

## NOTICE

Notice is hereby given that the 24th Annual General Meeting of the Company will be held on Tuesday, the 27th July 2010 at Mayfair Towers, Ground floor, 2, Palm Avenue, Kolkata - 700 019 at 11.30 A.M to transact the following business:

### As Ordinary Business

1. To receive, consider and adopt the Profit & Loss Account for the year ended 31st March, 2010, along with the Balance Sheet as at that date together with the report of the Directors and Auditors thereon.
2. To approve payment of dividend
3. To elect the Directors in place of those retiring by rotation.
4. To appoint Auditors and to fix their remuneration.

### As Special Business:

To consider and if thought fit pass the following resolution with or without modification as an ordinary resolution:

#### To Re-Appoint Shri Ajit Khandelwal as Managing Director

5. "Resolved that pursuant to the provisions of Sections 198, 269, 309 and 310 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof) for the time being in force, consent be and is hereby accorded for re-appointment of Mr. Ajit Khandelwal as Managing Director of the Company with effect from 1.4.2010 for a period of 3 years on the following terms and conditions.
  1. Salary:
    - a. Basic: In the range of Rs 75000/- - 87500/- 100000/per month, b. Bonus: One month salary
    - c. Leave Entitlement: One month leave for 11 months of service or pay in lieu thereof
  2. Perquisites:
    - a. Accommodation: The Company shall provide unfurnished accommodation. Alternatively Mr. Ajit Khandelwal will be entitled for house rent allowance, which shall not exceed Rs. 30000/ Per Month .He shall also be entitled for reimbursement of expenses for electricity, maintenance and repairs, furnishing etc. on actual basis.
    - b. LTC: For self and family once during the year to any place In India or abroad.
    - c. Medical Reimbursement: Restricted to one Month salary in a year or three month salary in a block of three years for self and family.
    - d. Club Fees: Not More than two clubs including admission fee.
    - e. Personal accident Insurance: Premium not exceeding Rs. 15000/- Per annum.
    - f. Car and Telephone: Company shall provide a car with driver for his use and Telephone facilities at his Residence. However personal long distance calls shall be recovered. Use of Car for personal use shall be recovered as per the Income Tax Rules.
    - g. Others: Mr Khandelwal will be reimbursed all the expenses incurred for business of the Company. However he shall not be entitled for the sitting fee for attending the meetings of the Board or committee thereof.

### Registered Office :

Mayfair Tower  
2, Palm Avenue  
Kolkata - 700 019, India.  
Dated : 28th May 2010

By order of the Board

**Ajit Khandelwal**  
Managing Director

## Notes :

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself, and the proxy need not be a member of the Company. The instrument appointing proxy should be deposited at the Registered Office of the company not less than 48 hours before the time fixed for the meeting.
2. The Register of members and Share Transfer Books of the Company will remain closed from 21th July 2010 to 27th July 2010 (both days inclusive).
3. Members are requested to:
  - a) Notify immediately any change in their address to the Company.
  - b) Bring their copy of the Annual Report to the Meeting.
  - c) Members desiring any information on the business to be transacted at the meeting are requested to write to the Company at least 10 days in advance to enable the Management to keep the information, as far as possible, ready at the meeting.
4. A copy of the Memorandum and Articles of Association and other relevant documents are available for inspection at the Registered Office of the Company on any working day from between 11.00a.m. to 1.00 p.m.
5. The Equity Shares of the Company are now traded on the Stock Exchange only in dematerialized form. It is in the interest of the Shareholders to get their physical share certificates demated.
6. Dividend, if approved in the Annual General Meeting shall be paid to the shareholders as on the date of the book closure for the purpose, within the stipulated time.

### Explanatory statement pursuant to Section 173(2) of the Companies Act 1956. For item No 5.

The Board of Director in the meeting held on 30th January 2010 reappointed Mr. Ajit Khandelwal as Managing Director of the company for a period of three years commencing from 1st April 2010 on the terms and conditions mentioned in the above notice, within the purview of schedule xiii, subject to approval of the same by the shareholders.

Mr. R.S. Khandelwal, Mr. Ajit Khandelwal and Mr. Sanjeev Khandelwal being related to each other are deemed to be interested in the re-appointment of Mr. Ajit Khandelwal.

## DIRECTORS' REPORT TO THE MEMBERS

Your Directors present before you the 24th Annual Report together with Audited Accounts For the year ending 31st March 2010.

### Operation and Future Prospects

This year's overview has to be studied with caution. The Global melt down and recession has given a significant hit to the Indian economy last year. The GDP growth rate has fallen down to 7.40% in 2010. The Indian economy is no longer insulated from the major economies of the world. Because of economic meltdown, The Government had to announce multiple stimulus packages for different industries which has given positive results. RBI had also played a very proactive roll in inflation and liquidity management. This has resulted in increase in fiscal deficit but it has helped trouble some industries like automobile, cement, steel etc. to wither out global impact. The economy is looking up towards growth and is expected to recover by the end of this financial year. Improvement in advance tax numbers is an indicative factor for the recovery. The monsoon is expected to be normal and in time which will also help in maintaining growth in agriculture sector. In spite of adverse situation in most European economies and other leading world economy, India is the fastest growing economy after China and will outperform the rest of the world. It is expected that the GDP shall grow @ 8% to 8.5% this year.

In spite of the fact that the Govt. has taken adequate measures to support the inclusive growth of the economy, inflation management, specially food inflation still remains a major issue for the Govt. How ever the Government is confident that it shall succeed in controlling food inflation by the end of the financial year 2010-2011. This along with other positive economic indicators the investment sentiments remains positive and we are seeing inflow of investments in the Capital Market. The market is expected to perform relatively better in coming times. However the Global economic situation will keep the capital markets turbulent and volatile.

### Financial Results

During the year under review, your Company's performance was as under:

	Year Ended 31st March 2010 (Rs. In '000s)	Year Ended 31st March 2009 (Rs. In '000s)
Income from operations	4627	713
Capital Gain( Shares& Mutual Fund)	1543	19213
Advisory & Consultancy Services	2480	320
Interest	15226	4957
Other Income	14418	19435
Total Expenditure	13131	6923
a. Staff Cost	4250	2851
b. Other Expenditure	8881	4072
Interest & Finance Charges	2291	9709
Earnings after Interest but before Depreciation & Tax	22872	28006
Depreciation	490	357
Profit Before Tax	22382	27649
Provision for Tax (Current Tax)	2167	2256
Provision for Tax (Deferred Tax)	17	5
Profit After Tax	20197	25388
Balance Brought Forward	41672	29537
Profit available for Appropriation	61869	54925
Dividend	8000	6200
Provision for Tax on Dividend	1360	1054
Transfer to reserves	6000	6000
Balance carried to Balance Sheet	46510	41672

Your Directors recommend payment of Dividend of Re. 1/- per equity share of Rs. 10/- each for the year ended 31st March 2010.

### Subsidiary Company & Investments

The company along with its subsidiaries and its associate companies is fully geared up to offer complete financial solutions including trading in securities, commodities and their derivatives. Depository services & Category I Merchant Bankers.

The company's a financial portal www.bnkcapital.com is offering various online services. The Company at its offices at various places in the Country is offering integrated financial services. The Company has set up a debt desk and has started concentrating on the debt market which has a big potential in time to come.

### Fixed Deposits

The Company has not raised any Fixed Deposits during the year.

### Fresh Issue of Capital

During the year under review, 1800000 warrants which were allotted to the Promoters as per the guidelines issued by SEBI. was converted into 1800000 Equity shares of Rs10/ each at the rate of Rs 46.00 per share .

### Directors

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company Mr P Chakraborty and Mr. Ajit Khandelwal, Directors of the Company retire by rotation at the conclusion of the forthcoming Annual General Meeting, and being eligible offer themselves for reappointment. Mr Ajit Khandelwal was reappointed as Managing Director of the Company w.e.f. 1st April 2010 for a period of three years as per the terms mentioned in the notice and explanatory statement. His appointment needs approval of the share holders. Necessary resolutions for re-appointment of Directors and Managing Director are proposed in the AGM for your approval.

### Auditors

M/s. R.Bhattacharya & Associates, Chartered Accountants, Auditors of the Company, retire at the Conclusion of the forthcoming Annual General Meeting, and being eligible, offer themselves for Appointment.

### Corporate Governance

Your Directors re-affirm their commitment to the Corporate Governance standards prescribed by Securities and Exchange Board of India (SEBI) codified as clause 49 of the Listing Agreement with Stock Exchanges. Corporate Governance and Management Discussion and Analysis Report as well as Corporate Governance compliance certificate by Auditor are set out in separate Annexure to this report.

### Directors' Responsibility Statement:

Pursuant to Section 217 (2AA) of the Companies Act, 1956 your Directors confirm:

- That in the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departure;
- That they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year;
- That they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- That they have prepared the Annual Accounts on a 'going concern' basis.

### Statutory Information

The provision relating to conservation of energy and technology absorption does not apply to the Company. The Company has no foreign exchange earning during the year under report. The Company has incurred expenses in foreign exchange to a tune of .AED793 during the year. There is no employee of the Company as covered under Section 217(2A) of the Companies Act, 1956, for which a separate disclosure is required.

### Acknowledgement

Your Directors take this opportunity to express their grateful appreciation for the co-operation and guidance received from the Regulators, Central & State Govts., Bankers as well as the Shareholders during the year. Your Directors also wish to place on record their appreciation for the devoted and dedicated service rendered by all the employees of the Company.

For and on behalf of the Board

Place : Kolkata  
Dated : 28th May 2010

**Dr. N.K.Sengupta**  
Chairman

## REPORT ON CORPORATE GOVERNANCE

The Company has put in place the SEBI guidelines pertaining to Corporate Governance effective from Financial year 2002-2003. The report on Corporate Governance for the year 2009-10 is as under:

### Corporate Governance - Philosophy

The basic objective of the Corporate Governance policies adopted by your Company is to focus on good Corporate Governance -which is the pivotal driver of sustainable corporate growth and long term value creation for the shareholders, other stakeholders and society at large.

### 1. Board of Directors

As on 31st March 2010 Board of the Company comprised of six directors of which five are Non-executive including the non-executive Chairman. Fifty percent of the directors are Independent Directors. The Independent Directors have no professional and / or business relationship with the Company. They are eminent professionals, drawn from amongst persons with experience in business, finance, law and corporate management. The composition of the board during the year is tabulated below:

Director	Executive/Non-Executive/ Independent	Other Directorships held
Dr.N.K.Sengupta	Chairman, Non-Executive & Independent	6
Mr.R.S.Khandelwal	Vice-Chairman & Non-Executive	7
Mr.P.Chakravarti	Non-Executive & Independent	12
Mr.P.Brahmachari	Non-Executive & Independent	2
Mr.S.Khandelwal	Non-Executive	6
Mr.A.Khandelwal	Managing Director	13

### 2. Audit Committee

The Company has an Audit Committee at the Board level functioning since May 30, 2002. The Committee, inter alia, provides reassurance to the Board on the existence of an effective internal control system. It also oversees financial disclosures compliance with all relevant statutes, safeguarding of assets and adequacy of provisions for all liabilities and generally accepted accounting principles by the Company.

The Committee carries out the role as laid down in sub paragraph D of paragraph II of Clause-49 of the Listing Agreement with Stock Exchanges.

The Audit Committee comprised of three members, all members including the Chairman of the Committee are non-executive. The Statutory Auditor and Managing Director of the Company are permanent invitees to all Audit Committee meetings. Mr. R.N.Mishra is the Secretary to the Audit Committee.

The Composition of the Audit Committee and the details of meeting held by it are as follows:

Director	Position	Meeting held	Meeting Attended
Mr.P.Chakravarti	Chairman	4	4
Mr.R.S.Khandelwal	Member	4	4
Mr.P.Brahmachari	Member	4	4

### 3. Remuneration Committee

The Board of Directors of the Company at their meeting held on 30.5.2002 constituted a Remuneration Committee of Directors mainly for the purposes of recommending the Company's policy on Remuneration Package for Managing/ Executive Directors, reviewing the structure, design and implementation of remuneration policy in respect of key management personnel and approving, reviewing and evaluating Employees' Stock Option Plan.

The composition of the Remuneration Committee and the details of meeting held by it are as follow:

Director	Position	Meeting held	Meeting Attended
Mr.R.S.Khandelwal	Chairman	1	1
Mr.P.Brahmachari	Member	1	1
Mr. P. Chakravarti	Member	1	1

Mr. R. N. Mishra is the Secretary to the Remuneration Committee. Mr P Chakravarti resigned from the committee on 30th January 2010 for personal reasons and the Board has appointed Dr N K Sengupta in his place.

### 4. Remuneration to Directors

Director	Designation	Remuneration paid during 2010		
		(All figures in Rupees) Sitting fees	Salary & Perks	Total
Dr.N.K.Sengupta	Chairman	15000	--	15000
Mr.R.S.Khandelwal	Vice-Chairman	28000	--	28000
Mr.P.Chakravarti	Director	28000	--	28000
Mr.P.Brahmachari	Director	32000	--	32000
Mr.S.Khandelwal	Director	30000	--	30000
Mr.A.Khandelwal	Managing Director	--	735000	735000

### 5. Shareholders/Investors Grievance & Transfer Committee

The Company has "SHAREHOLDERS / INVESTERS GRIEVANCE & TRANSFER COMMITTEE" under the Chairmanship of a Non- Executive and Independent Director to specifically look into shareholder issue including share transfer, transmission, issue of duplicate certificates and redressing of shareholder complaints like non receipt of balance sheet, declared dividend etc.

