

**FIFTEENTH  
ANNUAL REPORT  
2008- 2009**



**TRC Financial Services Ltd.**

## TRC FINANCIAL SERVICES LIMITED

FIFTEENTH ANNUAL REPORT 2008-2009.

<b>BOARD OF DIRECTORS</b>	Ajay Sarupriya Vijay Mario Sebastian Misquitta Harshad Dholakia Bhupendra Avasthi Bhavesh Bhatt
<b>AUDITORS</b>	Johar & Kathpalia Chartered Accountants J-92, (2 <sup>nd</sup> Floor) Saket New Delhi 110017.
<b>BANKERS</b>	HDFC Bank Limited Corporation Bank Central Bank of India UTI Bank Lord Krishna Bank ICICI Bank Bank of India
<b>REGISTERED OFFICE</b>	A-45, Radial Road, Connaught Place, New Delhi 110001.
<b>STOCK EXCHANGE LISTING</b>	Bombay Stock Exchange
<b>COMPLIANCE OFFICER</b>	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 30<sup>th</sup> 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 31<sup>st</sup> 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 30<sup>th</sup> 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 30<sup>th</sup> 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."

"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 24<sup>th</sup> September 2009 to Wednesday 30<sup>th</sup> 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

**TRC FINANCIAL SERVICES LIMITED**

FIFTEENTH ANNUAL REPORT 2008-2009.

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

**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 30<sup>th</sup> 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

## 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 31<sup>st</sup> March, 2009.

## FINANCIAL RESULTS

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

Particulars	(Rs. in lakhs)	
	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.

**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 30<sup>th</sup> 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 30<sup>th</sup> 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 08<sup>th</sup> December 2008 and he has resigned as an additional director of the company as on 17<sup>th</sup> 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 15<sup>th</sup> 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 31<sup>st</sup> 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



**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

**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 DIRECTOR

Place: New Delhi  
Date : 26.08.2009

**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 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 1/3<sup>rd</sup> 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. Vijay Misquitta (Managing Director)	Executive & Promoter	4	Nil
2	Mr. Harshad Dholakia	Non-executive & Independent	1	Nil
3	Mr. Bhupendra Avasthi	Non-executive & Independent	3	Nil
4	Mr. Ajay Sarupriya (Chairman)	Non-executive & Promoter	12	Nil
5	Mr. Bhavesh Bhatt	Non-executive & Independent	1	Nil
6	Mr. Ajesh Tuli *	Non-executive & Independent	Nil	Nil
7	Mr. Manu Chadha * Chairman	Non Executive	7	3
8	Mr. Sumant Chadha *	Non Executive	2	Nil
9	Mr. P. C. Seth *	Non Executive & independent	Nil	Nil
10	Mr. Ashwani Kumar Tewari*	Non Executive & independent	Nil	Nil
11	Mr.Suresh Chander Kapur *	Non Executive & independent	Nil	Nil

\*Directors Resigned during the financial year 2008-09.

**Attendance:**

In the financial year 2008-2009, the Board met eight times on 26.05.2008, 31.07.2008, 31.10.2008, 15.11.2008, 08.12.2008, 17.12.2008, 30.01.2009 and 28.03.2009 with clearly defined agenda, circulated well in advance before each meeting.

Attendance record of the participating Directors for the year ended 31.03.2009 are as follows:

Sr.No.	Name Of The Directors	Meetings held during the tenure of the Director from 01-04-2008 to 31-03-2009	No Of Meetings attended	Attendance Of Last AGM
1.	Mr. Vijay Mario Sebastian Misquitta	8	3	No
2.	Mr. Harshad Dholakia (Appointed on 30.01.2009)	1	1	No
3.	Mr. Bhupendra Avasthi	8	3	No
4.	Mr. Ajay Sarupriya	8	3	No
5.	Mr. Bhavesh Bhatt	1	1	No
6.	Mr. Ajesh Tuli * (Appointed on 08.12.2008 & Resigned on 17.12.2008)	1	1	Yes
7.	Mr. Manu Chadha * (Resigned on 30.01.2009)	7	3	No
8.	Mr. Sumant Chadha * (Resigned on 30.01.2009)	7	5	No
9.	Mr. P. C. Seth * (Resigned on 30.01.2009)	7	5	No
10.	Mr. Ashwani Kumar Tewari * (Resigned on 30.01.2009)	7	5	Yes
11.	Mr. Suresh Chander Kapur* (Resigned on 30.01.2009)	7	5	No

\* Directors Resigned during the financial year 2008-09.

**Changes in Directors**

The following changes were made in the composition of Board of Directors.

Mr. Ajay Sarupriya & 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.

**Responsibilities Of The Boards:**

The Board discharges the duties responsibilities as required under the applicable statute (s) including the Companies Act, 1956, Guidelines issued by SEBI and other regularities bodies from time to time. The Board of Directors ensures that other responsibilities do not have any material impact on their responsibilities as Directors of the company

**Role Of The Independent Directors:**

The independent directors play an important role & participate in all the deliberation of the Board and contribute to the decision making process with their knowledge and expertise in the areas of Account, Financial, Law, & other professional areas.

During the financial year 2008 - 2009, no commission was paid to any director of the company.

**BOARD COMMITTEES****SHARE TRANSFER AND INVESTOR GRIEVANCE COMMITTEE**

The Share Transfer/ Investor Grievances Committee consists of Mr. Vijay Mario Sebastian Misquitta as Chairman and Mr. Harshad Dholakia as member. The main function of the share transfer and Investor Grievance Committee is to supervise and ensure efficient transfer of shares, dematerialisation of shares and timely attendance of investor's complaints. The committee meets to review the transfers/ Remat / demat / duplicate shares issue, executed by the RTA M/s Purva Sharegistry (India) Pvt. Ltd. During the year under review the Committee met 1 time i.e. 31.03.2009. Mr. Vijay Mario Sebastian Misquitta is the Compliance Officer of the Company.

No Complaints were received during the financial year and no complaints were pending as on 31<sup>st</sup> March 2009.

Half-yearly Transfer Audit and Quarterly Secretarial Audit in terms of the Listing Agreement are regularly carried out by an independent practicing Company Secretary.

**AUDIT COMMITTEE**

The Audit Committee of the Board consists of Mr. Harshad Dholakia as Chairman, Mr. Bhupendra Avasthi and Mr. Bhavesh Bhatt. The Audit Committee is responsible for the areas specified by Clause 49 of the Listing Agreement and Section 292-A of the Companies Act, 1956, besides other roles as may be referred by the Board of Directors. There have been four Audit Committee meetings during the Financial Year 2008-2009, held on 23.05.2008, 29.07.2008, 29.10.2008, and 28.01.2009. The Audit Committee has reviewed the annual financial results, half-yearly results, internal audit report and internal working system of the company and has held discussion with the statutory auditors of the company.

