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BNK CAPITAL MARKETS LTD.

TWENTYFIFTH ANNUAL REPORT

2010-2011



www.bnkcapital.com

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*

AUDITORS

M/s. R. Bhattacharya & Associates
Chartered Accountants
7B, Panchanantala Road
Kolkata - 70029.

BANKERS

HDFC Bank Ltd.
Standard Chartered Bank

REGISTERED OFFICE

Mayfair Towers
2 Palm Avenue
Kolkata - 700019, India.

REGISTRAR & SHARE TRANSFER AGENTS

CB Management Services (P) Limited
P-22, Bondel Road, Kolkata - 700019

AGM on SATURDAY, 30th JULY, 2011

**MAYFAIR TOWERS, GROUND FLOOR
2 PALM AVENUE, KOLKATA - 700019**

**AT
11.30 AM**

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NOTICE

Notice is hereby given that the 25th Annual General Meeting of the Company will be held on, Saturday, the 30th July 2011 at Mayfair Towers, Ground floor, 2, Palm Avenue, Kolkata 700 019 at 11.30 A.M to transact the following business:

As Ordinary Business

- To receive, consider and adopt the Profit & Loss Account for the year ended 31st March, 2011, along with the Balance Sheet as at that date together with the report of the Directors and Auditors thereon.
- To approve payment of dividend
- To elect the Directors in place of those retiring by rotation.
- To appoint Auditors and to fix their remuneration.

Registered Office:

Mayfair Tower
2, Palm Avenue
Kolkata: 700 019, India.
Dated: 28th May 2011

By order of the Board

Ajit Khandelwal
Managing Director

Notes:

- 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.
- The Register of members and Share Transfer Books of the Company will remain closed on 8th June 2011.
- Members are requested to:
 - Notify immediately any change in their address to the Company.
 - Bring their copy of the Annual Report to the Meeting.
 - 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.
- 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.
- 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.
- 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.

DIRECTORS' REPORT TO THE MEMBERS

Your Directors present before you the 25th Annual Report together with Audited Accounts for the year ending 31st March 2011.

Operation and Future Prospects

This year's overview has to be studied with caution. The Global melt down and recession backed by the continuing crude price hike gave a significant hit to the Indian economy last year. The GDP growth rate has fallen down to 7.40% in 2010. The Indian economy was resilient to the impact of the recession in the western world. With the government giving support to the industry through its stimulus packages, the economy came back to its high growth trajectory of 8.7%, however, this was short-lived and we had started facing, food and then non food inflation. The RBI had to intervene and is still trying to fight it. To add to this, was Middle East political crises, which lead to crude shooting up, resulting in increased subsidy bill for the country. The effect of all this had resulted in increasing interest rate and so it had started affecting all interest rate sensitives and infra projects. Quite a number of projects have been put on hold or delayed. Indian Economy is facing a typical problem of having to manage between high inflation and fast economic growth. We are hoping on good monsoon and the cooling down of the crude price. It may take couple of quarters to again start moving on the growth trajectory.

The office premises of the Company at 13, India Exchange Place, Kolkata-700001 collapsed on 3/2/2011 leaving no assets, records, etc. recoverable.

Financial Results

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

	Year Ended 31st March'11 (Rs. In '000s)	Year Ended 31st March'10 (Rs. In '000s)
Income from operations	4520	4627
Capital Gain on Shares	15422	1543
Advisory & Consultancy Services	3233	2480
Interest	18525	15226
Dividend	15344	14418
Total Expenditure	17105	13131
c. Staff Cost	7171	4250
d. Other Expenditure	9934	8881
Interest & Finance Charges	3855	2291
Earnings after Interest but before Depreciation & Tax	36084	22872
Depreciation	882	490
Profit Before Tax	35202	22382
Provision for Tax (Current Tax)	3958	2167
Provision for Tax (Deferred Tax)	(64)	17
Profit After Tax	31308	20197
Balance Brought Forward	46510	41672
Profit available for Appropriation	77818	61869
Dividend	8000	8000
Provision for Tax on Dividend	1329	1360
Transfer to reserves	11500	6000
Balance carried to Balance Sheet	56989	46510

Your Directors recommend payment of Dividend of Re. 1/- per equity share of Rs. 10/- each for the year ended 31st March 2011.

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, currency 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.

Fixed Deposits

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

Directors

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company Mr R S Khandelwal and Mr P. Brahmachari, Directors of the Company retire by rotation at the conclusion of the forthcoming Annual General Meeting, and being eligible offer themselves for reappointment.

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;

- iii) 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;
- iv) 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 US\$ 10000 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.

Place: Kolkata
Dated: 28th May 2011

For and on behalf of the Board
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 2010-11 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 2011 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 Director- ships held
Dr. N. K. Sengupta	Chairman, Non-Executive & Independent	06
Mr. R. S. Khandelwal	Vice-Chairman & Non-Executive	09
Mr. P. Chakravarti	Non-Executive & Independent	12
Mr. P. Brahmachari	Non-Executive & Independent	02
Mr. S. Khandelwal	Non-Executive	07
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	04	04
Mr. R. S. Khandelwal	Member	04	04
Mr. P. Brahmachari	Member	04	02

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	0	0
Dr. N. K. Sengupta	Member	0	0
Mr. P. Brahmachari	Member	0	0

4. Remuneration to Directors

Director	Designation	Remuneration paid during 2011 (All figures in Rupees)		
		Sitting fees	Salary & Perks	Total
Dr. N. K. Sengupta	Chairman	15000	--	15000
Mr. R. S. Khandelwal	Vice-Chairman	23000	--	23000
Mr. P. Chakravarti	Director	23000	--	23000
Mr. P. Brahmachari	Director	15000	--	15000
Mr. S. Khandelwal	Director	25000	--	25000
Mr. A. Khandelwal	Managing Director	--	915000	915000

5. Shareholders / Investors+ Grievance & Transfer Committee

The Company has "SHAREHOLDERS / INVESTORS 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	05	01
Mr. S. Khandelwal	Member	05	05
Mr. A. Khandelwal	Member	05	05

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 5 (Five) 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.

