



# VCK CAPITAL MARKET SERVICES LIMITED

Dated: 01<sup>st</sup> October, 2018

To,  
The Secretary  
BSE Limited  
Floor 25, P.J. Towers, Dalal Street  
Mumbai – 400 001  
Company Scrip Code: 511493

To,  
The Secretary  
The Calcutta Stock Exchange Limited  
7 Lyons Range  
Kolkata-700001  
Company Scrip Code: 11493

Dear Sir/Madam,

**Sub: Submission of Annual Report for the Financial year 2011-12 as per Regulation 34(1) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015**

Pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, kindly find enclosed herewith the Annual Report for the Financial Year 2011-12.

This is for your information and record purpose.

Thanking you.

Yours faithfully,  
For VCK Capital Market Services Ltd.

  
**SAMIR KOTHARI**  
MANAGING DIRECTOR  
DIN:- 00561835

CIN : L67190WB1983PLC035658

**29TH**

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# ANNUAL REPORT

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2011-12

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**BOARD OF DIRECTORS**

Shri. Madhukar V. Kampani	~	Chairman
Shri. Samir Kothari	~	Managing Director
Shri. Hemal Kampani	~	Director
Shri. Sandip Kampani	~	Director
Shri. Parash 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. Parash Rajda	~	Member
Shri. Madhukar V. Kampani	~	Member
Shri. Narendra L. Kapadia	~	Member

**SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE**

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

**AUDITORS**

R. K. VENKATESAN & CO.,

**BANKERS**

HDFC Bank Limited  
 Standard Chartered Grindlays Bank  
 Bank of Baroda  
 State Bank of India  
 Bank of India  
 ICICI Bank Limited (formerly Bank of Rajasthan Limited)

**REGISTERED OFFICE**

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

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**BRANCH OFFICES**

**JAMSHEDPUR**

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

**MUMBAI**

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

**TWENTY NINTH ANNUAL GENERAL MEETING**

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

**REGISTRAR AND SHARE TRANSFER AGENT**

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



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## NOTICE

NOTICE is hereby given that the **TWENTY-NINTH ANNUAL GENERAL MEETING** of the Members of **VCK CAPITAL MARKET SERVICES LIMITED** will be held on **TUESDAY**, the 7<sup>th</sup> day of **AUGUST, 2012** at **11.00 A.M.** at **BHARTIYA BHASHA PARISHAD, 36A, Shakespeare Sarani, Kolkata - 700017** to transact the following business :

### Ordinary Business :

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2012 and the Profit and Loss Account for the year ended on that date along with the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Madhukar Manilal Bhagat, who retires by rotation and is eligible for re-appointment.
3. To appoint a Director in place of Mr. Aravamudhan Viji Iyengar, who retires by rotation and is eligible for re-appointment.
4. To appoint Auditors and to fix their remuneration.

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

Registered Office :  
41, Shakespeare Sarani  
Kolkata - 700017

Dated : June 26, 2012

### **NOTES :**

1. The Register of Members and Share Transfer Books in respect of the Equity Shares of the Company shall remain closed from Thursday, August 02, 2012 to Tuesday, August 07, 2012 (both days inclusive).
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY AT ITS REGISTERED OFFICE NOT LESS THEN 48 HOURS BEFORE THE MEETING.**
3. Only bonafide members of the Company whose names appear on the Register of Members/Proxy Holders, in possession of valid attendance slip duly filled and signed will be permitted to attend the meeting. The Company reserves its rights to take all steps as may be deemed necessary to restrict non-members from attending the meeting.
4. Members of the Company holding more than one share certificate in the same name under different Ledger folios, are requested to apply for consolidation of such folios and send the relevant Share certificates to the Company's Registrar & Share Transfer Agent M/s. C.B. Management Services (P) Limited, situated at P-22, Bondel Road, Kolkata - 700 019.
5. Please note that as per the notification of SEBI, the Company's shares are under compulsory Demat trading, with effect from 27th November, 2000 for all the investors. You are therefore requested to Demat your shareholding to avoid any inconvenience in future.
6. Members who hold shares in dematerialized form are requested to bring their Depository ID Number and Client ID Number for easier identification of at-



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## NOTICE

- tendance at the Annual General Meeting.
7. Members are also requested to notify change in address, if any, immediately to the Company's Registrar & Share Transfer Agent M/s. C.B. Management Services (P) Limited, situated at P-22, Bondel Road, Kolkata - 700 019 by quoting their Folio Number(s).
  8. A member interested of getting any information on the accounts or operations of the company is requested to forward his request to the company at least 10 days prior to the meeting to the Company secretary at the Registered Office so that the required information can be made available at the meeting.
  9. Information for Directors seeking appointment/reappointment as required to be furnished pursuant to Clause 49 of the listing agreement is given in the report on Corporate Governance.
  10. The annual report of the Company circulated to the members of the Company will be made available on the Company's website at [www.vckgroup.com](http://www.vckgroup.com).
  11. The Company has implemented the 'Green Initiative' circulars issued by Ministry of Corporate Affairs (MCA) vide their Circular Nos.17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively and effected electronic delivery of Notice of Annual General Meeting and Annual Report for the year ended March 31, 2011 to those shareholders whose email ids were registered with the respective Depository Participants and downloaded from the depositories viz. National Securities Depository Limited (NSDL)/Central Depository Services (India) Limited (CDSL). Securities and Exchange Board of India (SEBI) have also in line with the MCA circulars and as provided in Clause 32 of the Listing Agreement executed with the stock exchanges, permitted listed entities to supply soft copies of full annual reports to all those shareholders who have registered their email addresses for the purpose. In terms of the Circular No. NSDL/CIR/II/10/2012 dated March 9, 2012 issued by NSDL, email addresses made available by the Depository for your respective Depository Participant accounts as part of the beneficiary position downloaded from the Depositories from time to

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

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

By Order of the Board  
Sunita Shah  
Company Secretary

Registered Office :  
41, Shakespeare Sarani  
Kolkata - 700017

Dated : June 26, 2012

## DIRECTORS REPORT

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

### FINANCIAL RESULTS

The highlights of the Financial Results are as under :

