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Annual Report



2000 - 2001

VCK CAPITAL MARKET SERVICES LIMITED



BOARD OF DIRECTORS

Mr. Madhukar Kampani	:	Chairman
Mr. Hemal Kampani	:	Managing Director
Mr. Reinhold Jungmann	:	Director
Mr. Paresh Rajda	:	Director
Mr. Rajiv Khaitan	:	Director
Mr. Rajesh C. Gandhi	:	Director
Mr. Sandip Kampani	:	Director
Mr. N. L. Kapadia	:	Alternate Director to Reinhold Jungmann
Mr. Raj Kumar Tripathi	:	Company Secretary
M/s. R. K. Venkatesan & Co.	:	Auditors
Chartered Accountants		

REGISTRAR & SHARE TRANSFER AGENT :

C. B. Management Services Ltd.

P-22 Bondel Road, Kolkata - 700019

Phone : (033) 280 6692-93-94

Fax: (091) (033) 247 0263; email: cbmsl1@cal2.vsnl.net.in

BANKERS

Standard Chartered Grindlays Bank

The Bank of Rajasthan Ltd.

Bank of Baroda

State Bank of India, ABN-Amro Bank

HDFC Bank Ltd.

REGISTERED OFFICE

'Duckback House'

41, Shakespeare Sarani, Kolkata - 700017

Phone : (091) (033) 287 2387, Fax : (091) (033) 247 8479

email : vckcaps@hotmail.com

BRANCH OFFICES

Yash Kamal Complex	619, Makers Chamber V	20, Syed Mustafa Ali Road
4th Floor, Room No. 403	6th Floor, Nariman Point,	Hakim Para (Opp. Tarun Sangha Club)
Bistupur Main Rd, Jamshedpur-831001	Mumbai - 400021	P.O. & P.S. Siliguri, Dist. Darjeeling
Ph.: (0657) 440666, Fax : 440667	Ph.: (022) 2325727, Fax: (022) 2325737	Ph.: (0353) 529811

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VCK CAPITAL MARKET SERVICES LIMITED**NOTICE**

NOTICE is hereby given that the Eighteenth Annual General Meeting of the members of VCK Capital Market Services Limited will be held on Tuesday, 21st August 2001 at 11.30 A.M at H. M. Plaza, 8, A. J. C. Bose Road, Circular Court, Ground Floor, Kolkata-700 017, to transact the following business :

AS ORDINARY BUSINESS

1. To receive, consider and adopt the audited Accounts of the Company for the financial year ended March 31, 2001, the Balance sheet of even date and reports of the Directors and Auditors thereon.

2. To appoint a director in place of Mr. Sandip Kampani who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a director in place of Mr. Rajesh C. Gandhi who retires by rotation and being eligible offers himself for reappointment.
4. To appoint Auditors and fix their remuneration.

Registered office:
'Duckback House',
41, Shakespeare Sarani
Kolkata- 700 017
Dated : 8.6.2001

By order of the board

R.K.Tripathi
Company Secretary

NOTES

1. A member entitled to attend and vote at this Annual General Meeting is entitled to appoint one or more proxies to attend and vote in his/her place and proxy, so appointed, need not be a member of the company.
2. A proxy form, duly completed, must be deposited at the Registered office of the company at least forty-eight hours before the commencement of the meeting.
3. The Register of Members and Share Transfer Books of the company will remain closed from 17th August, 2001 to 21st August, 2001 (both days inclusive).

4. Members desirous of obtaining any information regarding accounts and operations of the company are requested to write to the company, so that it reaches the company at least seven days before the Annual General Meeting, to enable the Company to keep the information ready at the time of the meeting.
5. The members are requested to bring their copies of the reports and accounts to the meeting.

Registered office:
'Duckback House',
41, Shakespeare Sarani
Kolkata- 700 017
Dated : 8.6.2001

By order of the board

R.K.Tripathi
Company Secretary



DIRECTORS REPORT

To The Members,

Your directors present their eighteenth Annual Report together with the Audited statement of Accounts for the year ended March 31, 2001.

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. 2001	2000
Income from operations	69.87	111.32
Profit / (Loss) before depreciation		
Amortisation & Taxation	(21.46)	13.39
Provision for Depreciation	3.91	4.52
Amortisation of Miscellaneous Expenditure	5.74	5.74
Add / Less Prior period Adjustments (Net)	(0.10)	(5.90)
Profit / (Loss) before Tax	(31.01)	(2.77)
Profit / (Loss) after Tax	(31.01)	(2.77)
Paid up share capital	873.33	873.33

DIVIDEND

In view of the adverse working results, the directors regret their inability to declare any dividend for the year under review.

OPERATION :

The various financial activities of the company are as below :

INVESTMENT BANKING

During the year under review, the company has continued providing Merchant Banking and Advisory Services which include preferential allotment of Shares, substantial acquisition of Shares and takeover.

RETAIL MOBILISATION

The equity market remained dull throughout the year. However, the debt funds of the mutual funds segment showed positive response but the overall mutual fund market did not yield the expected results. The fixed deposits segment has also showed negative growth in terms of previous years collection.

VCK FIXED DEPOSIT SCHEMES

As reported earlier the company continued honouring all its obligations regarding fixed deposits repayments on maturity including interest thereon.

