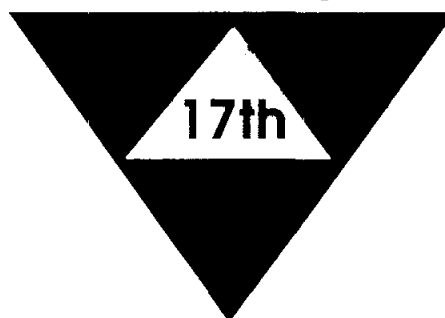




Annual Report



1999 - 2000

***VCK* CAPITAL MARKET SERVICES LIMITED**



BOARD OF DIRECTORS

MR. SANTI PRASAD SEN GUPTA	: <i>Chairman</i>
MR. MADHUKAR KAMPANI	: <i>Vice Chairman</i>
MR. HEMAL KAMPANI	: <i>Managing Director</i>
MR. REINHOLD JUNGSMANN	
MR. PARESH RAJDA	
MR. RAJIV KHAITAN	
MR. RAJESH C. GANDHI	
MR. SANDIP KAMPANI	
MR. N. KAPADIA	: <i>Alternate Director to Reinhold Jungmann</i>
MR. RAJ KUMAR TRIPATHI	: <i>Company Secretary</i>
M/S. R. K. Venkatesan & Co.	: <i>Auditors</i>
Chartered Accountants	

REGISTRAR & SHARE TRANSFER AGENT :

AMI Computers (I) Ltd.
60 A & B, Chowringhee Road
Calcutta - 700 020

BANKERS

ANZ Grindlays Bank
The Bank of Rajasthan Ltd.
Bank of Baroda
State Bank of India
Bank of America

REGISTERED OFFICE :

'Duckback' House
41, Shakespeare Sarani
Calcutta - 700 017
Phone : 247-4413/5545/4838
Fax : (091) (033) 2478479

BRANCH OFFICE :

Carmello's Building, Room No. 22
63/67, Pathakwadi, L. T. Marg
Crawford Market, Mumbai-400 002

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VCK CAPITAL MARKET SERVICES LIMITED**NOTICE**

NOTICE is hereby given that the Seventeenth Annual General Meeting of the members of the Company will be held on Thursday, 7th September, 2000 at H.M. Plaza, 8, A.J.C. Bose Road, Circular Court, Ground Floor, Calcutta - 700 017 to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Accounts of the Company for the financial year ended March 31, 2000, the Balance Sheet of even date and reports of the Directors and Auditors thereon.
2. To appoint a director in place of Mr. Rajiv Khaitan who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a director in place of Mr. Paresh Rajda who retires by rotation and being eligible offers himself for reappointment.
4. To appoint auditors and fix their remuneration.

SPECIAL BUSINESS

To consider and if thought fit, to pass with or without modification the following resolutions :

5. As a special resolution :

'RESOLVED THAT pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the articles of association of the Company be and are hereby altered by incorporating the following heading and a new article 16A with a marginal note thereto after Article 16 :

"DEMATERIALISATION OF SECURITIES"

16A (1) For the purpose of this article :

Definitions (i) "Beneficial Owner" means the beneficial owner as defined in clause (a) of subsection (1) of section 2 of the Depositories Act, 1996;

(ii) "Depositories Act" means a Depository under the Depositories Act, 1996 and includes any statutory modification (s) or re-enactment thereof for the time being in force;

(iii) 'Depository' means a Depository as defined under clause (e) of sub-section (1) of Section 2 of the Depositories Act; and

(iv) 'Securities' mean such securities as may be specified by the Securities and Exchange Board of India from time to time;

Dematerialization & Rematerialization (2) Notwithstanding anything contained in this Articles, the company shall be entitled to dematerialise or rematerialize its securities and to offer securities in dematerialized form pursuant to the Depositories Act; 1996.

Transfer of Dematerialized securities (3) Nothing contained in section 108 of the Companies Act, 1956 or these Articles shall apply to any transfer of securities effected by a transferor and a transferee both of whom are entered as beneficial owners in the records of the depository and the provisions of the Depositories Act, 1996, shall apply to such transfers.

6. As a special resolution

"RESOLVED THAT subject to the provisions of Companies Act 1956 (including any statutory modification (s) or any re-enactment thereof for the time being in force and as may be enacted hereinafter), and subject to such approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to, by the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall be deemed to include any committee thereof for the time being exercising the powers conferred on the board by this resolution), consent is hereby accorded to the Board to delist its shares and all other securities from The Stock Exchange, Ahmedabad & The Vadodara Stock Exchange Limited."

Registered Office :
'Duckback House'
41, Shakespeare Sarani
Calcutta - 700 017
22nd June, 2000

By Order of the Board

R. K. Tripathi
Company Secretary

**NOTES :**

1. A member entitled to attend and vote at this Annual General Meeting may appoint a proxy to attend and vote on a poll on his behalf and the proxy need not be a member of the Company. Proxies in order to be effective must be received at the registered office of the Company not less than forty-eight hours before the meeting. Members/Proxies should bring their attendance slips duly filled in for attending the Meeting.
2. The Register of Members and Share Transfer Books of the Company will remain closed from September 4, 2000 to September 7, 2000 (both days inclusive).
3. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of item No. 5 & 6 is annexed hereto.
4. The members are requested to bring their copies of the reports and accounts to the meeting.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 IN RESPECT OF ITEMS OF SPECIAL BUSINESS SET OUT IN THE NOTICE CONVENING 17TH ANNUAL GENERAL MEETING OF THE COMPANY TO BE HELD ON THURSDAY, 7TH SEPTEMBER, 2000

Item No. 5

On the enactment of the Depositories Act, 1996, some provisions of the Companies Act, 1956 have been amended. The depository system of holding securities in an electronic form is a far safer and convenient method for holding and trading in the securities of the company.