PARTICULARS	For The Year Ended [₹/Lacs]	
	31.03.2012	31.03.2011
Income From Operations	20.51	18.36
Profit/(Loss) Before Depreciation, Amortisation & Taxation	(9.23)	(1.38)
Provision For Depreciation	1.38	2.02
Add/Less : Prior Period Adjustments (Net)	--	(0.03)
Profit/(Loss) Before Tax	(10.61)	(3.43)
Provision for Fringe Benefit Tax	-	-
Add : Deferred Tax Liability Written Back	0.03	0.19
Profit/(Loss) Before Extraordinary Items (Net of Tax Expenses)	(10.58)	(3.24)
Less : Extraordinary Items (Net of Tax Expenses)	-	(8.10)
Profit/(Loss) After Tax	(10.58)	(11.34)
Paid-up Share Capital	905.88	905.88

### OPERATIONS AND FUTURE OUTLOOK

#### Investment Banking & Retail Mobilisation

Retail Mobilisation has been our focus. VCK Share & Stock Broking Services Limited our Group Company has expanded its reach to 150 locations and we are trying to see that those locations are trained to contribute to Mutual Fund Business also. Our market is very competitive and it requires innovative ways to ensure margin and profitability which we are trying hard, and we are also motivating the workforce to think in the same direction and raise profitability. In terms of operational activities we are taking all initiatives for greater business mobilization and revenue generation.

#### VCK FIXED DEPOSIT SCHEMES

As reported earlier the Company continued honouring all its obligations regarding Fixed Deposit repayments on maturity including interest thereon.

Information as per Non-Banking Finance Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998 as on 31st March, 2012 is furnished below :

#### UNCLAIMED DEPOSITS

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

#### CAPITAL STRUCTURE

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



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## DIRECTORS REPORT

### DIRECTORS

In accordance with the provisions of the Companies Act, 1956, and the Company's Articles of Association Mr. Madhukar Manilal Bhagat and Mr. Aravamudhan Viji Iyengar, Directors of the Company retire by rotation at the ensuing Annual General Meeting of the Company and being eligible offer themselves for re-appointment.

The above re-appointments form part of the Notice of the Annual General Meeting and Profiles of the Directors as required under Clause 49 of the Listing Agreement are given in the Report on the Corporate Governance forming part of this Annual Report.

### AUDITORS

M/s. R. K. Venkatesan & Co., Chartered Accountants, the retiring Statutory Auditors of the Company have resigned from the Auditorship of the Company. M/s. S. Ramanand Aiyar & Co., Chartered Accountants have consented to act as the Statutory Auditors of the Company and have also furnished the Certificate under Section 224(1B) of the Companies Act, 1956 that their appointment as the Auditors of the Company, if made, shall be within the permissible limit of the said Act. Members are requested to consider the appointment for the Financial Year 2012-2013.

### AUDIT OBSERVATIONS

The observation of the Auditors are duly dealt in Notes of Accounts attached to the Balance Sheet and are self-explanatory in nature.

### DEPOSITORY SYSTEM

As the members are aware, your Company's share are tradable compulsorily in electronic form and the company has established connectivity with both the depositories in the country, i.e. NSDL and CDSL. In view of the various advantages offered by the depository system, members are requested to avail of the facility of dematerialization of the company's shares on either of the aforesaid Depositories.

### PARTICULARS OF EMPLOYEES

None of the Employees of the Company are covered under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended.

### PARTICULARS PURSUANT TO COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988

Since the Company does not carry any manufacturing activities, the provisions of Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 regarding conservation of energy, technology, absorption and foreign exchange earning and outgo are not applicable to your Company. There are no foreign exchange earnings and outgo during the year under report.

### DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) introduced by the Companies (Amendment) Act, 2000, your Directors state that :

- in the preparation of Annual Accounts, the applicable accounting standard had been followed along with proper explanation relating to material departure.
- the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of Financial Year 31st March, 2012 and the Profit or Loss of the Company for the period.
- the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company and preventing and detecting fraud and other irregularities.



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## DIRECTORS REPORT

- the Directors had prepared the Annual Accounts for the financial year ended 31st March, 2012, on a going concern basis.

### CORPORATE GOVERNANCE

As required by the listing Agreement with the Stock Exchanges, reports on Corporate Governance and Management Discussion & Analysis Report, as approved by the Board together with a certificate from a practicing Company Secretary are set out in the annexure forming a part of this report.

### LISTING

Your Company's shares are listed at BSE Limited and The Calcutta Stock Exchange Limited. The Equity Shares of the Company have been delisted from Vadodara Stock Exchange Limited vide letter No. VSE/DELISTING/2011/010 dated December 08, 2011 and Ahmedabad Stock Exchange Limited vide letter No. ASEL/2011-12/66h dated November 23, 2011. However, delisting Application with The Calcutta Stock Exchange Limited is under process.

### ACKNOWLEDGMENT

Your Directors wish to thank the Shareholders, Clients, Bankers and Others associated with the Company for their continued support during the year. Your Directors also wish to place on record their appreciation for the dedication and commitment of the Employees at all levels.

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

Place : Kolkata

Dated : June 26, 2012





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## CORPORATE GOVERNANCE REPORT

### COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance refers to set of system and practices that enables an organization to perform efficiently with the highest level of a accountability and transparency in all its transaction. We believe good governance is an essential ingredient of good business. Good Governance and good business have many things in common participatory decision making, accountability, responsiveness, transparency, effectiveness and efficiency among others.

Corporate Governance is about maximizing shareholders value legally, ethically and on a sustainable basis, while ensuring fairness to every stakeholder- the Company's clients, employees, investors, the Government of the land and the community. Thus Corporate Governance is a reflection of the Company's culture, policies, its relationship with stakeholders, and its commitment to value.

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

#### 1. BOARD OF DIRECTORS :

##### (A) COMPOSITION :

As on the year ended of the report i.e. 31st March, 2012, the Board consists of 8 (eight) directors consisting of 1 (one) Executive and 7 (seven) Non Executive Directors. There are 4 (four) Independent directors in the Board fulfilling the criteria as stipulated in Clause 49 of the listing agreement.

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

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

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

Name of Directors	Category of Directors	Member of Board of Other Public Limited Companies	Total No. of Committee (b) Membership in other Public Limited Companies (excluding Private Limited Companies, Foreign Companies and Companies under Section 25 of The Companies Act, 1956 and Membership of Committees of various Charities/Bodies)	
			As Chairman	As Member
Mr. Madhukar Kampani (a)	Chairman Non-Executive	2	None	2
Mr. Sanjay Kothari	Executive	None	None	None
Mr. Hemal Kampani (a)	Non-Executive	2	1	1
Mr. Sandip Kampani (a)	Non-Executive	1	None	None
Mr. Parash Rajda	* Non-Executive	None	None	None
Mr. Madhukar M. Bhagat	* Non-Executive	4	1	1
Mr. Narendra L. Kapadia	* Non-Executive	None	None	None
Mr. A. V. Iyengar	* Non-Executive	9	None	7

\* Independent Directors

a) All are Promoters of the Company

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

## CORPORATE GOVERNANCE REPORT

### (B) BOARD MEETINGS HELD DURING THE YEAR :

Dates of Board Meetings are decided in advance in consultation with all the Directors, considering the practice of earlier years. Once decided the schedule of the Board Meetings and Board Committee Meetings are communicated in advance to the Directors.