Details of the composition of Shareholders/Investors Grievance & Transfer Committee are as follows:

Director	Position	Meeting held	Meeting Attended
Mr.P.Brahmachari	Chairman	6	2
Mr.S.Khandelwal	Member	6	6
Mr.A.Khandelwal	Member	6	6

M/S.C. B. Management Services (P) Ltd., the Company's Registrar and Share Transfer Agent among others, expedites the process of transfer of shares under supervision of compliance officer. Thereafter, the proposals are placed before the Shareholders / Investors Grievances & Transfer Committee for approval. To expedite the process of transfer sometimes the members of the committee approve cases of routine nature of transfers of shares by circulation, which are subsequently ratified.

Mr. R. N. Mishra, the Compliance Officer of the Company and is also the Secretary to the committee.

Details of complaints received, number of shares transferred as well as average time taken for transfers are highlighted in the "Shareholder Information" section of the Annual Report separately.

### 6. Number of Board Meetings and Board Procedures.

Your Company's Board met 6 (Six) times during the year and details of the meeting are high lighted below. Agenda papers along with explanatory statements were circulated to the Directors well in advance of the meeting. The senior management of your Company was invited to participate in matters of interest, importance and relevance. The Board has access to any information within your Company and every effort is made to ensure that the information is adequate and appropriate to enable the Board to take considered decisions on issues.

Your Company has placed all relevant information before the Board as per Annexure I of Clause 49 of the Listing Agreement.

Date of Board Meeting	City
1 23rd June 2009	Kolkata
2 22nd July 2009	Kolkata
3 2nd September 2009	Kolkata
4 28th October 2009	Kolkata
5 30th January 2010	Kolkata
6 29th March 2010	Kolkata

Directors	No. of Meetings		
	Held	Attended	Attended Last AGM
Dr.N.K.Sengupta	6	5	Yes
Mr.R.S.Khandelwal	6	6	Yes
Mr.P.Chakravarti	6	6	Yes
Mr.P.Brahmachari	6	6	Yes
Mr.S.Khandelwal	6	6	Yes
Mr.A.Khandelwal	6	6	Yes

### 7. Management Discussions and Analysis Report

As a part of the disclosure related to Management, in addition to the Directors' Report, Management Discussion and Analysis Report forms part of the Annual Report to the shareholders as per specification of SEBI.

### 8. Director's Membership/Chairmanship in Committees

No Director is a member of more than 10 committees or Chairman of more than 5 committees across all companies in which he is a Director. The details are as under:

Director	No. of Committees in which	
	Member	Chairman
Dr.N.K.Sengupta	02	-
Mr.R.S.Khandelwal	03	-
Mr.P.Chakravarti	02	01
Mr.P.Brahmachari	01	01
Mr.S.Khandelwal	01	-
Mr.A.Khandelwal	07	01

(The above includes committee positions in BNK Capital Markets Limited)

### 9. Disclosure regarding Director's Appointment and Re-Appointment

A brief resume, expertise in specific functional areas, directorships / membership of committees held in other companies in respect of Directors retiring by rotation / being appointed at the ensuing Annual General Meeting is as under :

Name of Director	Mr. Prabir Chkravarti	Mr. Ajit Khandelwal
Date of Birth	13th April 1934	10th November 1957
Date of appointment	28th August 1993	17th April 1986
Experience in specific functional areas	Buisnessman	Buisnessman
List of outside Directorships held	1. Baghmari Tea Company Ltd 2. Bhoruka Aluminium Ltd 3. Nicco Financial Services Ltd 4. Reliance Jute Mills ( International ) Ltd 5. Vidula Consultancy Services Ltd 6. Nicco Corporation Ltd 7. Jayshree Chemicals Limited 8. Shree Girija Prasanna Cotton Mills Ltd 9. Mangalam Timber Products Ltd	1. The Calcutta Stock Exchange Association Ltd 2. Kothari Phytochemicals & Industries Ltd 3. Ellenbarrie Industrial Gases Limited 4. Nucent Estate Limited 5. Bharat Fritz Werner Limited 6. Rakesh Textiles Ltd.
Excluding Alternate Directorship and Private Companies		

### 10. Material Contracts/Transactions Concerning Director's Interest

The Company had not entered into any arrangement with any body other than with BNK Securities Private Limited and BNK Commodities Pvt. Ltd., dealing in shares, securities and commodities where the Promoter Directors are interested. The disclosure to this effect was made at the relevant meeting of the Board of Directors. There was no arrangement of material nature other than stated above that may have a potential conflict with interest of your Company. Your company is also a promoter of the said BNK Securities Pvt. Ltd. & BNK Commodities Pvt. Ltd.

### 11. Code For Prevention Of Insider Trading

In accordance with the Securities & Exchange Board of India (Prohibition of inside Trading) Regulation, 1992, as amended in February 2002, the Board of Director of the Company has formulated the code of conduct for prevention of inside trading in shares of Company by its employees.

### 12. Other Disclosures

#### i. Details Of Annual General Meeting

##### a. Location and time, where last three AGMs held

Year	Location	Date	Time
2006-2007	Mayfair Tower, Ground floor, 2, Palm Avenue Kolkata – 700 019.	28th Sep. 2007	11.00 AM
2007-2008	Mayfair Tower, Ground floor, 2, Palm Avenue Kolkata – 700 019.	6th Sep. 2008	11.00 AM
2008-2009	Mayfair Tower Ground floor, 2,Palm Avenue, Kolkata - 700 019.	2nd Sep, 2009	11.30 A.M

- b. Whether special resolution were put through postal ballot last year? YES
- c. Are votes proposed to be conducted through postal ballot this year? NO

### ii. Means of Communication

Half year report / highlights sent to Household of each shareholders	No. Published in specified newspapers Financial Express, (English) Danik Lipi (Bengali)
Quarterly results, published in Corporate website	www.bnkcapital.com
Any Official new release published in newspapers	N.A
Whether MD&A is a part of Annual Report	Yes
Whether shareholder information section forms part of Annual Report	Yes

### iii. Shareholder Information

#### 1. Annual General Meeting

- \* Date and Time : 27th July 2010 at 11.30 A.M
- \* Venue : Mayfair Towers, Ground Floor,  
2, Palm Avenue Kolkata - 700 019

#### 2. Financial Calender

##### For the Financial Year ended 31st March 2010.

Financial Results for Quarter ended June 30, 2009.	: 22nd July, 2009
Financial Results for Quarter ended September 30, 2009.	: 28th October, 2009
Financial Results for Quarter ended December 31, 2009.	: 30th January ,2010
Audited Financial Results for Year ended March 31, 2010.	: 28th May 2010

#### 3. Date of Book Closure

21st July 2010 to  
27th July 2010  
(Both days inclusive)

#### 4. Dividend Payment Date

Dividend @ Rs.1 per Equity Share of Rs.10 each if approved at the AGM shall be Paid/credited to the bank a/c of the share holders as on the date of book closure of the Company within the stipulated time.

#### 5. Registered Office

Mayfair Tower, 2 Palm Avenue, Kolkata: 700 019  
Tel : (033) 2281-0560 / 61, Fax : (033) 2280-0457

#### 6. Listing Details (Equity Share)

**The Stock Exchange, Mumbai**  
Phiroze Jeejeebhoy Tower, Dalal, Street, Mumbai 400 023.  
**The Calcutta Stock Exchange Association Ltd.**  
7, Lyons Range, Kolkata-700 001.

The Company has paid the Listing Fees for the year 2010-11 to both the Stock Exchanges.

#### 7. Registrar & Transfer Agent

C B Management Services (P) Ltd, P-22, Bondel Road,  
Kolkata:700 019  
Tel No.: (033) 2280-6692 / 6693, Fax No.: (033) 2247-0263  
E-mail : cbmsl1@cal2.vsnl.net.in

#### 8. Share Transfer System

A Committee of Directors (Shareholders / Investors Grievance & Transfer Committee) has been constituted to approve the transfer and transmission of shares, issue of duplicate share certificates and allied matters. To ensure transfer of shares in physical form within 15 days of receipt, a sub-committee has been constituted comprising of 3 Directors and Independent Director as its Chairman. Share Certificates in physical form are dispatched within prescribed time after complying with the requirement of SEBI guidelines on transfer cum dematerialization of shares.

## 9. Investor Services

Nature of Complaints	2009-2010		2008-2009	
	Received	Cleared	Received	Cleared
Relating to Transfer, Transmission etc., Dividend, Interest, Redemption etc., Change of Address, Demat – Remat and Others	Nil	Nil	1	1
Received from SEBI, Stock Exchanges and Other Statutory Authorities	Nil	Nil	1	1
<b>Total</b>			<b>2</b>	<b>2</b>

The Company endeavors to settle all shareholder complaints in the minimum Possible time.

## 10. Distribution of Shareholding as on 31st March 2010. (See table No. 1)

## 11. Categories of Shareholding as on 31st March 2010. (See table No. 2)

## 12. Dematerialization of shares & liquidity

Over 91.32 % of equity shares have been dematerialized as on 31.03.2010..

Trading in equity shares of your Company on Bombay Stock Exchange (BSE) and Calcutta Stock Exchange (CSE) is permitted only in dematerialized mode w.e.f. November 25, 2000 as per notification issued by SEBI.

To facilitate the investors in having easy access to demat system, the Company has signed agreements with both the depositories viz. National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL).

## 13. Details on use of public fund obtained in the last three years : N.A

## 14. Fresh Issue of Capital

During the year under review, your Company has allotted 1800000 Equity Shares of Rs 10/- each at a premium of Rs 36/- per equity share against warrants allotted in earlier year to the Promoters as per the guidelines issued by SEBI. By this process the Company has raised a further sum of Rs 7,45,20,000 crores for long term corporate requirements

## 15. Investors Correspondence

Address for correspondence :-

### Registered Office

Mayfair Tower, 2 Palm Avenue, Kolkata : 700 019

Tel : (033) 2281 – 0560 / 61, Fax : (033) 2280- 0457

E-mail : corporate@bnkcapi.com, compliance@bnkcapi.com

OR

### Registrar & Share Transfer Agents

**C B Management Services (P) Ltd.**

P-22, Bondel Road, Kolkata:700 019

Tel No.: (033) 2280-6692 / 6693, Fax No.: (033) 2247-0263

E-mail : cbmsl1@cal2.vsnl.net.in

16. Per Share data	2009-2010	2008-2009
EPS (Rs.)	2.52	4.10
EPS Growth (%)	-38.53%	-0.25%*
Book Value per share (Rs.)	43.01	41.73
Share price as on 31st March 2010	42.90	12.76(BSE)

\* The Share Capital of the Company increased by 1200000 Equity Shares during the year.

Market Price(High & Low)at BSE during each month of the Financial Year 09-10

Month	High (Rs.)	Low (Rs.)
April 2009	26.65	18.80
May 2009	31.20	20.20
June 2009	37.80	27.60
July 2009	34.50	25.50
August 2009	36.65	27.45
September 2009	49.00	35.00
October 2009	47.00	36.90
November 2009	42.50	33.55
December 2009	48.20	34.60
January 2010	54.10	36.55
February 2010	50.10	35.05
March 2010	45.00	36.60

Table 1

Share held	No. of share holders	2009-2010		2008-2009		Share amount	% of share amount
		% of share holders	Share amount	% of share holders	Share amount		
1-5000	2551	97.03	914625	11.43%	2433	85.82	4606170
5001-10000	26	0.99	180307	2.25%	169	5.96	1371290
10001-20000	16	0.61	225025	2.81%	81	2.86	1311340
20001-30000	6	0.23	146734	1.83%	48	1.69	1203600
30001-40000	5	0.19	185329	2.32%	20	0.70	731760
40001-50000	1	0.04	50000	0.63%	11	0.39	522070
50001-100000	9	0.34	736421	9.21%	26	0.92	1893520
100001 & above	15	0.57	5561559	69.52%	47	1.66	50360250
<b>Total</b>	<b>2629</b>	<b>100.00</b>	<b>8000000</b>	<b>100.00</b>	<b>2835</b>	<b>100.00</b>	<b>62000000</b>

Table 2

Category	2009-2010		2008-2009	
	No. of share held	% of share holding	No. of share held	% of share holding
01. Promoter Company	1171225	14.64	683925	11.03
02. Director	2599500	32.49	1931000	31.15
03. Directors Relative	53500	0.67	53500	0.87
04. Mutual Fund	25000	0.31	25000	0.40
05. F.I.I.	NIL	NIL	NIL	NIL
06. Financial Institution	NIL	NIL	NIL	NIL
07. N.R.I	26800	0.34	26994	0.43
08. Other Bodies Corp.	2548815	31.86	1870961	30.17
09. Bank	NIL	NIL	NIL	NIL
10. Resident Individual	1561456	19.52	1599843	25.09
11. Clearing Members	13704	0.17	8777	0.14
<b>TOTAL</b>	<b>8000000</b>	<b>100.00</b>	<b>6200000</b>	<b>100.00</b>

## AUDITOR'S CERTIFICATE

To

**The Members of BNK Capital Markets Ltd.**

We have examined the compliance of conditions of corporate governance by BNK Capital Markets Ltd., for the year ended on 31st March 2010, as stipulated in Clause - 49 of the Listing Agreement of the said Company with stock exchanges in India.

