

G R  W T H
defying the law of gravity once more.



MUTHOOT PAPPACHAN
1927-2004
FOUNDER CHAIRMAN

*His vision, enterprise,
simplicity and humaneness
will forever guide us.*

MESSAGE FROM THE MANAGING DIRECTOR



Dear Members,

Financial year 2012 – 2013 was a challenging year for the economies all over the world. The economies witnessed a slow recovery from the recessionary trends which had hit the global economy since 2008. Growth in advanced economies is expected to stabilize in 2013. The major risk of downturn has receded to some extent. Weaknesses in credit market, need for strong fiscal consolidation, developments in Cyprus and Italy etc. contributed to faltering recovery in the Euro area. Further fiscal consolidations are warranted in USA and Japan and policy actions are required in emerging markets and developing economies to maintain the pace of recovery.

In the year 2012 – 2013, Indian economy witnessed a sluggish growth. Policy actions, both at fiscal and monetary fronts were initiated to counter the challenges faced by the economy and to support growth.

The regulatory supervision on NBFCs has been increasing in the recent years with a view to ensure good corporate governance practices, healthy growth and quality loan assets. Based on the recommendations of Usha Thorat Committee which was set up to review the existing regulatory and supervisory framework of NBFCs, RBI had revised the norms for non-banking financial companies with regard to capital requirements, risk weights, provisioning and asset classification.

The organized market for automobile financing in India is growing at a steady pace. NBFCs play a vital role in providing finance complementing the banking system in the Country. There are many NBFCs engaged in the business of financing automobiles. Our Company has been able to carve out a place for itself in the business of two wheeler and three wheeler financing, especially in rural and semi urban areas. The Company's operations are mainly concentrated in Kerala and the other southern states of the Country. We have already started expanding into the northern states of the country also.

Currently we are operating in around 600 plus dealerships with a strong presence in Hero and Honda dealerships, which together contribute 80% of our two wheeler business. In the three wheeler segment, our Company has strategic finance tie up with Piaggio and Mahindra. With the proper product specification and marketing strategy, our Company has been able to cater to the requirements of more than two lakh customers so far.

Financial year 2012 – 2013 has been a successful one for our Company. The Company had disbursed ₹ 431.16 crores as vehicle loans during the financial year ended March 31, 2013 against ₹ 288.45 crores during the financial year ended March 31, 2012 registering a growth of 49.47%. The total income was ₹ 107.22 crores for the year ended March 31, 2013 as against ₹ 67.35 crores for the previous year, recording a growth of 59.18%. The net profits of the Company stood at ₹ 21.76 crores as compared to ₹ 15.51 crores in the previous year marking an increase of 40.30%. The capital adequacy ratio of our Company is 21.71% as on March 31, 2013 which is well above the statutory requirement of 15%.

Considering the growth in profits, the Board of Directors has recommended a final dividend of ₹ 4 per equity share. In the year 2013 – 2014, the Company plans to disburse ₹ 754 crores for financing automobiles. The Company has also plans to enter into tractor finance business and also to expand the business of used car finance on an all India basis.

Growth is not possible without a committed and hardworking workforce. I would like to thank all employees of the Company for the support and understanding and expect to continue to receive the same in the future also.

I also wish to express my gratitude to all the shareholders for the trust reposed in and the co-operation extended to the management of the Company and expects to continue the same in the future also. Let us all move forward with the common aim of promoting our Company as a leader in financial services sector with the highest level of professional management.

Regards,

Sd/-

Thomas George Muthoot
Managing Director

FROM THE DESK OF THE CHIEF EXECUTIVE OFFICER



Dear Members,

Your Company continued to perform well during the financial year 2012 – 2013, as is evident from the audited results of the Company. There was a lag in flow of credit from banks for the operations of the Company during the first quarter of the year. However, things changed from the second quarter and the Company was sanctioned additional ₹ 180 crores from banks at competitive rates for its working capital requirements. Boosted by the support from the financial institutions, the Company recorded excellent operational and financial performance in 2012 – 2013. The total income for the year ended March 31, 2013 was ₹ 107.22 crores as compared to ₹ 67.35 crores for the previous year, recording a growth of 59.18%. The total expenses for the year was ₹ 74.95 crores comprising of finance costs amounting to ₹ 36.32 crores, employee benefit expenses amounting to ₹ 21.75 crores, other expenses amounting to ₹ 14.71 crores, depreciation and amortization expenses amounting to ₹ 0.53 crores and provisions amounting to ₹ 1.64 crores. The net profit of the Company registered a growth of 40.30% from ₹ 15.51 crores for the year ended March 31, 2012 to ₹ 21.76 crores for the year ended March 31, 2013.

The Company continued to focus on financing of two wheelers and three wheelers. The total vehicle loans disbursed during the financial year ended March 31, 2013 was ₹ 431.16 crores as against ₹ 288.45 crores during the financial year ended March 31, 2012 registering an increase of 49.47%. The loan portfolio stood at ₹ 456.73 crores as on March 31, 2013 as against ₹ 296.79 crores as on March 31, 2012 recording a growth of 53.89%. During the year under review, the Company had also securitised auto loan (3 wheeler) receivables with Dhanlaxmi Bank Ltd for ₹ 41.39 crores for a consideration of ₹ 37.26 crores. The aggregate amount outstanding under securitisation as on March 31, 2013 is ₹ 27.81 crores.

The Company has framed various schemes like chequeless scheme, 100% funding scheme, 1% interest scheme etc. to cater to the choice of the customers. The exemplary services rendered by Company have helped it to be a financier of choice among the customers.

The Company recognises greater growth prospects in the years to come. The Company is planning to tap the huge potential available by adding new products and expanding its operations in the northern part of the country too.

The Management and the entire workforce are excited about the huge opportunity and are all geared to take the performance of the Company to greater heights in the current year.

Anticipating your continued support and understanding in the years to come.

With regards,

Sd/-

R. Manomohan

Chief Executive Officer

DIRECTORS AND COMMITTEES

Board of Directors

Mr. Thomas John Muthoot

Chairman

Mr. Thomas George Muthoot

Managing Director

Mr. Thomas Muthoot

Mr. A. P. Kurian

Mr. Philip Thomas

Mr. R. K. Nair

Chief Executive Officer

Mr. R. Manomohan

Chief Finance Officer

Mr. Anil Kumar R.

Company Secretary

Ms. Malathy N.

Audit Committee

Mr. Philip Thomas

Chairman

Mr. A. P. Kurian

Mr. Thomas Muthoot

Mr. R. K. Nair

Remuneration Committee

Mr. Philip Thomas

Chairman

Mr. A. P. Kurian

Mr. R. K. Nair

Share Holders' / Investors' Grievance Committee

Mr. Thomas Muthoot

Chairman

Mr. Thomas John Muthoot

Mr. Thomas George Muthoot

Share Transfer Committee

Mr. Thomas John Muthoot

Chairman

Mr. Thomas Muthoot

Mr. R. Manomohan

Bank Finance Committee

Mr. Thomas George Muthoot

Chairman

Mr. Thomas Muthoot



Auditors

M/s K. Venkatachalam Aiyer & Co.
Kochi

Solicitors

Dandapani Associates, Kochi

Bankers

State Bank of Travancore

State Bank of India

Dhanlaxmi Bank Ltd

South Indian Bank Ltd

State Bank of Hyderabad

ICICI Bank Ltd

Federal Bank Ltd

Kotak Mahindra Bank Ltd

HDFC Bank Ltd

Indusind Bank Ltd

Axis Bank Ltd

City Union Bank Ltd

ING Vysya Bank Ltd

Registrars and Share Transfer Agents

Integrated Enterprises (India) Ltd.

(Securities Transfer Division)

2nd Floor, 'Kences Towers'

No.1, Ramakrishna Street,

T. Nagar, Chennai – 600 017

NOTICE

Notice is hereby given that the 19th Annual General Meeting of the members of MUTHOOT CAPITAL SERVICES LTD will be held on August 8, 2013, Thursday at 10.00 a.m. at the International Hotel, P.B. No. 3563, Veekshanam Road, Kochi – 682 035 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2013 and Profit and Loss Account for the year ended on that date together with the Report of the Directors and the Auditors thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Mr. A. P. Kurian, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Philip Thomas, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors and fix their remuneration. M/s K Venkatachalam Aiyer & Co., Chartered Accountants, Building No. 41/3647 B, First Floor, Bluebird Towers, Providence Road, Kochi – 682 018 being eligible, offer themselves for re-appointment.

SPECIAL BUSINESS

6. To consider and if thought fit, to pass, with or without modification, the following as an ordinary resolution:
“RESOLVED THAT in accordance with the provisions of Section 198, 269 and 309 read with Schedule XIII and other applicable provisions, if any of the Companies Act, 1956 (including any statutory modifications or enactment thereof, for the time being in force), the consent of the Company be and is hereby accorded to increase the salary of Mr. Thomas George Muthoot, Managing Director from ₹ 9,00,000/- p.m. to ₹ 12,50,000/- p.m. and perquisites limited to ₹ 6,00,000 p.a. in addition to salary, effective from 01.04.2013 to 11.07.2016.”

Notes :

1. The relevant explanatory statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of the special business set out above is annexed.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF SELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE COMPANY'S REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE MEETING.** Proxies submitted on behalf of Limited Companies, Societies, Partnership Firms, etc. must be supported by appropriate resolution/authority, as applicable, issued on behalf of the nominating organization.
3. The Register of Members and Share Transfer Books of the Company will be closed from August 03, 2013 to August 8, 2013, both days inclusive, for determining the names of members eligible for dividend.

4. If final dividend as recommended by the Board of Directors is approved at the Annual General Meeting, payment of such dividend will be made on or before September 06, 2013, to those members whose names appear on the Company's Register of Members as on August 02, 2013. In respect of shares held in electronic form, dividend will be payable on the basis of beneficial ownership, as per the data as may be made available by NSDL / CDSL, for this purpose.
5. Shareholders holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars cannot act on any request received directly from the shareholders holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of shareholders.
6. Members are requested to furnish their bank account details for printing the same on the dividend warrants, to prevent fraudulent encashment of dividend warrants.
7. Shareholders holding shares in physical form are requested to inform the Company and those holding shares in demat form to inform the Depository Participant about any changes in their mailing address and also to quote folio numbers in all their correspondence with the Company.
8. Pursuant to Section 205A (5) of the Companies Act, 1956, any money transferred to Unpaid Dividend Account of the Company which remains unpaid or unclaimed for a period of seven (7) years from the date of such transfer to the Unpaid Dividend Account shall be transferred by the Company to the Investor Education and Protection Fund established by the Central Government and the shareholders shall not be able to claim any unpaid dividend from the said fund or from the Company thereafter.
9. Members who have not encashed their dividend warrant(s) for the financial years 2005–2006, 2006–2007, 2007–2008, 2008–2009, 2009–2010, 2010–2011 and 2011–2012 are requested to make their claims to the Company.
10. Members/Proxies are requested to bring the attendance slip duly filled in for attending the meeting. No duplicate will be issued at the venue of the meeting.
11. As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copies of the Annual Report to the meeting.
12. As per Circulars issued by the Ministry of Corporate Affairs, Members are requested to provide their email address to the Company / the Registrar and Transfer Agents or update the same with their depositories to enable the Company to send the documents in electronic forms.
13. Notice of this Annual General Meeting, Audited Financial Statements for 2012 – 2013 along with Directors' Report and Auditor's Report are available on the website of the Company www.muthootcap.com
14. Members desiring any information about the annual accounts at the meeting are requested to write to the Company so as to reach the Company latest by 25th July, 2013.
15. Details of Directors seeking reappointment at the Annual General Meeting as required under Clause 49 of the Listing Agreement is as follows :

1. (a) Name : Mr. A. P. Kurian

(b) Age : 79 yrs

(c) Experience: has more than 50 years experience in financial and non financial sector. Served with Reserve Bank of India as Research officer, Dy. Director and Director - Economics Dept.; with UTI as Director Investment, Director Planning and Development and Executive Trustee; with erstwhile Apple Mutual Fund Asset Management Co as advisor and as Executive Chairman with Association of Mutual Funds in India.

(d) Present position : Independent Director, member of Audit Committee and Remuneration Committee.

(e) Other directorships : Director of Muthoot Fincorp Ltd, Geojit BNP Paribas Financial Services Ltd, Granules India Ltd and J P Morgan Asset Management India Pvt Ltd.

(f) Category : Non executive director.

2. (a) Name : Mr. Philip Thomas

(b) Age : 83 yrs

(c) Experience: has more than 40 years experience in financial sector. Served with Reserve Bank of India and IDBI as Senior Manager, retired as Executive Director from IDBI; was the founder Chairman of Stock Holding Corporation of India; worked as Chairman and Member Secretary of various Committees and Study Groups appointed by RBI; worked as Nominee Director on the Board of various state financial corporations and state industrial corporations representing RBI and IDBI; headed various departments of IDBI such as Project Finance, Resources Management, Rehabilitation Finance etc.

(d) Present position : Independent Director, Chairman of Audit Committee and Remuneration Committee.

(e) Other directorships : Director of Devon Plastics Ltd, Indus Venture Management Pvt Ltd.

(f) Category : Non executive director

Mr. A. P. Kurian and Mr. Philip Thomas are not related to any of the directors of the Company and do not hold any equity shares of the Company.

16. NO GIFT COUPONS / GIFT VOUCHERS will be issued to the members.

By Order of the Board of Directors,

sd/-

Malathy N.

Company Secretary

Kochi

05.05.2013

Item No. : 6

In view of the additional responsibilities and business volumes shouldered by Mr. Thomas George Muthoot as Managing Director of the Company, the Board of Directors at its meeting held on 5th May, 2013 decided to revise, as approved by Remuneration Committee of the Board of Directors, the salary of Mr. Thomas George Muthoot, Managing Director from ₹ 9,00,000 p.m. to ₹ 12,50,000 p.m. and perquisites limited to ₹ 6,00,000 p.a., effective from 01.04.2013 to 11.07.2016.

The remuneration proposed is as under:

Salary

₹ 12,50,000/- p.m.

Perquisites

In addition to the salary, Mr. Thomas George Muthoot shall also be entitled to perquisites, benefits and allowances like accommodation (furnished or otherwise) reimbursement of expenditure or allowance in respect of maintenance, utilities such as gas, electricity, water, furnishings and house repairs, medical reimbursement for himself and his family, medical insurance for himself and his family, and leave on full pay, leave travel concession for himself and his family, personal accident insurance, club fees, etc. and such other allowances, perquisites and benefits in accordance with the rules of the Company or as may be allowed by the Board from time to time, provided that the total perquisites shall be limited to ₹ 6,00,000 p.a.

Provision of car for use on Company's behalf and telephone at residence will not be considered as perquisites. However, personal long distance calls on telephone and use of car for private purpose shall be billed by the Company and recovered.

He will also be entitled to reimbursement of all entertainment and other expense properly incurred for the business of the Company.

For the purpose of above monetary limits, the following perquisites shall not be included:

- a) Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- b) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
- c) Encashment of leave at the end of the tenure.



The above may be treated as an abstract and memorandum pursuant to Section 302 of the Companies Act, 1956.

Mr. Thomas John Muthoot, Mr. Thomas George Muthoot and Mr. Thomas Muthoot, being brothers, are related to each other and are deemed to be concerned or interested in the said resolution.

Your Directors recommend the resolution at Item no.6 of the attached notice for approval of members of the Company.

By Order of the Board of Directors,

Sd/-

Malathy N.

