



**28TH**

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# ANNUAL REPORT

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2010-11

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**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.

By Order of the Board  
**Sunita Shah**  
Company Secretary

Registered Office :  
41, Shakespeare Sarani  
Kolkata - 700017

Dated : June 24, 2011

## 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](http://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](mailto:rta@cbmsl.com) or with the Company at [investor\\_grievances@vckgroup.org](mailto: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 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 : 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

### 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.

- 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, 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.

**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](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. Recommendations 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 :

	31.05.10	22.07.10	12.10.10	28.10.10	27.01.11
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.
- Significant adjustments made in the financial statements arising out of audit findings
- Compliance with listing and legal requirements relating to financial statements.
- Disclosure of any related party transactions
- Qualifications in their draft audit report.

#### 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, 2011.

Shares/Convertible Instruments held by Non-Executive Directors as on 31.03.2011.

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.

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

During the Financial Year Ended March 31, 2011, there has been no change in the Capital Structure of the Company.

**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 Shares.

During the Financial Year ended on 31st March, 2011, Meetings of the said Committee were held 7(Seven) times.

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

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

The Company Secretary who acts as Secretary of the 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	47
Number of Complaints resolved during the Year till 31st March, 2011	47
Number not solved to the satisfaction of the Shareholders till 31st March, 2011	Nil
Number of Pending Share Transfers as at 31st March, 2011	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, 2011, 46.59% of the Company's Equity Shares representing 4216542 Equity Shares were held in dematerialized mode and the balance 53.41% representing 4833744 Equity Shares were held in physical mode.

Name of the Compliance Officer	Address	Phone No.	Fax No.	E-mail
Ms. Sunita Shah Company Secretary	'Duckback House', 41, Shakespeare Sarani, Kolkata – 700 017	(033) 4009-9999	(033) 2287-8479	investor_grievances@vckgroup.org

Pursuant to new clause 47(f) of the Listing Agreement, the Company's e-mail id for grievance redressal purpose is investor\_grievances@vckgroup.org, where complaints can be lodged by the investors.

**4. GENERAL BODY MEETINGS :**

Locations, date and time, where last three AGMs/EGMs held :

General Meeting	Financial Year	Date	Time	Special Resolution passed	Place
EGM	2007-08	21.01.2008	2.00 p.m.	Conversion of Preference Shares into Equity Shares	Bhartiya Bhasha Parishad, 36A, Shakespeare Sarani, Kolkata - 700017
25th (AGM)	2007-08	17.09.2008	10.30 a.m.	-	Bhartiya Bhasha Parishad, 36A, Shakespeare Sarani, Kolkata - 700017
26th (AGM)	2008-09	31.08.2009	10.30 a.m.	Delisting of Securities of the Company from Regional Stock Exchanges	Bhartiya Bhasha Parishad, 36A, Shakespeare Sarani, Kolkata - 700017
27th (AGM)	2009-10	24.08.2010	10.30 a.m.	-	Bhartiya Bhasha Parishad, 36A, Shakespeare Sarani, Kolkata - 700017

Special Resolutions passed at the last 3 (Three) AGMs :

Financial Year	Items
2007-08	None
2008-09	Yes
2009-10	None

No Resolutions were passed through Postal Ballot in the year under Report. No resolution is proposed to be passed through postal ballot in the forthcoming AGM too.

**5. DISCLOSURES :**

- i) There are no materially significant related party transactions, i.e transactions of the company of material nature with its promoters, the Directors or the Management, their subsidiaries or relatives etc. that may have potential conflict with the interest of the Company at large.
- ii) For the list of disclosures of related party relationship and transactions as per Accounting Standard AS –18 , please refer "Related Party Disclosures" Note '14' on Schedule 14 to the annual audited accounts of the company for the year ended 31st March, 2011.
- iii) No strictures were imposed on the Company by any Regulatory Authority on any matters related to capital markets during the last three years.
- iv) Compliances of Non Mandatory requirements :
  - i] The company does not have a Remuneration Committee.
  - ii] No resolution(s) are proposed to be passed by postal ballot.
  - iii] With regard to training of Board Members, the Directors of the company are continuously trained in the business model of the company and the risk profile of business parameters through various presentations at Board/committee meetings.
  - iv] With regard to whistle blower policy the company is examining the formulations and implementations of the same, after which the same would be submitted to the Board.

**6. SUBSIDIARY COMPANY :**

The Company does not have any subsidiary company.

**7. MEANS OF COMMUNICATION :**

In compliance with the requirements of the Listing Agreements, the Company regularly intimates Un-audited as well as Audited Financial Results to the Stock Exchanges immediately after they are taken on record by the Board. Further coverage is given for the benefit of the shareholders and investors by publication of the financial results in the newspapers such as The Financial Express and Dainik Statesman – Bengali Language.

However, the Company does not send Half Yearly Reports to the individual shareholders.

Unaudited Financial Results For Three Months Ended	Newspaper Published In	
	The Financial Express [English]	Dainik Statesman [Bengali]
30.06.2010	14.08.2010	14.08.2010
30.09.2010	30.10.2010	30.10.2010
31.12.2010	28.01.2011	28.01.2011

**8. MANAGEMENT DISCUSSION AND ANALYSIS REPORT :**

A “Management Discussion and Analysis Report” has been included as a part of the Directors’ Report to the Shareholders for the year ended 31st March, 2011.

**9. CEO/CFO CERTIFICATE :**

The Managing Director of the Company Mr. Samir Kothari heading the finance function have Certified to the Board the particulars as stipulated vide Clause 49V of the Listing Agreement which may be stated as under :

- a) The financial statements and the cash flow statements for the year have been reviewed and to the best of his knowledge and belief :
  - i] these statements do not contain any untrue statement of material fact , have not omitted any material fact and do not contain any statement that is misleading.
  - ii] these statements together present a true and fair view of the Company’s affairs and are in compliance with existing accounting standards applicable laws and regulations.
- b) To the best of his knowledge and belief no transaction entered into by the Company during the year are fraudulent, illegal or violate the Company’s Code of Conduct.
- c) He accepts responsibility for establishing and maintaining internal controls for financial reporting and he has evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting.

d) He has indicated to the Auditors and the Audit Committee :

- i] Significant changes in accounting policies during the year and the same has been disclosed in the notes to the financial statements ; and
- ii] There have been no instances of significant fraud either by the management or an employee having a significant role in the company’s internal control system of financial reporting.

**10. GENERAL SHAREHOLDER’S INFORMATION****A) AGM – DATE, TIME AND VENUE**

The forthcoming **28TH ANNUAL GENERAL MEETING** of our Company will be held on **TUESDAY, 9th day of AUGUST, 2011, at 11.30 A.M.** at Gyan Manch, 11, Pretoria Street, Kolkata - 700071.

**B) BOOK CLOSURE :**

The Register of Members and Share Transfer Books of the Company will remain closed from Friday, August 05, 2011 to Tuesday, August 09, 2011 (both days inclusive).

