



28TH

ANNUAL REPORT

2010-11

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. Sunita Shah

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 : cs@vckgroup.org
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 SERBVE"

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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

401/2/3, Malhotra Chambers
31/33, Police Court Lane,
Opp. Handloom House, Fort,
Mumbai - 400001
Telephone : (022) 6632-5727/5731
Facsimile : (022) 6632-5737

TWENTY EIGHT ANNUAL GENERAL MEETING

TUESDAY, the 9th day of August, 2011 at 11.30 A.M. at
GYAN MANCH, 11, Pretoria Street, Kolkata - 700071.

REGISTRAR AND 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

NOTICE

NOTICE is hereby given that the **TWENTY-EIGHT ANNUAL GENERAL MEETING** of the Members of **VCK CAPITAL MARKET SERVICES LIMITED** will be held on **TUESDAY**, the **9TH** day of **AUGUST, 2011** at **11.30 A.M.** at **GYAN MANCH**, 11, Pretoria Street, Kolkata - 700071 to transact the following business :

Ordinary Business :

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2011 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. Samir Kothari, who retires by rotation and is eligible for re-appointment.
3. To appoint a Director in place of Mr. Narendra L. Kapadia, who retires by rotation and is eligible for re-appointment.
4. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS

5. RE-APPOINTMENT OF MR. SAMIR KOTHARI AS THE MANAGING DIRECTOR OF THE COMPANY.

To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution :

“RESOLVED THAT in terms of Articles of Association of the Company and pursuant to the provisions of Section 198, 269 and 317 read with Schedule XIII and other applicable provisions of the Companies Act, 1956 (including Statutory modifications or re-enactment for the time being in force), the Company hereby approves the terms of re-appointment of Mr. Samir Kothari as Managing Director of the Company for a further period of 5 years w.e.f from July 01, 2011, upon the terms and conditions as set out in the Agreement dated June 02, 2011 with the Company. A copy of the Agreement dated June 02, 2011 is laid on the table and initialed by the Chairman for the purpose of identification, with the liberty to the Board of Directors to alter or vary the terms and conditions of the said re-appointment in such manner as may be agreed to between the Board of Directors and Mr. Samir Kothari”.

By Order of the Board
Sunita Shah
Company Secretary

Registered Office :
41, Shakespeare Sarani
Kolkata - 700017

Dated : June 24, 2011

NOTES :

1. The Register of Members and Share Transfer Books in respect of the Equity Shares of the Company will remain closed from **FRIDAY, AUGUST 05, 2011** to **TUESDAY, AUGUST 09, 2011** (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. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 relating to the Special Business to be transacted at the Annual General Meeting is enclosed.
5. 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.
6. 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.
7. 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.
8. 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.
9. 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).
10. 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.
11. 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
Sunita Shah
Company Secretary

Registered Office :
41, Shakespeare Sarani
Kolkata - 700017

Dated : June 24, 2011

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

ITEM NO. 5

Mr. Samir Kothari, was previously appointed as Managing Director of the Company since the year 2006 and his 5 years tenure on appointment vide supplementary agreement dated June 27, 2006 will expire on June 30, 2011. The Company has received his consent for re-appointment in writing. The Board of Directors of the Company at their meeting held on May 30, 2011 had re-appointed Mr. Samir Kothari as Managing Director of the Company at the terms and conditions mentioned herein w.e.f. July 01, 2011, which is subject to the final approval of the Members of the General Meeting.

Mr. Samir Kothari has duly discharged all his duty during his tenure as Managing Director of the Company. Accordingly, the Board recommends the resolution under item No. 5 of the Notice for approval of the Members.

TERMS AND CONDITIONS

1. **DESIGNATION** : MANAGING DIRECTOR
2. **TERM** : 5 YEARS W.E.F. JULY 01, 2011
3. **SALARY** : No Salary shall be paid to him as on date. However the Board of Directors has the liberty to fix a minimum remuneration and other perquisites pursuant to the provisions of Section 198, 269, 309 read with Schedule XIII of the Companies Act, 1956. The above may also be treated as a Notice pursuant to Section 303(2) of the Companies Act, 1956.

None of the Directors, except Mr. Samir Kothari is interested in the resolution.

Registered Office :
41, Shakespeare Sarani
Kolkata - 700017

Dated : June 24, 2011

By Order of the Board
Sunita Shah
Company Secretary

GREEN INITIATIVE IN CORPORATE GOVERNANCE

Dated : June 24, 2011

Dear Shareholders,

The Ministry of Corporate Affairs ("MCA") has taken a **"Green Initiative in the Corporate Governance"** by allowing paperless compliances by Companies and has issued Circulars on April 21, 2011 and April 29, 2011 inter-alia stating that a Company would have complied with Section 53 of the Companies Act, 1956, if the service of documents has been made through electronic mode.