**INVESTMENT COMMITTEE**

The committee consists of Mr. Vijay Mario Sebastian Misquitta as Chairman and Mr. Harshad Dholakia. The committee is responsible for decision of sale and purchase of shares of other companies held in stock. During the year under review the Committee met one time on 22.10.2008.

**REMUNERATION COMMITTEE**

The committee consists of two non executive directors, namely Mr. Harshad Dholakia and Mr. Bhupendra Avasthi, to approve the remuneration of directors and manager. However, no remuneration has been paid to any Directors in the year under review. During the year under review the Committee meetings were held on 08.07.2008 and 28.01.2009.

**REMUNERATION OF DIRECTORS FOR 2008-2009**

Name of the Director	Sitting Fee	Salaries and	Commission	Total
Mr. Vijay Misquitta	Nil	Nil	Nil	Nil
Mr. Ajay Sarupriya	Nil	Nil	Nil	Nil
Mr. Harshad Dholakia	Nil	Nil	Nil	Nil
Mr. Bhupendra Avasthi	Nil	Nil	Nil	Nil
Mr. Bhavesh Bhatt	Nil	Nil	Nil	Nil

**5. GENERAL BODY MEETING (held in last 3 years)**

Year	Venue	Date	Time
2008	Arjun Farms, (Khasra No. 11/16), Village Pindwala Khurd, Jhatikra Road, New Delhi-110 071	16.12.2008	11.00 a.m.
2007	Arjun Farms, (Khasra No. 11/16), Village Pindwala Khurd, Jhatikra Road, New Delhi-110 071	28.09.2007	11.00 a.m.
2006	Arjun Farms, (Khasra No. 11/16), Village Pindwala Khurd, Jhatikra Road, New Delhi-110 071	22.09.2006	11.00 a.m.

No resolution was put through postal ballot in the last 3 years.

No Special Resolution was passed in the last 3 years.

**6. DISCLOSURES**

- The disclosure of related party transactions has been made in the Schedule XI (B) Point No. 7 of the Notes to Accounts annexed to the Balance sheet as on 31st March 2009.
- There has not been any non-compliance, penalties or strictures imposed on the Company by the Stock Exchanges, SEBI or any other statutory authority, on any matter relating to any of capital market, during the last three years.
- The Managing Director of the companies have certified the specified matters to the Board, as required under Clause 49 V.

**7. MEANS OF COMMUNICATION**

The main source of the information to the Shareholders is the Annual Reports, which include, inter alia, the Director's Report, the report of Board of Directors on Corporate Governance, Management Discussions and Analysis Report and the financial results. The unaudited quarterly/Audited results, notices of General Meetings are published for the information of the Shareholders in a national and regional daily newspapers and intimation of the same is given to the Stock Exchange as required under the Listing Agreement.

**8. MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

The Management Discussion and Analysis report forms a part of the Annual Report.

**9. CODE OF CONDUCT**

All the Directors and Senior Management personnel have affirmed compliance with the code of conduct.

Declaration by the Managing Director under Clause 49 of the Listing Agreement regarding adherence to Code of Conduct:

In accordance with Clause 49 (1) (D) of the listing agreement all the Directors and Senior Management personnel have affirmed compliance with the code of conduct for the year ended on 31st March 2009.

Sd/-

Vijay Mario Sebastian Misquitta  
MANAGING DIRECTOR

#### 10. SHAREHOLDERS INFORMATION

1. Annual General Meeting Date Day and Time, Venue	30 <sup>th</sup> September 2009 Wednesday at 11.00 a.m. Arjun Farms, (Khasra no. 11/16), Village Pindwala Khurd, Jhatikra Road, New Delhi 110 071.
2. Financial Calendar (Tentative) for 2009-2010.  a) Financial reporting for the quarter Ending June 30, 2009, Quarter and Half year ended Sept. 30, 2009 Quarter ending December 31, 2009 and Quarter ended 31 <sup>st</sup> March 2010  b) Financial reporting for the year ending March 31, 2010 (audited)	Within one month from the end of the quarter as stipulated under the Listing Agreement.  Within three months from the end of the last quarter as stipulated under the Listing Agreement or before 31 <sup>st</sup> August 2009.
3. Date of Book closure	24 <sup>th</sup> September 2009 to 30 <sup>th</sup> September 2009
4. Unclaimed/unpaid Dividend for the Previous years	NIL
5. Listing of Equity Shares	Mumbai Stock Exchange
6. Stock Code No.	BSE 511730
7. Registered Office	A-45, Radial Road, Connaught Place, New Delhi 110001.
8. For dealing in shares in the dematerialisation form, code No. (ISIN - INE759D01017) has been allotted to the securities of our Company by Central Depository Services (India) Limited and National Securities Depository Limited.	

## 9. Stock Market Data

Stock Market Price Data for the year 2008-2009

Month	BSE Prices	
	High (Rs.)	Low (Rs.)
April, 2008	15.01	8.56
May, 2008	12.95	9.45
June, 2008	9.00	8.56
July, 2008	11.50	7.40
August, 2008	11.50	9.76
September, 2008	10.92	9.70
October, 2008	11.46	9.65
November, 2008	13.09	9.85
December, 2008	16.65	12.02
January, 2009	13.66	11.71
February, 2009	12.86	12.86
March, 2009	14.00	12.26

(Source-bseindia.com)

## 10. Share Transfer Agent

Previously, M/s. Alankit Assignment Limited, New Delhi was operating as Share Transfer Agent. Vide Resolution dated 15th November 2008, M/s. Purva Sharegistry Pvt. Ltd., Mumbai has been appointed as a common agency for both physical and Electronic Connectivity for dematerialisation of shares. To supplement to the prompt services given by the Registrar & Transfer Agent the Share Transfer and Investors Grievance Committee meets as and when there are transfers/transmission of shares for the approvals of periodical transfers, issue of share certificates, splitting of shares etc. All requests for dematerialisation of shares are processed and confirmation thereof is sent to the shareholders within 7 to 15 days of the receipt thereof.

