



**TRC Financial Services Limited**  
CIN : L74899MH1994PLC216417

September 08, 2021

To,  
Corporate Relations Department  
**Bombay Stock Exchange Limited**  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort  
Mumbai- 400001

**Sub: Submission of Annual Report for financial year ended March 31, 2021**

Dear Sir/ Madam,

Pursuant to Regulation 34 and Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit herewith the Annual Report of the Company for the Financial Year 2020 - 21 along with Notice convening 27<sup>th</sup> Annual General Meeting, scheduled to be held on Thursday, 30<sup>th</sup> September, 2021 at 12:00 noon IST through Video Conferencing (VC) / Other Audio Video Means (OAVM)

Due to some technical issue some pages of the Annual Report are not visible in the earlier Annual Report submitted. So, we are hereby submitting the revised Annual Report. Request you to please ignore the earlier Annual Report and consider this one as final Annual Report.

Please take the same on your records.

Yours Faithfully,

**For TRC Financial Services Limited**

CHARMI KARTIK GINDRA  
Digitally signed by  
CHARMI KARTIK GINDRA  
Date: 2021.09.08  
17:50:44 +05'30'

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Charmi Gindra  
Company Secretary & Compliance Officer  
Membership no. 46913

Regd. Office" 3<sup>rd</sup> Floor, Bandra Hill View CHS, 85, Hill Road, Opp. Yoko Sizzlers, Bandra (West),  
Mumbai -400 050.

Ph.: 26414725 Email: trcfsLtd@gmail.com Website: www.trcfin.in

TRC FINANCIAL SERVICES LIMITED



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***TRC FINANCIAL SERVICES LIMITED***

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***27<sup>th</sup> ANNUAL REPORT***

***2020-21***

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## **Board of Directors**

Mr. Sabarinath Gopala Krishnan  
**Whole-time Director**

Sanjay Prabhu  
**Non-Executive Director**

Naresh Gandhi  
**Independent Director**

Uma Prasad Bontha  
**Independent Director**

## **Company Secretary & Compliance Officer**

Charmi Kartik Gindra

## **Chief Financial Officer**

Mr. Sabarinath Gopala Krishnan

## **Registered Office**

Bandra Hill View CHS, (3rd Floor), 85,  
Hill Road,  
Opp. Yoko Sizzlers, Bandra (W),  
Mumbai – 400 050

**Website:** [www.trcfin.in](http://www.trcfin.in)

**Email:** [cs@trcfin.in](mailto:cs@trcfin.in)

**Telephone:** 022-26414725.

## **Registrar & Share Transfer Agent**

### **Purva Shareregistry (India) Pvt. Ltd**

No-9, Shiv Shakti Industrial Estate Ground  
Floor, J R Boricha Marg, Opp. Kasturba  
Hospital  
Lower Parel, Mumbai – 400 011.

## **Bankers**

Union Bank of India

## **Statutory Auditors**

### **NBS & Co**

#### **Chartered Accountants**

14/2, Western India House  
Sir P M Road  
Fort  
Mumbai 400 001

## **Internal Auditors**

M/s. VMRS & Co.

### **Chartered Accountants**

## **Secretarial Auditors**

M/s. Priti J. Sheth & Associates  
Company Secretaries  
Office no 804, 8th floor, G Square,  
Jawahar Road, Opp Ghatkopar Station  
Ghatkopar (East), Mumbai-400077

# TRC FINANCIAL SERVICES LIMITED



## TRC FINANCIAL SERVICES LIMITED

**Regd. Office:** Bandra Hill View CHS, (3rd Floor), 85, Hill Road, Opp. Yoko Sizzlers, Bandra (W),  
Mumbai – 400 050 Tel: +91 22 26414725, Email: [trcfsLtd@gmail.com](mailto:trcfsLtd@gmail.com), Web: [www.trcfin.in](http://www.trcfin.in)  
(CIN- L74899MH1994PLC216417)

### **Notice of 27<sup>th</sup> Annual General Meeting**

Notice is hereby given that the 27<sup>th</sup> Annual General Meeting (“AGM”) of the members of TRC FINANCIAL SERVICES LIMITED will be held on Thursday, September 30, 2021, at 12:00 Noon (IST) through Video Conferencing (VC)/ other Audio-Visual Means (OAVM), to transact the following business.

The venue of the meeting shall be deemed to be the Registered Office of the Company at Bandra Hill View CHS, (3rd Floor), 85, Hill Road, Opp. Yoko Sizzlers, Bandra (W), Mumbai – 400 050.

#### **ORDINARY BUSINESS**

- I. To Consider and adopt the audited financial statement of the Company for the financial year ended March 31, 2021, and the reports of the Board of Directors and Auditors thereon.
- II. To appoint a Director in place of Mr. Korodi Sanjay Prabhu (DIN: 00023196), who retires by rotation and being eligible has offered himself for re-appointment.

#### **SPECIAL BUSINESS**

- III. **To approve appointment of Mr. Sabarinath Gopala Krishnan as a Whole Time Director of the Company.**

To consider, and if thought fit, to pass the following resolution as a Special Resolution:

“**RESOLVED THAT** pursuant to the provisions of Sections 152, 161 and all other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Mr. Sabarinath Gopala Krishnan (DIN: 08479403) who was appointed as an Additional Director of the Company with effect from June 29, 2021 and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a Member proposing the candidature for the office of the Director be and is hereby appointed as Director of the Company, not liable to retire by rotation.

“**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 196, 197 and 203 any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and pursuant to the recommendation of the Nomination & Remuneration Committee, Mr. Sabarinath Gopala Krishnan (DIN: 08479403) be and is hereby appointed as Whole-time Director of the Company for a period of 3 years with effect from June 29, 2021, with such designation as the Board of Directors (hereinafter referred to as the “Board” which expression shall also include the ‘Nomination and Remuneration Committee’ of the Board) may decide from time to time, on the terms and conditions of appointment and remuneration as mentioned below with liberty and power to the Board, to grant increments and to alter and vary from time to time, the terms and conditions of the said appointment, subject to the same not exceeding the limits specified under the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof:

#### **A. Salary**

Total CTC Rs.1,50,000/- (Rupees One Lakh Fifty Thousand only) per month.



## **B. Perquisites, Reimbursements, & Allowances:**

- Leave and leave encashment as per the Rules of the company.
- Reimbursement of all expenses including entertainment and travelling incurred in the course of the business of the company.
- Medical Insurance coverage up to Rs. 3 Lakhs (Rupees Three Lakhs) for self, family and dependents.
- Personal Accident Insurance coverage up to Rs.20 Lakhs (Rupees Twenty Lakhs only) for self.

## **C. Performance linked Incentive (Variable Pay):**

The company shall, subject to its discretion and based on the performance of the Executive, pay a performance linked bonus of Rs. 2 Lakhs (Rupees Two Lakhs only) per year. This component is linked to the performance of the company and the performance of the Executive which shall be evaluated by the Nomination & Remuneration Committee for every completed Financial Year and paid accordingly subject to deduction of applicable taxes.

## **Other Terms**

1. His services will be governed by the service rules of the Company as may be in force from time to time in so far as they are not at variance with the terms herein contained.
2. Mr. Sabarinath Gopala Krishnan in his capacity as Whole time Director shall be a non-retiring Director.
3. Mr. Sabarinath G be and is hereby authorised to exercise the powers of management of the Company's business and its affairs subject to the superintendence and directions of the Board of Directors.

**“RESOLVED FURTHER THAT** in the event of absence or inadequacy of profits in any financial year, Mr. Sabarinath Gopala Krishnan will be paid the salary and perquisites as minimum remuneration in accordance with Section II of Part II of Schedule V of the Companies Act, 2013, by making such compliances as provided in the said schedule

**“RESOLVED FURTHER THAT** any one of the Directors of the Company be and is hereby authorized to sign all papers and documents in respect to the aforesaid appointment and terms of remuneration and anyone Director or the Company Secretary of the Company be and are hereby severally authorized for and on behalf of the Company to sign and file necessary forms and applications with the Registrar of Companies and other authorities as may be required for the appointment of Mr. Sabarinath Gopala Krishnan as Whole time Director and to represent the Company before any authority for any matter incidental or ancillary thereto.”

## **IV. To increase Authorised Share Capital of the Company**

To consider, and if thought fit, to pass with or without modification the following resolution as a Special Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 13, 61, 64 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) and re-enactment(s) thereof for the time being in force) and the rules framed thereunder, the consent of the Members of the Company be and is hereby accorded to increase the Authorized Share Capital of the Company from Rs. 8,00,00,000 (Rs. Eight Crores) divided 60,00,000 (Sixty Lakhs) Equity Shares of Rs. 10/- each aggregating to Rs. 6 Crores and 20,00,000 Preference Shares of Rs. 10/- each aggregating to Rs. 2,00,00,000/- to Rs. 3,06,00,00,000 (Rs. Three Hundred and Six Crores) divided into 30,40,00,000 (Thirty Crores Forty Lakhs) Equity Shares of Rs. 10/- each and 20,00,000 Preference Shares of Rs. 10/- each aggregating to Rs. 2,00,00,000/-

# TRC FINANCIAL SERVICES LIMITED



“RESOLVED FURTHER THAT the new Equity Shares shall rank pari passu with the existing shares.”

“RESOLVED FURTHER THAT Clause V of the Memorandum of Association of the Company be and is hereby replaced with the following Clause:

- V. **The Authorized Share Capital of the company is Rs. 306,00,00,000 (Rs. Three Hundred and Six Crores) divided into 30,40,00,000 (Thirty Crores Forty Lakhs) Equity Shares of Rs. 10/- each and 20,00,000/- Preference Shares of Rs. 10/- each aggregating to Rs. 2,00,00,000/-.**

“RESOLVED FURTHER THAT any Director of the Company or the Company Secretary of the Company be and are hereby severally authorized to do all such act(s), deed(s) and things including all forms, documents filing with Registrar of Companies as may be necessary and incidental to give effect to the aforesaid Resolution.”

- V. **To alter Memorandum of Association of the Company as per The Companies Act, 2013.**

To consider, and if thought fit, to pass with or without modification the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 4, 13 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”), read with the Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and in accordance with the Table A of the Schedule I of the Act and consequently changing the object numbering as may be appropriate, if any, consent of the members be and is hereby accorded for alteration in the Memorandum of Association of the Company in following manner:

Sr. No.	Clause No.	Existing Clauses	New Clauses	Remarks
1	NA	The Companies Act, 1956	The Companies Act, 2013	Heading of Memorandum of Association
2	III (A)	The Main objects to be pursued by the Company on its Incorporation are	The objects to be pursued by the Company on its incorporation are :-	NA
3	III (B)	Objects incidental or ancillary to the attainment of the main objects	Matters which are necessary for furtherance of the objects specified in clause III (A) are :-	Modification of all sub clauses to replace the references of Companies Act, 1956 with the references of Companies Act, 2013.
4	III (C)	Other Objects not included in (A) & (B) above		Deletion
5	IV	The liability of the members is limited	The liability of the members is limited and this liability is limited to the amount unpaid, if any, on shares held by them.	Modification of clause for streamlining with the Companies Act 2013 and rules framed there under.

“RESOLVED FURTHER THAT any of the Directors or Key Managerial Personnel (KMP) of the Company be and is hereby severally authorized to do all such acts, deeds, matters and things as may be deemed proper, necessary, or expedient, including filing the requisite e-forms with Ministry of Corporate Affairs or submission of documents with any other authority, for the purpose of giving effect to this Resolution and for matters connected therewith or incidental thereto and to settle all questions, difficulties or doubts that may arise in this regard at any stage without requiring the Board to secure any further consent or approval of the Members of the Company to the end and intent that the Members shall be deemed to have given their



approval thereto expressly by the authority of this resolution.”

**VI. To alter Articles of Association of the Company as per The Companies Act, 2013**

To consider, and if thought fit, to pass with or without modification the following resolution as a Special Resolution:

“**RESOLVED THAT** pursuant to the provisions of Sections 5, 14 and other applicable provisions, if any, of Companies Act, 2013, (“the Act”) read with the Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulations contained in the Articles of Association submitted to this Meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company.”

“**RESOLVED FURTHER THAT** any of the Directors or Key Managerial Personnel (KMP) of the Company be and is hereby severally authorized to do all such acts, deeds, matters and things as may be deemed proper, necessary, or expedient, including filing the requisite forms with Ministry of Corporate Affairs or submission of documents with any other authority, for the purpose of giving effect to this Resolution and for matters connected therewith or incidental thereto and to settle all questions, difficulties or doubts that may arise in this regard at any stage without requiring the Board to secure any further consent or approval of the Members of the Company to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

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

**Sd/-  
Sabarinath Gopala Krishnan  
Whole-Time Director  
DIN: 08479403**

Place: Bangalore

Date: 30<sup>th</sup> August, 2021

**Notes:**

- Statement pursuant to Section 102(1) of the Companies Act, 2013 (the “Act”), in respect of the Special Business to be transacted at the Annual General Meeting (“AGM”) is annexed hereto.
- In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020, April 13, 2020 and January 13, 2021 (collectively referred to as “MCA Circulars”) permitted the holding of the Annual General Meeting (“AGM”) through VC / OAVM, without the physical presence of the shareholders at a common venue. In compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
- Since the AGM is being held through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

However, in terms of the provisions of Section 112 and 113 of the Act read with the said Circulars, Corporate Members are entitled to appoint their authorized representatives to attend the AGM through VC/ OAVM on their behalf and participate thereat, including cast votes by electronic means (details of which are provided separately, hereinbelow).