Sr. No	Date of Board Meeting	Place
1	28th May 2010	Kolkata
2	27th July 2010	Kolkata
3	2nd September 2010	Kolkata
4	29th October 2010	Kolkata
5	29th January 2011	Kolkata

Directors	No. of Meetings		Attended Last AGM
	Held	Attended	
Dr. N. K. Sengupta	05	05	Yes
Mr. R. S. Khandelwal	05	05	Yes
Mr. P. Chakravarti	05	05	Yes
Mr. P. Brahmachari	05	03	No
Mr. S. Khandelwal	05	05	Yes
Mr. A. Khandelwal	05	05	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. Directors' 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	04	-
Mr. R. S. Khandelwal	02	02
Mr. P. Chakravarti	08	01
Mr. P. Brahmachari	01	01
Mr. S. Khandelwal	01	-
Mr. A. Khandelwal	09	01

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

9. Disclosure Regarding Directors' 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. R S Khandelwal	Mr. P Brahmachari
Date of Birth	2nd February 1927	1st March 1935
Date of appointment	1st December 1987	20th October 1993
Experience in specific functional areas	Businessman	Professional
List of outside Directorships held Excluding Alternate Directorship and of Private Companies	Adorn Investments Ltd. Asian Securities Exchange Pvt Ltd. BNK Commodities Pvt Ltd BNK Securities Pvt. Ltd. Jivak Ayurveda Pvt. Ltd. Multiple Infra Pvt. Ltd. Patrex Vyapar Pvt Ltd. Stylefile Events Ltd.	Nezane Strips Ltd.

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. Codes 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 Meetings

A. Location and time of last 3 (three) AGMs

Year	Location	Date	Time
2007-2008	Mayfair Tower Gr. floor, 2 Palm Avenue Kolkata 700 019	6th Sep, 2008	11.00 AM
2008-2009	Mayfair Tower Gr. floor, 2 Palm Avenue Kolkata 700 019	2nd Sep, 2009	11.30 AM
2009-2010	Mayfair Tower Gr. floor, 2 Palm Avenue Kolkata 700 019	27th July, 2010	11.30 AM

B. Whether special resolution was put through postal ballot last year?

NO

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.
Quarterly results, published in	Published in specified newspapers. Financial Express (English) Danik Lipi (Bengali)
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	30th July 2011 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 2011.

Financial Results for Quarter ended June 30, 2010.	27th July'10
Financial Results for Quarter ended September 30, 2010.	29th October'10
Financial Results for Quarter ended December 31, 2010.	29th January'11
Audited Financial Results for Year ended March 31, 2011..	28th May'11

3. Date of Book Closure

8th June 2011

4. Dividend Payment Date

Dividend @ Rs.1 per Equity Share of Rs.10 each if approved at the forth Company 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 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, rta@cbmsl.com

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

Complaints received during the year

Nature of Complaints	2010-2011		2009-2010	
	Received	Cleared	Received	Cleared
Relating to Transfer, Transmission etc., Dividend, Interest, Redemption etc., Change of Address, Demat Remat and Others	NIL	NIL	NIL	NIL
Received from SEBI, Stock Exchanges and Other Statutory Authorities	NIL	NIL	NIL	NIL
TOTAL	NIL	NIL	NIL	NIL

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

10. Distribution of Shareholding as on 31st March 2011.

SEE TABLE NO. 1

11. Categories of Shareholding as on 31st March 2011.

SEE TABLE NO. 2

12. Dematerialization of shares & liquidity

Over 92.08 % of equity shares have been dematerialized as on 31.03.2011. 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 not raised any fresh capital.

15. Investors Correspondence

Registered Office :- Mayfair Tower, 2 Palm Avenue, Kolkata 700019.

Tel: (033) 22810560 / 61. Fax: (033) 22800457.

E-mail: corporate@bnkcapital.com ; compliance@bnkcapital.com

Registrar and Share Transfer Agents :- C. B. Management Services (P) Ltd., P-22, Bondel Road, Kolkata: 700 019.

Tel No.: (033) 22806692 / 6693. Fax No.: (033) 22470263.

