



Registered Office: Muthoot Towers, M.G. Road, Ernakulam, Cochin - 682 035

**Fifth Annual Report for the period ended 30<sup>th</sup> June, 1999**





**MUNDOO**  
~ CAPTAIN SERVICES LTD ~

### REGISTERED OFFICE

Muthoot Towers  
M.G. Road, Ernakulam  
Cochin - 682 035  
Phone : 351429, 351501, 351506,  
Fax : 0484-381261

### BRANCHES

Muthoot Building, Poonen Road <b>Trivandrum - 695 039</b> Phone : 0471-331046 Fax : 0471-331560	1st floor, Ankuttikalayil Bldg., Pazhavangadi P.O. <b>Ranni, Pathanamthitta Dist.</b> Phone : 0473-513103
C.S.I. Buildings, Baker Junction <b>Kottayam - 686 001</b> Phone : 0481-565395 Fax : 0481-565395	1st floor, M.S. Building, P.A. Junction, Vadakkevila P.O. <b>Pallimukku, Kollam-691 010</b> Phone : 0474-718015
Market Junction <b>Kulanada, Pandalam</b> Pathanamthitta Dist. Phone : 0473-450290	1st Floor, Sreenarayana Soudhan <b>Kuravilangad</b> Kottayam Dist. Phone : 0481-230807
1st floor, Kannat Baby Memorial Bldg. M.C. Road, <b>Chengannur,</b> Alleppey Dist. Phone : 0479-454723	1st Floor, Padson Towers Koothattukulam Ernakulam Dist. Phone : 0484-253739
Palakkottu Building Trivandrum Road Pulaman Junction, <b>Kottarakkara</b> Phone : 0474 -451820	



**FIFTH ANNUAL REPORT  
1998-99**

***Board of Directors***

Muthoot Mathew M. Thomas : Chairman  
A.P. Kurian  
Philip Thomas  
Thomas John Muthoot  
Thomas Muthoot  
Thomas Kuruvilla : Managing Director  
Thomas George Muthoot : Joint Managing Director

***Auditors***

M/s. Mohan & Mohan Associates  
Trivandrum  
M/s. K. Venkatachalam Aiyer & Co.,  
Kottayam

***Legal Advisor***

Dandapani Associates  
Cochin

***Registered Office***

Muthoot Towers  
M.G. Road, Ernakulam  
Cochin - 682 035

Report Junction.com



## NOTICE

NOTICE IS HEREBY GIVEN THAT the fifth Annual General Meeting of MUTHOOT CAPITAL SERVICES LIMITED will be held at the Mini Hall of Hotel Maria Park, Padivattom, Cochin - 682 024, on Monday, 3<sup>rd</sup> January 2000 at 11 am. to transact the following business :-

1. To receive, consider and adopt the audited Balance Sheet as at 30<sup>th</sup> June, 1999, The Profit & Loss Account for the period ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend
3. To appoint Mr. A.P.Kurian, Director, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Mr. Mathew M. Thomas Muthoot, who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint M/s. Mohan & Mohan Associates, Chartered Accountants, Trivandrum and M/s. K. Venkatachalam Aiyer & Co., Chartered Accountants, Kottayam, the retiring Auditors of the Company, who, being eligible, offers themselves for reappointment as Auditors for the year 1999-2000.

### SPECIAL BUSINESS

To consider and if thought fit, to pass with or without modifications the following as an Ordinary Resolution

"Resolved that pursuant to section 292 and 293 (1) (a) and (d) the Company may collect up to an amount of Rs.25 Crores by issue of Secured Redeemable Non Convertible Bonds named as Muthoot Trust Bonds Series - II as per the terms and conditions mentioned in the Application Cum Memorandum of Information of Muthoot Trust Bonds Series - II produced in this meeting and signed by the Chairman and further resolved that the Managing Director is authorised to do all acts, sign and execute documents, appoint trustees, constitute trust deed, registration of trust deed and all other items for implementation of this resolution including Hypothecation of Company's assets and creation of charges in favour of the Trustees with Registrar of Companies."

