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Annual Report



2003-2004

*VCK* CAPITAL MARKET SERVICES LIMITED

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# VCK CAPITAL MARKET SERVICES LIMITED

**Registered Office :** 'Duckback House' 41, Shakespeare Sarani, Kolkata-700 017

## PROXY

Folio No. ....

I /We of .....in the /City /district  
of.....being a member/members of the above named company appoint.....  
.....in the city / district of .....or falling  
him/her.....in the city/district of.....  
..... as my/our proxy..... to  
vote for me / us on my / our behalf at the 21st Annual General Meeting of the Company to be  
held at Bharatiya Bhasha Parisad, 36A Shakespeare Sarani, Kolkata-700 017 on Friday 24th  
September, 2004 at 10.00 a.m and at any adjournment thereof.  
Signed this.....day of.....2004. — — —

Revenue  
Stamp of  
Re. 1.00

**Note :** The proxy and the power of Attorney (if any) under which it is signed or a notarially certified copy of the power must be deposited at the Registered office of the Company not less than 48 Hours before the commencement of the 21st Annual General Meeting.



# VCK CAPITAL MARKET SERVICES LIMITED

## ATTENDANCE SLIP

(To be handed over duly filled in, at the entrance of the meeting Hall)

Name of the Attending Member/proxy :  
(In block letters)

Member's Folio No. :

No of Share held :

I hereby record my presence at the  
21st Annual General Meeting.

**\*\* Please Strike off whichever is not applicable to be signed  
at the time of handing over the slip.**

Member's/ Proxy Signature

*"While He Lived, His Vision And Wisdom  
Were Our Guiding Light !  
When He Departed, He Left  
An Illustrious Example Of  
Well Spent Life, Worthy of Imitation."*



**SANTI PRASAD SENGUPTA**

**BORN : 26th April, 1930**

**DIED : 31st December 2003**

**Former Chairman of VCK Capital Market Services Limited**

**"Deeply remember by the Board of Directors,  
Shareholders and all employees of VCK Capital Market Services Limited"**

## VCK CAPITAL MARKET SERVICES LIMITED



### BOARD OF DIRECTORS

Mr. Madhukar Kampani	:	Chairman
Mr. Hemal Kampani	:	Managing Director
Mr. Sandip Kampani	:	Director
Mr. Rajiv Khaitan	:	Director
Mr. Reinhold Jungmann	:	Director
Mr. N. L. Kapadia	:	Alternate Director of Reinhold Jungmann
Mr. Paresh Rajda	:	Director
Mr. Joydeep Dattagupta	:	Company Secretary
M/s. R. K. Venkatesan & Co.	:	Auditors
Chartered Accountants		

### REGISTERED OFFICE

'Duckback House' Ground Floor  
41, Shakespeare Sarani, Kolkata-700 017  
Phone : (091) (033) 2287 2387  
Fax : (091) (033) 2247 8479  
email : vckcaps@hotmail.com

### BRANCH OFFICES

Yash Kumal Complex  
4th Floor, Room No. 403  
Bistupur Main Road  
Jamshedpur-831001  
Phone : (065) 2440666 ; Fax : 2440667

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 21st Annual General Meeting of VCK Capital Market Services Limited will be held at Bharatiya Bhasha Parisad, 36A, Shakespeare Sarani, Kolkata-700 017 on Friday the 24th day of September, 2004 at 10.00 A.M. to transact the following business :

**ORDINARY BUSINESS :**

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2004 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. Sandip Kampani who retires by rotation and is eligible for reappointment.

3. To appoint a Director in place of Mr. Madhukar Kampani 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 : 30th July 2004

**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 21st September, 2004 to 24th September, 2004 (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/Corporate 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 : 30th July 2004

**VCK CAPITAL MARKET SERVICES LIMITED****DIRECTORS REPORT**

To the Members,

Your Directors present their TWENTY FIRST ANNUAL REPORT on the Business and operations of your Company together with Audited Financial Results for the year ended March 31, 2004.

