

FIFTEENTH ANNUAL REPORT 2008- 2009

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TRC Financial Services Ltd.

TRC FINANCIAL SERVICES LIMITED

FIFTEENTH ANNUAL REPORT 2008-2009.

BOARD OF DIRECTORS

Ajay Sarupriya
 Vijay Mario Sebastian Misquitta
 Harshad Dholakia
 Bhupendra Avasthi
 Bhayesh Bhatt

AUDITORS

Johar & Kathpalia
 Chartered Accountants
 J-92, (2nd Floor) Saket
 New Delhi 110017.

BANKERS

HDFC Bank Limited
 Corporation Bank
 Central Bank of India
 UTI Bank
 Lord Krishna Bank
 ICICI Bank
 Bank of India

REGISTERED OFFICE

A-45, Radial Road,
 Connaught Place,
 New Delhi 110001.

STOCK EXCHANGE LISTING

Bombay Stock Exchange

COMPLIANCE OFFICER

Mr. Vijay Mario Sebastian Misquitta

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NOTICE

Notice is hereby given that the Fifteenth Annual General Meeting of the Members of TRC Financial Services Limited will be held on Wednesday, the 30th September 2009 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 2009 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. Ajay Sarupria, who retires by rotation and being eligible offers himself for re-appointment.
- 3 To appoint a Director in place of Mr. Bhupendra Avasthi, 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 remuneration, mutually agreed between the Board of Directors of the Company and the Auditors."

SPECIAL BUSINESS

- 5) To consider and if thought fit to pass, with or without modifications, the following resolution as an Ordinary resolution:

"RESOLVED THAT Mr. Harshad Dhalokia who was appointed as an additional director in the meeting of the Board of Directors of the company held on 30th January 2009 and who holds office as such up to the date of the Annual General Meeting and in respect of whom notices under Section 257 of the Companies Act, 1956 have been received from members signifying their intention to propose Mr. Harshad Dhalokia as a candidate for the office of the Director of the Company be and is hereby appointed as the Director of the company and he shall be liable to retire by rotation."

- 7) To consider and if thought fit to pass, with or without modifications, the following resolution as an Ordinary resolution:

"RESOLVED THAT Mr. Bhavesh Bhatt who was appointed as an additional director in the meeting of the Board of Directors of the company held on 30th January 2009 and who holds office as such up to the date of the Annual General Meeting and in respect of whom notices under Section 257 of the Companies Act, 1956 have been received from members signifying their intention to propose Mr. Bhavesh Bhatt as a candidate for the office of the Director of the Company be and is hereby appointed as the Director of the company and he shall be liable to retire by rotation."

- 8) To consider and pass the following resolution, with or without modifications as Special 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 enactment thereof for the time being in force,) the consent of the Company be and is hereby given to the appointment of Mr. Vijay Mario Sebastian Misquitta and has given his consent to act as Managing Director of the Company in terms of section 2(26) of the Companies Act, 1956 for a period of 1 (One) year w.e.f. 30.01.2009 on honorary basis."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

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"RESOLVED FURTHER THAT any Director of the company be and is hereby authorized to sign and file the relevant papers/documents to the prescribed authorities in this regard."

By Order of the Board
For TRC FINANCIAL SERVICES LIMITED
Sd/-
(VIJAY MARIO SEBASTIAN MISQUITA)
MANAGING DIRECTOR

Place: New Delhi
Date : 26.08.2009

Notes:

1. 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.
2. 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 Thursday 24th September 2009 to Wednesday 30th September 2009 (both days inclusive).
4. Members are requested to notify immediately any change in their address to the company quoting folio no.
5. Members are requested to bring their copies of the Annual Report to the meeting, since additional copies will not be available.
6. As required under the listing agreement, the particulars of directors who are proposed to be appointed are as follows:

1.	Name	Mr. Harshad Dholakia
	Designation	Director
	Status	Non executive Independent Director
	Date of Birth	30-05-1963
	Director in company since	30-01-2009

Other Directorship

Name of the company	Status
Compusys Systems Ltd.	Director

	Name	Mr. Bhavesh Bhatt
	Designation	Director
	Status	Non executive Independent Director
	Date of Birth	10-06-1963
	Director in company since	30-01-2009

Other Directorship

2.	Name of the company	Status
	Compusys Systems Ltd.	Director

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As required under Section 173 (2) of the Companies Act, 1956 the explanatory statement is annexed hereto.