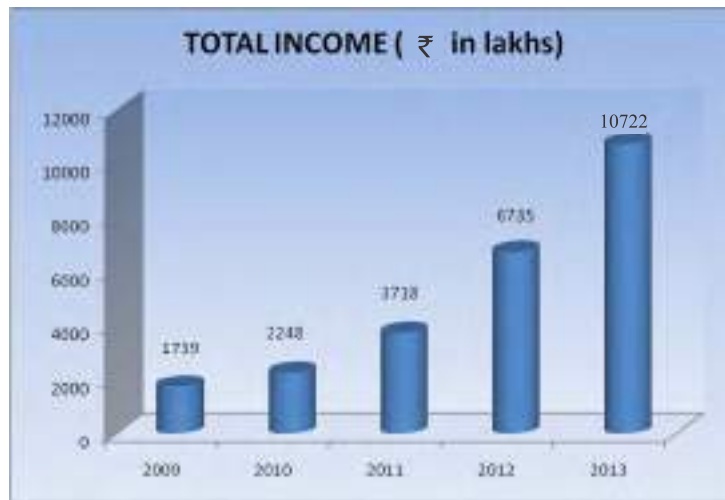
Company Secretary

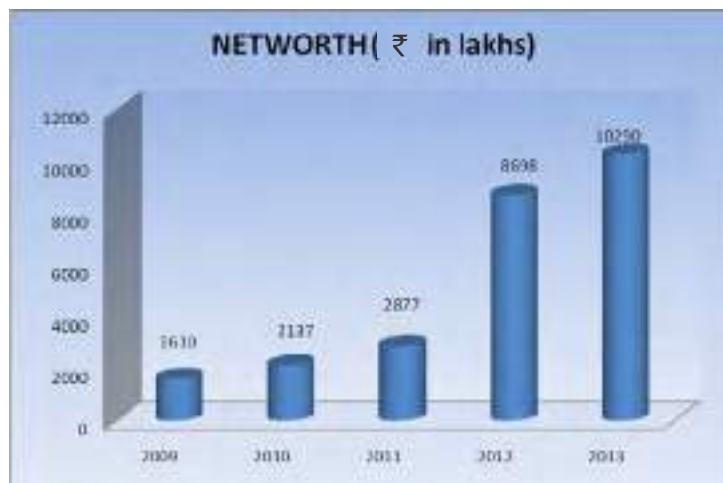
Kochi

05.05.2013

FIVE YEAR FINANCIAL HIGHLIGHTS (₹ in lakhs, except per share)

Financial Year ended 31 st March of	2009	2010	2011	2012	2013
Operating Results					
Total Income	17,39	22,48	37,18	67,35	107,22
Profit Before Tax	8,35	10,87	14,51	23,01	32,27
Profit After Tax	5,42	7,17	9,67	15,51	21,76
Assets					
Fixed Assets (including assets leased out)	35	43	64	1,18	1,98
Investments	16	18	19	19	21
Deferred Tax Asset	9	11	34	71	99
Hypothecation loan	9,27	39,99	1,30,49	2,90,76	4,54,39
Other Assets (net)	59,50	60,68	49,67	22,55	18,50
Total Assets	69,37	1,01,39	1,81,33	3,15,39	4,76,07
Liabilities					
Equity	6,50	6,50	6,50	12,47	12,47
Reserves and Surplus	9,60	14,87	22,27	74,51	90,43
Deferred Tax Liabilities	0	0	0	0	0
Loan Funds	53,27	80,02	1,52,56	2,28,41	3,73,17
Total Liabilities	69,37	1,01,39	1,81,33	3,15,39	4,76,07
Key Indicators					
Earnings per share	8.33	11.04	12.09	13.12	17.45
Dividend per share	2.00	2.50	3.00	3.50	4.00 (Proposed)
Book value per share	24.77	32.88	44.26	69.74	82.51







DIRECTORS' REPORT

To the Members,

Your Directors are pleased to present to you the 19th Annual Report together with the Audited Statements of Accounts and the Auditor's report for the financial year ended March 31, 2013.

Financial Results

(₹ in 000's, except per share)

Particulars	2012-2013	2011-2012
Total Income	107,21,71	67,35,22
Total Expenditure	72,76,87	42,91,31
Profit before Depreciation and other Provisions	34,44,84	24,43,91
Depreciation	53,35	31,03
Provisions and Write offs	1,64,41	1,12,35
Exceptional Items	7	-
Profit before Tax	32,27,15	23,00,53
Provision for taxation		
Current Tax	10,80,83	7,87,60
Deferred Tax	(29,00)	(36,92)
Income Tax adjustment for earlier years	(61)	(1,14)
Profit after Tax	21,75,93	15,50,99
Basic earnings per share	17.45	13.12

An analysis of the Company's performance for the current and previous fiscal years reveal that the Company was able to achieve an impressive growth during the year under review. The total loan disbursements during the year under consideration was ₹ 43116 lakhs compared to ₹ 28845 lakhs for the year ended March 31, 2012. The total income rose to ₹ 10721.71 lakhs during 2012-2013 as against ₹ 6735.22 lakhs during 2011-2012. The total expenditure including depreciation and provisions was ₹ 7494.63 lakhs as against ₹ 4434.69 lakhs during the previous financial year. The net profits of the Company stood at ₹ 2175.93 lakhs as compared to ₹ 1550.99 lakhs in the previous year marking an increase of 40.30%. An amount of ₹ 1592.23 lakhs has been proposed to be transferred to reserves and surplus during the year under review.

The Company raised funds for its working capital resources mainly from banks, the total amount of working capital demand loan outstanding being ₹ 32430 lakhs as at March 31, 2013. Another source of funds for the Company was issue of secured redeemable non convertible debentures under private placement. The debentures issued are secured by way of floating charge on current assets of the Company. The Company has appointed trustees for

ensuring that the interests of debenture holders are protected. The debentures outstanding together with interest accrued amounts to ₹ 2285.51 lakhs as at March 31, 2013.

The Company had also entered into pool buyout arrangement of auto loan (3 wheeler) receivables with Dhanlaxmi Bank Ltd for an outstanding amount of ₹ 3725.84 lakhs (after deducting 10% for MRR requirement) as on September 24, 2012. The aggregate amount outstanding under loan buyout as on March 31, 2013 is ₹ 2781.28 lakhs.

Dividend

Your Directors have recommended a dividend of ₹ 4 per share (i.e. 40 %) aggregating to ₹ 498.91 lakhs for the financial year ended March 31, 2013. This would result in an additional cash outflow of ₹ 84.79 lakhs on account of dividend distribution tax. The Company had during the year 2012 – 2013 transferred an amount of ₹ 1,34,984 to Investor Education and Protection Fund, being unclaimed dividend for the year 2004 – 2005. Members are requested to make claim to the Company for any unclaimed dividend declared since 2005 – 2006.

Share Capital

There were no changes in the share capital during the year under review.

Directors

Mr. A. P. Kurian and Mr. Philip Thomas, retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re – appointment. The Board recommends their re-appointment.

None of the Director is disqualified under Section 274(1)(g) of the Companies Act, 1956.

Personnel

The particulars of employees as required under provisions of Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Amendment Rules, 2011, are attached to this report.

Auditors

M/s K. Venkatachalam Aiyer & Co., Chartered Accountants, retire at the ensuing Annual General Meeting and are eligible for re – appointment. They have confirmed that if re-appointed, it would be within the limits specified under section 224 (1B) of the Companies Act, 1956.

Reply to Auditor's report

There are no qualifications or adverse remarks mentioned in the Auditors' report. The notes to accounts forming part of financial statements are self – explanatory and need no further clarification.

Conservation of energy and technology absorption, foreign exchange earnings and outgo

Considering its nature of activities, the following disclosures are made as per the provisions of Section 217(1)(e) of the Companies Act, 1956, read with the Companies (disclosure of particulars in the report of Board of Directors) Rules, 1988 :

- a. The Company has no activities relating to conservation of energy and technology absorption.
- b. There are no foreign exchange earnings or outgo during the period under review.

Directors' Responsibility Statement

As per the provisions of Section 217(2AA) of the Companies Act, 1956, the Directors hereby confirm that :

- a. In the preparation of the annual accounts for the year ended March 31, 2013, the applicable accounting standards read with the requirements of Schedule VI to the Companies Act 1956, have been followed with proper explanation relating to material departures, if any;
- b. The directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year 2012 – 2013 and of the profit of the Company for that period;
- c. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- d. The Directors have prepared the annual accounts on a going concern basis.

RBI guidelines

Your Company has complied with the guidelines issued by the Reserve Bank of India on prudential norms covering all areas like income recognition, investment accounting, provisioning for non performing assets and Know Your Customer (KYC) norms.

Management Discussion and Analysis Report

The management discussion and analysis report annexed hereto forming part of this Report, states performance of the Company and future outlook also.



Corporate Governance

A report on corporate governance together with Auditor's certificate on compliance with the conditions of the said clauses, as per the Listing Agreement, forms part of this report. The details of Committees of Board of Directors are contained in the Corporate Governance Report.

Green Initiative

As part of green initiative practice, the Company proposes to effect electronic delivery of its Annual Report in lieu of the paper form to Members. A physical copy of the Annual Report will be sent free of cost to those Members who have not provided their email addresses for receiving the same electronically or specifically requested for physical copy. The copy of Annual Report is also uploaded in the website of the Company www.muthootcap.com.

Acknowledgements

The Directors sincerely acknowledge the contribution and support from customers, shareholders, debenture holders, central and state governments, bankers, SEBI, Bombay Stock Exchange Ltd, Share Transfer Agents, Reserve Bank of India, Registrar of Companies, Kerala and other government authorities for the kind co – operation and assistance provided to us. The Directors also place on record their gratitude to the employees for their continued commitment, dedication and co – operation.

STATEMENT SHOWING LIST OF EMPLOYEES REQUIRED TO BE ATTACHED TO THE DIRECTORS' REPORT AS PER SECTION 217(2A) OF THE COMPANIES ACT, 1956.

Name of employee	Thomas George Muthoot	R. Manomohan
Designation	Managing Director	Chief Executive Officer
Remuneration (₹)	Salary : 1,08,00,000 Perquisites : 23,540 Employers contribution to Provident Fund: 720,000	Salary : 33,12,000 Perquisites : 3,29,267 Commission on profits: 49,19,441 Employers contribution to Provident Fund: 2,88,000
Nature of employment	On rolls	On rolls
Nature of duties of employment	In charge of managing the affairs of the Company	Executing decisions of the Company
Qualification & experience	B.Com	M.Sc. Physics and a Certified Associate of Indian Institute of Bankers
Date of commencement of employment	18.02.1994	01.03.2008
Age	50	59
Last employment	N. A.	With EXIM Bank (Tanzania) Ltd
% of shareholding in the Company	22.82	0.24

Mr. R. Manomohan, CEO is not related to any director / manager of the company.

Kochi-35
May 5, 2013

For and on behalf of Board of Directors
sd/-
Thomas John Muthoot
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Overview

This Management Discussion and Analysis Report have to be read in conjunction with the Company's financial statements, which follows this section. There are forward looking statements mentioned in this report which may involve risks and uncertainties, including but not limited to the risks inherent to the Company's growth strategy, change in regulatory norms, economic conditions and other incidental factors. Actual results could differ materially from those expressed or implied.

Economic Overview

The global slowdown following the 2008 meltdown had paved way to policy reforms by various economies, as a result of which the global economy was expected to recover at a moderate level. In the world economic outlook released in April 2013, the IMF has forecasted world output growth to reach 3.25% in 2013 and 4 % in 2014. Strong policy actions are warranted to support global growth and to reduce downside risks. Activity in the euro area is expected to pick up very gradually, on the assumption that the policy uncertainty do not escalate and further progress is made towards advancing national adjustment and building a strong economic and monetary union.

Indian economy was able to withstand the headwinds of financial crisis during 2008 witnessing a robust growth in 2009 – 2010 and 2010 – 2011. However, due to domestic and external factors, the Indian economic growth plummeted down to touch 6.2 % during 2011 – 2012 which is estimated to further fall to 5% level as per the advance estimates released by Central Statistics Office (CSO), Ministry of Statistics and Programme Implementation. The slowdown was felt in every sector of the economy. The growth in agricultural sector had fallen mainly due to weak monsoon during the first half of the current fiscal. The industrial production had also fallen. The service sector which had performed well in the previous years' also had felt the blow.

The current account deficits widened due to fall in savings with no corresponding fall in investments. CPI inflation remained high due to surge in food and fuel inflation. A weakened rupee was also a cause of concern. All these warranted the government to initiate measures to reduce its expenditure and to facilitate policies for corporate and infrastructure investments to ease the supply side; some of the important policy measures being reduction of subsidies on fuel and permitting of FDI in retail business.

To infuse liquidity, RBI had made open market operations during the financial year 2012 – 2013 and some rate cuts towards the close of the fiscal.

Outlook for the industry

NBFCs play a vital role in the financial sector of our economy along with other financial institutions. NBFCs have become an alternate choice of finance due to their strategic management practices, refined operational techniques and extended presence throughout the country along with low cost of delivery and product specialization resulting in ease of operation and credit delivery. NBFCs are also made eligible to set up banks subject to compliance with RBI guidelines in this regard.

Due to the increase in finance space by NBFCs, the RBI's surveillance has increased. Through its various regulatory measures NBFCs are brought under stricter supervisory regime of RBI. Based on the recommendations of Working Group on "Issues and Concerns in the NBFC sector" RBI had released draft guidelines to address the issues and concerns in NBFC sector. It seeks to bring about changes in the entry point norms, principal business criteria, prudential regulations, liquidity requirements for NBFCs and corporate governance. All the regulatory measures are aimed at ensuring a strong, transparent and robust non banking financial sector.

Outlook for the Company

According to Society of Indian Automobile Manufacturers (SIAM), the overall growth in domestic sales for auto industry during the year April 2012 - March 2013 was 2.61 percent over the previous year. The demand for two wheelers remained moderate while there was an increase in demand for three wheelers during the year under review.

The outlook for the Company is linked to the demand for automobiles especially two and three wheelers, purchased on credit, as our main focus is on two wheeler and three wheeler finance.

In recent years, demand for auto loans has increased on account of change in mindset of people, coupled with easy availability of finance from a multitude of financiers offering wide range of schemes tailored to suit the requirement of customers.

The Company was able to register a splendid performance during the year under review. The auto loans disbursed during the year ended March 31, 2013 had risen by 49% compared to the previous year. This reflects the confidence reposed in the Company by its customers and the efficacy of our employees in servicing our clientele. The Company is built on strong foundations of trust, value, ethics and tradition, which has helped to create its brand image in the market.

The Company has made its presence in the Southern States of India. The Company has started expanding to northern part of the Country too. New products are also on the anvil.

Opportunities and Threats

The geographical presence of manufacturers and financiers have widened with better distribution and service network. People are becoming more inclined to avail credit to own their vehicle rather than using their earnings in lump sum, to pay up front.

Bottlenecks in transportation and availability of a wide range at competitive prices added with comfort have made two wheelers, three wheelers and small commercial vehicles dearer to people.

The Company provides auto loans to prospective customers without any hassle - '**Eezy Auto Loan**'. The customers benefit from less paper work, fast processing time and flexibility in payment of installments across the country, without any territorial limitation. The schemes offered by the Company including 100% funding scheme, 1% interest scheme and cheque less scheme have been widely accepted by customers. This has contributed to increasing the client base of the Company. The Company has always cared for its customers by taking care of their interests and choices.

The Company's activities are mainly focused on rural and semi urban areas in the Southern States of the country. There still remain areas to be uncovered.

The Company faces stiff competition from banks and other NBFCs operating in similar areas of business. Some of the manufacturers financing their own vehicles at low cost also pose a threat. However, with its excellent service, the Company has been able to expand its business.

Risks and Concerns

The customers' profile is an important aspect for the business of the Company. Any default in payment of installments could result in losses. The Credit Bureaus have helped in containing NPAs and improving the asset quality of the Company thereby reducing credit risk. Dealers play a role in directing customers to financiers. Our Company has been prompt in making incentive payments and our prompt services have rendered us, a financier of choice for the dealers. Our Company is financing only for specific models of vehicles available in the market. This leaves us plenty of room for expansion. Any increase in interest rates may result in increasing cost of borrowings which can adversely affect our profitability. We have maintained sufficient liquid funds to meet any contingencies arising on account of shortage of funds. A Company's growth is directly linked to its strong and committed workforce and losing good talents is a major risk faced by any business. With the welfare activities and training and development initiatives, our Company has been able to retain and groom young, talented and resourceful employees, contributing to the growth of the Company.

Any change in regulatory requirements for NBFCs can have a bearing on functioning of the Company. The slow pace of economic growth and its impact on service sector is also a cause of concern.