11. Distribution of Shareholding of the company as on 31<sup>st</sup> March, 2009 is as follows:

Share Holding of Nominal Value (Rs.)	Folios		Shares	
	(Rs.)	Numbers	Value In (Rs.)	%
Upto 5000	2131	89.50	2797580	5.59
5001 - 10000	105	4.40	862880	1.73
10001 - 20000	48	2.02	715630	1.43
20001 - 30000	28	1.18	722220	1.44
30001 - 40000	10	0.42	381000	0.76
40001 - 50000	9	0.38	422540	0.84
50001 - 100000	17	0.71	1379710	2.76
100001 AND ABOVE	33	1.39	42727440	85.44
Total	2381	100.00	50009000	100.00



12. The shareholding pattern of the company as on 31<sup>st</sup> March, 2009 is as follows:

Sr. No.	Category	No. of shares held	Percentage of shareholding
<b>A.</b>	<b>Promoter's holding</b>		
1.	Promoter's		
-	- Indian Promoters	29,41,174	58.81
-	- Foreign Promoters	NIL	NIL
	<b>Sub Total</b>	<b>29,41,174</b>	<b>58.81</b>
<b>B.</b>	<b>Non-Promoters holding</b>		
<b>C</b>	<b>Institutional Investors</b>		
a)	Mutual Funds and UTI	83,200	1.66
b)	Banks, Financial Institutions, Insurance Companies (Central/State Govt. Institutions / Non-Government Institutions)	10,600	0.21
c)	FII's	NIL	NIL
	<b>Sub Total</b>	<b>93,800</b>	<b>1.88</b>
<b>4</b>	<b>Others</b>		
	Private Corporate Bodies	4,13,335	8.27
	Indian Public	15,52,591	31.04
	NRIs/OCBs	NIL	NIL
	<b>Sub Total</b>	<b>19,65,926</b>	<b>39.31</b>
	<b>Grand Total</b>	<b>50,00,900</b>	<b>100.00</b>

13. Dematerialisation of shares

The equity shares of the Company are available for dematerialisation under the Depository System operated by Central Depository Services (India) Limited as well as National Securities Depository Limited. The percentage of shares in demat form as on 31.03.2009 is 91.75%.

14. Address for correspondence - Investor Services

For any complaints relating to non-receipt of shares after transfer, transmission, change of address, mandate etc., dematerialisation of shares, Annual Report, non-receipt of Annual Report, non-receipt of dividend etc., the complaint should be forwarded to M/s Purva Sharegistry (India) Pvt. Limited, at the following address:

M/s. Purva Sharegistry Pvt. Ltd.

Unit No. 9, Shiv Shakti Ind. Estt., J. R. Boricha Marg, Opp. Kasturba Hospital Lane, Lower Parel (E),  
Mumbai 400011.

Email: [busicomp@vsnl.com](mailto:busicomp@vsnl.com) OR

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

For TRC FINANCIAL SERVICES LIMITED

Sd/-

(VIJAY MARIO SEBASTIAN MISQUITTA)

MANAGING DIRECTOR

Place: New Delhi  
Date : 26.08.2009

**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

To The Members of  
TRC Financial Services Limited  
New Delhi

We have examined the compliance of conditions of Corporate Governance by M/s. TRC Financial Services Limited for the year ended 31<sup>st</sup> March, 2009, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and progressive implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion of the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no investor grievance is pending as at 31<sup>st</sup> March, 2009, for a period exceeding one month against the Company as per the records maintained by the Shareholders/Investor Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

FOR JOHAR & KATHPALIA  
CHARTERED ACCOUNTANTS

Place : New Delhi  
Date : 26.08.2009

Sd/-  
(M.S. JOHAR)  
PARTNER  
M. No. 84151

## AUDITORS' REPORT

To,

The Members of

M/s TRC Financial Services Limited

A-45, Radial Road, Connaught Place, New Delhi-110 001

1. We have audited the attached Balance Sheet of TRC Financial Services Limited, as at 31<sup>st</sup> March, 2009 and also the Profit and Loss Account and Cash Flow Statement for the year ended on that date both annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further, to our comments in the Annexure referred to in paragraph 2 above, we report that:
  - i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - ii) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
  - iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards, referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
  - v) On the basis of written representations received from the directors, as on 31<sup>st</sup> March, 2009 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March, 2009 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956;
  - vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Significant Accounting Policies and other notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
    - a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March 2009; and
    - b) in the case of the Profit and Loss Account, of the Profit of the Company for the year ended on that date; and
    - c) in the case of the Cash Flow Statement, of the cash flow of the Company for the year ended on that date

For M/s Johar & Kathpalia  
Chartered Accountants

Sd/-

(M.S. Johar)

Partner

M.No. 84151

PLACE : New Delhi

DATED : 26.08.2009

## ANNEXURE TO THE AUDITORS' REPORT

(REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF TRC FINANCIAL SERVICES LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2009)

- I In respect of the fixed assets of the company:-
- a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
  - b) The fixed assets of the Company have been physically verified by the management at reasonable intervals. No material discrepancy has been noticed on such verification.
  - c) The company is a going concern, as company is carrying on its business as a Category 'B' Non Banking Finance Company.
- II The Company does not have any stocks of finished goods, stores, spare parts and raw materials and, therefore, Clauses (ii) and (viii) of Paragraph 4 of Companies (Auditors Report) Order, 2003 are not applicable to the Company.
- III During the year, the company has neither granted, nor taken any loans, secured or unsecured to/from companies, firms, or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- IV In our opinion and according to the information and explanations given to us, there are adequate internal control systems, commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of the audit no major weakness has been noticed in the internal control system.
- V According to the information and explanations given to us, the company has not entered into any contracts or arrangements, which are required to be listed in the register maintained under Section 301 of the Companies Act, 1956.
- VI The Company has not accepted any deposit from public during the year, and has resolved not to accept public deposits in future. In our opinion, the company has complied with the directives issued by the Reserve Bank of India and the provisions of the Section 58A and 58AA or any other relevant provisions of the act and the rules framed there under, where ever applicable.
- VII The internal audit of the company has been conducted by an independent firm of Chartered Accountants and in our opinion the company has an internal audit system commensurate, with the size and nature of its business.
- VIII (a) The Provisions of Provident Fund Act and the Employees State Insurance Act are not applicable to the Company.
- (b) According to the records of the company, it is regular in depositing with appropriate authorities undisputed statutory dues including Investor Education and Protection Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, Cess and other statutory dues with the appropriate authorities.
  - (c) According to the information and explanations given to us, there is no undisputed amounts payable in respect of Income Tax, Wealth Tax, Service Tax, Sales Tax, Custom duty and Cess were outstanding as at 31<sup>st</sup> March, 2009 for a period of more than six months from the date they became payable.

