. Your Directors recommend adoption of the resolution.

With the introduction of the Depositories Act, 1996, and the Depository System, some of the provisions of the Companies Act, 1956, (the Act) relating to the issue, holding, transfer, transmission of shares and other securities have been amended to facilitate the implementation of the new system. The Depository System of holding Securities in an electronic form is a far safer and more convenient method of holding and trading in the Securities of a company and it is, therefore, proposed that the Company's Articles of Association be suitably altered, as set out in Resolution No. 7 to enable it to dematerialise its Securities and to spell out the rights of the beneficial owner of the Securities in such a system.

Item No. 6

In the last 3 years, the networth of the company has been depleted to a certain extent due to losses suffered by the company. Therefore, the company