The Board met 5(five) times during the year and the time gap between 2(two) Board Meetings were not more than 4(four) months.

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

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

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

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

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

#### (I) MR. MADHUKAR MANILAL BHAGAT

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



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## CORPORATE GOVERNANCE REPORT

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

### SHARES OF THE COMPANY HELD BY HIM

Equity (a) Own 226 Shares  
 (b) Beneficiary --

### (II) MR. ARAVAMUDHAN VIJI IYENGAR

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

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

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

### SHARES OF THE COMPANY HELD BY HIM

Equity (a) Own --  
 (b) Beneficiary --

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

### (E) CODE OF CONDUCT :

The Company has formulated and implemented a code of conduct for all Board Members and Senior Management of the Company in compliance with Clause 49 of the Listing Agreement. The same has also been posted at the Company's website at [www.vckgroup.com](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.



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## CORPORATE GOVERNANCE REPORT

### 2. COMMITTEE OF THE BOARD :

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 has in accordance with the requirements of clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956, constituted an Audit Committee for overseeing the accounting, auditing and overall financial reporting process of the Company. 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.

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.
- Reviewing with management performance of statutory and internal auditors and adequacy of internal audit system.
- Audit Committee should look into the reasons for substantial defaults in the payment to the depositors, shareholders (in case of non payment of declared dividends) and creditors.
- 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.
- 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 the draft audit report.

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 Manjil Bhagat who has more than forty 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 a Secretary of the Committee. The composition of the Audit Committee and the attendance of the members at the meetings held during the year are as under :

## CORPORATE GOVERNANCE REPORT

Name of the Director	28.05.2011	29.07.2011	01.11.2011	02.02.2012
Mr. Madhukar M. Bhagat Chairman	Yes	Yes	Yes	Yes
Mr. Paresh Rajda Member	No	Yes	Yes	Yes
Mr. Madhukar Kampani Member	Yes	Yes	Yes	Yes
Mr. Narendra L. Kapadia	Yes	Yes	Yes	Yes

**(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, 2012.

Shares/Convertible Instruments held by Non-Executive Directors as on March 31, 2012.

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.
Mr. A. V. Iyengar	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, 2012, there has been no change in the Capital Structure of the Company.

**(C) SHAREHOLDERS/INVESTORS' GRIEVANCE COMMITTEE :**

In order to ensure quick redressal of the Complaints of the Shareholders, Company has in compliance with Clause 49 of the Listing Agreement constituted a Shareholder's/Investor's Grievance Committee, which comprises of Four Non-Executive Directors and headed by the Chairman of the Board Mr. Madhukar Kampani. The functions entrusted to the Committee are as follows :

- Transfer/Transmission of Shares
- 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.

## CORPORATE GOVERNANCE REPORT

During the Financial Year ended on 31st March, 2012, Meetings of the said Committee were held 6(Six) times.

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

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

Ms. Sunita Shah, Company Secretary acts as the Compliance Officer of the Company. 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.

The Status of Investors' Complaints as on 31st March, 2012 is as follows:

Number of Shareholder Complaints received during the Year	8*
Number of Complaints resolved during the Year till March 31, 2012	8*
Number not solved to the satisfaction of the Share holders till March 31, 2012	Nil
Number of Pending Share Transfers as at March 31, 2012	Nil

\* Five (5) complaints received during the year through SEBI SCORES and all of them were redressed.

(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, 2012, 47.85% of the Company's Equity Shares representing 4330335 Equity Shares were held in dematerialized mode and the balance 52.15% representing 4719951 Equity Shares were held in physical mode.

Name of the Compliance Officer	Address	Phone No.	Fax No.	E-mail
Ms. Sunita Shah Company Secretary	'Dudhback House', 41, Shakespeare Sarani, Kolkata - 700 017	(033) 4009-9999	(033) 2297-8479	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.

## CORPORATE GOVERNANCE REPORT

### 3. GENERAL BODY MEETINGS :

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

General Meeting	Financial Year	Date	Time	Special Resolution passed	Place
26th (AGM)	2008-09	31.08.2008	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
28th (AGM)	2010-11	09.08.2011	11.30 a.m.	Re-Appointment of Mr. Samir Kothari as the Managing Director	Gyan Mandh 11, Pretoria Street, Kolkata - 700071

#### Extra Ordinary General Meetings

During the Financial Year 2011-12, no Extra-ordinary General Meetings were held.

#### Postal Ballot

The Company had on August 06, 2011 dispatched to all the shareholders a notice dated July 29, 2011 under Section 192 A of the Companies Act, 1956 read with Companies (passing of resolution by Postal Ballot) Rules, 2011 for passing resolution by means of Postal Ballot. The special resolution under Section 372A of the Companies Act, 1956 as set out in the notice dated July 29, 2011 were passed with necessary consent of the shareholders through Postal Ballot and approval of the members was taken for making loans, investments and providing corporate guarantee in excess of the stipulated statutory limits vide Section 372A of the said Act i.e. 60% of the aggregate of paid-up capital and free reserve or 100% of free reserve whichever is higher but not exceeding a sum of ₹15 Crores in aggregate.

### 4. 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 except ₹5,34,000/- that was taken towards initial expenses to be incurred by VCK Capital Market Services Limited on behalf of VCK Commodity Services Private Limited for their foray into Commodity Trading.
- ii) For the list of disclosures of related party relationship and transactions as per Accounting Standard AS-18, please refer "Related Party Disclosures" Note '16' of Notes on Financial Statements to the Annual Audited Accounts of the Company for the year ended 31st March, 2012.
- 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:
  - a) The Company does not have a Remuneration Committee.
  - b) 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.
  - c) 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.

### 5. SUBSIDIARY COMPANY :

The Company does not have any subsidiary Company.

## CORPORATE GOVERNANCE REPORT

### 6. MEANS OF COMMUNICATION :

In compliance with the requirements of the Listing Agreement, the Company regularly intimates Unaudited 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 - English Language 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]
30.06.2011	30.07.2011	30.07.2011
30.09.2011	02.11.2011	02.11.2011
31.12.2011	03.02.2012	03.02.2012

### 7. 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 March 31, 2012 .

### 8. CEO/CFO CERTIFICATE :

As required by Clause 49 of the Listing Agreement, the CEO/CFO certification is appended as an Annexure to this Report.

