

**FOURTEENTH
ANNUAL REPORT
2007-2008**

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TRC Financial Services Limited

TRC FINANCIAL SERVICES LIMITED

FOURTEENTH ANNUAL REPORT 2007-2008

BOARD OF DIRECTORS

Manu Chadha

Chairman

Sumant Chadha

P.C. Seth

Ashwani Tiwari

Suresh Chander Kapur

Ajay Dilkush Sarupriya

Vijay Mario Sebastian Misquitta

Dr. Bhupendra S. Avasthi

COMPANY SECRETARY

Pankaj Dixit

AUDITORS

Johar & Kathpalia

Chartered Accountants

J-92, (2nd Floor) Saket

New Delhi-110017

BANKERS

HDFC Bank Limited

Connaught Place, New Delhi

REGISTERED OFFICE

A-45, Radial Road,

Inner Circle, Connaught Place

New Delhi-110001

STOCK EXCHANGE LISTING

Mumbai Stock Exchange

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NOTICE

Notice is hereby given that the Fourteenth Annual General Meeting of the Members of TRC Financial Services Limited will be held on Tuesday, the 16th December, 2008 at 11.00 A.M. at ARJUN FARMS, (Khasra No.11/16) Village Pindwala Khurd, Jhatikra Road, New Delhi-110071, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March 2008 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 a Director in place of Mr. Suresh Chander Kapur, who retires by rotation and being eligible offers himself for re-appointment.
5. 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 BY ORDINARY RESOLUTION:

6. To consider if thought fit, to pass with or without modification(s) if any, the following Ordinary Resolution:
RESOLVED THAT Mr. Ajay Dilkush Sarupria who was appointed as Additional Director by the Board to hold office upto the date of this Annual General Meeting, and in respect of whom a notice under section 257 of the Companies Act, 1956 have been received from a member signifying his intention to propose, Mr. Ajay Dilkush Sarupria as a candidate for the office of the Director be and is hereby elected and appointed as Director of the Company, liable to retire by rotation.
7. To consider if thought fit, to pass with or without modification(s) if any, the following Ordinary Resolution:
RESOLVED THAT Mr. Vijay Mario Sebastian Misquitta who was appointed as Additional Director by the Board to hold office upto the date of this Annual General Meeting, and in respect of whom a notice under section 257 of the Companies Act, 1956 have been received from a member signifying his intention to propose, Mr. Vijay Mario Sebastian Misquitta as a candidate for the office of the Director be and is hereby elected and appointed as Director of the Company, liable to retire by rotation.
8. To consider if thought fit, to pass with or without modification(s) if any, the following Ordinary Resolution:
RESOLVED THAT Dr. Bhupendra S. Avasthi who was appointed as Additional Director by the Board to hold office upto the date of this Annual General Meeting, and in respect of whom a notice under section 257 of the Companies Act, 1956 have been received from a member signifying his intention to propose, Dr. Bhupendra S Avasthi as a candidate for the office of the Director be and is hereby elected and appointed as Director of the Company, liable to retire by rotation.
9. To consider if thought fit, to pass with or without modification(s) if any, the following 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

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modification or enactment thereof for the time being in force,) the consent of the Company be and is hereby accorded to the appointment of Mr. Vikas Kumar Gupta and has given his consent to act as Manager in terms of section 2(24) of the Companies Act, 1956 for a period of 1 (One) year w.e.f 11.07.2008 on honorary basis. There being no remuneration to be paid to Mr. Vikas Kumar Gupta. Expenses incurred in discharge of his duties shall however be reimbursed to him. These terms and conditions are in compliance to the norms laid down under Schedule XIII of the Companies Act, 1956.

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

Place: New Delhi

Date : 15.11.2008

sd/-
(SUMANT CHADHA)
Director

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 9th December to 16th December, 2008 (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.

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EXPLANATORY STATEMENT AS REQUIRED BY SECTION 173(2) OF THE COMPANIES ACT, 1956**Item No.6**

To broad base the Board of directors and to comply with the requirement of Clause 49 of the listing agreement Mr. Ajay Dilkush Sarupria, was appointed by the Board as an Additional Director in the category of promoter director of the Company w.e.f. 15th November, 2008 to hold office till the date of the ensuing Annual General Meeting.

The Company have received a notice u/s 257 of the Companies Act, 1956 from a member proposing his appointment for the office of the Director of the Company. Mr. Ajay Dilkush Sarupria is having through experience in the field of Finance & Taxation and holding promoters' stake in the Company through open offer in October, 2008 by complying SEBI (Substantial Acquisition of Shares and Takeover) Regulation, 1997.

The Board recommended for the appointment of Mr. Ajay Dilkush Sarupria and proposes to pass the resolutions as set out in item No.6 of the Notice as an Ordinary Resolution.