**C) FINANCIAL CALENDAR :**

Financial Year (2011-12 – Tentative)	April 01 – March 31
Financial Reporting For The Year Ending March 31, 2011	End of May, 2011
Mailing of Annual Reports – 2010-11	Middle of July, 2011
Financial Reporting For The Quarter Ending June 30, 2011	Middle of August, 2011
Financial Reporting For The Quarter Ending September 30, 2011	Middle of November, 2011
Financial Reporting For The Quarter Ending December 31, 2011	Middle of February, 2012
Financial Reporting For The Year Ending March 31, 2012	End of May, 2012
Date of Book Closure	August 05, 2011 to August 09, 2011

For the year ended March 31, 2011, results were announced on :

- First Quarter : 12th August, 2010
- Second Quarter : 28th October, 2010
- Third Quarter : 27th January, 2011
- Audited Results : 30th May, 2011

- D) **DIVIDEND PAYMENT DATE :**  
The Company has not declared any Dividend.

E) **LISTING ON STOCK EXCHANGES :**

Name of The Stock Exchange	Address	Stock Code
The Calcutta Stock Exchange Association Limited	7, Lyons Range Kolkata – 700 001	32023
Bombay Stock Exchange Limited	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001	511493
Ahmedabad Stock Exchange Limited	Kamdhenu Complex, Opp. Sahajanabad College, Panjarapole Ahmedabad – 380 015	65240
Vadodara Stock Exchange Limited	Fortuna Towers, Dalal Street, Sayjiganj, Vadodara – 390 005	11493

The Listing Fees has been paid to Bombay stock Exchange Limited for the Financial Year 2011-12. The Company is in the process of making an Application for Delisting of Equity Shares from The Calcutta Stock Exchange Association Limited, Vadodara Stock Exchange Limited and Ahmedabad Stock Exchange Limited.

F) **THE INTERNATIONAL SECURITY IDENTIFICATION NUMBER :**

The International Security Identification Number (ISIN) of National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) is INE 488C01015

Consequent upon the conversion of Equipref Shares into Equity Shares of the Company the ISIN of the Equipref Shares of the Company i.e. INE 488C04019 have been frozen both at NSDL and CDSL with effect from April 28, 2008

G) **CORPORATE IDENTITY NUMBER (CIN) :**

Our Corporate Identity Number (CIN) allotted by Ministry of Corporate Affairs, Government of India is **L67190WB1983PLC035658**, and our Registration Number is **35658**. Our Company is Registered in the State of West Bengal, India.

H) **MARKET PRICE DATA :**

BSE : The Stock Exchange, Mumbai  
Source : [www.bseindia.com](http://www.bseindia.com)

Month	High (₹)	Low (₹)	Closing (₹)	No. of Shares Traded	SENSEX Closing
April, 2010	5.50	4.27	4.77	43095	17558.71
May, 2010	5.25	3.63	4.09	17459	16944.63
June 2010	4.29	3.61	3.89	47221	17700.90
July 2010	4.65	3.74	4.47	184377	17868.29
August 2010	5.10	4.15	4.46	36720	17971.12
September 2010	4.76	3.65	4.22	64823	20069.12
October 2010	5.29	3.75	4.05	63804	20032.34
November 2010	4.36	3.62	4.10	49752	19521.25
December 2010	4.15	3.21	3.30	15072	20509.09
January 2011	3.72	2.69	3.72	32295	18327.76
February 2011	4.24	2.65	2.65	25642	17823.40
March 2011	2.70	2.14	2.21	183140	19445.22

I) **REGISTRAR AND SHARE TRANSFER AGENTS :**

The details of the Registrar and Share Transfer Agent (R & TA) of the Company are as follows :

Accordingly, all communications on matters relating to share transfer, non receipt of share certificates, demat/remat be sent to C.B. Management Services Private Limited. Correspondences on these matters may also be sent to the Company Secretary, Secretarial Department at "Duckback House", 41,Shakespeare Sarani, Kolkata – 700 017.

**Physical Segment AND Demat Segment**

**C.B. Management Services Private Limited**  
P -22 Bondel Road  
Kolkata – 700019, West Bengal  
Phone No: (033) 4011-6700/11/18/23  
Fax No.(033) 2287-0263

J) **DISTRIBUTION OF SHAREHOLDING AS AT MARCH 31, 2011 (EQUITY) :**

Category	No. of Shares	% of Shares
Promoter's Holding (including foreign promoters)	3465542	38.30
<b><u>Non-Promoter's Holding</u></b>		
a) Mutual Funds & UTI	NIL	NIL
b) Banks, FIs and Insurance Company	NIL	NIL
c) FIs	NIL	NIL
<b><u>Others</u></b>		
a) Bodies Corporate	1087197	12.01
b) Indian Public	4047614	44.72
c) NRI/OCBs	446011	4.93
c) Others	3922	0.04
<b>TOTAL</b>	<b>9050286</b>	<b>100.00</b>

No. of Shares	No. of Share-holders	% of Share-holders	No. of Shares	% of Shares
Upto 500	8805	87.49	1949590	21.54
501 to 1000	694	6.89	522951	5.77
1001 to 2000	290	2.88	408091	4.50
2001 to 3000	107	1.06	262206	2.89
3001 to 4000	43	0.42	154409	1.70
4001 to 5000	25	0.24	117513	1.29
5001 to 10000	40	0.39	275467	3.04
10001 & above	59	0.58	5360059	59.22
<b>TOTAL</b>	<b>10063</b>	<b>100.00</b>	<b>9050286</b>	<b>100.00</b>

K) **HOLDING PATTERN AS ON MARCH 31, 2011 (EQUITY) :**

	Share-holders No.	%	Share No.	%
Physical	8073	80.22	4833744	53.41
NSDL	1416	14.07	2735455	30.23
CDSL	574	5.71	1481087	16.36
<b>TOTAL</b>	<b>10063</b>	<b>100.00</b>	<b>9050286</b>	<b>100.00</b>

L) **ADDRESS FOR CORRESPONDENCE :**

Registered Office	"Duckback House", 41,Shakespeare Sarani, Kolkata – 700 017
Registrar & Transfer Agent	C.B. Management Services Private Limited P 22 Bondel Road, Kolkata – 700 019

11. **CERTIFICATE**

The Company has obtained the Certificate from M/s. A. K. LABH & CO., Company Secretaries regarding compliance of Corporate Governance as stipulated vide Clause 49 of the Listing Agreement and the same is annexed.

All material requirements with respect to corporate governance as stipulated in the listing agreement have been complied with.