E-mail : cbmsl1@cal2.vsnl.net.in ; rta@cbmsl.com

16. Per Share Data

Particulars	2010-11	2009-10
EPS (Rs.)	3.91	2.52
EPS Growth (%)	55%	-38.53%
Book Value per share (Rs.)	45.46	43.01
Share price as on 31st March 2011	41.65	42.90(BSE)

17. Market Price (High & Low) at BSE during each month of the financial year 2009-10

Month	High (Rs.)	Low (Rs.)
April 2010	54.50	40.00
May 2010	54.00	35.00
June 2010	49.00	35.50
July 2010	50.45	36.00
August 2010	50.80	35.50
September 2010	61.90	45.00
October 2010	52.00	43.55
November 2010	56.25	38.20
December 2010	47.00	34.50
January 2011	48.90	37.05
February 2011	44.85	31.00
March 2011	43.20	33.05

Table 1

Share held	2010 - 2011				2009 - 10			
	No. of share holders	% of share holders	Share amount	% of share amount	No. of share holders	% of share holders	Share amount	% of share amount
1-5000	2120	85.28	382937	4.79%	2551	97.03	914625	11.43
5001-10000	139	5.59	113632	1.42%	26	0.99	180307	2.25
10001-20000	88	3.54	138518	1.71%	16	0.61	225025	2.81
20001-30000	41	1.65	101606	1.27%	6	0.23	146734	1.83
30001-40000	10	0.40	36097	0.45%	5	0.19	185329	2.32
40001-50000	15	0.60	72072	0.90%	1	0.04	50000	0.63
50001-100000	20	0.81	152386	1.91%	20	0.34	736421	9.21
100001 & above	53	2.13	7002752	87.53%	15	0.57	5561559	69.52
Total	2486	100.00	8000000	100.00	2629	100.00	8000000	100.00

Table 2

	Category	2010 - 2011		2009 - 2010	
		No. of share held	% of share holding	No. of share held	% of share holding
01.	Promoter Company	1171225	14.64	1171225	14.64
02.	Director	2740102	34.25	2599500	32.49
03.	Directors Relative	53500	0.67	53500	0.67
04.	Mutual Fund	25000	0.31	25000	0.31
05.	F.I.I.	NIL	NIL	NIL	NIL
06.	Financial Institution	NIL	NIL	NIL	NIL
07.	N.R.I	26052	0.33	26800	0.34
08.	Other Bodies Corp.	2442434	30.53	2548815	31.86
09.	Bank	NIL	NIL	NIL	NIL
10.	Resident Individual	1532599	19.16	1561456	19.52
11.	Clearing Members	9088	0.11	13704	0.17
	TOTAL	8000000	100.00	8000000	100.00

MANAGEMENT DISCUSSION & ANALYSIS REPORT

Overview

This year's overview has to be studied with caution. The Global melt down and recession backed by the continuing Crude price hike gave a significant hit to the Indian economy last year. The GDP growth rate has fallen down to 7.40% in 2010. The Indian economy displayed little impact of the recession in the Western Economy. With the government giving support to the industry through its stimulus packages, the economy came back to its high growth trajectory of 8.7%. However, this was short-lived and we had started facing food and then non food inflation. The RBI had to intervene and is still trying to fight it, to add to this, was Middle East political crises which lead to crude shooting up, leading to increased subsidy bill for the country. The effect of all this had resulted in increasing interest rate and so it had started affecting all interest sensitive and infra projects. Quite a number of projects have been put on hold or delayed. Indian Economy is facing a typical problem of having manage between high inflation and fast economic growth. We are hoping on good monsoon and the cooling down of the crude price. It may take couple of quarters to again start moving on the growth trajectory. It is expected that the GDP shall grow @ 8% to 8.5% this year. We may see more IPO's, FPO's from private sector and PSU's.

The Global economic situation will keep the capital markets turbulent and volatile.

Opportunities and Threats

The economy is looking up for the timely and good monsoon this time. This, together with proper stock supply management will help in controlling inflation. With the resolution of political crisis in the Middle East in near future, we should see crude cooling down. This will help in bringing down the energy bill and will also help in controlling cost inflation. It is expected that the GDP will grow @ 8% to 8.5% this year. We should see again moving on the fast growth trajectory by the end of third quarter.

The key threats include the change/slowdown in implementation of the policies of the Government. Indecisiveness of the Govt. because of political pressures, changes in tax structure, failure to contain actual inflation within a reasonable range, high inflation rate, increasing interest rates, governing rules of SEBI and RBI etc., 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 and disinvestments in Equity Shares, trading and dealings in G Secs, Corporate Bonds and other debts instruments. The Company's Debt Desks in Mumbai has started to cater large corporate clients, Banks & Institutions, Provident Funds, Trusts etc.

Financial Performance

	Year Ended 31st March 2011 (Rs. In '000s)	Year Ended 31st March 2010 (Rs. In '000s)
Total Income	57044	38294
Operating Expenses	17105	13131
Operating Profit	39939	25163
Interest & Finance Charges	3855	2291
Depreciation	882	490
Profit Before Tax	35202	22382
Provision for Tax (Current tax)	3958	2167
Provision for Tax (Deferred tax)	(64)	17
Profit After Tax	31308	20197
Balance Brought Forward	46510	41672
Profit available for Appropriation	77818	61869

Comment on current year's performance:

Revenue	Total Revenue of the Company has increased in comparison to Previous year because of some disinvestments resulting in Capital gains and higher interest earnings.
Operating Expenses	Operating expense has increased compare to last year because of setting up of new offices. However your directors have tried to keep it to minimum levels.
Operating Profit	Profit on account of sale of investment, dividend, interest has increased in comparison to last year.
Interest Expense	Interest Expenses has been higher as compared to last year.
Depreciation	Depreciation has increased during the year.
Net Profit	Net profit has shown an increase 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.

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

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 2011, 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
(Registration No. 307124E)
Chartered Accountants

R. Bhattacharya
Proprietor

Membership No. 12394

Kolkata
Dated 28.05.11

AUDITOR'S REPORT

TO THE MEMBERS OF BNK CAPITAL MARKETS LTD.

