



Nat West  
Capital  
Services  
Limited

MD	✓		BKC	✓
CS	✓		DPY	NA
RO	✓		DIV	✓
TRA	✓		AC	✓
AGM	✓	✓	SHI	✓
YE	✓	✓		✓

5<sup>th</sup>

Annual Report

1997 - 98

## NAT WEST CAPITAL SERVICES LIMITED

Corp. Office : 6-2-953, 1st Floor, Krishna Plaza, Khairatabad, Hyderabad - 500 004.

Tel. 3327994 (4 Lines) Fax : 3394799



## NAT WEST CAPITAL SERVICES LIMITED



### Board of Directors

S. Ravi - Chairman  
C. Prasanna  
Pawan Jhunjhunwala  
O. Bangaru Raju  
Ch. A.R. Sudhakar  
G.C.S. Raju

### AUDITORS

S. VENKATADRI & COMPANY  
Chartered Accountants  
1408, Babukhan Estate  
Basheerbagh  
Hyderabad - 500 001.

### COMPANY SECRETARY

E.N. Krishnan

### BANKERS

ANDHRA BANK

THE INDUSIND BANK LIMITED

THE VYSYA BANK LIMITED

### CORPORATE OFFICE

6-2-953, First Floor  
Krishna Plaza  
Khairatabad  
Hyderabad - 500 004.  
Andhra Pradesh.

### REGISTERED OFFICE

2-1-184, Chandrannakunta  
Suryapet - 508 213  
Nalgonda District  
Andhra Pradesh.

## NAT WEST CAPITAL SERVICES LIMITED



### Notice

NOTICE is hereby given that the Fifth Annual General Meeting of NAT WEST CAPITAL SERVICES LIMITED will be held on Saturday, the 26th September, 1998 at 11.00 A.M. at the Registered Office of the Company at 2-1-184, Chandrannakunta, Suryapet - 508 213, Nalgonda District, Andhra Pradesh, to transact the following business:

#### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Accounts for the year ended 31st March, 1998, the Directors' Report and the report of Auditors' thereon.
2. To declare Dividend on the Equity Shares.
3. To elect a Director in place of Shri C.Prasanna, who retires by rotation and being eligible, offers himself for reappointment.
4. To elect a Director in place of Shri G.C.S.Raju, who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint Auditors, and to fix their remuneration. In this connection to consider and, if thought fit, to pass the following Resolution which will be proposed as a Special Resolution:  

"RESOLVED that the retiring Auditors of the Company, M/s Venkatadri & Company, Chartered Accountants, being eligible for reappointment, be and are hereby appointed as the Auditors of the Company to hold such office until the conclusion of the next Annual General Meeting at a remuneration to be decided by the Board of Directors of the Company".

Hyderabad  
July 31st, 1998

**S. Ravi**  
Chairman

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### Notes :

1. **A Member entitled to attend and vote at the General Meeting may appoint a proxy, who need not be a Member, to attend and vote on a poll, on his behalf. Such proxies should be deposited at the Registered Office of the Company not less than Forty Eight hours before the commencement of the Meeting.**
2. **The Register of Members will remain closed from September 23rd to 26th, 1998 (both days inclusive) for purpose of payment of Dividend, if approved.**
3. Dividend if approved will be paid to those shareholders whose names appear in the Register of Members of the Company as on September 26, 1998 or to their Mandatees.
4. Shareholders are requested to furnish change of address, if any, immediately to the Company at its Corporate Office, 6-2-953, 1st Floor, Krishna Plaza, Khairatabad, Hyderabad - 500 004, Andhra Pradesh.
5. Shareholders who have multiple folios in identical names or joint names in the same order are requested to intimate to the Company these folios to enable the Company to consolidate all such shareholdings into one folio.
6. Members desirous of obtaining any information concerning the Accounts and operations of the Company are requested to send their queries atleast Seven Days before the date of the Meeting to the Company, so that the information required may be made available at the Meeting.

## NAT WEST CAPITAL SERVICES LIMITED

**DIRECTORS' REPORT**

To the Members,

Your Directors have pleasure in presenting their Fifth Annual Report together with Audited Statement of Accounts for the year ended 31st March, 1998.

**FINANCIAL PERFORMANCE**

	Year ended March 31st 1998	(Rs. in lakhs) Year ended March 31st 1997
<b>INCOME</b>		
Profit before Depreciation and Tax	119.02	137.85
Less : Depreciation	78.36	49.95
Profit before Tax	40.66	87.90
Less : Provision for Tax	4.27	11.34
Profit after Tax	36.39	76.56
Add : Balance of Profit and Loss Account brought forward	123.74	103.19
Disposable Profit	160.13	179.75
<b>APPROPRIATIONS</b>		
General Reserve	8.50	18.75
Proposed Dividend	18.84	33.87
Tax on Dividend	1.89	3.39
Balance carried to Balance Sheet	130.90	123.74

**PERFORMANCE**

The uncertainty in the Economy coupled with increased regulation of the financial sector and the continuing hangover in respect of credit offtake and high risk profile in deployment has affected the operations of your company.