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 the 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 explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreements.

As per representation received from the Registrars of the Company, we state that as per records maintained by the Shareholders/Investors Grievance Committee, no investor grievance is remaining unattended/pending for more than 30 days.

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 R.Bhattacharya & Associates

Chartered Accountants

Kolkata

R. BHATTACHARYA

28th May 2010

Proprietor

Membership No. F 012394

## Management Discussion & Analysis Report

**Overview :** This year's overview has to be studied with caution. The Global melt down and recession has given a significant hit to the Indian economy last year. The GDP growth rate has fallen down to 7.1 % in 2009. The Indian economy is no longer insulated from the major economies of the world.

Because of economic meltdown, The Government had to announce multiple stimulus packages for different industries which has given positive results. RBI had also played a very proactive roll in inflation and liquidity management. This has resulted in increase in fiscal deficit but it has helped troublesome industries like automobile, cement, steel etc. to wither out global impact. The economy is looking up towards growth and is expected to recover by the end of this financial year. Improvement in advance tax numbers is an indicative factor for the recovery. The monsoon is expected to be normal and in time which will also help in maintaining growth in agriculture sector. In spite of adverse situation in most European economies and other leading world economy, India is the fastest growing economy after China and will outperform the rest of the world. It is expected that the GDP shall grow @ 8% to 8.5% this year. Govt. had been successful to mop up 6700 Cr. By way of 3G Spectrum auction. This will help govt. to control deficit and limit its borrowing. Further the govt may not have to rush for disinvestment and can do so at the opportune time. We may see more IPO's , FPO's from private sector than PSU's.

In spite of the fact that the Govt. has taken adequate measures to support the inclusive growth of the economy, inflation management, specially food inflation still remains a major issue for the Govt. How ever the Government is confident that it shall succeed in controlling food inflation by the end of the financial year 2010-2011. This along with other positive economic indicators the investment sentiments remains positive and we are seeing inflow of investments in the Capital Market. The market is expected to perform relatively better in coming times .However the Global economic situation will keep the capital markets turbulent and volatile.

**Opportunities and Threats :** The economy is looking up towards growth and is expected to recover by the end of this financial year. Improvement in advance tax numbers is an indicative factor for the recovery. The monsoon is expected to be normal and in time which will also help in maintaining growth in agriculture sector. In spite of adverse situation in most European economies and other leading world economy, India is the fastest growing economy after China and will outperform the rest of the world. It is expected that the GDP shall grow @ 8% to 8.5% this year. This positive indicator suggests investment sentiments have changed and we are seeing inflow of investments in the Capital Market. . The scope of Investment will increase in coming years.

The key threats include the change/slowdown in policies the Government policies.U- turn on subsidies and indecisiveness of the Govt. because of political pressures, changes in tax structure, failure to contain actual inflation within a reasonable range, High Inflation rate, governing rules of SEBI and RBI etc., which may affect the capital market substantially. As our Economy is coupled with global Economy any extraordinary delay in their recovery, adverse situation in most European economies and other leading world economy, may have a negative impact which may affect the capital market substantially

**Business Segment Analysis :** During the period under review the Company's activities were mainly restricted to Capital Market and related fields . However the company has made investments / trading and dealings in G Secs, Corporate Bonds and other debts instruments. The Company has set up Debt Desks in Mumbai and New Delhi with an intention to cater large corporate clients, Banks & Institutions, Provident Funds, Trusts etc. It has employed very senior professionals having experience of over a decade in this field. The Debt desks have been running since October 2009 and the result are to reflect in times to come.

### FINANCIAL PERFORMANCE

	Year Ended 31st March 2010 (Rs. In '000s)	Year Ended 31st March 2009 (Rs. In '000s)
Total Income	38294	44638
Operating Expenses	13131	6923
Operating Profit	25163	37715
Interest & Finance Charges	2291	9709
Depreciation	490	357
Profit Before Tax	22382	27649
Provision for Tax (Current tax)	2167	2256
Provision for Tax (Deferred tax)	17	5
Profit After Tax	20197	25388
Balance Brought Forward	41672	29537
Profit available for Appropriation	61869	54925

### Comment on current year's performance:

**Revenue :** Total Revenue of the Company has decreased in comparison to Previous year as the Company generally remained invested and has not disinvested during the year.

**Operating Expenses :** Operating expense has increased compare to last year because of setting up of new offices at Mumbai and New Delhi mainly to deal in debt instruments. How ever your directors have tried to keep it to minimum levels.

**Operating Profit :** Profit on account of sale of investment and dividend has decreased in comparison to last year.

**Interest Expense :** Interest Expenses has been lower as compared to last year.

**Depreciation :** Depreciation has increased during the year.

**Net Profit :** Net profit has shown a decrease during the period under review.

**HUMAN RESOURCES :** The Company's human resource strategy, which is in line with the group strategy, revolves around the development of the individual.

**INTERNAL CONTROLS :** The Company has a proper and adequate system of internal controls befitting its size to ensure that all its assets are safeguarded and protected against loss from unauthorized use and disposal and that all transactions are authorized and reported correctly.

The internal controls are supplemented by internal audits, reviewed by Management and Audit Committee of Board of Directors. The internal control ensures that appropriate financial records are available for preparing financial statements and other data for showing a true and fair picture of the state of affairs of the Company.

## AUDITORS' REPORT

### TO THE MEMBERS OF BNK CAPITAL MARKETS LTD.

- We have audited the attached Balance Sheet of BNK CAPITAL MARKETS LTD. (the Company) as at 31st March 2010 and also the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These 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.
- We conducted our audit in accordance with the 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 misstatements. An audit includes, examining on a test basis, evidence supporting the amounts 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.
- As required by the Companies (Auditor's Report) Order, (The Order) 2003, issued by the Central Government of India in terms of sub-section 4(A) of section 227 of the Companies Act, 1956, we enclose as Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said order.

- Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
  - We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
  - The Balance Sheet, The Profit and Loss Account and The Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - In our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
  - On the basis of the written representations received from the Directors, as on 31st March, 2010 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2010 from being appointed as a Director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956;
  - In our opinion, and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and also give respectively, a true

and fair view in conformity with the accounting principles generally accepted in India:

- (i) In the case of the Balance Sheet, of the State of Affairs of the Company as at 31st March, 2010;
- (ii) In the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date; and
- (iii) In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For R. BHATTACHARYA & ASSOCIATES  
CHARTERED ACCOUNTANTS

(R. BHATTACHARYA)  
Proprietor

Kolkata  
28th May, 2010. Membership No. - 012394

## ANNEXURE TO THE AUDITORS' REPORT

With reference to the Annexure referred to in Paragraph 3 of the Auditors' Report of Even Date to the Members of BNK Capital Markets Ltd. on the financial statement for the year ended 31st March 2010, we report that:

- (1) (a) The Company is maintaining proper records showing full particulars including quantitative details and Situation of fixed assets.  
(b) According to the information and explanations given to us The Fixed Assets of the Company are physically verified by the management according to a phased programme, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets, and no material discrepancies were noticed on such verification as confirmed by the management.  
(c) The Company has not disposed off any substantial part of its fixed assets during the year and the going concern status of the Company is not affected.
- (2) (a) As explained to us, inventories have been physically verified by the management at regular intervals during the year.  
(b) In our opinion and according to the information and explanations given to us, the procedures of physical Verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.  
(c) In our opinion and according to information and explanations given to us, the Company has maintained. Proper records of its inventories and no material discrepancies were noticed on physical verification as Compared to the book records.
- (3) (a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. Accordingly sub clauses (b), (c) and (d) of clause 4(iii) of said order are not applicable to the company.  
(b) The Company has not taken any loans, secured or unsecured from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956.
- (4) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchases of securities, fixed assets and with regard to the sale of securities and services. During the course of our audit we have not observed any continuing failure to correct major weaknesses in internal control system.
- (5) According to the information and explanations given to us, we are of the opinion that there are no contracts or arrangements that need to be entered into the register required to be maintained under section 301 of the Companies Act, 1956
- (6) The Company has not accepted any deposits from the public within the meaning of sections 58A and 58AA or any other relevant provisions of the Companies Act. 1956 and the rules framed there under.
- (7) In our opinion, the company has an internal audit system commensurate with the size and nature of its business. for the purchases of shares/securities, equipment and other assets and for sale of shares/securities.

- (8) In our opinion, the provisions of section 209 (1) (d) of the Companies Act, 1956 for the maintenance of cost records are not applicable to the company.
- (9) (a) According to the information and explanations given to us and the records of the Company examined by us, in Our opinion, the Company is regular in depositing the undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Income Tax, Wealth Tax, Service Tax, Sales Tax, Custom Duty, Excise Duty, Cess and other material statutory dues as applicable with the appropriate authorities.  
(b) According to the information and explanations given to us, there are no dues of Sales Tax, Income Tax, Custom Duty, Wealth Tax, Service Tax, Excise duty and Cess which have not been deposited on account of any dispute except the deposit of Rs. 13,00,000/- against the demand on Income Tax for the Assessment Year 2006-07 pending appeal in I. T Tribunal.
- (10) The company has no accumulated losses at the end of the financial year and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
- (11) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holder as at the balance sheet date.
- (12) The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (13) The provisions of any special statute applicable to chit fund/nidhi/ mutual benefit fund/societies are not applicable to the company.
- (14) In our opinion and according to the information and explanations given to us, proper records have been maintained for the transactions and contracts in respect of inventories or dealing in shares, securities, debentures and other investments and timely entries have been made therein and also the shares, securities, debentures and other investments have been held by the company in its own name except to the extent of the exemption, if any, granted u/s 49 of the Companies Act, 1956.
- (15) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
- (16) The Company did not have any term loans outstanding during the year.
- (17) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment. No long-term funds have been used to finance short-term assets except permanent working capital.
- (18) According to the information and explanations given to us, no preferential shares have been allotted by the company to parties and companies covered in the register maintained u/s 301 of the Companies Act, 1956 save and except the allotment of 1800000 Equity Shares against conversion of 1800000 Share Warrants issued in earlier year.
- (19) During the year under audit, the Company has not created any security or charge in respect of debentures issued.
- (20) The Company has raised monies by way of converting of 18,00,000 shares warrants into equity shares of Rs.10/-each fully paid up with a premium of Rs.36/- per equity share. ( Reference 18 above)
- (21) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For R. BHATTACHARYA & ASSOCIATES  
CHARTERED ACCOUNTANTS

(R. BHATTACHARYA)  
Proprietor

Kolkata  
28th May, 2010.

Membership No. - 012394

**BALANCE SHEET AS AT 31ST MARCH, 2010.**

	Schedule	Current Year (Rs.in 000s)	Previous Year (Rs.in 000s)
<b>I. SOURCES OF FUNDS</b>			
1 Shareholder's Fund			
a) Share Capital	1	80000	62000
b) Share Warrants	1A	0	8280
c) Reserves & Surplus	2	264091	188453
2 Loan Funds			
Unsecured Loan	3	152016	165000
3 Deferred Tax Liabilities		20	3
		<u>496127</u>	<u>423736</u>
<b>II. APPLICATION OF FUNDS</b>			
1 Fixed Assets	4		
a) Gross Block		5971	4279
b) Less: Depreciation		2806	3075
c) Net Block		<u>3166</u>	<u>1204</u>
2 Investments	5	<u>247914</u>	<u>171896</u>
3 Current Assets, Loans & Advances	6		
a) Inventories		1396	0
b) Sundry Debtors		5	520
c) Cash and Bank Balances		27926	69613
d) Loan and Advances		303397	264659
		<u>332724</u>	<u>334792</u>
Less: Current Liabilities & Provisions	7		
a) Current Liabilities		70532	71230
b) Provisions		17145	12925
Net Current Assets		<u>245047</u>	<u>250637</u>
		<u>496127</u>	<u>423733</u>

**ACCOUNTING POLICIES & NOTES ON ACCOUNTS 10**

The Schedules referred to above form an integral part of the Balance Sheet.  
This is the Balance Sheet referred to in our report of even date

**R.BHATTACHARYA & ASSOCIATES**

Chartered Accountants

**R.Bhattacharya**

Proprietor

**ON BEHALF OF THE BOARD**
**Dr. N. K. Sengupta**  
Chairman

**R. S. Khandelwal**  
Vice-Chairman

**A. Khandelwal**  
Managing Director

**P. Chakravarti**  
Director

**S. Khandelwal**  
Director

Kolkata, May 28th, 2010.



## PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010.

	Schedule	Current Year (Rs.in 000s)	Previous Year (Rs.in 000s)	
<b>A. INCOME</b>				
1	Income from Operations	8	4627	713
2	Capital Gain(Shares & MF)		1543	19213
3	Advisory & Consultancy Fees		2480	320
4	Interest ( TDS-1561, Privios Yr.1777)		15226	4957
5	Other Income		14418	19435
	<b>TOTAL</b>		<b>38294</b>	<b>44638</b>
<b>B. EXPENDITURE</b>				
	Establishment		4250	2851
	Administration & Other Expenses	9	8881	4072
	Interest		2291	9709
	Depreciation		490	357
	<b>TOTAL</b>		<b>15912</b>	<b>16989</b>
	Profit Before Taxation		22382	27649
	Provision for Taxation			
	Current Tax		2159	2211
	Fringe Benefit Tax		-	45
	FBT Assessed Tax		8	-
	Deferred tax		17	5
	Profit After Taxation		20197	25388
	Balance of Profit brought forward from Previous year		41672	29537
			<b>61869</b>	<b>54925</b>
<b>C. APPROPRIATIONS</b>				
	Transfer to Genral Reserve	2	5000	5000
	Statutory Reserve	2	1000	1000
	Dividend		8000	6200
	Provision for Tax on Dividend		1360	1054
	Balance Carried to Balance Sheet		46510	41672
	<b>TOTAL</b>		<b>61869</b>	<b>54925</b>
	Earning Per Share (Basic & Diluted) (Rs.)		2.52	4.10

### ACCOUNTING POLICIES & NOTES ON ACCOUNTS 10

The Schedules referred to above form an integral part of the Profit and Loss Account.

This is the Profit and Loss Account referred to in our report of even date.

**R.BHATTACHARYA & ASSOCIATES**

Chartered Accountants

**R.Bhattacharya**

Proprietor

**ON BEHALF OF THE BOARD**

**Dr. N. K. Sengupta**  
Chairman

**R. S. Khandelwal**  
Vice-Chairman

**A. Khandelwal**  
Managing Director

**P. Chakravarti**  
Director

**S. Khandelwal**  
Director

Kolkata, May 28th, 2010.

**SCHEDULES TO THE ACCOUNTS**

	Current Year (Rs.in 000s)	Previous Year (Rs.in 000s)
<b>SCHEDULE - 1</b>		
<b>SHARE CAPITAL</b>		
<b>Authorised</b>		
80,00,000 Equity shares of Rs.10/- each	<u>80000</u>	<u>80000</u>
<b>Issued,Subscribed and Paid-up</b>		
80,00,000 Equity Shares of Rs.10/- each	<u>80000</u>	<u>62000</u>
<b>SCHEDULE - 1A</b>		
Share Warrents		
18,00,000 warrants allotted @ Rs.4.60 per warrent on 15.9.08 has been converted into 18,00,000 equity shares of Rs.10 each at a premium of Rs.36/- per shares	0	8280
<b>SCHEDULE - 2</b>		
<b>RESERVES AND SURPLUS</b>		
Share Premium Account	123000	58200
General Reserve	77321	72321
Statutory Reserve	17260	16260
Profit and Loss Account	46510	41672
	<b>TOTAL</b>	
	<u>264091</u>	<u>188453</u>
<b>SCHEDULE - 3</b>		
Unsecured Loan		
Loan from Bodies Corporates	<u>152016</u>	<u>165000</u>
	<u>152016</u>	<u>165000</u>

**SCHEDULE - 4**
**FIXED ASSETS**

Sl. Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 1.4.09 Rs.	Addit./ Adj. Rs.	Asset sold out Rs.	As at 31.3.10 Rs.	Upto 31.3.09 Rs.	Current Year Rs.	Addit./ (Sold) Rs.	As at 31.3.10 Rs.	As at 31.3.10 Rs.	As at 31.3.09 Rs.
<b>A. OWN ASSETS</b>										
1.Furniture & Fixture	1073	-	-	1073	733	61	-	795	279	340
2.Motor Car	1773	2323	845	3251	1527	235	759	1004	2247	246
3.Computer	967	184	-	1152	668	149	-	817	335	299
4.Office Equipment	465	30	0	495	146	44	-	190	305	319
<b>TOTAL</b>	<b>4279</b>	<b>2537</b>	<b>845</b>	<b>5971</b>	<b>3075</b>	<b>490</b>	<b>759</b>	<b>2806</b>	<b>3166</b>	<b>1204</b>
PREVIOUS YR. TOTAL	3996	283	-	4279	2718	357	-	3075	1204	1278

## SCHEDULES TO THE ACCOUNTS (Continued)

### SCHEDULE - 5

#### INVESTMENTS AT COST

List of Investment other than trade

##### A) Listed Securities

(Quoted fully paid )

Name of the Company	Qty	(Amount in Rs.'000)		Qty	Amount
		2010	2009		
Apeejay Tea Ltd.	500	51	500	51	500
Arco Impex Ltd.	44000	451	44000	451	44000
Arihant Impex Ltd.	20000	45	20000	45	20000
Balasore Alloys Ltd.	2000	4	2000	4	2000
Bharat Earth Movers Ltd	44	16	44	16	44
Bharat Pipes & Fittings Ltd.	500	12	500	12	500
B.J. Duplex Boards Ltd.	1000	5	1000	5	1000
Bombay Burmah Trading Corporation Ltd	2000	76	2000	76	2000
Brabourne Enterprises Limited	58493	558	9578	77	58493
CESC Ltd.	3017351	64564	3017351	64564	3017351
CHI Investments Ltd.	268451	13065	-	-	268451
CNI Research Ltd.	5000	-	2500	-	5000
Color Chips (India) Ltd.	660	7	660	7	660
Duncan Brothers & Company Ltd.	3185	16	3185	16	3185
ELGI Finance Ltd.	500	1	500	1	500
Ellenbarrie Industrial Gases Ltd.	266	45	266	45	266
Enkay Texofood Industries Ltd.	2000	4	2000	4	2000
EnsoSecurtrack Ltd.	4000	11	4000	11	4000
Fairluck Commercial Ltd.	123800	953	123800	953	123800
G.V.Films Ltd.	2500	9	2500	9	2500
GVK Power Ltd.	41250	550	41250	550	41250
Gwalior Strips Ltd	1000	20	1000	20	1000
Halmark Drug & Chem Ltd	5000	5	5000	5	5000
Hendez Electronics Ltd	300	3	300	3	300
IFB Agro Industries Ltd.	7557	55	7557	55	7557
IFB Industries Ltd	67238	187	72238	201	67238
India Foils Ltd.	224000	1030	224000	1030	224000
India Gelatine & Chemicals Ltd	1520	14	1520	14	1520
IST Ltd.	1600	47	1600	47	1600
Indsil Electrosmelts Ltd	2000	8	2000	8	2000
Jay Bharat Fabric Ltd	10000	30	10000	30	10000
Kanika Infrastructure & Power Ltd.	500	0	500	0	500
KEC International Ltd.	449255	80166	375105	40770	449255
Summit Securities Ltd.	251600	3402	61600	600	251600
Kenel Oil Export Ltd	1100	1	1100	1	1100
Koyhari Phyto. Chemicals Ltd.	150000	6233	150000	6233	150000
Malanpur Steel Ltd.	218	0	218	0	218
UTI Master Share	5000	74	5000	74	5000
Mardia Steel Ltd.	600	1	600	1	600
Mura Black Ltd	300	0	300	0	300
Nihar Info Global Limited	25000	75	25000	75	25000
Origin Agrostar Ltd.	3600	14	3600	14	3600
Octav Investment Ltd.	4928	49	4928	49	4928
Padmini Technologies Ltd.	2500	16	2500	16	2500
Pennar Aluminium Company Ltd.	15000	32	15000	32	15000
Polaris Soft Ltd	450	50	450	50	450
Protchem Industries Ltd.	2500	55	2500	55	2500
PNB Gilts Ltd	5000	112	5000	112	5000

Punjab Chem.& Ph.Ltd	500	76	500	76
Rasoi Ltd.	43929	13748	-	-
Reliance Power Ltd	3270	-	3270	-
Sanghi Polyester Ltd	4700	4	4700	4
Saint Gobainb Sekurit India Ltd.	1000	47	1000	47
Shree Synthetics Ltd.	25	0	25	0
Shree Securities Ltd.	33000	6541	-	-
Stieful Und.Schuh Ltd.	2100	21	2100	21
Siemens Ltd.	2000	-	2000	-
TISCO Ltd.	580	142	514	103
TiscoCCPS	0	-	396	40
Varun Shipping Co.Ltd.	14850	139	14850	139
Vikash wsp Ltd.	3000	64	3000	64
Zensar Technologies Ltd.	4200	1375	4200	1375
Zyodus Weliness Ltd.	1000	125	1000	125

**TOTAL** 194401 118383

##### B)Unlisted Securities

Name of Company	Qty	Amount	Qty	Amount
BNK Securities Pvt.Ltd	999700	32497	999700	32497
Bliss Stock Brokers Pvt.Ltd.	180000	1800	180000	1800
Furmanite Nicco Service Ltd	10	0	10	0
Gujrat Sec.Ltd.	10000	15	10000	15
I Land Info.Ltd	30000	300	30000	300
Trendz Investments Ltd.	350000	3500	350000	3500
Zeon Synthetics Ltd.	120000	1200	120000	1200

**TOTAL** 39312 39312

##### C) Subsidiary Company

(I) BNK Commodities Pvt. Ltd.	Qty	Amount	Qty	Amount
Shares of Rs.10/- each fully paid up	1050000	10500	1050000	10500

**TOTAL** 10500 10500

##### D) Foreign Company

(i) BNK Comdex DMCC	300	3701	300	3701
Shares of 1000 ADE each				

**TOTAL** 3701 3701

##### GRAND TOTAL

	Amount	Amount
<b>A :</b>	<b>194401</b>	<b>118383</b>
<b>B :</b>	<b>39312</b>	<b>39312</b>
<b>C :</b>	<b>10500</b>	<b>10500</b>
<b>D :</b>	<b>3701</b>	<b>3701</b>
<b>TOTAL</b>	<b>247914</b>	<b>171896</b>
<b>Market value of listed securities</b>	<b>1479117</b>	<b>711135</b>

**SCHEDULES TO THE ACCOUNTS (Continued)**

	Current Year (Rs.in 000s)	Previous Year (Rs.in 000s)
<b>SCHEDULE - 6</b>		
CURRENT ASSETS, LOANS AND ADVANCES		
A. Current Assets		
Inventories	1396	-
Debtors (Considered good)		
Below six months -	5	520
Over six months -	-	-
Cash and Bank Balances:		
I. Cash-in-Hand	118	44
II. Cash with Scheduled Banks	27809	69569
	<u>29327</u>	<u>70132</u>
B. Loans and Advances		
Unsecured and Considered good:		
Loans to Parties	206769	221770
Advances Recoverable in Cash or in kind or for value to be received	10220	33150
Cash Liquid Fund	73369	-
Tax paid in advance and at source	13040	9740
	<u>303397</u>	<u>264659</u>
<b>TOTAL</b>	<u><b>345764</b></u>	<u><b>334792</b></u>
<b>SCHEDULE - 7</b>		
CURRENT LIABILITIES AND PROVISIONS		
A. Current Liabilities		
1 Liabilities for Expenses	294	1841
2 Liabilities for Other Finance	70238	69389
	<u>70532</u>	<u>71230</u>
B. Provisions		
1 Dividend	8000	6200
2 Provision for Taxation	9145	6725
	<u>17145</u>	<u>12925</u>
<b>TOTAL</b>	<u><b>87677</b></u>	<u><b>84155</b></u>
<b>SCHEDULE - 8</b>		
INCOME FROM CAPITAL MARKET		
1 Profit on dealing in Shares/Securities/Bonds	3701	713
2 Profit from Liqued Funds	888	0
3 Profit from Commodities Trading	38	-
	<u>4627</u>	<u>713</u>
<b>TOTAL</b>	<u><b>4627</b></u>	<u><b>713</b></u>
<b>SCHEDULE - 9</b>		
ADMINISTRATION AND OTHER EXPENSES		
1 Rent, Rates and Taxes	1428	326
2 Notice & Publication	17	16
3 Printing & Stationery	112	132
4 Postage & Telegram	37	73
5 Staff Welfare	69	26
6 Travelling & Conveyance	872	108
7 Repairs & Maintenance	107	98
8 Business Promotion Expenses	487	198
9 Auditors Remuneration		
For Audit Fee	9	
For Tax Audit	2	
For Other Capacity	21	17

## SCHEDULES TO THE ACCOUNTS (Continued)

	Current Year (Rs.in 000s)	Previous Year (Rs.in 000s)
10 Bank Charges	4	1
11 Membership & Subscriptions	20	19
12 General Expenses	143	25
13 Legal & Statutory Expenses	38	40
14 Professional Services Charges	3112	650
15 Service Tax	6	70
16 Securities Transaction Tax	93	310
17 Vsat Charges	56	80
18 Telephone Expenses	161	73
19 Demat & Custodial Charges	78	138
20 Electric Charges	271	197
21 Listing Fees	36	90
22 Directors Remuneration & Fees	868	785
23 Conference & Meeting	45	4
24 Charity & Donation	12	12
25 Website Exp.	527	449
26 Motar Car Expenses	262	135
<b>TOTAL</b>	<b>8881</b>	<b>4072</b>

## SCHEDULES TO THE ACCOUNTS (Continued)

### SCHEDULE - 10

#### STATEMENT OF ACCOUNTING POLICIES

##### 1. Basis of preparation of Financial Statement

- a) The Company prepares the accompanying financial statements in accordance with Generally Accepted Accounting Principles(GAAP).GAAP comprises mandatory accounting standards issued by the Institute of Chartered Accountants of India(ICAI), the provisions of the Companies Act,1956 and guidelines issued by the Securities and Exchange Board of India to the extent applicable.The financial statements are presented in Indian rupees rounded off to the nearest thousand.
- b) The Company generally follows mercantile system of accounting and recognises significant items of income / expenditure on the accrual basis.
- c) Management evaluates all recently issued or revised accounting standards on an ongoing basis.