1. We have audited the attached Balance Sheet of BNK CAPITAL MARKETS LTD. (the Company) as at 31st March 2011 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.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. These 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.
3. 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.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - a. 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;
 - b. 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;
 - c. 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;
- d. 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;
- e. On the basis of the written representations received from the Directors, as on 31st March, 2011 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2011 from being appointed as a Director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956;
- f. In our opinion, and to the best of our knowledge and according to the explanations given to us, the said accounts comply with 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, 2011;
 - ii. In the case of the Profit and Loss Account, of the profit of the Company for the year ended as on that date; and
 - iii. In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended as on that date.

Kolkata
May, 28, 2011

For **R. BHATTACHARYA & ASSOCIATES**
CHARTERED ACCOUNTANTS
(Registration No-307124E)
(R. BHATTACHARYA)
Proprietor
Membership No. 12394

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 2011, 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.
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 the 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 which commensurate with the size of the company and the nature of its business with regard to purchases of securities, fixed assets and 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 to 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 payable for a period of more than six month from the date they became payable.
 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.
 19. During the year under audit, the Company has not created any security or charge in respect of debentures issued.
 20. The Company has not raised any monies by way of public issues during the year.
 21. To the best of our knowledge and belief and according to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the year.

For R. BHATTACHARYA & ASSOCIATES
CHARTERED ACCOUNTANTS
(Registration No-307124E)
(R. BHATTACHARYA)

Kolkata
May, 28, 2011

Proprietor
Membership No. 12394

BALANCE SHEET AS AT 31ST MARCH, 2011

	Schedule	Current Year (Rs.in 000s)	Previous Year (Rs.in 000s)
I. SOURCES OF FUNDS			
1 Shareholders` Fund			
a) Share Capital	1	80000	80000
b) Reserves & Surplus	2	286070	264091
2 Loan Funds			
Unsecured Loan	3	226596	152016
3 Deferred Tax Liabilities		-	20
TOTAL		592666	496127
II. APPLICATION OF FUNDS			
1 Fixed Assets	4		
a) Gross Block		4529	5971
b) Less: Depreciation		2023	2806
c) Net Block		2506	3166
2 Investments	5	363452	247914
3 Current Assets, Loans & Advances	6		
a) Inventories		51199	1396
b) Sundry Debtors		11460	5
c) Cash and Bank Balances		76717	27926
d) Deferred Tax Assets		44	-
e) Loan and Advances		178525	303397
		317945	332724
Less: Current Liabilities & Provisions	7		
a) Current Liabilities		70163	70532
b) Provisions		21074	17145
Net Current Assets		226708	245047
TOTAL		592666	496127
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
(Registration No.307124E)

R. Bhattacharya

Proprietor

Membership No. 12394

Kolkata, May 28, 2011.

ON BEHALF OF THE BOARD

Dr. N. K. Sengupta
Chairman

R. S. Khandelwal
Vice-Chairman

A. Khandelwal
Managing Director

P. Chakravarti
Director

P. Brahmachari
Director

S. Khandelwal
Director

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011.

	Schedule	Current Year (Rs.in 000s)	Previous Year (Rs.in 000s)
A. INCOME			
1 Income from Operations	8	4520	4627
2 Capital Gains on Shares		15422	1543
3 Dividend		15344	14418
4 Interest (TDS-1852, Privios Yr.1561)		18525	15226
5 Advisory & Consultancy Services		3233	2480
	TOTAL	57044	38294
B. EXPENDITURE			
Establishment		7171	4250
Administration & Other Expenses	9	9934	8881
Interest		3855	2291
Depreciation		882	490
	TOTAL	21842	15912
C. PROFIT			
Profit Before Taxation		35202	22382
Provision for Taxation			
Current Tax		3,958	2,159
FBT Assessed Tax		-	8
Deferred tax		(64)	17
Profit After Taxation		31308	20197
Profit brought forward		46510	41672
Available for Appropriation		77818	61869
D. APPROPRIATIONS			
Genral Reserve	2	5,000	5,000
Statutory Reserve	2	6,500	1,000
Proposed Dividend		8,000	8,000
Income Tax on proposed Dividend		1,329	1,360
Profit carried forward		56989	46510
	TOTAL	77818	61869
Earning Per Share (Basic & Diluted) (Rs.)		3.91	2.52

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
 (Registration No.307124E)

R. Bhattacharya

Proprietor

Membership No. 12394

Kolkata, May 28, 2011.

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

R. S. Khandelwal
 Vice-Chairman

A. Khandelwal
 Managing Director

P. Chakravarti
 Director

P. Brahmachari
 Director

S. Khandelwal
 Director

SCHEDULES TO THE ACCOUNTS

	<u>Current Year</u> <u>(Rs.in 000s)</u>	<u>Previous Year</u> <u>(Rs.in 000s)</u>
SCHEDULE - 1		
SHARE CAPITAL		
Authorised 80,00,000 Equity shares of Rs.10/- each	<u>80000</u>	<u>80000</u>
Issued,Subscribed and Paid-up 80,00,000 Equity Shares of Rs.10/- each, fully paid	<u>80000</u>	<u>80000</u>
SCHEDULE - 2		
RESERVES AND SURPLUS		
Share Premium Account	123000	123000
General Reserve	82321	77321
Statutory Reserve	23760	17260
Profit and Loss Account	56989	46510
TOTAL	<u>286070</u>	<u>264091</u>
SCHEDULE - 3		
Unsecured Loan Loan from Bodies Corporates	<u>226596</u>	<u>152016</u>
	<u>226596</u>	<u>152016</u>