On Behalf of the Board of Directors  
Madhukar V. Kampani  
Chairman

Kolkata  
Dated : June 24, 2011



## **CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT**

**To the Members of VCK Capital Market Services Limited**

We have examined the compliance of Conditions of Corporate Governance by VCK Capital Market Services Limited for the period ended on March 31, 2011 as stipulated in Clause 49 of the Listing Agreement of the Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanation given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We have been explained that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Company as well as by the Share Transfer Agent.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

40, Weston Street,  
3rd Floor, Kolkata - 700013

Dated : June 24, 2011

For **A. K. LABH & CO.,**  
Company Secretaries  
**A. K. LABH**  
Proprietor  
CP-3238

## **CERTIFICATE OF COMPLIANCE WITH THE CODE OF CONDUCT OF THE COMPANY**

This is to confirm that a Code of Conduct for the Board Members and Senior Management Personnel of the Company has been adopted in the Board Meeting held on January 28, 2006. The Code of Conduct as adopted by the Board was also circulated and posted on the Website of the Company. The Company received declarations affirming compliance of the Code from the persons concerned for the Financial Year ended March 31, 2011. The same has also been noted by the Board.

Place : Kolkata  
Dated : June 24, 2011

For **VCK Capital Market Services Limited**  
**Samir Kothari**  
Managing Director

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### **ECONOMIC SCENARIO :**

India is today rated as one of the most attractive investment destinations across the globe. The Indian economy is back on track and has recovered smartly from the aftermath of the global crisis of 2007-2009. The UNCTAD World Investment Report (WIR) 2010, in its analysis of the global trends and sustained growth of Foreign Direct Investment (FDI) inflows, has reported India to be the second most attractive location for FDI for 2010-2012. Services sector growth and improved agricultural output has supported the strengthening of the growth process. Industrial growth was robust, however with greater volatility.

GDP grew by 8.5% in FY'11 from 6.8% in FY'09 and 8.0% in FY'10. Strong recovery in agricultural sector, which rose by 6.6% in FY'11 against negligible growth (0.4%) in FY'10, has been the key underlying driver of higher GDP growth. Industrial growth has been generally satisfactory but volatile. Overall growth in the Index of Industrial Production (IIP) was 3.6 per cent during February, 2011. During April-February, 2010-11, IIP growth was 7.8 per cent.

### **INDUSTRY OVERVIEW :**

The global economy is moving to slightly lower growth, and slightly higher inflation trajectories. However, the transition has become more turbulent because of the increasingly unsettled conditions around the world triggered by the convergence of a variety of cyclical and structural economic problems in many regions, recurring sovereign debt strains, and ongoing geopolitical problems. The world economy can expect another strong year of growth in 2011. The United States can expect substantial acceleration in real GDP growth over the next two years to a 4% pace by early/mid-2012.

As far as India Market is concerned, Bloomberg data shows that foreign institutional investors (FIIs) have purchased domestic equities worth \$13.7 billion in 2010 till date making it the only Asian markets to have received more than \$10 billion of investment this year. It is 56% higher than corresponding period of last year. It is hard to say when we reach the tipping point, but once foreign investors start booking profits, we could see a major correction.

The past 18-20 months have seen a frenzied action in the interest rate scenario. Even with the RBI trying to fight inflation tooth and nail by increasing rates on one front, on another front every bank and financial institution has been passing on the burden of this interest hike almost directly to the borrower. The repo presently stands at 6.25 per cent and the reverse repo at 5.25 per cent. The CRR also remains unchanged at 6 per cent.

Amongst Sectoral Indices, BSE FMCG Index was up 27.30 per cent, BSE Bankex moved 24.15 % higher, BSE Healthcare Index was up 12.72 per cent and BSE Auto Index was up by 21.21 per cent

### **FUTURE OUTLOOK :**

In FY'12, the agricultural and allied sector is projected to grow by 3.1 per cent, on top of the 5.1 per cent growth estimated in 2010-11. The industrial sector, including construction, is projected to grow by 9.4 per cent during 2011-12, as compared to 8.5 per cent estimated in 2010-11. Growth in industrial production will be driven by a rise in consumption demand and investment demand.

After the union budget Indian Stock Market gained momentum. The 750 plus points rally post budget was the clear indication of a bull rally. Disinvestment programmes is in the pipeline, more and more traders are attracted towards Indian stocks. As we are committed to excel in our advice to our clients to add value to their investments through transparent work ethics, we always try to optimize our resources to its fullest potential. As all the benchmark indices have started taking new highs on every other day, it has become challenging for the retail investors to invest in the market. Taking into consideration this factor, your Company brings forth professional expertise to its clients to help them in their investment decisions and improve their net worth across horizons. The micro and macroeconomic factors in the economy, movements in the interest rates, fluctuations in the currency rates and the movement in the crude oil prices has made the environment much more friendly to make investments. Your Company is perfectly poised to leverage this opportunity and help the shareholders generate wealth on a sustainable basis.

### **CAUTIONARY STATEMENT :**

Certain statements made in the Management Discussion and Analysis Report relating to Company's objectives, projections, outlook, expectations, and estimates may constitute forward looking statements within the meaning of the current market and economic scenario with applicable laws and regulations. Actual results may differ from such expectations, projections in the capital market. Several other factors also could make a significant difference to the Company's operations such as economic condition, Government regulations and taxation, etc.

## AUDITORS' REPORT

### TO THE MEMBERS OF VCK CAPITAL MARKET SERVICES LIMITED

1. We have audited the attached Balance Sheet of VCK Capital Market Services Limited as at 31st March 2011 and also the Profit and Loss Account for the year ended on the date annexed thereto and the Cash Flow Statement for the year ended on the date, all of which we have signed under reference to this report. The financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these Financial Statements based on our Audit.
  2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amount and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
  3. As required by the Companies (Auditors' Report) Order, 2003, including the Companies (Auditor's Report) (Amendment) Order 2004 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act 1956 of India (the Act) and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we report that:
    - i)
      - a) The Company has maintained proper records to show full particulars including quantitative details and situation of its fixed assets.
      - b) The fixed assets of the Company have been physically verified by the management at the year end and no discrepancies have been noticed on such verification.
      - c) During the year, substantial part of the fixed assets, have not been disposed of by the Company.
    - ii)
      - a) The stock of the shares of the Company has been physically verified by the management during the year. In our opinion the frequency of verifications is reasonable.
      - b) In our opinion, the procedures of physical verification of stock of shares followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
      - c) On the basis of our examination of inventory records, in our opinion, the Company is maintaining proper records of stock of shares. No material discrepancies have been noticed on the physical verification of stock of shares.
- iii) The Company has neither granted nor taken any loans to/from Companies, Firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956 and accordingly, matters specified in clauses iii (a), iii (b), iii (c) and iii (d) to paragraph 4 of the said Order do not apply to the Company for the relevant year.
- iv) In our opinion, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, for the purchases of Fixed Assets and the purchase and sale of shares/ Investments and for sale of services.
- Further, during the course of our Audit we have neither come across nor have we been informed of any instance of continuing failure to correct major weaknesses in the aforesaid internal control procedures.
- v)
  - a) As explained to us and according to the information and explanations given to us, the transactions that need to be entered in the register in pursuance of Section 301 of the Companies Act, 1956 and exceeding the value of Rupees Five Lacs in respect of each party during the year, if any, have been entered in the register.
  - b) In our opinion and according to the information and explanations given to us, the aforesaid transactions have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