##### 2. Fixed Assets and Depreciation

The Company capitalises Fixed Assets at cost inclusive of all incidental expenses incurred in acquisition of such assets . Depreciation on Fixed Assets has been provided on written down value method . The rates applied, however, are in accordance with the provision of Schedule XIV to the Companies Act,1956.

##### 3. Investments

Investments being in the nature of long term investments are valued at cost at which they have been accrued.

##### 4. Stock-in-Trade

Stock-in-Trade is valued at cost

Information pursuant to Schedule VI of the Companies Act,1956

Particulars in respect of Opening Stock,Purchases,Sales,and Closing stock of shares and Bonds.

	Qty.	Current Year (Rs.in 000s)	Qty.	Previous Year (Rs.in 000s)
a) Opening Stock				
Equity Shares	Nil	Nil	Nil	Nil
Mutual Fund	Nil	Nil	Nil	Nil
Bonds	Nil	Nil	Nil	Nil
	<u>Nil</u>	<u>Nil</u>	<u>Nil</u>	<u>Nil</u>
b) Purchases				
Equity Shares	16700	2739	Nil	Nil
Mutual Fund	20103630	345336	Nil	Nil
Bonds	2506168	917088	Nil	Nil
	<u>22626498</u>	<u>1265163</u>	<u>Nil</u>	<u>Nil</u>
c) Sales				
Equity Shares	14706	2416	Nil	Nil
Mutual Fund	20103630	346394	Nil	Nil
Bonds	2506167	920325	Nil	Nil
	<u>22624503</u>	<u>1269135</u>	<u>Nil</u>	<u>Nil</u>
d) Closing Stocks				
Equity Shares	2000	389	Nil	Nil
Mutual Fund	Nil	Nil	Nil	Nil
Bonds	1	1007	Nil	Nil
	<u>2001</u>	<u>1396</u>	<u>Nil</u>	<u>Nil</u>
Closing Stock				
Name of the company	Qty	Amount	Qty	Amount
Future Capital Holdings Ltd.	2000 share	389	Nil	Nil
9.65% Yes Bank Ltd.	1Bond	1007	Nil	Nil

**5. Taxes on Income**

Current Tax is determined as the amount of tax payable in taxable income for the period. Deferred tax is recognized subject to the consideration of prudence in respect of deferred tax liabilities, on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

**6. Director's Remuneration**

Director's Remuneration	Current Year	Previous Year
Salary and allowances	735	660

**7. Deferred Tax Liabilities**

Deferred Tax Liabilities	Opening (Rs.)	Reversed for the earlier period (01/04/09)	Provided during year (Rs.)	Closing (31/03/10) (Rs.)
For difference in WDV as per Income tax and as per Companies Act.	3311	0	16840	20151

8. The Company has not provided gratuity liability as per Accounting Standard `AS-15`, as there is no liability on gratuity for the year under reference.

9. There is no reportable segment as per Accounting Standard 17 as the operations of the Company relate to mainly NBFC activities

**10. Provisions**

Provisions are recognised for liabilities that can be measured only by using a substantial degree of estimation, if the company has a present obligation as a result of a past event, and the amount of the obligation can be reliably estimated.

**11. Claims against the Company not acknowledged as debt.**

S.No.	Nature of Claims	Relating to various years comprise in the period	(Rs in lacs)
1	Income Tax	Assessment Year 2004-2005	43.49*
2	Income Tax	Assessment Year 2006-2007	241.13*

\* The Company has further filed an appeal against the claim by the CIT (A) XII, before the Income Tax Appellate Tribunal Kolkata Bench

**12. Related party disclosure in accordance with the Accounting Standard 18 issued by The Institute of Chartered are given below:**

Nature of Transaction	Subsidiaries	Associates	Key Mgmt. Persons & relatives	Total
Investment/Disinvestment	10500	36198	0	46698
Rent paid	0	0	120	120
Remuneration paid	0	0	735	735
Directors sitting fee	0	0	58	58
Loans & Advances given	0	46000	-	46000
Loans & Advances received back	0	46000	-	46000
Interest	0	1274	-	1274
Amount outstanding as on 31st March, 2010	0	705	-	705

**Names of related parties and description of relationship :**

1	Subsidiary Company	: BNK Commodities Pvt. Ltd.
2	Associates	: BNK Securities Pvt. Ltd. : BNK Comdex DMCC : Asian Securities Exchange Pvt. Ltd. : Rakesh Textiles Ltd. : Brijnath Khandelwal & Co.
3	Key Management Personnel (KMP) and their relatives	: R. S. Khandelwal - Vice - Chairman : Ajit Khandelwal - Managing Director : Mr. Sanjeev Khandelwal - Director

**13. Earning per Share (EPS)**

Earnings Per Share (EPS)	2009-10 Rs.	2008-09 Rs.
Profit after Tax considered for calculating EPS	(A) 20,197,000	25,389,000
Number of Shares (Face value of Rs.10/-)	(B) 8,000,000	6,200,000
Earnings per Share (Basic and Diluted)	(A / B) 2.52	4.10

**14. Expenditure in Foreign Currency**

Expenditure in Foreign Currency	AED 793	Nil
Income in Foreign Currency	Nil	Nil

16. a) There are no reported Micro, Small and Medium Enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006 to whom the company owes dues.

b) Confirmation of balances has been sought from sundry creditors, sundry debtors, other loans and advances and in most of the cases confirmation has been received.

17. The previous year's figures have been regrouped and rearranged wherever considered necessary.

Sign in terms of our report of even date.

**R. BHATTACHARYA & ASSOCIATES**

Chartered Accountants

**R. Bhattacharya**  
Proprietor

**ON BEHALF OF THE BOARD**

**Dr. N. K. Sengupta** Chairman  
**R. S. Khandelwal** Vice-Chairman  
**A. Khandelwal** Managing Director

**P. Chakravarti** Director  
**S. Khandelwal** Director

Kolkata, May 28th, 2010

## Cash Flow Statement Pursuant to Clause 32 of the Listing Agreement for the year ended 31st March 2010.

	(Amount in Rs.' 000)	
	For the year ended 31.3.10	For the year ended 31.3.09
<b>A. Cash flow from Operating Activities:</b>		
<b>Net profit before Tax and Extraordinary Items</b>	22382	27650
<b>Adjustments for:</b>		
1 Depreciation	490	357
2 Interest Income	(15226)	(4957)
3 Interest Expenses	2291	9709
4 Dividend Income	(1441)	(19435)
<b>Operating Profit before Working Capital Changes</b>	(4481)	13323
<b>Adjustments for :</b>		
1 Trade and other Receivables	514	(393)
2 Loans and advances	(38738)	(63641)
3 Other Current Assets	-	-
4 Other Liabilities & Provisions	3539	2123
5 Adjustment for extraordinary Items	-	-
<b>Cash Generated from Operations</b>	(39166)	(48588)
1 Interest Paid	(2291)	(9709)
2 Taxes & Dividend Paid (Current & Deferred)	(11544)	(9515)
<b>Cash Flow before Extraordinary Items</b>	(53001)	(67812)
<b>Extraordinary Items:</b>		
1 Share Issue Expenses	-	-
<b>NET CASH FROM OPERATING ACTIVITIES</b>	(A) <u>(53001)</u>	<u>(67812)</u>
<b>B. Cash Flow from Investing Activities :</b>		
1 Purchase of Fixed Assets	(2537)	(283)
2 Sale of Fixed assets	86	-
3 Purchase of Investments	(76018)	124846
4 Inventories	(1396)	-
4 Interest Received	15226	4957
5 Dividend Received	14418	19435
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	(B) <u>(50222)</u>	<u>148955</u>
<b>C. Cash flow from financial Activities</b>		
1 Proceeds from Issue of Share Capital	74520	63480
2 Proceeds from Short Term Borrowings	(12984)	(68197)
3 Proceeds from Long Term Borrowing	-	-
4 Dividend Paid	-	-
<b>NET CASH (USED IN) /SURPLUS FROM FINANCING ACTIVITIES</b>	(C) <u>61536</u>	<u>(4717)</u>
Net Increase in Cash and Cash Equivalents (A+B+C)	(41686)	76427
Cash and Cash Equivalents (Opening Balance)	69613	(6814)
Cash and Cash Equivalents (Closing Balance)	<u>27926</u>	<u>69613</u>

This is the cash flow statement referred to our report of even date.

**R.BHATTACHARYA & ASSOCIATES**  
Chartered Accountants

**R.Bhattacharya**  
Proprietor

Kolkata, May 28th, 2010.

**ON BEHALF OF THE BOARD**

**Dr. N. K. Sengupta**   **R. S. Khandelwal**   **A. Khandelwal**  
Chairman   Vice-Chairman   Managing Director

**P. Chakravarti**   **S. Khandelwal**  
Director   Director

**INFORMATION PURSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956  
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**
**I. Registration Details:**

Registration No.

4	0	5	4	2	o	f	1	9	8	6
---	---	---	---	---	---	---	---	---	---	---

State Code

2	1
---	---

Balance Sheet Date

3	1	M	A	R	C	H	2	0	1	0
---	---	---	---	---	---	---	---	---	---	---

**II. Capital Raised during the year**

Public Issue

N	I	L
---	---	---

Bonus Issue

N	I	L
---	---	---

Rights Issue

N	I	L
---	---	---

Private Placement

1	8	0	0
---	---	---	---

**III. Position of Mobilisation and Development of Funds (Amount in Thousand.)**

Total Liabilities

4	9	6	1	2	7
---	---	---	---	---	---

Total Assets

4	9	6	1	2	7
---	---	---	---	---	---

Sources of Funds

Paid - Up Capital

8	0	0	0	0
---	---	---	---	---

Reserves &amp; Surplus

2	6	4	0	9	1
---	---	---	---	---	---

Secured Loans

N	I	L
---	---	---

Unsecured Loans

1	5	2	0	1	6
---	---	---	---	---	---

Application of Funds

Net Fixed Assets

3	1	6	6
---	---	---	---

Investments

2	4	7	9	1	4
---	---	---	---	---	---

Net Current Assets

2	4	5	0	4	7
---	---	---	---	---	---

Misc. Expenditure

N	I	L
---	---	---

Accumulated Losses

N	I	L
---	---	---

**IV. Performance of the Company (Amount in Thousand)**

Turnover &amp; Other Income

3	8	2	9	4
---	---	---	---	---

Total Expenditure

1	5	9	1	2
---	---	---	---	---

Profit Before Tax

2	2	3	8	2
---	---	---	---	---

Profit After Tax

2	0	1	9	7
---	---	---	---	---

Earnings Per Share (Rs.)

2	.	5	2
---	---	---	---

Dividend ( Rate )

1	.	0	0
---	---	---	---

**V. Generic Names of three Principal Product /**
**Services of the Company**

Item Code No.(ITC Code)

N	A
---	---

Product Description

I	N	V	E	S	T	M	E	N	T	S
---	---	---	---	---	---	---	---	---	---	---

**R.BHATTACHARYA & ASSOCIATES**

Chartered Accountants

**R.Bhattacharya**

Proprietor

**ON BEHALF OF THE BOARD**
**Dr. N. K. Sengupta**

Chairman

**R. S. Khandelwal**

Vice-Chairman

**A. Khandelwal**

Managing Director

**P. Chakravarti**

Director

**S. Khandelwal**

Director

Kolkata, May 28th, 2010.

**STATEMENT REGARDING SUBSIDIARY COMPANY**

Pursuant to Section 212(3) and 212(5) of the Companies Act, 1956.

(a) Name of the Subsidiary

: **BNK Commodities Pvt. Ltd.**

(b) Holding Companies Interest

: 1050000 Equity Shares of Rs.10/- each out of total Subscribed Capital of 2000000 Equity Shares of 10/- each fully paid up.

(c) Net Aggregate amount of

: NIL

Subsidiary Profit/(Loss) not dealt with in the Company's Accounts.

(d) No part of Subsidiary's Profit/(Loss) has been dealt with in the Company's account.

(e) Changes, if any, in respect of Company's interest in the Subsidiary between the end of their financial year and that of the Company : -

**Not Applicable.**

:

**Not Applicable**

(f) Changes, if any, in respect of Fixed Assets etc. of Subsidiary Company between the end of their financial year and that of the Company : -

**Not Applicable.**

:

**Not Applicable**



## DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the Seventh Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2010.

### FINANCIAL RESULTS:

During the year under review, your Company's performance was as under:

	Year Ended 31/3/2010	Year Ended 31/3/2009
	Rs.	Rs.
Brokerage Income	214541	328470
Interest Income	66060	69054
Dividend Income	58062	62580
Profit on sale of Investment	NIL	1153265
Profit / Loss in Commodity Trading	119970	(2662128)
Other expenditure	347240	705888
Depreciation	13867	23111
Profit/loss before tax	111393	(1777758)
Provision for Tax (F.B.T)	NIL	4500
Current Tax	17100	NIL
Profit after tax	94293	(178258)
Balance carried to Balance Sheet	(12359409)	(12453702)

In absence of sufficient profits the Board do not recommend payment of any dividend.

### PERFORMANCE:

Online Commodity Exchanges are a developing concept in our country and it is expected that it will take off slowly. However the Company has started its operation in a small way and is expected to grow steadily.

