

**SEVENTEENTH
ANNUAL REPORT
2010-11**



TRC FINANCIAL SERVICES LIMITED

TRC Financial Services Ltd**SEVENTEENTH ANNUAL REPORT 2010-11****Board of Directors**

Ajay Sarupria	Chairman
Vijay M. S. Misquitta	Managing Director
Harshad Dholakia	Director
Bhavesh Bhatt	Director
Ramakant Nayak	Director

Auditors

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

Bankers

HDFC Bank Limited
Central Bank of India
Corporation Bank
IDBI Bank

R & T Agent

Purva Sharegistry (India) Pvt. Ltd.
Unit no. 9, Shiv Shakti Ind. Estt.
J.R. Boricha Marg
Opp. Kasturba Hospital Lane
Lower Parel (E)
Mumbai 400 011

Registered Office

Bandra Hill View CHS, (3rd Floor),
85, Hill Road,
Opp. Yoko Sizzlers, Bandra (W),
Mumbai - 400050

Stock Exchange Listing

Bombay Stock Exchange

Compliance Office

Mr. Vijay M. S. Misquitta

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NOTICE

Notice is hereby given that the Seventeenth Annual General Meeting of the Members of TRC Financial Services Limited will be held on Friday, the 30th September 2011 at 11.00 A.M. at Hotel Atithi, Nehru Road, Vile Parle (E), Mumbai - 400099, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March 2011 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. Harshad Dholakia, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint M/s. A S P & Co., Chartered Accountants Firm having Registration No. 000576N, as Statutory Auditor of the Company in place of retiring Auditors i.e. M/s. Johar & Kathpalia, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting.

SPECIAL BUSINESS:

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 257 and all other applicable provisions, if any, of the Companies Act, 1956, Mr. Ramakant Madhav Nayak, who was appointed by the Board of Directors as an Additional Director of the Company on 29th November 2010 and who holds office upto the date of this Annual General Meeting under Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

"RESOLVED FURTHER THAT any Director of the Company be and is hereby authorized to do all such acts, deeds and things as may be necessary and file the necessary forms with the Registrar of Companies to give effect to the resolution".

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

Place: Mumbai
Date: 25.08.2011

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

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 Monday 26th September 2011 to Thursday 30th September 2011 (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:

Name of Director	Mr. Ajay Sarupria	Mr. Harshad Dholakia	Mr. Ramakant Nayak
Date of Birth	15.08.1967	30.05.1963	30.06.1945
Date of Appointment	15.11.2008	30.01.2009	29.11.2010
Brief Particulars	Mr. Ajay Sarupria aged 44 years is a Science Graduate, having 15 years of experience in Finance, Capital Market and Financial Advisory Services.	Mr. Harshad Dholakia aged 47 years is a Qualified Chartered Accountant, having vast overseas experience in Audit, Finance and Systems Analysis.	Mr. Ramakant Nayak has expertise in banking sector and Financial & Corporate Restructuring
Directorships	1. Intellvisions Software Limited	1. Compusys Systems Limited 2. Shree Salasar Investments Limited	1. Sunteck Realty Limited 2. Nitin Fire Protection Industries Limited 3. Max Flex & Imaging Systems Limited 4. Shree Pushkar Petro Products Ltd. 5. Arch Pharmalabs Limited 6. Intellvisions Software Limited
Shares held in the Company	1438687	70000	–

** Does not Including Private Limited Companies.*

7. TRC Financial Services Limited is concerned about the environment and utilizes natural resources in a sustainable way. Recently, The Ministry of Corporate Affairs (MCA), Government of India, has issued the following circulars in green initiative (a) Circular Nos. 17/2011 and 18/ 2011, dated April 21, 2011 and April 29, 2011 respectively, has allowed companies to send official documents to their shareholders electronically as part of its green initiatives in Corporate Governance.

Recognizing the spirit of the circular issued by the MCA, we henceforth propose to send notices/documents (i.e., physical annual report of the Company comprising of Balance Sheet, Profit & Loss Account, Directors' Report, Auditors' Report etc.,) to the email address provided by you with your depositories for those holding shares in demat form. Shareholders holding shares in physical form may email the details to "trcfs@rediffmail.com"

In this behalf, we are confident that you would appreciate the "Green Initiative" taken by MCA. We solicit your cooperation in helping the Company to implement the e-governance initiatives of the Government.

Name of the member	Son of/ Daughter of/ Wife of	Client ID/ Ledger FolioNo.	No. of Shares held	Pan No. (mandatory incase of Demat holders)	E-mail address

We request you to update your email address with your depository participant for demat holding of shares and with Mr. Vijay M. S. Misquitta from 'TRC Financial Services Limited' for physical holding of shares to ensure that the Annual Report and other documents reach you on your preferred email.

8. Explanatory Statement pursuant to the provisions of Section 173(2) of the Companies Act, 1956 is enclosed.

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

Place: Mumbai
Date: 25.08.2011

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

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

Item No. 5:

The Company has received a Notice pursuant to Section 257 of the Companies Act, 1956, from a member signifying his intention to propose Mr. Ramakant Madhav Nayak as a candidate for the office of Director of the Company and the requisite deposit of Rs. 500/- has also been received by the Company along with such notice.