Internal Control Systems and their adequacy

Effective internal controls are necessary for building up an efficient organization. Our Company has adequate internal control systems in place to ensure accuracy, transparency and accountability in its operations. A dedicated concurrent audit team functioning within the Company confirms that the activities are in compliance with its policies and occurrences of deviations are reported to the management. The concurrent audit report is reviewed by the internal auditors - M/s Varma & Varma, a firm of practicing Chartered Accountants. Internal auditors review operations of the Company and ensure that the Company is functioning within the limits of all applicable statutes. Any internal control weaknesses, non compliance with statutes and suggestions on improvements in existing practices forms part of internal audit report. Audit Committee reviews the internal audit report and ensures that observations pointed out in the report are addressed in a timely and structured manner by the management. The internal audit report is reviewed by Statutory Auditors while performing audit functions to confirm that there are no transactions conflicting with interests of the Company.

Financial Performance

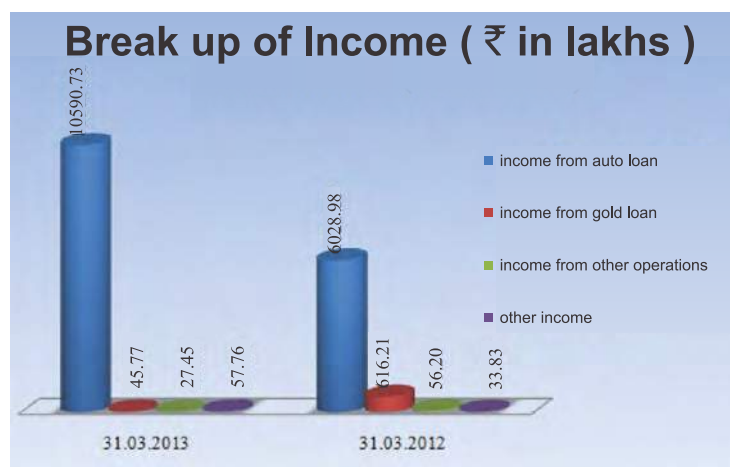
Hypothecation loan against vehicles constitute major portion of the total loan assets of the Company.

Loan Assets

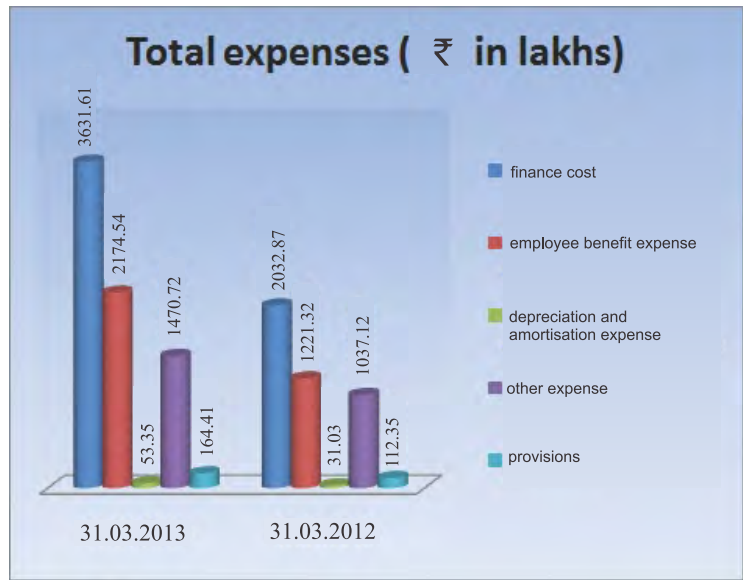
Nature of Loan Assets	Amount (₹ in lakhs)	Percentage of total Loan Assets
Auto loan	454 38.68	99.49%
Gold loan	131.24	0.29%
DPN loan	73.49	0.16%
Loan against secured redeemable non convertible debentures	30.07	0.06%
Total	45673.48	100%

The Company had disbursed ₹ 43116 lakhs as vehicle loans during the financial year ended March 31, 2013 as against ₹ 28845 lakhs during the financial year ended March 31, 2012.

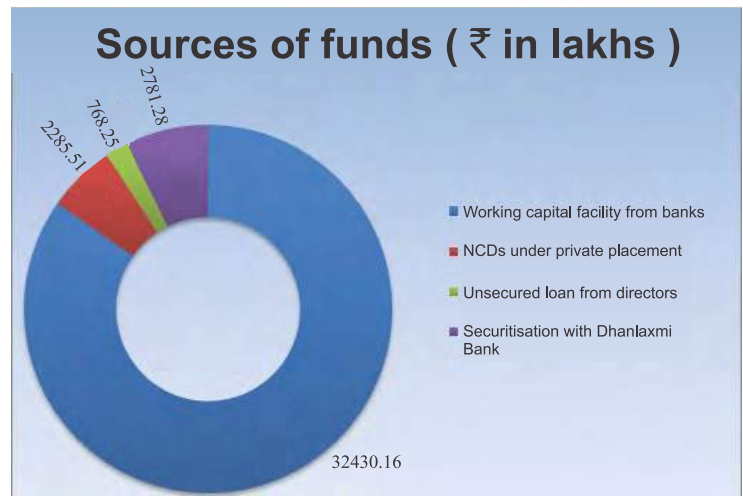
The total income was ₹ 10721.71 lakhs for the year ended March 31, 2013 as against ₹ 6735.22 lakhs for the previous year. There has been growth in income from auto loan by 75.66 % and other income also increased by 70.74 % when compared to previous year. There has been decrease in income from gold loan by 92.57% during the year under review, from ₹ 616.21 lakhs as on March 31, 2012 to ₹ 45.77 lakhs as on March 31, 2013.



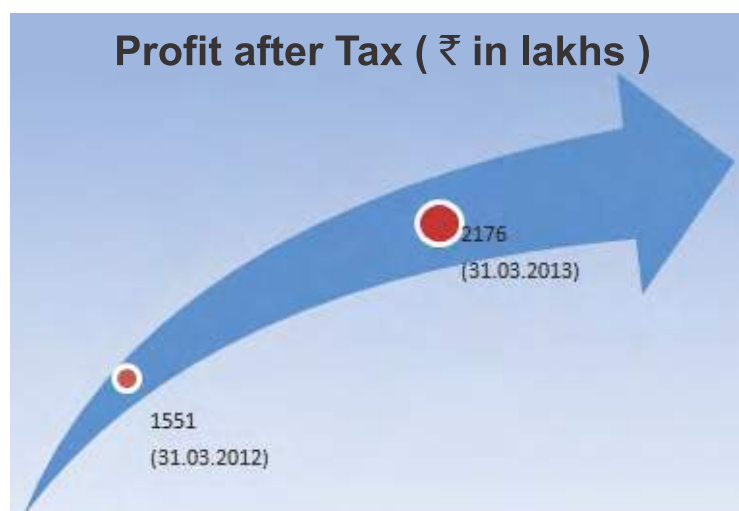
The increase in business has resulted in corresponding increase in expenses, the total expenses being ₹ 7494.63 lakhs for the year ended March 31, 2013 compared to ₹ 4434.69 lakhs during the year ended March 31, 2012. The total expenses for the year ended March 31, 2013 consists of finance cost amounting to ₹ 3631.61 lakhs followed by employee benefit expenses amounting to ₹ 2174.54 lakhs and other expenses being ₹ 1470.72 lakhs, depreciation and amortization expenses amounting to ₹ 53.35 lakhs and provisions amounting to ₹ 164.41 lakhs.



The Company was granted working capital funds by banks at competitive rates. The Company also mobilized funds by issue of secured redeemable non convertible debentures (NCDs) under private placement.



The net profit after tax registered an impressive growth of 40.30 % for the year ended March 31, 2013.



Corporate Social Responsibility

The concept of Corporate Social Responsibility (CSR) is gaining momentum in the recent times. This is based on the realization that the society is not just a stakeholder in business, but the very reason for its existence and hence one is responsible for its well being and prosperity.

CSR is now being accepted as a means for achieving sustainable development of an organization. The Companies Bill, 2012, intends to inculcate the philosophy of CSR among Indian companies by introducing a Clause wherein atleast 2% of the average net profits of the company in the three immediately preceding financial years are spent in every financial year on any listed CSR activity, and in case of any failure, the Board of Directors to specify the reason for such failure in its Report.

The CSR activities of Muthoot Pappachan Group to which our Company belongs, is carried out by Muthoot Pappachan Foundation (MPF), a public charitable trust formed in the year 2003.

CSR objectives of Muthoot Pappachan Group:

1. To build a framework of CSR activities with a philanthropic approach in line with business unit objectives, which also benefits the organization at large :
 - Social returns together with financial returns, while imbibing the organization's ethos and value systems.
 - To build sustainability for the organization by 'Engaging the Community'
2. To build a corporate brand through CSR
 - For other stakeholders → make it "an integral part of the DNA of a company, so much so that it has to be

an organic part of the business”.

Sustainability is the new interest zone in the CSR space; wherein MPF is looking to partner projects that ensure sustainability over the long term. Hence, MPF will be planning and implementing strategic CSR initiatives which would be a blend of philanthropy and business, looking for a combined social and economic benefit to all stakeholders, converging interests for sustainability.

CSR approach of MPF is known as 'HEEL' wherein the specific themes are: Health, Education, Environment and Livelihood.

Health - MPF has conducted free medical consultation and surgeries to persons especially in BPL level. A 'Muthoot Pappachan Life Blood Directory' has been launched, initially in the state of Kerala, to encourage voluntary blood donation and to help in case of blood emergencies. More than 30000 donors have registered voluntarily in the blood directory.

Education - Some of the initiatives in education include supporting students from financially backward families for quality education and providing infrastructural support to schools and training centre.

Environment - Muthoot Pappachan Group has contributed to the alternate energy sector with an installed capacity of 26.5 MW in wind power. Systematic water/ energy/ waste management and intelligent lighting system have been practiced in the Companies within the Muthoot Pappachan Group. The employees are motivated and oriented towards smart use of paper, power, water and all sorts of resources in the day to day office functioning.

Livelihood - Supports are given to customers and other stakeholders in difficult living conditions for starting livelihood initiatives through local NGOs. This also includes widow pension provided to 217 senior women.

For successful implementation of its CSR activities, MPF has partnered with the below mentioned agencies in carrying out the following programmes:

Partnering Agencies	Programmes
Various Hospitals & Private Clinics (eg. Ahalya, IRIS, Vasan)	Medical camps (Eye, dental, general etc) conducted across the country through branches of groups companies.
NABARD	Skill Development Training for selected Women Entrepreneurs in Kerala. Programme is at its final stage of Phase I. A total of 175 women were trained in various products and skills, through which they are enhancing their income.

Partnering Agencies	Programmes
ACCION	Financial literacy as part of entrepreneurship training for women. 25000+ women entrepreneurs from South Indian states received training.
INSPIRE	Skill Development Training under NABARD Scheme. They provide expert trainers and organize the trainings in the field.
Rajagiri OutREACH (Community Outreach Division of Rajagiri College of Social Science)	Education support programme at Konni and Panathura villages. 450 students are supported through this programme.

Human Resources

The Company being in growth trajectory requires more manpower to carry its operations. Our Company has always been able to attract and retain good talents. The total number of employees as at March 31, 2013 was 1626. Major recruitments during the year under review have been for executives at collection and sales levels.

To maintain competency and to improve the analytical abilities of employees for gearing them to face challenges, proper training and development is imparted by the Company. Our Company has always valued its employees whose dedication and efforts have helped us to reach the levels of excellence.

Kochi - 35
May 5, 2013

For Muthoot Capital Services Ltd
Sd/-
Thomas John Muthoot
Chairman

CORPORATE GOVERNANCE REPORT

Company's philosophy on code of corporate governance

Corporate governance and sustainability are gaining momentum in recent years. A Corporate needs to frame policies coupled with innovative ideas and adhere to sound business principles, to survive and withstand in this competitive world. Muthoot Capital Services Limited ("the Company") always value good corporate governance practices and endeavours to ensure that the spirit of good governance is maintained in its activities to render maximum benefit to stakeholders. Transparency and integrity in its operations and excellence in service to its stakeholders are adhered to by the management and employees of the Company. As part of its efforts to bring about constant improvement in its operations aimed at enhancing and sustaining shareholder value in the long run, the management ensures that a periodical review of its policies and procedures are made.

The Board of directors are pleased to present the corporate governance report for the year ended March 31, 2013:

I. Board of Directors

(i) Composition and Category

The Board of Directors (hereinafter referred to as 'the Board') comprises of six directors of which three are independent directors. The Chairman is a non executive director and one – half of the Board constitutes independent directors. The independent non – executive directors comply with the requirements of the Listing Agreement for being independent and have also furnished declarations for compliance with the criteria of independence as defined in the Listing Agreement.

The Board meets at regular intervals to discuss and analyse matters concerned with policy formulation, operational review, redefining existing goals etc. The Board had constituted various Committees like Audit Committee, Remuneration Committee, Share Transfer Committee, Bank Finance Committee and Shareholders' / Investors' Grievances Committee for managing affairs of the Company and to closely monitor its functioning. Share Transfer Committee reviews and approves transfers, transmission, dematerialisation and rematerialisation of shares etc. The Bank Finance Committee reviews Company's financial policies, working capital and cash flow management, review of banking arrangements and cash management, borrow monies by way of short term/ long term loans, cash credit arrangements and / or by way of other instruments, providing corporate guarantee/performance guarantee, within the limits approved by the Board etc.

The independent non executive directors are not related to any of the directors of the Company. The other directors namely, Mr. Thomas John Muthoot, Mr. Thomas George Muthoot and Mr. Thomas Muthoot, being brothers, are related to each other. The non executive directors have not entered into any pecuniary transactions with the Company.

During the year under review, meetings of the Board were held on following dates:

Number	Dates
11	02.04.2012, 28.04.2012, 11.06.2012, 20.07.2012, 31.07.2012, 13.09.2012, 01.11.2012, 30.11.2012, 15.12.2012, 26.01.2013 and 06.03.2013

The Board has confirmed compliance with code of conduct for members of the Board and senior management.

(ii) Name of directors, Category of directorship, number of shares held, attendance of directors at the meetings of the Board during the financial year 2012 – 2013, Sitting fees paid during the period ended March 31, 2013 and attendance at the last annual general meeting is stated below :

Name of the director	Category of directorship	Equity shares of the Company held as on March 31, 2013	Number of Board Meetings		Sitting fees paid during the period ended March 31, 2013 (amount in ₹)	Attendance at the last AGM held on 31.07.2012
			Held	Attended		
Mr. Thomas John Muthoot	Chairman and Non executive Director	2850995	11	9	Nil	Present
Mr. Thomas George Muthoot	Executive and Managing Director	2846555	11	10	Nil	Present
Mr. Thomas Muthoot	Non executive director	2796931	11	11	Nil	Present
Mr. A.P. Kurian	Non executive and independent director	NIL	11	8	8000	Present
Mr. Philip Thomas	Non executive and independent director	NIL	11	6	6000	Absent
Mr. R. K. Nair	Non executive and independent director	NIL	11	8	8000	Absent

The memberships / chairmanships held by the directors in various Committees of the Board across all Companies, does not exceed the limits specified in Listing Agreement. The independent directors are paid sitting fees of ₹1000 per meeting together with travelling and other expenses thereto. Sitting fees are paid only for attending Board meetings and not for Committee meetings. The non executive and non independent directors are not entitled to any sitting fees.

(iii) Directorships in other Public Limited Companies, number of Committee positions held in Muthoot Capital Services Limited and also in other Public Limited Companies are given below:

Name of the director	Number of directorships held in other Public Limited Companies	Number of Committee positions held in Muthoot Capital Services Limited		Number of Committee positions held in other Public Limited Companies	
		Chairman	Member	Chairman	Member
Mr. Thomas John Muthoot	6	-	1	-	1
Mr. Thomas George Muthoot	6	-	1	-	2
Mr. Thomas Muthoot	6	1	1	-	1
Mr. A. P. Kurian	3	-	1	-	2
Mr. Philip Thomas	1	1	-	1	-
Mr. R. K. Nair	2	-	1	2	-

Only positions in Audit Committee and Shareholders' / Investors' Grievance Committee are considered in reckoning the number of Committee positions held in other Public Limited Companies.

2. Audit Committee

The Board has constituted an Audit Committee consisting of 4 members of which 3 are independent directors and one is a non executive director.

All members of Audit Committee are financially literate and possess necessary financial / accounting exposure / expertise. Mr. Philip Thomas, former executive director of IDBI, is the Chairman for the Committee.