- vi) The Company has not accepted any deposits from the public during the year. An aggregate amount of ₹30000/- is outstanding against such deposits accepted by the Company in the earlier years. The Company has not maintained adequate amounts in liquid assets in the form of fixed deposits (in current account/fixed deposits) with Banks. However, necessary steps are being taken by the Company for transferring the said unclaimed deposit amount to the Investor Education and Protection Fund. Since the Company has stopped accepting deposits from the public, we are not commenting on the compliance of the provisions of section 58A and 58AA of the Companies Act 1956.
- vii) In our opinion, the Company has an adequate internal Audit system commensurate with the size of the company and the nature of its business.
- viii) Maintenance of cost records has not been prescribed by the Central Government under Clause (d) of Sub-Section (i) Section 209 of the Companies Act 1956 for the type of Business the Company is currently in.
- ix) a) According to the information and explanation given to us and according to the books and records as produced and examined by us, in our opinion, the Company has been regular in depositing during the year undisputed statutory dues including investor education and protection fund, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other material statutory dues, if any, except unclaimed deposit of ₹30,000/-, which is in the process of being transferred to the Investor Education and Protection Fund.
- According to the information and explanations given to us and the records examined by us no undisputed arrears of statutory dues were outstanding as at March 31, 2011 for a period of more than six months from the date the amount became payable..
- b) According to the information and explanation given to us and the records of the Company examined by us as at March 31, 2011, there were no dues of Sales Tax, Income Tax, Customs Duty, Wealth Tax, Excise Duty and Cess, which have not been deposited on account of any dispute.
- x) The accumulated losses of the Company at the end of the Financial Year ended on March 31, 2011 are lower than 50% of the Net Worth as on the said date. The Company incurred Cash Loss amounting to ₹9,96,087/- during the relevant Financial Year and ₹23,97,978/- in the immediately preceding financial year.
- xi) According to the records of the Company, examined by us, and the information and explanations given to us, the Company has neither any outstanding dues to any Financial Institution or Bank or Debenture Holders at the beginning of the Year nor has it obtained any loans from such parties during the year.
- xii) The Company has not granted any loans and advances on the basis of securities by way of pledge of shares, debentures and other securities and accordingly, matters specified in clause (xii) to Paragraph 4 of the said order is not applicable.
- xiii) The provisions of any special statute applicable to Chit Fund/Nidhi/Mutual Benefit Societies are not applicable to the Company.
- xiv) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of transactions and contracts in respect of shares and timely entries have been made therein. Also, the shares and Securities are being held by the Company in its own name except to the extent of exemptions, if any granted under section 49 of the Companies Act 1956.
- xv) In our opinion and according to the information and explanation given to us, the Company has not given any guarantee for the loans taken by others from banks or financial institutions during the year.
- xvi) The Company has not taken any term loans during the year and accordingly clause (xiv) of paragraph 4 of the said Order is not applicable.
- xvii) Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, in our opinion there are no funds raised on a short term basis which have been used for long

term investments and vice versa.

- xviii) The Company has not made any preferential allotment of shares to parties and Companies covered in the register maintained under section 301 of the Act during the year.
  - xix) The Company has not issued any debentures and, accordingly, clause (xix) of paragraph 4 of the said Order is not applicable.
  - xx) The Company has not raised any money by public issue during the year and accordingly, clause (xx) of Paragraph 4 of the said Order is not applicable.
  - xxi) During the course of our examination of the books of account carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the management.
4. Further to our comments in Paragraph 3 above, we report that :-
- i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - ii) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books;
  - iii) The Balance Sheet and the Profit and loss Account dealt with by this report are in agreement with the books of account.
  - iv) In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this Report comply with the applicable Accounting Standards referred to in Sub-Section (3C) of Section 211 of the Act.
  - v) On the basis of written presentations received from the directors and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2011 from being appointed as a Director in terms of Clause (g) of Sub-Section of Section (1) 274 of the Act.
  - vi) In our opinion and to the best of our information and according to the explanations given to us, the said Accounts together with

the Notes thereon and attached thereto and the Significant Accounting Policies and subject to the following Notes in Schedule 13, whose impact on the Company's Profit wherever ascertainable, is stated in the respective notes :

1. Note No. 3 regarding non provision of shortfall of ₹1,05,84,483/- in the value of long term quoted investments, and
2. Note No 2 in respect of non funding of Gratuity liability, and

give in the prescribed manner the information required by the Act and give a true and fair view in conformity with the accounting principles generally accepted in India.

- a) In the case of Balance Sheet, of the state of affairs of the Company as on March 31, 2011
- b) In the case of the Profit and Loss Account, of the loss for the year ended on that date.
- c) In the case of the cash flow statement, of the cash flow for the year ended on that date.

**RAVI KUMAR VENKATESAN**  
Membership No. 52145  
Registration No. 315056E  
Partner  
FOR AND ON BEHALF OF  
**R. K. VENKATESAN & CO.,**  
Chartered Accountants  
114B/1, Selimpur Road,  
Kolkata - 700031

Kolkata  
Dated : May 30, 2011

**BALANCE SHEET AS AT MARCH 31, 2011**

	Schedule	As at 31.03.2011 (₹)	As at 31.03.2010 (₹)
<b><u>SOURCES OF FUNDS :</u></b>			
<b><u>SHAREHOLDERS FUNDS</u></b>			
Share Capital	1	90,587,860	90,587,860
Reserves and Surplus	2	6,098,195	6,098,195
<b><u>LOAN FUNDS</u></b>			
Unsecured Loans	3	30,000	30,000
		<b>96,716,055</b>	<b>96,716,055</b>
<b><u>APPLICATION OF FUNDS</u></b>			
<b><u>FIXED ASSETS</u></b>			
Gross Block	4	6,095,263	6,095,263
Less : Depreciation		(4,955,162)	(4,753,303)
Net Block		<b>1,140,101</b>	<b>1,341,960</b>
Investments	5	<b>29,009,496</b>	<b>29,175,942</b>
<b><u>CURRENT ASSETS, LOANS AND ADVANCES</u></b>			
Sundry Debtors	6	6,720,996	6,610,290
Cash and Bank Balance	7	525,726	368,188
Loans and Advances	8	14,133,947	16,116,851
		<b>21,380,669</b>	<b>23,095,329</b>
Less : Current Liabilities & Provisions	9	1,206,156	2,136,175
Net Current Assets		<b>20,174,513</b>	<b>20,959,154</b>
Deferred Tax Liabilities		880,035	899,473
		<b>19,294,478</b>	<b>20,059,681</b>
Miscellaneous Expenditure {To the extent not written off/adjusted}			--
Profit & Loss Account Debit Balance		<b>47,271,980</b>	<b>46,138,472</b>
		<b>96,716,055</b>	<b>96,716,055</b>
<b>NOTES ON ACCOUNTS</b>	<b>13</b>		

