



Funding your Dreams

29TH

ANNUAL REPORT

2011-12

VCK CAPITAL MARKET SERVICES LIMITED



Funding your Dreams

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
Bank of India
ICICI Bank Limited (formerly Bank of Rajasthan Limited)

REGISTERED OFFICE

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

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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 NINTH ANNUAL GENERAL MEETING

TUESDAY, the 7th day of August, 2012 at 11.00 A.M. at
BHARTIYA BHASHA PARISHAD, 36A, Shakespeare Sarani,
Kolkata-700017

REGISTRAR AND SHARE TRANSFER AGENT

C. B. MANAGEMENT SERVICES PRIVATE LIMITED
P-22, Bondel Road, Kolkata - 700019
Phone : (033) 4011-6700/11/18/20/29
Fax : (033) 4011-6739
E-mail ID : rta@cbmsl.com

NOTICE

NOTICE is hereby given that the **TWENTY-NINTH ANNUAL GENERAL MEETING** of the Members of **VCK CAPITAL MARKET SERVICES LIMITED** will be held on **TUESDAY**, the 7th day of **AUGUST, 2012** at **11.00 A.M.** at **BHARTIYA BHASHA PARISHAD, 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, 2012 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 Manilal Bhagat, who retires by rotation and is eligible for re-appointment.
3. To appoint a Director in place of Mr. Aravamudhan Viji Iyengar, who retires by rotation and is eligible for re-appointment.
4. To appoint Auditors and to fix their remuneration.

By Order of the Board
Sunita Shah
Company Secretary

Registered Office :
41, Shakespeare Sarani
Kolkata - 700017

Dated : June 26, 2012

NOTES :

1. The Register of Members and Share Transfer Books in respect of the Equity Shares of the Company shall remain closed from Thursday, August 02, 2012 to Tuesday, August 07, 2012 (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. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY AT ITS REGISTERED OFFICE NOT LESS THEN 48 HOURS BEFORE THE MEETING.
3. Only bonafide 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.
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. C.B. Management Services (P) Limited, situated at P-22, Bondel Road, Kolkata - 700 019.
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 who hold shares in dematerialized form are requested to bring their Depository ID Number and Client ID Number for easier identification of at-



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NOTICE

tendance at the Annual General Meeting.

7. 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).
8. 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.
9. 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.
10. The annual report of the Company circulated to the members of the Company will be made available on the Company's website at www.vckgroup.com.
11. The Company has implemented the 'Green Initiative' circulars issued by Ministry of Corporate Affairs (MCA) vide their Circular Nos. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively and effected electronic delivery of Notice of Annual General Meeting and Annual Report for the year ended March 31, 2011 to those shareholders whose email ids were registered with the respective Depository Participants and downloaded from the depositories viz. National Securities Depository Limited (NSDL)/Central Depository Services (India) Limited (CDSL). Securities and Exchange Board of India (SEBI) have also in line with the MCA circulars and as provided in Clause 32 of the Listing Agreement executed with the stock exchanges, permitted listed entities to supply soft copies of full annual reports to all those shareholders who have registered their email addresses for the purpose. In terms of the Circular No. NSDL/CIR/II/10/2012 dated March 9, 2012 issued by NSDL, email addresses made available by the Depository for your respective Depository Participant accounts as part of the beneficiary position downloaded from the Depositories from time to

time will be deemed to be your registered email address for serving notices/documents including those covered registered email address for serving notices/documents including those covered under Section 219 of the Companies Act, 1956 read with Section 53 of the Companies Act, 1956. In light of the requirements prescribed by the aforesaid circulars, for those shareholders whose Depository Participant accounts do not contain the details of their email address, printed copies of the Notice of Annual General Meeting and Annual Report for the year ended March 31, 2012 would be dispatched. The Notice of Annual General Meeting and the copies of audited financial statements, directors' report, auditors' report etc. will also be displayed on the website www.vckgroup.com of the Company and the other requirements of the aforesaid MCA circulars will be duly complied with. Members holding shares in electronic mode are therefore requested to ensure to keep their email addresses updated with the Depository Participants. Members holding shares in physical mode are also requested to update their email addresses by writing to the Registrar and Transfer Agent of the Company at the address mentioned in (7) above 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
Sunita Shah
Company Secretary

Registered Office :
41, Shakespeare Sarani
Kolkata - 700017

Dated : June 26, 2012

DIRECTORS REPORT

Our Directors have pleasure in presenting the 29th Annual Report and the Audited Accounts for the year ended March 31, 2012

FINANCIAL RESULTS

The highlights of the Financial Results are as under :

PARTICULARS	For The Year Ended [₹/Lacs]	
	31.03.2012	31.03.2011
Income From Operations	20.51	18.36
Profit/(Loss) Before Depreciation, Amortisation & Taxation	(9.23)	(1.38)
Provision For Depreciation	1.38	2.02
Add/Less : Prior Period Adjustments (Net)	--	(0.03)
Profit/(Loss) Before Tax	(10.61)	(3.43)
Provision for Fringe Benefit Tax	—	—
Add : Deferred Tax Liability Written Back	0.03	0.19
Profit/(Loss) Before Extraordinary Items (Net of Tax Expenses)	(10.58)	(3.24)
Less : Extraordinary Items (Net of Tax Expenses)	—	(8.10)
Profit/(Loss) After Tax	(10.58)	(11.34)
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 150 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, 2012 is furnished below :

UNCLAIMED DEPOSITS

Against the amount lying under Unclaimed Public Deposits, an Investors Education and Protection Fund has been opened. The amount lying in Investor Education and Protection Fund as on March 31, 2012 is ₹45,533/-.