- As required under Regulation 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and pursuant to the provisions of Secretarial Standard-2 on General Meetings, the relevant information in respect of the Director’s seeking appointment and re-appointment forms an integral part of this Notice and Explanatory statement.
- The shareholders can join the AGM in the VC/ OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned hereinbelow in the Notice. The facility of participation at the AGM through VC/ OAVM will be made available for 1,000 shareholders on ‘first come first serve’ basis. This will not include large shareholders (i.e. shareholders holding 2% or more), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of ‘first come first serve’ basis.
- Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
- The attendance of the shareholders attending the AGM through VC/ OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
- The shareholders, seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before 24<sup>th</sup> September 2021, 5:00 pm (IST), through email on [cs@trcfin.in](mailto:cs@trcfin.in). The same will be replied by/ on behalf of the Company suitably.
- In view of the outbreak of the COVID-19 pandemic, resultant difficulties involved in dispatching of physical copies of the Annual Report and in line with the said Circulars issued by the MCA and said SEBI Circular, the Annual Report including Notice of the 27<sup>th</sup> AGM of the Company indicating the process and manner of e-voting is being sent only by Email, to all the shareholders whose Email IDs are registered with the Company/ Depository Participant(s) for communication purposes to the shareholders and to all other persons so entitled. Further, in terms of the applicable provisions of the Act, SEBI Listing Regulations read with the said Circulars issued by MCA and said SEBI Circular, the Annual Report including Notice of the 27<sup>th</sup> AGM of the Company will also be available on the website of the Company at [www.trcfin.in](http://www.trcfin.in). The same can also be accessed from the websites of the Stock Exchange i.e., BSE Limited at [www.bseindia.com](http://www.bseindia.com) and on the website of CDSL (agency for providing the remote e-voting facility and e-voting system during the AGM i.e., [www.evotingindia.com](http://www.evotingindia.com)).
- Shareholders holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details such as bank account number, name of the bank and branch details, MICR code and IFSC code, mandates, nominations, power of attorney, change of address, change of name, e-mail





address, contact numbers, etc., to their depository participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's record which will help the Company and the Company's Registrars and Transfer Agent – M/s. Purva Sharegistry (India) Pvt. Ltd ("PSIPL") to provide efficient and better services. Shareholders holding shares in physical form are requested to intimate such changes to PSIPL. The Securities and Exchange Board of India ("SEBI") has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Shareholders holding shares in electronic form are, therefore, requested to submit the PAN to their depository participants with whom they are maintaining their demat accounts. Shareholders holding shares in physical form can submit their PAN details to PSIPL.

- Shareholders holding shares in physical form are requested to consider converting their holdings to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Shareholders can contact the Company or PSIPL for assistance in this regard.
- Shareholders holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or PSIPL, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such shareholders after making requisite changes.
- SEBI had vide Notification Nos. SEBI/LAD-NRO/GN/2018/24 dated 8<sup>th</sup> June 2018 and SEBI/LAD-NRO/GN/2018/49 dated 30<sup>th</sup> November 2018 read with BSE circular no. LIST/COMP/15/2018-19 dated 5<sup>th</sup> July 2018 directed that transfer of securities would be carried out in dematerialised form only with effect from 1<sup>st</sup> April 2019, except in case of transmission or transposition of securities. Accordingly, shareholders holding securities in physical form were separately communicated by the Registrar and Share Transfer Agent – M/s. Purva Sharegistry (India) Pvt. Ltd ("PSIPL") at their registered address. In view of the above and to avail the benefits of dematerialisation, shareholders are requested to consider dematerialising shares held by them in physical form.
- In case of joint holders attending the Annual General Meeting (AGM), the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
- The Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Act, the Register of Contracts or arrangements in which Directors are interested under Section 189 of the Act shall be available for inspection upon request in electronic mode.
- To support the 'Green Initiative', members who have not registered their e-mail addresses are requested to register the same with DPs / Company's RTA.
- In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the SEBI Listing Regulations, The Company has engaged the services of Central Depository Services (India) Limited ("CDSL"), who will provide the e-voting facility of casting votes to a Shareholder using remote e-voting system (e-voting from a place other than venue of the AGM) ("remote e-voting") as well as e-voting during the proceeding of the AGM ("e-voting at the AGM").
- Pursuant to Section 72 of the Companies Act, 2013, shareholders are entitled to make nomination in respect of shares held by them. Shareholders desirous of making nominations are requested to send their requests in Form SH 13 (which will be made available on request) to the RTA in case the shares are held in physical form and to their DP in case the shares are held by them in electronic form.
- The cut-off date for the purpose of remote e-voting and e-voting at the AGM shall be Wednesday, September 23, 2021. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date, i.e. Wednesday, September 23, 2021, shall be entitled to avail the facility of remote e-voting or e-voting at the AGM.
- Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 23<sup>rd</sup> September 2021, may obtain the login ID and password by sending a request at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or Issuer/RTA.
- Only those shareholders, who will be present at the AGM through VC/ OAVM facility and who would not have cast their vote by remote e-voting prior to the AGM and are otherwise not barred from doing so, shall



be eligible to vote through e-voting system at the AGM.

- The Company has appointed Ms. Priti Sheth of M/s. Priti J. Sheth & Associates, Company Secretaries, (Membership No. FCS 6833, C.P. No. 5518) as the Scrutinizer to scrutinize remote e-voting or e-voting at the AGM in a fair and transparent manner
- The voting rights of members shall be in proportion to their shares in the paid up equity share capital of the Company as on the cut-off date. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of voting, either through remote e-voting or e-voting at the AGM through electronic voting system.
- The result of remote e-voting and e-voting at the AGM along with the Scrutinizer's Report shall be placed on the Company's website <http://www.trcfin.in> and on the website of CDSL [www.evotingindia.com](http://www.evotingindia.com) in due course. The Company shall simultaneously forward the results to BSE Limited, where the shares of the Company are listed. The results shall also be displayed on the notice board at the Registered Office of the Company.



• **THE INTRUCTIONS FOR SHAREHOLDRES FOR REMOTE E-VOTING ARE AS UNDER:**

- (i) The voting period begins on Monday, September 27, 2021 at 9.00 a.m. (IST) and ends on Wednesday, September 29, 2021 at 5.00 p.m. (IST).

During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the record/ cut-off date i.e. September 23, 2021 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote during the meeting.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on “Shareholders” module.
- (v) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

OR

Alternatively, if you are registered for CDSL’s EASI/ EASIEST e-services, you can log-in at <https://www.cdslindia.com> from Login - Myeasi using your login credentials. Once you successfully log-in to CDSL’s EASI/EASIEST e-services, click on e-Voting option and proceed directly to cast your vote electronically.

- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- (viii) If you are a first-time user follow the steps given below:

<b>For shareholders holding shares in Demat Form and Physical Form</b>	
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login.. <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>

- (ix) After entering these details appropriately, click on “SUBMIT” tab.
- (x) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.



- (xi) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for TRC Financial Services Limited.
- (xiii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on “Click here to print” option on the voting page.
- (xviii) If a demat account holder has forgotten the login password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL’s mobile app “m-voting”. The m-voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while remote voting on your mobile.

● **PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**

1. For Physical shareholders - please provide necessary details like Folio No., Name of shareholder, scan copy of the share certificate (front and back), PAN (self-attested scan copy of PAN card), AADHAR (self-attested scan copy of Aadhar Card) by email to the Company at [cs@trcfin.in](mailto:cs@trcfin.in) or the RTA at [support@purvashare.com](mailto:support@purvashare.com).
2. For Demat shareholders - Please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID +CLID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scan copy of PAN card), AADHAR (self attested scan copy of Aadhar Card) to the Company at [cs@trcfin.in](mailto:cs@trcfin.in) or the RTA at [support@purvashare.com](mailto:support@purvashare.com).

● **INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/ OAVM ARE AS UNDER:**

1. Shareholder will be provided with a facility to attend the AGM through VC/ OAVM through the CDSL e-voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/ members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that shareholders connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 8 days prior to meeting mentioning their name, demat account number/ folio number, email id, mobile number at [cs@trcfin.in](mailto:cs@trcfin.in). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 8 days prior to meeting mentioning their name, demat account number/ folio number, email id, mobile number at [cs@trcfin.in](mailto:cs@trcfin.in). These queries will be replied to by the company suitably by email.



6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

• **INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING THE MEETING ARE AS UNDER:**

1. The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system available during the AGM.
3. If any votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders who have voted through remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

(xx) Note for Non-Individual Shareholders and Custodians.

- Non-Individual shareholders (i.e., other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
- A scan copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scan copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [priti.pjsassociates@gmail.com](mailto:pritti.pjsassociates@gmail.com) and [cs@trcfin.in](mailto:cs@trcfin.in), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

If you have any queries or issues regarding attending AGM & e-voting from the e-voting system, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact Mr. Nitin Kunder (022- 23058738) or or Mr. Rakesh Dalvi (022-23058542).

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

# TRC FINANCIAL SERVICES LIMITED



## Explanatory Statement

Annexed to notice dated 30<sup>th</sup> August 2021

Pursuant to Section 102(1) of the Companies Act, 2013 (“the Act”)

### Agenda No. III

The Board of Directors (“the Board”) of the Company had appointed, pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company, Mr. Sabarinath Gopala Krishnan as an Additional Director of the Company with effect from June 29, 2021.

As per the provisions of Section 161(1) of the Act, Mr. Sabarinath Gopala Krishnan holds office of Director up to the date of ensuing Annual General Meeting of the Company and being eligible, has offered himself for appointment as Director.

The Company has received a notice in writing from a member under Section 160 of the Act proposing the candidature of Mr. Sabarinath Gopala Krishnan for the office of Director of the Company.

Further, the Board at its meeting held on June 29, 2021 has, subject to the approval of members, appointed Mr. Sabarinath Gopala Krishnan as Whole-time Director for a period of 3 (three) years w.e.f June 29, 2021 on the terms and Conditions including remuneration as recommended by the Nomination and Remuneration Committee of the Board and approved by the Board.

It is proposed to seek members’ approval for the appointment of and remuneration payable to Mr. Sabarinath Gopala Krishnan as Whole-time Director in terms of the applicable provisions of the Act.

Mr. Sabarinath Gopala Krishnan satisfies all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under sub-section (3) of Section 196 of the Act for being eligible for his appointment. He is not disqualified from being appointed as Director in terms of Section 164 of the Act. The above may be treated as a written memorandum setting out the terms of appointment of Mr. Sabarinath Gopala Krishnan under Section 190 of the Act.

Mr. Sabarinath G holds Master of Business Administration (MBA – Finance) degree from Symbiosis Institute of Management Studies.

He has work experience of almost 17 years and has worked with Companies like Kingfisher Airlines, Jupiter Aviation Services Private Limited in the aviation sector, SEMAC Engineering Consultancy Private Limited, Niraamaya Retreats Private Limited in the Hospitality Sector, as Associate Director – Finance in GSE Commerce Private Limited – Architecture and Interior Design.

Further, he has handled various Compliances including RBI Audit, dealt with government & Bank related various projects of the group. He has worked across the various parts of the country in the areas of Business Development, operation Controls, public relations& compliances.

Disclosures as required under Regulation 36 of the Listing Regulations and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India are provided in the “Annexure 1” to the Notice. Mr. Sabarinath Gopala Krishnan is not related to any other Director of the Company.

The Statement as required under Section II, Part II of the Schedule V of the Companies Act, 2013 with reference to Special resolution at Item No. III is annexed hereto as “Annexure 2” of Notice & Explanatory Statement.

Mr. Sabarinath Gopala Krishnan is interested in the Special Resolution set out at Item No. III with respect to his appointment. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. III of the Notice.



The Board recommends the Special Resolution set out at Item No. III of the Notice for approval by the members. Accordingly, consent of the Members is sought for passing Special Resolution as set out in this item of the Notice for appointment of Mr. Sabarinath Gopala Krishnan as Whole time Director of the Company w.e.f. June 29, 2021 for a period of 3 years.

## **Agenda No. IV**

The Authorised Capital of your Company as on date is Rs. 8,00,00,000 (Rs. Eight Crores) divided 60,00,000 (Sixty Lakhs) Equity Shares of Rs. 10/- each aggregating to Rs. 6 Crores and 20,00,000 Preference Shares of Rs. 10/- each aggregating to Rs. 2,00,00,000/-

Further, the Paid-up Equity Share Capital of your Company is 50,00,900 Equity Shares of Rs. 10/- each, totaling to Rs. 5,00,09,000/-

The Company proposes to increase its authorized share capital to Rs. 3,06,00,00,000/- (Rs. Three Hundred and Six Crores) to facilitate any fund raising in future via further issue of equity shares of the company.

It is proposed to increase the Authorised Share Capital of your Company from Rs. 8,00,00,000 (Rs. Eight Crores) divided 60,00,000 (Sixty Lakhs) Equity Shares of Rs. 10/- each aggregating to Rs. 6 Crores and 20,00,000 Preference Shares of Rs. 10/- each aggregating to Rs. 2,00,00,000/- to Rs. 3,06,00,00,000 (Rs. Three Hundred and Six Crores) divided into 30,40,00,000 (Thirty Crores Forty Lakhs) Equity Shares of Rs. 10/- each and 20,00,000 Preference Shares of Rs. 10/- each aggregating to Rs. 2,00,00,000/- and for that purpose, the Memorandum of Association of your Company is proposed to be suitably amended by increasing the Authorised Share Capital as set out in the resolution.

The new Equity Shares shall rank pari passu with the existing shares.

The provisions of the Companies Act, 2013 require the Company to seek the approval of the Members for increase in the Authorised Share Capital and for amending the Capital clause of the Memorandum of Association and Articles of Association of the Company.

The increase in authorised share capital as aforesaid would require consequential amendments to the existing Clause V of the Memorandum of Association and Article 3 of the Articles of Association respectively.