Mr. Ramkant Nayak has expertise in banking sector and financial & corporate restructuring.

Your Directors recommend the resolution for the appointment of Mr. Ramakant Nayak as a Director liable to retire by rotation, to the members for their approval

None of the Directors except Mr. Ramakant Nayak is interested in the resolution.

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

Place: Mumbai
Date: 25.08.2011

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

DIRECTORS' REPORT

To The Members

TRC Financial Services Limited

Your Directors' have pleasure in submitting the Seventeenth Annual Report of your Company together with the Audited Statement of Accounts for the year ended 31st March, 2011.

FINANCIAL RESULTS

The financial results of the Company for the year ended 31st March, 2011 compared to the previous year are summarized below:

(Rs. in Lakhs)

Particulars	Year Ended 31.03.2011	Year Ended 31.03.2010
Total Income	12.75	13.12
Profit (Loss) before interest & depreciation	6.70	4.67
Interest	-	-
Profit (Loss) after interest but before depreciation	6.70	4.67
Depreciation	0.32	1.12
Profit (Loss) Before Tax	6.38	3.55
Provision for Tax	0.27	0.66
Profit (Loss) After Tax	6.11	2.89

OPERATIONS

The profits of the Company have increased from 2.89 Lacs to 6.11 Lacs. And the Directors believe the strategies and Business Plans made by the Management will provide more 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 31.03.2011.

PUBLIC DEPOSITS

During the year the company has neither accepted nor renewed any deposit. As on 31.03.2011, 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.

DIRECTORS

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

Mr. Ramakant Nayak was appointed as an Additional Director of the Company w.e.f. 29th November, 2010. The Company has received notice from a member of the Company under Section 257 of the Companies Act, 1956 in respect of his appointment as Director, alongwith the requisite deposit. It is proposed to appoint him as a Director of the Company at the ensuing Annual General Meeting.

Mr. Bhupendra Avasthi resigned as Director w.e.f. 29th November, 2010.

Mr. Ajay Sarupria and Mr. Harshad Dholakia retire by rotation and, being eligible, offer themselves for reappointment.

Brief details of the Directors being appointed / reappointed have been incorporated in the Notice for the forthcoming Annual General Meeting pursuant to Clause 49(iv)(g)(i) of Listing Agreement.

SHIFTING OF REGISTERED OFFICE

The Registered Office of the Company was shifted from A-45, Radial Road, Connaught Place, New Delhi - 110001 in the National Capital Territory of Delhi to Bandra Hill View CHS, (3rd Floor), 85, Hill Road, Opp. Yoko Sizzlers, Bandra (W), Mumbai - 400050 in the State of Maharashtra, w.e.f 4th April, 2011.

AUDITORS

M/s. A S P & Co., Chartered Accountants [**Firm Registration No. 000576N**], Statutory Auditor of the Company be appointed at the ensuing Annual General Meeting in place of retiring Auditors i.e. M/s. Johar & Kathpalia to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting

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.

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

Place: Mumbai
Date: 25.08.2011

**(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 inflation, 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 RBI increasing Policy Rates with an aim to control inflation, Liquidity is likely to be constrained and interest rates are north bound. 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, 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 profits of the Company have increased from 2.89 Lacs to 6.11 Lacs

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.

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

Place: Mumbai
Date: 25.08.2011

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

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

(A) Composition

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 committees of the Company
1.	Mr. Ajay Sarupria (Chairman)	Non-executive & Promoter	1	Nil
2.	Mr. Vijay M. S. Misquitta (Managing Director)	Executive & Promoter	1	Nil
3.	Mr. Harshad Dholakia	Non-executive & Independent	2	Nil
4.	Mr. Bhupendra Avasthi (Resigned w.e.f. 29.11.2010)	Non-executive & Independent	-	Nil
5.	Mr. Bhavesh Bhatt	Non-executive & Independent	1	Nil
6.	Mr. Ramakant Nayak (Appointed on 29.11.2010)	Non-executive & Independent	6	Nil

* Directorship includes only Public Limited Companies

Attendance:

In the financial year 2010-2011, the Board met 10 times on 30.04.2010, 28.06.2010, 30.07.2010, 20.08.2010, 24.08.2010, 03.09.2010, 10.11.2010, 29.11.2010, 10.02.2011 & 30.03.2011 with clearly defined agenda, circulated well in advance before each meeting.

Attendance record of the participating Directors for the year ended 31.03.2011 are as follows:

Sr. No.	Name of the Directors	Meetings held during the tenure of the Director from 01/04/2010 to 31/03/2011	No of Meetings attended	Attendance at the last AGM
1.	Mr. Ajay Sarupria	10	10	No
2.	Mr. Vijay M. S. Misquitta	10	10	Yes
3.	Mr. Harshad Dholakia	10	9	Yes
4.	Mr. Bhupendra Avasthi (Resigned on 29.11.2010)	8	7	No
5.	Mr. Bhavesh Bhatt	10	8	Yes
6.	Mr. Ramakant Nayak (Appointed on 29.11.2010)	3	2	-