By Order of the Board of Directors  
For **MUTHOOT CAPITAL SERVICES LIMITED**

Sd/-

**THOMAS KURUVILLA**  
MANAGING DIRECTOR

Place : Cochin  
Date : 25-11-1999



### EXPLANATORY STATEMENT PURSUANT TO SEC.173 OF THE COMPANIES ACT

The company will shortly complete Rs.5 crores by way of Private Placement of Secured Bonds as authorised by the Board at its meeting held on 26.6.1998. Since the Board authorisation was limited to Rs.5 crores it has become necessary to take further authorisation from the Board as well as the approval of the Shareholders. It is proposed to issue another Series of Bonds by name Muthoot Trust Bonds Series - II for Rs.25 crores by way of Private Placement without issue of any advertisement etc. Since the proposed issue is in excess of the paid-up capital of the Company, approval of the Shareholders is required u/s.292 and 293 (1) (a) & (d) and hence this resolutions.

None of the directors are interested in the above resolution except that they are the Shareholders.

### NOTES

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his place and a proxy need not be a member of the company. A blank form of proxy is enclosed and if intended to be used, should be returned to the company not less than 48 hours before the Annual General Meeting.
2. The Register of Members and Transfer Books will remain closed on 23-12-1999 in terms of the provisions of Section 154 of the Companies Act, 1956
3. Dividend as recommended by Board of Directors, if declared at the ensuing Annual General Meeting, will be paid to those members whose name appear in the Register of Members of the Company as on 23<sup>rd</sup> Decemeber, 1999

**MUTHOOT**  
~ CAPITAL SERVICES LTD ~

## **DIRECTORS' REPORT**

The Directors have pleasure in presenting their Fifth Annual Report together with the Audited Accounts of the Company for the period ended 30<sup>th</sup> June, 1999.

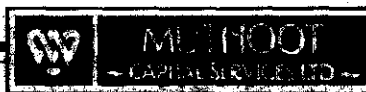
### **FINANCIAL RESULTS**

The financial markets are undergoing a lot of changes and lending rates have come down drastically. At the same time, the interest outgo on deposits have more or less remained unchanged. Consequently, the NBFC's are passing through a very tough face due to the unequal competition from Foreign Multinational Finance Companies and Private Sector Banks lending funds in the country at extremely low rates of interest. This coupled with the poor recovery of funds already lent by NBFC's, has resulted in failures of many well known NBFC's in our country. Therefore, considering the general erosion in investor confidence in NBFC's as a whole and the poor industrial climate prevailing in Kerala, it is the opinion of your Directors that your company has managed to perform reasonably well during the hard times only due to the backing of the promoter group.

Assuming that things will improve, your Directors are hopeful of reporting better results during the next financial year. Your Company's performance is expected to register better performance during the coming year on account of the several cost reduction measures undertaken by the Company.

The Company's financial year for the year 1998-1999 was extended by 3 months and hence the results for the year comprises for a period of 15 months ending June 30, 1999. The accounting year was extended with the belief that better financial result was possible as some overdues receivable by the Company were expected to be settled during the extended accounting period. Unfortunately, the receivables in question were not received before the date and hence provisions as required by the Guidelines issued by the Reserve Bank of India were to be made for the same.

However, the promoters have taken over these NPAs and in turn have agreed to pay the entire amount in question to the Company in an effort to ensure that the Company does not suffer.



	(Rs. in lakhs)	
	Period ended	Year ended
	30-6-1999	31-3-1998
Gross Income	244.17	238.76
Expenses	148.66	112.74
Profit before depreciation and other provisions	95.51	126.02
Less :		
Diminution in share values	11.13	(8.06)
Unrealised interest and bad debts	2.31	12.97
Depreciation	30.14	27.32
Provision for NPA & doubtful debts	19.09	8.50
Provision for taxation	23.17	10.00
Profit/Loss after tax	47.85	75.29
Add: Transfer from Profit & Loss A/c.	13.18	12.47
Less : prior period adjustments	.....	2.33
Surplus available for appropriation	61.03	85.43
Less : Appropriations :		
Transfer to Reserve Fund	9.57	15.05
Proposed dividend	45.50	52.00
Dividend tax	4.55	5.20
Surplus balance carried to Balance Sheet	1.41	13.18

An amount of Rs. 9.57 lakhs being 20% of the net profit has been transferred to Reserve Fund in accordance with norms prescribed for NBFCs by the Reserve Bank of India.



