

25th

# ANNUAL REPORT

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2007-08



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
Mr. A. V. Iyengar	-	Director

## COMPANY SECRETARY

Ms. Komal Kapoor

## 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

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## 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, Maker 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 25TH 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 Wednesday the 17th day of September, 2008 at 10.30 A.M. to transact the following business :

### ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2008 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. M. M. Bhagat who retires by rotation and is eligible for re-appointment.
3. To appoint a Director in place of Mr. N. L. Kapadia who retires by rotation and is eligible for reappointment.
4. To reappoint Auditors of the Company and fix their remuneration.

### SPECIAL BUSINESS :

5. Appointment of Mr. A. V. Iyengar as Director of the Company  
Consider and, if thought fit, to pass with or without modification, the following resolution as ORDINARY RESOLUTION :

“RESOLVED THAT Mr. A. V. Iyengar who was appointed by the Board of Directors as an Additional Director of the Company with effect from July 31, 2008 and who holds office up to the date of the forthcoming Annual General Meeting of the Company in terms of Section 260 of the Companies Act, 1956 (“the Act”) and in respect of whom the Company has received a notice in writing from a Member under Section 257 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company and shall be liable to retire by rotation.”

By Order of the Board  
Komal Kapoor  
Company Secretary

Regd. Off :  
41 Shakespeare Sarani,  
Kolkata - 700 017

Dated : July 31, 2008

# VCK CAPITAL MARKET SERVICES LIMITED



## 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 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.
- 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, 2008 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, 2008, 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.

# 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 Director
Mr. Madhukar Kampani (a)	Chairman Non-Executive	2	None	None
Mr. Samir Kothari	Executive	None	None	None
Mr. Hemal Kampani (a)	Non-Executive	3	None	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 Directors

a) All are Promoters of the Company

b) Only the 2 (Two) Committees viz. The Audit Committee and The Shareholders/Investors' Grievance Committee are considered.

## C) BOARD MEETINGS HELD DURING THE YEAR :

The Board Meetings 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 6(six) 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 :

Date of Board Meeting	Board Strength	Number of Directors Present
May 30, 2007	7	7
June 30, 2007	7	6
July 30, 2007	7	6
October 29, 2007	7	6
December 26, 2007	7	6
January 31, 2008	7	4

# VCK CAPITAL MARKET SERVICES LIMITED



## NOTES :

1. The Register of Members and Share Transfer Books in respect of the Equity shares of the company will remain closed from 15th September, 2008 to 17th September, 2008 (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.

Regd. Off :  
41, Shakespeare Sarani,  
Kolkata - 700 017

Dated : July 31, 2008

By Order of the Board  
Komal Kapoor  
Company Secretary

# VCK CAPITAL MARKET SERVICES LIMITED



## Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956

### Item No. 5

Mr. A. V. Iyengar, was appointed as Additional Director of the Company on July 31, 2008. As per the provisions of Section 260 of the Companies Act, 1956, Mr. A. V. Iyengar holds office only up to the date of the forthcoming Annual General Meeting of the Company, and is eligible for appointment. The Company has received a notice from a member under Section 257 of the Companies Act, 1956, in respect of Mr. A. V. Iyengar, proposing his appointment as a Director of the Company, along with the requisite deposit.

Mr. A. V. Iyengar aged about 50 years is Chartered Accountant and Chartered Secretary (London) and Company Secretary (India).

Mr. A. V. Iyengar does not hold any equity shares in the company as on date.

The Board of Directors is confident that his vast knowledge and varied experience will be of great value to the Company and hence recommends Resolution No. 5 for your approval.

None of the Directors other than Mr. A. V. Iyengar are interested in the resolution.

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Regd. Off :  
41, Shakespeare Sarani,  
Kolkata - 700 017

Dated : July 31, 2008

By Order of the Board  
Komal Kapoor  
Company Secretary



# VCK CAPITAL MARKET SERVICES LIMITED



## DIRECTORS' REPORT

To  
The Members

Your Directors present their 25TH ANNUAL REPORT on the Business and Operations of your Company together with Audited Financial Results for the Year ended March 31, 2008

### FINANCIAL RESULTS :

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

Particulars	For the year ended Rs. In Lacs	
	31.03.2008	31.03.2007
Income From Operations	31.88	65.13
Profit/(Loss) Before Depreciation, Amortisation & Taxation	(15.06)	(22.30)
Provision for Depreciation	1.93	26.55
Add/Less Prior Period Adjustments (Net)	(3.02)	(1.80)
Profit/(Loss) Before Tax	(20.01)	(50.65)
Add : Deferred Tax Liability written back	0.00	0.23
Profit/(Loss) After Tax	(20.08)	(50.42)
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 92 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, 2008 is furnished below :

Particulars	2007-08	2006-07
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 ended 31st March, 2008, the Board of Directors of the Company at their meeting held on 26th December, 2007, had considered the matter of conversion of 5,98,330 Part-C of the 12% Non-Cumulative Convertible Redeemable Preference Shares (Equipref Shares) of Rs. 40/- each along with the arrears, of all accumulated Dividends till 15.06.1999 at 6% p.a, into Equity Shares at the offer price of Rs. 12.25/- per share, as calculated in terms of Guidelines for Preferential Issues of Shares, under Chapter XIII of Securities & Exchange Board of India (Disclosure & Investor Protection), Guidelines, 2000.

At an Extra-ordinary General Meeting of the members of the Company which was held on 21st January, 2008, the consent of the members of the Company for the aforesaid conversion of Equipref Shares into Equity Shares of the Company was obtained. The Bombay Stock Exchange Limited, on which the Equity Shares of the Company are listed and is the Exchange having nationwide trading terminals, had given its In-principle Approval for the issue and allotment of Equity Shares pursuant to the aforesaid conversion on 15th April, 2008. Accordingly, Board issued and allotted 27,10,306 (Twenty Seven Lacs Ten Thousand Three Hundred and Six) Equity Shares of the Company pursuant to the conversion of Part-C of the 12% Non-Cumulative Convertible Redeemable Preference Shares (Equipref Shares) of Rs. 40/- each along with the arrears, of all accumulated Dividends till 15.06.1999 at 6% p.a at the offer price of Rs. 12.25/- per share, as calculated in terms of Guidelines for Preferential Issues of Shares, under Chapter XIII of Securities & Exchange Board of India (Disclosure & Investor Protection), Guidelines, 2000, to the Equipref holders whose names appear in the Register of Members on the 25th day of April, 2008, being the date kept for conversion.

Listing application has been made to all the stock exchanges where shares of the company are listed, for the Listing of the aforesaid shares.

## DIRECTORS :

In accordance with the provisions of the Companies Act, 1956, and the Company's Articles of Association Mr. M. M. Bhagat and Mr. N. L. Kapadia, Directors of the Company retire by rotation at the ensuing Annual General Meeting of the Company and being eligible offer themselves for re-appointment.

Mr. A. V. Iyengar is appointed as an Additional Director with effect from 31st July, 2008 to hold office till the conclusion of the forthcoming Annual General Meeting of the Company. The Company has received a Notice under section 257 of the Companies Act, 1956 from a member proposing his appointment as a Director of the Company.

The above appointments/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 2008-2009.