### FIXED DEPOSITS:

Your Company has not accepted any deposit within the meaning of Section 58A of the Companies Act, 1956 and the rule made there under.

### DIRECTORS:

Mr. Ajit Khandelwal, a director of the Company retire by rotation on the conclusion of the forthcoming Annual General Meeting and, being eligible, offer himself for re-appointment.

### PERSONNEL:

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

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:** Information as per Section 217 (1) (e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in Report of the Board of Directors) Rules, 1988 and forming part of the Directors' Report for

the period ended 31st March 2010 is as under:

### A. CONSERVATION OF ENERGY:

Since the Company's core activity is to act as exchange broker, it is not power intensive. However, adequate measures are being taken to minimize the extent of consumption of energy.

### B. TECHNOLOGY ABSORPTION:

The company is updated with the modern technologies and is keeping abreast with such technology in order to ensure that we are not placed at a disadvantage on account of the same.

### C. FOREIGN EXCHANGE EARNINGS AND OUTGO

	Rs. Nil.
Foreign Exchange Earnings	
Foreign Exchange Outgo	

### DIRECTORS' RESPONSIBILITY STATEMENT:

Your Directors confirm:

- that in the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- that they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year;
- that they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- that they had prepared the Annual Accounts on a going concern basis.

### STATUTORY DUES:

As on the date of this report, the Company does not have any Statutory Dues.

### AUDITORS:

The statutory auditors M/s. R Bhattacharya & Associates, Chartered Accountants, retire at the conclusion of the ensuing Annual General Meeting. The Company has received a letter from M/s. R Bhattacharya & Associates, Chartered Accountants, to the effect that their appointment, if made, would be within the limits under Section 224(1-B) of the Companies Act, 1956.

### ACKNOWLEDGEMENTS:

Your director's place on record their gratitude for the valuable assistance and co-operation extended by the Exchanges, Bankers, and Shareholders of the Company. Your directors express their appreciation for the dedicated and sincere services rendered by the employees of the Company.

For and on behalf of the Board

Kolkata  
Date: 28th May, 2010.

R.S. KHANDELWAL  
Director

## AUDITORS' REPORT

### TO THE MEMBERS OF BNK COMMODITIES PRIVATE LTD.

- We have audited the attached Balance Sheet of BNK COMMODITIES PRIVATE LTD.(the Company) as at 31st March 2010 and also the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These 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.
- We conducted our audit in accordance with the 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 misstatements. An audit includes examining, on a test basis, evidence supporting the amounts 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.
- As required by the Companies (Auditor's Report) Order, (CARO) 2003, issued by the Central Government of India in terms of sub-section 4(A) of section 227 of the Companies Act, 1956, we enclose as Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said order.
- Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
  - We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
  - The Balance Sheet, The Profit and Loss Account and The Cash Flow Statement dealt with by this report are in agreement with the books of account;

- In our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section 3(C) of Section 211 of the Companies Act, 1956;
- On the basis of the written representations received from the Directors, as on 31st March, 2010 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2010 from being appointed as a Director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956;
- In our opinion, and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - In the case of the Balance Sheet, of the State of Affairs of the Company as at 31st March, 2010;
  - In the case of the Profit and Loss Account, of the Profit of the Company for the year ended on that date; and
  - In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For R. BHATTACHARYA & ASSOCIATES  
CHARTERED ACCOUNTANTS

(R. BHATTACHARYA)  
Proprietor  
Membership No. - 12394

Kolkata  
28th May, 2010.

## ANNEXURE TO THE AUDITORS' REPORT

The Annexure referred to in Paragraph 3 of the Auditors' Report of Even Date to the Members of BNK Commodities Private Ltd.

- The Company has maintained proper records showing full particulars including quantitative details and Situation of fixed assets.
  - The Fixed Assets of the Company have been physically verified by the management according to a phased programme, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets, and no material discrepancies were noticed on such verification as confirmed by the management.
  - No Fixed Assets has been disposed off during the year, and therefore, the going concern assumption is not affected.
- Since the Company has no inventory, sub- clause ii (a), ii (b) and iii(c) of clause 4 of the said order are not applicable to the company.
- The Company has neither granted nor taken any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. According sub clauses (b), (c) and (d) of clause 4(ii) of said order are not applicable to the company.
- In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of securities, fixed assets and with regard to the sale of securities and services. During the course of our audit we have not observed any continuing failure to correct major weaknesses in internal control system. The fixed assets of the Company have not been revalued during the year.
- According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section;
  - In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- The Company has not accepted any deposits from the public within the meaning of sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under.
- In our opinion, the company has an internal audit system commensurate with the size and nature of its business. for the purchases of shares/securities, equipment and other assets and for sale of shares/securities.
- In our opinion, the provisions of section 209 (1)(d) of the Companies Act, 1956 for the maintenance of cost records are not applicable to the company.
- According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Income Tax, Wealth Tax, Service Tax, Sales Tax, Custom Duty, Excise Duty, Cess and other material statutory dues as applicable with the appropriate authorities.
  - According to the information and explanations given to us, there are no dues of Sales Tax, Income Tax, Custom Duty, Wealth Tax, Service Tax, Excise duty and Cess which have not been deposited on account of any dispute.
- The company has accumulated losses at the end of the financial year and it has incurred no cash losses in the financial year ended on that date though there was cash loss in the immediately preceding financial year.
- According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holder as at the balance sheet date.
- The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- The provisions of any special statute applicable to chit fund/nidhi/ mutual benefit fund/societies are not applicable to the company.
- In our opinion and according to the information and explanations given to us, proper records have been maintained of the transactions and contracts in respect of dealing or trading in shares, securities, debentures and other investments and timely entries have been made therein and also the shares, securities, debentures and other investments have been held by the company in its own name except to the extent of the exemption, if any, granted u/s 49 of the Companies Act, 1956.
- In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
- The Company did not have any term loans outstanding during the year.



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# BNK COMMODITIES PVT. LTD.

- (17) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment. No long-term funds have been used to finance short-term assets except permanent working capital.
- (18) According to the information and explanations given to us, no preferential shares have been allotted by the company to parties and companies covered in the register maintained u/s 301 of the Companies Act, 1956.
- (19) During the course of our audit, the Company has not created security or charge in respect of debentures issued.

- (20) During the course of our audit, the Company has not raised any money by public issues.
- (21) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For R. BHATTACHARYA & ASSOCIATES  
CHARTERED ACCOUNTANTS

Kolkata  
Proprietor  
28th May, 2010

(R. BHATTACHARYA)

## BALANCE SHEET AS AT 31ST MARCH, 2010.

	Schedule	Current Year 31.3.10 (Rs.)	Previous year 31.3.09 (Rs.)
<b>I. SOURCES OF FUNDS</b>			
1 Shareholder's Fund			
Share Capital	1	20000000	20000000
Share Application		5800000	5800000
		<u>25800000</u>	<u>25800000</u>
<b>II. APPLICATION OF FUNDS</b>			
1 Fixed Assets	2		
a) Gross Block		267856	267856
b) Less: Depreciation		247056	233189
c) Net Block		<u>20800</u>	<u>34667</u>
2 Investments	3	7441641	6173429
3 Current Assets, Loans & Advances	4		
a) Cash and Bank Balances		1490134	3468118
b) Loan and Advances		5945094	5857471
		<u>7435228</u>	<u>9325589</u>
Less: Current Liabilities & Provisions	5		
a) Current Liabilities		1457077	2187387
Net Current Assets		<u>13,440,591</u>	<u>13,346,298</u>
4 Profit & Loss A/c		12359409	12453702
		<u>25800000</u>	<u>25800000</u>

## PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010.

	Schedule	Current Year	Previous year
<b>A. INCOME</b>			
Brokerage		214541	328470
Interest (TDS Current yr. 6.60 - Previous yr. 14.00)		66060	69054
Profit on commodity Trading		119970	0
Profit on sale of Investment		0	1153265
Dividend		58062	62580
	<b>TOTAL</b>	<u>458633</u>	<u>1613369</u>
<b>B. EXPENDITURE</b>			
Loss in Commodity Trading		0	2662128
Administration & Other Expenses	6	333373	674625
Depreciation		13867	23111
Amortisation & Misc. Expenditure		0	31263
	<b>TOTAL</b>	<u>347240</u>	<u>3391127</u>
Profit Before Taxation		111393	(1777758)
Provision for Taxation			
Current Tax		17100	-
Fringe Benefit Tax		-	4500
Profit After Taxation		<u>94293</u>	<u>(1782258)</u>
Balance brought forward from Previous Year		(12453702)	(10671444)
<b>C. APPROPRIATIONS</b>			
Balance Carried to Balance Sheet		(12359409)	(12453702)
	<b>TOTAL</b>	<u>(12359409)</u>	<u>(12453702)</u>
<b>Earning Per Share (Basic &amp; Diluted) (Rs.)</b>		0.47	(0.86)

## ACCOUNTING POLICIES & NOTES ON ACCOUNTS

The Schedules referred to above form an integral part of the Profit and Loss Account.

This is the Profit and Loss Account referred to in our report of even date.

R. BHATTACHARYA & ASSOCIATES  
Chartered Accountants

R. Bhattacharya  
Proprietor

Kolkata, May 28th, 2010

R. S. Khandelwal  
Director

ON BEHALF OF THE BOARD

A. Khandelwal  
Director

S. Khandelwal  
Director

# BNK COMMODITIES PVT. LTD.



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Current Year  
31.03.10  
(Rs.)

Previous Year  
31.03.09  
(Rs.)

## SCHEDULE - 1

### SHARE CAPITAL

Authorised  
20,00,000 Equity shares of Rs.10/- each  
Issued,Subscribed and Paid-up  
20,00,000 Equity Shares of Rs.10/- each  
Share Application Money

20000000

20000000

20000000

20000000

5800000

5800000

## SCHEDULE - 2

### FIXED ASSETS

Sl. Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 1.4.09 Rs.	Asset sold out Rs.	Addit./ Adj. Rs.	As at 31.3.10 Rs.	Upto 31.03.09 Rs.	Current Year Rs.	Addit./ (Sold) Rs.	As at 31.3.10 Rs.	As at 31.03.10 Rs.	As at 31.3.09 Rs.
1. Computer & Accessories	267856	-	-	267856	233189	13867	-	247056	20800	34667
TOTAL	267856	-	-	267856	233189	13867	-	247056	20800	34667
PRIVIOUS YEAR	267856	-	-	267856	210078	23111	-	233189	34667	57778

## SCHEDULE - 3

### INVESTMENT AT COST

#### a) Listed Securities

Nama of Share  
Brabourne Enterprises Ltd.  
Marksans Pharma Ltd.  
RPG Life Science Ltd.  
Usher Agro Ltd.

	Qty	Amount	Qty	Amount
	47202	377616	47202	377616
	50000	1155658	50000	1155658
	47202	3890154	47202	3890154
	25000	1268212		-
		6691641		5423429

#### b) Fixed Deposit

HDFC Bank  
Total  
Market Value of listed securities

		750000		750000
		7441641		6173429
		2639301		1401089

## SCHEDULE - 4

### CURRENT ASSETS, LOANS AND ADVANCES

#### Cash and Bank Balances:

I. Cash-in-Hand  
II. Cash with Scheduled Banks

	6459	2329
	1483675	3465789
	1490134	3468118

#### Loans and Advances:

Unsecured and Considered good:  
I. Sundry Debtors  
II. Advances Recoverable in Cash or in kind or for value to be received

	3555	3555
	5941539	5853916
	5945094	5857471

## SCHEDULE - 5

### CURRENT LIABILITIES :

Sundry Creditors  
Auditors Remuneration Payable  
Provision for taxation  
Liabilities for expenses

	1415957	2112672
	2500	2500
	37815	20715
	805	51500
	1457077	2187387

## SCHEDULE - 6

### ADMINISTRATION AND OTHER EXPENCES

1 Bank Charges  
2 Telephone Expences  
3 Printing & Stationery  
4 Transaction & Misc. Charges  
5 Auditors Remuneration  
6 Demat Charges  
7 InsuranceExpences  
8 Legal & Professional Fees  
9 Genral & Misc.Exp.  
10 Postal Exp.  
11 Lease Line Charges  
12 Rent Rates & Taxes  
13 Annual Fees  
14 Service Tax  
15 Salary  
16 ROC Filing Fees

	(Rs.)	(Rs.)
	276	48126
	40383	10113
	4375	3882
	50563	229762
	2500	2500
	43181	42939
	9232	10398
	9700	42600
	2749	9688
	121	117
	29000	86693
	1900	2050
	116000	104609
	1522	6847
	18000	16800
	3871	57500
	333373	674625

## SCHEDULE - 7

### STATEMENT OF ACCOUNTING POLICIES

- Basis of preparation of Financial Statement
  - The Company prepares its financial statements in accordance with generally accepted accounting principles and also in accordance with the requirements of the Companies Act , 1956 as adopted consistently by the Company.
  - The Company generally follows mercantile system of accounting and recognises significant itemsof income / expenditure on the accrual basis.
- Fixed Assets and Depreciation  
The Company capitalises Fixed Assets at cost inclusive of all incidental expenses incurred in acquisition of such assets . Depreciation on Fixed Assets has been provided at written down value method.The rates applied, however in accordance with the provisions of Schedule XIV of the Companies Act,1956.
- Tax effect of timing differences for unabsorbed depreciation and business loss originate in one period and is capable of reversal in one or more subsequent perodes.The company is prudent not to consider deferred tax asset this year, since it is not reasonably certain that there will be sufficient future income to recover such deferred tax asset.
- Earnings Per Share (EPS) 0.47
- Expenditure in Foreign Currency Nil
- Income in Foreign Currency Nil
- There are no reported Micro,Small and Medium Enterprises as defined in the Micro,Small and Medium Enterprises Development Act,2006 to whom the company owes dues.
  - Confirmation of balances has sought from sundry creditors,sundry debtors,other loans and advancesand in most of the cases confirmation has been received.
- Previous year's figure/figures has been regrouped or rearranged wherever considered necessary.

