

20th

Annual Report

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2002-2003

***VCK* CAPITAL MARKET SERVICES LIMITED**

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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. Sandip Kampani	:	Director
Mr. N. L. Kapadia	:	Alternate Director of Reinhold Jungmann
Mr. Joydeep Dattagupta	:	Company Secretary
M/s. R. K. Venkatesan & Co.	:	Auditors
Chartered Accountants		

REGISTERED OFFICE

'Duckback House'

41, Shakespeare Sarani, Kolkata-700 017

Phone : (091) (033) 2287 2387

Fax : (091) (033) 2247 8479

email : vckcaps@hotmail.com

BRANCH OFFICE

Yash Kumal Complex

4th Floor, Room No. 403

Bistupur Main Road

Jamshedpur-831001

Phone : (065) 2440666 ; Fax : 2440667

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junction

619, Makers Chamber V
6th Floor, Nariman Point
Mumbai-400021

Phone : (022) 56325727

Fax : (022) 56325737

REGISTRAR & SHARE TRANSFER AGENT

C. B. Management Services Private Limited

P-22, Bondel Road, Kolkata-700 019

Phone : (033) 2280 6692-93-94

Fax : (091) (033) 2247 0263 ; email :

cbmsl1@cal2vsnl.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.

VCK CAPITAL MARKET SERVICES LIMITED**NOTICE**

NOTICE is hereby given that the 20th Annual General Meeting of VCK Capital Market Services Limited will be held at "Ganguram Hall", 81/A S.P Mukherjee Road, Kolkata -700026 on Wednesday the 24th day of September, 2003 at 10.00 A.M to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31 March 2003 and the Profit and Loss Account for the year ended on that date along with the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Rajiv Khaitan who retires by rotation and is eligible for reappointment.

3. To appoint a Director in place of Mr. Paresh Rajda who retires by rotation and is eligible for reappointment.
4. To appoint Auditors of the Company and to fix their remuneration.

By Order of the Board

J. Datta Gupta
Company Secretary

Regd. Office :
41, Shakespeare Sarani
Kolkata- 700017
Date : 31st July 2003

NOTES :

1. The Register of Members and Share Transfer Books in respect of the Equity and Preference Shares of the company will remain closed from 22nd September 2003 to 24th September, 2003 (both days inclusive).
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on poll instead of himself / herself and such proxy need not be a member of the Company.
3. Proxies in order to be effective must be received by the Company at its Registered Office not less than 48 hours before the meeting.
4. Members of the Company holding more than one share certificate in the same name under different Ledger folios, are requested to apply for consolidation of such folios and send the relevant share certificates to the Company's Registrar & Share Transfer Agent M/s. CB Management Services (p) Limited, situated at P-22 Bondel Road Kolkata- 700019.
5. Please note that as per the notification of SEBI, the Company's shares are under compulsory Demat trading, with effect from 27th November, 2000

for all the investors. You are therefore requested to demat your shareholding to avoid any inconvenience in future.

6. Members are also requested to notify change in address, if any, immediately to the Company's Registrar & Share Transfer Agent M/s. CB Management Services (p) Limited, situated at P-22, Bondel Road, Kolkata- 700019 by quoting their Folio number(s).

Members are requested to bring their own copies of the Annual Report and Admission slip at the meeting.

By Order of the Board

J. Datta Gupta
Company Secretary

Regd. Office :
41, Shakespeare Sarani
Kolkata- 700017
Date : 31st July 2003

VCK CAPITAL MARKET SERVICES LIMITED**DIRECTORS REPORT**

To the Members,

Your Directors present their TWENTIETH ANNUAL REPORT on the Business and operations of your Company together with Audited Financial Results for the year ended March 31 2003.

FINANCIAL RESULTS

The working results of the company for the year stand as under:

Particulars	(Rs. in Lacs)	
	Year ended March 31, 2003	2002
Income from operations	33.37	37.74
Profit/ (Loss) before depreciation	(16.00)	(12.48)
Amortisation & Taxation	-	-
Provision for Depreciation	3.79	3.91
Amortisation of Miscellaneous Expenditure	5.74	5.74
Add/ Less prior period Adjustments (net)	-	-
Profit/ (Loss) before Tax	(25.54)	(22.13)
Profit/ (Loss) after Tax	(25.54)	(34.08)
Paid up share Capital	873.33	873.33

DIVIDEND

In view of the adverse working results of the Company in the present scenario, the Directors regret their inability to declare any dividend for the year under review.