All the documents referred to in this Notice and the Registers referred to in Section 170 and in Section 189 of the Companies Act, 2013, will be available electronically for inspection by the Members during the AGM. All documents referred to in the Notice will also be available electronically for inspection without any fee by the Members from the date of circulation of this Notice up to the date of AGM. Members seeking inspection or any information with regard to the Accounts or any matter to be placed at the AGM, are requested to write to the Company on or before 28<sup>th</sup> September, 2021 through email on [cs@trcfin.in](mailto:cs@trcfin.in)

The Board of Directors accordingly recommends the resolution for your approval.

None of the Directors, Key Managerial Person(s) of the Company including their relatives are, in any way, concerned or deemed to be interested in the proposed resolution.

## **Agenda No. V**

The Companies Act, 2013, has prescribed a new format of Memorandum of Association ("MOA") for companies limited by shares. Accordingly, with a view to align the existing MOA of the Company with Table A of the Schedule I of the Act and in accordance with Section 4 and 13 of the Act, it is proposed to alter the MOA of the Company.

The Board at its meeting has approved alteration of the MOA of the Company and the Board now seek Members' approval for the same.



A copy of the proposed MOA of the Company would be available for inspection for the Members at the Registered Office of the Company during the office hours on any working day except Saturdays, Sundays, and public holidays, between 11:00 am to 5:00 pm till the date of AGM. The aforesaid documents are also available for inspection at the AGM.

The Board recommends the Special Resolution set forth in agenda No. V of the Notice for approval of the Members.

None of the Directors, Key Managerial Person(s) of the Company including their relatives are, in any way, concerned or deemed to be interested in the proposed resolution.

## **Agenda No. VI**

The existing Articles of Association (AOA) are based on the Companies Act, 1956 and several regulations in the existing AOA contain references to specific sections of the Companies Act, 1956 and some regulations in the existing AOA are no longer in conformity with the Act. Substantive sections of the Act which deal with the general working of companies stand notified.

With the coming into force of the Act, several regulations of the existing AOA of the Company require alteration or deletions in several articles. Given this position, it is considered expedient to replace wholly the existing AOA by a new set of Articles.

The new AOA to be substituted in place of the existing AOA are based on Table 'F' of the Act which sets out the model articles of association for a company limited by shares.

The Board at its meeting has approved alteration of the AOA of the Company and the Board now seek Members' approval for the same.

Pursuant to Section 14 of the Act, the consent of the Members by way of Special Resolution is required for alteration of AOA of the Company.

The Board recommends the Special Resolution set forth in agenda no. VI of the Notice for approval of the Members.

None of the Directors, Key Managerial Personnel of Company and their relatives are concerned or interested, financially or otherwise in the said resolution.

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

**-Sd/-  
Sabarinath Gopala Krishnan  
Whole-Time Director  
DIN: 08479403**

Place: Bangalore  
Date: 30<sup>th</sup> August 2021



# TRC FINANCIAL SERVICES LIMITED



## Annexure 1

Details of Directors seeking appointment/ reappointment at the ensuing Annual General Meeting (Pursuant to Regulation 36(3) of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, The Companies Act, 2013 and Secretarial Standards-2 issued by the Institute of Company Secretaries of India.

### A.

<b>Name of Director</b>	Mr. Korodi Sanjay Prabhu
<b>Director Identification Number (DIN)</b>	00023196
<b>Age</b>	58 Years
<b>Date of Birth</b>	November 12, 1962.
<b>Date of Appointment (Original)</b>	May 21, 2018.
<b>Qualification</b>	Diploma in Printing Technology (Lithography)
<b>Brief Resume and Experience</b>	Has over 25 years of experience in marketing, branding Etc.
<b>Directorships held in other companies (excluding section 8 and foreign companies)</b>	1. Asianet News Media & Entertainment Private Limited. 2. Asianxt Technologies Private Limited. 3. India Radio Ventures Private Limited 4. Strategic News International Agency Private Limited. 5. Lexicon Securities Limited 6. Lexicon Motion Pictures Private Limited
<b>Memberships of committees across other companies (includes only Audit &amp; Shareholders'/Stakeholder Relationship Committee)</b>	Nil
<b>Relationship between directors inter-se</b>	None
<b>Terms and condition of appointment/ re-appointment</b>	Non-Executive Director liable to retire by rotation
<b>Remuneration to be paid</b>	Nil
<b>Remuneration last drawn</b>	Nil
<b>Shareholding in the Company</b>	Nil
<b>No. of Board Meetings attended/ held during the year</b>	4/4

# TRC FINANCIAL SERVICES LIMITED



B.

<b>Name of Director</b>	<b>Mr. Sabarinath Gopala Krishnan</b>
<b>Director Identification Number (DIN)</b>	08479403
<b>Age</b>	37 years
<b>Date of Birth</b>	April 08, 1984
<b>Date of Appointment (Original)</b>	June 29, 2021
<b>Qualification</b>	Master of Business Administration (MBA – Finance) degree from Symbiosis Institute of Management Studies
<b>Brief Resume and Experience</b>	He has work experience of almost 17 years and has worked with Companies like Kingfisher Airlines, Jupiter Aviation Services Private Limited in the aviation sector, SEMAC Engineering Consultancy Private Limited, Niraamaya Retreats Private Limited in the Hospitality Sector, GS E Commerce Private Limited – Architecture and Interior Design
<b>Directorships held in other companies (excluding section 8 and foreign companies)</b>	01
<b>Memberships of committees across other companies (includes only Audit &amp; Shareholders'/Stakeholder Relationship Committee)</b>	Nil
<b>Relationship between directors inter-se</b>	None
<b>Terms and condition of appointment/ re-appointment</b>	As per the resolution at Item No. III of the AGM notice convening meeting read with explanatory statement thereto
<b>Remuneration to be paid</b>	Rs. 1,50,000/- per month as per explanatory statement
<b>Remuneration last drawn</b>	** Nil
<b>Shareholding in the Company</b>	Nil
<b>No. of Board Meetings attended/ held during the year</b>	NA
<b>** Mr. Sabrinath Gopalakrishnan has been appointed the first time in the Company. Therefor there is no last drawn remuneration</b>	

# TRC FINANCIAL SERVICES LIMITED



Annexure 2

## THE STATEMENT CONTAINING ADDITIONAL INFORMATION AS REQUIRED IN SCHEDULE V OF THE COMPANIES ACT, 2013

### I. GENERAL INFORMATION

- 1. Nature of Industry:** The company is a Non-Banking Financial Company
- 2. Date or expected date of commencement of commercial production:** Not Applicable
- 3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:** Not Applicable
- 4. Financial performance based on given indicators:** The Net Profit of the Company for the financial year ended March 2021 was Rs. 26.62 Lacs.
- 5. Foreign investments or collaborations, if any:** The Company has not made any foreign investment and neither entered into any foreign collaboration.

### II. INFORMATION ABOUT THE APPOINTEE:

Sl. No.	Particulars	Mr. Sabarinath Gopala Krishnan
1	<b>Background Details</b>	Mr. Sabarinath Gopalakrishnan is the whole time Director of the Company and being a Finance Professional has experience in Finance function and the closure of various Audits and other Compliances of Companies.
2	<b>Past remuneration</b>	Clause not applicable as Mr. Sabarinath Gopala Krishnan has been appointed as for the first time in the Company.
3	<b>Recognition or awards</b>	None
4	<b>Job profile and his suitability</b>	As a whole time director, he is responsible for overall management and administration of the Company
5	<b>Remuneration proposed</b>	It is proposed to pay salary of Rs. 1,50,000/- per month and perquisites as specified in the resolution above.
6	<b>Comparative remuneration profile with respect to industry, size of the company, profile of the position and person.</b>	Considering the responsibility shouldered by him for the enhancement of the business of the Company, proposed remuneration is commensurate with industry standards held in similar sized and similarly positioned business
7	<b>Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel or other Directors</b>	None



### III. Other information:

**1. Reasons of loss or inadequate profits: NA**

**2. Steps taken or proposed to be taken for improvement:** Management team is taking necessary measures to raise funds in order to enable the Company to enhance its NBFC Business

**3. Expected increase in productivity and profits in measurable terms:** The Company expects to generate adequate profit by enhancing its NBFC business.

# TRC FINANCIAL SERVICES LIMITED



## DIRECTORS' REPORT

To  
The Members,  
TRC Financial Services Limited

Your Directors' have pleasure to present the Twenty Seventh Annual Report of your Company, TRC Financial Services Limited for the financial year ended March 31, 2021. In line with the requirements of the Companies Act, 2013 and the rules framed thereunder, this report covers the financial results and other developments during the Financial Year 1<sup>st</sup> April 2020 to 31<sup>st</sup> March 2021.

### 1. SUMMARY OF OPERATIONS/RESULTS

The financial results of the Company for the year ended March 31, 2021 compared to the previous year are summarized below:

Particulars	(Rupees in Lacs)	
	March 31, 2021	March 31, 2020
Revenue from Operations	62.65	104.70
Other Income /Loss	-	0.27
Total Expenditure	35.43	87.23
<b>Net Profit/(Loss) before tax</b>	<b>27.22</b>	<b>17.74</b>
Current Tax	(3.20)	(2.15)
Tax Expense for earlier years	3.20	2.07
<b>Net Profit/(loss) after Tax</b>	<b>(0.60)</b>	<b>-</b>

### 2. COMPANY'S AFFAIRS

Your Company has earned a total business revenue of Rs. 62.65 lacs and the net profit before tax of Rs. 27.22 lacs for the financial year 2020-21 as against the revenue of Rs. 104.70 lacs and net profit before tax of Rs. 17.74 lacs in the previous financial year 2019-2020.

### 3. PERFORMANCE AND FUTURE PROSPECTS

Your Company has prepared the Financial Statements in accordance with Indian Accounting Standards ("IND AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016. The Company has adopted IND AS from 1<sup>st</sup> April 2018 with effective transition date of 1<sup>st</sup> April, 2017 and accordingly, these Financial Statements together with the Financial Statements for the comparative reporting period have been prepared with the recognition and measurement principles stated therein, prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with relevant Rules issued thereunder and the other accounting principles generally accepted in India.

During the year 2020-21 the company had nil revenue from consulting services as compared to Rs. 100 lacs in the previous financial year. Employee benefit cost during the year was 17.61 lacs as compared to 68.20 lacs in the previous financial year. Profit before tax for the financial year was at Rs. 26.62 lacs as against a profit before tax of Rs. 17.74 lacs for the financial year 2019-20



Further the management of the Company is looking at various opportunities for expanding the business including other area of lending and building a loan book.

#### **4. CHANGE IN THE MANAGEMENT OF THE COMPANY**

During the year under review there was no change in the management of the Company

#### **5. DIVIDEND & TRANSFERS TO IEPF**

Your Board does not recommend any dividend for the financial year ended March 31, 2021. The Company was not required to transfer the amount of any unclaimed/unpaid dividend to Investor Education Protection Fund.

#### **6. TRANSFER TO RESERVE**

The Board of Directors of your Company has decided not to transfer any amount to the reserve for the year under review.

#### **7. CORPORATE GOVERNANCE**

Regulation 15 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, provide threshold for applicability of corporate governance rules. Your company does not exceed such threshold. Hence, provision of corporate governance is not applicable on your company.

#### **8. CHANGE IN THE NATURE OF BUSINESS**

No changes occurred in the nature of business during the financial year ended March 31, 2021, and till the date of issue of this report.

#### **9. MATERIAL CHANGES AND COMMITMENTS**

No material changes/ commitments occurred between the end of the financial year to which financial statements relate and the date of this report.

#### **10. DEPOSITS**

The Company has not accepted any deposits and, as such, no amount of principal or interest is outstanding as of the Balance Sheet date.

#### **11. SUBSIDIARY, ASSOCIATE AND JOINT VENTURES COMPANIES**

The Company does not have any subsidiary as per Clause 2(87) or associate as per Clause 2(6) of the Companies Act, 2013; also, it has not entered into any joint venture agreements with any other entities.

#### **12. SHARE CAPITAL**

During the F.Y. 2020-2021, there was no change in the Share Capital of the Company.