SCHEDULE - 4
FIXED ASSETS

Sl. Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 1.4.10 Rs.	Addit./ Adj. Rs.	Asset Destroyed Rs.	As at 31.3.10 Rs.	Upto 31.3.10 Rs.	Current Year Rs.	Addit./ (adjusted) Rs.	As at 31.3.11 Rs.	As at 31.3.11 Rs.	As at 31.3.10 Rs.
1.Furniture & Fixture	1073	-	1,029	45	795	51	828	18	27	279
2.Motor Car	3251	-	-	3,251	1,004	581	-	1,585	1,666	2,247
3.Computer	1152	165	771	545	817	170	655	331	214	335
4.Office Equipment	495	507	314	688	190	80	181	90	598	305
TOTAL	5,971	671	2,114	4,529	2,806	882	1,664	2,023	2,506	3,166
PREVIOUS YR. TOTAL	4,279	2,357	845	5,971	3,075	490	759	2,806	3,166	1,204

SCHEDULES TO THE ACCOUNTS (Continued)

SCHEDULE - 5

INVESTMENTS AT COST

(Other than Trade)

(Amount in Rs.'000)

A) Listed Securities (Quoted fully paid) Name of the company	2011		2010	
	Qty	Amount	Qty	Amount
Equity Shares				
Apeejay Tea Ltd.	500	51	500	51
Arco Impex Ltd.	44000	451	44000	451
Arihant Impex Ltd.	20000	45	20000	45
Balasore Alloys Ltd.	52000	1,931	2000	4
BEML Ltd.	44	16	44	16
Bharat Pipes & Fittings Ltd.	500	12	500	12
Bharti Airtel Ltd.	1000	331	-	-
B.J. Duplex Boards Ltd.	1000	5	1000	5
Bombay Burmah Trading Corporation Ltd	2000	76	2000	76
Brabourne Enterprises Limited *	-	-	58493	558
Bombay Rayon Fashion Ltd	150000	38,832	-	-
CESC Ltd.	3017351	64,564	3017351	64,564
CHI Investment Ltd	-	-	268451	13,065
CNI Research Ltd.	5000	-	5000	-
Color Chips (India) Ltd.	660	7	660	7
Duncan Brothers & Company Ltd.	3185	16	3185	16
DSQ Biotech Ltd.	3600	14	3600	14
Everest Kanto Cylinder Ltd.	10000	725	-	-
ELGI Equipment Ltd.	500	1	500	1
Ellenbarrie Industrial Gases Ltd.	266	45	266	45
Enkay Texofood Industries Ltd.	2000	4	2000	4
EnsoSecurtrack Ltd.	4000	11	4000	11
Fairluck Commercial Ltd.	243800	1,379	123800	953
Gujarat Minerals Development Corp.Ltd	1000	168	-	-
G.V.Films Ltd.	2500	9	2500	9
GVK Power & Infrastructure Ltd.	51250	795	41250	550
Gwalior Strips Ltd	1000	20	1000	20
Halmark Drug & Chem Ltd	5000	5	5000	5
Harrisons Malayalam Ltd	35000	2,795	-	-
Hendez Electronics Ltd	300	3	300	3
India Bulls Power Ltd.	10000	220	-	-
India BullsSecurities Ltd.	10000	157	-	-
IFB Agro Industries Ltd.	-	-	7557	55
IFB Industries Ltd	-	-	67238	187
India Foils Ltd.	224000	1,030	224000	1,030
India Gelantine & Chemicals Ltd	1520	14	1520	14
IST Ltd.	1600	47	1600	47
Indsil Hydro Power & Maganese Ltd *	3333	8	2000	8
Jay Bharat Fabric Ltd	10000	30	10000	30
J Kumar Infra Project Ltd.	2500	330	-	-
Kanika Infrastructure & Power Ltd.	500	0	500	0
KEC International Ltd.	* 2111275	75,348	449255	80,166
Kriloskar Electric Co.Ltd.	10000	446	-	-
Kenel Oil Export Ltd	1100	1	1100	1
Kothari Phyto. Chemicals Ltd.	150000	6,233	150000	6,233
KS Oil Ltd.	5000	165	-	-
UTI Master Share	5000	74	5000	74
Mardia Steel Ltd.	600	1	600	1
McNally Bharat Engg.Co.Ltd.	45,000	10,085	-	-
Meghmani organics Ltd.	25,000	341	-	-
Mura Black India Ltd	300	0	300	0
NHPC Ltd	100000	3,065	-	-

Name Of Share

	Qty	Amount	Qty	Amount
Nihar Info Global Limited	25000	75	25000	75
Octav Investment Ltd.	-	-	4928	49
Padmini Technologies Ltd.	2500	16	2500	16
Philips Carbon Black Ltd.	210000	28,439	-	-
Pennar Aluminium Company Ltd.	15000	32	15000	32
Polaris Soft Ltd	450	50	450	50
Protchem Industries Ltd.	2500	55	2500	55
PNB Gilts Ltd.	5000	112	5000	112
Punjab Chem.& Ph.Ltd	500	76	500	76
Rasoi Ltd.	65223	20,288	43929	13,748
Reliance Power Ltd	3270	-	3270	-
Sanghi Polyester Ltd	4700	4	4700	4
Saint Gobainb Sekurit India Ltd.	1000	47	1000	47
Satyam Computer Ltd.	30000	1,981	-	-
Shivalik Bymetal Controls Ltd.	15000	286	-	-
Shree Synthetics Ltd.	25	0	25	0
Shree Securities Ltd.	33000	6,541	33000	6,541
Stiefel Und.Schuh Ltd.	2100	21	2100	21
Siemens Ltd.	2000	-	2000	-
Summit Securities Ltd. *	62787	17,074	251600	3,402
TISCO Ltd.	580	142	580	142
Texmaco Ltd	5000	159	-	-
Valiant Commucation Ltd.	10000	192	-	-
Varun Shipping Co.Ltd.	14850	139	14850	139
Vikash wsp Ltd.	3000	64	3000	64
Zensar Technologies Ltd.	4200	1,375	4200	1,375
Zyodus Weliness Ltd.	1000	125	1000	125
TOTAL		287191		194400