By Order of the Board
For TRC FINANCIAL SERVICES LIMITED

Place: New Delhi
Date: 26.08.2009

Sd/-
(VIJAY MARIO SEBASTIAN MISQUITTA)
MANAGING DIRECTOR

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

Item No. 6 & 7

Mr. Harshad Dholakia & Mr. Bhavesh Bhatt were appointed as an additional director in the meeting of the Board of Directors of the company held on 30th January 2009. Their tenure of office expires at the commencement of the annual general meeting. The company has received notice under Section 257 of the Companies Act, 1956 along with the fee of Rs. 500/- signifying the intention of a member to propose Mr. Harshad Dholakia & Mr. Bhavesh Bhatt as a candidate for the office of the Director of the Company.

Your directors recommend the appointment of Mr. Harshad Dholakia & Mr. Bhavesh Bhatt.

Except Mr. Harshad Dholakia & Mr. Bhavesh Bhatt in their respective resolution of appointment, none of the other directors are interested in the resolution.

Item No. 8

Having regard to the valuable services rendered by Mr. Vijay Mario Sebastian Misquitta to the Company the Board of Directors of the Company has considered having him as a Managing Director of the Company for a period of One year subject to approval of the members and as per the terms and conditions as are given in the aforesaid resolution and as per applicable provisions of the Companies Act, 1956.

Your Directors recommend the appointment of Mr. Vijay Mario Sebastian Misquitta as a Managing Director of the company.

The given resolution to be passed as a Special Resolution

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

By Order of the Board
For TRC FINANCIAL SERVICES LIMITED

Place: New Delhi
Date : 26.08.2009

Sd/-
(VIJAY MARIO SEBASTIAN MISQUITTA)
MANAGING DIRECTOR

TRC FINANCIAL SERVICES LIMITED

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DIRECTORS' REPORT

To The Members of
TRC Financial Services Limited

Your Directors' have pleasure in submitting the Fifteenth Annual Report of your Company together with the Audited Statement of Accounts for the year ended 31st March, 2009.

FINANCIAL RESULTS

The financial results of the company for the year ended 31st March, 2009 compared to the previous year are summarized below:

(Rs. in lakhs)		
Particulars	Year Ended 31.03.2009	Year Ended 31.03.2008
Total Income	17.04	24.95
Profit (Loss) before interest & depreciation	5.86	15.46
Interest	0.00	0.00
Profit (Loss) after interest but before depreciation	5.86	15.46
Depreciation/Lease Equalisation/Lease Termination	1.84	6.44
Profit (Loss) Before Tax	4.02	9.02
Provision for Tax	0.63	0.29
Profit (Loss) After Tax	3.39	8.73

OPERATIONS

Due to Global recessionary phenomenon and the adverse market conditions, the profits of the Company have reduced from 8.73 Lacs to 3.39 Lacs. However your Directors are hopeful that the strategies and Business Plans made by the Management will reap positive yields in the time to come. 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 31.03.2009.

PUBLIC DEPOSITS

During the year the company has neither accepted nor renewed any deposit. As on 31.03.2009, 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

In the view of radical changes in the top management it was decided by the present directors to make way for the new management team, accordingly the following changes were made in the composition of Board of Directors.

Mr. Ajay Sarupriya and Mr. Bhupendra Avasthi, the Directors of the Company retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

Mr. Harshad Dholakia was appointed as additional directors on 30th January 2009 and it is proposed to appoint him as Director of the Company under Section 257 of the Companies Act, 1956 at the ensuing Annual General Meeting.