### R.BHATTACHARYA & ASSOCIATES

Chartered Accountants

Kolkata, May 28th, 2010

R.Bhattacharya  
Proprietor

### ON BEHALF OF THE BOARD

R. S. Khandelwal  
Director

A. Khandelwal  
Director

S. Khandelwal  
Director

**Cash Flow Statement for the year ended 31st March 2010.**

	For the year ended 31.3.10	For the year ended 31.3.09
<b>A. Cash flow from Operating Activities:</b>		
<b>Net profit before Tax and Extraordinary Items</b>	111393	(177758)
<b>Adjustments for :</b>		
1 Depreciation	(13867)	(23111)
2 Investments Income	66060	69054
3 Interest Expenses	-	-
4 Dividend Income	58062	62580
<b>Operating Profit before Working Capital Changes</b>	1138	(1886281)
<b>Adjustments for :</b>		
1 Trade and other Receivables	-	-
2 Loans and advances	(87623)	(2937069)
3 Inventories	-	-
4 Other Current Assets	-	-
5 Other Liabilities & Provisions	(730310)	736476
6 Adjustment for extraordinary Items	-	-
<b>Cash Generated from Operations</b>	(816795)	(4086874)
1 Interest Paid	-	-
2 Taxes Paid (Current & Deferred)	(17100)	(4500)
<b>Cash Flow before Extraordinary Items</b>	(833895)	(4091374)
<b>Extraordinary Items :</b>		
1 Share Issue Expenses	-	31263
<b>NET CASH FROM OPERATING ACTIVITIES (A)</b>	(833895)	(4060111)
<b>B. Cash Flow from Investing Activities :</b>		
1 Purchase of Fixed Assets	-	-
2 Sale of Fixed assets	-	-
3 Purchase of Investments	1268212	-
4 Interest Received	(66060)	(69054)
5 Dividend Received	(58062)	(62580)
<b>NET CASH USED IN INVESTING ACTIVITIES (B)</b>	1144090	(131634)
<b>C. Cash flow from financial Activities</b>		
1 Proceeds from Issue of Share Capital	-	5800000
2 Proceeds from Short Term Borrowings	-	-
3 Proceeds from Long Term Borrowing	-	-
4 Dividend Paid	-	-
<b>NET CASH (USED IN) / SURPLUS FROM FINANCING ACTIVITIES (C)</b>	-	5800000
Net Increase in Cash and Cash Equivalents (A+B+C)	(1977985)	1871523
Cash and Cash Equivalents (Opening Balance)	<u>3468119</u>	<u>1596596</u>
Cash and Cash Equivalents (Closing Balance)	<u>1490134</u>	<u>3468119</u>

This is the Cash flow Statement referred to in our report of even date

**R.BHATTACHARYA & ASSOCIATES**  
Chartered Accountants

**R.Bhattacharya**  
Proprietor

**ON BEHALF OF THE BOARD**

**R. S. Khandelwal**  
Director

**A. Khandelwal**  
Director

**S. Khandelwal**  
Director

Kolkata, May 28th, 2010.

## INFORMATION PURSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956 BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

<b>I. Registration Details:</b>		
Registration No.	U74999WB	2 0 0 3 P T C 0 9 7 4 9 1
State Code		2 1
Balance Sheet Date		3 1 M A R C H 2 0 1 0
<b>II. Capital Raised during the year (Amount in Thousand)</b>		
Public Issue		N I L
Bonus Issue		N I L
Rights Issue		N I L
Private Placement		1 0 0 0 0
		1 0 0 0 0
<b>III. Position of Mobilisation and Development of Funds (Amount in Thousand)</b>		
Total Liabilities		2 5 8 0 0
Total Assets		2 5 8 0 0
Sources of Funds		
Paid - Up Capital		2 0 0 0 0
Reserves & Surplus		N I L
Secured Loans		N I L
Unsecured Loans		N I L
Application of Funds		
Net Fixed Assets		2 1
Investments		7 4 4 2
Net Current Assets		5 9 7 8
Misc. Expenditure		0 0
<b>IV. Performance of the Company (Amount in Thousand)</b>		
Turnover & Other Income		4 5 8
Total Expenditure		3 4 7
Profit Before Tax		1 1 1
Profit After Tax		9 4
Earnings Per Share (Rs.)		. 4 7
Dividend ( Rate )		N I L
<b>V. Generic Names of three Principal Product / Services of the Company</b>		
Item Code No.(ITC Code)		N A
Product Description		C O M M O D I T Y B R O K I N G S E R V I C E S

**R.BHATTACHARYA & ASSOCIATES**  
Chartered Accountants

**R.Bhattacharya**  
Proprietor

**R. S. Khandelwal**  
Director

**ON BEHALF OF THE BOARD**

**A. Khandelwal**  
Director

**S. Khandelwal**  
Director

Kolkata, May 28th, 2010

### AUDITOR'S REPORT

To the Board of Directors of BNK Capital Markets Limited.

- We have audited the attached Consolidated Balance Sheet of BNK Capital Markets Limited and its subsidiary as at March 31, 2010, the Consolidated Profit and Loss Account for the year ended on that date annexed thereto, and the Consolidated Cash Flow Statement for the year ended on that date, which we have signed under reference to this report. These consolidated financial statements are the responsibility of the Management of BNK Capital Markets Limited. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
- We have 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 prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21, Consolidated Financial Statements, issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of BNK Capital Markets Limited and its subsidiary included in the consolidated financial statements.
- On the basis of the information and explanations given to us and on consideration of the separate audit reports on individual audited financial statements of BNK Capital Markets Limited and its aforesaid subsidiary, in our opinion, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
  - In the case of the Consolidated Balance Sheet, of the consolidated state of affairs of BNK Capital Markets Limited and its subsidiary as at March 31, 2010;
  - In the case of the Consolidated Profit and Loss Account, of the consolidated result of operations of BNK Capital Markets Limited and its subsidiary for the year ended on that date; and
  - In the case of the Consolidated Cash Flow Statement, of the consolidated cash flows of BNK Capital Markets Limited and its subsidiary for the year ended on that date.

For R.Bhattacharya & Associates  
Chartered Accountants

May 28, 2010  
Kolkata

R.Bhattacharya  
(Proprietor)  
Membership No. - 12394

## CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2010.

	Schedule	Current Year (Rs.in 000s)	Previous Year (Rs.in 000s)
<b>I. SOURCES OF FUNDS</b>			
1 Shareholder's Fund			
a) Share Capital	1	80000	62000
b) Share Warrents		-	8280
c) Reserves & Surplus	2	251732	176000
d) Share Application		5800	5800
2. Minority interest		9500	9500
3 Loan Funds			
Unsecured Loans	3	152016	165000
4 Deferred Tax Assets		20	3
		<u>499068</u>	<u>426583</u>
<b>II. APPLICATION OF FUNDS</b>			
1 Fixed Assets	4		
a) Gross Block		6238	4547
b) Less: Depreciation		3052	3308
c) Net Block		<u>3186</u>	<u>1239</u>
2 Investments	5	244856	167568
3 Current Assets, Loans & Advances	6		
a) Inventories		1396	-
b) Sundry Debtors		9	524
c) Cash and Bank Balances		29417	73081
d) Loan and Advances		309340	270514
		<u>340161</u>	<u>344118</u>
Less: Current Liabilities & Provisions	7		
a) Current Liabilities		71951	73397
b) Provisions		17183	12946
Net Current Assets		<u>251027</u>	<u>257775</u>
		<u>499068</u>	<u>426583</u>

## CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010.

	Schedule	Current Year (Rs.in 000s)	Previous Year (Rs.in 000s)
<b>A. INCOME</b>			
Income from capital market operation		4746	713
Brokerage & Consaltancy		2695	648
Capital Gain (Shares & MF)		1543	20366
Interest ( TDS 1568, Previous Yr. 1791 )		15292	5026
Other Income		14476	19498
<b>TOTAL</b>		<u>38753</u>	<u>46251</u>
<b>B. EXPENDITURE</b>			
Establishment		4268	2868
Administration & Other Expenses	9	9196	4729
Interest		2291	9709
Depreciation		504	380
Loss in Commodity Trading		-	2662
Amortisation & Misc.Expenditure		-	31
<b>TOTAL</b>		<u>16259</u>	<u>20380</u>
Profit / (Loss) Before Taxation		22494	25872
Provision for Taxation			
Current Tax		2176	2211
Fringe Benefit Tax		-	49
FBT Assessed Tax		8	-
Deferred Tax		17	5
Profit /(Loss) after Taxation		<u>20292</u>	<u>23608</u>
Balance of profit Brought forward from Previous year		<u>29219</u>	<u>18665</u>
		<u>49511</u>	<u>42273</u>
<b>C. APPROPRIATIONS</b>			
Transfer to General Reserve		5000	5000
Statutory Reserve		1000	1000
Divedend		8000	6200
Provision for Tax on Divedend		1360	1054
Balance Carried to Balance Sheet		34151	29219
<b>TOTAL</b>		<u>49511</u>	<u>42473</u>
Earning Per Share (Basic & Diluted) (Rs.)		2.54	3.81

### ACCOUNTING POLICY & NOTES ON ACCOUNTS

10

The Schedules referred to above form an integral part of the Consolidated Profit and Loss Account.

This is the Consolidated Profit & Loss Account referred to in our report of even date.

**R.BHATTACHARYA & ASSOCIATES**  
Chartered Accountants

**Dr. N.K.Sengupta**  
Chairman Vice-Chairman

ON BEHALF OF THE BOARD

**R.S.Khandelwal**  
Managing Director

**A.Khandelwal**

Kolkata, May 28th, 2010

**R.Bhattacharya**  
Proprietor

**P. Chakravarti**  
Director

**S.Khandelwal**  
Director

## SCHEDULES TO THE CONSOLIDATED BALANCE SHEET

	Current Year (Rs.in 000s)	Previous Year (Rs.in 000s)
<b>SCHEDULE - 1</b>		
<b>SHARE CAPITAL</b>		
Authorised 80,00,000 Equity shares of Rs.10/- each	80000	80000
<b>Issued,Subscribed and Paid-up</b>	80000	62000
<b>SCHEDULE - 2</b>		
<b>RESERVES AND SURPLUS</b>		
Share Premium Account	123000	58200
General Reserve	77321	72321
Statutory Reserve	17260	16260
Profit and Loss Account	34151	29219
<b>TOTAL</b>	<b>251732</b>	<b>176000</b>
<b>SCHEDULE - 3</b>		
Unsecured Loan		
Loan from Bodies Corporates	152016	165000
<b>SCHEDULE - 4</b>		
<b>FIXED ASSETS</b>		

Sl. Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 1.4.09 Rs.	Addit./ Adj. Rs.	Asset sold out Rs.	As at 31.3.10 Rs.	Upto 31.03.09 Rs.	Current Year Rs.	Addit./ (Sold) Rs.	As at 31.3.10 Rs.	As at 31.03.10 Rs.	As at 31.3.09 Rs.
1.Furniture & Fixture	1073	-	-	1073	733	62	-	795	279	443
2.Motor Car	1773	2323	845	3251	1527	236	759	1004	2248	448
3.Computer & Access.	1235	184	-	1419	901	163	-	1064	355	484
4.Office Equipments	465	30	-	495	146	44	-	190	305	252
<b>TOTAL</b>	<b>4546</b>	<b>2537</b>	<b>845</b>	<b>6238</b>	<b>3307</b>	<b>504</b>	<b>759</b>	<b>3052</b>	<b>3186</b>	<b>1627</b>
Previous Year	4264	283	-	4547	2928	380	-	3308	1627	1239

### SCHEDULE - 5

INVESTMENTS AT COST		
(Quoted, Fully Paid)	201093	123805
(Unquoted, Fully Paid)	43013	43013
Fixed Deposit	750	750
<b>TOTAL</b>	<b>244856</b>	<b>167568</b>

(For details ref. Sch.5 of BNK Capital & Sch 3 of BNK Commodities Pvt. Ltd.)