OPERATIONS

The Financial services and Merchant Banking Division depends on its eligibility to act as Category-1 Merchant Banker through securities and Exchange Board of India (SEBI). Your Company's licence has been renewed for a further period of 3 (Three) years and to make sure that we widespread our Retail Mobilisation and to ensure that any opportunity coming our way is encashed. There has been a growth in the Retail Mobilisation and we have also started participating with various Mutual Funds for marketing of their products jointly in different investors group.

The current status of the market has improved and there is every possibility of people redirecting their funds to Equity Mutual Funds which are more attractive in terms of revenue than Debt Mutual Funds.

The time of mergers and acquisition seems to be over, but, the flavour of the time is the consolidation and advising smaller Companies on delisting at various smaller Stock Exchanges.

Your Company have actively opened through their Associated Companies various terminals, where there is every possibility of doing more business which can bear fruits in the coming years.

FUTURE PROSPECTS

The hope has come in the form of the issue of Maruti Udyog Limited where public participation was sound. As you are aware, your Company started with the strength of selling public issues and as such it is felt that lot of asset generation seems eminent in the Corporate Sector due to good demand in certain sectors which can definitely get into the public issue mode and where your company have a role to play. Your Company has looked at various avenues and decided to also concentrate on the Retail Segment.

It looks that after a long period of time, the environment looks good for the future to participate in the area where we have our expertise.

VCK FIXED DEPOSIT SCHEMES

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

Information as per Non-Banking Finance Companies Acceptance of public deposits (Reserve Bank) Directions, 1998 as on 31st March 2003 is furnished below :

No. of Unclaimed Deposits : 12

Amount of Unclaimed Deposits : Rs.42,000

CAPITAL STRUCTURE

During the year, there has been no change in the

VCK CAPITAL MARKET SERVICES LIMITED

Capital base of the Company which comprises of 63,39,980 Equity Shares of Rs. 10/- each and 5,98,330 12% Non-Cumulative Redeemable Preference Shares of Rs. 40/- each (Redeemable at par on 16.06.2005 or earlier at the option of the company by giving two months notice in writing, or the said shares can be converted into equity shares at the option of the equipref share-holders and such option to be exercised on 16.06.2005).

DIRECTORS

In accordance with the provisions of the Companies Act, 1956, and the Company's Articles of Association Mr. Rajiv Khaitan and Mr. Paresh Rajda, Directors of the Company retire by rotation at the ensuing Annual General Meeting of the Company and being eligible offer themselves for re-appointment.

SUBSIDIARY COMPANY

The Audited Annual Accounts for the Financial year ending March 31, 2003 along with the Auditors' and Directors' Report thereon of VCK Sponsorship Fund Private Limited, a subsidiary of your Company are annexed to this report as required under Section 212 of the companies Act, 1956.

AUDITORS

M/s. R. K. Venkatesan & Co., Chartered Accountants will retire as Statutory Auditors at the conclusion of the forthcoming Annual General Meeting of the Company and being eligible offer themselves for re-appointment.

Members are requested to consider their re-appointment for the Financial Year 2003-2004 on a remuneration to be decided by the Board of Directors.

AUDIT COMMITTEE

The Audit Committee constituted by the Board of Directors on 8th June 2001 consists of three Directors namely Mr. N. L. Kapadia – Chairman, Mr. Madhukar Kampani – Member and Mr. P. Rajda – Member. The constitution of the Audit Committee meets with the requirement of Section 292A of the Companies Act, 1956 as introduced by the Companies Amendment Act, 2000.