## 13. BOARD OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND COMMITTEES THEREOF

### 13.1 Board of Directors and Key Managerial personnel

**The Current Composition of Board of Directors and Key Managerial Personnel of the Company is as follows:**

Sr. No.	Name of Director and Key Managerial Personnel	DIN/ PAN	Category
1	Mr. Naresh Gandhi	08130774	Non – Executive, Independent Director
2	Mr. K. Sanjay Prabhu	00023196	Non- Executive, non – Independent Director
3	Mrs. Uma Prasad Bontha	08406107	Non- Executive, Independent Director
4	Ms. Charmi Kartik Gindra	AQAPC3360K	Company Secretary and Compliance Officer

\* *Mr. G Koteswar ceased to be the whole – time Director on 18<sup>th</sup> November, 2020, consequent to his death*

### 13.2 Board of Directors

#### • Details of Board Meetings/Committee Meetings

The Board of Directors met four times during the year. The details as per Standard 9 of the Secretarial Standards-1 on Board meetings / committee Meetings held during the financial year 2020-21 are furnished below:

<b>Board Meeting Dates</b>	29 <sup>th</sup> June 2020, 1 <sup>st</sup> September 2020, 6 <sup>th</sup> November 2020 and 11 <sup>th</sup> February 2021
<b>Audit Committee Meeting Dates</b>	29 <sup>th</sup> June 2020, 1 <sup>st</sup> September 2020, 6 <sup>th</sup> November 2020 and 11 <sup>th</sup> February 2021
<b>NRC Committee Meeting Dates</b>	1 <sup>st</sup> September, 2020
<b>Stakeholders Relationship Committee Meeting Date</b>	1 <sup>st</sup> September, 2020

#### • Attendance of Directors at Meetings

SI No.	Name of the Director	Board meeting attended	Audit Committee meetings attended	NRC Committee meetings attended	Stakeholders Relationship Committee Meeting Date
1	Mr. Naresh Gandhi	4	4	1	1
2	Mr. Sanjay Prabhu	4	4	1	-
3	Mrs. Uma Prasad	4	4	1	1
4	Mr. Giddaiah Koteswar	3	-	-	1



## Board of Directors

### • Details of Board Meetings/Committee Meetings

The Board of Directors met four times during the year. The details as per Standard 9 of the Secretarial Standards-1 on Board meetings / committee Meetings held during the financial year 2020-21 are furnished below:

<b>Board Meeting Dates</b>	29 <sup>th</sup> June 2020, 1 <sup>st</sup> September 2020, 6 <sup>th</sup> November 2020 and 11 <sup>th</sup> February 2021
<b>Audit Committee Meeting Dates</b>	29 <sup>th</sup> June 2020, 1 <sup>st</sup> September 2020, 6 <sup>th</sup> November 2020 and 11 <sup>th</sup> February 2021
<b>NRC Committee Meeting Dates</b>	1 <sup>st</sup> September, 2020
<b>Stakeholders Relationship Committee Meeting Date</b>	1 <sup>st</sup> September, 2020

### • Attendance of Directors at Meetings

SI No.	Name of the Director	Board meeting attended	Audit Committee meetings attended	NRC Committee meetings attended	Stakeholders Relationship Committee Meeting Date
1	Mr. Naresh Gandhi	4	4	1	1
2	Mr. Sanjay Prabhu	4	4	1	-
3	Mrs. Uma Prasad	4	4	1	1
4	Mr. Giddaiah Koteswar	3	-	-	1

### • Changes in Directors/ Key Managerial Personnel

During the year under review and since the last Boards report, the following changes in the composition of Board of Directors and Key Managerial Personnel took place:

1. Mr. Giddaiah Koteswar ceased to be a Whole-time Director with effect from 18<sup>th</sup> November 2020 consequent to his death

### • Retirement by Rotation

In accordance with the provisions of Section 152 of the Companies Act 2013 and the Company's Articles of Association, Mr. Sanjay Prabhu, (DIN: 00023196) retires by rotation at ensuing Annual General Meeting and being eligible has offered himself for re-appointment.

The Board of Directors recommends to the shareholders to re-appoint him at the ensuing Annual General Meeting.

### • Committee Meeting Independent Directors

During the year under review, the Independent Directors was held on 11<sup>th</sup> February 2021 inter alia, to discuss:

1. Evaluation of performance of Non-Independent Directors and the Board of Directors as a whole.
2. Evaluation of performance of the Chairman of the meetings of the Company, considering the views of Executive and Non-Executive Directors.
3. Evaluation of the quality, content, and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties





- **Declaration from Independent Directors**

The Company has received necessary declaration from each independent director under Section 149(7) of the Companies Act, 2013, that he/she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

In the opinion of the Board, all the Independent Directors possess the integrity, expertise and experience including the proficiency required to be Independent Directors of the Company, fulfil the conditions of independence as specified in the Act and the SEBI Listing Regulations and are independent of the management and have also complied with the Code for Independent Directors as prescribed in Schedule IV of the Act.

- **Familiarization program for independent directors**

All new independent directors appointed on the Board attend a familiarization program.

After appointment, a formal letter is issued to the independent directors outlining his/her roles, functions, duties, and responsibilities.

- **Board evaluation**

The performance of the board was evaluated by the board after seeking inputs from all the directors based on the criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the committees was evaluated by the board after seeking inputs from the committee members based on the criteria such as the composition of committees, effectiveness of committee meetings, etc.

The board and the nomination and remuneration committee reviewed the performance of the individual directors based on the criteria such as the contribution of the individual director to the board and committee meetings.

In a separate meeting of independent directors, performance of non-independent directors, and performance of the board was evaluated, taking into account the views of executive directors and non-executive directors. Performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated.

- **Policy on director's appointment and remuneration**

The current policy of the Company is to have an optimum combination of both executive and independent directors to maintain the independence of the Board and separate its functions of governance and management.

The policy of the Company on director's appointment and remuneration, including criteria for determining qualifications, independence of director and other matters, as required under Section 178(3) of the Companies Act, 2013 is available on our website ([www.trcfin.in](http://www.trcfin.in)). There has been no change in the policy since the last financial year. We avow that the remuneration paid to the directors is as per the terms laid out in the nomination and remuneration policy of the Company.

- **Policies**

All our policies are available on our website ([www.trcfin.in](http://www.trcfin.in)). The policies are reviewed periodically by the Board and updated based on need.



## 13.3 Committees of Board of Directors

### • Audit Committee

The Audit Committee of Directors is constituted as per the provisions of Section 177 of the Companies Act, 2013. The Composition of Audit Committee is as follows:

Sr no	Name of Member	DIN	Category
1	Mr. Naresh Gandhi, Chairman	08130774	Non – Executive, Independent Director
2	Mr. K. Sanjay Prabhu	00023196	Non – Executive, Non- Independent Director
3	Mrs. Uma Prasad Bontha	08406107	Non – Executive, Independent Director

### • Nomination and Remuneration Committee

The Nomination & Remuneration Committee of Directors is constituted in accordance with the requirements of Section 178 of the Companies Act, 2013. The Composition of Nomination and Remuneration Committee is as follows:

Sr no.	Name of Members	DIN	Category
1	Mr. Naresh Gandhi – Chairman	08130774	Non – Executive, Independent Director
2	Mr. K Sanjay Prabhu	00023196	Non – Executive, Non- Independent Director
3	Mrs. Uma Prasad Bontha	08406107	Non-Executive Independent Director

### • Stakeholders Relationship Committee

Pursuant to Section 178 of the Companies Act, 2013, the Board of Directors has constituted the Stakeholders Relationship Committee. The Composition of Stakeholders Relationship Committee is as follows:

Sr no.	Name of the Member	DIN	Category
1	Mr. Naresh Gandhi – Chairman	08130774	Non – Executive, Independent Director
2	Mr. Sabarinath Gopalakrishnan	08479403	Whole-time Director

### • Investment Committee

The Board of Directors has constituted the Investment Committee to co-ordinate and oversee the organizations investment portfolio as required under RBI's NBFC regulations. Composition of the same is as follows

Sr no.	Name of Director	DIN	Category
1.	Mr. Sabarinath Gopalakrishnan	08479403	Whole-time Director
2.	Mr. Naresh Gandhi	08130774	Non – Executive, Independent
3.	Mrs. Uma Prasad Bontha	08406107	Non – Executive, Independent

## 14.CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE

Priti J Sheth of M/s Priti J. Sheth & Associates practicing Company Secretaries has issued a certificate as required under the Listing Regulations, confirming that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as director of Companies by SEBI/ Ministry of Corporate Affairs or any such statutory authority. The certificate is enclosed as "Annexure A".



## 15. CORPORATE SOCIAL RESPONSIBILITY

The provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014 in respect of Corporate Social Responsibility are not applicable to the Company.

## 16. DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM AND WHISTLE BLOWER POLICY

The Company has adopted a Whistle Blower mechanism for directors and employees to report concerns about unethical behavior. The said policy has been posted on the website of the Company-www.trcfn.in.

## 17. SIGNIFICANT AND MATERIAL ORDERS

There are no significant and material orders passed by the regulators, courts or tribunals impacting the functioning of the Company.

## 18. STATUTORY AUDITORS

M/s. NBS & Co. Chartered Accountants, (ICAI Firm Registration No. 110100W) were appointed as the Auditors of the Company by the shareholders of the Company at the 26<sup>th</sup> Annual General Meeting of the Company held on September 30, 2020 and shall hold office for a period of 5 years till 2024-25.

## 19. STATUTORY AUDITORS' REPORT

The Statements made by the Auditors in their report are self-explanatory and doesn't require any comments by the Board of Directors.

## 20. INTERNAL FINANCIAL CONTROL (IFC)

Your Company's internal control system (including Internal Financial Controls with reference to financial statements) ensures efficiency, reliability and completeness of accounting records and timely preparations of reliable financial and management information, compliance with all applicable laws and regulations, optimum utilization, and the protection of the Company's assets.

The Company has appointed M/s. VMRS & Co., Chartered Accountants as the Internal Auditors as mandated under Section 138 of the Companies Act, 2013 for conducting the Internal Audit of the Company.

## 21. REPORTING OF FRAUDS

There was no instance of fraud during the year under review, which required the Statutory Auditors to report to the Audit Committee and / or Board under Section 143(12) of Act and Rules framed thereunder.

## 22. RISK MANAGEMENT POLICY

The Company has adopted a Risk Management Policy which helps the Company in identification of risk, lays down procedure for risk assessment and procedure for risk mitigation.

## 23. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Since the Company is a registered entity under the Reserve Bank of India to conduct the business of Non-Banking Financial Services, pursuant to the section of 186 (11)(a), (b) of the Companies Act, 2013, the company is exempted from complying with the provisions.

Further, details of Investments made by the Company during the year under review form a part of the financial statements.



## **24.PARTICULARS OF TRANSACTION BETWEEN THE COMPANY AND THE NON-EXECUTIVE DIRECTORS**

During the year under review the company has not entered into any transaction with its Non-Executive Directors.

## **25.PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE**

In order to prevent sexual harassment of women at workplace, your Company has adopted a Policy for prevention of Sexual Harassment of Women at Workplace. During the year under review, the Company has not received any complaints in this regard.

Further, the provisions relating to constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 are not applicable.

## **26.COMPLIANCE WITH THE ICSI SECRETARIAL STANDARDS**

The relevant Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) related to the Board Meetings and General Meetings have been complied with by the Company.

## **27.DIRECTORS' RESPONSIBILITY STATEMENT:**

In terms of Section 134(5) of the Companies Act, 2013 in relation to financial statements for the year ended 31<sup>st</sup> March 2021, the Board of Directors state that:

- a. In the preparation of the Annual Accounts, the applicable accounting standards had been followed.
- b. The Directors had selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent 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 and loss of the Company for that period.
- c. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d. The Directors had prepared the Annual Accounts on a going concern basis.
- e. The Directors had laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and were operating effectively.
- f. The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **EXTRACT OF ANNUAL RETURN**

As required under Section 134(3)(a) of the Act, the Annual Return for the financial year 2020-21 is uploaded on the Company's website and can be accessed at [http:// www.trcfin.in](http://www.trcfin.in).

## **28. SECRETARIAL AUDITORS**

As required under Section 204 of the Companies Act, 2013 and Rules made thereunder the Board has appointed M/s. Priti J. Sheth & Associates, Practicing Company Secretaries as Secretarial Auditor of the Company for the F Y 2020-21.



## 29. SECRETARIAL AUDIT REPORT

The Secretarial Audit Report for the financial year 2020-21 forms part of Annual Report as "Annexure B" to the Boards Report.

## 30. DIRECTORS COMMENT ON QUALIFICATION OR OBSERVATION

The responses of your directors on the observations made by the Secretarial Auditor are as follows: -

Response to Point No.1 – There was a delay in the appointment of the Chief Financial Officer due to the COVID Pandemic in the previous year.

Response to Point No. 2 – The Company's endeavor is to comply with all the norms of the Reserve Bank of India. The RBI had migrated to another XBRL Portal from the existing COSMOS portal to a new Software due to which there was delay in filing the forms.

## 31. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

### (A) CONSERVATION OF ENERGY

- i. The Steps Taken or Impact on Conservation of Energy: **The Company takes necessary measure to conserve energy at its offices.**
- ii. The Steps Taken by The Company for Utilizing Alternates Source of Energy: **NIL**
- iii. The Capital Investment on energy conservation equipment's: **NIL**

### (B) TECHNOLOGY ABSORPTION

- i. The efforts made towards technology absorption: **NIL**
- ii. The benefits derived like product improvement, cost reduction, product development or import substitution: **NIL**
- iii. In case of imported technology (imported during last three years reckoned from beginning of financial year)
  - Details of technology imported: **Nil**
  - Year of Import: **Nil**
  - Whether technology has been fully absorbed: **Nil**
  - If not fully absorbed, areas where absorption has not taken place and the reasons thereof: **Nil**
- iv. The expenditure incurred on Research and Development: **Nil**

### FOREIGN EXCHANGE EARNINGS AND OUTGO

The details of foreign exchange earnings and outgo during the period under review is as under:

Particulars	As at March 31, 2021	As at March 31, 2020
Foreign Exchange earned	Nil	Nil
Foreign Exchange used	Nil	Nil

## 32. CEO / CFO CERTIFICATION

The company is exempted under Regulation 15(2) of the SEBI (Listing Obligations and Disclosures) Regulations, 2015 from including CEO / CFO certificate as a part of Annual Report.

## 33. RELATED PARTY TRANSACTIONS

There were no transactions falling under the purview of Section 188 of the Companies Act, 2013 and the rules framed thereunder.



## 34.MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis Report for the year under review, as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations'), is presented in a separate section forming part of this Annual Report

## 35.RESERVE BANK OF INDIA REGULATIONS

The Reserve Bank of India has classified the Company as "Category 'B' Non-Banking Finance Company". The Company continues to comply with all the applicable regulation prescribed by the Reserve Bank of India ("RBI") from time to time.

## 36.MAINTENANCE OF COST RECORDS:

Maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, is not applicable to the Company.