### **DIVIDEND**

The Directors have recommended a dividend of 7% for the period ended 30<sup>th</sup> June, 1999 which, if approved at the Annual General Meeting, will be paid to those Equity Shareholders whose name appear on the Register of Members as on 23<sup>rd</sup> December 1999.

### **LEASE AND HIRE PURCHASE**

Keeping in accordance with the Guidelines issued by the Reserve Bank of India, the Company focussed on improving its Hire Purchase activities this year. The company had sanctioned and disbursed Hire Purchase finance facilities to a good number of corporate clients, firms and individuals. During the year, the Company managed to finance commercial assets to the extent of Rs. 570 lakhs as against Rs. 354 lakhs in the previous year.

### **PUBLIC DEPOSITS**

Public deposits outstanding as on 30-6-99 was 158.19 lakhs under its Cumulative and Fixed Deposit Schemes against Rs. 384.81 lakhs on 31-3-1998. There were no overdue deposits as on 30-6-99, however unclaimed overdue deposits of Rs. 7.88 lakhs belonging to 21 persons were lying with the company, out of which Rs. 5.83 lakhs has since been paid.

### **MUTHOOT TRUST BONDS**

During the year Secured Bonds were issued by way of private placement for meeting financial requirements of the company and the amounts outstanding as on 30-6-99 is Rs. 322.60 lakhs.

### **FUTURE PROSPECTS**

The financial markets are undergoing lot of changes and lending rates have come down drastically as explained above. At the same time, the interest outgo on deposits/ bonds have more or less remained un





changed. Your Company's performance is expected to register better performance during the coming year on account of the several cost reduction measures undertaken by the company.

#### **DIRECTORS**

Mr. Mathew M. Thomas & Mr. A.P. Kurian are retiring at the ensuing Annual General meeting and being eligible, offer themselves for reappointment.

#### **AUDITORS' OBSERVATION**

The notes to the Accounts referred to in the Auditors' Report are self-explanatory and therefore, do not call for any further comments.

#### **AUDITORS**

M/s. Mohan & Mohan Associates, Chartered Accountants, Trivandrum and M/s. K. Venkatachalam Aiyer & Co. Chartered Accountants, Kottayam hold office of Auditors of the Company until the conclusion of the ensuing Annual General Meeting of the Company and are recommended for reappointment. Certificate from the Auditors has been received to the effect that their reappointment if made would be within the prescribed limits under section 224(1) of the Companies Act, 1956.

#### **PERSONNEL**

The Board of Directors wish to express their appreciation to all the employees of the Company for their contribution. The disclosure of particulars of employees as required under Section 217 (2A) of the Companies Act, 1956 are not applicable to the Company.

#### **CONSERVATION OF ENERGY**

The Company being in the business of financial service, has not consumed energy of any significant level and accordingly no comments are necessary in respect of energy conservation and reduction of energy consumption.



### **TECHNOLOGY ABSORPTION**

No comments are necessary taking into consideration the nature of activities undertaken by the Company during the period

### **FOREIGN EXCHANGE EARNINGS AND OUTGO**

There was no foreign exchange transaction during the period under review.

### **ACKNOWLEDGEMENTS**

The Board of Directors acknowledge with gratitude your trust reposed in your company and the support extended to the company by the Reserve Bank of India, Registrar of Companies and the various Bankers, other Government Agencies, deposit holders, bond holders and clients.

For and on behalf of the Board

**MUTHOOT MATHEW M. THOMAS**

*CHAIRMAN*

Place : Cochin

Date : 25-11-1999

Report  junction.com