Recognizing the spirit of the Circular issued by MCA, we propose to send from Financial Year 2011-12 onwards, documents like the Notices of General Meetings (along with Explanatory Statement), Annual Reports, Financial Statements, Director's Report, Auditor's Report, and other Shareholder Communication through electronic mode to the e-mail addresses which are made available to us by the Depositories and also which are registered and/or otherwise available with the Company's Registrar and Share Transfer Agents, **C. B. Mangement Services (P) Ltd.** from time to time. The full text of all documents and communications will also be available on our website www.vckgroup.com.

In case you seek to register your e-mail id with your Depository Participant, or where you desire to have the above documents at any alternative e-mail address, then you may accordingly register/update your e-mail address with your Depository Participant (for shares held in electronic form) or with the Company's Registrar and Share Transfer Agents at rta@cbmsl.com or with the Company at investor_grievances@vckgroup.org.

Further, in case email address of any member has not been registered then the service of documents etc. will be effected by other mode of services as provided u/s 53 of the Companies Act, 1956.

We are sure you would appreciate the **"Green initiative"** taken by MCA and your company's desire to participate in such initiatives. It will not only be step to a Greener Earth but it will also be a faster mode of communication and there will be no chance of loss in postal transit.

Thanking you.

Regards,
VCK Capital Market Services Limited
"Duckback House"
41, Shakespeare Sarani,
Kolkata - 700017

DIRECTORS' REPORT

Your Directors have pleasure in presenting the 28th Annual Report and the Audited Accounts for the year ended March 31, 2011

FINANCIAL RESULTS

The highlights of the Financial Results are as under :

PARTICULARS	For The Year Ended [₹/Lacs]	
	31.03.2011	31.03.2010
Income From Operations	18.36	15.50
Profit/(Loss) Before Depreciation, Amortisation & Taxation	(13.00)	(21.69)
Provision For Depreciation	2.02	2.08
Add/Less : Prior Period Adjustments (Net)	(0.02)	(2.65)
Profit/(Loss) Before Tax	(11.50)	(26.42)
Provision for Fringe Benefit Tax	--	—
Add : Deferred Tax Liability Written Back	0.19	0.42
Profit/(Loss) After Tax	(11.33)	(26.00)
Paid-up Share Capital	905.88	905.88

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 120 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, 2011 is furnished below :

PARTICULARS	2010-11	2009-10
No. of Unclaimed Deposits	9	9
Amount of Unclaimed Deposits	₹30,000/-	₹30,000/-

CAPITAL STRUCTURE

During the year, there has been no change in the Capital Base of the Company, which comprises of 90,50,286 Equity Shares of ₹10/- each .

DIRECTORS

In accordance with the provisions of the Companies Act, 1956, and the Company's Articles of Association Mr. Samir Kothari and Mr. Narendra 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.

The above re-appointments 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 2011-2012.

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, 2011 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, 2011, on a go-

ing 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 Limited; Ahmedabad Stock Exchange Limited and Vadorada 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 : June 24, 2011

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. 31st March, 2011, 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 Ten 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.

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. Paresh Rajda	* Non-Executive	None	None	None
Mr. Madhukar M. Bhagat	* Non-Executive	4	2	2
Mr. Narendra L. Kapadia	* Non-Executive	None	None	None
Mr. A. V. Iyengar	* Non-Executive	7	None	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.

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 9(nine) 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 16, 2010	8	8
May 31, 2010	8	8
July 22, 2010	8	8
August 12, 2010	8	6
August 16, 2010	8	8
October 28, 2010	8	8
November 30, 2010	8	8
January 27, 2011	8	8
February 09, 2011	8	7

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

Director	No. of Board Meetings		At- tended Last AGM
	Held	Atte- nded	
Mr. Madhukar Kampani	9	9	Yes
Mr. Hemal Kampani	9	9	Yes
Mr. Sandip Kampani	9	8	Yes
Mr. Paresh Rajda	9	9	Yes
Mr. Narendra L. Kapadia	9	9	Yes
Mr. Madhukar M. Bhagat	9	9	Yes
Mr. Samir Kothari	9	9	Yes
Mr. A. V. Iyengar	9	7	Yes

E. BRIEF RESUME OF DIRECTORS PROPOSED TO BE APPOINTED/REAPPOINTED :**I] MR. SAMIR KOTHARI**

Date of Birth : January 31, 1966

Date of Appointment : June 27, 2006

Qualification : B. Com.

Experience : Over 25 Years experience in the Primary and Secondary Market Operations.

Directorship in Other : NIL
Public Limited Companies apart from this Company

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

SHARES OF THE COMPANY HELD BY HIM

Equity (a) Own 200

(b) Beneficiary —

II] MR. NARENDRA L. KAPADIA

Date of Birth : January 19, 1947

Date of Appointment : March 26, 1997

Qualification : B. Com.

Experience : Several years experience in the Stock Broking Services

Directorship in Other : NIL
Public Limited Companies apart from this Company

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

SHARES OF THE COMPANY HELD BY HIM

Equity (a) Own —

(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. 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.