SHARE TRANSFER & INVESTOR'S GRIEVANCE COMMITTEE

In order to ensure compliance with clause 49 of the listing agreement, the Share Transfer Committee which was originally formed in 1991 to look after the Share Transfer and its related matters has now been renamed and reconstituted as the Share Transfer & Investor's Grievance Committee comprising of the following Directors as the members of the committee namely, Mr. Madhukar Kampani, Mr. Hemal Kampani, Mr. Sandip Kampani and Mr. N. L. Kapadia. Mr. Madhukar Kampani continues to act as the Chairman of the committee.

AUDIT OBSERVATIONS

The observations of the Auditors are duly dealt in Notes of Accounts attached to the Balance Sheet and are self-explanatory in nature.

DEPOSITORY SYSTEM

As the members are aware, your company's share are tradeable compulsorily in electronic form and company has established connectivity with both the depositories in the country, i.e. NSDL and CDSL. In view of the numerous advantages offered by the depository system, members are requested to avail the facility of Dematerialisation of the company's shares on either of the aforesaid Depositories.

PARTICULARS OF EMPLOYEES

None of the Employees of the Company are covered under Section 217 (2A) of the Companies Act, 1956 read with the Companies (particulars of Employees) Rules, 1975.

PARTICULARS PURSUANT TO COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988 :**CONSERVATION OF ENERGY TECHNOLOGY, ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO.**

Since the Company does not carry any manufacturing, activities, 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) introduced by the Companies (Amendment) Act, 2000, 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 judgments 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 31st March 2003 and the profit or loss of the Company for 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 for the financial year ended 31st March 2003, on going concern basis.

CORPORATE GOVERNANCE

Pursuant to clause 49 of the listing agreement with the Stock Exchanges, a compliance Report on the Corporate Governance forms part of the Annual Report along with the Auditor's certificate on its compliance.

LISTING

Your Company's Shares are listed at The Calcutta Stock Exchange Association Limited, Bombay Stock Exchange, Ahmedabad Stock Exchange, and Vadodara Stock Exchange.

ACKNOWLEDGEMENT

Your Directors record their sincere appreciation of the dedication of all employees of the company during the year under review and for the support extended by the shareholders, customers, Bankers and other association.

For and on behalf of the Board

Madhukar Kampani
Chairman

Hemal Kampani
Managing Director

Kolkata
Dated : 31st July, 2003

REPORT ON CORPORATE GOVERNANCE

1. Your company's philosophy is to enhance clients' satisfaction and shareholder's value by practising the principles of good corporate governance.

The Report on compliance of the conditions of corporate governance in accordance with clause 49 of the Listing agreement with the Stock Exchanges by your company is given below.

2. Board of Directors

(a) Composition

As at 31st March, 2003 the Board of Directors consists of one Non Executive Chairman, one Executive Director and 4 (four) Non Executive Independent Directors.

(b) Category, their Directorship and Committee Membership in other companies

The Board of your company is comprised of the following Directors

Name of Directors	Category of Directors	Member of Boards of other Public companies (excluding directorship in private companies)	Total no. of Committee (c) Membership in other Public Limited Companies (excluding Private Limited Companies, Foreign Companies and Companies of Section 25 of The Companies Act. 1956)	
			As Chairman	As Member
Mr. Madhukar Kampani (a)	Chairman Non Executive	2	None	None
Mr. Hemal Kampani (a)	Executive	2	1	2
Mr. Sandip Kampani (a)	Non Executive	1	None	None
Mr. Paresh Rajda	Non Executive	2	None	None
Mr. Rajiv Khaitan	Non Executive	6	1	2
Mr. R. Jungmann (b)	Non Executive	None	None	None

(a) All are promoters of the company.

(b) A foreign collaborator and promoter.

(c) Only the 3 (three) committees viz. The Audit Committee, the Shareholders Grievance Committee and the Remuneration Committee are considered.

Name of the Alternate Directors

Mr. N. L. Kapadia (Alternate Mr. R. Jungmann)	Non Executive	None	None	None
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(c) Board Meeting held during the year

During the financial year 2002-2003 meeting of Board of Directors were held 4 (four) times i.e on 21st June 2002, 30th July, 2002, 30th October 2002 and 29th January, 2003.