Mr. Bhavesh Bhatt was appointed as additional director on 30th January 2009 and it is proposed to appoint him as Director of the Company under Section 257 of the Companies Act, 1956 at the ensuing Annual General Meeting.

Mr. Ajesh Tuli was appointed as additional director on 08th December 2008 and he has resigned as an additional director of the company as on 17th December 2008.

Mr. Manu Chadha, Mr. Sumant Chadha, Mr. P. C. Seth, Mr. Ashwani Kumar Tewari & Mr. Suresh Chander Kapur resigned as a director of the company due to pre occupation. The Board of directors sincerely appreciates their advice given by them during their tenure of their office.

DEMATERIALISATION OF SHARES

The company has appointed M/s. Purva Sharegistry Pvt. Ltd. vide resolution dated 15th November 2008 as a common agency for both physical and De-mat mode as per SEBI circular no. D&CC/F/TTC/Cir-15/2002 dated December 27, 2002. As on 31st March 2009, 45,88,485 equity shares have been dematerialised, which is 91.75% 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.

The Company is not engaged in any manufacturing activity and therefore there are no particulars to be disclosed under the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988:

Foreign Exchange Earnings and Outgo:

Foreign Exchange earnings	:	Nil
Foreign Exchange outgo	:	Nil

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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 had selected such accounting policies and 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 profit or 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

Sd/-
(VIJAY MARIO SEBASTIAN MISQUITTA)
MANAGING DIRECTOR

Place: New Delhi
Date : 26.08.2009

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MANAGEMENT DISCUSSION AND ANALYSIS REPORT**Business Outlook & Overview**

While the outlook for the Indian economy continues to remain positive, the growth trajectory is very uncertain. The volatile financial market and the events in the past year globally have dampened the earlier buoyancy and optimism in the economy. The market has seen interest rates going southward and correspondingly interest of deposits and investments rising to very high levels when compared to rates in the past five to six years for a short period of time and then retreating to lower levels. This was on account of global events and availability of funds getting scarce. As we all know the rate of Inflation going into negative territory for the first time in many decades. Your company going forward will focus on investment in such sectors where the downward risk is minimal and the sector is assured of growth in the long term.

Risk Management

Over the years, your Company has achieved an appropriate balance between risk and returns by setting up an efficient risk mitigation system to meet various forms of financial and other risks. The Risk Management Committee, constituted in accordance with the Guidelines on Corporate Governance issued by the Reserve Bank of India, monitors the risk management framework on an ongoing basis with a view to ensuring that risk parameters are within defined limits.

Human Resources

Your Company continues to lay great stress on its most valuable resource - people. Continuous training, both on the job and in an academic setting, is a critical input to ensure that employees at all levels are fully equipped to deliver a wide variety of products and services to the rapidly growing customer base of your Company.

Segment Wise / Product Wise Performance

As the company is only in one line of business. Hence segment wise or product wise disclosure of performance is not required to be made.

Internal Control Systems And Adequacy

As part of the effort to evaluate the effectiveness of the internal control systems, your Company's internal auditor reviews all the control measures on a periodic basis and recommends improvements, wherever appropriate. The Audit Committee regularly reviews the audit findings as well as the adequacy and effectiveness of the internal control measures. Additionally, an Information Security Assurance Service is also provided by independent qualified professionals. Based on their recommendations, the Company has implemented a number of control measures both in operational and accounting related areas, apart from security related measures.

Financial Performance

The company's profit was reduced to Rs. 3.39 Lacs from Rs. 8.73 Lacs during last year.

Resources / Industrial Relations

The company recognizes the importance of Human resource development and the management has taken various initiatives for in-house and external training opportunities covering areas in risk management, research analysis, computer training, development in derivatives market, etc.

The company has an adequate pool of professionally qualified and trained employees and recruitment are made as and when required.

For TRC FINANCIAL SERVICES LIMITED

Sd/-

(VIJAY MARIO SEBASTIAN MISQUITTA)
MANAGING DIRECTORPlace: New Delhi
Date : 26.08.2009