## 37.PARTICULARS OF REMUNERATION TO DIRECTORS, KEY MANAGERIAL PERSONS AND EMPLOYEES

The Company wishes to place on record their appreciation to the contribution made by the employees to the operations of the company during the period.

During the year under review, there were no employees who were in receipt of the remuneration beyond the limits prescribed under Rule 5 (2) of Companies (Appointment and Remuneration) Rules, 2014 and therefore no disclosures need to be made under the said section.

Further, the details of the top 10 employees in terms of remuneration drawn pursuant to rule 5(1) and 5(2) of Companies (Appointment and Remuneration) Rules, 2014 shall be available at the registered office of the Company during the business hours and the details ratios of the remuneration of each Director to the median remuneration to the employees of the Company for the financial year are enclosed as "Annexure C" to the Board's Report.

## ACKNOWLEDGEMENT

Your Board wishes to place on record its sincere appreciation for the wholehearted support received from members, government authorities, bankers, consultants, and all other business associates. We look forward to continued support of all these partners in progress.

For and on behalf of the Board of Directors  
**TRC FINANCIAL SERVICES LIMITED**

**-Sd-**  
**Sabarinath Gopalakrishnan**  
**Whole Time Director**  
**DIN: 08479403**

**-Sd-**  
**Korodi Sanjay Prabhu**  
**Director**  
**DIN: 00023196**

Place: Bangalore  
Date: 14<sup>th</sup> August, 2021

# TRC FINANCIAL SERVICES LIMITED



## **Annexures:**

- Annexure A : Certificate from Company Secretary in Practice*
- Annexure B : Secretarial Audit Report*
- Annexure C : Information as per Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014*



*Annexure A*

**CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE  
CERTIFICATE  
(Pursuant to Clause 10 of Part C of Schedule V of LODR)**

In pursuance of sub clause 10 of Part C of Schedule V of the Security Exchange Board of India (SEBI) (Listing Obligation and Disclosure Requirements) Regulations, 2015 (LODR) in respect of TRC Financial Services Limited (CIN: L74899MH1994PLC216417) I hereby certify that:

On the basis of the written representations / declarations received from the directors and taken on records by the Board of Directors, as on March, 31, 2021 none of the directors on the board of the Company has been debarred or disqualified from being appointed or continuing as director of Companies by the SEBI/ Ministry of Corporate Affairs or any such statutory authority.

For Priti J. Sheth & Associates  
Company Secretaries

Sd/-  
Priti J. Sheth  
FCS.: 6833  
C.P. 5518

Date: August 14, 2021  
Place: Mumbai  
UDIN: F006833C000876020



# TRC FINANCIAL SERVICES LIMITED



Annexure B

Form No. MR-3

## SECRETARIAL AUDIT REPORT

For the financial year ended 31<sup>st</sup> March, 2021

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,  
The Members,  
TRC Financial Services Limited

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by TRC Financial Services Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the TRC Financial Services Limited's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2021, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by TRC Financial Services Limited ("the Company") for the financial year ended on 31<sup>st</sup> March, 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not applicable to the Company during the audit period)**
  - d. The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014; **(Not applicable to the Company during the Audit Period)**
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the Audit Period)**
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not applicable to the Company during the Audit Period)**

# TRC FINANCIAL SERVICES LIMITED



g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the Audit Period)** and

h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not applicable to the Company during the Audit Period)**

(vi) Other Laws applicable to the Company namely:

a. The Reserve Bank of India Act, 1934.

b. Non-Banking Financial Regulations issued by Reserve Bank of India from time to time.

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

- 1) The Company had not appointed CFO during the year, However the CFO was appointed on June 29, 2021.
- 2) The Company has generally complied with the NBFC norms issued by Reserve Bank of India except for delay in few filings with RBI.

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, the company was not involved in any activity which is having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

For Priti J. Sheth & Associates  
Company Secretaries

Sd/-

Priti J. Sheth

FCS.: 6833

C.P. 5518

Date: 14<sup>th</sup> August, 2021

Place: Mumbai

UDIN: F006833C000854009

**Note:** This Report is to be read with our letter of even date which is annexed as Annexure I and Forms an integral part of this report.

# TRC FINANCIAL SERVICES LIMITED



## *Annexure I to Secretarial Audit Report*

**To,  
The Members  
TRC Financial Services Limited**

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records.

We believe that the process and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Where ever required, we have obtained the Management Representation about the Compliance of laws, rules and regulations and happening of events etc.

5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards are the responsibility of management. Our examination was limited to the verification of procedure on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Priti J. Sheth & Associates  
Company Secretaries

Sd/-  
Priti J. Sheth  
FCS.: 6833  
C.P. 5518

Date: August 14, 2021  
Place: Mumbai

# TRC FINANCIAL SERVICES LIMITED



## Annexure C

The information required under Section 197 of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are given below:

- a) The ratio of the remuneration of each director to the median remuneration of the employees of the Company and percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer and Company Secretary in the financial year:

Name	Total Remuneration Paid in F. Y. 2020-21	Ratio to Median remuneration	% Increase in remuneration in the financial year
<b>Executive Director</b>			
Mr. G Koteswar	6.81	1.51	-42.17 %
<b>Company Secretary</b>			
Ms. Charmi Gindra	1.77	0.39	0.00 %

- b) The percentage increase in the median remuneration of employees in the financial year: N.A.
- c) The number of permanent employees on the rolls of Company: 6 (including Director and Company Secretary)
- d) Average percentiles increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: N.A.\*
- e) Affirmation that the remuneration is as per the remuneration policy of the Company: The Company affirms that the remuneration is as per the remuneration policy of the Company.

For and on behalf of the Board of Directors

### TRC FINANCIAL SERVICES LIMITED

-Sd-  
Sabarinath Goplakrishnan  
Whole-time Director  
DIN: 08479403

-Sd-  
K. Sanjay Prabhu  
Director  
DIN: 0023196

Place: Bangalore  
Date: 14<sup>th</sup> August, 2021

# TRC FINANCIAL SERVICES LIMITED



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### Industry Structure and Developments

The Covid-19 pandemic

The COVID-19 pandemic is a once in a lifetime occurrence that has brought with it unimaginable suffering to people and to almost all sections of the economy. When the pandemic struck and led to nationwide lockdowns to curtail the transmission of disease, it was natural to fear that the global economy would stay in extreme stress of the kind not seen since the Great Depression and would have a long-lasting economic impact.

To counter the crippling impact of the lockdowns on economies, the world's policymakers have resorted to fiscal and monetary measures never seen before in global economic history. It still remains to be seen if these relief measures sufficed, and whether actions taken by Governments across the globe adequately compensated for the disruptions created in the lives of people.

After an estimated historic correction of (3.3%) in 2020, the International Monetary Fund (IMF) has projected the global economy to grow 6% in calendar year 2021 and 4.4% in 2022 on the back of the fiscal and monetary support provided by Governments of the world over coupled with widespread vaccination.

The lockdown that continued throughout the first quarter of the FY2021 saw India's GDP for April-June 2020 contracting by a massive 24.4%. Even the second quarter was terrible, with GDP shrinking by 7.3% in July-September 2020. Thereafter, we have seen a rebound — thanks to the resilience of our citizens, our entrepreneurs and of our economy.

The third quarter (October-December 2020) saw a small positive growth of 0.4% compared to the same period in the previous year. The second advance estimates of national income for FY2021 released by the Central Statistics Office (CSO) on 26 February 2021 anticipates the total contraction for FY2021 to be 8% — implying a significant 'V' shaped bounce-back in the second half of the year. The most recent IMF forecast has also raised India's GDP growth estimate for FY2022 from 11.5% to 12.5%. If that were to occur, it will be the most significant growth turnaround among all the major nations of the world, including China.

The only grey cloud at present is the threat of third wave. Hopefully, a serious increase in the pace of vaccinations across the country will bring this surge down; and if we keep all enterprises and workers open for business, it should not affect the economy in any significant manner.

### Industry Overview

NBFCs have become important constituents of the financial sector and have been recording higher credit growth than scheduled commercial banks (SCBs) over the past few years. NBFCs are continuously leveraging their superior understanding of regional dynamics, well-developed collection system and personalised services to expedite financial inclusion in India. Lower transaction costs, quick decision making, customer orientation and prompt provision of services have typically differentiated NBFCs from banks. Considering the reach and expanse of NBFCs, these are well-suited for bridging the financing gap. Systemically important NBFCs have demonstrated agility, innovation and frugality to provide formal financial services to millions of Indians.

Over the last decade, NBFCs have witnessed phenomenal growth. From being around 12% of the balance sheet size of banks in 2010, these are now more than a quarter of the size of banks.

Due to acceleration of digital adoption in the country, India is witnessing unprecedented rate of digital transformation in all the business activities in the country. The trend was accelerated by the pandemic and there have been many companies which have hyper-

# TRC FINANCIAL SERVICES LIMITED



scaled amongst others in sectors such as Payments, Broking, Insurance and Food delivery. Clearly, this is in an irreversible trend and business in digital lending has a vast potential in India because of the following reasons:

- Today, India has a low Private Credit-to-GDP compared to its Asian and Global Peers due to lack of digital infrastructure to serve the unserved and underserved segments on the population.
- India's Credit Markets will grow exponentially for \$5 trillion economy
- Pie of Digital Lending will increase exponentially over the next few years to come
- Financial Intermediaries will grow at higher growth rates than GDP growth rates as Financial inclusion and formalization of credit markets will be faster

The management believes that this is the opportune time to enter the Digital Lending business as the addressable market is vast, advanced payment infrastructure and India Stack will enable quick roll-out, Digital-first approach will lower operations cost, enable quick disbursement and by using alternate credit appraisal systems powered by Machine Learning and Artificial Intelligence for risk management will yield in significant returns for the business.

Hence, the company has strategized to enter in the Micro, Small and Medium Enterprises (MSMEs) segment as there is an acute credit demand-supply gap.

## **Opportunities and Threats**

Being a primarily investment company fluctuating markets and interest rate pose a threat to the business of the Company, however the same can be converted into opportunity proper planning and implementation.

## **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.

## **Business Outlook**

The Management of the Company is looking for a steady growth of the Company and aims at maximizing the shareholders wealth by way of earning maximum profits at low investment costs.

## **Risks & Concerns**

Risk of market fluctuation shall always be a major risk associated with the Company, however the management is of the opinion that the Company can withstand through in any kind of market fluctuation as the investment and loan portfolio of the Company is relatively stable and less prone to market fluctuations

## **Internal Control Systems and Adequacy**

The Internal Control systems with regards to financial and investment part are taken up by the Board of Directors themselves and it is also reviewed by the Audit Committee which comprises mainly of Independent Directors.

## **Financial Performance**

During the year company's revenue are Rs 62.65 lacs as compared to 104.97 lacs in previous years. The Company has a profit after tax of Rs 27.22 Lacs as compared to Profit after tax of Rs. 17.66 lacs in the previous year.

In FY 2020-21 Trade receivables are Nil as compared to previous Rs. 88.50 lacs, Loans of Rs 143.19 lacs as compared to Rs. 118.53 lacs in previous years, Investment of Rs 7.49 lacs as compared to Rs 16.35 lacs in previous year and Cash and cash equivalent of Rs

# TRC FINANCIAL SERVICES LIMITED



3.78 lacs as compared to Rs 0.23 lacs in previous years.

In FY 2020-21 other non-financial liabilities are Rs 1.08 lacs as compared to Rs. 5.10 lacs in previous year.

## **Human Resources / Industrial Relations**

Currently the Company has three employees. The Competent of Board of Directors are very well connected to the NBFC sector.

## **Disclosure of Accounting Treatment**

The company has followed all the relevant and applicable Accounting Standards while preparing the Financial Statements.

## **Significant Changes in Key Financial Ratios (25% or more)**

	<b>2020-21</b>	<b>2019-20</b>
Debtors Turnover	0.00	84.31
Current Ratio	45.24	13.34
Net Profit Margin (%)	42.49 %	16.87 %

## **Changes in Return on Net Worth**

	<b>2020-21</b>	<b>2019-20</b>
Return on Net worth	10.34 %	7.65 %

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

**-Sd-**

Sabarinath Goplalakrishnan  
Whole-time Director  
DIN: 08479403

Place: Bangalore  
Date: 14<sup>th</sup> August, 2021

# TRC FINANCIAL SERVICES LIMITED



## Independent Auditor's Report on Standalone Ind AS financial statements

### To the Members of TRC Financial Services Limited

#### Opinion

We have audited the accompanying Standalone Ind AS financial statements of **TRC Financial Services Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including the statement of Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the incomplete disclosure of the information referred to in the 'Basis for Qualified Opinion' section of our report, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("IND AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its profit including total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone Ind AS financial statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone Ind AS financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

#### Material Uncertainty Related to Going Concern

As mentioned in Note 24 of the standalone financial statements, the Company recorded a total comprehensive Income of Rs. 27.22 lakhs during the year ended March 31, 2021 and, as of that date; the Company has accumulated losses of Rs. 242.69 Lakhs resulting in significant erosion of net worth of the Company. The financial statements of the Company have been prepared on a going concern basis for the reason stated in the note 24 to the statement. The validity of going concern assumption would depend upon the performance of the company as per its future business plan. Our opinion is not qualified in respect of this matter.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### Information Other than the Standalone Ind AS financial statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other





information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone Ind AS financial statements and our auditor's report there on.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion there on.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone Ind AS financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Management's Responsibility for the standalone Ind AS financial statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the IND AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

## **Auditor's Responsibilities for the Audit of the standalone Ind AS financial statements**

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone Ind AS financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone Ind AS financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Other matter**

- a. The comparative standalone financial statements of the Company for the year ended March 31, 2020, prepared in accordance with Ind AS included in this statement had been audited by the predecessor auditors who had expressed an unmodified opinion as per their report dated June 29, 2020. Additionally, the report of the predecessor auditors dated June 29, 2020 on the standalone financial results for the quarter and year ended March 31, 2020, which has been included in this Statement, expressed an unmodified opinion and which has been furnished to us by the management and has been relied upon by us for the purpose of our audit of the Statement.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "**Annexure A**" a statement on the

# TRC FINANCIAL SERVICES LIMITED



matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the IND AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.; and
  - g) The Company has not paid any managerial remuneration to its directors and thus the provisions of section 197 read with Schedule V of the Act are not applicable to the Company for the year ended March 31 2021;
  - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements.
    - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **NBS & Co.**  
Chartered Accountants  
FRN: 110100W

Sd/-  
**CA Devdas Bhat**  
Partner  
M. No. 048094  
UDIN: 21048094AAAADU2003  
Place: Mumbai  
Date: June 29, 2021

# TRC FINANCIAL SERVICES LIMITED



## ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

**(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of TRC Financial Services Limited of even date)**

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
  
(b) Fixed assets have been physically verified by the Management during the year and no material discrepancies were identified on such verification.  
  
