

**EIGHTH  
ANNUAL REPORT  
2001-2002**

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**TRC FINANCIAL SERVICES LIMITED**

**TRC FINANCIAL SERVICES LIMITED***EIGHTH ANNUAL REPORT 2001-2002***BOARD OF DIRECTORS**

T. R. Chadha	<i>Chairman</i>
P. N. Anand	
Anuj Anand	
Harsukh B. Gohel	
Manu Chadha	
Sumant Chadha	
Deepak Virmani	<i>(Alternate to Prem Nath Anand)</i>
Ajesh Tuli	<i>(Alternate to Anuj Anand)</i>

**FINANCIAL CONTROLLER  
& COMPANY SECRETARY**

Bharat Bhushan Batra

**AUDITORS**

Johar & Kathpalia  
Chartered Accountants  
405, South-Ex Plaza-II  
South Extension II  
New Delhi-110049

**BANKERS**

Central Bank of India  
Green Park, New Delhi

Canara Bank  
SDA Commercial Complex, New Delhi

**REGISTERED OFFICE**

C-11, SDA Commercial Complex  
New Delhi-110016

**The Company is listed on the following Stock Exchanges :**

1. The Delhi Stock Exchange Association Ltd., DSE House, 3/1, Asaf Ali Road, **New Delhi-110 002.**
2. The Stock Exchange, Phiroze Jeejeebhoy Tower, Dalal Street, **Mumbai-400 001.**
3. The Jaipur Stock Exchange Limited, New Building, Jawahar Lal Nehru Marg, Near Railway Pulia, **Malviya Nagar, Jaipur.**

The Listing Fees for all the above Stock Exchanges has been paid upto 2002-2003.

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**NOTICE**

Notice is hereby given that the Eighth Annual General Meeting of the Members of TRC Financial Services Limited will be held on Monday, the 30<sup>th</sup> September, 2002 at 10.30 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 2002 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. Manu Chadha, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. Sumant Chadha, 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 an Ordinary Resolution.  
"RESOLVED THAT in accordance with the provisions of Section 198, 269, 386, 387 and 388 read with schedule XIII and other applicable provisions of the Companies Act, 1956 (including any statutory modification or reenactment thereof for the time being in force,) the consent of the company be and is hereby given to the appointment of Mr. Ashwani Gupta as Manager in terms of Section 2(24) of the Companies Act, 1956 w.e.f. 15.09.2001 to 14.09.2003 on the following terms and conditions:

Basic Salary	:	Rs. 8,000.00 per month
House Rent Allowance	:	Rs. 3,500.00 per month
Medical Reimbursement	:	Rs. 1,200.00 per month
Conveyance Allowance	:	Rs. 800.00 per month
		<u>Rs.13,500.00 per month</u>

Expenses incurred in discharge of his duties shall also be reimbursed to him. These terms and conditions are in compliance to the norms laid down under Section II, Part II of Schedule XIII of the Companies Act, 1956."

By Order of the Board  
For **TRC FINANCIAL SERVICES LIMITED**

(B.B.BATRA)

Company Secretary

Place : New Delhi

Date : 29.07.2002

**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 Monday, the 23rd day of September, 2002 to Monday, the 30th day of September, 2002 (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**

Mr. Ashwani Gupta who occupies the position of a Manager under Section 2 (24) of the Companies Act, 1956, subject to superintendence, control and direction of the Board of Directors, has the management of the whole or substantially the whole, of the affairs of the Company. He was appointed by the Board of Directors in their meeting held on 14<sup>th</sup> September, 2001 and has been extended by one year by the Board in their meeting held on 29.07.2002. Mr. Ashwani Gupta is a Chartered Accountant by profession and has an experience of over 7 years. His appointment has been made in compliance with Section 269 of the Companies Act, 1956.

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

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**DIRECTORS' REPORT**

To The Members of  
TRC Financial Services Limited

Your Directors' have pleasure in submitting the Eighth Annual Report of your company together with the audited Statement of Accounts for the year ended 31st March, 2002.

