

30TH

ANNUAL REPORT

2012-13

VCK CAPITAL MARKET SERVICES LIMITED

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SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE		
Shri. Madhukar V. Kampani ~ Chairman		
Shri. Hemal Kampani ~ Member		
Shri. Sandip Kampani ~ Member		
Shri. Narendra L. Kapadia ~ Member		
AUDITORS		
S. RAMANAND AIYAR & CO.		
114F/1D, Selimpur Road, Kolkata - 700031		
BANKERS		
HDFC Bank Limited		
Standard Chartered Grindlays Bank		
State Bank of India		
REGISTERED OFFICE		
"Duckback House"		
41, Shakespeare Sarani, Kolkata - 700017		
Telephone : (91) (033) 6604-9999 / 9935		
Facsimile : (91) (033) 2287-8479		
E-mail : capital@vckgroup.org		
Website : www.vckgroup.com		
	BRANCH OFFICES	
	<u>JAMSHEDPUR</u>	
	Holding # D, Chand Villa, Opp. Gopal Maidan	
	Contractor Area (Imperial Bank Area)	
	Jamshedpur - 831001	
	Jharkhand	
	Telephone : (91) (0657) 222-4395	
	<u>MUMBAI</u>	
	401/2/3, Malhotra Chambers	
	31/33, Police Court Lane,	
	Opp. Handloom House, Fort,	
	Mumbai - 400001	
	Maharashtra	
	Telephone : (91) (022) 6632-5727 / 5731	
	Facsimile : (91) (022) 6632-5737	
	THIRTIETH ANNUAL GENERAL MEETING	
	Tuesday, the 6th day of August, 2013 at 11.00 A.M. at	
	BHARATIYA 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) 4011-6700/2280; 4011-6692/2282; 4011-3643/2487; 4011-0263/

Fax : (033) 4011-6739

E-mail ID : rta@cbmsl.com; Website : www.cbmsl.com



NOTICE

NOTICE is hereby given that the THIRTIETH ANNUAL GENERAL MEETING of the Members of VCK CAPITAL MARKET SERVICES LIMITED will be held on TUESDAY, the 6th day of AUGUST, 2013 at 11.00 A.M. at BHARATIYA 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, 2013 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 V. 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.

By Order of the Board
Jiyut Prasad
Company Secretary

Registered Office :
41, Shakespeare Sarani
Kolkata - 700017

Dated : June 28, 2013

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 01, 2013 to Tuesday, August 06, 2013 (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 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.
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 – 700019.
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. The Shareholders who are still holding shares in physical form are requested to take immediate steps to demat their shares to avail easy liquidity, since trading of shares of the Company are under compulsory Demat Mode as per the regulation of SEBI and also to prevent any loss of physical Share Certificate. 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 attendance 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).



NOTICE

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. Members are requested to inform their correct e-mail address, if any, to the Depositories (if shares held in Demat Form) and to our Registrars by visiting the website "www.cbmsl.com/green.php" (if shares held in Physical Form) in compliance of Green Initiative as per Circular No. 17/2011 dated April 21, 2011 and 18/2011 dated April 29, 2011 issued by the Ministry of Corporate Affairs to facilitate the Company to send Notice/Documents through e-mail.

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

By Order of the Board
Jiyut Prasad
Company Secretary

Registered Office :
41, Shakespeare Sarani
Kolkata - 700017

Dated : June 28, 2013

DIRECTORS' REPORT

Your Directors presents the Thirtieth Annual Report and the Audited Accounts for the year ended March 31, 2013

FINANCIAL RESULTS

The highlights of the Financial Results are as under :

PARTICULARS	For The Year Ended [₹/000]	
	31.03.2013	31.03.2012
Income From Operations	1,001.37	2,051.39
Profit/(Loss) Before Depreciation, Amortisation & Taxation	(825.58)	(922.08)
Provision For Depreciation	74.13	137.95
Add/Less : Prior Period Adjustments (Net)	--	--
Profit/(Loss) Before Tax	(899.71)	(1,060.03)
Provision for Fringe Benefit Tax	--	--
Add : Deferred Tax Liability Written Back	19.22	2.47
Profit/(Loss) Before Extraordinary Items (Net of Tax Expenses)	(918.93)	(1,062.50)
Less : Extraordinary Items (Net of Tax Expenses)	(10,584.60)	--
Profit/(Loss) After Tax	(11,503.53)	(1,057.56)
Paid-up Share Capital	90,587.86	90,587.86

OPERATIONS AND FUTURE OUTLOOK

Investment Banking & Retail Mobilisation

It is a known fact that Indian Economy is going through a period where businesses are in shambles. The leading lights of Indian Corporates are declaring losses, which are unprecedented in the history of India. The last two years also witnessed erosions in the portfolios of lot many investors, Mutual Funds are struggling to maintain their Asset Under Management. We are a by product of good economy, sound stock market and futuristic growth of the Corporate Sector results in business for us.

Our efforts to rejuvenate our Sister Company's Branches so that business of Mutual Fund can pour in has failed because of the Government Policies apathy towards investment and no directions of the future can be even calculated to plan the Company's business.

Our future operations would entirely depend on how stock market fares. To begin with, no new policies or better policies are expected, hence the outlook in the future, we don't find it to our expectations.

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, 2013 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, 2013 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.

DIRECTORS

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

DIRECTORS' REPORT

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.

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.

During the year, there was a shock which your Company received in the form of demise of Mr. Paresh Rajda, our beloved Director, who has been a constant source of inspiration and a positive person, who never says DIE and we are unfortunate to have lost him on his death. Your Directors are truly grieved by his demise. In his place, your Board has been pleased to appoint Mr. Prafull Pranjivan Shah, who is an expert in business of Tea and Exports.