### SCHEDULE - 6

CURRENT ASSETS		
Inventories	1396	
A. Current Assets		
Debtors (Considered good)		
Below six months -	5	520
Over six months -	4	9
Cash and Bank Balances:		
I.Cash-in-Hand	124	46
II. Cash with Scheduled Banks	29293	73035
	29417	73081
B. Loans and Advances	206769	221770
Loans to Parties		
Advances Recoverable in Cash or in kind or for value to be received	16162	39004
Cash in Liqued Fund	73369	-
Tax Paid on advance and at source	13040	9740
<b>TOTAL</b>	<b>309340</b>	<b>270514</b>
	<b>340161</b>	<b>343595</b>

### SCHEDULE - 7

CURRENT LIABILITIES AND PROVISIONS		
A. Current Liabilities		
1. Sundry Creditors	1416	2113
2. Liabilities for Expenses	297	1895
3. Liabilities for Other Finance	70238	69389
	71951	73397
B. Provisions		
Dividend	8000	6200
Provision for Taxation	9183	6746
<b>TOTAL</b>	<b>89134</b>	<b>86343</b>

## SCHEDULES TO THE CONSOLIDATED Profit & Loss Account

### SCHEDULE - 8

#### ADMINISTRATION AND OTHER EXPENSES

1 Rent, Rates and Taxes	1430	328
2 Notice & Publication	17	16
3 Directors Remuneration & Fees	868	785
4 Printing & Stationery	116	136
5 Postage & Telegram	37	73
6 Travelling & Conveyance	872	108
7 Assets Maintenance & Repairs	107	98
8 Business Promotion Expenses	483	205
9 Charity & Donation	12	
10 Auditors Remuneration		
For Audit Fee	12	12
For Tax Audit	2	2
For Other Capacity	10	6
11 Bank Charges	4	49
12 Membership & Subscriptions	20	31
13 General & Miscellaneous Expenses	215	82
14 Conference & Meeting	49	4
15 Legal & Statutory Expenses	48	83
16 Professional Service Charges	3112	650
17 Service Tax	8	77
18 Transaction & Exchange Charges	51	230
19 Vsat Charges	56	80
20 Telephone & Communication Expenses	201	83
21 Demat Charges & Custodial Charges	121	152
22 Insurance Premium	9	10
23 Listing Fees	36	90
24 Annual Fee	116	105
25 Car Expenses	262	135
26 Electric Charges	271	197
27 Website Exp.	527	273
28 ROC Filing Fee	4	58
29 Connectivity Charges	29	263
30 Securities Transaction Charges	93	310
<b>TOTAL</b>	<b>9196</b>	<b>4729</b>

R.BHATTACHARYA & ASSOCIATES  
Chartered Accountants

R.Bhattacharya  
Proprietor

Kolkata, May 28th, 2010

#### ON BEHALF OF THE BOARD

Dr. N.K.Sengupta  
Chairman

R.S.Khandelwal  
Vice-Chairman

A.Khandelwal  
Managing Director

P. Chakravarti  
Director

S.Khandelwal  
Director



# BNK CAPITAL MARKETS LTD. (Consolidated)

www.bnkcapital.com

## SCHEDULE - 10

### STATEMENT OF ACCOUNTING POLICIES

- 1 Basis of preparation of Financial Statement  
 a) The Company prepares its financial statements in accordance with generally accepted accounting principles and also in accordance with the requirements of the Companies Act, 1956 as adopted consistently by the Co.  
 b) The Company generally follows mercantile system of accounting and recognises significant items of income / expenditure on the accrual basis.

### 2 PRINCIPLES OF CONSOLIDATION :

- The consolidated financial statements have been prepared on the following basis:  
 \* The financial statements of the company and its subsidiary company have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses.  
 \* Intra group balances and intra group transaction and resulting profits are eliminated in full.  
 \* The Subsidiary companies considered in the Consolidated financial statements are:

BNK COMMODITIES PVT. LTD.	% voting power on 31/03/2010 52.5%	% voting power on 31/03/2009 52%
---------------------------	---------------------------------------	-------------------------------------

- 3 Fixed Assets and Depreciation  
 The Company capitalises Fixed Assets at cost inclusive of all incidental expenses incurred in acquisition of such assets. Depreciation on Fixed Assets has been provided on written down value method. The rates applied, however, are in accordance with the provision of Schedule XIV to the Companies Act, 1956.

### 4 Investments

Investments are valued at cost

### 5 Miscellaneous Expenditure

The Company amortises Miscellaneous Expenditure representing Share Issue Expenses and Pre-operative over a period of five years.

- 6 Provision for tax is made for both current and deferred taxes. Deferred Tax Assets & Liabilities arising on account of timing difference and which are capable of reversal in subsequent periods, are recognised using the tax rates and tax laws that have been enacted or substantively enacted.  
 Break-up of deferred tax assets is as given below:

	Opening (01/04/10) (Rs.)	Reversed for the earlier period (Rs.)	Provided during the year	Closing (31/03/09) (Rs.)
Deferred Tax Assets: For difference in WDV as per Income tax and as per Companies Act.	3311	-	16840	20151

### 7 Deferred Tax Liabilities

There are no reportable segment as per Accounting Standard 17 as the entire operations of the Company relate to major segment viz investment activities.

Current year AED 793	Previous Year Nil
Nil	Nil

### 8 Expenditure in Foreign Currency

### 9 Income in Foreign Currency

The previous year's figures have been regrouped and rearranged wherever considered necessary.

Signed in terms of our report of even date.

## Cash Flow Statement Pursuant to Clause 32 of the Listing Agreement for the year ended 31st March 2010.

(Amount in Rs.' 000)

	For the year ended 31.3.10	For the year ended 31.3.09
<b>A. Cash flow from Operating Activities:</b>		
<b>Net profit before Tax and Extraordinary Items</b>		
<b>Adjustments for :</b>		
A. Cash flow from Operating Activities:		
Net profit before Tax and Extraordinary Items	22494	25873
Adjustments for :		
1 Depreciation	504	380
2 Investments Income	(15292)	(5026)
3 Interest Expenses	2291	9709
4 Dividend Income	(14476)	(19498)
Operating Profit before Working Capital Changes	(4480)	11438
Adjustments for :		
1 Trade and other Receivables	515	(394)
2 Loans and advances	(38826)	(63262)
3 Inventories	(1396)	-
4 Other Current Assets	-	(3319)
5 Other Liabilities & Provisions	2774	2860
6 Adjustment for extraordinary Items	-	-
Cash Generated from Operations	(41412)	(52677)
1 Interest Paid	(2291)	(9709)
2 Taxes & Dividend Paid (Current & Deferred)	(11528)	(9519)
Cash Flow before Extraordinary Items	(55231)	(71905)
Extraordinary Items :		
1 Share Issue Expenses	-	31
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>(A) (55231)</b>	<b>(71874)</b>
<b>B. Cash Flow from Investing Activities :</b>		
1 Purchase of Fixed Assets	(2537)	(283)
2 Sale/Adjustment of Fixed assets	86	-
3 Purchase of Investments	(77287)	130148
4 Interest Received	15292	5026
5 Dividend Received	14476	19498
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(B) (49970)</b>	<b>154389</b>
<b>C. Cash flow from financial Activities</b>		
1 Proceeds from Issue of Share Capital / Share Application	74520	63980
2 Proceeds from Minority Interest	0	0
3 Proceeds from Secured Borrowing	-	-
4 Proceeds from Unsecured Borrowing	(12983)	(68196)
<b>NET CASH (USED IN) / SURPLUS FROM FINANCING ACTIVITIES</b>	<b>(C) (61537)</b>	<b>(4216)</b>
Net Increase in Cash and Cash Equivalents	<b>(A+B+C) (43664)</b>	<b>78299</b>
Cash and Cash Equivalents (Opening Balance)	73081	(5218)
Cash and Cash Equivalents (Closing Balance)	29416	73081

This is the Cash flow Statement referred to in our report of even date

**R.BHATTACHARYA & ASSOCIATES**  
Chartered Accountants

**R.Bhattacharya**  
Proprietor

Kolkata, May 28th, 2010

**ON BEHALF OF THE BOARD**

**Dr. N.K.Sengupta**  
Chairman

**P. Chakravarti**  
Director

**R.S.Khandelwal**  
Vice-Chairman

**S.Khandelwal**  
Director

**A.Khandelwal**  
Managing Director



## **BOARD OF DIRECTORS**

Dr. N. K. Sengupta, *Chairman*  
Mr. R. S. Khandelwal, *Vice-Chairman*  
Mr. P. Brahmachari  
Mr. P. Chakravarti  
Mr. S. Khandelwal  
Mr. Ajit Khandelwal, *Managing Director*

**AGM on 27th July, 2010**  
**MAYFAIR TOWERS, Ground floor,**  
**2, Palm Avenue,**  
**Kolkata – 700 019 at 11.30 A.M.**

## **AUDITORS**

M/s R. Bhattacharya & Associates  
*Chartered Accountants*  
7B, Panchanantala Road  
Kolkata-700 029

## **BANKERS**

HDFC Bank Ltd.  
Standard Chartered Bank  
Oriental Bank of Commerce

## **REGISTERED OFFICE**

Mayfair Towers  
2, Palm Avenue  
Kolkata - 700 019, India

## **REGISTRAR & SHARE TRANSFER AGENTS**

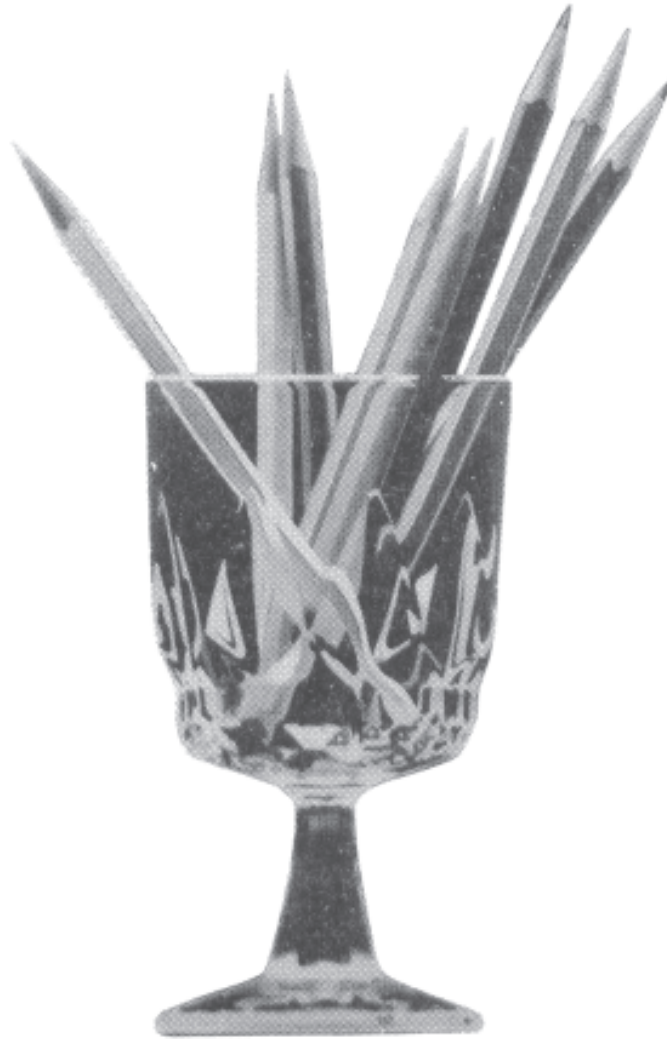
CB Management Services (P) Limited  
P-22, Bondel Road, Kolkata-700 019

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# **BNK CAPITAL MARKETS LTD.**

**TWENTYFOURTH ANNUAL REPORT**

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**BNK CAPITAL MARKET LTD.**  
Registered Office : 2 Palm Avenue, Kolkata-700 019

**PROXY FORM**

Member's Folio No./ DPID & CLID No. .... No. of Shares .....

I/We ..... of .....

in the district of ..... being a Member(s) of BNK CAPITAL MARKETS LTD.

hereby appoint ..... of .....

or failing him ..... of .....

as my/our proxy to attend and vote for me/us, on my/our behalf at the 24th Annual General Meeting of the Company to be held on Tuesday 27th July 2010, at 11.30 a.m. at 'Mayfair Towers' Ground Floor, 2, Palm Avenue, Kolkata-700 019, or any adjournment thereof.

Signed this ..... day of .....2009.

Signature .....

Affix 30  
paise  
Revenue  
Stamp

- Note :**
- 1) The Proxy Form must reach at the Registered Office of the Company not less than 48 hours before the time of holding the Meeting.
  - 2) The form should be signed across the stamp as per the specimen signature registered with the Company.
  - 3) A proxy need not be a Member of the Company.



www.bnkcapiatal.com

**BNK CAPITAL MARKET LTD.**  
Registered Office : 2 Palm Avenue, Kolkata-700 019

**ATTENDANCE SLIP**

**24th Annual General Meeting on Tuesday 27th July 2010**

Member's Folio No./ DPID & CLID No. .... No. of Shares .....

Mr. / Mrs. / Miss .....

(Member's Name in BLOCK LETTERS)

I certify that I am Registered Member / Proxy (for the above-named registered Member of the Company) I hereby record my presence at the 24th Annual General Meeting of the Company to be held on Tuesday 27th July 2010, at 11.30 a.m. at 'Mayfair Towers' Ground Floor, 2, Palm Avenue, Kolkata-700 019.

\_\_\_\_\_  
Name of Proxy in Block Letters  
(If applicable)

\_\_\_\_\_  
Member's / Proxy's Signature

- Note :**
- 1) Members / Proxy holders are requested to bring this Attendance Slip with them when they come to the meeting and hand it over at the gate after affixing their signature on it. Duplicate attendance slips will not be issued at the Meeting.
  - 2) Members / Proxy holders are requested to bring their copy of the Annual Report with them for the Meeting.