**FINANCIAL RESULTS**

The financial results of the company for the year ended 31st March, 2002 compared to the previous year are summarised below:

	(Rs. in lakhs)	
	Year Ended 31.03.2002	Year Ended 31.03.2001
Total Income	87.35	125.57
Profit before interest & depreciation	55.51	89.97
Interest	1.77	19.96
Profit after interest but before depreciation	53.74	70.01
Depreciation/Lease Equalisation/Lease Termination	51.22	74.22
Preliminary, Share Issue & Deferred Revenue Expenditure written off	2.26	2.26
Profit/(Loss) Before Tax	0.26	(6.47)
Provision for Tax	0.02	(-)0.83
Profit/(Loss) After Tax	0.24	(5.64)

**OPERATIONS**

The profitability of the company continued to be under strain due to decrease in spreads, high delinquency levels and slow down in disbursements. Further, the defaults have taken their toll by reducing the available balance for circulation in business. The entire focus of the company is at present on recoveries of its lease, hire and loan instalments.

During the year the company achieved a cash profit of Rs. 53.74 lakhs, as against Rs. 70.01 lakhs in the previous year with a net profit of Rs. 0.24 lakhs, as against a loss of Rs. 5.64 lakhs in the earlier year.

The company was well placed in respect of capital adequacy ratio at 127%, compared to the RBI norm of 15%.

**DIVIDEND**

Due to insufficient profit for the year under review, the Board of Directors do not recommend declaration of any dividend for the year ended 31.03.2002.

**RESOURCES****Public Deposits**

During the year the company has neither accepted nor renewed any deposit. As on 31.03.2002, the outstanding public deposits amounted to Rs. 0.10 lakh.

There were no overdue or unclaimed deposits during and/or at the end of the year.

**CREDIT RATING**

The Reserve Bank of India has classified the company as an "Equipment Leasing and Hire Purchase Finance Company". Therefore, no rating is required for accepting public deposits upto 1.5 times of the Net Owned Funds.

**AUDIT COMMITTEE**

Pursuant to the changes made in the Companies (Amendment) Act, 2000, an Audit Committee has been constituted, consisting of the following directors of the company:

Mr. Deepak Virmani

Mr. Sumant Chadha

Mr. Ajesh Tuli

Mr. Deepak Virmani, Chartered Accountant has been elected Chairman of the Audit Committee.

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**DIRECTORS**

Mr. Manu Chadha and Mr. Sumant Chadha, the Directors of the Company retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

**DEMATERIALISATION OF SHARES**

The company has entered into an agreement with the National Securities Depository Limited (NSDL) and with the Central Depository Services (India) Limited (CDSL) for dematerialisation of its equity shares. As on 16.07.2002, 956980 equity shares have been dematerialised which is 19.13% of the total equity capital.

**CORPORATE GOVERNANCE**

The provisions of Clause 49 of the Listing Agreement regarding Corporate Governance are to be incorporated by the company by March 2003. Your company and its Board has taken adequate steps towards its implementation as it is committed to achieve the highest standards of the Corporate Governance.

**AUDITORS**

M/s. Johar & Kathpalia, Chartered Accountants retire and being eligible, offer themselves for re-appointment.

**PARTICULARS ON ENERGY CONSERVATION, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNING AND OUTGO**

Information to be given pursuant to Section 217 (1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars) Rules, 1988 to the extent applicable, is given below:

**Foreign Exchange Earnings and Outgo:**

Foreign Exchange earnings	:	Nil
Foreign Exchange outgo	:	Nil

**PARTICULARS OF EMPLOYEES**

There is no employee covered under the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended.

**DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors confirm:

1. That in the preparation of annual accounts, the applicable accounting standards have been followed.
2. That the Directors have selected such accounting policies and have applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period.
3. That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
4. That the Directors have prepared the annual accounts on a going concern basis.

**ACKNOWLEDGMENTS**

Your Directors' place on record their deep appreciation to the Bankers, Shareholders, Fixed Deposit holders and Customers for their co-operation and support and to the staff members for their contribution towards the performance of the company.

For and on behalf of the Board

Place : New Delhi  
Date : 29.07.2002

(T.R.CHADHA)  
Chairman