### 9. GENERAL SHAREHOLDERS INFORMATION :

#### A) AGM : DATE, TIME AND VENUE :

The forthcoming 29TH ANNUAL GENERAL MEETING of our Company will be held on TUESDAY, 7th day of AUGUST, 2012, at 11.00 A.M. at BHARTIYA BHASHA PARISHAD, 36A, Shakespeare Sarani, Kolkata - 700017.

#### B) BOOK CLOSURE :

The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, August 02, 2012 to Tuesday, August 07, 2012 (both days inclusive).

#### C) FINANCIAL CALENDAR :

Financial Year (2012-13 – Tentative)	April 01 – March 31
Financial Reporting For The Year Ending March 31, 2012	By 30th May, 2012
Mailing of Annual Reports – 2011-12	Middle of July, 2012
Financial Reporting For The Quarter Ending June 30, 2012	By 14th August, 2012
Financial Reporting For The Quarter Ending September 30, 2012	By 14th November, 2012
Financial Reporting For The Quarter Ending December 31, 2012	By 14th February, 2013
Financial Reporting For The Year Ending March 31, 2013	By 30th May, 2013
Date of Book Closure	August 02, 2012 to August 07, 2012

For the year ended March 31, 2012, results were announced on :

- First Quarter : July 29, 2011
- Second Quarter : November 01, 2011
- Third Quarter : February 02, 2012
- Audited Results : May 29, 2012





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## CORPORATE GOVERNANCE REPORT

- 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 Limited	7, Lyons Range, Kolkata – 700 001	32023
BSE Limited	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001	511493

The Listing Fees has been paid to BSE Limited for the Financial Year 2012-2013. The Equity Shares of the Company have been delisted from Vadodara Stock Exchange Limited and Ahmedabad Stock Exchange Limited and is in the process of Delisting from The Calcutta 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 :**  
The monthly high and low and volume of shares of the Company at Bombay Stock Exchange Limited for the year 2011-12 is as under :

Month	High (₹)	Low (₹)	Closing (₹)	No. of Shares Traded	SENSEX Closing
April, 2011	2.67	2.12	2.41	11953	19135.96
May, 2011	2.40	2.13	2.13	7872	18503.28
June 2011	2.88	2.15	2.88	10330	18845.87
July 2011	4.23	3.02	3.32	19889	18197.20
August 2011	3.16	2.15	2.15	7626	16676.75
September 2011	2.07	1.90	1.98	3300	16453.76
October 2011	2.13	1.92	2.00	901	17705.01
November 2011	2.31	1.92	2.05	53604	16123.46
December 2011	2.15	1.87	1.87	1757	15454.92
January 2012	1.96	1.63	1.80	8022	17193.55
February 2012	2.17	1.72	2.00	15379	17752.68
March 2012	3.19	2.10	2.89	18610	17404.20

Source: [www.bseIndia.com](http://www.bseIndia.com)



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**CORPORATE GOVERNANCE REPORT****I) REGISTRAR AND SHARE TRANSFER AGENTS :**

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

Physical Segment	AND	Demat Segment
<b>C.B. Management Services Private Limited</b> P-22 Bondel Road, Kolkata – 700019, West Bengal Phone No: (033) 4011-6700/11/18/20/29; Fax No.(033) 4011-6739 E-mail ID : rta@cbmsl.com		

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.

**J) DISTRIBUTION OF SHAREHOLDING AS AT MARCH 31, 2012 (EQUITY) :**

The Shareholding Pattern of the Company as on March 31, 2012 is as follows :

Category	No. of Shares	% of Shares
Promoter's Holding (including foreign promoters)	3465530	38.29
<b>Non-Promoter's Holding</b>		
a) Mutual Funds & UTI	NIL	NIL
b) Banks, FIs and Insurance Company	NIL	NIL
c) FII's	NIL	NIL
<b>Others</b>		
a) Bodies Corporate	1027786	11.36
b) Indian Public	4113324	45.45
c) NRI/OCBs	442996	4.89
d) Others	650	0.01
<b>TOTAL</b>	<b>9050286</b>	<b>100.00</b>

The distribution of Shareholding of the Company as on March 31, 2012 is as follows :

No. of Shares	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
Upto 500	8705	87.49	1921409	21.23
501 to 1000	684	6.87	512821	5.67
1001 to 2000	290	2.91	407535	4.50
2001 to 3000	111	1.12	272461	3.01
3001 to 4000	39	0.39	140138	1.55
4001 to 5000	21	0.21	97532	1.08
5001 to 10000	41	0.41	283574	3.13
10001 & above	59	0.59	5414816	59.84
<b>TOTAL</b>	<b>9950</b>	<b>100.00</b>	<b>9050286</b>	<b>100.00</b>



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## CORPORATE GOVERNANCE REPORT

**K) HOLDING PATTERN AS ON MARCH 31, 2012 (EQUITY) :**

	No. of Shareholders	%	No. of Shares	%
Physical	7951	79.91	4719951	52.15
NSDL	1404	14.11	2754298	30.43
CDSL	595	5.98	1576037	17.42
<b>TOTAL</b>	<b>9950</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

**10. 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

Place : Kolkata  
Dated : June 26, 2012



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## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### ECONOMIC SCENARIO

India recorded the highest growth rates in the mid-2000s, and is one of the fastest-growing economies in the world. The growth was led primarily due to a huge increase in the size of the middle class consumer, a large labor force and considerable foreign investments. India is now much more closely integrated with the world economy as its share of trade to GDP of goods and services has tripled between 1990-2010. At the same time, the extent of financial integration, measured by flows of capital as a share of GDP, has also increased dramatically and the role of India in the world economy has commensurately expanded, along with the other major members of emerging markets.

Economic growth stood at 6.5% for the 2011-12 fiscal year and growth momentum to pick up in next two fiscals to 7.6 per cent 2012-13 and 8.6 per cent in 2013-14. Agriculture and service sector continue to perform well. 2.5% growth in Agro sector and service sector grew by 9.4%. India's Index of Industrial Production was 4.10 percent in the month of February 2012 on a year-on-year basis, as compared to 1.10 percent growth in January 2012 and 6.48 percent growth in February 2011. Inflation on WPI was high but showed clear slow down by the year-end; this is likely to spur investment activities leading to positive impact on growth.