Terms of reference of the Committee inter alia includes :

- Appointment / re appointment of internal and external auditors, evaluating their performance, terms of their remuneration and other matters relating thereto.
- Enlightening the Board about all pertinent issues.
- Review related party transactions and significant transactions which are not in the normal course of business.
- Review and analysis of Financial and other accounting statements and accounting policies.

- Compliance with statutory and other legal requirements.
- MIS or such other management control or audit system proposed for implementation.
- Review audited and unaudited financial results before submission before the Board.
- Review management discussion and analysis of financial condition and result of operations.

The Committee had met 6 times during the year under review (28.04.2012, 11.06.2012, 31.07.2012, 01.11.2012, 15.12.2012 and 26.01.2013).

Name of members and number of meetings of Audit Committee held during the year 2012 – 2013 :

Name of the member	Number of meetings	
	Held	Attended
Mr. Philip Thomas, Chairman	6	5
Mr. A. P. Kurian	6	6
Mr. R. K. Nair	6	4
Mr. Thomas Muthoot	6	6

3. Remuneration Committee

Remuneration Committee constituted by the Board comprises of three directors, all being independent directors. Mr. Philip Thomas is the Chairman for the Committee. Other members are Mr. A. P. Kurian and Mr. R. K. Nair. During the year under review, the Committee had met on 11.06.2012 and all directors were present at the meeting.

The Remuneration Committee reviews and recommends the remuneration package to the Directors including elements forming part thereto, performance criteria and incentives in the nature of fixed and variable, service contracts, notice period, severance fees, stock option details, etc.

Only non executive independent directors are paid sitting fees, details relating thereto is mentioned in this report under the head 'Board of Directors'. The Managing Director is paid a remuneration of ₹ 9,00,000 p.m. as salary and perquisites subject to a maximum of ₹ 6,00,000 p.a., as approved by the share holders at the annual general meeting held on July 31, 2012, which is within the limits of Schedule XIII and provisions of the Companies Act, 1956. There were no stock options during the year under review. The Managing Director is not paid any incentives-fixed /variable.

The salary paid to Managing Director during the financial year 2012 – 2013 is as follows :

Gross salary paid : ₹ 1,08,00,000
 Perquisites paid : ₹ 23,540
 Employer's contribution to provident fund: ₹ 720,000

4. Shareholders' / Investors' Grievance Committee (SIGC)

The Committee comprises of 3 directors of which two are non executive directors and one an executive director. Mr. Thomas Muthoot who is a non executive director, acts as the Chairman for the meeting. During the year under review, the Committee had met 4 times (28.04.2012, 31.07.2012, 01.11.2012 and 26.01.2013).

Name of members and number of meetings of Shareholders' / Investors' Grievance Committee (SIGC) held during the year 2012 – 2013 :

Name of the member	Number of meetings	
	Held	Attended
Mr. Thomas Muthoot, Chairman	4	4
Mr. Thomas John Muthoot	4	4
Mr. Thomas George Muthoot	4	4

Terms of reference of the Committee includes review and redress grievances of shareholders in respect of share transfers, transmission, dematerialisation, re-materialisation, issue of duplicate shares, non-receipt of balance sheet, non-receipt of dividend etc.

Ms. Malathy N., Company Secretary, is the compliance officer for the Company.

The Company had received the investor complaints during the year under review as follows :

Complaints received : Nil

Complaints pending / not solved to the satisfaction of the investors : Nil

The Company had received 60 number of communications from shareholders relating to change in correspondence address, procedure for transfer / transmission / issue of duplicate shares, issue of duplicate dividend warrants, change in bank mandate, correction in share certificates / dividend warrants and other general queries. All the communications from shareholders have been attended to and resolved to satisfaction of the investors.

5. General body meetings

The Annual General Meeting of the Company for preceding three years were held at the International Hotel, P.B. No. 3563, Veekshanam Road, Ernakulam, Cochin - 682035'. There were no extra ordinary general meetings held during the preceding three years. During the year under review, no special resolutions were put through postal ballot.

Date, time and details of special resolution passed during preceding 3 Annual General Meetings are as follows:

Financial Year	2009 – 2010	2010 – 2011	2011 – 2012
Date and Time	31 st July, 2010 10.00 a.m.	11 th July, 2011 10.00 a.m.	31 st July, 2012 10.00 a.m.
Location	The International Hotel, Ernakulam	The International Hotel, Ernakulam	The International Hotel, Ernakulam
Details of special resolution passed	NIL	I. Item No. 6 in the Agenda: Re – appointment of Managing director and fixation of remuneration	NIL

6. Disclosures

- a. Members may refer to details of related party transactions disclosed in the note no. 5 under notes to financial statements for the year ended March 31, 2013. The Board is of opinion that none of aforementioned transactions were in conflict with interests of the Company.
- b. The company has followed the Accounting Standards laid down by The Companies (Accounting Standards) Rules, 2006 (as amended) in preparation of financial statements.
- c. The company had complied with all the requirements relating to Stock Exchange, SEBI or any other statutory authority, on matters related to capital market and no penalties, strictures were imposed on the company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.
- d. The Company has not yet established a mechanism for Whistle Blower Policy. However, no personnel have been denied access to Audit Committee.
- e. The company has complied with all the mandatory requirements and has adopted the non mandatory requirements like constitution of Remuneration Committee. The Auditors' Report does not have any qualifications on financial statement and the Company is in the constant effort to move towards a regime of unqualified financial statements. The Board of Directors proposes to adopt the other non – mandatory requirements, in due course of time.
- f. The Company has not raised any funds by ways of an issue (public issues / rights issues / preferential issues, etc.) during the year under review.
- g. There are no unclaimed shares as on date of this report.
- h. Management Discussion and Analysis Report is forming part of Report of Board of Directors.

7. Means of Communication

Quarterly results, dividend announcements, book closure / record dates are intimated to the Stock Exchange where shares of the Company are listed, and also published in newspapers viz. Business line / Business standard and Mangalam / Deepika / Kerala Kaumudi. The Company is maintaining a functional website www.muthootcap.com wherein all the communications are updated.

8. General Shareholder Information

- a. Registration details: The Company is registered within the state of Kerala. The Company being a non banking financial Company, is also registered with Reserve Bank of India. Corporate Identity Number (CIN) allotted to the Company by Ministry of Corporate Affairs is L67120KL1994PLC007726.
- b. Annual General Meeting :

Date & Day	: August 8, 2013 (Thursday)
Time	: 10.00 a.m.
Venue	: The International Hotel, P.B. No. 3563, Veekshanam Road, Ernakulam, Cochin - 682035
- c. Financial Year : The financial year for the Company is April – March.
- d. Date of Book Closure : August 3, 2013 (Saturday) to August 8, 2013 (Thursday).
- e. Dividend payment : Dividend on equity shares, if approved, will be paid within the stipulated time as prescribed in the statute.
- f. Listing on Stock Exchange : The equity shares of the Company are listed with Bombay Stock Exchange Ltd. The Company has paid the annual listing fees (as applicable) for the year 2012 – 2013.
- g. Scrip ID and Scrip Code:

ID	: MUTHTFN
Code	: 511766
- h. Registrar and Transfer Agents : The Registrar and Transfer Agents of the Company is Integrated Enterprises (India) Ltd.
- i. Share Transfer System : The share transfers are registered and returned within the stipulated time if the documents are valid and complete in all respects. The Company obtains from a Company Secretary in Practice half yearly certificate of compliance with the share transfer formalities as required under Clause 47(c) of the Listing Agreement with Bombay Stock Exchange Ltd and files a copy with the Stock Exchange.

- j. Reconciliation of share capital audit: The Company has received certificates from a Company Secretary-in-Practice for timely dematerialization of the Company's shares and for reconciliation of the total equity capital with both the depositories and in physical mode with the total paid up capital as per books.
- k. Dematerialisation of shares: The Company has arrangements with both National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited (CDSL) to establish electronic connectivity of our shares for scripless trading. 95.88 % of shares of the Company were held in dematerialized form as on 31st March, 2013.
- l. Outstanding ADRs / GDRs / Warrants and convertible instruments, conversion date and likely impact on equity : Not applicable.

9. Investor grievances / correspondence :

The investors may write to the Company at investorgrievance@muthootcap.com or mail@muthootcap.com for any queries /grievances/communications.

For any assistance regarding dematerialization of shares, share transfer, transmission, change of address, non-receipt of dividend or any other query relating to shares, contact :

- a. Integrated Enterprises (India) Ltd, 2nd Floor, Kences Towers, No. 1 Ramakrishna Street, Off. North Usman Road, T Nagar, Chennai – 600 017. Ph : 044 – 281 40801 – 03 Fax : 044 – 281 42479.
Email: corpserv@integratedindia.in
- b. Malathy N., Company Secretary, Muthoot Capital Services Limited, 3rd Floor, Muthoot Towers, M.G. Road, Kochi – 682 035,
Ph : 0484 - 235 1501 / 235 1506 / 66 13535
Fax : 0484 – 238 1261
Email: malathy.n@muthootcap.com

For queries on financial statements, contact :

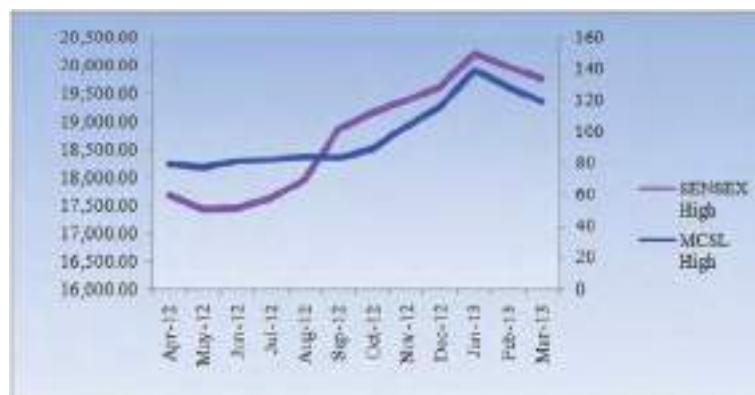
- c. Mr. Anilkumar R., Chief Finance Officer, Muthoot Capital Services Ltd, 3rd Floor, Muthoot Towers, M.G. Road, Kochi – 682 035 Ph : 0484 - 235 1501 / 235 1506 / 66 13535 Fax : 0484 – 238 1261
Email: anilkumar.r@muthootcap.com

10. Stock price data

High/ low prices during the financial year 2012 – 2013 on Bombay Stock Exchange Ltd

Month	High (in ₹)	Low (in ₹)
April, 2012	78.95	61.15
May, 2012	76.90	58.15
June, 2012	81.00	69.05
July, 2012	81.90	74.15
August, 2012	84.00	61.05
September, 2012	83.00	72.15
October, 2012	89.00	81.10
November, 2012	103.50	87.00
December, 2012	115.00	93.70
January, 2013	138.85	110.15
February, 2013	127.90	114.00
March, 2013	118.90	86.80

11. Performance in comparison with BSE Sensex



12. Shareholding pattern



13. Distribution of shareholding

Sl. No.	Category	Holders	% Holders	Shares	% Shares
1	Up to 100	4902	66.47	376932	3.02
2	101 - 500	1861	25.23	471817	3.78
3	501 - 600	112	1.52	64336	0.52
4	601 - 700	43	0.58	28919	0.23
5	701 - 800	51	0.70	39537	0.32
6	801 - 900	28	0.38	24380	0.20
7	901 - 1000	86	1.17	85571	0.69
8	1001 - 2000	147	1.99	216884	1.74
9	2001 - 5000	85	1.16	281377	2.26
10	5001 - 10000	23	0.31	170955	1.37
11	10001 - 20000	8	0.11	102731	0.82
12	20001 - 30000	4	0.05	94040	0.75
13	30001 - 40000	6	0.08	209556	1.68
14	40001 - 50000	1	0.01	45200	0.36
15	50001 - 100000	9	0.12	580196	4.65
16	ABOVE 100000	9	0.12	9680144	77.61
	TOTAL	7375	100.00	12472575	100.00

14. Compliance Certificate

All members of the Board and Senior Management personnel have affirmed compliance with the Code of Conduct. A declaration to this effect by the Chief Executive Officer is given as Annexure I to this report. Compliance certificate from Auditors of the Company, M/s.K.Venkatachalam Aiyer & Co., confirming compliance with the conditions of Corporate Governance as stipulated under Clause 49 of Listing Agreement, is annexed as **Annexure II** to this report.

15. Unclaimed Dividends

All unclaimed dividends up to and including Financial Year 2004 - 2005, have been transferred to Investor Education and Protection Fund ("IEPF") as mandated under law. Under law, no claim for uncashed dividends can lie against either the Company or the IEPF after a period of seven years from the date of disbursement. Therefore, Shareholders who have not yet cashed their dividend warrants relating to the financial year 2005-2006 and subsequent years are requested to contact the Company / Registrar and Transfer Agents.

ANNEXURE I

Declaration regarding compliance by Board members and Senior Management personnel with the company's code of conduct.

To,
The members of Muthoot Capital Services Limited

I confirm that the Company has received from the Senior Management team of the company and the members of the Board, declarations of compliance with the Code of Conduct as applicable to them during the financial year ended 31st March, 2013.

Kochi-35
May 5, 2013

Sd/-
R. Manomohan
Chief Executive Officer.



ANNEXURE II

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

TO THE MEMBERS OF MUTHOOT CAPITAL SERVICES LIMITED

We have examined the Compliance of conditions of Corporate Governance by **MUTHOOT CAPITAL SERVICES LIMITED** ('the Company') for the year ended on 31st March 2013 as stipulated in Clause 49 of the Listing Agreement entered into by the Company with the Stock Exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to a review of procedures and implementation thereof, adopted by the company for ensuring the compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the management, we certify that company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above-mentioned Listing Agreement.

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

For **K. VENKATACHALAM AIYER & Co**
Chartered Accountants
FRN: 0046105

Sd/-

CAA. GOPALAKRISHNAN
(Partner)
Membership No. 18159

Place: Kochi
Date: May 5, 2013

INDEPENDENT AUDITORS' REPORT

To the Members of Muthoot Capital Services Limited

Report on the financial statements

We have audited the accompanying financial statements of **MUTHOOT CAPITAL SERVICES LTD** (the Company), which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including accounting standards referred to in sub section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes design, the implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in these circumstances. An audit also includes evaluating the appropriateness of accounting policies and principles used and reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidences we have obtained are sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements together with the notes thereon give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- b. in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date and;
- c. in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Audit Report)(Amendment) Order, 2004 (together the 'Order') issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, and based on the information and explanation given to us, we give in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. As required by section 227(3) of the Act, we report that:
 - a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b. In our opinion, the Company has kept proper books of account as required by law so far as appears from our examination of those books.
 - c. The Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - d. In our opinion the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report have been prepared in all material respects in compliance with the accounting standards referred to in sub-section (3C) of section 211 of the companies act 1956, to the extent applicable.
 - e. On the basis of the written representations received from the Directors of the Company as on March 31, 2013, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2013 from being appointed as a director of the Company in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For K.VENKATACHALAMAIYER & Co

Chartered Accountants

FRN: 0046105

Sd/-

CA A. GOPALAKRISHNAN

(Partner)

Membership No. 18159

Place: Kochi

Date : May 5, 2013

Annexure to the Auditors' Report

The Annexure referred to in our report to the members of Muthoot Capital Services Limited ("The Company") for the year ended March 31, 2013.

We report that;

1. (i) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
(ii) The fixed assets have been physically verified by the management during the period, the programme of verification of which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies have been noticed on such physical verification.
(iii) In our opinion and according to the information and explanation given to us, a substantial part of the Fixed Assets has not been disposed off by the Company during the year and therefore doesn't affect going concern assumption.
2. (i) Except the repossessed assets from the borrowers, the company does not have any stock of inventory.
(ii) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory of the above items.
3. (i) On the basis of the explanations given by the management, we report that the Company has not taken any loans, secured or unsecured from Companies or other parties covered in the register maintained u/s 301 of the Companies Act 1956 ("The Act"). However we report that the Company has frequently entered into transactions with the Directors of the Company and the maximum amount to the credit of such account of the Directors during the year ended March 31, 2013 was ₹ 772.74 Lakhs (2011-12: ₹ 6,907.06 Lakhs) and the outstanding balance as on 31.03.2013 including interest payable was ₹ 768.25 Lakhs (31.03.2012: ₹ 917.41 Lakhs)
(ii) In our opinion, the rate of interest and other terms and conditions on which loans have been taken from / granted to companies, firms or other parties listed in the register maintained under section 301 of the Act are not prima facie prejudicial to the interests of the Company.
(iii) In respect of the aforesaid loans, the company is regular in repaying the principal amounts as stipulated and is also regular in payment of interest, wherever applicable.
(iv) There are no overdue amounts of loans taken from or granted to companies, firms or other parties listed in the register maintained in pursuance of Section 301 of the Act.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and sale of goods and services. We have not observed any major weakness in the internal control system during the course of the audit.
5. (i) In our opinion and according to the information and explanations given to us, the transactions that need to be entered in the register in pursuant of section 301 of the Act have been so entered.
(ii) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Act and

exceeding the value of Rupees Five Lakhs in respect of any party during the year, prima facie, have been made at prices which are reasonable having regard to the nature of the service and the prevailing market prices at the relevant time.

