

**26TH**

# ANNUAL REPORT

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2008-09



**VCK** CAPITAL MARKET SERVICES LIMITED

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

Shri Madhukar V. Kampani	~	Chairman
Shri Samir Kothari	~	Managing Director
Shri Hemal Kampani	~	Director
Shri Sandip Kampani	~	Director
Shri Paresh Rajda	~	Director
Shri Narendra L. Kapadia	~	Director
Shri Madhukar M. Bhagat	~	Director
Shri A. V. Iyengar	~	Director

**COMPANY SECRETARY**

Ms. Komal Kapoor

**AUDIT COMMITTEE**

Shri Madhukar M. Bhagat	~	Chairman
Shri Paresh Rajda	~	Member
Shri Madhukar V. Kampani	~	Member
Shri Narendra L. Kapadia	~	Member

**SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE**

Shri Madhukar V. Kampani	~	Chairman
Shri Hemal Kampani	~	Member
Shri Sandip Kampani	~	Member
Shri Narendra L. Kapadia	~	Member

**AUDITORS**

R. K. Venkatesan & Co.,

**BANKERS**

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

**REGISTERED OFFICE**

"Duckback House"  
41, Shakespeare Sarani,  
Kolkata - 700017  
Telephone : (033) 4009-9999; 2287-2387  
Facsimile : (033) 2287-8479  
E-mail : vckcapital@yahoo.co.in  
Website : www.vckgroup.com

**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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**BRANCH OFFICES****JAMSHEDPUR**

Holding # D, Chand Villa, Opp. Gopal Maidan  
Contractor Area [Imperial Bank Area]  
Jamshedpur - 831001  
Telephone : (0657) 222-4395

**MUMBAI**

619, Maker Chamber V, 6th Floor,  
Nariman Point  
Mumbai - 400021  
Telephone : (022) 6632-5727  
Facsimile : (022) 6632-5737

**TWENTY SIXTH ANNUAL GENERAL MEETING**

MONDAY, the 31st day of AUGUST, 2009 at 10.30 A.M. at  
BHARATIYA BHASHA PARISHAD AUDITORIUM HALL, 36A,  
Shakespeare Sarani, Kolkata - 700017

**REGISTRAR & SHARE TRANSFER AGENT****C. B. MANAGEMENT SERVICES PRIVATE LIMITED**

P-22, Bondel Road,  
Kolkata - 700019  
Phone : (033) 4011-6700/11/18/23  
Fax : (033) 2287-0263  
E-mail ID : rta@cbmsl.com

# VCK CAPITAL MARKET SERVICES LIMITED



## NOTICE

NOTICE is hereby given that the **TWENTY-SIXTH ANNUAL GENERAL MEETING** of the Members of **VCK CAPITAL MARKET SERVICES LIMITED** will be held on **MONDAY, the 31st day of AUGUST, 2009 at 10.30 A.M.** at **BHARATIYA BHASHA PARISHAD, AUDITORIUM HALL, 36A, Shakespeare Sarani, Kolkata - 700017** to transact the following business :

### Ordinary Business :

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2009 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. Madhukar Kampani, who retires by rotation and is eligible for re-appointment.
3. To appoint a Director in place of Mr. Sandip Kampani, who retires by rotation and is eligible for re-appointment.
4. To appoint Auditors and to fix their remuneration.

### Special Business :

5. **Delisting of the Securities of the Company from The Calcutta Stock Exchange Association Limited, Vadodara Stock Exchange Limited and Ahmedabad Stock Exchange Limited**

Consider and if thought fit, to pass with or without modification, the following resolution as **SPECIAL RESOLUTION**

**"RESOLVED THAT** subject to the provisions of Companies Act 1956 (including any statutory modification(s) or any re enactment thereof for the time being in force and as may be enacted hereinafter ) and subject to such approvals, permissions, and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any authority while granting such approvals, permissions, and sanctions which may be agreed to, by the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any committee thereof for the time being exercising the powers conferred on the board by this resolution), consent is hereby accorded to the Board to delist its shares and all other Securities from The Calcutta Stock Exchange Association Limited, Vadodara Stock Exchange Limited and Ahmedabad Stock Exchange Limited."