B) Unlisted Securities

Equity Shares

Name Of Share	Qty	Amount	Qty	Amount
BNK Securities Pvt.Ltd	2544400	43969	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
Malanpur Steel Ltd.	218	0	218	0
Multiple Infra Pvt.Ltd.	22500	2475	-	-
Sri Khodiari Realtech (P)Ltd	88	8800	-	-
Trendz Investments Ltd.	350000	3500	350000	3500
Zeon Synthetics Ltd.	120000	1200	120000	1200
TOTAL		62060		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

Shares of 1000 ADE each	300	3701	300	3701
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GRAND TOTAL

	Amount	Amount
A :	2,87,191	1,94,400
B :	62,060	39,312
C :	10,500	10,500
D :	3,701	3,701
TOTAL	3,63,452	2,47,914
Market value of listed securities	12,56,229	14,79,117

SCHEDULES TO THE ACCOUNTS (Continued)

SCHEDULE -6

CURRENT ASSETS, LOANS AND ADVANCES

	Current Year (Rs.in 000s)	Previous Year (Rs.in 000s)
A. Current Assets		
Inventories	51,199	1,396
Debtors (Considered good)		
Below six months -	11,460	5
Over six months -	-	-
Cash and Bank Balances:		
I. Cash-in-Hand	117	118
II. Cash with Scheduled Banks including term deposit	76,600	27,809
	<u>1,39,376</u>	<u>29,327</u>
B. Loans and Advances		
Unsecured and Considered good:		
Loans to Parties	1,53,919	2,06,769
Advances Recoverable in Cash or in kind or for value to be received	7,272	10,220
Cash in Liqued Fund	-	73,369
Tax paid in advance and at source	17,333	13,040
	<u>1,78,525</u>	<u>3,03,397</u>
TOTAL	<u>3,35,234</u>	<u>3,45,764</u>

SCHEDULE -7

CURRENT LIABILITIES AND PROVISIONS

A. Current Liabilities		
1 Liabilities for Expenses	551	294
2 Bank overdraft at Scheduled Banks	35	-
3 Liabilities for Other Finance	69,577	70,238
	<u>70,163</u>	<u>70,532</u>
B. Provisions		
1 Dividend	8,000	8,000
2 Provision for Taxation	13,074	9,145
	<u>21,074</u>	<u>17,145</u>
TOTAL	<u>91,236</u>	<u>87,677</u>

SCHEDULE - 8

INCOME FROM OPERATIONS

1 Profit on dealing in Shares/Securities/Bonds	3393	3701
2 Profit from Liqued Funds	921	888
3 Profit from Commodities Trading	206	38
	<u>4520</u>	<u>4627</u>

SCHEDULE - 9

ADMINISTRATION AND OTHER EXPENSES

1 Auditors Remuneration		
For Audit Fee	9	9
For Other Capacity	10	10
For Tax Audit	2	2
2 Business Promotion Expenses	579	483
3 Bank Charges	17	4
4 Charity & Donation	10	12
5 Demat & Custodial Charges	101	78
6 Directors Remuneration & Sitting Fees	1001	868
7 Electric Charges	448	271
8 General Expenses	342	143
9 Legal & Statutory Expenses	19	38
10 Listing Fees	83	36
11 Loss on Collapse of Office Premises	449	0
12 Meeting & Conferance Charges	112	49
13 Membership & Subscriptions	19	20

SCHEDULES TO THE ACCOUNTS (Continued)

	<u>Current Year (Rs.in 000s)</u>	<u>Previous Year (Rs.in 000s)</u>
14 Motar Car Expenses	309	262
15 Notice & Publication	14	17
16 Postage & Telegram	50	37
17 Printing & Stationery	348	112
18 Professional Services Charges	621	3112
19 Rent, Rates and Taxes	1788	1434
20 Repairs & Maintenance	251	107
21 Securities Transaction Tax	199	93
22 Staff Welfare	190	69
23 Telephone Expenses	384	161
24 Travelling & Conveyance	1623	872
25 Vsat Charges	57	56
26 Website Maintenance	898	527
TOTAL	<u>9934</u>	<u>8881</u>

SCHEDULE - 10
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS
1 Basis of preparation of Financial Statement

- 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.
- The Company generally follows mercantile system of accounting and recognises significant items of income / expenditure on the accrual basis.
- 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.

The office premises of the Company at 13, India Exchange Place, Kolkata- 700001 collapsed on 3/2/11 leaving no assets, records, etc. recoverable. Hence the value of Fixed Assets aggregating to Rs. 449000.00 has been written off in current year.

3. Investments

Investments being in the nature of long term investments are valued at cost at which they have been acquired. There have been changes in the quantity /face value/the name of the Companies due to their respective various corporate restructuring activities. These are marked with (*) in Schedule no. 5.

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.