SEBI through its circular dated 29.5.2000 has made it compulsory to dematerialise the securities of the company and therefore a new Article 16A is proposed to be inserted for this purpose by altering the articles in the manner set out in the special resolution under Item No. 5 of the Notice.

The Board of Directors of the Company recommends

that the aforesaid special resolution be passed. None of the directors is concerned or interested in the resolution. A copy of the Memorandum and Articles of Association of the company will be available for inspection by the members of the company at its registered office of the company.

Item No. 6

The securities of the Company are listed on Calcutta, Mumbai Ahmedabad and Vadodara Stock Exchange. With the networking of Mumbai and Calcutta Stock Exchanges, the members of the company have access to online dealings in the company's securities across the country. A miniscule number of members are located in the regions where Ahmedabad and Vadodara stock exchanges are situated and trading volume on the said stock exchanges are negligible. Moreover, the company's shares are one of the scrips which SEBI has specified for settlement in demat form by all investors, effective 27th November, 2000. It has also been observed that the listing fees paid to the above two Stock Exchanges are disproportionately higher and trading volume are extremely low compared to the other Stock Exchanges. The proposed delisting will not therefore adversely affect any investors including the members located in regions where the said stock exchanges are situated.

As a part of its cost reduction measures, the company has proposed delisting of its securities from the above two Stock Exchanges in line with the SEBI Regulation for Voluntary Delisting.

The Board of Directors of the Company recommends the aforesaid special resolution be passed. None of the directors is concerned or interested in the resolution.

Registered Office :
'Duckback House'
41, Shakespeare Sarani
Calcutta - 700 017
22nd June, 2000

By Order of the Board

R. K. Tripathi
Company Secretary



DIRECTORS' REPORT

To The Members,

Your Directors present their Seventeenth Annual Report together with the audited statement of accounts for the financial year ended on March 31, 2000.

FINANCIAL RESULTS

The financial results of the Company for the year under review are summarised for your consideration:

PARTICULARS	(Rs. in Lacs)	
	Year ended March 31, 2000	1999
Income from Operations	111.32	100.99
Profit/(Loss) before Depreciation, Amortisation & Taxation	13.39	(41.73)
Provision for Depreciation	4.52	6.75
Amortisation of Miscellaneous Expenditure	5.74	5.74
Add/(Less) Prior Period Adjustments (Net)	(5.90)	0.23
Profit/(Loss) before Tax	(2.77)	(54.45)
Add: Income tax for earlier years	—	—
Profit/(Loss) after Tax	(2.77)	(54.45)
Paid up Share Capital	873.33	874.18

DIVIDENDS

In view of the losses made by the Company the directors do not recommend any dividend for the year ended 31st March, 2000.

OPERATIONS

The various functional activities of the Company are as below :

INVESTMENT BANKING & RETAIL MOBILISATION

Retail Mobilisation Group : It has got a very good response in respect of mutual fund market. In the initial stages its performance was satisfactory. The Retail Mobilization Group continued strengthening its Sub Brokers network and fund mobilization for client companies during the year under review. Total mobilization for fixed deposits of other bodies corporate amounted to Rs. 2493.92 lacs (previous year Rs. 2762.15 lacs).

VCK FIXED DEPOSIT SCHEMES

The Company has its obligations towards outstanding public deposits which got matured. Major Premature

repayments were also honoured by the company on the request received from depositors in distress who were disappointed by the inability of other companies to repay when it was utmost needed.

It is also to be noted that the amount of losses incurred during the year under review has been drastically reduced as compared to the previous financial year and the performance of the company is expected to improve in the coming years.

Information as per Non-Banking Finance Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998 as on March 31, 2000 is furnished below :

No. of Unclaimed Deposits : 12

Amount of Unclaimed Deposits : Rs.47000/-

CUSTOMER SERVICES

A customer service centre has been inaugurated at Siliguri from 5th June, 2000. The company plans to launch many more centres on an all India basis in the coming fiscal year.

A monthly review bulletin is published for benefit of the clientele and provides them with crucial information, facts and figures and the present status of the market.

The company has also launched a web site named www.vckgroup.com that provides valuable information to the client.

FUTURE OUTLOOK ON RMB

The Company's efforts is largely concentrated in the new issues, bonds, fixed deposits, mutual funds etc. The Company is also undertaking expansion plans and in the next years to come it is hoped that RMB would succeed in mobilising investment to the tune of around Rs.500 Crores annually.

CORPORATE GOVERNANCE

Your Company has a long standing commitment of building shareowner value with emphasis on Corporate Governance. The Company is also in the process of active implementation of the code of Corporate Governance recommended by the Securities and Exchange Board of India (SEBI).

Y2K COMPLIANCE

The Company had undertaken adequate measures and is now Y2K compliant. No problem was found on this account during the transition and thereafter.