- IX In our opinion, accumulated losses of the company are more than 50% of its net worth. The company has incurred cash profit in the financial year under report.
- X The company has not defaulted in repayment of any dues to a financial institution or bank or debenture holders.
- XI The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities during the year.
- XII The company is not a chit fund, nidhi or mutual benefit fund / society therefore the provisions of Clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- XIII The company has written-off certain long-term investments held by it during the year. It has maintained proper records in respect of shares held as long-term investments and are held in the name of the company.
- XIV According to the information and explanations given to us, the company has not given any guarantee during the year, for loans taken by others from banks or financial institutions.
- XV The company has neither raised any term loan during the year nor any unutilised amount was left on this account, as at the beginning of the year. Therefore the provisions of Clause 4 (xvi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- XVI According to the information and explanations given to us and on overall examination of the Balance sheet of the company, we report that the funds raised on short-term basis have not been used for long-term investments.
- XVII The company has not made any preferential allotment of equity shares to any party during the year.
- XVIII Neither any debentures were issued during the year nor any creation of security or charge is pending in respect of debentures raised.
- XIX The company has not raised any money by public issue during the year.
- XX To the best of our knowledge and belief and according to the information and explanations given to us, no frauds on or by the company was noticed or reported during the year.

For M/s Johar & Kathpalia  
Chartered Accountants

PLACE : New Delhi  
DATED : 26.08.2009

Sd/-  
(M.S. Johar)  
Partner  
M.No. 84151

**AUDITORS' REPORT**

To,

The Board of Directors  
M/s TRC Financial Services Limited  
A-45, Radial Road, Connaught Place,  
New Delhi-110 001

Dear Sirs,

Pursuant to "Non Banking Financial Companies Audit Reports (RBI) Directions 1998", and further circular DNBS (PD) C.C.No.79 / 03.05.2002 / 2006-07, Dated 21-09-2006 of RBI Act, 1934. We report that:

- A. The company has been granted registration vide Certificate of Registration No. B-14.01353 dated 25.10.2004 by the Reserve Bank of India. The company has also been classified as "Category B, Non-Banking Finance Company" by the Reserve Bank of India, vide their letter No. DNBS.ND.NO.164/MSB/05.04.07.342/2004-05 Dated 25.10.2004.
- B. (i) The Board of Directors of the Company has passed a resolution for the non - acceptance of any public deposit.
- (ii) The Company has not accepted any Public Deposit during the current financial year (2008-09) under report.
- (iii) The company has complied with the prudential norms of Income Recognition, Accounting Standards, Asset Classification, provisioning for bad and doubtful debts as applicable to it.
- (iv) The Company was engaged in the business of NBFC during the year ended 31<sup>st</sup> March, 2009, requiring holding of COR under section 45-IA of the RBI Act, 1934.

For M/s Johar & Kathpalia  
Chartered Accountants

Sd/-  
(M.S. Johar)  
Partner  
M.No. 84151

PLACE : NEW DELHI  
DATED : 26.08.2009

**TRC FINANCIAL SERVICES LIMITED**

FIFTEENTH ANNUAL REPORT 2008-2009.

**Balance Sheet as at 31st March, 2009**

Particulars	Schedule	As at	
		31-03-09	31-03-08
		(Rs.)	(Rs.)
<b>SOURCE OF FUNDS</b>			
Shareholder's Funds			
Share Capital	I	50,009,000.00	50,009,000.00
Reserves & Surplus	II	2,096,000.00	1,855,000.00
Secured Loans (Under Hypothecation of Car)		1,009,666.00	0.00
Total		<u>53,114,666.00</u>	<u>51,864,000.00</u>
<b>APPLICATION OF FUNDS</b>			
Fixed Assets :			
Gross Block	III	2,093,017.00	3,404,917.00
Less : Depreciation		<u>232,925.83</u>	<u>779,019.44</u>
Investments	IV	86,599.58	286,599.58
Current Assets, Loans & Advances			
Current Assets:			
Cash & Bank Balances		19,736,018.82	16,996,051.71
Other Current Assets		617,090.41	474,770.25
Loans & Advances		<u>1,488,584.39</u>	<u>3,995,527.90</u>
		21,841,693.62	21,466,349.86
Less : Current Liabilities & Provisions			
Current Liabilities	VI	56,575.00	30,232.00
Provisions		<u>143,706.00</u>	<u>262,535.00</u>
		200,281.00	292,767.00
Net Current Assets		21,641,412.62	21,173,582.86
Debit Balance in Profit & Loss Account		29,526,562.63	29,624,798.12
Total		<u>53,114,666.00</u>	<u>51,864,000.00</u>
Significant Accounting Policies & Notes to Accounts			
	XI		

Schedule I to XI form an integral part of Accounts

 As per our Report of even date  
 For Johar & Kathpalia  
 Chartered Accountants

 Sd/-  
**Vijay Mario Sebastian Misquitta**  
 Managing Director

 Sd/-  
**Ajay Dilkush Sarupria**  
 Director

 Sd/-  
**M. S. Johar**  
 Partner  
 M. No. 84151

 Place : New Delhi  
 Date : 26.08.2009

**TRC FINANCIAL SERVICES LIMITED**

FIFTEENTH ANNUAL REPORT 2008-2009.

**Profit & Loss Account for the period ended 31st March, 2009**

Particulars	Schedule	For the Period ended 31-03-09	For the Period ended 31-03-08
<b>INCOME</b>			
Interest Income	VII	1,590,702.22	1,831,476.97
Other Income	VIII	5,120.00	663,638.00
Profit on sale of owned assets		107,969.86	
- Total (A)		<u>1,703,792.08</u>	<u>2,495,114.97</u>
<b>B) EXPENDITURE</b>			
Establishment, Administration and other Expenses	IX	838,168.75	940,760.77
Bank Charges & Interest	X	533.71	556.12
Loss on Sale/Write off of Fixed Assets		-	2,481.79
Provision of Bad Debts Written Off		278,838.00	
Investment-Write / Off		-	5,350.00
Total (B)		<u>1,117,540.46</u>	<u>949,148.68</u>
<b>Gross Profit (A-B)</b>		<b>586,251.62</b>	<b>1,545,966.29</b>
Depreciation		183,860.13	643,500.51
Profit /( Loss ) Before Taxation		402,391.49	902,465.78
Provision for Taxation :			
Income Tax		-	-
Wealth Tax		-	-
Prov. For Fringe Benefit Tax		63,156.00	29,000.00
Profit /( Loss ) after Taxation		<u>339,235.49</u>	<u>873,465.78</u>
<b>APPROPRIATIONS</b>			
Surplus - Opening Balance		(29,624,798.12)	(30,498,263.90)
Current Year Profit /( Loss ) after Tax		98,235.49	873,465.78
Profit transferred to Special Reserve Fund		241,000.00	-
Surplus /(Shortfall) Carried to Balance Sheet		(29,526,562.63)	(29,624,798.12)
<b>Earning Per Share</b>		<b>Rs. 0.07</b>	<b>Rs. 0.17</b>
Significant Accounting Policies & Notes to Accounts	XI		
Schedule I to XI form an integral part of Accounts			