By Order of the Board  
**Komal Kapoor**  
Company Secretary

Registered Office :  
41, Shakespeare Sarani  
Kolkata - 700017

Dated : July 20, 2009

### NOTES :

1. The Register of Members and Share Transfer Books in respect of the Equity Shares of the Company will remain closed from August 27, 2009 to August 31, 2009 (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)



**VCK CAPITAL MARKET SERVICES LIMITED**

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  
**Komal Kapoor**  
Company Secretary

Registered Office :  
41, Shakespeare Sarani  
Kolkata - 700017

Dated : July 20, 2009

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956****Item No. 5**

The Securities of the Company are listed on Calcutta, Mumbai, Ahmedabad and Vadodara Stock Exchanges. With the networking of Bombay Stock Exchange, the Members of the Company have access to online dealings in the Company's Securities across the Country. The trading volume on Calcutta, Ahmedabad and Vadodara Stock Exchanges are negligible. It has also been observed that the listing fees paid to the above Stock Exchanges are inappropriately higher and trading volume are extremely low. The proposed delisting will not therefore adversely affect any investors including the members located in regions where the said stock exchanges are situated. Therefore, as a part of its cost reduction measures, the company has proposed delisting of its securities from the above three stock exchanges in line with the SEBI Regulations for Voluntary Delisting.

The Board of Directors of the Company recommends the aforesaid special resolution be passed.

None of the Directors are interested in the resolution.

By Order of the Board  
**Komal Kapoor**  
Company Secretary

Registered Office :  
41, Shakespeare Sarani  
Kolkata - 700017

Dated : July 20, 2009

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

Your Directors have pleasure in presenting the 26th Annual Report and the Audited Accounts for the year ended March 31, 2009

**FINANCIAL RESULTS**

The highlights of the Financial Results are as under :

PARTICULARS	For The Year Ended [Rs. In Lacs]	
	31.03.2009	31.03.2008
Income From Operations	13.18	31.88
Profit/(Loss) Before Depreciation, Amortisation & Taxation	(49.45)	(15.06)
Provision For Depreciation	2.12	1.93
Add/Less : Prior Period Adjustments (Net)	(0.06)	(3.02)
Profit/(Loss) Before Tax	(51.63)	(20.01)
Provision for Fringe Benefit Tax	(0.02)	(0.067)
Add : Deferred Tax Liability Written Back	0.26	0.00
Profit/(Loss) After Tax	(51.39)	(20.08)
Paid-up Share Capital	905.88	874.18

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

Retail Mobilisation has been our focus. VCK Share & Stock Broking Services Limited our Group Company has expanded its reach to 95 locations and we are trying to see that those locations are trained to contribute to Mutual Fund Business also. 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, 2009 is furnished below :

PARTICULARS	2008-09	2007-08
No. of Unclaimed Dividend	9	9
Amount of Unclaimed Dividend	Rs. 30,000/-	Rs. 30,000/-

**CAPITAL STRUCTURE :**

During the year ended 31st March 2009, the Board of Directors of the Company at their meeting held on 28th April, 2008, is-

sued and allotted 2710306 (Twenty Seven Lacs Ten Thousand Three Hundred and Six) Equity Shares of the Company pursuant to the 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. at the offer price of Rs. 12.25/- per share, as calculated in terms of Guidelines for Preferential Issue 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 25th April, 2008.

The Bombay Stock Exchange Limited, on which the Equity Shares of the Company are listed and is the Exchange having nationwide trading terminals, has given its In-principle Approval for the listing application made by the company with respect to the aforesaid shares.

Application to NSDL & CDSL for getting the above shares credited to the respective beneficiary account has been made. Trading approval for the above shares from Bombay Stock Exchange Limited is awaited.

**DIRECTORS**

In accordance with the provisions of the Companies Act, 1956, and the Company's Articles of Association Mr. Madhukar Kampani and Mr. Sandip 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.

## VCK CAPITAL MARKET SERVICES LIMITED



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 2009-2010.

### **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, 2009 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 safe-

guarding 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, 2009, 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 Limited; Bombay Stock Exchange Limited; Ahmedabad Stock Exchange Limited and Vadodara Stock Exchange Limited.

### **ACKNOWLEDGMENT**

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 of Directors  
Madhukar V. Kampani  
Chairman

Kolkata  
Dated : July 20, 2009



# VCK CAPITAL MARKET SERVICES LIMITED



## 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.

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 and Information
- vii) Compliances

### 2. BOARD OF DIRECTORS

#### A. COMPOSITION

As on the year ended of the report i.e. 31<sup>st</sup> March, 2009, the Board consists of 8(eight) Directors consisting of 1(one) Executive and 7(seven) Non-Executive Directors. There are 4(four) 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 Promoter Director as its Chairman. Mr. Madhukar Kampani the Senior most Director and who has rich experience in Capital Market Operations for over Forty Years has been fulfilling that role to perfection for over the past Nine Years. Mr. Madhukar Kampani, Mr. Hemal Kampani and Mr. Sandip Kampani being relatives are related with each other. All Directors are above 21 years of age.

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

#### 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	2	None	2
Mr. Sandip Kampani (a)	Non-Executive	1	None	None
Mr. Paresb Rajda	* Non-Executive	None	None	None
Mr. Madhukar M. Bhagat	* Non-Executive	4	1	2
Mr. Narendra L. Kapadia	* Non-Executive	None	None	None
Mr. A. V. Iyengar	* Non-Executive	8	1	2

\* 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.