	<u>Qty</u>	<u>Current Year (Rs.in 000s)</u>	<u>Qty</u>	<u>Previous Year (Rs.in 000s)</u>
a) Opening Stock				
Equity Shares	2000	389	Nil	Nil
Bonds	1	1007	Nil	Nil
	<u>2001</u>	<u>1396</u>	<u>Nil</u>	<u>Nil</u>
b) Purchases				
Equity Shares	Nil	Nil	16700	2739
Mutual Fund	Nil	Nil	20103630	345336
Bonds	1015411	4534924	2506168	917088
	<u>1015411</u>	<u>4534924</u>	<u>22626498</u>	<u>1265163</u>

SCHEDULES TO THE ACCOUNTS (Continued)
c) Sales

	2000	478	14706	2416
Equity Shares	Nil	Nil	20103630	346394
Mutual Fund	1015341	4484732	2506167	920325
Bonds	<u>1017341</u>	<u>4485210</u>	<u>22624503</u>	<u>1269135</u>

d) Closing Stocks

	2000	478	14706	2416
Equity Shares	Nil	Nil	2000	389
Mutual Fund	Nil	Nil	Nil	Nil
Bonds	71	51199	1	1007
	<u>71</u>	<u>51199</u>	<u>2001</u>	<u>1396</u>

Closing Stock

Name of share	Qty	Amount	Qty	Amount
Future Capital Holdings Ltd.	Nil	Nil	2000 share	389
9.65% Yes Bank Ltd.	Nil	Nil	1 Bond	1007
8.30% OSDL 2012	1 Bond	995	NIL	Nil
9.50% SBI 2025	20 Bond	204	NIL	Nil
Magma Fincop Ltd.	50 Bond	50000	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 Deferred Tax Liabilities

Deferred Tax Liabilities	Opening (Rs.)	Reversed for the earlier period (01/04/10)	Provided during year (Rs.)	Closing (31/03/11) (Rs.)
For difference in WDV as per Income tax and as per Companies Act.	-20151	0	64140	43989

7 Director's Remuneration

Director's Remuneration	Current Year	Previous Year
Salary and allowances	915	735

8. Employee's Benefit

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. Segment Reporting

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)	Forum where dispute is pending
1	Income Tax	Assessment Year 2004-2005	43.49	ITAT
2	Income Tax	Assessment Year 2006-2007	241.13	ITAT
3	Income Tax	Assesment Year 2008-09	38.11	CIT (Appeal)

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

Nature of Transaction	Subsidiaries	Associates	Key Mgmt. Persons & relatives	
				TOTAL
Investment/Disinvestment	0	2475	0	2475
Rent paid	0	110	0	110
Remuneration paid	0	0	915	915
Directors sitting fee	0	0	46	46

SCHEDULES TO THE ACCOUNTS (Continued)

- 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.
: Patrex Vyappar Pvt.Ltd
: Multiple Infra Pvt.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 Earnings Per Share (EPS)

Earnings Per Share (EPS)		2010-11 (Rs.)	2009-10 (Rs.)
Profit after Tax considered for calculating EPS	(A)	31,273,000	20,197,000
Number of Shares (Face value of Rs.10/-)	(B)	8,000,000	8,000,000
Earnings per Share (Basic and Diluted)	(A / B)	3.91	2.52

14 Expenditure in Foreign Currency

\$10,000 **AED793**

15 Income in Foreign Currency

NIL **NIL**

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

Signed in terms of our report of even date.

R. BHATTACHARYA & ASSOCIATES

Chartered Accountants
(Registration No.307124E)

R. Bhattacharya

Proprietor

Membership No. 12394

Kolkata, May 28, 2011.

ON BEHALF OF THE BOARD

Dr. N. K. Sengupta
Chairman

R. S. Khandelwal
Vice-Chairman

A. Khandelwal
Managing Director

P. Chakravarti
Director

P. Brahmachari
Director

S. Khandelwal
Director

CASH FLOW STATEMENT PURSUANT TO CLAUSE 32 OF THE LISTING AGREEMENT FOR THE YEAR ENDED 31ST MARCH 2011.

	<u>For the year ended 31.3.11</u>	<u>For the year ended 31.3.10</u>
A. Cash flow from Operating Activities:		
Net profit before Tax and Extraordinary Items Adjustments for :	35,202	22,382
1 Depreciation	882	490
2 Interest Income	(18,525)	(15,226)
3 Interest Expenses	3,855	2,291
4 Dividend Income	(15,344)	(14,418)
Operating Profit before Working Capital Changes Adjustments for :	6,070	(4,481)
1 Trade and other Receivables	(11,455)	514
2 Loans and advances	1,24,829	(38,738)
3 Other Current Assets	-	-
4 Other Liabilities & Provisions	3,539	3,539
5 Adjustment for extraordinary Items	-	-
Cash Generated from Operations	1,22,983	(39,166)
1 Interest Paid	(3,855)	(2,291)
2 Taxes & Dividend Paid (Current & Deferred)	(13,223)	(11,544)
Cash Flow before Extraordinary Items	1,05,906	(53,001)
Extraordinary Items :		
1 Loss on extra ordinary Items	450	-
NET CASH FROM OPERATING ACTIVITIES (A)	1,06,356	(53,001)
B. Cash Flow from Investing Activities :		
1 Purchase of Fixed Assets	(671)	(2,537)
2 Sale of Fixed assets	-	86
3 Purchase of Investments	(1,15,538)	(76,018)
4 Inventories	(49,803)	(1,396)
5 Interest Received	18,525	15,226
6 Dividend Received	15,344	14,418
NET CASH USED IN INVESTING ACTIVITIES (B)	(1,32,144)	(50,222)
C. Cash flow from financial Activities		
1 Proceeds from Issue of Share Capital/Warrants	-	74,520
2 Proceeds from Short Term Borrowings	74,580	(12,984)
3 Proceeds from Long Term Borrowing	-	-
4 Dividend Paid	-	-
NET CASH (USED IN) / SURPLUS FROM FINANCING ACTIVITIES (C)	74,580	61,536
Net Increase in Cash and Cash Equivalents (A+B+C)	48,791	(41,686)
Cash and Cash Equivalents (Opening Balance)	27,926	69,613
Cash and Cash Equivalents (Closing Balance)	76,717	27,926