(c) According to the information and explanation given by the management, the title deeds of immovable properties included in property, plant and equipment/fixed assets are held in the name of the Company.
- ii. The Company's business does not involve inventories and, accordingly, the requirements under clause 3(ii) of the Order are not applicable to the Company and hence not commented upon.
- iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured loan to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, provisions of clause (a) to (c) are not applicable.
- iv. In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Act are applicable and hence not commented upon.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any Deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Rules framed there under are not applicable.
- vi. We are informed that the Central Government has not prescribed maintenance of Cost Record under sub-section (1) of section 148 of the Companies Act, 2013.
- vii.
  - (a) According to the information and explanations given to us and the records examined by us, the Company is regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Goods and Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues with the appropriate authorities. According to the information and explanations given to us, there are no arrears of outstanding statutory dues in respect of above as on the last day of the financial year for a period of more than six months from the date they became payable.
  - (b) According to the information and explanation given to us and the records examined by us, there are no material dues of Income Tax, Sales Tax, Service Tax, Duty of Customs, Goods and Service Tax, Duty of Excise and Value added tax outstanding on account of any disputes.
- viii. According to information and explanation given to us and based on examination of the records, the Company has not defaulted in the repayment of loans or borrowing to a financial institution, bank, government or dues to debenture holders.

# TRC FINANCIAL SERVICES LIMITED



- ix. The Company has not raised money through initial public offer or further public offer (including debt instruments). In our opinion and according to the information and explanations given to us and based on the documents and records examined by us on an overall basis, the term loans obtained by the Company were applied for the purpose for which the loans were obtained.
- x. During the course of our examination of the books of account and records of the Company, and according to the information and explanation given to us and representations made by the Management, no material fraud by or on the Company by its officers or employees, has been noticed or reported during the year.
- xi. According to the information and explanations given by the management, the managerial remuneration has been paid/provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanation given to us, the Company is not a Nidhi Company. Accordingly, provisions of paragraph 3(xii) of the Order are not applicable.
- xiii. According to the information and explanation given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with sections 177 and 188 of the Act, where applicable, and details of such transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with the directors or persons connected with him. Hence the provisions of Section 192 of the Act are not applicable.
- xvi. According to the information and explanation given to us, we report that the Company has registered as required, under section 45-IA of the reserve Bank of India Act, 1934.

For **NBS & Co.**  
Chartered Accountants  
FRN: 110100W

Sd/-  
**CA Devdas Bhat**  
Partner  
M. No. 048094  
UDIN: 21048094AAAADU2003

Place: Mumbai  
Date: June 29, 2021

# TRC FINANCIAL SERVICES LIMITED



## **ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT**

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of **TRC Financial Services Limited** of even date)

### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of **TRC Financial Services Limited** (“the Company”) as of March 31, 2021 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial

# TRC FINANCIAL SERVICES LIMITED



reporting of the Company.

## **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone Ind AS financial statements.

## **Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountant of India.

For **NBS & Co.**  
Chartered Accountants  
FRN: 110100W

Sd/-  
**CA Devdas Bhat**  
Partner  
M. No. 048094  
UDIN: 21048094AAAADU2003  
Place: Mumbai  
Date: June 29, 2021

# TRC FINANCIAL SERVICES LIMITED



## TRC Financial Services Limited

### Balance sheet as at March 31, 2021

(Amount mentioned in Rs lakhs, except for share data or otherwise stated)

Particulars	Note	As at March 31, 2021	As at March 31, 2020
<b>Financial Assets</b>			
Cash and cash equivalents	3	3.78	0.23
Trade receivables	4	-	88.50
Loans	5	143.19	118.53
Other Financial Assets - current	7A	95.81	14.27
Investments - non-current	6	7.49	16.35
<b>Non Financial Assets</b>			
Property, Plant and Equipment	7C	0.10	0.16
Other Non Financial Assets	7B	13.29	10.11
<b>Total Assets</b>		<b>263.66</b>	<b>248.15</b>
<b>Liabilities And Equity</b>			
<b>Liabilities</b>			
<b>Financial Liabilities</b>			
Trade payables	8		
(i) Total outstanding dues of micro enterprises and small enterprises	8(i)	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	8(ii)	5.18	12.27
<b>Non Financial Liabilities</b>			
Deferred Tax Liability (Net)		0.60	-
Other Non Financial Liabilities	9	0.48	5.10
<b>Total Liabilities</b>		<b>6.26</b>	<b>17.37</b>
<b>Equity</b>			
Equity share capital	10	500.09	500.09
Other Equity	11	(242.69)	(269.31)
<b>Total Equity</b>		<b>257.40</b>	<b>230.78</b>
<b>Total Liabilities and Equity</b>		<b>263.66</b>	<b>248.15</b>

The accompanying notes form an integral part to financial statements

In terms of our report attached

**For N B S & Co.**

Chartered Accountants

-Sd-

Devdas V. Bhat

Partner

Membership No : 48094

Date: 29th Day of June, 2021

Place: Mumbai

**For and on behalf of the Board of Directors**

-Sd-

Sabarinath G

Whole Time Director & CFO

DIN: 08479403

-Sd-

Korodi Sanjay Prabhu

Director

DIN: 00023196

-Sd-

Charmi Kartik Gindra

Company Secretary

A46913



# TRC FINANCIAL SERVICES LIMITED



## TRC Financial Services Limited

### Statement of profit and loss for the year ended March 31, 2021

(Amount mentioned in Rs lakhs, except for share data or otherwise stated)

Particulars	Note	Year ended March 31, 2021	Year ended March 31, 2020
<b>Revenue from operations</b>			
Consultancy services		-	100.00
Interest Income	12	14.45	14.15
Dividend Income		0.07	0.04
Net gain/(loss) on fair value changes/sale of investment	13	48.13	(9.49)
<b>Total Revenue from Operations (I)</b>		<b>62.65</b>	<b>104.70</b>
Other Income (II)	14	-	0.27
<b>Total Income (I+II)</b>		<b>62.65</b>	<b>104.97</b>
<b>Expenses</b>			
Depreciation and amortisation expenses	7C	0.06	0.04
Employee benefits expenses	15	17.61	68.29
Other Expenses	16	17.76	18.90
<b>Total Expenses</b>		<b>35.43</b>	<b>87.23</b>
<b>Profit/(loss) before tax</b>		<b>27.22</b>	<b>17.74</b>
Taxes Expense:			
Less : Current Tax		(3.20)	(2.15)
Add : MAT Credit		3.20	2.07
Less : Deferred Tax		(0.60)	-
<b>Profit/(Loss) for the Period</b>		<b>26.62</b>	<b>17.66</b>
<b>Other Comprehensive Income</b>			
(i) Items that will not be Reclassified to Profit or Loss		-	-
(ii) Income tax effect		-	-
<b>Other Comprehensive Income</b>		-	-
<b>Total Comprehensive Income for the year</b>		<b>26.62</b>	<b>17.66</b>
<b>Earnings Per Equity Share</b>			
Basic and diluted (₹)		0.53	0.35

The accompanying notes form an integral part to financial statements

In terms of our report attached

**For N B S & Co.**

Chartered Accountants

-Sd-

Devdas V. Bhat

Partner

Membership No : 48094

**For and on behalf of the Board of Directors**

-Sd-

Sabarinath G

Whole Time Director & CFO

DIN: 08479403

-Sd-

Korodi Sanjay Prabhu

Director

DIN: 00023196

-Sd-

Charmi Kartik Gindra

Company Secretary

A46913

Date: 29th Day of June, 2021

Place: Mumbai

# TRC FINANCIAL SERVICES LIMITED



TRC Financial Services Limited

Statement of cashflows for the year ended March 31, 2021

(Amount mentioned in Rs lakhs, except for share data or otherwise stated)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>A. Cash Flow from Operating Activities</b>		
Profit/(loss) before tax	27.22	17.74
Adjustments for :		
Depreciation and amortisation expenses	0.06	0.04
<b>Operating Profit/(Loss) before Working Capital changes</b>	<b>27.28</b>	<b>17.78</b>
Adjustments for :		
<b>Financial</b>		
(Increase)/Decrease in trade receivables	88.50	(27.75)
(Increase)/Decrease in Loans	(24.66)	(3.55)
(Increase)/Decrease in Other Financial Assets - current	(81.54)	(10.60)
(Increase) /Decrease in non-current investments	8.86	9.49
(Increase)/Decrease in other non-financial Assets	(4.51)	(0.73)
Increase/Decrease in trade payables	(7.09)	11.16
Increase/Decrease in other financial liabilities	(4.62)	(6.15)
<b>Cash generated from/(used in) Operations</b>	<b>2.22</b>	<b>(10.35)</b>
Direct (Taxes paid) / refund received	1.33	(1.84)
<b>Net Cash generated from/(used) in Operating Activities (A)</b>	<b>3.55</b>	<b>(12.19)</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of Property, Plant and Equipment	-	(0.20)
<b>Net Cash generated from/(used) in Investing Activities (B)</b>	<b>-</b>	<b>(0.20)</b>
<b>C. Cash Flow from Financing Activities</b>		
<b>Net Cash generated from/(used) in Financing Activities (C)</b>	<b>-</b>	<b>-</b>
<b>Net Increase/(decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>3.55</b>	<b>(12.39)</b>
<b>Cash and Cash Equivalents at the beginning of the year</b>	<b>0.23</b>	<b>12.62</b>
<b>Cash and Cash Equivalents at the end of the year (Refer note 3 &amp; 4)</b>	<b>3.78</b>	<b>0.23</b>

The company is investment company. Investment in securities are considered part of "cash flow from operating activities". Returns on those securities are considered "cash flow from operating activities".

In terms of our report attached

**For N B S & Co.**

Chartered Accountants

-Sd-

Devdas V. Bhat

Partner

Membership No : 48094

Date: 29th Day of June, 2021

Place: Mumbai

**For and on behalf of the Board of Directors**

-Sd-

Sabarinath G

Whole Time Director & CFO

DIN: 08479403

-Sd-

Korodi Sanjay Prabhu

Director

DIN: 00023196

-Sd-

Charmi Kartik Gindra

Company Secretary

A46913

# TRC FINANCIAL SERVICES LIMITED



## TRC Financial Services Limited

### Statement of changes in equity for the year ended March 31, 2021

(Amount mentioned in Rs lakhs, except for share data or otherwise stated)

#### Statement of Changes in Equity

Particulars	Amount
<b>Balance as at April 01, 2019</b>	500.09
Issued during the year	-
<b>Balance at March 31, 2020</b>	<b>500.09</b>
Issued during the year	-
<b>Balance at March 31, 2021</b>	<b>500.09</b>

#### Other equity

Particulars	Statutory reserve	Retained earnings	Total
<b>Balance as at March 31, 2019</b>	29.37	(316.34)	<b>(286.97)</b>
Profit/(loss) for the year	-	17.66	<b>17.66</b>
Transfer to other statutory reserve	3.53	(3.53)	-
<b>Balance as at March 31, 2020</b>	<b>32.90</b>	<b>(302.21)</b>	<b>(269.31)</b>
Profit/(loss) for the year	-	26.62	<b>26.62</b>
Transfer to other statutory reserve	5.32	(5.32)	-
Other Comprehensive Income for the year	-	-	-
<b>Balance as at March 31, 2021</b>	<b>38.22</b>	<b>(280.91)</b>	<b>(242.69)</b>

In terms of our report attached

**For N B S & Co.**

Chartered Accountants

-Sd-

Devdas V. Bhat

Partner

Membership No : 48094

Date: 29th Day of June, 2021

Place: Mumbai

**For and on behalf of the Board of Directors**

-Sd-

Sabarinath G

Whole Time Director & CFO

DIN: 08479403

-Sd-

Korodi Sanjay Prabhu

Director

DIN: 00023196

-Sd-

Charmi Kartik Gindra

Company Secretary

A46913

# TRC FINANCIAL SERVICES LIMITED



## TRC Financial Services Limited Notes forming part of the financial statements

1 TRC Financial Services Ltd. (TRC) was originally incorporated as TRC Financial and Management Services Pvt. Ltd on May 24, 1994. The Company was converted into Public Limited Company during the year and accordingly its name was changed as TRC Financial and Management Services Limited. On 8th November 1994, the name of the Company was changed to TRC Financial Services Limited. The Company having registered office in Mumbai, India. The Company is predominantly an Investment Company.

## 2 SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

### (I) Basis of Accounting and Preparation of Financial Statements

#### (i) Compliance with Ind AS

The financial statements ("financial statements") comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] as amended, and other relevant provisions of the Act.