6. The Company has not accepted deposits within the meaning of Sec 58A of the Companies Act 1956 from the public during the year ended March 31, 2013.
7. The Company has an internal audit system, which in our opinion, is commensurate with the size and the nature of its business.
8. The Central Government of India has not prescribed the maintenance of cost records under section 209(I)(d) of the Act for any services rendered by the Company.
9. (i) According to the information and explanations given to us and the records of the Company examined by us, and in our opinion, the Company is regular in depositing the undisputed statutory dues including provident fund, value added tax and other material statutory dues as applicable with the appropriate authorities.

According to the information and explanations given to us there are no undisputed amounts payable in respect of income tax, wealth tax, service tax, sales tax/ value added tax, excise duty and cess which are outstanding as at March 31, 2013 for a period of more than six months from the date they became payable.

- (ii) According to the records of the Company and the information and explanation given to us, there are no dues of wealth tax, excise duty and cess which have not been deposited on account of dispute. Details of dues of Income-Tax, which have not been deposited as on 31 March, 2013 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where dispute is pending	Period to which the amount relates (Financial Year)	Amount involved (₹ in '000)
Income Tax Act, 1961	Income Tax and Interest	Commissioner of Income Tax (Appeals)	2001-02	14 45
Income Tax Act, 1961	Income Tax and Interest	Commissioner of Income Tax (Appeals)	2002-03	9 13
	TOTAL			23 58

10. The Company has no accumulated losses as at March 31, 2013 and it has not incurred any cash losses during the year ended on that date or in the immediately preceding financial year.
11. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to any financial institution or Bank or Bondholders as at the Balance Sheet date.

12. According to the information and explanations given to us, Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities, except loans given against the security of its own secured debentures/bonds.
13. The provisions of any special statute applicable to chit fund/nidhi/mutual benefit fund/societies are not applicable to the Company.
14. In our opinion Company has maintained proper records for the trading in shares, securities and other investments and timely entries have been made.
15. According to the explanations and information given to us, the Company has not given any guarantee during the year for loans taken by others from banks or other financial institutions, the terms and conditions of which are prejudicial to the interest of the Company.
16. To the best of our knowledge and belief and according to the information and explanations given to us, term loans availed by the Company, prima facie, were applied by the Company during the year for the purposes for which the loans were obtained.
17. According to the cash flow statement and other records examined by us and the explanations and information given to us, on an overall examination of the Balance Sheet of the Company, funds raised on short-term basis have not been used for long-term investment.
18. According to the explanations and information given to us, during the year under audit the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
19. According to the explanations and information given to us, the Company has created securities in respect of the secured redeemable non-convertible bonds issued and outstanding as on March 31, 2013.
20. The Company has not raised money by public issues during the year.
21. According to the explanations and informations given to us, we have neither come across with any instance of fraud on or by the Company being noticed or reported during the year, nor have we been informed of such case by the management.

For **K. VENKATACHALAM AIYER & Co**

Chartered Accountants.

FRN: 004610S

Sd/-

CAA. GOPALAKRISHNAN

(Partner)

Membership No. 18159

Place: Kochi

Date: May 5, 2013

BALANCE SHEET AS AT 31ST MARCH 2013

(₹ in '000)

Particulars	Note	As at	
		31-Mar-13	31-Mar-12
EQUITY AND LIABILITIES			
Shareholder's Funds			
Share Capital	2.1	12 47 26	12 47 26
Reserves and Surplus	2.2	90 43 48	74 51 25
		1 02 90 74	86 98 51
Non-Current Liabilities			
Long-term borrowings	2.3	9 75 39	9 07 50
Other Long term liabilities	2.4	1 52 55	94 98
		11 27 94	10 02 48
Current Liabilities			
Short-term borrowings	2.5	3 31 98 41	1 95 68 97
Other current liabilities	2.6	21 97 17	16 00 97
Short-term provisions	2.7	7 92 32	6 68 26
		3 61 87 90	2 18 38 20
Total		4 76 06 58	3 15 39 19
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	2.8	1 97 59	1 18 40
Non-current investments	2.9	19	19
Deferred tax assets (net)	2.10	99 81	70 82
Long term receivables from financing activities	2.11	2 17 22 16	1 33 77 65
Long term loans and advances	2.12	87 89	39 12
Other non-current asset	2.13	-	6 07
		2 21 07 64	1 36 12 25
Current assets			
Current investments	2.14	20 32	19 32
Cash and Cash Equivalents	2.15	92 36	9 96 87
Receivables from Financing Activities	2.16	2 46 46 87	1 67 86 44
Short Term Loans and Advances	2.17	64 92	74 35
Other current assets	2.18	6 74 47	49 96
		2 54 98 94	1 79 26 94
Total		4 76 06 58	3 15 39 19
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS			
	1 to 12		

As per our report of even date attached
For K.VENKATACHALAM AIYER & CO
 CHARTERED ACCOUNTANTS
 Firm Regn No: 004610 S
 Sd/-

CA .A. GOPALAKRISHNAN
 PARTNER
 Membership Number: 18159

Place - Kochi
 Date - May 05, 2013

For and on Behalf of the Board of Directors of
MUTHOOT CAPITAL SERVICES LTD

Sd/-
THOMAS JOHN MUTHOOT
 CHAIRMAN

Sd/-
THOMAS MUTHOOT
 DIRECTOR

Sd/-
THOMAS GEORGE MUTHOOT
 MANAGING DIRECTOR

Sd/-
MALATHY N
 COMPANY SECRETARY

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2013

(₹ in '000)

Particulars	Note	Year ended	
		31-Mar-13	31-Mar-12
Income			
Revenue from operations	2.19	1 06 63 95	67 01 39
Other Income	2.20	57 76	33 83
Total Revenue (I)		1 07 21 71	67 35 22
Expenses			
Employee benefit expense	2.21	21 74 54	12 21 32
Finance costs	2.22	36 31 61	20 32 87
Depreciation and amortization expense	2.8	53 35	31 03
Other expenses	2.23	14 70 72	10 37 12
Provisions	2.24	1 64 41	1 12 35
Total Expenses (II)		74 94 63	44 34 69
Profit before exceptional and extraordinary items and tax (I - II)		32 27 08	23 00 53
Exceptional Items		7	-
Profit before tax		32 27 15	23 00 53
Tax expenses			
Current tax		10 80 83	7 87 60
Deferred tax		(29 00)	(36 92)
Income Tax Adjustment For Earlier Years		(61)	(1 14)
Total tax expenses		10 51 22	7 49 54
Profit/(Loss) for the year		21 75 93	15 50 99
Basic and Diluted Earnings Per Share of ₹ 10 each (in ₹)		17.45	13.12
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS	I to 12		

As per our report of even date attached
For K.VENKATACHALAM AIYER & CO
 CHARTERED ACCOUNTANTS
 Firm Regn No: 004610 S
 Sd/-

CA .A. GOPALAKRISHNAN
 PARTNER
 Membership Number: 18159

Place - Kochi
 Date - May 05, 2013

Sd/-
THOMAS JOHN MUTHOOT
 CHAIRMAN

Sd/-
THOMAS MUTHOOT
 DIRECTOR

For and on Behalf of the Board of Directors of
MUTHOOT CAPITAL SERVICES LTD

Sd/-
THOMAS GEORGE MUTHOOT
 MANAGING DIRECTOR

Sd/-
MALATHY N
 COMPANY SECRETARY

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

(₹ in '000)

Particulars	Year ended	
	31-Mar-13	31-Mar-12
Net Profit before tax	32 27 15	23 00 53
Adjustments for:-		
Depreciation	53 35	31 03
Interest on Income tax, not paid	17	1 40
Provision against Non - Performing assets	40 03	20
Provision on Standard Assets	39 00	30 45
Provision for diminution in the value of Repossessed Assets	27 39	15 61
Provision for Diminution in Value of Shares	1 44	-
Provision for gratuity	25 41	-
Provision for expenses	31 14	66 09
Unclaimed balance written back	(25 20)	(3 62)
Profit from Capital Market Operations	(1 81)	(1 77)
Profit on sale of Assets	(7)	-
Interest from Fixed Deposits	(17 86)	(13 97)
Dividend Income	(46)	(58)
	1 72 53	1 24 84
Operating Profit before charges to Operating assets and liabilities	33 99 68	24 25 37
Net (Increase) / decrease in operating assets:-		
Short Term Loans and Advances	9 34	(33 75)
Long term loans and advances	(2 16)	(3 08)
Receivables from Financing Activities	(162 04 95)	(125 67 25)
Other Non Current Assets	6 07	(5 13)
Other current assets	(6 51 80)	(41 03)
	(168 43 50)	(126 50 24)

(₹ in '000)

Particulars	Year ended	
	31-Mar-13	31-Mar-12
Net increase/ (decrease) in operating liabilities:-		
Long Term liabilities	-	(1 34)
Other current liabilities	3 77 56	1 96 09
Short-term provisions	(7 51)	(6 27)
	3 70 05	1 88 48
Net changes in working capital	(164 73 45)	(124 61 76)
Cash generated from operating activities	(130 73 77)	(100 36 39)
Direct Taxes paid	(11 31 03)	(7 56 66)
Net cash from operating activities (A)	(142 04 80)	(107 93 05)
<u>CASH FLOW FROM INVESTING ACTIVITIES</u>		
Purchase of Fixed Assets including capital advance	(1 79 73)	(88 54)
Sale of Fixed Assets	65	-
Investments in Shares and Mutual Funds	(1 00)	(61)
Gain from Sale of Equity Shares	1 81	1 77
Dividend Received	46	58
Net cash from investing activities (B)	(1 77 81)	(86 80)
<u>CASH FLOW FROM FINANCING ACTIVITIES</u>		
Proceeds from Rights issue of shares including Securities Premium	-	47 78 06
Net increase in Secured debentures	2 81 98	3 32 32
Repayment of vehicle loan	(3 09)	(4 02)
Interest on FD	17 86	13 97
Increase in Secured and Unsecured Borrowings	136 81 82	66 62 48
Dividend paid (including Corporate Dividend Tax)	(5 00 47)	(2 23 03)
Net cash used for financing activities(C)	134 78 10	115 59 78
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(9 04 51)	6 79 93
Cash and cash equivalents at the beginning of the year	9 96 87	3 16 94
Cash and cash equivalents at the end of the year	92 36	9 96 87

(₹ in '000)

Particulars	Year ended	
	31-Mar-13	31-Mar-12
COMPONENTS OF CASH AND CASH EQUIVALENTS		
Cash on Hand	29 13	1 52
Cheques/ Drafts on Hand	-	29
With Banks		
- on current accounts	35 08	6 47 81
- on deposit accounts	-	3 26 00
- Unpaid dividend accounts	28 15	21 25
Total cash and cash Equivalents	92 36	9 96 87

As per our report of even date attached
For **K.VENKATACHALAM AIYER & CO**
CHARTERED ACCOUNTANTS
Firm Regn No: 004610 S
Sd/-

CA .A. GOPALAKRISHNAN
PARTNER
Membership Number: 18159

Place - Kochi
Date - May 05, 2013

For and on Behalf of the Board of Directors of
MUTHOOT CAPITAL SERVICES LTD

Sd/-
THOMAS JOHN MUTHOOT
CHAIRMAN

Sd/-
THOMAS MUTHOOT
DIRECTOR

Sd/-
THOMAS GEORGE MUTHOOT
MANAGING DIRECTOR

Sd/-
MALATHY N
COMPANY SECRETARY

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

CORPORATE INFORMATION

Muthoot Capital Services Limited (the company) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed in the Mumbai stock exchange in India. The Company is registered as a Non Banking Financial Company (NBFC) with Reserve Bank of India. During the year the Company is mainly engaged in asset financing activities, especially two wheelers and three wheelers.

I. SIGNIFICANT ACCOUNTING POLICIES

I.1 Basis for preparation of financial statements

- i. The financial statements for the year ended March 31, 2013, have been prepared under historical cost convention and on the accrual basis of accounting in accordance with Indian Generally Accepted Accounting Principles ("GAAP") and in compliance with the provisions of Companies Act, 1956, mandatory and relevant Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI) and the directions issued by Reserve Bank of India for Non Banking Financial Companies from time to time, wherever applicable.
- ii. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

I.2 Use of Estimates

The preparation of the financial statements requires the use of estimates and assumptions that affect the reported amount of assets and liabilities as at the balance sheet date, reported amounts of revenues and expenses during the period and disclosure of contingent liabilities as at that date. The estimates and assumptions used in these financial statements are based upon the management's evaluation of the relevant facts and circumstances as on the date of financial statements. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Any revisions to the accounting estimates are recognized prospectively in the current and future years.

I.3 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured:

Income from Financial Services

- Finance charges in respect of hypothecation loan transactions are accounted by applying the Internal Rate of Return method. Overdue charges on belated hypothecation loan installments are accounted as and when received by the Company.
- Interest on loans and advances is recognized on accrual basis at the contract rate wherever feasible. Overdue charges for delayed payments are accounted as and when received.

- Income in respect of Non-performing assets is recognized as and when received as per the guidelines given in the Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 2007.
- Income from Services is recognized on accrual basis as per the terms of the contract.

Windmill Income

Income from power generation is recognized on supply of power to the grid as per the terms of the power purchase agreement with Tamil Nadu State Electricity Board.

Dividend Income

Dividend on investments is recognized as income when right to receive payment is established by the date of balance sheet. The profit/loss on Capital Market Operations is recognized at the time of actual sale/redemption of investments.

1.4 Receivables from Financing Activities

The Company has followed the Directions issued by the Reserve Bank of India for Non Banking Financial Companies in respect of Prudential Norms for Income Recognition, Asset Classification, Accounting Standards, provisioning / writing off for bad and doubtful debts, Capital Adequacy and Concentration of credit / investments and also the Non Banking Finance Companies acceptance of Public Deposits (Reserve Bank) Directions 2007.

Hypothecation Loans

- i. Hypothecation loans are stated at the amounts advanced including finance charges accrued and due, as reduced by amounts received up to balance sheet date.
- ii. Repossessed automobile assets are valued at lower of book value and estimated realizable value.
- iii. Interest on hypothecation loans was recognized on accrual basis up to the current reporting date.

1.5 Tangible Fixed Assets

Fixed Assets are stated at historical cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebate are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value, only if it increases the future benefit of the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the Statement of Profit & Loss for the period during which such expenses are incurred.

Gains or losses arising from de-recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit & Loss when the asset is de-recognized.

1.6 Depreciation on tangible fixed assets

Depreciation on assets held for own use of the Company is provided on written down value method at the rates prescribed under schedule XIV of the Companies Act, 1956. All fixed assets individually costing ₹ 5,000/- or less are fully depreciated in the year of installation.

The company has used the following rates to provide depreciation on its fixed assets.

Description of the Assets	Rate
Motor vehicles	25.89%
Furniture and fittings	18.10%
Office equipments	13.91%
Computer and accessories	40.00%
Windmill generator	15.33%

1.7 Impairment of tangible and intangible assets

- The carrying amounts of assets are reviewed at each balance sheet date to ascertain impairment based on internal / external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. An asset's recoverable amount is the higher of an asset's net selling price and its value in use.
- After impairment, depreciation is provided on the revised carrying amount of the asset as per the depreciation rate prescribed in Schedule XIV of the Companies Act 1956.
- An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the company estimates the asset's recoverable amount. A previously recognized impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

1.8 Leases

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on straight line basis over the lease term.