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.



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DIRECTORS REPORT

DIRECTORS

In accordance with the provisions of the Companies Act, 1956, and the Company's Articles of Association Mr. Madhukar Manilal Bhagat and Mr. Aravamudhan Viji Iyengar, 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, the retiring Statutory Auditors of the Company have resigned from the Auditorship of the Company. M/s. S. Ramanand Aliyar & Co., Chartered Accountants have consented to act as the Statutory Auditors of the Company and have also furnished the Certificate under Section 224(1B) of the Companies Act, 1956 that their appointment as the Auditors of the Company, if made, shall be within the permissible limit of the said Act. Members are requested to consider the appointment for the Financial Year 2012-2013.

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, as amended.

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, 2012 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.

DIRECTORS REPORT

- the Directors had prepared the Annual Accounts for the financial year ended 31st March, 2012, 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 Report, 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 BSE Limited and The Calcutta Stock Exchange Limited. The Equity Shares of the Company have been delisted from Vadodara Stock Exchange Limited vide letter No. VSE/DELISTING/2011/010 dated December 08, 2011 and Ahmedabad Stock Exchange Limited vide letter No. ASEL/2011-12/66h dated November 23, 2011. However, delisting Application with The Calcutta Stock Exchange Limited is under process.

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

Place : Kolkata
Dated : June 26, 2012

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance refers to set of system and practices that enables an organization to perform efficiently with the highest level of accountability and transparency in all its transaction. 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 the Company's culture, policies, its relationship with stakeholders, and its commitment to value.

The Company confirms the compliance of Corporate Governance as contained in Clause 49 of the Listing Agreement. The details of which for the financial year ended 31st March, 2012 are as follows :

1. BOARD OF DIRECTORS :

(A) COMPOSITION :

As on the year ended of the report i.e. 31st March, 2012, 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 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 Fifteen years. Mr. Madhukar Kampani, Mr. Hemal Kampani and Mr. Sandip Kampani are related with each other. Apart from this, none of the Directors have any pecuniary relationship with the Promoter. All the 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.

The Composition of the Board of Directors as on March 31, 2012 and the number of Directorships and Committee positions in Public Limited Companies held by them are as under :

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	2
Mr. Sanjay Kothari	Executive	None	None	None
Mr. Hemal Kampani (a)	Non-Executive	2	1	1
Mr. Sandip Kampani (a)	Non-Executive	1	None	None
Mr. Parash Rajda	* Non-Executive	None	None	None
Mr. Madhukar M. Bhagat	* Non-Executive	4	1	1
Mr. Narendra L. Kapadia	* Non-Executive	None	None	None
Mr. A. V. Iyengar	* Non-Executive	9	None	7

* 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.

CORPORATE GOVERNANCE REPORT

(B) 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 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 :

Date of Board Meeting	Board Strength	Number of Directors Present
May 30, 2011	8	5
June 24, 2011	8	8
July 29, 2011	8	8
November 01, 2011	8	8
February 02, 2012	8	8

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

Director	No. of Board Meetings		Attended Last AGM
	Held	Attended	
Mr. Madhukar Kampani	5	5	Yes
Mr. Hemal Kampani	5	5	Yes
Mr. Sandip Kampani	5	4	Yes
Mr. Paresh Rajda	5	4	No
Mr. Narendra L. Kapadia	5	5	Yes
Mr. Madhukar M. Bhagat	5	4	Yes
Mr. Samir Kothari	5	5	Yes
Mr. A. V. Iyengar	5	5	No

(D) BRIEF RESUME OF DIRECTORS PROPOSED TO BE APPOINTED/REAPPOINTED :

(I) MR. MADHUKAR MANILAL BHAGAT

Date of Birth	: August 21, 1933
Date of Appointment	: October 31, 2005
Qualification	: B. Com; ACII (London)
Experience	: More than 40 years experience in Insurance Sector
Directorship in Other Public Limited Companies apart from this Company	: 1. Hindalco Industries Limited 2. Zenith Exports Limited 3. Aditya Birla Insurance Advisory Services Limited 4. VCK Share & Stock Broking Services Limited



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CORPORATE GOVERNANCE REPORT

Chairman/Member of the Committee in : Chairman ~ Audit Committee
which he is a Director apart from this Com- Hindalco Industries Limited
pany * Member ~ Audit Committee

SHARES OF THE COMPANY HELD BY HIM

Equity (a) Own 226 Shares

(b) Beneficiary

(II) MR. ARAVAMUDHAN VIJI IYENGAR

Date of Birth : August 10, 1938
Date of Appointment : July 31, 2008
Qualification : C.A. (India)
C.S. (London)
Experience : Overall rich managerial and administrative experience especially in Pharmaceutical Industry. Retired as Managing Director of Organon (India) Limited (formerly Infar India Limited)

Directorship in Other Public Limited Com- : 1. Albert David Limited
panies apart from this Company 2. BESCO Limited
3. Jardine Henderson Limited
4. Maple Orgtech (India) Limited
5. Marudhar Food & Credit Limited
6. M.M. Aqua Technologies Limited
7. Hosch Equipment (India) Limited
8. Tega Industries (SEZ) Limited
9. Tru-Trac Rollers (India) Limited

Chairman/Member of the Committee in : Member ~ Audit Committee
which he is a Director apart from this Com- Tega Industries (SEZ) Limited
pany * Albert David Limited

SHARES OF THE COMPANY HELD BY HIM

Equity (a) Own --

(b) Beneficiary --

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

(E) 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.