The Company follows the guidelines issued by the Reserve Bank of India (RBI) as applicable to a Non Banking Finance Company.

#### (ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except certain financial assets and liabilities that are measured at fair value.

### (I-A) Current / Non-current classification of assets / liabilities

The Company has classified all its assets / liabilities into current / noncurrent based on the time frame of 12 months from the date of financial statements. Accordingly, assets/liabilities expected to be realised /settled within 12 months from the date of financial statements are classified as current and other assets/ liabilities are classified as non current.

### (II) Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash which are subject to insignificant risks of changes in value.

Cash and cash equivalent in the Balance Sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to insignificant risk of changes in value. Bank borrowings are generally considered to be financing activities. However, where bank overdrafts which are repayable on demand form an integral part of an entity's cash management, bank overdrafts are included as a component of cash and cash equivalents. A characteristic of such banking arrangements is that the bank balance often fluctuates from being positive to overdrawn.

### (III) Cash flow statement

Cash flows are reported using the indirect method, whereby profit/(loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flow from operating, investing and financing activities of the Company are segregated based on the available information.

### (IV) Taxes on income

Income tax expense represents the sum of the tax currently payable and deferred tax.

#### a) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the standalone statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted and are applicable as at the end of the reporting period.



**b) Deferred tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

**c) Current and deferred tax for the year**

Current and deferred tax are recognised in the Statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

**(V) Revenue Recognition**

The Company mainly derives income from consultancy services.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services. To recognize revenue, the Company applies the following five step approach: (1) identify the contract with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenues when a performance obligation is satisfied.

The method for recognizing revenues depends on the nature of the services rendered:

**A. Fixed-price consultancy contracts**

Revenue from fixed-price contracts, where the performance obligations are satisfied over time, are recognized ratably over the period since the Company has a stand ready obligation to provide service over the period of the contract.

**B. Commission income:**

The Company earns commission income as a percentage of loan sanctioned to the customers. The performance obligation is satisfied at the point in time when the customer derives benefit, hence the Company recognises commission income as revenue when the loan is sanctioned to the customer.

**C. Interest income:**

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

**D. Dividend income:**

Income from dividend is accounted as and when such dividend has been declared and the Company's right to receive payment is established.

**(VI) Earnings per share**

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

# TRC FINANCIAL SERVICES LIMITED



## (VII) Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes.

## (VIII) Financial Instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

### Initial recognition and measurement:

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in statement of profit and loss.

### Subsequent measurement:

#### Financial assets at amortised cost-

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and contractual terms of financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### Financial Assets at fair value through other comprehensive Income:

Financial assets are measured at fair value through other comprehensive income ('FVTOCI') if these financial assets are held within business model whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

#### Financial Assets at fair value through profit or loss:

Financial assets are measured at fair value through profit or loss ('FVTPL') unless it is measured at amortised cost or fair value through other comprehensive income on initial recognition. The transaction cost directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in the statement of profit and loss.

#### Impairment- Financial assets

Expected Credit Loss (ECL) has been estimated on the loan commitments and investments measured at AC (Amortised Cost) & FVOCI (Fair Value through Other Comprehensive Income) portfolio of the Company. The portfolios have been divided into 3 stages based on the Staging rules defined subsequently. ECL has been separately estimated for each stage.

The loan portfolio of the Company consists of advances given to individuals and corporates. The tenure of the advance is 365 days or less. Staging rules set have been applied to the product categories to bucket them into either Stage 1, Stage 2 or Stage 3.

Stages	Days Past Due	ECL
Stage 1	Upto 30 Days	12- Month ECL
Stage 2	30- 90 Days	Lifetime ECL
Stage 3	90+ Days	Lifetime ECL

# TRC FINANCIAL SERVICES LIMITED



The primary risk components applied for estimation of ECL are Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD). ECL is estimated as a multiple of PD, LGD and EAD for each of the product sub categories.

i. The PD provides an estimate of the likelihood that a borrower will be unable to meet his debt obligations. PD may be applied at a rating grade for corporate borrowers or for a pool of accounts showing similar behavioral and risk characteristics.

ii. The EAD is the total receivables that the Company is exposed to at the time of an account's default.

iii. LGD is usually shown as the percentage of EAD that the Company might lose in case the borrower defaults. It depends, among others, on the type and amount of collateral, collection mechanism existing in the Company and the expected proceeds from a work out (e.g. recovery from sale of collaterals/securities or otherwise) of the assets.

## **Definition of default**

All accounts greater than 90 days past due are considered as default accounts.

## **Significant increase in credit risk**

The Company monitors all financial assets, issued loan commitments that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk the Company will measure the loss allowance based on lifetime rather than 12-month ECL. The Company's accounting policy is to use the practical expedient that financial assets with 'low' credit risk at the reporting date are deemed not to have had a significant increase in credit risk.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognised. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort, based on the Company's historical experience and expert credit assessment

## **Write-off**

### **Presentation of allowance for ECL in the statement of financial position**

Loss allowances for ECL are presented in the statement of financial position as follows:

- for financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
- for financial assets measured at FVTOCI: no loss allowance is recognised in the statement of financial position as the carrying amount is at fair value. However, the loss allowance is included as part of the revaluation amount in the investments revaluation reserve;

## **Derecognition of financial assets**

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in statement of profit and loss if such gain or loss would have otherwise been recognised in statement of profit and loss on disposal of that financial asset.

## **Foreign exchange gains and losses**

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

For foreign currency denominated financial assets that are measured at amortised cost and FVTPL, the exchange difference are recognised in profit or loss.

## **Equity Instrument**

An equity instrument is a contract that evidences residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments recognised by the Company are recognised at the proceeds received net off direct issue cost.



## **Financial liabilities**

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

## **Financial liabilities subsequently measured at amortised cost**

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

## **Foreign exchange gains and losses**

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in 'Other income'.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

## **Derecognition of financial liabilities**

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in statement of profit and loss.

## **(IX) Impairment- Non-financial assets**

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

## **(X) Operating cycle**

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as twelve months for the purpose of classification of its assets and liabilities as current and non-current.

## **(XI) Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The board of directors of the Company assesses the financial performance and position of the Company, and makes strategic decisions. The board of directors, has been identified as the chief operating decision maker ('CODM').





**(XII) Critical judgments in applying the Company's accounting policies**

The following are the critical judgments that the management have made in the process of applying the Company's accounting policies.

- **Business model assessment:** Classification and measurement of financial assets depends on the results of the Solely Payments of Principle and Interest (SPPI) and the business model test (please see financial assets sections of note 1). The Company determines the business model at a level that reflects how Company's financial assets are managed together to achieve a particular business objective.
- **Significant increase of credit risk:** Expected Credit Loss (ECL) are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL assets for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. Ind AS 109 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Company takes into account qualitative and quantitative reasonable and supportable forward looking information.
- **Probability of default:** PD constitutes a key input in measuring ECL. PD is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.
- **Loss Given Default:** LGD is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

# TRC FINANCIAL SERVICES LIMITED



## TRC Financial Services Limited

### Notes forming part of the financial statements

(Amount mentioned in Rs lakhs, except for share data or otherwise stated)

#### Note 3 - Cash and cash equivalents

Particulars	As at March 31, 2021	As at March 31, 2020
Cash in Hand	0.12	0.12
<b>Balances with Banks</b>		
(a) In Current Accounts	3.66	0.11
(b) In deposit accounts	-	-
<b>Total</b>	<b>3.78</b>	<b>0.23</b>

#### Note 4 - Trade receivables (Unsecured considered good)

Particulars	As at March 31, 2021	As at March 31, 2020
Other trade receivables	-	88.50
<b>Total</b>	<b>-</b>	<b>88.50</b>

The Company estimates the expected credit loss for trade receivables on a case to case basis.

# TRC FINANCIAL SERVICES LIMITED



## TRC Financial Services Limited

### Notes forming part of the financial statements

(Amount mentioned in Rs lakhs, except for share data or otherwise stated)

#### Note 5 - Loans

Particulars	As at March 31, 2021			As at March 31, 2020		
	Amortised Cost	Others	Total	Amortised Cost	Others	Total
<b>Loans</b>						
<b>Current</b>						
Loans repayable on Demand						
i. Non performing assets	-	-	-	-	-	-
ii. Others	143.55	-	143.55	118.55	-	118.55
	<b>143.55</b>	-	<b>143.55</b>	<b>118.55</b>	-	<b>118.55</b>
<b>Non-current</b>						
Long term-loans and advances	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
<b>Total (Gross)</b>	<b>143.55</b>	-	<b>143.55</b>	<b>118.55</b>	-	<b>118.55</b>
Less: Impairment loss allowance	(0.36)	-	(0.36)	(0.02)	-	(0.02)
<b>Total (Net)</b>	<b>143.19</b>	-	<b>143.19</b>	<b>118.53</b>	-	<b>118.53</b>
Secured by tangible assets	-	-	-	-	-	-
Unsecured	143.55	-	143.55	118.55	-	118.55
<b>Total (Gross)</b>	<b>143.55</b>	-	<b>143.55</b>	<b>118.55</b>	-	<b>118.55</b>
Less: Impairment loss allowance	(0.36)	-	(0.36)	(0.02)	-	(0.02)
<b>Total (Net)</b>	<b>143.19</b>	-	<b>143.19</b>	<b>118.53</b>	-	<b>118.53</b>
<b>Advances in India</b>						
Others	143.55	-	143.55	118.55	-	118.55
<b>Total (Gross)</b>	<b>143.55</b>	-	<b>143.55</b>	<b>118.55</b>	-	<b>118.55</b>
Less: Impairment loss allowance	(0.36)	-	(0.36)	(0.02)	-	(0.02)
<b>Total (Net)</b>	<b>143.19</b>	-	<b>143.19</b>	<b>118.53</b>	-	<b>118.53</b>

# TRC FINANCIAL SERVICES LIMITED



TRC Financial Services Limited

Notes forming part of the financial statements

(Amount mentioned in Rs lakhs, except for share data or otherwise stated)

## Note 6 - Investments

Particulars	As at March 31, 2021					As at March 31, 2020				
	Amortised Cost	Fair Value			Total	Amortised Cost	Fair Value			Total
		FVTPL	Designated at FVTPL	Total			FVTPL	Designated at FVTPL	Total	
<b>Non-current</b>										
<b>In Equity Instruments - Others</b>										
Equity Share of Alok Insutries Ltd.	-	-	-	-	-	-	5.92	-	5.92	<b>5.92</b>
Equity Share of Marksan Pharma Ltd	-	7.49	-	7.49	<b>7.49</b>	-	10.43	-	10.43	<b>10.43</b>
Unit of NIP ETF LIQUID BeES	-	-	-	-	-	-	-	-	-	-
	-	<b>7.49</b>	-	<b>7.49</b>	<b>7.49</b>	-	<b>16.35</b>	-	<b>16.35</b>	<b>16.35</b>
<b>Total (Gross)</b>	-	<b>7.49</b>	-	<b>7.49</b>	<b>7.49</b>	-	<b>16.35</b>	-	<b>16.35</b>	<b>16.35</b>
(i) Investments outside India	-	-	-	-	-	-	-	-	-	-
(ii) Investments in India	-	7.49	-	7.49	7.49	-	16.35	-	16.35	16.35
Less: Impairment loss allowance	-	-	-	-	-	-	-	-	-	-
<b>Total (Net)</b>	-	<b>7.49</b>	-	<b>7.49</b>	<b>7.49</b>	-	<b>16.35</b>	-	<b>16.35</b>	<b>16.35</b>

# TRC FINANCIAL SERVICES LIMITED



## TRC Financial Services Limited

### Notes forming part of the financial statements

(Amount mentioned in Rs lakhs, except for share data or otherwise stated)

#### Note 7A - Other financial assets

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Unsecured, considered good -</b>		
<b>Current</b>		
Interest accrued but not due on term deposit and loans given	3.61	14.07
Deposits	0.20	0.20
Other advances (receivable in cash or kind)	92.00	-
<b>Total</b>	<b>95.81</b>	<b>14.27</b>

#### Note 7B - Other non-financial assets

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Unsecured, considered good -</b>		
Balance with government authorities	1.51	0.19
MAT credit entitlement	5.26	2.07
Advance income tax (net of provisions) see note (i) below	6.52	7.85
<b>Total</b>	<b>13.29</b>	<b>10.11</b>

Note (i)		
Advance income tax	11.87	10.00
Provision for tax	(5.35)	(2.15)
<b>TOTAL</b>	<b>6.52</b>	<b>7.85</b>

#### Note 7C - Property, plant and equipment

Particulars	Office Equipment	Total
Cost as at 1st April 2019	-	-
Additions	0.20	0.20
Disposals	-	-
Cost as at 31st March 2020	0.20	0.20
Additions	-	-
Disposals	-	-
Cost as at 31st March 2021 (A)	<b>0.20</b>	<b>0.20</b>
Accumulated depreciation as at 1st April 2019	-	-
Depreciation charged during the year	0.04	0.04
Disposals	-	-
Accumulated depreciation as at 31st March 2020	0.04	0.04
Depreciation charged during the year	0.06	0.06
Disposals	-	-
Accumulated depreciation as at 31st March 2021 (B)	<b>0.10</b>	<b>0.10</b>
Net Carrying Amount as at 31st March 2021 (A-B)	<b>0.10</b>	<b>0.10</b>
Net Carrying Amount as at 31st March 2020	<b>0.16</b>	<b>0.16</b>
Net Carrying Amount as at 1st April 2019	-	-

# TRC FINANCIAL SERVICES LIMITED



## TRC Financial Services Limited

### Notes forming part of the financial statements

(Amount mentioned in Rs lakhs, except for share data or otherwise stated)