1.9 Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of investments, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit & Loss.

1.10 Income Tax

Tax expense comprises of Current and Deferred Tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted, at the reporting date.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and the reversal of timing differences of the earlier years.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The company writes down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax asset against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the same taxation authority.

1.11 Retirement and other employee Benefits

a) Defined Contribution plan

(i) Provident Fund

Retirement benefit in the form of Provident fund is a defined contribution scheme. The contributions to the Provident fund are charged to the Statement of Profit & Loss for the year when the contributions are due in accordance with the fund rules. The company has no obligation, other than the contribution payable to the provident fund.

(ii) Employee State Insurance

The company also contributes to Employees State Insurance Corporation on behalf of its employees.

b) Defined Benefit plan – Gratuity.

Payment of gratuity to employees is covered by the Gratuity Trust Scheme based on the Group Gratuity Cum Assurance Scheme of the LIC of India which is a defined benefit scheme. The yearly contribution/premium paid/payable is determined on actuarial valuation done by LIC. Actuarial gain and loss for defined benefit plan is recognized in full in the period in which they occur in the Statement of Profit & Loss.

1.12 Segment Reporting

The company's business activity primarily falls within a single business segment which constitutes Financing Activities (Advancing of hypothecation loans, loan against demand promissory notes etc.). Hence, there are no additional disclosures required under Accounting Standard 17 'Segment Reporting'.

The Company operates primarily in India; hence there is no other significant geographical segment that requires the disclosure.

1.13 Related Party Disclosure

Disclosures are made as per the requirements of the Accounting Standard 18 read with the clarifications issued by Institute of Chartered Accountants of India.

1.14 Earnings per Share

The Company reports basic earning per share in accordance with AS-20 "Earnings per Share", issued by the ICAI. Basic earning per share has been computed by dividing net profit after tax by the weighted average number of equity shares outstanding for the year.

1.15 Cash and Cash Equivalents

Cash and cash equivalents in the cash flow statements comprise cash at hand and at bank, remittances in transits and short term investments with an original maturity of three months or less.

1.16 Provisions other than that for non performing assets

A provision is recognized when the company has a present legal and constructive obligation as a result of past event, it is probable that an out flow of resources embodying economic benefits will be required to settle the obligation and reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

1.17 Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

1.18 Classification and provisioning as per RBI Guidelines

As per the guidelines given in the Prudential Norms for Non Banking Financial Companies prescribed by the Reserve Bank of India, the Company makes adequate provisions against Non Performing Assets in the following manner;

a. Standard Assets:

Provision against Standard Assets is made at the rate of 0.25% as required by Paragraph 9A of the Non Banking Financial Companies Prudential Norms (Reserve Bank) Directions 2007 read with Notification No. DNBS.222/CGM(US)-2011 issued by Reserve Bank of India on January 17, 2011.

b. Sub-standard, Doubtful and Loss Assets:

Provision as required by paragraph 9 of the Non Banking Financial Companies Prudential Norms (Reserve Bank) Directions 2007.

2. NOTES ON ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2013

The presentation in the Balance Sheet, Statement of Profit and Loss, Notes to Accounts is in terms of Revised Schedule VI of Companies Act, 1956 which has become mandatory with effect from 1st April, 2011. The assets and liabilities are classified as Current and Non Current based on the twelve months of operations.

Amounts in the financial statements are presented in thousands, except for per share data and as otherwise stated. Previous year figures have been reworked, re-grouped, re-arranged and reclassified to conform to the current year presentation.

2.1 SHARE CAPITAL

(₹ in '000)

Particulars	As at	
	31-Mar-13	31-Mar-12
Authorised 1,50,00,000 (1,50,00,000) equity shares of ₹ 10 par value.	15 00 00	15 00 00
Issued, Subscribed and Paid up 1,24,72,575 (1,24,72,575) equity shares of ₹ 10 par value.	12 47 26	12 47 26
Total	12 47 26	12 47 26

The Company has only one class of shares referred to as equity shares having a par value of ₹ 10.

Each holder of equity share is entitled to one vote per share.

The Company declares and pays dividends in Indian rupees. The dividend proposed by the board of directors is subjected to the approval of the shareholders in the ensuing Annual General Meeting.

The Board of Directors in their meeting on May 05, 2013 proposed a final dividend of ₹ 4 per equity share. The total dividend appropriation for the year ended March 31, 2013 amounted to ₹ 583.70 Lakhs including corporate dividend tax of ₹ 84.79 lakhs.

During the year ended March 31, 2012, the amount of per share dividend recognized as distributions to equity shareholders was ₹ 3.5/-. The total dividend appropriation for the year ended March 31, 2012 amounted to ₹ 507.37 Lakhs including corporate dividend tax of ₹ 70.82 Lakhs.

In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

The reconciliation of the number of equity shares outstanding and the amount of share capital as at March 31, 2013 and March 31, 2012 is set out below:

Particulars	As at 31-Mar-13		As at 31-Mar-12	
	No of shares		No of shares	
	in '000	₹ In '000	in '000	₹ In '000
No of shares outstanding at the beginning of the year	1 24 73	12 47 26	65 00	6 50 00
Add: Additional shares issued during the year	-	-	59 73	5 97 26
No of shares outstanding at the end of the year	1 24 73	12 47 26	1 24 73	12 47 26

Shareholders holding more than 5% shares in the company

Particulars	As at 31-Mar-13		As at 31-Mar-12	
	No of shares		No of shares	
	in '000	% of Holding	in '000	% of Holding
Equity Shares				
Thomas John Muthoot	28 51	22.86	29 03	23.27
Thomas George Muthoot	28 47	22.82	28 98	23.24
Thomas Muthoot	27 97	22.42	29 00	23.25

As per the records of the company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares

2.2 RESERVES AND SURPLUS

(₹ in '000)

Particulars	As at	
	31-Mar-13	31-Mar-12
Securities Premium Account:		
At the beginning of the year	41 80 80	-
Additions on shares issued during the year	-	41 80 80
At the end of the year	41 80 80	41 80 80
Debenture Redemption Reserve:		
At the beginning of the year	-	1 00
Transfer to Surplus in Statement of Profit and Loss	-	(1 00)
At the end of the year	-	-
Statutory Reserve		
At the beginning of the year	9 85 79	6 75 59
Transfer from surplus in statement of profit and loss	4 40 00	3 10 20
At the end of the year	14 25 79	9 85 79
General Reserve		
At the beginning of the year	3 90 00	-
Transfer from surplus in statement of profit and loss	2 20 00	3 90 00
At the end of the year	6 10 00	3 90 00
Surplus in the Statement of Profit and Loss		
As per last Balance Sheet	18 94 66	15 50 24
Add: Profit for the year	21 75 93	15 50 99
Transfer from Debenture Redemption Reserve	-	1 00
Less: Appropriations		
Transfer to Statutory Reserves	(4 40 00)	(3 10 20)
Transfer to General Reserves	(2 20 00)	(3 90 00)
Proposed Dividend	(4 98 91)	(4 36 55)
Tax on Proposed Dividend	(84 79)	(70 82)
	28 26 89	18 94 66
Total	90 43 48	74 51 25

2.3 LONG TERM BORROWINGS

(₹ in '000)

Particulars	As at	
	31-Mar-13	31-Mar-12
Secured Privately Placed Redeemable Non Convertible Debentures		
97 539 Secured Privately Placed Redeemable Non-convertible Debentures of Rs. 1,000 each	9 75 39	9 07 50
Total	9 75 39	9 07 50

Debentures

The Company has issued Redeemable Non-Convertible Debentures on Private Placement basis in various series. The debentures issued under each series have a repayment period depending on the scheme it falls under. The debentures are repaid within a period of 1 year to 6 years, depending on the schemes. The schemes range from Monthly, Annual and Maturity Interest Payment. The rate of interest on these debentures range from 9.5% to 13.40% p.a. with monthly rest.

The issued debentures are secured by a First charge on all movable assets, book debts and receivables created by undertaking the business of Loan against Gold Jewellery, Hypothecation Loan and any other type of Loans, both present and future, created by the company.

The order of redemption of the above debentures is given below:-

(₹ in '000)

Particulars	31-Mar-13	31-Mar-12
Number of Debentures	9 75 39	9 07 50
Year of Maturity :		
2013 -14*	-	5 27 58
2014 -15	5 23 31	1 36 04
2015 -16	2 04 70	53 47
2016 -17	1 31 82	1 37 55
2017 -18	1 15 56	52 86
Total	9 75 39	9 07 50

*Value of debentures maturing in 2013-14 is shown under Current maturities of long term debt in note 2.6.

2.4 OTHER LONG TERM LIABILITIES

(₹ in '000)

Particulars	As at	
	31-Mar-13	31-Mar-12
Non-current portion of interest accrued but not due on Debentures (Secured)	1 51 65	94 08
Security Deposits (Unsecured)	90	90
Total	1 52 55	94 98

Current portion of interest accrued but not due on debentures ₹ 85.29 lakhs is shown in Note: 2.6

2.5 SHORT TERM BORROWINGS

(₹ in '000)

Particulars	As at	
	31-Mar-13	31-Mar-12
Loans repayable on demand		
- from Banks (Secured)		
Working Capital Demand Loan		
South Indian Bank Ltd	20 00 00	-
ICICI Bank Ltd	19 95 00	20 00 00
HDFC Bank Ltd	15 00 00	15 00 00
State Bank of Travancore	75 00 00	-
Kotak Mahindra Bank	15 00 00	-
Dhanlaxmi Bank Limited	16 00 00	24 00 00
State Bank of Hyderabad	25 18 40	19 99 70
IndusInd Bank Ltd	9 53 69	9 50 00

(₹ in '000)

Particulars	As at	
	31-Mar-13	31-Mar-12
Cash Credit		
Federal Bank Ltd	15 12 25	-
IndusInd Bank Ltd	50 51	49 39
State Bank of India	1 00 37 12	19 99 35
Axis Bank Ltd	7 54 88	7 55 05
City Union Bank Ltd	6 94	9 98 07
South Indian Bank Ltd	4 98 62	-
State Bank of Travancore	2 75	60 00 00
	3 24 30 16	1 86 51 56
Loans and Advances from Directors (Unsecured)	7 68 25	9 17 41
Total	3 31 98 41	1 95 68 97

Guaranteed Loans

The Working Capital Demand Loans and Cash Credit obtained from Banks have been personally guaranteed by the Directors of the Company, namely, Thomas John Muthoot, Thomas George Muthoot and Thomas Muthoot.

Security of the Loan from Banks

The Working Capital Demand Loans and Cash Credit facility have been obtained from the banks by creating First Charge on the entire current assets including gold loan receivables, hypothecation loans receivables, loan against company's own debentures, Loan against Demand Promissory Notes and Other Current Assets ranking paripassu with other working capital lenders and Debenture Holders.

Rate of interest

Short Term Borrowings from banks carries interest at the rate of 10.2% to 14% per annum.

Loan from Directors

The company has entered into transactions involving receipts and payments of different amounts with the directors of the company. The company pays interest at 12% per annum. The balance outstanding as on March 31, 2013 was ₹768.25 Lakhs inclusive of interest accrued thereon (March 31, 2012: ₹917.41 Lakhs).

2.6 OTHER CURRENT LIABILITIES

(₹ in '000)

Particulars	As at	
	31-Mar-13	31-Mar-12
Current maturities of long term debt	10 37 36	8 59 79
Interest accrued and due on borrowings	1 44 00	95 62
Interest accrued but not due on debentures	85 29	1 01 76
Unpaid dividends	28 14	21 25
Unpaid matured debentures	31 46	35 12
Sundry Creditors *	1 40	-
Income Received in Advance	2 55 45	2 18 98
Excess Installment received	6 79	-
Expenses Payable		
Withholding Tax	20 20	27 63
Dealer Incentive Payable	2 13 63	45 36
Salary and Benefits Payable	86 25	41 42
Other Expenses Payable	52 85	68 59
Professional Charges Payable *	1 09 11	72 10
Statutory Dues Payable	23 21	7 12
Other Payables	1 02 03	6 23
Total	21 97 17	16 00 97

* Sundry Creditors and Professional Charges are amounts payable to related parties.

The order of redemption of the above mentioned unpaid matured debentures are given below:

(₹ in '000)

Particulars	31-Mar-13	31-Mar-12
Maturity of Unpaid Matured Debentures		
Number of Debentures	31 46	35 12
Financial Year 2006-07	-	-
Financial Year 2007-08	6	6
Financial Year 2008-09	-	-
Financial Year 2009-10	-	-
Financial Year 2010-11	12	2 55
Financial Year 2011-12	14	32 51
Financial Year 2012-13	31 14	-
Total	31 46	35 12

(₹ in '000)

Particulars	31-Mar-13	31-Mar-12
Current maturities of Debentures		
Number of Debentures	10 37 36	8 56 70
Financial Year 2012-13	-	8 56 70
Financial Year 2013-14	10 37 36	-
Total	10 37 36	8 56 70

2.7 SHORT TERM PROVISIONS

(₹ in '000)

Particulars	As at	
	31-Mar-13	31-Mar-12
Proposed dividend	4 98 91	4 36 55
Tax on proposed dividend	84 79	70 82
Tax provision (Net)	17 36	68 00
Provision for gratuity	19 34	-
Contingency provisions against standard assets	1 13 00	74 00
Provision for Expenses	1 36	-
Provision for non performing assets	57 56	18 89
Total	7 92 32	6 68 26

Provision for Income Tax represents the tax provision remaining as on the balance sheet date after setting off the advance tax paid during the year against the tax due for the assessment year 2013-14.

2.8 TANGIBLE ASSETS

(₹ in '000)

Particulars	Vehicles	Furniture and Fittings	Office Equipments	Computers & Accessories	Windmill Generator	Total
Cost at April, 2012	31 35	58 41	21 45	1 19 70	89 78	3 20 69
Additions	9 02	48 07	23 90	52 13	-	1 33 12
Sales	-	-	-	(65)	-	(65)
At 31 March, 2013	40 37	1 06 48	45 35	1 71 18	89 78	4 53 16
Depreciation	-	-	-	-	-	-
At April, 2012	24 67	31 86	7 29	61 19	77 28	2 02 29
Charge for the year	3 47	9 66	3 76	34 54	1 92	53 35
Adjustment for the Year	-	-	-	(7)	-	(7)
At 31 March, 2013	28 14	41 52	11 05	95 66	79 20	2 55 57
Net Block	-	-	-	-	-	-
At March, 2012	6 68	26 55	14 16	58 51	12 50	1 18 40
At March, 2013	12 23	64 96	34 30	75 52	10 58	1 97 59

2.9 NON CURRENT INVESTMENTS

(₹ in '000)

Particulars	As at	
	31-Mar-13	31-Mar-12
Non Current Investments (Quoted) (Non-trade)		
UTI Gold ETF	19	19
Total	19	19

The market value of UTI Gold ETF as on 31 Mar, 2013 is ₹ 56,708 (31 Mar, 2012: ₹ 54,645).

2.10 DEFERRED TAX ASSET

(₹ in '000)

Particulars	As at	
	31-Mar-13	31-Mar-12
Deferred Tax Liabilities		
Fixed Asset		
Impact of difference between tax depreciation and depreciation charged for Financial Reporting	8 35	5 28
Total	8 35	5 28
Deferred Tax Asset		
Provision for NPA and others	96 06	61 30
Preliminary Expenses charged off to the Statement of Profit and Loss but allowed as expense under tax laws in 5 years	7 01	9 70
Others	5 09	5 10
Total	1 08 16	76 10
Net Deferred Tax Asset	99 81	70 82

Deferred tax asset and deferred tax liabilities have been offset wherever the Company has legally enforceable right to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relating to the same taxation authority.