As per our Report of even date  
For Johar & Kathpalia  
Chartered Accountants

Sd/-  
**Vijay Mario Sebastian Misquitta**  
Managing Director

Sd/-  
**Ajay Dilkush Sarupria**  
Director

Sd/-  
**M. S. Johar**  
Partner  
M. No. 84151

Place : New Delhi  
Date : 26.08.2009



SCHEDULE ANNEXED TO AND FORMING PART OF THE ACCOUNTS

Particulars	As at 31-03-09 (Rs.)	As at 31-03-08 (Rs.)
<b>SCHEDULE - I</b>		
<b>SHARE CAPITAL</b>		
Authorised :		
60,00,000 Equity Shares of Rs. 10/- each	60,000,000.00	60,000,000.00
20,00,000 Preference Shares of Rs. 10/- each	20,000,000.00	20,000,000.00
	-----	-----
Issued, Subscribed & Paid-up :		
50,00,900 Equity Shares of Rs. 10/- each Fully paid-up	50,009,000.00	50,009,000.00
	-----	-----
<b>SCHEDULE - II</b>		
<b>RESERVES &amp; SURPLUS</b>		
Special Reserve Fund (As per Section 45-IC of RBI Act 1934)		
As at the beginning of the Year	1,855,000.00	1,855,000.00
Additions during the year	241,000.00    2,096,000.00	1,855,000.00
	-----	-----
Total	2,096,000.00	1,855,000.00

**TRC FINANCIAL SERVICES LIMITED**

FIFTEENTH ANNUAL REPORT 2008-2009.

**SCHEDULE III  
FIXED ASSETS**

Amount (Rs.)

Nature Of Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Total Cost 1-04-2008	Additions	Sale / Adjustment	Total Cost 31-03-2009	Total Dep. 1-04-2008	Current Dep.	Adjustment / Sale	Total Dep. 31-03-2009	Net Block 31-03-2009	Net Block 31-03-2008
Vehicles	3178862.00	1833334.00	3178862.00	1833334.00	2496016.98	153344.75	2576831.98	72529.75	1760804.25	682845.02
Computers	141852.00	33,628.00	-	175480.00	85718.34	26766.97	0.00	112485.31	62994.69	56133.66
Office Equipments	73663.00	-	-	73663.00	35897.43	3081.23	0.00	38978.66	34684.34	37765.57
Furniture & Fixture	10540.00	-	-	10540.00	8264.81	667.18	0.00	8932.28	1607.72	2275.19
<b>Total</b>	<b>3404917.00</b>	<b>1866962.00</b>	<b>3178862.00</b>	<b>2093017.00</b>	<b>2625897.56</b>	<b>183860.13</b>	<b>2576831.98</b>	<b>232926.00</b>	<b>1860091.00</b>	<b>779019.44</b>
Previous Year	4556151.84	0.00	1151234.84	3404917.00	2881150.12	643500.20	898753.05	2625897.27	779019.73	

SCHEDULE IV  
 INVESTMENTS : LONG TERM  
 Non Trade : ( At Cost )

S.No.	Name of the Company	As at 31-03-2009		As at 31-03-2008	
		No. of Shares/ Units	Investment (Rs.)	No. of Shares/ Unit	Investment (Rs.)
<b>(A) Quoted :</b>					
<b>(Fully paid-up Equity Shares of Rs. 10/- each )</b>					
1	BPL Engineering Ltd.	1000	-	1000	-
2	IDFC	1000	66,600	1000	66,600
<b>Total (A)</b>			<b>66,600</b>		<b>66,600</b>
<b>(B) Mutual Funds :</b>					
1	Reliance Equity Fund	0	-	20,000	200,000
<b>Total (B)</b>		<b>0</b>			<b>200,000</b>
<b>(C) Unquoted :</b>					
1	National Saving Certificate		20,000		20,000
<b>Total (C)</b>			<b>20,000</b>		<b>20,000</b>
<b>Total (A + B + C)</b>			<b>86,600</b>		<b>286,600</b>

**TRC FINANCIAL SERVICES LIMITED**

FIFTEENTH ANNUAL REPORT 2008-2009.

SCHEDULE ANNEXED TO AND FORMING PART OF THE ACCOUNTS

Particulars	As at 31-03-09 (Rs.)	As at 31-03-08 (Rs.)
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**SCHEDULE - V**

**CURRENT ASSETS, LOANS & ADVANCES**

**CURRENT ASSETS**

Sundry Debtors:

Cash & Bank Balances :

a) Cash in hand	6,328.27		2,273.27	
b) Balance with Scheduled Banks				
- in Current Account	5,457,479.60		391,504.44	
- Cheques in hand	0.00		760,000.00	
- in Fixed Deposits Accounts	14,272,210.95	19,736,018.82	15,842,274.00	16,996,051.71

Other Current Assets

Interest Accrued on Investment in Securities and Fixed Deposits with Banks	594,080.41		468,970.25	
Interest receivable on Loans			5,800.00	
Others	23,010.00	617,090.41		474,770.25

Loans & Advances :

(Unsecured, Considered good)

Loans	53,985.00		2,774,890.00	
Security Deposits	17,500.00		53,500.00	
Advance recoverable in cash or kind or for value to be received	0.00		17,589.00	
Tax Deducted at Source/Advance Tax Staff / Other Advance	1,417,099.39		1,107,548.90	
		1,488,584.39	42,000.00	3,995,527.90

Total

21,841,693.62

21,466,349.86

**SCHEDULE VI**

**CURRENT LIABILITIES AND PROVISIONS**

1. Current Liabilities

Other Liabilities	56,575.00	30,232.00
Total	56,575.00	30,232.00

2. Provisions

Wealth Tax	7,550.00	22,150.00
Gratuity	0.00	100,385.00
Fringe Benefit Tax AY 2006-07	0.00	67,000.00
Fringe Benefit Tax AY 2007-08	44,000.00	44,000.00
Fringe Benefit Tax AY 2008-09	29,000.00	29,000.00
Fringe Benefit Tax AY 2009-10	63,156.00	