# VCK CAPITAL MARKET SERVICES LIMITED



## C. BOARD MEETINGS HELD DURING THE YEAR :

Dates of Board Meetings are decided 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 are communicated in advance to the Directors.

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
April 11, 2008	7	7
April 28, 2008	7	7
June 27, 2008	7	7
July 31, 2008	8	8
October 23, 2008	8	8
January 28, 2009	8	7

## D. ATTENDANCE OF DIRECTORS AT THE BOARD MEETING AND THE LAST ANNUAL GENERAL MEETING (AGM) :

Director	No. of Board Meetings		Attended Last AGM
	Held	Attended	
Mr. Madhukar Kampani	6	6	Yes
Mr. Hemal Kampani	6	6	Yes
Mr. Sandip Kampani	6	6	Yes
Mr. Paresh Rajda	6	6	No
Mr. Narendra L. Kapadia	6	6	Yes
Mr. Madhukar M. Bhagat	6	6	Yes
Mr. Samir Kothari	6	5	Yes
Mr. A. V. Iyengar	6	3	Yes

## E. BRIEF RESUME OF DIRECTORS PROPOSED TO BE APPOINTED/REAPPOINTED :

### I] MR. MADHUKAR KAMPANI

**Date of Birth** : March 01, 1932  
**Date of Appointment** : August 06, 1990  
**Qualification** : B. Com.  
**Experience** : Over Forty Years experience in Primary and Secondary Market Operations.

**Directorship in Other Public Limited Companies apart from this Company** : i) VCK Share & Stock Broking Services Limited  
 ii) Pebco Motors Limited

**Chairman/Member of the Committee in which he is a Director apart from this Company** : Nil

### SHARES OF THE COMPANY HELD BY HIM

**Equity** (a) Own 51850 Equity Shares of Rs. 10/- each  
 (b) Beneficiary —

### II] MR. SANDIP KAMPANI

**Date of Birth** : August 08, 1963  
**Date of Appointment** : August 06, 1990  
**Qualification** : B. Com.  
**Experience** : Several Years of experience in Stock Broking Services.

**Directorship in Other Public Limited Companies apart from this Company** : i) VCK Share & Stock Broking Services Limited

**Chairman/Member of the Committee in which he is a Director apart from this Company** : Nil

### SHARES OF THE COMPANY HELD BY HIM

**Equity** (a) Own 51900 Equity Shares of Rs. 10/- each  
 (b) Beneficiary —

## F. CODE OF CONDUCT

The Company has formulated and implemented a code of conduct for all Board Members and Senior Management of the Company in compliance with Clause 49 of the Listing Agreement. The same has also been posted at the Company's website at [www.vckgroup.com](http://www.vckgroup.com). All Board Members and Senior Management Personnel have affirmed compliance with the code on annual basis. A declaration to this effect signed by the Managing Director and the CEO of the Company has been enclosed with this report.

## 3. COMMITTEE OF BOARD :

Currently, the Board has two committees the Audit Committee and the Shareholder's/Investor's Grievance Committee.

The Committee is responsible for constituting, assigning and fixing terms of service for committee members. Re-





## VCK CAPITAL MARKET SERVICES LIMITED

commendations of the committees are submitted to the Board for approval and ratifications.

The quorum for meetings is either two members or one-third of the members of the committee, whichever is higher.

### A. 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 to ensure due compliance of Section 292A of the Companies Act, 1956.

The Audit Committee monitors and ensures financial accuracy, disclosure and transparency for ensuring that financial statements furnished by the management including reports of Statutory Auditors are correct, sufficient and credible.

All the members of the Audit committee are non executive members and the majority of them are independent. The committee is headed by Mr. Madhukar M. Bhagat who has more than thirty years of experience in the insurance sector and possesses sufficient accounting or related financial management expertise. All other members of the Committee are eminent in their respective fields and are financially literate.

The Company Secretary acts as secretary of the committee.

The composition and other details of the audit committee are given below :

	28.04.08	27.06.08	31.07.08	23.10.08	28.01.09
Mr. Madhukar M. Bhagat Chairman	Yes	Yes	Yes	Yes	Yes
Mr. Paresh Rajda Member	Yes	Yes	Yes	Yes	Yes
Mr. Madhukar Kampani Member	Yes	Yes	Yes	Yes	Yes
Mr. Narendra L. Kapadia	Yes	Yes	Yes	Yes	Yes

The Committee acts as a link between the Management, Auditors and the Board of Directors of the Company and has full access to the Financial Information. The terms of reference of the Audit Committee are in line with Clause 49.II.(C) and (D) of the Stock Exchange's Listing Agreement coinciding with the provisions under Section 292A of the Companies Act, 1956.