### INDUSTRIAL OVERVIEW

Industrial growth pegged at 4-5%, expected to improve as economic recovery resumes. The services sector continues to be a star performer as its share in GDP has climbed from 58% in 2010-11 to 59% in 2011-12 with a growth rate of 9.4%. Similarly, agriculture and allied sectors have achieved a growth rate of 2.5% in 2011-12 with foodgrains production likely to cross 250.42 million tonnes owing to increase in the production of rice in some States. However the growth rate of investment in the economy is estimated to have registered a significant decline during the current year. The year witnessed a sharp increase in interest rates that resulted in higher costs of borrowings; and other rising costs affecting profitability and, thereby, internal accruals that could be used to finance investments.

Exports grew by 40.5 percent in the first half of this fiscal and imports grew by 30.4 percent. Wholesale Price Index (WPI) which remained persistently high throughout 2011 due to increasing global commodity prices and high crude prices has started showing signs of moderation.

Despite the demanding operational environment, the Indian banking sector demonstrated continued revival from the peripheral spillover effects of the recent global financial turmoil.

The performance of broad sectors and sub sectors in key infra-

structure areas in the current year presents a mixed picture. There was improvement in growth in power, petroleum refinery, cement, railway freight traffic, passenger handled at domestic terminals and upgradation of NHAI. Coal, Natural Gas, Fertilizers, handling of Export Cargo at airports and number of cell phone connections show negative growth. Steel sector witnessed moderation in growth.

### FUTURE OUTLOOK

India continues to urbanise at a strong pace driven by a combination of up trending consumption, robust job creation and growing financial penetration. The report reveals that Bengaluru, Chandigarh, Hyderabad, Pune and Chennai are the top 5 vibrant cities.

The Government had liberalized investments made by registered foreign institutional investors (FIIs) under the portfolio Investment Scheme (PIS) from April 10, 2012. Earlier, these investments required Government approval.

Agriculture to pose a moderate 2-3% growth. Industrial growth is expected at 7-8%. Service sector will continue to be the engine to growth with a lead of 9%. Monetary policy will tend to be cautionary open with the repo rate to be lowered sequentially by 100-150 bps during the course of the year.

As all the benchmark indices have started taking new highs in 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.



## CEO/CFO CERTIFICATE

The Board of Directors  
VCK Capital Market Services Limited  
'Duckback House'  
41, Shakespeare Sarani,  
Kolkata - 700017

I, Samir Kothari, Managing Director of VCK Capital Market Services Limited ("the Company"), to the best of our knowledge and belief, hereby certify that :

- a) I have reviewed the financial statements and the cash flow statements of the Company for the year ended March 31, 2012; and :
  - i) these statements do not contain any materially untrue statement or omitted any material fact or contain any statements that might be 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) There are no transactions entered into by the company during the year ended 31st March, 2012, which are fraudulent, illegal or violate the Company's code of conduct.
- c) I accept responsibility for establishing and maintaining internal controls for financial reporting and I have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting.
- d) I have 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) 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.

Samir Kothari  
Managing Director

Place : Kolkata  
Date : June 26, 2012



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## 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, 2012 as stipulated in Clause 49 of the Listing Agreement of the Company with the 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.

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

Place : Kolkata

Date : June 26, 2012

## 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, 2012. The same has also been noted by the Board.

Place : Kolkata  
Dated : May 29, 2012

For VCK Capital Market Services Limited  
Samir Kothari  
Managing Director



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**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 2012 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)
    - a) The Company has not granted any loans to 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.
    - b) The Company has taken an interest free unsecured loan of ₹5,34,000/- from a Company listed in the register maintained under Section 301 of the Companies Act, 1956. The terms and conditions of the loan taken are not prejudicial to the interests of the Company. The

## AUDITORS' REPORT

amount of loan taken is repayable on demand.

- 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 deposits from the public during the year. An aggregate amount of ₹30,000/- is outstanding against such deposits accepted by the Company in the earlier years. The Company has transferred 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.

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, 2012 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, 2012, 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, 2012 are lower than 50% of the Net Worth as on the said date. The Company incurred Cash Loss amounting to ₹9,22,086/- during the relevant Financial Year and ₹9,96,087/- in the im-





## AUDITORS' REPORT

mediately preceding financial year.

- xj) 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.



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## AUDITORS' REPORT

- 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, 2012 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, whose impact on the Company's Profit wherever ascertainable, is stated in the respective notes :
1. Note under Schedule 8 (Non Current Investment-Long Term) regarding non provision of shortfall of Rs 1,06,02,409/- in the value of long term quoted investments, and
  2. Note under Schedule 5 (Long Term Provision) in respect of non funding of Gratuity liability, and
  3. Note under Schedule 9 (Long Term Loans and Advances) in respect of Provision in respect of Sub Standard Assets given 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, 2012;
    - 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 29, 2012



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**BALANCE SHEET AS AT MARCH 31, 2012**

	Note	As At March 31, 2012	As At March 31, 2011	(₹ /000s)
<b>EQUITY AND LIABILITIES</b>				
<u>Shareholders' Funds</u>				
Share Capital	1	90,587.86	90,587.86	
Reserves and Surplus	2	(42,231.34)	(11,173.78)	
		<b>48,356.52</b>	<b>49,414.08</b>	
<u>Non-Current Liabilities</u>				
Long Term Borrowings	3	1,235.28	845.54	
Deferred Tax Liabilities (Net)	4	877.56	880.03	
Long Term Provisions	5	4,956.81	5,004.81	
		<b>7,069.65</b>	<b>6,730.38</b>	
<u>Current Liabilities</u>				
Trade Payables	6	-	13.07	
Other Current Liabilities	6	200.04	206.79	
Short Term Provisions	6	0.23	0.76	
		<b>200.27</b>	<b>220.62</b>	
		<b>55,626.44</b>	<b>56,365.08</b>	
<b>ASSETS</b>				
<u>Non-Current Assets</u>				
<u>Fixed Assets</u>				
Tangible Assets	7	1,002.15	1,140.10	
Non-Current Investments	8	29,009.50	29,009.50	
Long Term Loans and Advances	9	18,609.87	18,954.42	
Other Non-Current Assets	10	6,483.24	6,483.24	
		<b>55,104.76</b>	<b>55,587.26</b>	
<u>Current Assets</u>				
Trade Receivables	11	81.44	237.86	
Cash and Cash Equivalents	11	310.70	525.73	
Other Current Assets	11	129.54	14.23	
		<b>521.68</b>	<b>777.82</b>	
		<b>55,626.44</b>	<b>56,365.08</b>	
Notes on Financial Statements	1 - 16			