Total

143,706.00

262,535.00

## SCHEDULE ANNEXED TO AND FORMING PART OF THE ACCOUNTS

Particulars	For the Period ended 31-03-09 (Rs.)	For the year ended 31-03-08 (Rs.)
<b>SCHEDULE VII</b>		
<b>INTEREST AND BILL DISCOUNTING INCOME</b>		
Interest on Loans (Gross)	23,513.00	505,142.00
TDS Rs.0/- (Previous year Rs. 1,02,157/-)		
Interest on Fixed Deposits (Gross)	1,563,185.22	1,303,316.97
TDS Rs. 0/- (Previous year Rs. 2,55,214/-)		
Interest from Others (Gross)	4,004.00	23,018.00
TDS NIL (Previous year NIL)		
Total	<u>1,590,702.22</u>	<u>1,831,476.97</u>
<b>SCHEDULE VIII</b>		
<b>OTHER INCOME</b>		
Dividend	1,200.00	1,000.00
Recovery of Bad Debts		656,176.00
Miscellaneous Income	300.00	6,462.00
Income from Sales of Investment	3,620.00	0.00
Total	<u>5,120.00</u>	<u>663,638.00</u>
<b>SCHEDULE IX</b>		
<b>ESTABLISHMENT, ADMINISTRATION &amp; OTHER EXPENSES</b>		
Establishment	237,064.00	314,160.00
Gratuity		48,980.77
Staff Welfare	1,398.00	1,917.00
Rent	90,832.00	187,625.00
Conveyance & Travelling	23,958.00	27,661.00
Telephone, Postage, Fax & Courier	23,735.00	31,421.00
Repair & Maintenance	1,018.00	31,308.00
Advertisement Expenses	38,473.00	21,719.00
Insurance Expenses	17,589.00	40,863.00
Printing & Stationery	37,388.00	33,153.00
Vehicle Maintenance	22,784.00	69,430.00
Listing & Other fees	14,425.00	15,724.00
Legal & Professional Charges	143,200.00	46,196.00
Auditor's Remuneration	14,359.00	12,360.00
Registrar & Share Transfer Agent Exp.	16,854.00	19,366.00
AGM Expenses	43,370.00	32,336.00
Depository Charges	27,509.00	5,119.00
Other Expenses	4,146.75	1,422.00
Interest on Car Loan	80,066.00	0.00
Total	<u>838,168.75</u>	<u>940,760.77</u>

SCHEDULE ANNEXED TO AND FORMING PART OF THE ACCOUNTS

Particulars	For the Period ended 31-03-09 (Rs.)	For the year ended 31-03-08 (Rs.)
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**SCHEDULE X****BANK CHARGES & INTEREST**

Bank Charges	533.71	556.12
Total	<u>533.71</u>	<u>556.12</u>

## TRC FINANCIAL SERVICES LIMITED

## SCHEDULE XI

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2009.

## A. SIGNIFICANT ACCOUNTING POLICIES

These accounts have been prepared on historical cost basis and conform to the generally accepted accounting practices. The Company has followed the prudential norms of the Reserve Bank of India (RBI) for Non-banking Finance Companies (NBFC's) with regard to asset classification, revenue recognition, Investments and provisioning.

## 1. Fixed Assets

Fixed Assets have been valued at original cost less depreciation, & Impairment Loss if any.

## 2. Depreciation

## (i) Owned Assets

- Depreciation has been provided on owned assets (except vehicles), on straight line method at the rates specified in Schedule XIV to the Companies Act, 1956 on pro-rata basis.
- Vehicles are being depreciated over a period of five years on pro-rata basis and retaining at 5% residual value.

## (ii) Leased Assets

In respect of leased assets, in addition to statutory depreciation on straight-line method, as per sub-clause (i) above, the lease equalisation on leased assets is computed as per the method recommended by the Institute of Chartered Accountants of India (ICAI) by charging the cost of asset over the primary lease period through lease equalisation account.

## 3. Stock on Hire

Stock on Hire has been valued at cost as reduced by the principal amount included in instalments, which have matured during the year, except for the instalments, the income for which has not been booked, in compliance with the RBI guidelines.

## 4. Investments

- (i) Investments are classified as long-term or short-term, depending upon the intention to hold the same. Generally investments, which are readily realisable and are intended to be held for not more than one year from the date of investment are regarded as short term investments.
- (ii) In terms of RBI Guidelines, short-term investments are valued at cost or market value whichever is lower. Long-term investments are valued as per the Accounting Standard of Institute of Chartered Accountants of India (ICAI).

## 5. Lease Rentals &amp; Hire Purchase Finance Charges

These are being accounted for on the due dates as per lease/hire purchase contracts. Hire Purchase finance charges are being recognised on the basis of Sum of Digits method. Income is not recognised in respect of Non-Performing Assets, as per the guidelines for prudential norms prescribed by the Reserve Bank of India.

B. NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2009:

1. Following disclosures are made for Contingent Liabilities not provided for in accordance with AS - 29, on provisions, contingent liabilities and contingent assets: -

Particulars	Estimated Financial Effect as on 31-03-2009	Estimated Financial Effect as on 31-03-2008
	(Rs.)	(Rs.)
Guarantees issued for Sales Tax	1,20,000	1,20,000

Note: a) There is very less likelihood of any outflow, in respect of any of above Contingent Liability.

b) There is no possibility of any reimbursement in respect of any of above Contingent Liability.

c) These guarantees are fully backed by Fixed Deposit Receipts pledged with the Sales Tax authorities.

2. Investments:

All scrips are held in the name of the Company, except those sent for transfer in the normal course.

3. Fixed Deposits include Rs. 1,20,000/- pledged to the bank against the bank guarantees issued by the bank.

4. Deferred Tax Asset/ Liability

The management has considered it prudent to not to recognize deferred Tax Asset as per Accounting Standard (AS)22 "Accounting for Taxes on Income" on accumulated taxable losses/ unabsorbed depreciation (under Income Tax Act), owing to uncertain future of the business.

5. Segment Accounting

Segment reporting, as defined in Accounting Standard 17 is not applicable, as the business of the company falls in one segment.

6. Auditor's Remuneration include:

Particulars	Current Year (Rs.)	Previous Year (Rs.)
Statutory Audit fees	14,359	12,360
Certification & other charges	--	--
<b>Total</b>	<b>14,359</b>	<b>12,360</b>

7. Related Party Disclosures:

TRC Corporate Consulting (P) Limited, TRC Securities (P) Limited and M/s. T.R. Chadha & Co. (Chartered Accounts), are related parties, though there is no transaction during the year & previous year.