The general powers of the Audit Committee, inter-alia, 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' Reports.
- Compliance with Accounting Standards and other Regulatory and legal requirements concerning financial statements.
- Overseeing the Company's financial reporting process and disclosure of its Financial Statements.
- Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956.
- Changes, if any, in accounting practices and reasons for the same.
- Major accounting entries involving estimates based on the exercise of judgment by the management.
- Disclosure of any related party transactions
- Qualifications in their draft audit report.
- Significant adjustments made in the financial statements arising out of audit findings
- Compliance with listing and legal requirements relating to financial statements

### B. REMUNERATION POLICY :

Neither any salary nor any sitting fees was paid to any Director including the Managing Director for attending any meeting of the Board of Directors of the Company and Committee thereof.

The Company did not have a Remuneration Committee as on March 31, 2009.

Shares/Convertible Instruments held by Non-Executive Directors as on 31.03.2009.

Name of Non-Executive Directors	No. of Equity Shares of Rs. 10/- each of the Company	Convertible Instruments
Mr. Hemal Kampani	Nil	N. A.
Mr. Madhukar Kampani	51850	N. A.
Mr. Sandip Kampani	51900	N. A.
Mr. Paresh Rajda	Nil	N. A.
Mr. Madhukar M. Bhagat	226	N. A.
Mr. Narendra L. Kapadia	Nil	N. A.

# VCK CAPITAL MARKET SERVICES LIMITED



## Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity :

During the year ended March 31, 2009, the Board of Directors of the Company at their meeting held on April 28, 2008 issued and allotted 27,10,306 (Twenty Seven Lacs Ten Thousand Three Hundred Six) Equity Shares of the Company pursuant to the 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 June 15, 1999 at 6% per annum at the offer price of Rs. 12.25p per share, as calculated in terms of the Guidelines for Preferential Issue of Shares under Chapter XIII of the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 to the Equipref holders whose names appear in the Register of Members as on April 25, 2008.

The Bombay Stock Exchange Limited on which the Equity Shares of the Company are listed and is the exchange having nationwide trading terminals, has given its in-principle approval for the listing application made by the Company with respect to the aforesaid shares.

Application to NSDL and CDSL for getting the above shares credited to the respective beneficiary account has been made. Trading approval for the above shares from Bombay Stock Exchange Limited is awaited.

## C. SHAREHOLDER'S/INVESTORS' GRIEVANCE COMMITTEE :

The Shareholder's/Investor's Grievance Committee comprises of Four Non-Executive Directors and it is headed by the Chairman of the Board Mr. Madhukar Kampani. The functions entrusted to the Committee are as follows:

- Transfer/Transmission of Shares
- Review of Shares Dematerialization and Rematerialization.
- Issue of Duplicate Share Certificates.
- Non-receipt of Share Certificates.
- Non-receipt of Balance Sheet.
- All other matter related to the Shares.

During the Financial Year ended on 31st March, 2009,

Meetings of the said Committee were held 7(Seven) times.

The Details of the Composition of the Committee are as follows :

The Company Secretary who acts as Secretary of the

Name of the Member	Category	Designation
Mr. Madhukar Kampani	Non-Executive	Chairman
Mr. Hemal Kampani	Non-Executive	Member
Mr. Sandip Kampani	Non-Executive	Member
Mr. Narendra L. Kapadia	Non-Executive	Member

Committee is also the Compliance Officer. She monitors the Complaints received in relation to share transfers, demat, remat and other related processes and reports them to the Board. She discharges the responsibility of a liaison officer with the investors and regulatory authorities such as SEBI, Stock Exchanges, and the Registrar of Companies in respect of the rules, regulations and directives of such authorities concerning investor service and complaints.

Number of Shareholder Complaints received during the Year	35
Number of Complaints resolved during the Year till 31st March, 2009	35
Number not solved to the satisfaction of the Shareholders till 31st March, 2009	Nil
Number of Pending Share Transfers as at 31st March, 2009	Nil

## D. SHARE TRANSFER SYSTEM :

All the transfers received are processed by the Registrar and Transfer agent (R & TA). Share transfers are presently registered within a maximum period of 30 (Thirty) days from the date of receipt provided the documents are complete in all respects. All share transfers are approved by Shareholder/Investor Grievance Committee.

## Dematerialization of Shares and Liquidity.

The Company has entered into agreements with NSDL and CDSL whereby shareholders have an option to dematerialize the shares with either of the depositories.

As on March 31, 2009 , 32.00% of the Company's Equity Shares representing 2896094 Equity Shares were held in dematerialized mode and the balance 68.00% representing 6154192 Equity Shares were held in physical mode.