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

Ravi Kumar Venkatesan  
 Partner  
 Membership No. 52145

Place : Kolkata

Dated : May 29, 2012

Madhukar Kampani  
 Chairman

Samir Kothari  
 Managing Director

Sunita Shah  
 Company Secretary



Funding your Dreams

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2012

		(₹ /000s)	
	Note	As At 31.03.2012	As At 31.03.2011
<b>INCOME</b>			
Revenue from Operations	12	2,067.60	1,864.88
Other Income	13	33.20	323.24
<b>Total Revenue</b>		<b>2,100.80</b>	<b>2,188.12</b>
<b>EXPENSES</b>			
Employee Benefits Expenses	14	1,203.92	1,116.52
Depreciation and Amortization Expenses	15	137.95	201.80
Other Expenses	16	1,818.96	1,209.48
<b>Total Expenses</b>		<b>3,160.83</b>	<b>2,527.80</b>
Profit Before Exceptional and Extra-Ordinary Items and Tax		(1,060.03)	(399.74)
Investment Written Off		-	3.00
Profit Before Extra-Ordinary Items and Tax		(1,060.03)	(342.74)
Bad Debt Written Off		-	(852.58)
Excess Gratuity Written Back		-	45.00
Prior Period Expenses		-	(2.63)
Profit Before Tax		(1,060.03)	(1,152.95)
<b>Tax Expenses</b>			
Deferred Tax		2.47	19.44
Profit/(Loss) For The Period From Continuing Operations		(1,057.56)	(1,133.51)
Profit/(Loss) Form Discounting Operations		-	-
Tax Expenses of Discounting Operations		-	-
Profit/(Loss) From Discounting Operations (After Tax)		(47,271.98)	(46,138.47)
<b>Profit/(Loss) For The Period</b>		<b>(48,329.54)</b>	<b>(47,271.98)</b>
<b>Earnings per Equity Share</b>			
Basic & Diluted Earnings Per Share		(0.11)	(0.12)

Notes on Financial Statements

1 - 16

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 29, 2012



Funding your Dreams

## SIGNIFICANT ACCOUNTING POLICIES

- A) **BASIS OF ACCOUNTING :**  
The Company prepares its Accounts on accrual basis, except otherwise stated, in consonance with the Generally Accepted Accounting Policies.
- B) **FIXED ASSETS :**  
Fixed Assets are valued at Cost less Depreciation.
- C) **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.
- D) **IMPAIRMENT OF ASSETS :**  
There has been no impairment during the Current Financial Year 2011-12 i.e. the carrying amount of the assets does not exceed the realizable value of the Assets.
- E) **INVESTMENTS :**  
i) **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.
- ii) **VALUATION :**  
i) Long Term Investments are valued at cost. Diminution in their values is however, not provided for, since not permanent in nature.
- F) **REVENUE RECOGNITION :**  
i) 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.  
ii) Dividends and Interest on Debentures are accounted for as and when received.  
iii) Service Charges for Fund Syndication, if any, are accounted for on completion of Syndication.
- G) **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.
- H) **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.

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

The Previous Year figures have been regrouped/reclassified, wherever necessary to confirm to the Current Year Presentation

### 1. SHARE CAPITAL

	(₹/000s)	
	As At March 31, 2012	As At March 31, 2011
<b>Authorized Share Capital</b>		
1,50,00,000 Equity Shares of ₹10/- each	150,000.00	150,000.00
6,00,030 Preference Shares of ₹80/- each	48,002.40	48,002.40
2,01,99,760 Unclassified Shares of ₹10/- each	201,997.60	201,997.60
	<u>400,000.00</u>	<u>400,000.00</u>
<b>Issued, Subscribed and Paid-up</b>		
90,50,286 Equity Shares of ₹10/- each	90,502.86	90,502.86
Add : Share Forfeiture Accounts	85.00	85.00
	<u>90,587.86</u>	<u>90,587.86</u>
	<u>90,587.86</u>	<u>90,587.86</u>

#### 1.1 The details of Shareholders holding more than 5% shares

Name of the Shareholder	As At March 31, 2012		As At March 31, 2011	
	No. of Shares	% held	No. of Shares	% held
VCK Share & Stock Broking Services Limited	1218952	13.47	1218952	13.47
VCK Investments Private Limited	1392828	15.39	1392828	15.39
Reinhold Jungmann	750000	8.29	750000	8.29

### 2. RESERVES AND SURPLUS

	(₹/000s)	
	As At March 31, 2012	As At March 31, 2011
<b>Securities Premium Account</b>	6,098.20	6,098.20
	<u>6,098.20</u>	<u>6,098.20</u>
<b>Profit and Loss Account</b>		
As per Last Balance Sheet	(47,271.98)	(46,138.47)
Add : Profit/(Loss) for the Year	(10,57.56)	(1,133.51)
	<u>(48,329.54)</u>	<u>(47,271.98)</u>
	<u>(42,231.34)</u>	<u>(41,173.78)</u>

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

### 3. LONG TERM BORROWING

	As At March 31, 2012	As At March 31, 2011	(₹ /000s)
<b>Unsecured</b>			
Deposits	30.00	30.00	
Loans and Advances from Related Parties	534.00	350.90	
Other Loans and Advances	671.28	464.64	
	<u>1,235.28</u>	<u>845.54</u>	
	<u>1,235.28</u>	<u>845.54</u>	

#### UNCLAIMED DEPOSIT

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

### 4. DEFERRED TAX LIABILITY

	As At March 31, 2012	As At March 31, 2011	(₹ /000s)
Opening Deferred Tax Liability	880.03	899.47	
	<u>880.03</u>	<u>899.47</u>	
Less : Deferred Tax Asset (Depreciation)	(18.45)	(33.36)	
Add : Deferred Tax Liability (Gratuity)	15.98	13.92	
	<u>(2.47)</u>	<u>(19.44)</u>	
	<u>877.56</u>	<u>880.03</u>	

In compliance with the Accounting Standard - AS 22 relating to "Accounting For Taxes on Income" issued by the Institute of Chartered Accountants of India, the Company has adjusted the Deferred Tax Liability (Net) arising out of timing differences for the period up to March 31, 2012. An amount of ₹2,474/- has been written back in the Profit and Loss Account for the year ending March 31, 2012