## 8. Managerial Remuneration

## Remuneration to Manager

Particulars	Current Year (Rs.)	Previous Year (Rs.)
Salary	60,900	1,54,800
House Rent Allowance	22,400	58,800
Reimbursement of Medical Expenses	4,130	14,460
Transportation Allowance	2,800	9,600
Bonus	90,834	16,500
Leave Encashment	56,000	
<b>Total</b>	<b>2,37,064</b>	<b>2,54,160</b>

## 9. Earning Per Share

The following disclosure is made as required by Accounting Standard-20 (AS-20) on "Earning Per Share" issues by the Institute of Chartered Accountants of India :

	Current Year	Previous Year
A) Profit / (Loss) for the year after adjustments (viz; Numerator) (Rs. in lacs) (without any extra-ordinary item)	3.39	8.65
B) Opening balance (same as closing balance) of Equity Shares	5000900	5000900
C) Nominal value Per Share	Rs. 10/-	Rs. 10/-
D) Basic & Diluted Earning / (Loss) Per Share	0.07	0.17

10. There are no outstanding dues to any Micro, Small and Medium Enterprises as defined by the Micro, Small and Medium Enterprises Development Act, 2006. Therefore Prescribed disclosures under Section 22 of the act have not been provided.

11. Previous Financial Year figures have been regrouped or rearranged wherever considered necessary.

Sd/-  
Vijay Mario Sebastian Misquitta  
Managing Director

Sd/-  
Ajay Dilkush Sarupria  
Director

As per our report of even date  
For Johar & Kathpalia  
Chartered Accountants  
Sd/-  
M. S. Johar  
Partner  
M. No. 84151

Place: New Delhi  
Dated: 26.08.2009.

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009

(Rupees in Lacs)

	2008-09		2007-08	
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit / (Loss) before Tax, Interest and Dividends		(9.78)		(9.51)
Adjusted for :				
Depreciation/Termination/Diminution etc.	1.84		6.43	
Interest Received	15.91		18.31	
Provision for Fringe Benefit Tax	0.63	18.38	0.29	25.03
<b>Operating Profit before Working Capital Changes</b>		<b>8.60</b>		<b>15.52</b>
Adjusted for :				
Trade & Other Receivables	19.49		10.57	
Trade Payables	2.00	21.49	2.93	13.50
<b>Cash Generated from Operations</b>		<b>30.10</b>		<b>29.02</b>
Payment of Fringe Benefit Tax	(0.63)		(0.29)	
Payment of Income tax	(2.60)	(3.23)	(1.55)	(1.84)
		<b>26.87</b>		<b>27.17</b>
<b>Net Cash from Operating Activities</b>		<b>26.87</b>		<b>27.17</b>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Fixed Assets		(18.67)		0.00
Sale of Fixed Assets		7.10		2.50
Purchase of Investments		0.00		0.00
Sale of Investments (net)		2.00		0.00
Dividend Received		0.01		0.01
Fixed Deposits		15.70		(20.94)
<b>Net Cash Used in Investing Activities</b>		<b>6.14</b>		<b>(18.43)</b>
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>				
<b>Net Cash Generated from Financing Activities</b>		<b>10.09</b>		<b>0.00</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>		<b>43.10</b>		<b>8.74</b>
<b>Cash and Cash Equivalents as at the beginning of the Year</b>		<b>11.54</b>		<b>2.80</b>
<b>Cash and Cash Equivalents as at the End of the Year</b>		<b>54.64</b>		<b>11.54</b>

As per our Report of even date  
For Johar & Kathpalia  
Chartered Accountants

Sd/-  
Vijay Mario Sebastian Misquitta  
Managing Director

Sd/-  
Ajay Dilkush Sarupria  
Director

Sd/-  
M.S. Johar  
Partner  
M. No.84151

Place : New Delhi  
Date : 26.08 2009

**TRC FINANCIAL SERVICES LIMITED**

FIFTEENTH ANNUAL REPORT 2008-2009.

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

**I Registration Details**

Registration No.	59212	State Code	55
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Balance Sheet Date	31	03	2009
Date		Month	Year

**II Capital Raised during the period**

(Amount in Rs. Thousands)

Public Issue	NIL	Rights Issue	NIL
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Bonus Issue	NIL	Private Placement	NIL
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**III Position of Mobilisation and Deployment of Funds**  
(Amount in Rs. Thousands)

Total Liabilities	53114	Total Assets	53114
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Sources of Funds

Paid-up Capital	50009	Reserves & Surplus	2096
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Secured Loans	NIL	Unsecured Loans	NIL
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Application of Funds

Net Fixed Assets	1860	Investments	86
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Net Current Assets	21641	Misc. Expenditure	NIL
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Accumulated Losses	29526		
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**IV. Performance of Company**  
(Amount in Rs. Thousands)

Turnover	1703	Total Expenditure	1301
----------	------	-------------------	------

+ -Profit/Loss before Tax	402	+ -Profit/Loss after Tax	339
---------------------------	-----	--------------------------	-----

Earning per Share in Rs.	0.07	Dividend Rate %	NIL
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**V. Generic Names of Three Principal Products/ Services of Company**

Item Code No.	N. A.
Service Description	FINAN CIAL SERVICES

As per, out Report of Even date  
**For Johar & Kathpalia**  
Chartered Accountants

Sd/-  
**Vijay Mario Sebastian Misquitta**  
Managing Director

Sd/-  
**Ajay Dilkush Sarupria**  
Director

Sd/-  
**M.S. Johar**  
Partner  
M. No.84151

Place : New Delhi  
Dated : 26-08-2009

**Schedule to the Balance sheet of TRC Financial Services Limited  
(as required in terms of Paragraph 9BB of Non-Banking Financial Companies  
Prudential Norms (Reserve Bank) Directions, 1998)**

Particulars	(Rs. in lakhs)	
<b>Liabilities Side :</b>		
(1) Loans and Advances availed by the NBFCs inclusive of interest accrued thereon but not paid:	Amount Out - - Standing	Amount Overdue
(a) Debentures : Secured	10	NIL
: Unsecured (other than falling within the meaning of public deposits*)	NIL	NIL
(b) Deferred Credits	NIL	NIL
(c) Term Loans	NIL	NIL
(d) Inter- corporate loans and borrowing	NIL	NIL
(e) Commercial Paper	NIL	NIL
(f) Public Deposits*	NIL	NIL
(g) Other Loans - Security Deposits from Lessees	NIL	NIL

\* Please see Note 1 Below:

**(2) Break-up of (1) (f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):**

(a) In the form of Unsecured debentures	NIL	NIL
(b) In the form of party secured debentures i.e. debentures where there is a shortfall in the value of security	NIL	NIL
(c) Other public deposits	NIL	NIL

\* Please see Note 1 below

**Assets Side :**

	Amount Outstanding	
(3) Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :		
(a) Secured	NIL	
(b) Unsecured	NIL	

(4) Break up of Leased Assets and stock on hire and hypothecation loans counting towards EL/HP activities Amount Outstanding

(i) Lease assets including lease rental under sundry debtors :	
(a) Financial lease	NIL
(b) Operating lease	NIL
(ii) Stock on hire including hire charges under sundry debtors:	
(a) Assets on hire	NIL
(b) Repossessed Assets	NIL
(iii) Hypothecation loans counting towards EL/HP activities	
(a) Loans where assets have been repossessed	NIL
(b) Loans other than (a) above	NIL