Your company's operational performance has been a reflection of the prevailing economic trend. The preference of your company to build up a risk free portfolio and to strengthen its core strengths have led to conservative credit mobilisation and disbursements. The Profit before Depreciation and Tax was Rs.119.02 lakhs for the year as compared to Rs.137.85 lakhs for the previous year. The Net Profit for the year was Rs.36.39 lakhs as compared to Rs.76.56 lakhs for the previous year. The amount available for appropriation was Rs.160.13 lakhs as against Rs.179.75 lakhs for the previous year.

**REGISTRATION**

As per the directions of the Reserve Bank of India, your company has received the Certificate of Registration No.09.00171 dated 6th May, 1998, as per the provisions of the Reserve Bank of India Act, 1934.

**DIVIDEND**

In order to conserve resources for redeployment through internal accruals, your Directors recommend a conservative dividend of 5% per Equity Share, as against 10% in the previous year. The Shareholders of erstwhile Esteem Capital Services Limited, which had merged with your company in the previous year, would be eligible for dividend for the entire year as against for the half year in the previous year. The Dividend, if approved shall absorb an amount of Rs.20.73 lakhs

# NAT WEST CAPITAL SERVICES LIMITED



(inclusive of Dividend Tax of Rs.1.89 lakhs) as against Rs.37.26 lakhs (inclusive of Dividend Tax Rs.3.39 lakhs) in the previous year.

## FUTURE PROSPECTS AND PLAN

Your company is gearing itself to face the increasing challenges in the Financial Sector by equipping itself and simultaneously realigning its core strengths to survive and grow in the years to come. Your company is also drawing up plans to source funds at competitive costs and deploy them in risk free avenues.

## FIXED DEPOSITS

The Fixed Deposits mobilisation from Public rose to Rs.483.22 lakhs from Rs.303.05 lakhs for the year 1997-98. During the year, ICRA rating of MA - (MA Minus) for Fixed Deposits was maintained.

Your Company has repaid all Fixed Deposits, which have matured during the year. Deposits matured but unclaimed amounted to Rs.4,49,441 (28 deposits) as on 31st March, 1998. Your Company is making continuous efforts to activate the depositors to renew/claim these deposits.

## DIRECTORS

Shri C.Prasanna, Director and Shri G.C.S.Raju, Director retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

Shri P. Vaidyanathan, Director resigned from the Board during the year. The Directors place on record their deep appreciation of the valuable guidance and services rendered by Shri P. Vaidyanathan during the tenure of his office as Director of the Company.

## AUDITORS

M/s S Venkatadri & Co., Chartered Accountants, Statutory Auditors retire at the close of the Annual General Meeting, and being eligible offer themselves for reappointment.

## INTERNAL AUDITORS

Your Company has reappointed M/s Lovelock & Lewes, Chartered Accountants, as Internal Auditors.

## OTHER INFORMATION

The information required under sub-section (2A) of Section 217 of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 is appended herewith.

The Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 requires disclosure of particulars regarding Conservation of Energy in Form A and Technology Absorption in Form B prescribed by the Rules. The Company not being a Manufacturing Company is advised that Form A and B are not applicable to it.

The Company has not earned or expended Foreign Exchange during the year under review.

## ACKNOWLEDGEMENT

Your Directors place on record their deep appreciation of the support extended by Andhra Bank, Lead Bank and other consortium bankers during the period under review. Your Directors thank the depositors and clients for their continued patronage. Your Directors place on record their deep appreciation of the support and trust extended by Reserve Bank of India, ICRA Limited, SEBI and other Government Agencies and record their gratitude for the same.

Your Directors also wish to place on record their deep appreciation of the invaluable contribution of the Employees and thank the shareholders for the trust reposed in the Company and its Management.

By Order of the Board

Hyderabad,  
July 31st, 1998

S. Ravi  
Chairman

**Statement of particulars of Employees Pursuant to the provisions of Section 217 (2A) of the Companies Act, 1956 and forming part of the Directors' Report for the year ended 31st March, 1998.**

Sl. No.	Name	Designation & Nature of duties	Age	Qualification and Experience	Last Experience/ Post held	Date of commencement of Employment	Gross Amount (Rs.)
EMPLOYED FOR A PART OF THE FINANCIAL YEAR							
I.	Shri B.Baskaran	Managing Director of erstwhile Esteem Capital Services Limited which has merged with the Company in the year 1996-97.	58 years	MA (Economics) CAIIB 30 Years	Managing Director of India Securities Limited	14.8.1995	1,20,000