#### Note 8 - Trade payables

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Total outstanding dues of micro enterprises and small enterprises (refer note 18)	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	5.18	12.27
	<b>5.18</b>	<b>12.27</b>

#### Note 9 - Other Non Financial Liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Non Financial Liabilities - current</b>		
Other Current Liability	-	-
Duties and taxes payable	0.48	5.10
	<b>0.48</b>	<b>5.10</b>

#### Note 10 - Equity share capital

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number	Amount	Number	Amount
<b>Authorised</b>				
Equity Shares of Rs 10 each	6,000,000	600.00	6,000,000	600.00
Preference Shares of Rs. 10 each	2,000,000	200.00	2,000,000	200.00
<b>Total</b>	<b>8,000,000</b>	<b>800.00</b>	<b>8,000,000</b>	<b>800.00</b>
<b>Issued, Subscribed &amp; fully Paid up</b>				
Equity Shares of Rs 10 each fully paid	5,000,900	500.09	5,000,900	500.09
<b>Total</b>	<b>5,000,900</b>	<b>500.09</b>	<b>5,000,900</b>	<b>500.09</b>

#### a) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the Equity Shares

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	5,000,900	500.09	5,000,900	500.09
Add : Shares issue	-	-	-	-
Shares outstanding at the end of the year	<b>5,000,900</b>	<b>500.09</b>	<b>5,000,900</b>	<b>500.09</b>

b) The Company has only one class of equity shares with voting rights ( one vote per share). The distribution of dividend is in proportion to the number of equity shares held by the shareholders in the ensuing AGM. In the event of liquidation of the Company, the equity shareholder are entitled to receive only residual assets of the company.

c) Shares in the Company held by each shareholder holding more than 5 percent shares

#### Equity Shares

Name of Shareholder	As at March 31, 2021		As at March 31, 2020	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Jupiter Capital Private Limited	3,293,526	65.86%	3,293,526	65.86%

# TRC FINANCIAL SERVICES LIMITED



## TRC Financial Services Limited

### Notes forming part of the financial statements

(Amount mentioned in Rs lakhs, except for share data or otherwise stated)

#### Note 11 -Other equity

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Statutory reserves</b> This represents transfer of 20% of the profit after tax to the statutory reserve (rounded off upwards to the nearest lakh) in accordance with the provisions of Section 45-IC of the Reserve Bank of India Act, 1934.	38.22	32.90
<b>Retained earnings/(deficit)</b> Retained earnings/(deficit) comprise of the Company's current and prior years' undistributed earnings after taxes or accumulated losses and other items of other comprehensive income pertaining to re-measurement of net defined benefit liability/asset.	(280.91)	(302.21)
	<b>(242.69)</b>	<b>(269.31)</b>

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Others-Statutory Reserve</b>		
Opening balance	32.90	29.37
Add: Transfer from retain earnings	5.32	3.53
<b>Closing Balance</b>	<b>38.22</b>	<b>32.90</b>
<b>Retained earnings/(deficit)</b>		
Opening balance	(302.21)	(316.34)
Add: Profit / (Loss) for the year	26.62	17.66
Less : Transfer to other statutory reserve	(5.32)	(3.53)
Remeasurements of the defined benefit liabilities / (asset) net of tax	-	-
<b>Closing Balance</b>	<b>(280.91)</b>	<b>(302.21)</b>

# TRC FINANCIAL SERVICES LIMITED



## TRC Financial Services Limited

### Notes forming part of the financial statements

(Amount mentioned in Rs lakhs, except for share data or otherwise stated)

#### Note 12 - Interest Income

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Interest on Loans and inter corporate deposits at amortised cost	14.45	14.15
<b>Total</b>	<b>14.45</b>	<b>14.15</b>

#### Note 13 - Net gain/(loss) on fair value changes/sale of investment

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
A) Net Gain/(Loss) on financial instruments at fair value/sale through profit and loss account		
a) on trading portfolio		
- Investments	48.13	(9.49)
b) on financial instruments at fair value through profit and loss account	-	-
B) Others	-	-
<b>Total net gain/(loss) on fair value changes</b>	<b>48.13</b>	<b>(9.49)</b>
Fair value changes		
-Realised	42.72	-
-Unrealised	5.41	(9.49)
<b>Total</b>	<b>48.13</b>	<b>(9.49)</b>

#### Note 14 - Other Income

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Interest on income tax refund	-	0.27
<b>Total</b>	<b>-</b>	<b>0.27</b>

#### Note 15 - Employee benefits

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Salaries and wages	17.61	68.29
<b>Total</b>	<b>17.61</b>	<b>68.29</b>

#### Note 16 - Other Expenses

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Rent	1.20	1.20
Listing Fees	3.27	3.27
Communication Costs	-	1.08
Printing and stationery	-	1.13
Auditor's fees and expenses (Refer note i below)	0.60	0.45
Legal and Professional charges	9.70	4.89
Travelling and conveyance	-	3.04
Insurance Expenses	1.05	1.30
Provision for ECL	0.34	-
Other expenditure	1.60	2.54
<b>Total</b>	<b>17.76</b>	<b>18.90</b>

#### Note (i) Auditors' remuneration:

a) as auditor	0.50	0.33
b) for other certification services	0.10	0.12
<b>SUB - TOTAL</b>	<b>0.60</b>	<b>0.45</b>



# TRC FINANCIAL SERVICES LIMITED



## TRC Financial Services Limited

### Notes forming part of the financial statements

(Amount mentioned in Rs lakhs, except for share data or otherwise stated)

#### Additional information to the financial statements

#### 17 Contingent liabilities and commitments (to the extent not provided for)

S.No.	Particulars	As at March 31, 2021	As at March 31, 2020
(i)	Contingent liabilities: Claims against Company not acknowledged as debt	-	-

#### 18 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23	-	-
Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.		

#### 19 Segment information for the year ended March 31, 2021

The Company has identified a single reportable segment which is investment and relating consultancy services. The Company operates as single segment based on the nature of services, resource allocation, regulatory environment, customers and distribution methods, there are no additional disclosures to be provided in terms of Ind AS 108 on 'Operating Segments'.

#### 20 Earnings per share:

Particulars	Year ended	Year ended March 31, 2020
Net profit / (loss) after tax	26.62	17.66
The weighted average number of ordinary shares outstanding	5,000,900	5,000,900
Earnings Per Share (Rs.) – Basic and Diluted (Nominal value of Rs.10 per share)	0.53	0.35

#### 21 Related parties

##### Related party and relationships

Name of the Related Parties	Relationship
Jupiter Capital Private Limited	Holding Company
Giddaiah Koteswar	KMP - Whole-time Director
Charmi Gindra	KMP - Company Secretary

##### Transactions with related parties and outstanding balances

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>Transactions</b>		
<b>Expenses :</b>		
Salary Paid - Giddaiah Koteswar - KMP	6.81	11.77
Salary Paid - Charmi Gindra - KMP	1.77	1.77
<b>Outstanding balance</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
<b>Assets :</b>		
Other Advances - Holding Company	92.00	-
<b>Liabilities:</b>		
Salary Payable - KMP	0.14	2.17

# TRC FINANCIAL SERVICES LIMITED



## TRC Financial Services Limited

### Notes forming part of the financial statements

(Amount mentioned in Rs lakhs, except for share data or otherwise stated)

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#### 1 Financial risk management

The Company's principal financial liabilities, comprise trade and other payables. The main purpose of these financial liabilities is to finance the company's operations and to provide guarantees to support its operations. The Company's principal financial assets include loans, trade and other receivables, and cash and short-term deposits that derive directly from its operations.

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk, equity price risk and interest rate risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

#### 2 Credit risk

Credit risk in the Company is managed through a framework that sets out policies and procedures covering the measurement and management of credit risk. There is a clear segregation of duties between transaction originators in the business function and approvers in the credit risk function. Board approved credit policies and procedures mitigate the Company's prime risk-default risk. There is a Credit Risk Management Committee in the Company for the review of the policies, process and products on an ongoing basis, with approval secured from the Board as and when required.

#### Significant increase in credit risk

The Company monitors all financial assets that are subject to impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk the Company measures the loss allowance based on lifetime rather than Stage 1 (12-month) Expected Credit Loss (ECL). Pending the adoption of scoring models to assess the change in credit status at an account level and at portfolio level, the Company has adopted SICR (Significant Increase in Credit risk) criteria based on Days Past Due (DPD). The following table lists the staging criteria used in the Company: Staging Criterion

Stage-1 : 0 – 30 days past due

Stage-2 : 31 – 89 days past due

Stage-3 : 90+ days past due

Stage 2 follows the rebuttable presumption of Ind AS 109, that credit risk has increased significantly since initial recognition no later than when contractual payments are more than 30 days past due.

#### Measurement of ECL

The key inputs used for measuring ECL are:

Probability of default (PD):

The PD is an estimate of the likelihood of default over a given time horizon (12 Month). It is estimated as at a point in time. To compute Expected Credit Loss (ECL) the portfolio is segregated into 3 stages viz. Stage 1, Stage 2 and Stage 3 on the basis of Days Past Dues. The Company uses 12 month PD for the stage 1 borrowers and lifetime PD for stage 2 and 3 to compute the ECL. The Company has used 0.03% PD for unsecured corporate loans

Loss given default (LGD):

LGD is an estimation of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from eligible collateral. The Company has computed LGD for Microfinance loans using empirical data and for other portfolios it used FIRB (Foundation Internal Rating Based) guidelines and Loan Loss Provisioning paper as given by Reserve Company of India. LGD for unsecured corporate loans is considered as 65%

Exposure at default (EAD):

EAD is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, and expected drawdowns on committed facilities.

EAD is the total outstanding balance at the reporting date including principal and accrued interests at the reporting date

The Company measures ECL as the product of PD, LGD and EAD estimates for its Ind AS 109 specified financial obligations

# TRC FINANCIAL SERVICES LIMITED



### 3 Equity price risk

The Company has investments in listed securities and mutual funds and thereby exposed to equity price risk.

The Company limits its risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The company does not expect any losses from non-performance by these counter-parties, and does not have any significant concentration of exposures to specific industry sectors.

### 4 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages liquidity risk by maintaining adequate reserves, Companying facilities and reserve borrowing facilities, by continuously monitoring forecast and actual short term and long term cash flows, and by matching the maturity profiles of financial assets and liabilities.

The Company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management.

The working capital position of the Company is given below:

Particulars	As at March 31, 2021	As at March 31, 2020
Cash and cash equivalents	3.78	0.23
<b>Total</b>	<b>3.78</b>	<b>0.23</b>

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2021, March 31, 2020

Particulars	As at	Contractual maturities		
		Less than 1 year	1-2 years	2 years and above
Trade payables and other financial liabilities	As at March 31, 2021	5.66		
	As at March 31, 2020	17.37		

### 5 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to any interest rate fluctuation since it does not have any borrowings

### 6 Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company monitors the return on capital. The Company's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value.

The capital structure is as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
Total equity attributable to the equity share holders of the company	257.40	230.78
As percentage of total capital	100%	100%
Current borrowings	-	-
Non-current borrowings	-	-
Total borrowings	-	-
<b>As a percentage of total capital</b>	<b>0%</b>	<b>0%</b>
<b>Total capital (borrowings)</b>	<b>257.40</b>	<b>230.78</b>

The Company is predominantly equity financed which is evident from the capital structure table.

# TRC FINANCIAL SERVICES LIMITED



**TRC Financial Services Limited**

**Notes forming part of the financial statements**

(Amount mentioned in Rs lakhs, except for share data or otherwise stated)

## **23 Impact of COVID on the Company**

COVID-19, a pandemic caused by the novel Coronavirus, has emerged as an unprecedented challenge globally and to the NBFC companies in particular, due to unstable market conditions. The Reserve Bank of India as a part of its measures to support and boost the economy has vide its notifications titled "COVID-19 Regulatory Package "dated 27 March 2020 and 17 April 2020 directed all Banks, NBFCs and other financial institutions to grant moratorium of three months on the payment of all instalments and/or interest as applicable to all eligible borrowers. This moratorium was further extended for another three months until 31 August 2020..

The Company transitioned into a full Work From Home model and several measures were put in place for communications, technology and productivity improvements to help employees cope with this change.

There has been no significant adverse operational impact on the Company's operations during March 2021 due to the Nationwide lockdown imposed by the Government of India in view of COVID-19, a pandemic caused by the Novel Coronavirus. The Company has monitored the impact of COVID-19 on all aspects of its business. The management has exercised due care, in concluding on significant accounting judgements and estimates, recoverability of receivables, assessment for impairment of goodwill, intangible assets, inventory based on the information available as on date, while preparing the financial results as of and for the year ended 31 March 2021.

The final impact of the global health pandemic is very uncertain and the actual impact on these financial results may be different than that estimated based on the conditions prevailing as at the date of approval of these financial statements. The Company currently is unable to predict any future impact on its business operations.

24 As on 31st March, 2021, the company has accumulated losses of Rs.242.69 which has resulted in significant erosion of net worth of the Company. The management is hopeful of improving the performance of the Company by exploring various avenues of enhancing revenue. The said measures are expected to improve the performance of the Company and accordingly the financial statements continue to be prepared on a Going Concern Basis.

In terms of our report attached

**For N B S & Co.**

Chartered Accountants

-Sd-

Devdas V. Bhat

Partner

Membership No : 48094

Date: 29th Day of June, 2021

Place: Mumbai

**For and on behalf of the Board of Directors**

-Sd-

Sabarinath G

Whole Time Director & CFO

DIN: 08479403

-Sd-

Korodi Sanjay Prabhu

Director

DIN: 00023196

-Sd-

Charmi Kartik Gindra

Company Secretary

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