(5) Break-up of Investments :

Current Investments:

1	Quoted	
	(i) Shares :	
	(a) Equity	NIL
	(b) Preference	NIL
	(ii) Debentures and Bonds	NIL
	(iii) Units of mutual funds	NIL
	(iv) Government Securities	NIL
	(v) Others (please specify)	NIL
2	Unquoted	
	(i) Shares :	
	(a) Equity	NIL
	(b) Preference	NIL
	(ii) Debentures and Bonds	NIL
	(iii) Units of mutual funds	NIL
	(iv) Government Securities	NIL
	(v) Others - NSC	NIL

Long Term investments:

1	Quoted	
	(i) Shares :	
	(a) Equity	0.66
	(b) Preference	NIL
	(ii) Debentures and Bonds	NIL
	(iii) Units of mutual funds	NIL
	(iv) Government Securities	NIL
	(v) Others (please specify)	NIL
2	Unquoted :	
	(i) Shares :	
	(a) Equity	NIL
	(b) Preference	NIL
	(ii) Debentures and Bonds	NIL
	(iii) Units of mutual funds	NIL
	(iv) Government Securities	NIL
	(v) Others (please specify)	0.20

## (6) Borrower group-wise classification of all leased assets, stock-on hire and loans and advances :

Please see Note 2 below

Category	Amount net of provisions		Total
	Secured	Unsecured	
1. Related Parties * *			
(a) Subsidiaries	NIL	NIL	NIL
(b) Companies in the same group	NIL	NIL	NIL
(c) Other related parties	NIL	NIL	NIL
2. Other than related parties	NIL	NIL	NIL
<b>Total</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>

## (7) Investor group-wise classification of all investments (current and long term) in shares and securities(both quoted and unquoted) :

Please see note 3 below

Category	Market Value/ Break up or fair value or NAV	Book Value (Net of provisions)
1. Related Parties * *		
(a) Subsidiaries	NIL	NIL
(b) Companies in the same group	NIL	NIL
(c) Other related parties	NIL	NIL
2. Other than related parties	0.86**	0.86**
<b>Total</b>	<b>0.86**</b>	<b>0.86**</b>

\* \* As per Accounting Standard of ICAI ( Please see Note 3 &amp; 4)

## (8) Other Information

Particulars	Amount
(i) Gross Non-Performing Assets	
(a) Related parties	NIL
(b) Other than related parties #	NIL
(ii) Net Non-Performing Assets	
(a) Related parties	NIL
(b) Other than related parties	NIL
(iii) Assets acquired in satisfaction of debt	NIL

# In the books the company carry the figure of NPA at net values, under various respective heads.

**Notes:**

1. As defined in Paragraph 2 (1) (xii) of the Non-Banking Financial Companies Acceptance of Public Deposits ( Reserve Bank) Directions, 1998.
2. Provisioning norms shall be applicable as prescribed in the Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998.
3. All Accounting Standard and Guidance Notes issued by ICAI are applicable including investments and other assets as also assets acquired in satisfaction of debts. However, market value in respect of quoted investments and break-up/ fair value/ NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in column (5) above.
4. Reduction in cost of Investment.
  - a. In case of shares which are not quoted at any stock exchange, the value of the investment has been reduced to NIL.
  - b. In case of shares which are quoted, the value of the investment has been reduced to the market value as at 31.03.2008 is the same value is appearing as on 31.03.2009.

**TRC FINANCIAL SERVICES LIMITED**

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

**FIFTEENTH ANNUAL GENERAL MEETING  
PROXY FORM**

I/We..... of.....  
.....in the district of.....being a  
Member/Members of TRC Financial Services Ltd. hereby appoint Mr./Miss/Mrs.....  
of.....or failing him/her, Mr./Miss/ as my/our  
proxy to attend and vote for me/our behalf at the Fifteenth Annual General Meeting of the Company to be held on 30th  
September 2009. at 11.00 a.m. or at any adjournment thereof.  
Signed this.....day of September, 2009.  
Regd. Folio No.....No. of Shares.....  
DP ID\* No.....Proxy No.....Client ID\* No.....

Affix  
1 Rupee  
Revenue  
Stamp

- NOTE:** 1. The Form should be Signed across the stamp as per specimen.  
2. The Proxy must be returned so as to reach the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting. The Proxy need not be a member of the Company.  
\* Applicable for members holding shares in electronic forms.

**TRC FINANCIAL SERVICES LIMITED**

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

**FIFTEENTH ANNUAL General MEETING  
ATTENDANCE SLIP**

I/We hereby record my/our presence at the Fifteenth Annual General Meeting of the Company to be held at ARJUN FARMS, (Khasra No. 11/16) Village Pindwala Khurd, Jhatikra Road, New Delhi-110 071 on Wednesday, the 30th September 2009.

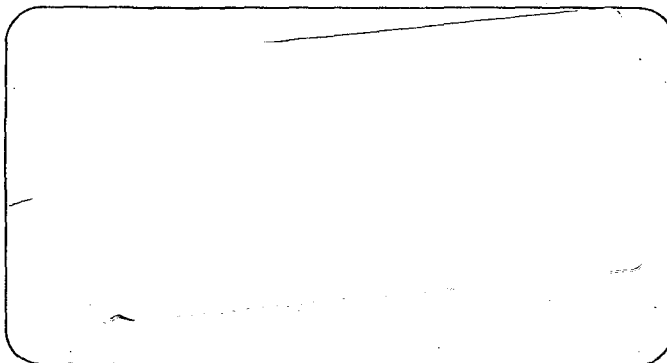
Full Name of Member (in Block Letters)	
Regd. Folio No.	
DP ID* No.	
Client ID* No.	
No. of Shares Held	
Full Name of Proxy (in Block Letters)	
Signature of the Member(s) or Proxy/Proxies present	

- NOTE:** 1. A Proxy attending on behalf of a member should also write the name of the Member from whom he/she holds the Proxy.  
2. Please complete and sign this attendance slip and hand over at the entrance of the meeting hall. Only Member(s) or their Proxies with this attendance slip will be allowed entry to meeting. No attendance slip will be issued at the time of meeting.

**MEMBERS PLEASE NOTE THAT NO GIFT / COUPON SHALL BE DISTRIBUTED AT THE MEETING**



BOOK - POST



**MEMBERS PLEASE NOTE THAT NO GIFT / COUPON SHALL BE  
DISTRIBUTED AT THE MEETING.**

*If undelivered, please return to :*

**TRC FINANCIAL SERVICES LTD.**

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