Schedule 1 to 9 & 13 referred to above form an integral part of the Balance Sheet  
This is the Balance Sheet referred to in our report of even date

For and on behalf of  
**R. K. VENKATESAN & CO.,**  
Chartered Accountants  
Registration No. 315056E

**Ravi Kumar Venkatesan**  
Partner  
Membership No. 52145

**Madhukar Kampani**  
Chairman

**Samir Kothari**  
Managing Director

**Sunita Shah**  
Company Secretary

Place : Kolkata  
Dated : May 30, 2011

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011**

	Schedule	As at 31.03.2011 (₹)	As at 31.03.2010 (₹)
<b><u>INCOME</u></b>			
Investment Banking & Retail Mobilisation Services	10	1,836,545	1,514,200
Finance Income	11	31,817	35,523
Profit on Sale of Investments		319,761	--
		<b>2,188,123</b>	<b>1,549,723</b>
<b><u>EXPENDITURE</u></b>			
Operating and Administrative Expenses	12	2,281,005	3,681,923
Depreciation		201,859	208,047
Investments written off		3,000	36,750
Bad Debts		852,580	--
		<b>3,338,444</b>	<b>3,926,720</b>
<b>PROFIT/(LOSS) FOR THE YEAR</b>		<b>(1,150,321)</b>	<b>(2,376,997)</b>
Add/(Less) Prior period Adjustments (Net)		(2,625)	(265,276)
<b>PROFIT/(LOSS) BEFORE TAX</b>		<b>(1,152,946)</b>	<b>(2,642,273)</b>
<b>PROFIT/(LOSS) AFTER TAX</b>		<b>(1,152,946)</b>	<b>(2,642,273)</b>
Add : Deferred Tax Liability Written Back		19,438	42,215
<b>BALANCE BROUGHT FORWARD FROM PREVIOUS YEAR</b>		<b>(46,138,472)</b>	<b>(43,538,414)</b>
		<b>(47,271,980)</b>	<b>(46,138,472)</b>
Deficit Carried to Balance Sheet		<b>(47,271,980)</b>	<b>(46,138,472)</b>
Basic & Diluted Earnings per Share		(0.12)	(0.29)

**NOTES ON ACCOUNTS**

13

Schedule 10 to 13 referred to above form an integral part of the Profit & Loss Account  
This is the Profit & Loss Account referred to in our report of even date

For and on behalf of  
**R. K. VENKATESAN & CO.,**  
Chartered Accountants  
Registration No. 315056E

Ravi Kumar Venkatesan  
Partner  
Membership No. 52145

Madhukar Kampani  
Chairman

Samir Kothari  
Managing Director

Sunita Shah  
Company Secretary

Place : Kolkata  
Dated : May 30, 2011

## SCHEDULES TO THE BALANCE SHEET

### SCHEDULE - 1 SHARE CAPITAL

	As at 31.03.2011 (₹)	As at 31.03.2010 (₹)
<b>AUTHORISED</b>		
• 15000000 Equity Shares of Rs. 10/- each	150,000,000	150,000,000
• 600030 Preference Shares of Rs. 80/- each	48,002,400	48,002,400
• 20199760 Unclassified Shares of Rs. 10/- each	201,997,600	201,997,600
	<b>400,000,000</b>	<b>400,000,000</b>
<b>ISSUED, SUBSCRIBED AND PAID-UP</b>		
• 9050286 Equity Shares of Rs. 10/- each	90,502,860	90,502,860
	<b>90,502,860</b>	<b>90,502,860</b>
Add : Share Forfeiture Account	85,000	85,000
	<b>90,587,860</b>	<b>90,587,860</b>

### SCHEDULE - 2 RESERVES AND SURPLUS

	As at 31.03.2011 (₹)	As at 31.03.2010 (₹)
Share Premium Account	6,098,195	6,098,195
	<b>6,098,195</b>	<b>6,098,195</b>

### SCHEDULE - 3 LOAN FUNDS

	As at 31.03.2011 (₹)	As at 31.03.2010 (₹)
<b>UNSECURED LOANS</b>		
• Public Deposits	30,000	30,000
	<b>30,000</b>	<b>30,000</b>



**SCHEDULES TO THE BALANCE SHEET****SCHEDULE - 4  
FIXED ASSETS**

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 31.03.2010	ADDITIONS	Deduction/ Adjustments	As at 31.03.2011	As at 31.03.2010	For the Period	Deduction/ Adjustments	As at 31.03.2011	AS AT 31.03.2011	AS AT 31.03.2010
	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)
<b><u>OWNED ASSETS</u></b>										
LAND	394,378	--	--	394,378	--	--	--	--	394,378	394,378
BUILDINGS	653,411	--	--	653,411	185,729	10,651	--	196,380	457,031	467,682
PLANT & MACHINERY	2,314,784	--	--	2,314,784	2,114,934	18,229	--	2,133,163	181,621	199,850
FURNITURE & OFFICE EQUIPMENT	2,732,690	--	--	2,732,690	2,452,640	172,979	--	2,625,619	107,071	280,050
<b>TOTAL</b>	<b>6,095,263</b>	<b>--</b>	<b>--</b>	<b>6,095,263</b>	<b>4,753,303</b>	<b>201,859</b>	<b>--</b>	<b>4,955,162</b>	<b>1,140,101</b>	<b>1,341,960</b>
PREVIOUS YEAR	6,029,083	66,180	--	6,095,263	4,545,256	208,047	--	4,753,303	1,341,960	

## SCHEDULES TO THE BALANCE SHEET

### SCHEDULE - 5 INVESTMENTS

	Shares	As at 31.03.2011 (₹)	Shares	As At 31.03.2010 (₹)
<b>LONG TERM INVESTMENTS (AT COST)</b>				
<i>[Equity Shares of Rs. 10/- each full Paid-up except otherwise stated]</i>				
<b>1. QUOTED</b>				
ACC Limited	--	--	40	13,053
ICICI Bank Limited	1	996	--	--
The Bank of Rajasthan Limited	--	--	6	996
Credence Sound and Vision Limited	177000	10,708,500	177000	10,708,500
State Bank of India	--	--	92	146,280
Graphite India Limited (Rs. 2/- each fully paid)	--	--	1765	4,113
		<b>10,709,496</b>		<b>10,872,942</b>
Aggregate Market Value		<b>125,013</b>		<b>473,297</b>
<b>2. UNQUOTED</b>				
VCK Forex Services Private Limited	80000	800,000	80000	800,000
VCK Share & Stock Broking Services Ltd.	412500	16,500,000	412500	16,500,000
		<b>17,300,000</b>		<b>17,300,000</b>
<b>3. PREFERENCE SHARES</b>				
VCK Forex Services Private Limited	10000	1,000,000	10000	1,000,000
		<b>1,000,000</b>		<b>1,000,000</b>
<b>4. DEBENTURES &amp; BONDS</b>				
National Saving Certificates	--	--	--	3,000
		--		<b>3,000</b>
<b>TOTAL (1+2+3+4)</b>		<b>29,009,496</b>		<b>29,175,942</b>