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

### 5. LONG TERM PROVISION

	As At March 31, 2012	As At March 31, 2011
Provision for Gratuity	122.00	170.00
Provision for NPA	4,670.00	4,670.00
Provision for Doubtful Advance	164.81	164.81
	4,956.81	5,004.81

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

PARTICULARS	AS AT 31.03.2012 (₹)
<b>ASSUMPTIONS</b>	
Discount Rate per annum compound	8.75%
Expected Rate of Increase in Salary	5.00%
Average Future Service	22.88
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	1.22
Fair Value of Plan Assets	0.00
Funded Status (Surplus/Deficit)	1.22
Unrecognised Past Service Costs	0.00
Net Asset/(Liability) recognised in Balance Sheet as per actuarial calculations	1.22

PARTICULARS	AS AT 31.03.2012 (₹)
<b>NET ASSET/(LIABILITY) RECOGNISED IN BALANCE SHEET</b>	
Obligations at the Beginning of the Year	1.70
Total Employer Cost (Net)	(0.48)
Obligations at the End of the Year	1.22

### 6. CURRENT LIABILITIES

	As At March 31, 2012	As At March 31, 2011
Trade Payables	—	13.07
Other Current Liabilities	200.04	206.79
Short Term Provisions	0.23	0.76
	200.27	220.62



## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

### 7. FIXED ASSETS

Particulars	GROSS BLOCK				DEPRECIATION			NET BLOCK		
	As At 31.03.2011	Additions	Deductions	As At 31.03.2012	As At 31.03.2011	For The Period	Dedu- tion Adjust	As At 31.03.2012	As At 31.03.2012	As At 31.03.2011
<b>TANGIBLE</b>										
Land	394.38	-	-	394.38	-	-	-	-	394.38	394.38
Buildings	653.41	-	-	653.41	196.38	10.65	-	207.03	446.38	457.03
Plant & Ma- chinery	2,314.78	-	-	2,314.78	2,133.15	20.23	-	2,153.39	161.39	181.62
Furniture & Office Equip- ment	2,732.69	-	-	2,732.69	2,625.62	107.07	-	2,732.69	-	107.07
<b>TOTAL</b>	<b>6,095.26</b>	<b>-</b>	<b>-</b>	<b>6,095.26</b>	<b>4,955.16</b>	<b>137.95</b>	<b>-</b>	<b>5,093.11</b>	<b>1,002.15</b>	<b>1,140.10</b>
Previous Year	6,095.26	-	-	6,095.26	4,753.30	201.86	-	4,955.16	1,140.10	

### 8. NON-CURRENT INVESTMENTS (LONG TERM)

	As At March 31, 2012		As At March 31, 2011	
	No. of Shares	Amount (₹)	No. of Shares	Amount (₹)
<b>Other Investments</b> (Equity Shares of ₹10/- each fully paid-up except otherwise stated)				
<b>QUOTED</b>				
ICICI Bank Limited	1	1.00	1	1.00
Credence Sound & Vision Limited	177,000	10,708.50	177,000	10,708.50
		10,709.50		10,709.50
Aggregate Market Value		107.09		125.01
<b>UNQUOTED</b>				
VCK Forex Services Private Limited	80,000	800.00	80,000	800.00
VCK Share & Stock Broking Services Limited	412,500	16,500.00	412,500	16,500.00
		17,300.00		17,300.00
<b>PREFERENCE SHARES</b>				
VCK Forex Services Private Limited	10,000	1,000.00	10,000	1,000.00
		1,000.00		1,000.00
<b>TOTAL</b>		<b>29,009.50</b>		<b>29,009.50</b>

There is a shortfall of ₹1,06,02,409 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.



**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012**

**9. LONG TERM LOANS AND ADVANCES**

	As At March 31, 2012	As At March 31, 2011
(₹ /000s)		
<b><u>Unsecured Considered Good</u></b>		
Security Deposit	122.75	122.75
Other Loans	10,690.00	10,690.00
Advances to Related Party	7,034.60	7,369.59
Other Advances	762.52	772.08
	<b>18,609.87</b>	<b>18,954.42</b>

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.

As per Reserve Bank of India Guidelines, Loans & Advances and Sundry Debtors aggregating ₹76,91,349/- (Previous year ₹76,91,449/-) and ₹63,18,425/- (Previous year ₹63,17,427/-) respectively are "Sub-Standard" and ₹40,00,000 /- and ₹1,64,811/- are "Doubtful Assets". Necessary provision on account of the above have been made on doubtful assets. In the opinion of the management, provision for sub-standard asset would be made on the final outcome of the negotiations with them.

As per Reserve Bank of India Guidelines, Income on Non-Performing Assets have only been recognized to the extent realized

Presently, the Company is involved in Marketing of Mutual Fund. It is not involved in any NBFC activity. So in the opinion of the management, relevant provision in involving NBFC activity is not applicable.

**10. OTHER NON CURRENT ASSETS**

	As At March 31, 2012	As At March 31, 2011
(₹ /000s)		
Long Term Trade Receivables	6,483.24	6,483.24
	<b>6,483.24</b>	<b>6,483.24</b>



## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

### 11. CURRENT ASSETS

	As At March 31, 2012	As At March 31, 2011
<b>Unsecured Considered Good</b>		
Trade Receivables	81.44	237.86
Other Current Assets	129.54	14.23
Cash and Cash Equivalent	310.70	525.73
	<b>521.68</b>	<b>777.82</b>

Pursuant 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 Limited (Formerly known as The 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 Limited (Formerly 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.

#### NON MOVING BANK ACCOUNTS

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

#### 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 Enterprises Development Act, 2006 as at March 31, 2012.

### 12. REVENUE FROM OPERATION

	As At March 31, 2012	As At March 31, 2011
Retail Mobilisation Services	2,051.39	1,836.54
Dividend (Gross)	16.21	28.34
	<b>2,067.60</b>	<b>1,864.88</b>

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR  
ENDED MARCH 31, 2012**

**13. OTHER INCOME**

	As At March 31, 2012	As At March 31, 2011
Miscellaneous Income	33.20	3.48
Profit on Sale of Shares	-	319.76
	<b>33.20</b>	<b>323.24</b>

(₹ /000s)

**14. EMPLOYEE BENEFIT EXPENSES**

	As At March 31, 2012	As At March 31, 2011
Salary	682.49	868.50
Dress Allowance	21.39	11.20
Fixed Conveyance	100.38	93.95
Gratuity	11.45	-
House Rent Allowances	203.42	102.97
Leave Salary	14.79	-
Medical Allowance	48.22	18.17
Newspaper Books & Journals	3.59	-
Other Allowances	60.12	1.20
Retainership Fees	58.07	4.26
Staff Welfare	-	16.21
	<b>1,203.92</b>	<b>1,116.52</b>