(d) Attendance of Directors at the Board Meeting and at the last Annual General Meeting (AGM)

Directors	No. of Board Meetings		Attended last AGM
	Held	Attended	
Mr. Madhukar Kampani	4	3	Yes
Mr. Hemal Kampani	4	4	Yes
Mr. Sandip Kampani	4	4	Yes
Mr. Paresh Rajda	4	2	Yes
Mr. Rajiv Khaitan	4	None	No
Mr. R. Jungmann	4	None	No
Mr. N. L. Kapadia	4	4	Yes
Mr. Rajesh C Gandhi (a)	4	None	No

(a) Ceased to be a Director with effect from 21.6.2002.

3. Audit Committee

The Board of Directors of the Company by passing a resolution at their meeting held on 8th June, 2001 constituted an Audit Committee whose composition and other details are given below.

Name of Chairman / Member	Meeting held	Meeting attended
Mr. N. L. Kapadia, <i>Chairman</i>	3	3
Mr. Paresh Rajda, <i>Member</i>	3	3
Mr. Madhukar Kampani, <i>Member</i>	3	3

During the financial year ended 2002-2003, meetings of the Audit Committee were held 3 (three) times i.e on 21st June, 2002, 30th October 2002 and 29th January 2003.

The General power of the Audit Committee includes :

- Appointment/Reappointment and terms thereof of the statutory auditors.
- Reviewing the financial reporting process of the quarterly, half-yearly and Yearly financial statements and the Auditors' Report.
- Compliance with Accounting standards and other regulatory and legal requirements Concerning financial statements.
- Overview of the company's financial reporting process and the disclosure of it's Financial statements.

4. Remuneration Policy

The appointment of Executive Director Mr. Hemal Kampani designated as Managing Director is in accordance with the terms and conditions specified in the agreement dated 26.7.2000 entered into between company and Mr. Hamal Kampani.

The Company did not have a Remuneration Committee as on 31st March, 2003.

Details of remuneration of the Directors for the year ended 31st March, 2003

Name of the Directors	Salary and other benefits	Sitting fees (Rs.)	
		Board Meeting	Committee Meeting
<i>Mr. Madhukar Kampani</i>		Nil	Nil
Mr. Hemal Kampani	-	Nil	Nil
Mr. Sandip Kampani	-	Nil	Nil
Mr. Paresb Rajda	-	Nil	Nil
Mr. Rajiv Khaitan	-	Nil	Nil
Mr. R. Jungmann	-	Nil	Nil
Mr. N. L. Kapadia	-	Nil	Nil
Mr. Rajesh C Gandhi	-	Nil	Nil

5. Shareholders/Investors Grievance Committee

Composition :

Pursuant to clause 49 of the Listing Agreement the Board of Directors of the company by passing a board resolution in their meeting held on 29th January, 2003 re-constituted and re-named the Committee of Directors as the 'Shareholders / Investors Grievance Committee' which comprises of the following members for dealing in share transfer and investor's grievance :

Name of the Chairman / Member	Category	Designation
Mr. Madhukar Kampani	Non Executive Director	Chairman
Mr. Hemal Kampani	Executive Director	Member
Mr. Sandip Kampani	Non Executive Director	Member
Mr. N. L. Kapadia	Non Executive Director	Member
Mr. J. Dattagupta	Company Secretary	Compliance Officer

During the financial year ended on 31st March, 2003 meeting of the said committee were held 10 (ten) times. Mr. J. Dattagupta, Company Secretary, is the Secretary to the Committee and also the Compliance Officer.

Role of the Shareholders / Investors Grievance Committee include redressal of shareholders' / investors' complaints related to transfer of shares, transmission of shares, non receipt of balance sheet, non receipt of share certificates, demat / remat request.

The Shareholders / Investors Grievance Committee is also delegated with the power of share transfer and share transfer formalities as deemed appropriate by the management considering the present value of transactions.

Number of shareholder's complaints received during the year	10
Number of shareholder's complaints attended to till 31 st March, 2003	10
Number of pending share transfers as at 31 st March, 2003	NIL

6. General Body Meeting

Locations, date and time, where last three AGMs held :