

24th

# ANNUAL REPORT

Report  junction.com

2006-07



**VCK CAPITAL MARKET SERVICES LIMITED**

# Corporate Goal

**We are committed to excel in our advice to clients, to add value to their investments, with transparent work ethics and enthusiasm to serve.**

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**VCK CAPITAL MARKET SERVICES LIMITED****BOARD OF DIRECTORS :**

Mr. Madhukar V. Kampani	-	Chairman
Mr. Samir Kothari	-	Managing Director
Mr. Hemal Kampani	-	Director
Mr. Sandip Kampani	-	Director
Mr. Paresh Rajda	-	Director
Mr. Madhukar M. Bhagat	-	Director
Mr. Narendra L. Kapadia	-	Director

**COMPANY SECRETARY**

Mr. Joydeep Dattagupta

**REGISTERED OFFICE :**

Duckback House  
 41, Shakespeare Sarani, Kolkata – 700 017  
 Phone : (033) 4009-9999; 2287-2387  
 Fax : (033) 2287-8479  
 E-mail : vckcapital@yahoo.co.in

**BRANCH OFFICES****Jamshedpur :**

Holding No. D, Chand Villa  
 Opp. Gopal Maidan  
 Contractor Area (Imperial Bank Area)  
 Jamshedpur – 831 001  
 Phone : (0657) 222-4395

**Mumbai :**

619, Makers Chamber V,  
 6th Floor, Nariman Point,  
 Mumbai – 400 021  
 Phone : (022) 6632-5727  
 Fax : (022) 6632-5737

**AUDITORS :****R. K. VENKATESAN & CO.,**

Chartered Accountants  
 114B/1, Selimpur Road,  
 Kolkata – 700 031  
 Phone : (033) 6620-1613/1616

**BANKERS :**

Standard Chartered Grindlays Bank  
 Bank of Baroda  
 State Bank of India  
 ABN Amro Bank  
 HDFC Bank Limited

**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) 2287-0263  
 E-mail : cbmsl1@cal2vsnl.net.in

**VCK CAPITAL MARKET SERVICES LIMITED**

## NOTICE

NOTICE is hereby given that the **24TH ANNUAL GENERAL MEETING** of **VCK CAPITAL MARKET SERVICES LIMITED** will be held at **BHARATIYA BHASHA PARISHAD, AUDITORIUM HALL, 36A, Shakespeare Sarani, Kolkata – 700 017** on Monday the 10th day of September 2007 at 10.30 A.M. to transact the following business :

### ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March 2007 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. Hemal Kampani who retires by rotation and is eligible for re-appointment.
3. To appoint a Director in place of Mr. Paresh Rajda who retires by rotation and is eligible for reappointment.
4. To reappoint Auditors of the Company and fix their remuneration.

By Order of the Board

**J. Duttagupta**  
Company Secretary

Regd. Office :  
41, Shakespeare Sarani,  
Kolkata – 700 017

Dated : July 30, 2007

**VCK CAPITAL MARKET SERVICES LIMITED****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 7th September, 2007 to 10th September, 2007 (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. Only bona fide members of the company whose names appear on the Register of Members/ Proxy Holders, in possession of valid attendance slip duly filled and signed will be permitted to attend the meeting. The Company reserves its rights to take all steps as may be deemed necessary to restrict non –members from attending the meeting.
5. 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. C.B. Management Services (P) Limited, situated at P-22, Bondel Road, Kolkata – 700 019.
6. 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.
7. Members who hold shares in dematerialized form are requested to bring their Depository ID Number and Client ID Number for easier identification of attendance at the Annual General Meeting.
8. Members are also requested to notify change in address, if any, immediately to the Company's Registrar & Share Transfer Agent M/s. C.B. Management Services (P) Limited, situated at P-22, Bondel Road, Kolkata - 700 019 by quoting their Folio Number(s).
9. A member interested of getting any information on the accounts or operations of the company is requested to forward his request to the company at least 10 days prior to the meeting to the Company secretary at the Registered Office so that the required information can be made available at the meeting.
10. Information for Directors seeking appointment/reappointment as required to be furnished pursuant to clause 49 of the listing agreement is given in the report on Corporate Governance.

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

By Order of the Board  
**J. Dutta Gupta**  
 Company Secretary

Regd. Office :  
 41, Shakespeare Sarani,  
 Kolkata – 700 017  
 Dated : July 30, 2007



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

**To  
The Members**

Your Directors present their **24TH ANNUAL REPORT** on the Business and Operations of your Company together with Audited Financial Results for the Year ended March 31, 2007

**FINANCIAL RESULTS :**

The Working Results of the Company for the year stand as under :

Particulars	For the year ended Rs. in lacs	
	31.03.2007	31.03.2006
Income From Operations	65.13	208.75
Profit/(Loss) Before Depreciation, Amortisation & Taxation	(22.30)	61.87
Provision for Depreciation	26.55	1.83
Add/Les Prior Period Adjustments (Net)	(1.80)	--
Profit/(Loss) Before Tax	(50.65)	60.04
Add : Deferred Tax Liability written back	0.23	0.37
Profit/(Loss) After Tax	(50.42)	60.41
Paid-up Share Capital	874.18	874.18

**OPERATIONS & FUTURE OUTLOOK :****Investment Banking & Retail Mobilisation**

Retail Mobilisation has been our focus and we are virtually doubling our collections from last year. VCK Share & Stock Broking Services Limited our Group Company has expanded its reach to 72 locations and we are trying to see that those locations are trained to contribute to Mutual Fund Business also. We are also participating in promoting various IPOs and are taking targets to achieve the same. Our market is very competitive and it requires innovative ways to ensure margin and profitability which we are trying hard, and we are also motivating the workforce to think in the same direction and raise profitability. In terms of operational activities we are taking all initiatives for greater business mobilization and revenue generation.

