

**SIXTEENTH
ANNUAL REPORT
2009- 2010**



TRC Financial Services Ltd.

TRC FINANCIAL SERVICES LIMITED
SIXTEENTH ANNUAL REPORT 2009-2010.

Board of Directors

Ajay Sarupria
Vijay M. S. Misquitta
Harshad Dholakia
Bhupendra Avasthi
Bhavesh Bhatt

Chairman
Managing Director

Auditors

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

Bankers

HDFC Bank Limited
Central Bank of India
Corporation Bank
ICICI Bank
Bank of India

Registered Office

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

Stock Exchange Listing

Bombay Stock Exchange

Compliance Officer

Mr. Vijay M. S. Misquitta

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NOTICE

Notice is hereby given that the Sixteenth Annual General Meeting of the Members of TRC Financial Services Limited will be held on Thursday, the 30th September 2010 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 2010 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. Harshad Dholakia, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. Bhavesh Bhatt, 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 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 M. S. Misquitta to act as Managing Director of the Company in terms of section 2(26) of the Companies Act, 1956 for a period of 5 (Five) years w.e.f. 30.01.2010 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."

By Order of the Board
For TRC FINANCIAL SERVICES LIMITED

(VIJAY M. S. MISQUITTA)
MANAGING DIRECTOR

Place: New Delhi
Date : 28.08.2010

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 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 Friday 24th September 2010 to Thursday 30th September 2010 (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 copy of the Annual Report to the meeting, since additional copy will not be available.
6. As required under the listing agreement, the particulars of Directors who are proposed to be appointed/ reappointed are as follows:

1.	Name	Mr. Harshad Dholakia	Mr. Vijay M. S. Misquitta
	Designation	Director	Managing Director
	Status	Non executive Independent Director	Executive Promoter
	Date of Birth	30-05-1963	10-05-1963
	Director in Company since	30-01-2009	15-11-2008

Other Directorship

Name of the Company	Compusys Systems Ltd	Online Management Services Pvt. Ltd.
		MVS Business Solution Pvt. Ltd.
		Online Support & Services Pvt. Ltd.

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

7. 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: 28.08.2010

(VIJAY M. S. MISQUITTA)
MANAGING DIRECTOR

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

Item No. 5

Having regard to the valuable services rendered by Mr. Vijay M. S. Misquitta to the Company, the Board of Directors of the Company had appointed him as a Managing Director of the Company for a period of Five years w.e.f. 30.01.2010, 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. Mr. Vijay M. S. Misquitta has even his consent to act as Managing Director.

Seek your approval for the aforesaid appointment of Mr. Vijay M. S. Misquitta as a Managing Director of the Company.

The given resolution to be passed as a Special Resolution

Except Mr. Vijay M. S. Misquitta, none of the other directors are interested in the resolution.

By Order of the Board
For TRC FINANCIAL SERVICES LIMITED

(VIJAY M. S. MISQUITTA)
MANAGING DIRECTOR

Place: New Delhi
Date : 28.08.2010

DIRECTORS' REPORT

To The Members of
TRC Financial Services Limited

Your Directors' have pleasure in submitting the Sixteenth Annual Report of your Company together with the Audited Statement of Accounts for the year ended 31st March, 2010.

FINANCIAL RESULTS

The financial results of the company for the year ended 31st March, 2010 compared to the previous year are summarized below:

(Rs. in lakhs)

Particulars	Year Ended 31.03.2010	Year Ended 31.03.2009
Total Income	13.13	17.04
Profit (Loss) before interest & depreciation	4.67	5.86
Interest	---	---
Profit (Loss) after interest but before depreciation	4.67	5.86
Depreciation	1.12	1.84
Profit (Loss) Before Tax	3.55	4.02
Provision for Tax	0.66	0.63
Profit (Loss) After Tax	2.89	3.39

OPERATIONS

Due to Global recessionary phenomenon and the adverse market conditions, the profits of the Company have reduced from 3.39 Lacs to 2.89 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 31.03.2010.

PUBLIC DEPOSITS

During the year the company has neither accepted nor renewed any deposit. As on 31.03.2010, 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 an "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.

DIRECTORS

During the year under review, following were the changes in the Composition of Board of Directors:

Mr. Harshad Dholakia & Mr. Bhavesh Bhatt who retire by rotation at the ensuring Annual General Meeting are proposed to be re-appointed.

Mr. Vijay M. S. Misquitta whose term for Managing Director ends on 29.01.2010 was re-appointed by the Board as the Managing Director for a period of Five years w.e.f. 30.01.2010, subject to member's approval at the ensuring Annual General Meeting.

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

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.

For TRC FINANCIAL SERVICES LIMITED

Place: New Delhi
Date : 28.08.2010

**(VIJAY M. S. MISQUITTA)
MANAGING DIRECTOR**

MANAGEMENT DISCUSSION AND ANALYSIS REPORT**BUSINESS OUTLOOK & OVERVIEW**

While the outlook for the Indian economy continues to remain positive, the growth trajectory is likely to moderate. Rising food and commodity prices across the world, volatile financial markets and a diminished risk appetite among international investors are bound to have their impact on the Indian economy. With inflation hovering above the 10% mark, liquidity is likely to be constrained and interest rates are unlikely to ease. Your Company's strategy, will be to focus on profitable growth, leveraging its intimate knowledge of the market and customer relationships.

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, 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. 2.89 Lacs from Rs. 3.39 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 M. S. Misquitta
Managing Director

Place: New Delhi
Date: 28.08.2010

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

The Boards presently comprises 5 Directors. As required by Clause 49(I)(A)(i) of Listing Agreement more than 50% of the directors are non – executive. And as per Clause 49(I)(A)(ii) more than 1/3rd Directors are Independent directors. The composition of the Board in detail is as follows:

Sr.No	Name Of The Directors	Category	*No. of Other Directorships	Membership of Committees
1	Mr. Ajay Sarupia (Chairman)	Non-executive & Promoter	12	Nil
2	Mr. Vijay Misquitta (Managing Director)	Executive & Promoter	3	Nil
3	Mr. Harshad Dholakia	Non-executive & Independent	1	Nil
4	Mr. Bhupendra Avasthi	Non-executive & Independent	3	Nil
5	Mr. Bhavesh Bhatt	Non-executive & Independent	1	Nil

*Directorship includes Pvt. Ltd. Companies.