Except, Mr. Ajay Dilkush Sarupria, none of the directors of the Company are interested or concerned in the resolution.

Item No.7

To broad base the Board of directors and to comply with the requirement of Clause 49 of the listing agreement Mr. Vijay Mario Sebastian Misquitta, was appointed by the Board as an Additional Director in the category of promoter director of the Company w.e.f. 15th November, 2008 to hold office till the date of the ensuing Annual General Meeting.

The Company have received a notice u/s 257 of the Companies Act, 1956 from a member proposing his appointment for the office of the Director of the Company. Mr. Vijay Mario Sebastian Misquitta is having through experience in the field of Finance & Management and holding promoters' stake in the Company through open offer in October, 2008 by complying SEBI (Substantial Acquisition of Shares and Takeover) Regulation, 1997.

The Board recommended for the appointment of Mr. Vijay Mario Sebastian Misquitta and proposes to pass the resolutions as set out in item No.7 of the Notice as an Ordinary Resolution.

Except, Mr. Vijay Mario Sebastian Misquitta, none of the directors of the Company are interested or concerned in the resolution.

Item No.8

To broad base the Board of directors and to comply with the requirement of Clause 49 of the listing agreement Dr. Bhupendra S. Avasthi, was appointed by the Board as an Additional Director in the category of non-executive independent director of the Company w.e.f. 15th November, 2008 to hold office till the date of the ensuing Annual General Meeting.

The Company have received a notice u/s 257 of the Companies Act, 1956 from a member proposing his appointment for the office of the Director of the Company. Dr. Bhupendra S. Avasthi is having through experience in the field of in the field of pediatrics for more than 25 years.

The Board recommended for the appointment of Dr. Bhupendra S. Avasthi and proposes to pass the resolutions as set out in item No.8 of the Notice as an Ordinary Resolution.

Except, Dr. Bhupendra S. Avasthi, none of the directors of the Company are interested or concerned in the resolution.

Item No.9

Mr. Vikas Kumar 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

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of the whole or substantially the whole, of the affairs of the Company. He was appointed by the Board of Directors by resolution by circulation and further Meeting held on 31.07.2008. Mr. Vikas Kumar Gupta is a B.Com. and having more than 10 year's experience in accounts and finance of different industries. His appointment has been made in compliance with section 269 of the Companies Act, 1956.

Your Directors recommend adoption of the resolution.

Memorandum of Interest

None of the Director(s) is concerned or interested in the resolution.

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

Place: New Delhi
Date : 15.11.2008

sd/-
(SUMANT CHADHA)
Director

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DIRECTORS' REPORT

To The Members of
TRC Financial Services Limited

Your Directors have pleasure in submitting the Fourteenth Annual Report of your company together with the audited Statement of Accounts for the year ended 31st March, 2008.

FINANCIAL RESULTS

The financial results of the company for the year ended 31st March, 2008 compared to the previous year are summarised below:

(Rs. in lakhs)

Particulars	Year Ended 31.03.2008	Year Ended 31.03.2007
Total Income	24.95	18.00
Profit (Loss) before interest & depreciation	15.46	8.29
Interest	—	—
Profit (Loss) after interest but before depreciation	15.46	8.29
Loss on Sale of Investments	—	—
Bad Debts Written off	0.00	0.21
Owned Assets sold/written off	—	—
Depreciation/Lease Equalisation/Lease Termination	6.44	8.75
Preliminary, Share Issue & Deferred Revenue Expenditure written off	—	—
Profit (Loss) Before Tax	9.02	(0.46)
Provision for Tax	0.29	0.52
Profit (Loss) After Tax	8.73	(0.97)

OPERATIONS

The operations of the company had been considerably reduced due to poor performance of the NBFC sector in general and of the company in particular. However, steps to consolidate operations, recovery, delinquency debt etc. have yielded good results.

The company is now only doing Loan financing activities.

DIVIDEND

Due to inadequate profit during the year under review and with purpose to retain profit for strengthening capital base of the company, the Board of Directors do not recommend declaration of any dividend for the year ended 31.03.2008.

PUBLIC DEPOSITS

During the year the company has neither accepted nor renewed any deposit. As on 31.03.2008, the outstanding public deposits amounted to Rs NIL. Further the company has resolved not to accept public deposits in future.

RBI CLASSIFICATION

The Reserve Bank of India has classified the company as "Category 'B' Non-Banking Finance Company".

CORPORATE GOVERNANCE

Your Company and its' Board, have taken adequate steps towards implementation of the provisions of Clause 49 of the listing agreement and it is committed to achieve the highest standards of the Corporate Governance.

For the matters concerning Corporate Governance, you are requested to refer to the separate segment on the same, forming part of the Annual Report.