**FINANCIAL RESULTS**

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

Particulars	(Rs. in Lacs)	
	Year ended March 31, 2004	2003
Income from operations	48.43	33.37
Profit/ (Loss) before depreciation		
Amortisation & Taxation	4.47	16.00
Provision for Depreciation	3.67	3.79
Amortisation of Miscellaneous		
Expenditure	5.74	5.74
Add/ Less prior period	-	-
Adjustments (net)	-	-
Profit/ (Loss) before Tax	(13.88)	(25.53)
Profit/ (Loss) after Tax	(14.48)	(25.96)
Paid up share Capital	873.33	873.33

**DIVIDEND**

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

**OPERATION & FUTURE OUTLOOK**

Investment Banking & Retail Mobilisation

**OPERATIONS**

The Retail Mobilisation which was the main focus of your company, has now shown improvement in total sales and your company would like to continue with the same thrust in the same area and your company expect these offers with proper synergies to continue.

Your company is trying to sell more and more financial

products through the same Marketing/Sales force and also has gradually increased the sales force to achieve more mobilisation revenue.

**FUTURE PROSPECTS**

The revival of the secondary Market can lead to the increase of Indian public offers where your company can participate in this activity strongly and as such your company feels that in the next year, your Company should be able to have this additional stream of income.

Your Company is giving maximum retail thrust in the areas of Mutual Funds. Bonds etc., and if this additional income mentioned herein above is achieved, your company can also invest into new team of people to increase its reach.

The Associate Company has also opened lots of terminals in small cities and various areas which can also help your company in increasing its business from these areas as well.

**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, 2004 is furnished below :

No. of Unclaimed Deposits : 12

Amount of Unclaimed Deposits : 42,000

**CAPITAL STRUCTURE**

During the year, there has been no change in the 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.

**DIRECTORS**

In accordance with the provisions of the Companies Act, 1956, and the Company's Articles of Association

**VCK CAPITAL MARKET SERVICES LIMITED**

Mr. Sandip Kampani and Mr. Madhuhar Kampani, 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, 2004 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 2004-2005 on a remuneration to be decided by the Audit committee in consultation with the Board of Directors.

**AUDIT COMMITTEE**

The Audit Committee constituted by the Board of Directors on 8<sup>th</sup> 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 of the facility of Dematerialisation of the company's shares on either of the aforesaid Depositories.

**CONSOLIDATED FINANCIAL STATEMENTS**

As required under clause 32 of the listing Agreement and AS-21 of ICAI Audited Consolidated Financial Statement as on 31st March, 2004 are annexed to this report.

**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 :**

Since the Company does not carry on 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 your Company.

**DIRECTORS RESPONSIBILITY STATEMENT**

Pursuant to Section 217(2AA) introduced by the Companies (Amendment) Act, 2000, your Directors state that :



**VCK CAPITAL MARKET SERVICES LIMITED**

- 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, 2004 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 for the financial year ended 31st March, 2004, on going concern basis.

**CORPORATE GOVERNANCE**

As required by the listing agreement with the Stock Exchanges, reports on Corporate Governance and Management Discussion & Analysis, as approved by the Board together with a certificate from the company's auditor are set out in the annexure forming a part of this report.

**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**

The Board places on record its sincere appreciation for the assistance and co-operation received from its Bankers and Customers throughout the year and also for the support extended by the shareholders and of all employees of the company during the year under review.

For and on behalf of the Board

**Madhukar kampani**  
Chairman

**Hemal Kampani**  
Managing Director

Kolkata  
Dated: 30th July, 2004

**VCK CAPITAL MARKET SERVICES LIMITED****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 31<sup>st</sup> March, 2004 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 under 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	None	None	None
Mr. Rajiv Khaitan	Non Executive	8	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 Director

Mr. N. L. Kapadia (Alternate Mr. R. Jungmann)	Non Executive	None	None	None
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