Information as per Non - Banking Finance Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998 as on March 31, 2001 is furnished below:

No. of unclaimed deposits : 14

Amount of unclaimed deposits : Rs.56000/-

BOARD OF DIRECTORS

There was no change in the composition of the Board of directors for the year ending March 31, 2001. Mr. S. P. Sen Gupta chairman of Board of Directors informed his intention to relinquish office as director. This was noted and taken on record by the Board at its meeting held on 8th June, 2001. His wisdom, foresight and extreme dedication has been of immense value to the company. The Board of Directors wishes to place its gratitude for the invaluable services rendered by him during his long tenure as director. Mr. Rajesh C. Gandhi and Mr. Sandip Kampani, directors retire by rotation at the ensuing Annual General meeting of the company and being eligible offer themselves for reappointment.

SUBSIDIARY COMPANY

The statement required under section 212 (1) (e) of the Companies Act, 1956 in respect of subsidiary company VCK Sponsorship Fund Limited is appended to the Balance sheet of the company.

AUDITORS

Messers R.K. Venkatesan & Co., Chartered Accountants, Statutory Auditors of the Company retire at the forthcoming Annual General Meeting, but being eligible, offer themselves for appointment. The observations in the Auditor's Report have been dealt with in the relevant Notes to Accounts which are self explanatory.

AUDIT COMMITTEE

In accordance with changes brought about by Companies (Amendment) Act, 2000. Your Board of Directors has constituted an Audit Committee to ensure Compliance of newly inserted section 292A of the Companies Act, 1956. The committee acts as an interface between the management and the statutory, internal and Tax Auditors. It reviews the audit programme, report and compliances; it approves annual/half yearly/quarterly accounts, holds periodic dialogue with the statutory auditors and internal audit department and executives and review compliances with the reports of regulatory authorities. The committee comprises of the following :-

1. Mr. N.L. Kapadia	Chairman
2. Mr. Madhukar Kampani	Member
3. Mr. Paresch Rajda	Member
4. Mr. R.K. Tripathi	Secretary

HUMAN RESOURCES ACTIVITIES

In this millenium, no enterprise can survive without best utilisation of its human resources to its utmost potential limit. With increased competition due to globalisation and liberalisation, people have to be communicated transparently and facilitated to gear up their skills and react to the realistic situations. Training has therefore assumed great importance. Your company has endeavoured to provide continuous

VCK CAPITAL MARKET SERVICES LIMITED

training to hone the skill set. Therefore, the policy of your Company is clear on the thrust towards people, encouragement and development towards business growth.

INVESTOR SERVICES

The company has entered into an agreement with National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) for trading of its shares in dematerialised mode effective from November 27, 2000 and therefore shares of the company are now traded in dematerialised form.

PARTICULARS OF EMPLOYEES

The provisions of section 217 (2A) of the Companies act, 1956 read with Companies (particulars of Employees) Rules, 1975 are not applicable to the company.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO.

Since the company does not own any manufacturing facility, the provisions of section 217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosures of Particulars in the Report of the Board of Directors) Rules, 1988 regarding conservation of energy, technology absorption and foreign exchange earning and outgo are not applicable to the company.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to section 217 (2AA) of the Companies Act, 1956, your directors state that -

- in the preparation of Annual Accounts, the applicable accounting standard had been followed along with proper explanation relating to material departure,

- the directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the company at the end of financial year and the profit or loss of the company for the period,
- the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the company and preventing and detecting fraud and other irregularities,
- the directors had prepared the annual accounts on a going concern basis.

CORPORATE GOVERNANCE

The good corporate governance implies optimum utilisation of the resources and ethical behaviour of the enterprise to enhance the shareholders value with strong emphasis on transparency, accountability & integrity which are the primary objective of VCK.

ACKNOWLEDGEMENTS

The Board of Directors wishes to place on record its great appreciation and convey its thanks for the cooperation and assistance extended by the clients, shareholders, bankers, investors, registrars and share transfer agents, Government Departments and other intermediaries and look forward to their support.

For and on behalf of the Board

Madhukar Kampani
Chairman
Kolkata
Dated: 8th June 2001

Hemal Kampani
Managing Director

**AUDITORS' REPORT
TO THE MEMBERS OF VCK CAPITAL MARKET SERVICES LTD., KOLKATA**

We report that we have audited the Balance Sheet of VCK Capital Market Services Ltd. as at 31st March, 2001 and the relative Profit and Loss Account for the year ended on the said date which are in agreement with the Books of Accounts.

In our opinion and to the best of our information and according to the explanations given to us during the course of the audit, the Balance Sheet and the Profit and Loss Account, together with the schedules attached thereto subject to the following notes in Schedule 16, whose impact on the Company's Loss, wherever ascertainable, is stated in the respective notes :

1. Note No. 1.5(b) and (c) regarding non-accounting of certain income/expenses on accrual basis.
2. Note No. 3 in respect of non-provision of certain claims (amount unascertained) pending disposal of the matter by the Arbitrator.
3. Note No.6 regarding non provision of interest of Rs.5,30,595/- (12,16,576/-) on an Inter Corporate

Loan amount, as waiver of the interest is being negotiated.

4. Note No. 7 in respect of non-provision of shortfall of Rs.1,22,68,668/- in the value of long term quoted investments.
5. Note No. 8 in respect of liabilities for earlier years written back.
6. Note No. 11 in respect of non-deduction of tax at source on certain payments and non-provision of interest / penalty, if any, there against (amount unascertained).

And read together with other NOTES appearing thereon, give in the prescribed manner, the information required by the Companies Act, 1956 and also give respectively a true and fair view of the state of the Company's Affairs as on the 31st March, 2001 and its Loss for the year ended on that date.

We have obtained all the information and explanations which, to the best of our knowledge and belief, were