## SCHEDULES TO THE BALANCE SHEET

### SCHEDULE - 6

#### SUNDRY DEBTORS

*(Unsecured Considered Good except otherwise stated)*

- Outstanding for a period exceeding 6 months
- Other Debts

As at 31.03.2011 (₹)	As at 31.03.2010 (₹)
6,483,136	6,483,137
237,860	127,153
<b>6,720,996</b>	<b>6,610,290</b>

### SCHEDULE - 7

#### CASH AND BANK BALANCE

- Cash in Hand

#### BALANCE WITH SCHEDULE BANKS :

- Current Account

As at 31.03.2011 (₹)	As at 31.03.2010 (₹)
1,161	13,016
524,565	355,172
<b>525,726</b>	<b>368,188</b>

## SCHEDULES TO THE BALANCE SHEET

### SCHEDULE - 8

#### LOANS AND ADVANCES

*(Unsecured Considered Good except otherwise stated)*

- Loans
- Advances Recoverable in Cash or in Kind
  
- Advance Tax and Tax Deducted at Source
- Share Application Money
- Deposits

As at 31.03.2011 (₹)	As at 31.03.2010 (₹)
6,020,000	6,020,000
7,976,863	9,931,722
14,235	42,280
100	100
122,749	122,749
<b>14,133,947</b>	<b>16,116,851</b>

### SCHEDULE - 9

#### CURRENT LIABILITIES AND PROVISIONS

- Creditors for Goods, Services and Expenses etc.
- Other Current Liabilities

As at 31.03.2011 (₹)	As at 31.03.2010 (₹)
987,950	1,818,310
218,206	317,865
<b>1,206,156</b>	<b>2,136,175</b>

## SCHEDULES TO THE PROFIT AND LOSS ACCOUNT

### SCHEDULE - 10

#### INVESTMENT BANKING AND RETAIL MOBILISATION SERVICES

- Retail Mobilisation Services

As at 31.03.2011 (₹)	As at 31.03.2010 (₹)
1,836,545	1,514,200
<b>1,836,545</b>	<b>1,514,200</b>

### SCHEDULE - 11

#### FINANCE INCOME

- Dividend (Gross)
- Miscellaneous Income

As at 31.03.2011 (₹)	As at 31.03.2010 (₹)
28,335	35,323
3,482	200
<b>31,817</b>	<b>35,523</b>

## SCHEDULES TO THE PROFIT AND LOSS ACCOUNT

### SCHEDULE - 12 OPERATING AND ADMINISTRATIVE EXPENSES

	Year Ended 31.03.2011		Year Ended 31.03.2010	
	(₹)	(₹)	(₹)	(₹)
<b><u>PAYMENTS &amp; PROVISIONS FOR EMPLOYEES</u></b>				
Salaries , Bonus, Allowances	957,104		1,679,071	
Contribution to Provident & Other Funds	59,431		115,760	
Staff Welfare Expenses	16,207		—	
		<b>1,032,742</b>		<b>1,794,831</b>
<b><u>RATES AND TAXES</u></b>		58,678		50,403
<b><u>REPAIRS AND MAINTENANCE</u></b>				
Others		106,969		59,281
<b><u>AUDITORS' REMUNERATION</u></b>				
Audit Fees		12,133		12,133
Advertisement and Business Promotion		51,092		56,960
Retail Mobilisation Services		184,354		316,229
Printing and Stationary		10,857		14,825
Postage and Telephone		7,827		20,066
Travelling and Conveyance		95,441		135,545
Insurance Charges		4,952		2,890
Other Expenses		715,960		1,218,760
		<b>2,281,005</b>		<b>3,681,923</b>

## SCHEDULE 13 ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

### 1. SIGNIFICANT ACCOUNTING POLICIES :

#### i) BASIS OF ACCOUNTING :

The Company prepares its Accounts on accrual basis, except otherwise stated, in consonance with the Generally Accepted Accounting Policies.

#### ii) FIXED ASSETS :

Fixed Assets are valued at Cost less Depreciation.

#### iii) DEPRECIATION :

Depreciation on Other Fixed Assets installed after 16.12.1993, is provided on Straight Line basis at the rates and in the manner specified in the Schedule XIV to the Companies Act, 1956 (As Amended). In respect of the Fixed Assets installed prior to the above date, Depreciation is provided on Straight Line basis at the rates applicable in the respective year of Addition. Statutory Depreciation in respect of Assets where the actual cost does not exceed ₹5,000/- is provided at the rate of 100% in the year of Purchase/Installation.

#### iv) IMPAIRMENT OF ASSETS :

There has been no impairment during the Current Financial Year 2010-11 i.e. the carrying amount of the assets does not exceed the realizable value of the Assets.

#### v) INVESTMENTS :

##### a) CLASSIFICATION : Investments are classified into the following category :

Long Term Investments : All Investments in Securities, where such investments are intended (at the time of purchase or acquisition thereof) to be held for a period exceeding one year, are classified as Long Term Investments.

##### b) VALUATION :

i) Long Term Investments are valued at cost. Diminution in their values is however, not provided for, since not permanent in nature.

#### vi) REVENUE RECOGNITION :

a) Fees for Management of Issues and Placement of Securities, if any, are accounted for in accordance with the payment schedule as agreed in Memorandum of Understanding entered into with the Issuer Companies or the Letter of Mandate accepted/signed by them.

b) Dividends and Interest on Debentures are accounted for as and when received.

c) Service Charges for Fund Syndication, if any, are accounted for on completion of Syndication.

#### vii) TAXATION :

Provision for Income Tax, if any, is made after considering exemptions, deductions and allowances available as per the provisions of the Income Tax Act, 1961.

#### viii) RETIREMENT/GRATUITY BENEFITS :

Retirement benefits in the form of Gratuity is provided in the Profit and Loss Account. Gratuity Liability is a defined benefit/obligation and in the current year such provision has been made on the basis of an actuarial valuation. Such actuarial valuation has been made on the basis of Projected Unit Cost method.

Provident Fund contribution are made to the Employees Provident Fund Scheme of the Government of India. The Company does not have Superannuation Pension Plan since the same is covered by contributions to the Pension Scheme under Employees Provident Fund Act. The Company has not made any investment in Plan Assets towards the Gratuity Liability.