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DIRECTORS

Mr. Ajay Dilkush Sarupria, Mr. Vijay Mario Sebastian Misquitta and Dr. Bhupendra S. Avasthi are appointed by the Board as Additional Director w.e.f. 15th November, 2008 to hold office till the date of the ensuing Annual General Meeting. Mr. Ajay Dilkush Sarupria and Mr. Vijay Mario Sebastian Misquitta have acquired promoters' stake in the Company through open offer in October, 2008 by complying SEBI (Substantial Acquisition of Shares and Takeover) Regulation, 1997. Dr. Bhupendra S. Avasthi is appointed by the board as non-executive independent director of the Company. The Company has received notices u/s 257 of the Companies Act, 1956 from members proposing appointment of Mr. Ajay Dilkush Sarupria, Mr. Vijay Mario Sebastian Misquitta and Dr. Bhupendra S. Avasthi respectively for the office of the Director of the Company. Mr. Manu Chadha, Mr. Sumant Chadha and Mr. Suresh Chander Kapur, 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 appointed M/s Alankit Assignments Limited as a common agency for both physical and Demat mode as per SEBI circular no. D&CC/F/TTC/Cir-15/2002 dated December 27, 2002. As on 30-06-08, 45, 25,685 equity shares have been dematerialised, which is 90.50% of the total equity capital. As on 30-09-08, 45, 59,285 equity shares have been dematerialised, which is 91.17% of the total equity capital.

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 confirms:

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 judgments 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 loss 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 and Customers for their co-operation and support and to the staff members for their contribution towards the performance of the company.

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

Place: New Delhi
Date : 15.11.2008

sd/-
(**SUMANT CHADHA**)
Director

TRC FINANCIAL SERVICES LIMITED

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REPORT ON CORPORATE GOVERNANCE**1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE**

This Report on Corporate Governance forms part of the Directors Report. This section, besides being in compliance with the mandatory requirement of the listing agreement, gives an insight into the process of the Company's Philosophy on code of governance.

The company believes in values of Transparency, Professionalism and Accountability in its dealings with its Employees, Shareholders, Government and Clients. The company is committed to achieving the high standards of Corporate Governance.

**2. BOARD OF DIRECTORS
CATEGORY OF DIRECTORS**

The Board consists of eight directors and all are non-executive directors. Out of eight directors six directors are independent directors i.e. 75%. During the financial year the Board consists of five directors and all are non-executive directors. Out of five directors three directors are independent directors i.e. 60%.

In the financial year 2007-2008, the Board met four times on 30/05/07, 31/07/07, 27/10/07 and 28/01/08 with clearly defined agenda, circulated well in advance before each meeting.

Attendance record of the participating Directors for the year ended 31.03.2008 are as follows:

Name of Director	Attendance at the Board Meetings	Attendance at previous AGM on 28-09-2007	No. of outside Director -ship held	No. of membership in other Board Committees	No. of Chairmanship of such Committees	Category
Mr. Manu Chadha	3	Present	7	3	1	Chairman Non Executive
Mr. Sumant Chadha	4	Present	2	Nil	Nil	Non Executive
Mr. P. C. Seth	4	Not Present	Nil	Nil	Nil	Non Executive & independent
Mr. Ashwani Kumar Tewari	3	Not Present	Nil	Nil	Nil	Non Executive & independent
Mr. Suresh Chander Kapur	1	Not Present	Nil	Nil	Nil	Non Executive & independent

3. During the financial year 2007-2008, no commission was paid to any director of the company.
4. All the Non Executive Directors hold Directorships within the limit of 15 as prescribed under the Companies Act, 1956. They are also holding membership/chairmanship in committees of various companies within the limits stipulated under the Clause 49 of the Listing Agreement.

Mr. Manu Chadha, Mr. Sumant Chadha and Mr. Suresh Chander Kapur, the Directors of the Company retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. Mr. Ajay Dilkush Sarupria, Mr. Vijay Mario Sebastian Misquitta and Dr. Bhupendra S. Avasthi are appointed by the Board as Additional Director w.e.f. 15th November, 2008 to hold office till the date of the ensuing Annual General Meeting. Mr. Ajay Dilkush Sarupria and Mr. Vijay Mario Sebastian Misquitta have acquired promoters' stake in the Company through open offer in October, 2008 by complying SEBI (Substantial Acquisition of Shares and Takeover) Regulation, 1997. Dr. Bhupendra S. Avasthi is appointed by the board as non-executive independent director of the Company. The Company has received notices u/s 257 of the Companies Act, 1956 from members proposing appointment of Mr. Ajay Dilkush Sarupria, Mr. Vijay Mario Sebastian Misquitta and Dr. Bhupendra S. Avasthi respectively for the office of the Director of the Company. Their brief resumes are as follows :