AUDITORS

M/s. S. Ramanand Aiyar & Co., Chartered Accountants, of Kolkata 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 reappointment for the Financial Year 2013-2014.

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 on 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 have been followed along with proper explanation relating to material departures;
- 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 March 31, 2013 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 March 31, 2013 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



DIRECTORS' REPORT

part of this report.

LISTING

Your Company's shares are listed at BSE Limited and The Calcutta Stock Exchange Limited. However, delisting Application with The Calcutta Stock Exchange Limited is still 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 28, 2013

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance essentially is the system by which Companies are directed and controlled by the management in the best interest of the stakeholders and others. Corporate Governance ensures fairness, transparency and integrity of the management. Corporate Governance is a way of life, rather than a mere legal compulsion. It further inspires and strengthens investor's confidence and commitment to the Company.

The Corporate Governance Philosophy of the Company has been further strengthened with the adoption of the Code of Conduct, Business Excellence Model, Code for Prevention of Insider Trading and Code of Corporate Disclosure Policies. The Company, through its Board and Committees, endeavors to strike and deliver the highest governing standards for the benefit of its stakeholders.

In compliance with the disclosure requirements of Clause 49 of the Listing Agreement executed with the Stock Exchanges, the details are set out below:

1. BOARD OF DIRECTORS :

(A) COMPOSITION :

The Board has an optimum combination of Executive and Non-Executive Directors, and is in conformity with Clause 49 of the Listing Agreement entered into with the Stock Exchanges in which the Company's Shares are listed.

The Board is headed by a non-executive Promoter Director as its Chairman. Mr. Madhukar V. Kampani, the senior most Director, who has the rich experience of being associated with Capital Market operations for over 41 years, has been fulfilling that role to perfection for the past 16 years. Mr. Madhukar V. Kampani, Mr. Hemal Kampani and Mr. Sandip Kampani are related to each other. Apart from this, none of the directors have pecuniary relationship with the Promoter. All the Directors are above 21 yrs of age.

The Composition of the Board of Directors as on March 31, 2013 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 V. Kampani (a)	Chairman Non-Executive	2	None	2
Mr. Samir Kothari	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
Mr. A. V. Iyengar	* Non-Executive	10	None	2
Mr. Prafull Pranjivan Shah #	* Non-Executive	None	None	None

W.e.f. December 31, 2012, Mr. Prafull Pranjivan Shah has been appointed to fill the casual vacancy caused due to the sudden demise of Mr. Paresh Rajda on July 05, 2012

* 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

None of the Directors on the Board is a Member on more than 10 Committees and Chairman of more than 5 Committees as per Clause 49(l)(C)(ii) across all the companies in which he is a Director. All the Directors have made the requisite disclosures regarding Committee positions held by them in other companies.

(B) BOARD MEETINGS HELD DURING THE YEAR :

The Board met 6(Six) times on the following dates during the Financial Year 2012-13 .

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

Date of Board Meeting	Board Strength	Number of Directors Present
May 29, 2012	8	7
June 26, 2012	8	8
August 09, 2012	7*	6
September 11, 2012	7*	6
December 31, 2012	7	7
February 04, 2013	8	6

*Board Strength changed due to the sudden demise of Mr. Paresh Rajda on July 015, 2012. Mr. Prafull Pranjivan Shah has been appointed to comply with Clause 49 of the Listing Agreement and also to balance the composition of the Board.

(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 V. Kampani	6	6	Yes
Mr. Hemal Kampani	6	5	Yes
Mr. Sandip Kampani	6	5	Yes
Mr. Paresh Rajda	2	2	N.A.
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	4	No
Mr. Prafull Pranjivan Shah	2	2	N.A.

N.A. = Not Applicable

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

[i] MR. MADHUKAR V. KAMPANI

Date of Birth : March 01, 1932

Date of Appointment : August 06, 1990

Qualification : B.Com.

Experience : Over 44 years of experience in Primary and Secondary Market Operations.

Directorship in Other Public Limited Companies apart from this Company : 1. VCK Share & Stock Broking Services Limited
2. Pebco Motors Limited

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

CORPORATE GOVERNANCE REPORT

SHARES OF THE COMPANY HELD BY HIM

Equity (a) Own 51850 Equity Shares of ₹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 experience in Stock Broking Services

Directorship in Other Public Limited Companies apart from this Company : 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 ₹10/- each

(b) Beneficiary --

(E) CODE OF CONDUCT :

The Code of Conduct as adopted by the Board is applicable to Directors and Senior Management of the Company. The code is designed with fundamental principles viz. good Corporate Governance, good citizenship and exemplary personal conduct. The Code covers commitment to sustainable development, concern for occupational health, safety and environment, a gender-friendly workplace, transparency and auditability, legal compliance and the philosophy of leading by personal example. The Code has been circulated to all the members of the Board and management personnel and the compliance of the same is affirmed by them annually. A declaration to this effect signed by the Managing Director forms part of this report. The same has also been posted at Company's website at www.vckgroup.com.

2. COMMITTEE OF THE BOARD :

Currently, the Board has two Committees, (1) the Audit Committee and (2) the Shareholder's/Investor's Grievances Committee. The primary object of the Committee is to supervise the Company's Internal Control and to monitor and provide effective supervision of the Management's financial reporting process with a view to ensuring accurate and timely disclosures, with the highest levels of transparency, integrity and quality of financial reporting.

The Committee is responsible for constituting, assigning and fixing terms of services for Committee Members. Recommendations of the Committees are submitted to the Board for approval and ratifications.

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

(A) AUDIT COMMITTEE :

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.

(a) Powers of the Audit Committee :

- ◆ To investigate any activity within its terms of reference.
- ◆ To seek information from any employee.