**2. GRATUITY PLAN :**

The following table set out the status of Gratuity Plan as required under AS 15 (Revised)

PARTICULARS	AS AT 31.03.2011 (₹)
<b>ASSUMPTIONS</b>	
Discount Rate per annum compound	8.25%
Expected Rate of Increase in Salary	5.00%
Average Future Service	21.00
Retirement Age	58 Years
<b>NET ASSET/(LIABILITY) TO BE RECOGNISED IN BALANCE SHEET AS PER ACTUARIAL CALCULATIONS</b>	
<b>A) FUNDED STATUS</b>	
Present Value of Defined Benefit Obligation	1.70
Fair Value of Plan Assets	0.00
Funded Status (Surplus/Deficit)	1.70
Unrecognised Past Service Costs.	0.00
Net Asset/(Liability) recognised in Balance Sheet as per actuarial calculations	1.70

PARTICULARS	AS AT 31.03.2011 (₹)
<b>NET ASSET/(LIABILITY) RECOGNISED IN BALANCE SHEET</b>	
Obligations at the Beginning of the Year	2.15
Total Employer Cost	(0.45)
Obligations at the End of the Year	1.70

3. There is a shortfall of ₹1,05,84,483/- in the Market Value of quoted Investments as compared to their book value as on the Balance Sheet date. Since all these are long term in nature with no permanent diminution in their values, particularly in view of present market position, no provision is considered necessary.
4. As per Reserve Bank of India Guidelines, Loans & Advances and Sundry Debtors aggregating ₹76,91,449/- (Previous year ₹85,52,779/-) and ₹63,17,427/- (Previous year ₹63,16,563/-) respectively are "Sub-Standard" and ₹40,00,000 /- and ₹1,64,811/- are "Doubtful Assets". Necessary provision in terms of the above guidelines has been made in the accounts. Necessary legal steps have been taken by the Company, wherever considered appropriate.
5. **DUES TO MICRO SMALL AND MEDIUM ENTERPRISES**  
Based on the information/documents available with the company, there are no dues to Micro, Small and Medium Enterprises as defined in the Micro, Small and Medium Enterprise Development Act, 2006 as at March 31, 2011.
6. Income of Rs. Nil (Nil) accrued on the above loans/lease debtors has not been credited in the accounts as per Reserve Bank of India guidelines.
7. As per Reserve Bank of India Guidelines, Income on Non-Performing Assets have only been recognized to the extent realized.
8. In compliance with the Accounting Standard – AS 22 relating to "Accounting for Taxes on Income" issued by the Institute of Chartered Accountant of India, the Company has adjusted the Deferred Tax Liability (net) arising out of timing differences for the period upto March 31, 2011. ₹19,438/- has been written back in the Profit and Loss Account for the year ending March 31, 2011.
9. The Company has income from one Segment (i.e Retail Mobilization Services) so AS-17 (Segment Reporting) is not applicable.
10. All expenses are accounted for on an accrual basis, except statutory payments which are accounted for as and when paid (under Income/ Expenditure Recognition).



11. (i) Consequent to the Orders of the Hon'ble High Court dated June 14, 1999 and the Debts Recovery Tribunal-I, Kolkata dated December 06, 1999, no further amounts are payable by the Company to ICICI Bank (erstwhile Bank of Rajasthan Limited). The Hon'ble High Court vide its Order dated June 14, 1999 directed the Company to collect all balance Lease Rentals. ICICI Bank (erstwhile Bank of Rajasthan Limited) has filed an Appeal on February 21, 2000, challenging the Order dated June 14, 1999, no Stay has yet been obtained although the final result of the Appeal is awaited. Therefore, in the opinion of the Management no provision is considered necessary.

(ii) **NON MOVING BANK ACCOUNTS**

Certain balance lying in dormant Banking Accounts aggregating ₹2,48,569/- (Previous year ₹2,48,569/-) has not been adjusted / written off pending final outcome of the aforesaid appeal.

**12. UNCLAIMED DEPOSIT**

Unclaimed Public Deposit aggregating ₹30,000/- (Previous Year ₹30,000/-) is in the process of being transferred to the Investor Education and Protection Fund.

13. As required by the Accounting Standard – AS 18 “Related Parties Disclosure” issued by “The Institute of Chartered Accountants of India are as follows”.

List of Related Parties with whom transactions have taken place during the year :

A) **CONTROLLING COMPANIES :**

None

B) **SUBSIDIARY COMPANIES :**

None

C) **ASSOCIATE COMPANIES :**

- a) VCK Share & Stock Broking Services Limited
- b) VCK Forex Services Private Limited
- c) VCK Commodity Services Private Limited
- d) VCK Investments Private Limited

D) **KEY MANAGEMENT PERSONNEL :**

- a) Mr. Madhukar V. Kampani
- b) Mr. Samir Kothari
- c) Mr. Hemal Kampani

14. **DETAILS OF TRANSACTIONS ARE AS FOLLOWS :**

	₹/Lakhs
<b>A) <u>SALES TO AND RECOVERIES FROM RELATED PARTIES :</u></b>	
• Controlling Companies	Nil
• Subsidiary Companies	Nil
• Associate Companies	Nil
• Key Management Personnel	Nil
<b>B) <u>PURCHASE AND OTHER SERVICES FROM RELATED PARTIES :</u></b>	
• Controlling Companies	Nil
• Subsidiary Companies	Nil
• Associate Companies	Nil
• Key Management Personnel	Nil
<b>C) <u>INTER CORPORATE DEPOSITS PLACED WITH RELATED PARTIES :</u></b>	
• Controlling Companies	Nil
• Subsidiary Companies	Nil
• Associate Companies	Nil
• Key Management Personnel	Nil

	₹/Lakhs
<b>D) <u>INTEREST INCOME FROM RELATED PARTIES :</u></b>	
• Controlling Companies	Nil
• Subsidiary Companies	Nil
• Associate Companies	Nil
• Key Management Personnel	Nil
<b>E) <u>REMUNERATION / SITTING FEES :</u></b>	
• Controlling Companies	Nil
• Subsidiary Companies	Nil
• Associate Companies	Nil
• Key Management Personnel	Nil
<b>F) <u>OUTSTANDING BALANCES AS AT MARCH 31, 2011</u></b>	
<b>i] <u>DUE TO COMPANY</u></b>	
• Controlling Companies	Nil
• Subsidiary Companies	Nil
• Associate Companies	Nil
• Key Management Personnel	Nil
<b>ii] <u>INTER CORPORATE DEPOSITS</u></b>	
• Controlling Companies	Nil
• Subsidiary Companies	Nil
• Associate Companies	Nil
• Key Management Personnel	Nil

15. **CALCULATION OF EARNINGS PER SHARE**

	2011	2010
a) Weighted average number of Equity Shares outstanding during the year	9050286	9050286
b) Profit after tax attributable to Equity Shareholders (₹)	(11,33,508)	(26,00,058)
c) Basic/Diluted Earnings per share (₹)	(0.12)	(0.29)

16. **ADDITIONAL INFORMATION** : {To the extent applicable to the Company}

Shares/Securities are not considered as goods and hence, quantitative information thereof are not given.