**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, 2007 is furnished below :

Particulars	2006-07	2005-06
No. of Unclaimed Deposits	9	9
Amount of Unclaimed Deposits	Rs. 30,000/-	Rs. 30,000/-

**VCK CAPITAL MARKET SERVICES LIMITED****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 Convertible 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 Mr. Hemal Kampani 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.

The above reappointments form part of the Notice of the Annual General Meeting and Profiles of the Directors as required under clause 49 of the Listing Agreement are given in the Report on the Corporate Governance forming part of this annual report.

**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 2007-2008.

**AUDIT OBSERVATIONS :**

The observation 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 tradable compulsorily in electronic form and the company has established connectivity with both the depositories in the country, i.e. NSDL and CDSL. In view of the various advantages offered by the depository system, members are requested to avail of the facility of dematerialization 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**

Since the Company does not carry any manufacturing activities, the provisions of section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure 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. There are no foreign exchange earnings and outgo during the year under report.

**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.

**VCK CAPITAL MARKET SERVICES LIMITED**

- ✍ 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, 2007 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, 2007, on a 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 a practicing Company Secretary 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 :**

Your Directors wish to thank the Shareholders, Clients, Bankers and Others associated with the Company for their continued support during the year. Your Directors also wish to place on record their appreciation for the dedication and commitment of the Employees at all levels.

On Behalf Of The Board  
**Madhukar Kampani**  
 Chairman

Kolkata

Dated : July 30, 2007





## **CORPORATE GOVERNANCE REPORT**

### **1. COMPANY'S PHILOSOPHY :**

We believe good governance is an essential ingredient of good business. Good governance and good business have many things in common; participatory decision making, accountability, responsiveness, transparency, effectiveness and efficiency among others.

Corporate governance is about maximizing shareholders value legally, ethically and on a sustainable basis, while ensuring fairness to every stakeholder - the company's clients, employees, investors, the Government of the land and the community. Thus corporate governance is a reflection of a company's culture, policies, its relationship with stakeholders, and its commitment to value.

Our corporate governance philosophy is based on the principle that management is not the owner but is only the trustee of shareholders' capital and maintaining high degree of disclosure levels and transparency about how the affairs of the company are being run.

As required under clause 49 of the Listing Agreement with the Stock Exchanges the mandatory norms of Corporate Governance policy which are observed by VCK Capital Market Services Limited, is based on the following parameters :

- i) Board Composition
- ii) Board Committees
- iii) Board Meetings
- iv) CEO/ CFO certification
- v) Management Review and Responsibility
- vi) Shareholders' perception & information
- vii) Compliances

### **2. BOARD OF DIRECTORS :**

#### **A) COMPOSITION :**

As on the year ended of the report, the Board consists of 7(seven) Directors consisting of 1(one) Executive and 6(six) Non-Executive Directors. There are 3(three) Independent Directors in the Board fulfilling the criteria as stipulated in clause 49 of the listing agreement.

The Board is headed by a Non-Executive Director as its Chairman. Mr. Madhukar Kampani the Senior most Director and who has the rich experience of being associated with Capital Market Operations for over Forty Years has been fulfilling that role to perfection for over the past Seven Years.

In terms of Articles of Association of the Company, the strength of the Board shall not be fewer than three nor more than twelve.

**VCK CAPITAL MARKET SERVICES LIMITED****B) CATEGORY, THEIR DIRECTORSHIP AND COMMITTEE MEMBERSHIP IN OTHER PUBLIC LIMITED COMPANIES :**

The Board of your Company is comprised of the following Directors :

Name of Directors	Category of Directors	Member of Board Of Other Public Limited Companies	Total No. of Committee (b) Membership in other Public Limited Companies (excluding Private Limited Companies, Foreign Companies and Companies under Section 25 of The Companies Act, 1956 and Membership of Committees of various Charities/Bodies	
			As Chairman	As Member
Mr. Madhukar Kampani (a)	Chairman Non-Executive	2	None	None
Mr. Samir Kothari (c)	Executive	None	None	None
Mr. Hemal Kampani (a)	Non-Executive	2	1	1
Mr. Sandip Kampani (a)	Non-Executive	1	None	None
Mr. Paresh Rajda	*Non-Executive	None	None	None
Mr. Madhukar M. Bhagat	*Non-Executive	4	1	1
Mr. Narendra L. Kapadia	*Non-Executive	None	None	None

\*Independent Director

- (a) All are promoters of the company.
- (b) Only the 2 (two) committees viz. The Audit Committee and the Shareholders/Investor's Grievance Committee are considered.
- (c) Inducted in the Board on 27.06.2006 to hold office with effect from 01.07.2006

**C) BOARD MEETINGS HELD DURING THE YEAR :**

The board meeting dates are decided well in advance in consultation with all the Directors, considering the practice of earlier years. Once decided the schedule of the Board meetings and Board Committee meetings they are communicated in advance to the Directors.

Meetings are governed by a structured agenda. The Board Members in consultation with the Chairman, may bring up any matter for the consideration of the Board. All major agenda items are backed by comprehensive background information to enable them to take decisions on operations of the Company. Agenda papers are generally circulated seven working days prior to the Board meeting.

The Board met 5(five) times during the year and the time gap between 2(two) Board Meetings were not more than 4 four months.

Details of the Board Meetings held during the year are as under :