2.11 LONG TERM RECEIVABLES FROM FINANCING ACTIVITIES

(₹ in '000)

Particulars	As at	
	31-Mar-13	31-Mar-12
(Secured, considered good unless otherwise stated)		
Principal outstanding in non-current portion of:		
Hypothecation Loan	2 17 22 16	1 33 77 65
Total	2 17 22 16	1 33 77 65

2.12 LONG TERM LOANS AND ADVANCES

(₹ in '000)

Particulars	As at	
	31-Mar-13	31-Mar-12
(Unsecured, considered good unless otherwise stated)		
Capital Advances		
Considered Good	49 96	3 35
Security deposits		
Considered Good	37 93	35 77
Total	87 89	39 12

2.13 OTHER NON CURRENT ASSETS

(₹ in '000)

Particulars	As at	
	31-Mar-13	31-Mar-12
(Unsecured, considered good unless otherwise stated)		
Gratuity Plan Assets	-	6 07
Total	-	6 07

2.14 CURRENT INVESTMENTS

(₹ in '000)

Particulars	As at	
	31-Mar-13	31-Mar-12
Quoted		
Investments in Equity Instruments		
HDFC Ltd. 357 (357) equity shares of ₹ 2 each fully paid	1 45	1 45
HDFC Bank Ltd. 693 (693) equity shares of ₹ 2 each fully paid	1 42	1 42
Larsen & Toubro Ltd 113 (100) shares of ₹ 2 each fully paid	15	-
State Bank Of India 146 (71) equity shares of ₹ 10 each fully paid	2 53	90
Infosys Technologies 105 (105) equity shares of ₹ 5 each fully paid	1 32	1 32
Hero Motocorp Ltd 96 (151) equity shares of ₹ 2 each fully paid	78	1 20
Bosch Limited 43 (49) equity shares of ₹ 10 each fully paid	2 13	2 33
Glaxo Smithkline Pharmaceuticals 101 (101) equity shares of ₹ 10 each fully paid	1 34	1 34
Indian Oil Corporation Limited Nil (247) equity shares of ₹ 10 each fully paid	-	66
Divis Laboratories Ltd 154 (Nil) equity shares of ₹ 2 each fully paid	1 52	-
Nestle India Ltd 72 (79) equity shares of ₹ 10 each fully paid	2 17	2 31
Coal India Ltd Nil (593) equity shares of ₹ 10 each fully paid	-	1 97
CAIRN INDIA LTD 497 (740) equity shares of ₹ 10 each fully paid	1 36	2 29
Eicher Motors Ltd 72 (Nil) shares of ₹ 10 each fully paid	1 60	-
Financial Technologies (India) Limited 164 (Nil) shares of ₹ 2 each fully paid	1 17	-
Hindustan Petroleum Corporation Ltd 483 (Nil) shares of ₹ 10 each fully paid	1 38	-
ITC LTD Nil (992) equity shares of ₹ 1 each fully paid	-	2 13
Total	20 32	19 32

The details regarding the quoted investments are as follows:

(₹ in '000)

Particulars	Basis of Valuation	Market Value As at 31-Mar-13
Investments in quoted Equity Instruments	Cost or Market Value, whichever is less	33 03

2.15 CASH AND CASH EQUIVALENTS

(₹ in '000)

Particulars	As at	
	31-Mar-13	31-Mar-12
Balances with banks		
in Current accounts	35 08	6 47 81
in Unclaimed dividend accounts	28 15	21 25
in Deposit accounts	-	3 26 00
Total	63 23	9 95 06
Cheques, drafts on hand	-	29
Cash on hand	29 13	1 52
	29 13	1 81
Total	92 36	9 96 87
Balances with banks in unpaid dividend accounts	28 15	21 25
Balances with banks held as margin money deposits against guarantees	-	26 00

(₹ in '000)

Particulars	As at	
	31-Mar-13	31-Mar-12
In Current Accounts		
State Bank of India	2 51	4 10 45
HDFC Bank Ltd	3 39	82 74
Dhanlaxmi Bank Limited	5 22	33 22
ICICI Bank Ltd	4 37	5 34
Axis Bank Ltd	8 72	29 44
Ing Vysya Bank Ltd	8 25	5 56
Kotak Mahindra	1 18	1 63
State Bank of Hyderabad	46	41
IDBI Limited	10	10
South Indian Bank Ltd	88	-
State Bank of Travancore	-	68 08
Federal Bank Ltd	-	10 83
City Union Bank Ltd	-	1
Sub total	35 08	6 47 81
In Unclaimed Dividend Accounts		
HDFC Bank Ltd	28 15	21 25
In Deposit Accounts		
South Indian Bank Ltd	-	3 00 00
In Margin Money Deposits Against Guarantees		
State Bank of Travancore	-	26 00
Total balance with banks	63 23	9 95 06

2.16 RECEIVABLES FROM FINANCING ACTIVITIES

(₹ in '000)

Particulars	As at	
	31-Mar-13	31-Mar-12
(Secured, considered good unless otherwise stated)		
A. Principal outstanding in current maturity of:		
1. Hypothecation Loan (Net of buyout Loan)	2 37 16 52	1 56 98 18
2. Other Loans		
Gold Loan	1 31 24	5 01 82
Loan against Demand Promissory Notes (Unsecured)	73 49	63 41
Loan Against Debenture	30 07	37 93
B. Interest Accrued on the above loans		
Hypothecation Loan	6 94 05	4 12 40
Gold Loan	-	71 30
Loan Against Debenture	1 50	1 40
Total	2 46 46 87	1 67 86 44

2.17 SHORT TERM LOANS AND ADVANCES

(₹ in '000)

Particulars	As at	
	31-Mar-13	31-Mar-12
(Unsecured, considered good unless otherwise stated)		
Advances to Dealers	35 81	45 62
Other Advances	5 76	5 29
Tax Refund Receivable	23 35	23 44
Total	64 92	74 35

2.18 OTHER CURRENT ASSETS

(₹ in '000)

Particulars	As at	
	31-Mar-13	31-Mar-12
Income Receivables	1 10	1 00
Deposit with Bombay Stock Exchange	-	26 00
Muthoot Fincorp Ltd	6 39 05	-
Interest Accrued but not due on Fixed Deposits	-	13 97
Repossessed Asset (Net of Provision)	34 32	8 99
Total	6 74 47	49 96

2.19 REVENUE FROM OPERATION

(₹ in '000)

Particulars	Year Ended	
	31-Mar-13	31-Mar-12
Income from Financial Operations		
Interest on Hypothecation Loan	88 68 02	49 64 91
Interest on Gold Loan	45 77	6 16 21
Interest on DPN and other Loans	27 45	40 93
	89 41 24	56 22 05
Income from Other Financial Services		
Hypothecation Loan Management and Administration Fee	17 22 71	10 64 07
Income from Insurance business	-	15 27
	17 22 71	10 79 34
Total	1 06 63 95	67 01 39

2.20 OTHER INCOME

(₹ in '000)

Particulars	Year Ended	
	31-Mar-13	31-Mar-12
Income from Wind Mill Operations	10 65	8 77
Net gain / loss on sale of investments	1 81	1 77
Dividend Income	46	58
Interest on Term Deposits in Bank	17 86	13 97
Excess Provision written back	24 78	3 62
Miscellaneous Income	1 78	5 12
Unclaimed balances written back	42	-
Total	57 76	33 83

2.21 EMPLOYEE BENEFIT EXPENSES

(₹ in '000)

Particulars	Year Ended	
	31-Mar-13	31-Mar-12
Salaries and wages	16 04 05	9 04 34
Incentive to employees	3 94 41	2 60 01
Contribution to Provident and Other funds	1 12 09	27 16
Gratuity Expense	33 56	13 68
Staff welfare expense	16 80	16 13
Bonus	9 34	-
CSR Expenses	4 29	-
Total	21 74 54	12 21 32

2.22 FINANCE COSTS

(₹ in '000)

Particulars	Year Ended	
	31-Mar-13	31-Mar-12
Interest on borrowings	35 16 11	19 64 85
Other Interest	80	1 40
Other Financial Expenses	1 14 70	66 62
Total	36 31 61	20 32 87

2.23 OTHER EXPENSES

(₹ in '000)

Particulars	Year Ended	
	31-Mar-13	31-Mar-12
Power and Fuel	14 24	11 02
Rent	1 30 33	60 52
Repairs and Maintenance	10 23	6 48
Insurance	22 70	28 98
Rates & Taxes (excluding taxes on income)	14 69	17
Incentive	7 20 19	4 32 23
Investigation and Professional Charges for Auto loans	2 19 73	1 74 98
Business Promotion Expense	99 78	1 03 78
Communication Expenses	68 07	49 51
Donation	11 05	-
Travelling Expenses	49 46	45 69
Printing & Stationery	55 27	35 75
Rights Issue Expenses	-	29 27
Advertisement Expenses	15 58	19 57
Internal Audit Fees	7 13	4 41
Payment to Statutory Auditors	8 84	7 84
AGM Expenses	4 54	4 70
Wind Mill Expense	4 83	4 10
Miscellaneous Expenses	14 06	18 12
Total	14 70 72	10 37 12

Payment to Statutory Auditors

(₹ in '000)

Particulars	As at	
	31-Mar-13	31-Mar-12
Audit fees and Limited Review	8 00	6 45
Taxation matters	84	44
Other services	-	95
Total	8 84	7 84

2.24 PROVISIONS

(₹ in '000)

Particulars	Year Ended	
	31-Mar-13	31-Mar-12
Provision for Non Performing Assets	40 03	20
Provision For Standard Assets	39 00	30 45
Provision for fall in value of Repossessed Assets	27 39	15 61
	1 06 42	46 26
Provision for Gratuity	25 41	-
Provision For Contingencies	31 14	66 09
Provision for Diminution in Value of Shares	1 44	-
Total	1 64 41	1 12 35

3. DEFINED BENEFIT PLANS - GRATUITY PLAN

The company has entered into an arrangement with the LIC of India to cover the liability payable to the employees towards the gratuity under a Gratuity Trust Scheme based on Group Gratuity Cum Assurance Scheme of the LIC of India which is a defined benefit scheme and the company has to make contributions under such scheme.

(A) Reconciliation of benefit obligation and plan asset for the year

(₹ in '000)

Particulars	Year Ended	
	31-Mar-13	31-Mar-12
(i) Change in Defined Benefit Obligation		
Opening Defined Benefit Obligation	25 44	11 10
Current Service Cost	10 56	4 49
Interest Cost	2 03	89
Actuarial Losses / (Gain)	23 92	8 96
Closing Defined Benefit Obligation	61 95	25 44
(ii) Change in Fair Value of Plan Assets		
Opening Fair Value of Plan Assets	31 51	5 71
Expected Return on Plan Assets	2 95	66
Actuarial Gain / (Losses)	-	-
Contributions by employer	8 15	25 14
Benefits Paid	-	-
Closing Fair Value of Plan Assets	42 61	31 51

(B) Amount recognized in Balance Sheet

(₹ in '000)

Particulars	Year Ended	
	31-Mar-13	31-Mar-12
Present Value of Funded Obligations	61 95	25 44
Fair Value of Plan Assets	(42 61)	(31 51)
Net Asset/(Liability)	(19 34)	6 07

(C) Expense recognized in Statement of Profit & Loss.

(₹ in '000)

Particulars	Year Ended	
	31-Mar-13	31-Mar-12
Current Service Cost	10 56	4 49
Interest on defined benefit obligation	2 03	89
Expected return on plan asset	(2 95)	(66)
Net Actuarial losses/(gains) recognized in the year	23 92	8 96
Total, included in "Employee Benefit Expense"	33 56	13 68
Actual return on plan asset	2 95	66

(D) The principal assumptions used in determining gratuity obligation for the Company's plans are shown below:

Particulars	Year Ended	
	31-Mar-13	31-Mar-12
1. Discount Rate (p.a.)	8%	8%
2. Salary Escalation Rate (p.a.)	5%	7%

4. ASSET SECURITISATION

During the year, the company securitised part of the Hypothecation Loans receivables at par representing the principle component, the details of which are given below:

(₹ in '000)

Particulars	Year Ended	
	31-Mar-13	31-Mar-12
Total Number of Asset Securitised	51 26	-
Total Book Value of Asset Securitised	29 57 47	-
Buyout Loan outstanding	27 81 28	-

The sales consideration received as on September 24, 2012 was ₹ 3725.84 lakhs

5. RELATED PARTY DISCLOSURES

1. List of related parties as on March 31, 2013 is given below.

A. Particulars of Companies/ Firms/Proprietorship where control / significant influence exists:-

SI No	Name of the Company/Firm
1	Alaska Agri Projects And Hospitalities Private Limited
2	Bamboo Agri Projects And Hospitalities Private Limited
3	Buttercup Agri Projects And Hospitalities Private Limited
4	Calypso Agri Development And Hospitalities Private Limited
5	Cinnamon Agri Development And Hospitalities Private Limited
6	Double Tails Agri Development And Hospitalities Private Limited
7	El Toro Agri Projects And Hospitalities Private Limited
8	Fireworks Agri Development And Hospitalities Private Limited
9	Flame Agri Projects And Hospitalities Private Limited
10	Fox Bush Agri Development And Hospitalities Private Limited
11	Goblin Agri Projects And Hospitalities Private Limited
12	Jungle Cat Agri Development And Hospitalities Private Limited
13	L.M.Realtors Private Limited
14	Linden Agri Ventures And Hospitalities Private Limited
15	Mandarin Agri Ventures And Hospitalities Private Limited
16	Mariposa Agri Ventures And Hospitalities Private Limited
17	MPG Air Catering LLP
18	MPG Apex Management LLP
19	MPG Asset Management LLP
20	MPG Automobiles LLP
21	MPG Hospitality LLP
22	MPG Hotels And Infrastructure Ventures Private Limited
23	MPG Land And Estate LLP
24	MPG Land Developers LLP

SI No	Name of the Company/Firm
25	MPG Real Estate LLP
26	MPG Sports Academy Private Limited
27	Musk Agri Ventures And Hospitalities Private Limited
28	Muthoot Agri Development And Hospitalities Private Limited
29	Muthoot Agri Projects And Hospitalities Private Limited
30	Muthoot Agri Ventures And Hospitalities Private Limited
31	Muthoot Apt Ceramics Limited
32	Muthoot Automobile Solutions Private Limited
33	Muthoot Automotive (India) Private Limited
34	Muthoot Bankers
35	Muthoot Buildtech (India) Private Limited
36	Muthoot Cine Enterprises
37	Muthoot Equities Limited
38	Muthoot Estate Investments
39	Muthoot Exim Private Limited
40	Muthoot Finance Company
41	Muthoot Fincorp Limited
42	Muthoot Holdings Private Limited
43	Muthoot Hotels Private Limited
44	Muthoot Housing Finance Company Limited
45	Muthoot Infrastructure limited
46	Muthoot Insurance Services
47	Muthoot Kuries Private Limited
48	Muthoot Land And Estates Private Limited
49	Muthoot Microfin Limited
50	Muthoot Motors (Cochin)
51	Muthoot Motors Pvt Limited

SI No	Name of the Company/Firm
52	Muthoot Pappachan Chits (India) Private Limited
53	Muthoot Pappachan Medicare Private Limited
54	Muthoot Pappachan Technologies Private Limited
55	Muthoot Properties (India) Private Limited
56	Muthoot Risk Insurance And Broking Services Private Limited
57	Emmel Realtors and Developers Pvt. Ltd.
58	Palakkad Infrastructure Private Limited
59	Pine Pink Agri Ventures And Hospitalities Private Limited
60	The Right Ambient Resorts Pvt Limited
61	Muthoot Pappachan Foundation

B. Key Management Personnel

SI. No.	Name of the Person	Designation
1	Thomas John Muthoot	Chairman
2	Thomas George Muthoot	Managing Director
3	Thomas Muthoot	Director
4	R. Manomohanan	Chief Executive Officer

C. Relative of Key Managerial Personnel

SI.No.	Key Managerial person	Name of Relative	Nature of Relationship
1	Thomas John Muthoot	Mrs. Janamma Thomas	Mother
		Mrs. Preethi John	Spouse
		Ms. Susan John Muthoot	Daughter
		Mr. Thomas M John	Son
2	Thomas George Muthoot	Mrs.Nina George	Spouse
		Ms. Tina Suzanne George	Daughter
		Ms. Ritu Elizabeth George	Daughter
		Ms. Swetha Ann George	Daughter
3	Thomas Muthoot	Mrs. Remy Thomas	Spouse
		Ms. Suzannah Muthoot	Daughter
		Ms. Hannah Muthoot	Daughter

SI.No.	Key Managerial person	Name of Relative	Nature of Relationship
4	R. Manomohan	Mrs. S. Krishnakumari Mr. Binu Mohan M Mr. Ginu Mohan M	Spouse Son Son