17. Previous Year's Figures are given in Parenthesis and these have been regrouped and/or rearranged wherever necessary.

Signature to Schedule 1 to 13

Kolkata  
Dated : May 30, 2011

**RAVI KUMAR VENKATESAN**  
Membership No. 52145  
**Registration No. 315056E**  
Partner  
FOR AND ON BEHALF OF  
**R. K. VENKATESAN & CO.,**  
Chartered Accountants  
114B/1, Selimpur Road,  
Kolkata - 700031

**CASH FLOW STATEMENT AS AT MARCH 31, 2011**

	31.03.2011 Rupees	31.03.2011 Rupees	31.03.2010 Rupees	31.03.2010 Rupees
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>				
Profit/(Loss) Before Tax and Extraordinary Items		(1,150,321)		(2,376,997)
Adjustments For :				
Depreciation	201,859		208,047	
Investments written off	3,000		36,750	
Dividend Income on Investment	(28,335)		(35,323)	
Interest Income	--		--	
Prior Period Adjustments	(2,625)	173,899	(265,276)	(55,802)
		<b>(976,422)</b>		<b>(2,432,799)</b>
Operating Profit Before Working Capital Changes				
Adjustment For :				
(Increase)/Decrease in Trade and Other Receivables	1,872,198		5,297,388	
(Increase)/Decrease in Stock-in-Trade	--		--	
Increase/(Decrease) in Trade Payables and Provisions	(930,019)	<b>942,179</b>	(2,782,119)	<b>2,515,269</b>
Cash Generated From Operations		<b>(34,243)</b>		<b>82,470</b>
Income Tax Refund Received/(Paid) [Net]		--		--
Net Cash From Operating Activities (I)		<b>(34,243)</b>		<b>82,470</b>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Investments	--		--	
Purchase of Fixed Assets	--		(66,180)	
Sale of Investments	163,446		--	
Dividend Received	28,335		35,323	
Interest Received	--		--	
Net Cash Used in Investing Activities (II)		<b>191,781</b>		<b>(30,857)</b>
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>				
Interest Paid	--		--	
Dividend Paid	--		--	
Proceeds/(Repayment) of Other Loans & Deposits	--		--	
Net Cash Used in Financing Activities (III)		--		--
Net Changes in Cash & Cash Equivalents (I+II+III)		<b>157,538</b>		<b>51,613</b>
Cash & Cash Equivalents at the beginning of the Year		368,188		316,575
Cash & Cash Equivalents at the close of the Year		525,726		368,188

Note : Previous Year's Figures have been rearranged and regrouped wherever necessary  
This is the Cash Flow Statement referred to in our Report of even date.

For and on behalf of  
**R. K. VENKATESAN & CO.,**  
Chartered Accountants  
Registration No. 315056E

Ravi Kumar Venkatesan  
Partner  
Membership No. 52145

Madhukar Kampani  
Chairman

Samir Kothari  
Managing Director

Sunita Shah  
Company Secretary

Place : Kolkata

Dated : May 30, 2011

**AUDITORS' REPORT**

We have verified the above Cash Flow Statement of **VCK CAPITAL MARKET SERVICES LIMITED** derived from the Audited Annual Financial Statement for the year ended March 31, 2011. The statement has been prepared by the Company pursuant to Clause 32 of Listing Agreement with Stock Exchanges and the reallocation required for the purpose are as made by the Company.

**R. K. VENKATESAN & CO.,**  
Chartered Accountants  
R. K. VENKATESAN  
Partner, Membership No. 52145  
Registration No. 315056E

Place : Kolkata  
Dated : May 30, 2011

**INFORMATION PURSUANT TO PART IV OF SCHEDULE VI OF THE COMPANIES ACT, 1956****REGISTRATION DETAILS**

Registration No.      State Code

Balance Sheet   /   /

**CAPITAL RAISED DURING THE YEAR** (Amount in Rs. Thousands)

Public Issue    Right Issue

Bonus Issue    Private Placement

**POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS**

Total Liabilities      .   Total Assets      .

**SOURCES OF FUNDS**

Paid-up Capital      .   Reserves & Surplus     .

Secured Loans    Unsecured Loans   .

**APPLICATION OF FUNDS**

Net Fixed Assets     .   Investments      .

Net Current Assets      .   Misc. Expenditure

Accumulated Losses      .

**PERFORMANCE OF THE COMPANY**

Turnover (Incl. Other Income)     .   Total Expenditure     .

Profit/Loss Before Tax        .   Profit/Loss After Tax        .

{Please tick appropriate box (+) for Profit and (-) for Loss}

Earnings per Share (Rs.)  .   Dividend {%age}

**GENERIC NAMES OF THREE PRINCIPAL PRODUCT/SERVICES OF COMPANY** {As per monetary Terms}

Item Code No. [ITC Code]  .  . Product Description CATEGORY I MERCHANT BANKER

For and on behalf of  
**R. K. VENKATESAN & CO.,**  
Chartered Accountants  
Registration No. 315056E

**Ravi Kumar Venkatesan**  
Partner  
Membership No. 52145

**Madhukar Kampani**  
Chairman

**Samir Kothari**  
Managing Director

**Sunita Shah**  
Company Secretary

Place : Kolkata  
Dated : May 30, 2011

**VCK CAPITAL MARKET SERVICES LIMITED**

Registered Off. : "Duckback House", 41, Shakespeare Sarani, Kolkata - 700017

**PROXY FORM**

Folio No. ....  
 I/We .....  
 Being a Member/Members of .....  
 hereby appoint .....  
 of .....  
 or failing him .....  
 as my/our proxy to vote for me/us on my/our behalf at the **28TH ANNUAL GENERAL MEETING** of the Company to be held on Tuesday, August 09, 2011 at 11.30 a.m. and at any adjournment thereof at Gyan Manch, 11, Pretoria Street, Kolkata - 700071.

Signed this ..... day of ....., 2011  
 Name .....  
 Address .....  
 ..... Signature .....

**NOTE : Proxy Forms must reach the Company's Registered Office not less than 48 hours before the commencement of the Meeting.**



TEAR HERE

**VCK CAPITAL MARKET SERVICES LIMITED**

Registered Off. : "Duckback House", 41, Shakespeare Sarani, Kolkata - 700017

**ATTENDANCE SLIP**

To be handed over at the Entrance of the Meeting Hall  
 Name of the Attending Member .....  
 [In Block Letters]

Folio No. ....  
 Name of Proxy [In Block Letters] .....  
 [To be filled in if the Proxy attends instead of the Member]

No. of Shares held .....

I hereby record my presence at the **28TH ANNUAL GENERAL MEETING** of the Company held at the Gyan Manch, 11, Pretoria Street, Kolkata - 700071 on Tuesday, August 09, 2011 at 11.30 a.m.

Members/Proxy's Signature  
 [To be signed at the time of handing over this Slip]

**NOTE : PLEASE BRING YOUR COPY OF THE ANNUAL REPORT AT THE MEETING HALL. COPIES OF THE REPORT WILL NOT BE DISTRIBUTED/AVAILABLE AT THE MEETING.**



*If undelivered, please return to :*

**VCK CAPITAL MARKET SERVICES LIMITED**

*"Duckback House", 41, Shakespeare Sarani, Kolkata - 700017*