(₹ /000s)

**15. DEPRECIATION AND AMORTISATION EXPENSES**

	As At March 31, 2012	As At March 31, 2011
Depreciation and Amortisation	137.95	201.86
	<b>137.95</b>	<b>201.86</b>

(₹ /000s)

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

### 16. OTHER EXPENSES

	As At March 31, 2012	As At March 31, 2011	(₹/000s)
✓ Advertisement	107.79		46.19
Annual Subscription	3.23		1.10
Auditor Expenses	0.46		0.14
✓ Bank Charges	25.32		6.54
Business Promotion	-		4.60
Custodial Expenses	33.09		39.09
Conveyance Expenses	2.84		1.49
✓ Electric Charges	369.32		343.33
Employers Contribution EPF	25.44		23.57
Employers Contribution PF	12.28		10.40
ESI Paid	25.42		22.33
Filing Fees	8.12		1.40
General Charges	20.85		24.20
Brokerage Paid	320.10		184.35
Insurance Charges	42.58		4.95
Legal Charges	6.27		90.00
✓ Listing Fees	187.93		51.78
Meeting Expenses	15.81		2.05
Office Maintenance	0.85		-
Out of Pocket Expenses	18.50		18.83
PF Administration Charges	3.48		3.13
✓ Postage and Telegraph	281.75		7.83
Printing and Stationery	55.08		10.86
✓ Professional Fees	100.11		54.17
Professional Tax	2.79		2.50
Repair & Maintenance	81.28		106.97
Service Charges	39.71		35.74
SEBI Fees	-		25.00
Software Maintenance Charges	-		66.18
Tax Audit & Audit Fees	24.51		23.16
Telephone Expenses	1.05		-
Trade Licence	3.00		3.00
	<b>1,818.96</b>		<b>1,209.48</b>

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

The Company has income from one Segment (i.e Retail Mobilization Services) so AS-17 (Segment Reporting) is not applicable.

All expenses are accounted for on an accrual basis, except statutory payments which are accounted for as and when paid (under Income/ Expenditure Recognition).

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

**DETAILS OF TRANSACTIONS ARE AS FOLLOWS :**

<b>A) SALES TO AND RECOVERIES FROM RELATED PARTIES :</b>	
• Controlling Companies	Nil
• Subsidiary Companies	Nil
• Associate Companies	Nil
• Key Management Personnel	Nil
<b>B) PURCHASE AND OTHER SERVICES FROM RELATED PARTIES :</b>	
• Controlling Companies	Nil
• Subsidiary Companies	Nil
• Associate Companies	Nil
• Key Management Personnel	Nil
<b>C) INTER CORPORATE DEPOSITS PLACED WITH RELATED PARTIES :</b>	
• Controlling Companies	Nil
• Subsidiary Companies	Nil
• Associate Companies	Nil
• Key Management Personnel	Nil
<b>D) INTEREST INCOME FROM RELATED PARTIES :</b>	
• Controlling Companies	Nil
• Subsidiary Companies	Nil
• Associate Companies	Nil
• Key Management Personnel	Nil
<b>E) REMUNERATION / SITTING FEES :</b>	
• Controlling Companies	Nil
• Subsidiary Companies	Nil
• Associate Companies	Nil
• Key Management Personnel	Nil



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## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

### F) OUTSTANDING BALANCES AS AT MARCH 31, 2012

#### ii) DUE TO COMPANY

• Controlling Companies	Nil
• Subsidiary Companies	Nil
• Associate Companies	Nil
→ VCK Commodity Services Private Limited	5,34,000
• Key Management Personnel	Nil

#### iii) INTER CORPORATE DEPOSITS

• Controlling Companies	Nil
• Subsidiary Companies	Nil
• Associate Companies	Nil
• Key Management Personnel	Nil

#### CONTINGENT LIABILITIES :

The Company is contingently liable along with VCK Investments Private Limited for the Corporate Guarantee to J. M. Financial Products Limited for the Term Loan Facility of ₹10,00,00,000/- (Rupees Ten Crores only) taken by VCK Share & Stock Broking Services Limited

#### ADDITIONAL INFORMATION : {To the extent applicable to the Company}

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

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



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## CASH FLOW STATEMENT AS AT MARCH 31, 2012

	31.03.2012 Rupees	31.03.2011 Rupees	31.03.2011 Rupees	31.03.2010 Rupees
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>				(₹)0000
Profit/(Loss) Before Tax and Extraordinary Items		(1,060.00)		(1,150.32)
Adjustments for:				
Depreciation	137.66		201.86	
Investments written off			3.00	
Dividend/Income on Investment	(14.21)		(28.33)	
Interest Income				
Prior Period Adjustments		121.74	(2.03)	(75.50)
		(558.25)		(975.42)
Operating Profit Before Working Capital Changes				
Adjustments for:				
(Increase)/Decrease in Trade and Other Receivables	185.66		1,377.20	
(Increase)/Decrease in Stock-in-Trade				
Increase/(Decrease) in Trade Payables and Provisions	321.39	707.05	(930.02)	942.18
Cash Generated From Operations		(211.24)		(16.74)
Income Tax (Refund Received)/(Paid)				
Net Cash From Operating Activities (I)		(211.24)		(16.74)
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Investments				
Purchase of Fixed Assets				
Sale of Investments			107.45	
Dividend Received	14.21		28.33	
Interest Received				
Net Cash Used in Investing Activities (II)		14.21		141.78
<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 Change in Cash & Cash Equivalents (I+II+III)		(115.00)		(177.54)
Cash & Cash Equivalents at the beginning of the Year		525.73		568.17
Cash & Cash Equivalents at the close of the Year		310.70		325.73

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 29, 2012

### 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, 2012. 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.

Place: Kolkata  
Dated: May 29, 2012

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





Funding your Dreams



Funding your Dreams

### 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 29TH ANNUAL GENERAL MEETING of the Company to be held on Tuesday, August 07, 2012 at 11.00 a.m. and at any adjournment thereof at Bharat Bhasia Parishad, 36A, Shakespeare Sarani, Kolkata - 700017.

Signed this ..... day of ....., 2012

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



Funding your Dreams

### 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 29TH ANNUAL GENERAL MEETING of the Company held at the Bharatiya Bhasia Parishad, 36A, Shakespeare Sarani, Kolkata - 700017 on Tuesday, August 07, 2012 at 11.00 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.**