2. The list of related party transactions for the year ended March 31, 2013

Details relating to parties referred to in Item (A)

(₹ in '000)

SI No	Particulars	As at	
		31-Mar-13	31-Mar-12
	i) Transactions		
1	Business Promotion Expenses	89 65	95 50
2	Liability taken over by the related party	-	2 23
3	Dealer Incentive Expense	42 29	23 27
4	Donation	11 00	-
5	Travelling Expenses	1 50	-
	ii) Outstanding Balances		
1	Amount Receivable (net of provision)	6 37 65	-
2	Amount Payable for Reimbursement of Operating Expenses	-	37 78
3	Amount Payable for Business Promotion Expenses	1 09 11	34 31
4	Amount Payable for Liability taken over by the related party	5 79	5 79
5	Amount Payable for Dealer Incentive Expense	5 12	3 05

Details relating to parties referred to in Item (B)

(₹ in '000)

SI No	Particulars	As at	
		31-Mar-13	31-Mar-12
	i) Transactions		
1	Rent paid	1 24 00	56 37
2	Salaries, allowances and incentives	1 91 66	1 07 23
3	PF contribution	10 08	19
4	Reimbursement of Expenses	2 18	1 56
5	Interest on loans	67 70	2 35 88
6	Dividend Paid	3 04 52	1 30 48
	ii) Outstanding Balances		
1	Loan From Directors payable including interest	7 68 25	9 17 41
2	Maximum amount of credit in Transaction with above	7 72 74	69 07 06
3	Rent Deposit	25 00	25 00

Details relating to parties referred to in Item (C)

(₹ in '000)

SI No	Particulars	For the year Ended	
		31-Mar-13	31-Mar-12
1	Hypothecation Loan Instalments Received	-	64
2	Dividend Paid	43 93	20 77

6. LEASES

Obligation on long term non cancellable operating leases

The Lease rentals charged during the period and the maximum obligation on long term, non-cancellable operating leases payable as per the rentals stated in the respective agreements are as follows:

(₹ in '000)

SI No	Particulars	Transaction for the Year	
		2012-13	2011-12
1	Lease rentals recognized during the period	1 28 24	53 84
2	Lease obligations payable Not later than one year	1 31 03	1 24 73

(₹ in '000)

SI No	Particulars	Transaction for the Year	
		2012-13	2011-12
	Not later than one year and not later than five years	1 01 87	1 99 64
	Later than five years	31 42	3 65
	Total	3 92 56	3 81 86

The operating lease arrangements are renewable on a periodic basis and relates to rented premises. The lease agreements have price escalation clauses.

7. EMPLOYEES DRAWING REMUNERATION IN EXCESS OF RS. 5 LAKHS PER MONTH FOR PART OR WHOLE OF THE YEAR

- (i) Mr. Thomas George Muthoot, Managing Director, was paid Salary and allowances of ₹ 115.44 Lakhs during the year ended March 31, 2013 (2012: ₹ 62.65 Lakhs).
- (ii) Mr. R. Manomohanam, Chief Executive Officer, was paid salary, allowances and commission on profits of ₹ 88.49 Lakhs.

8. EARNING PER SHARE

Particulars	As at	
	31-Mar-13	31-Mar-12
Net profit or loss for the year attributable to equity shareholders (₹ in '000)	21 75 93	15 50 99
Weighted average number of equity shares (in '000)	1 24 73	1 18 24
Basic Earnings per share (in ₹)	17.45	13.12

9. CONTINGENT LIABILITIES NOT PROVIDED FOR

(₹ in '000)

Particulars	As at	
	31-Mar-13	31-Mar-12
Income Tax issues where the Company is in appeal	23 58	-
Cases remanded back to assessing authority on the basis of the appeal filed before Income Tax Appellate Tribunal by the Income Tax department.	-	5 52

The Company is of the opinion that the above demands are not sustainable and expects to succeed in its appeals / defense.

10. GENERAL

- (i) Some of Receivables and Payables, Loans and Advances, Hypothecation loan, Deposits, Secured Bonds and Unsecured Loans are subject to confirmation/reconciliation due to non receipt of the statement of accounts and confirmation letters. Necessary adjustments if any in the accounts will be made on completion of the reconciliation/receipt of confirmation letters/statement of accounts.

(ii) **Amount payable to Micro, Small And Medium Enterprises**

There is no Micro, Small and Medium Enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006 to whom the Company owes dues on account of principal amount together with interest and accordingly no additional disclosures have been made.

The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

(iii) **Particulars of secured privately placed redeemable non convertible debentures**

Secured by a charge on all movable assets, book debts, receivables and advances including loan against gold created by the Company.

(₹ in '000)

Series	Financial Year of Maturity	Number of Bonds	Amount
4	2010-11	10	10
	Total	10	10
B	2007-08	6	6
B	2013-14	7.62	7.62
B	2014-15	42.95	42.95
	Total	50.63	50.63
C	2012-13	20	20
	Total	20	20
E	2014-15	6.50	6.50
E	2015-16	6	6
	Total	6.56	6.56
F	2014-15	67	67
F	2015-16	18.49	18.49
	Total	19.16	19.16

(₹ in '000)

Series	Financial Year of Maturity	Number of Bonds	Amount
G	2012-13	8	8
G	2014-15	42	42
G	2015-16	12 52	12 52
	Total	13 02	13 02
H	2010-11	2	2
H	2013-14	71 04	71 04
H	2014-15	1 00	1 00
H	2015-16	7 93	7 93
H	2016-17	30 68	30 68
	Total	1 10 67	1 10 67
I	2012-13	60	60
I	2013-14	3 94	3 94
I	2015-16	13 90	13 90
I	2016-17	11 65	11 65
	Total	30 09	30 09
J	2011-12	11	11
J	2013-14	53 57	53 57
J	2016-17	25 28	25 28
	Total	78 96	78 96
K	2011-12	3	3
K	2013-14	38 94	38 94
K	2015-16	50	50
K	2016-17	4 62	4 62
	Total	44 09	44 09
M	2012-13	15 57	15 57
M	2013-14	1 11 30	1 11 30
M	2014-15	60 62	60 62
M	2016-17	59 59	59 59
M	2017-18	25 00	25 00
	Total	2 72 08	2 72 08

(₹ in '000)

Series	Financial Year of Maturity	Number of Bonds	Amount
N	2012-13	14 69	14 69
N	2013-14	5 16 07	5 16 07
N	2014-15	28 06	28 06
N	2015-16	36 00	36 00
N	2017-18	86 56	86 56
	Total	6 81 38	6 81 38
P	2013-14	88 73	88 73
P	2014-15	1 30 35	1 30 35
P	2015-16	44 08	44 08
P	2017-18	4 00	4 00
	Total	2 67 16	2 67 16
R	2013-14	1 46 15	1 46 15
R	2014-15	2 52 74	2 52 74
R	2015-16	71 22	71 22
	Total	4 70 11	4 70 11
	GRAND TOTAL	20 44 21	20 44 21

II. DISCLOSURE AS REQUIRED IN TERMS OF PARAGRAPH 13 OF NON-BANKING FINANCIAL COMPANIES PRUDENTIAL NORMS (RESERVE BANK) DIRECTIONS, 2007.

Liabilities side

(I) Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:

(₹ in '000)

Sl No	Particulars	Amount Outstanding	Amount Overdue
(a)	Debentures : Secured	22 85 51	35 82
	: Unsecured (Other than falling within the meaning of public deposits)	Nil	Nil
(b)	Deferred Credits	Nil	Nil
(c)	Term Loans	Nil	Nil
(d)	Inter- corporate loans and borrowings	Nil	Nil
(e)	Commercial Paper	Nil	Nil
(f)	Public Deposits	Nil	Nil
(g)	Other loans	Nil	Nil

(₹ in '000)

SI No	Particulars	Amount Outstanding	Amount Overdue
	<u>Working Capital Demand Loan</u>		
	South Indian Bank Ltd	20 00 00	Nil
	ICICI Bank Ltd	19 95 00	Nil
	HDFC Bank Ltd	15 00 00	Nil
	State Bank of Travancore	75 00 00	Nil
	Kotak Mahindra Bank	15 00 00	Nil
	Dhanlaxmi Bank Limited	16 00 00	Nil
	State Bank of Hyderabad	25 18 40	Nil
	IndusInd Bank Ltd	9 53 69	Nil
	<u>Cash Credit</u>		
	Federal Bank Ltd	15 12 25	Nil
	IndusInd Bank Ltd	50 51	Nil
	State Bank of India	1 00 37 12	Nil
	Axis Bank Ltd	7 54 88	Nil
	City Union Bank Ltd	6 94	Nil
	South Indian Bank Ltd	4 98 62	Nil
	State Bank of Travancore	2 75	Nil
	Loans and Advances From Directors (unsecured)	7 68 25	Nil
	Total	3 54 83 92	35 82

Note : Amount overdue ₹ 35.82 Lakhs against secured debentures represents debentures for which payments could not be made as claims were not received from debenture holders.

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

(₹ in '000)

SI No	Particulars	Amount Outstanding	Amount Overdue
a)	In the form of unsecured debentures	Nil	Nil
b)	In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	Nil	Nil
c)	Other public deposits	Nil	Nil

Asset Side

(3) Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:

(₹ in '000)

SI No	Particulars	Amount Outstanding
(a)	Secured	1 62 81
(b)	Unsecured	73 49

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

(₹ in '000)

SI No	Particulars	Amount Outstanding
(i)	Lease assets including lease rentals under sundry debtors	
	(a) Financial lease	Nil
	(b) Operating lease	Nil
(ii)	Stock on hire including hire charges under sundry debtors:	
	(a) Assets on hire	Nil
	(b) Repossessed Assets	Nil
(iii)	Hypothecation loans counting towards EL/HP activities	
	(a) Loans where assets have been repossessed	80 62
	(b) Loans other than (a) above	4 61 32 73

(5) Break-up of Investments

(₹ in '000)

SI no	Particulars	Amount Outstanding	Market value
I	Current Investments: -		
	Quoted: -		
	(i) Shares:		
	(a) Equity	20 32	33 03
	(b) Preference	Nil	Nil
	(ii) Debentures and Bonds	Nil	Nil
	(iii) Units of mutual funds	Nil	Nil

SI no	Particulars	Amount Outstanding	Market value
2	(iv) Government Securities	Nil	Nil
	(v) Others (please specify)	Nil	Nil
	Unquoted: -		
	(i) Shares:		
	(a) Equity	Nil	Nil
	(b) Preference	Nil	Nil
	ii) Debentures and Bonds	Nil	Nil
	(iii) Units of mutual funds	Nil	Nil
	(iv) Government Securities	Nil	Nil
(v) Others (Please specify)	Nil	Nil	
1	Long Term investments: -		
	Quoted: -		
	(i) Shares:		
	(a) Equity	Nil	Nil
	(b) Preference	Nil	Nil
	(ii) Debentures and Bonds	Nil	Nil
	(iii) Units of mutual funds	Nil	Nil
	(iv) Government Securities	Nil	Nil
(v) Others (Please specify) - Gold Exchange Traded Fund of UTI	19	57	
2	Unquoted: -		
	(i) Shares:		
	(a) Equity	Nil	Nil
	(b) Preference	Nil	Nil
	(ii) Debentures and Bonds	Nil	Nil
	(iii) Units of mutual funds	Nil	Nil
	(iv) Government Securities	Nil	Nil
(v) Others (Please specify)	Nil	Nil	

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

(₹ in '000)

SI No	Category	Amount net of provisions		
		Secured	Unsecured	Total
1	Related Parties			
	(a) Subsidiaries	Nil	Nil	Nil
	(b) Companies in the same group	Nil	Nil	Nil
	(c) Other related parties	Nil	Nil	Nil
2	Other than related parties	4 62 72 62	73 17	4 63 45 79
	Total	4 62 72 62	73 17	4 63 45 79

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

(₹ in '000)

SI No	Category	Market Value/ Break-up or fair value or NAV	Book Value (Net of provisions)
1	Related Parties		
	(a) Subsidiaries	Nil	Nil
	(b) Companies in the same group	Nil	Nil
	(c) Other related parties	Nil	Nil
2	Other than related parties	33 60	20 51
	Total	33 60	20 51

(8) Other Information

(₹ in '000)

SI No	Particulars	Amount
(i)	Gross Non Performing Assets	
	(a) Related Parties	Nil
	(b) Other than related parties	4 55 53
(ii)	Net Non –Performing Assets	
	(a) Related Parties	Nil
	(b) Other than related parties	3 97 97
(iii)	Assets acquired in satisfaction of debt (after provision of ₹ 46. 30 Lakhs for diminution in the value of repossessed assets)	34 32

12 DISCLOSURE PURSUANT TO CLAUSE 32 AND 41 OF THE LISTING AGREEMENT

(₹ in '000)

Sl. No.	Loans & Advance	Amount outstanding as at 31-Mar-13	Maximum amount outstanding during the Year Ended 31-Mar-13
(A)	To Subsidiaries	Nil	Nil
(B)	To Associate/Joint Venture	Nil	Nil
(C)	To Firms/Companies in which directors are interested (other than (A) & (B) above)	Nil	Nil
(D)	Where there is		
	(i) No repayment schedule	Nil	Nil
	(ii) Repayment beyond seven years	Nil	Nil
	(iii) Interest below the rate specified in Section 372 A of the Companies Act	Nil	Nil

For K.VENKATACHALAM AIYER & CO
CHARTERED ACCOUNTANTS
Firm Regn No: 004610 S

Sd/-

CA .A. GOPALAKRISHNAN
PARTNER
Membership Number: 18159

Place - Kochi
Date - May 05, 2013

Sd/-

THOMAS JOHN MUTHOOT
CHAIRMAN

Sd/-

THOMAS MUTHOOT
DIRECTOR

For and on Behalf of the Board of Directors of
MUTHOOT CAPITAL SERVICES LTD

Sd/-

THOMAS GEORGE MUTHOOT
MANAGING DIRECTOR

Sd/-

MALATHY N
COMPANY SECRETARY



**MUTHOOT CAPITAL SERVICES LTD
MUTHOOT PAPPACHAN GROUP**

Regd. Office : 3rd Floor, Muthoot Towers, M. G. Road, Kochi -35

ATTENDANCE SLIP

(To be handed over at the entrance of the Meeting Hall)

I hereby record my presence at the nineteenth Annual General Meeting of the Company at the International Hotel, P.B. No. 3563, Veekshanam Road, Kochi – 682 035 at 10.00 a.m on 8th August, 2013.

.....
Full name of the Member (in block letters) Signature

Folio No. DP ID No. * Client ID No. *
* Applicable for member holding shares in electronic form.

.....
Full name of the Proxy (in block letters) Signature

Member / Proxy holder wishing to attend the meeting must bring the Attendance Slip to the meeting.

**MUTHOOT CAPITAL SERVICES LTD
MUTHOOT PAPPACHAN GROUP**

Regd. Office : 3rd Floor, Muthoot Towers, M. G. Road, Kochi -35

PROXY FORM

I/We of in the district of being a member(s) of the above named Company, hereby appoint of in the district of or failing him/her of as my/our proxy to vote for me/us, on my/our behalf at the nineteenth Annual General Meeting of the Company to be held on 8th August, 2013, at 10 a. m., at the International Hotel, P.B. No. 3563, Veekshanam Road, Kochi - 682035 and at any adjournment thereof.

Signed this day of 2013.

Folio No. DP ID No. * Client ID No. *
* Applicable for members holding shares in electronic form.

No. of shares held : (Signature of the Member)

This form is to be used ** in favour of the resolution.
** against

Affix One
Rupee
Revenue
Stamp

Unless otherwise instructed, the Proxy will act as he/she thinks fit.

** Strike out whichever is not desired.

- NOTES : I) The Proxy must be returned so as to reach the Registered Office of the Company, not less than 48 hours before the time for holding the aforesaid meeting.
II) Those members who have multiple folios with different joint holders may use copies of this Attendance Slip / Proxy.

BOARD OF DIRECTORS



Thomas John Muthoot
Chairman



Thomas George Muthoot
Managing Director



Thomas Muthoot
Director



Philip Thomas
Director



A. P. Kurian
Director



R. K. Nair
Director

CHIEF EXECUTIVE OFFICER



R. Manomohan



Muthoot Capital Services Ltd., Muthoot Towers, M.G. Road, Kochi - 682 035.
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