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

R. BHATTACHARYA & ASSOCIATES

Chartered Accountants
(Registration No.307124E)

R. Bhattacharya

Proprietor

Membership No. 12394

Kolkata, May 28, 2011.

ON BEHALF OF THE BOARD

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Chairman

R. S. Khandelwal
Vice-Chairman

A. Khandelwal
Managing Director

P. Chakravarti
Director

P. Brahmachari
Director

S. Khandelwal
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	1

II. Capital Raised during the year

Public Issue	N	I	L
Bonus Issue	N	I	L
Rights Issue	N	I	L
Private Placement	N	I	L

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

Total Liabilities	6	8	3	9	0	3	
Total Assets	6	8	3	9	0	3	
Sources of Funds							
Paid - Up Capital		8	0	0	0	0	
Reserves & Surplus	2	8	6	0	7	0	
Secured Loans				N	I	L	
Unsecured Loans	2	2	6	5	9	6	
Application of Funds							
Net Fixed Assets				2	5	0	6
Investments	3	6	3	4	5	2	
Net Current Assets	2	2	6	7	0	8	
Misc. Expenditure				N	I	L	
Accumulated Losses				N	I	L	

IV. Performance of the Company (Amount in Thousand)

Turnover & Other Income	5	7	0	4	4
Total Expenditure	2	1	8	4	2
Profit Before Tax	3	5	2	0	2
Profit After Tax	3	1	3	0	8
Earnings Per Share (Rs.)	3	.	9	1	
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	

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Director

P. Brahmachari
Director

S. Khandelwal
Director

STATEMENT REGARDING SUBSIDIARY COMPANY

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

- Name of the Subsidiary : **BNK Commodities Pvt. Ltd.**
- 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.
- No part of Subsidiary's Profit/(Loss) has been dealt with in the Company's account.
- Changes, if any, in respect of Company's interest in the Subsidiary between the end of their financial year and that of the Company : - **N I L**
- Changes, if any, in respect of Fixed Assets etc. of Subsidiary Company between the end of their financial year and that of the Company : - **N I L**

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the Eighth Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2011.

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

	Year Ended 31/3/2011	Year Ended 31/3/2010
	Rs.	Rs.
Brokerage Income	25377	214541
Interest Income	100163	66060
Dividend Income	67971	58062
Profit on sale of Investment	465246	NIL
Profit/(Loss) in Commodity Trading	(33086)	119970
Other expenditure	250257	333373
Depreciation	8320	13867
Profit/loss before tax	367094	111393
Current Tax	55600	17100
Profit after tax	311494	94293
Balance carried to Balance Sheet	(12048607)	(12360101)

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 on slowly to match International Standards. 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.

AUTHORISED CAPITAL: The authorized capital of the Company is Rs 200 Lacs. The company has received share application money from promoters which is pending allotment. The authorized capital needs to be raised by creating more shares and making necessary amendments in the Memorandum and Articles of Association. Necessary resolutions are proposed in the AGM for this purpose. The Board recommends passing of the same.

DIRECTORS: Mr. Sanjeev Kumar Khandelwal, 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 2011 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

Foreign Exchange Earnings	Rs. Nil.
Foreign Exchange Outgo	Rs. Nil.

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 ensuring 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 2011

R.S. Khandelwal
Director

AUDITOR' REPORT

www.bnkcapital.com

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 2011 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, 2011 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2011 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, 2011;
 - 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.

R. BHATTACHARYA & ASSOCIATES

Chartered Accountants
(Registration No.307124E)
R. Bhattacharya
Proprietor
Membership No. 12394

Kolkata
May, 28, 2011

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 ii(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(iii) of the said order are not applicable to the company.
- In our opinion and according to the information and explanations given to us, there is an adequate internal control system which commensurate with the size of the company and the nature of its business with regard to purchases of securities, fixed assets and 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.

ANNEXURE TO THE AUDITORS' REPORT (Cont.)

5. a. 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 Companies Act have been entered in the register required to be maintained under that section;
- b. 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 the prevailing market prices at the relevant time.
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 which 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.
10. The company has no accumulated losses at the end of the financial year and it has incurred no cash losses in the financial year ended on that date.
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 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.
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.
19. During the course of our audit, the Company has not created security or charge in respect of debentures issued.
20. The Company has not raised any monies by way of public issues during the year.
21. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

R. BHATTACHARYA & ASSOCIATES
Chartered Accountants
(Registration No.307124E)
R. Bhattacharya
Proprietor
Membership No. 12394

Kolkata
May, 28, 2011

NOTICE

Notice is hereby given that the 8th Annual General Meeting of the Company will be held on Thursday, the 30th June 2011 at the Registered office of the Company at Mayfair Tower, 2 Palm Avenue, Kolkata 700 019 at 10.00 A.M to transact the following business:

As Ordinary Business

1. To receive, consider and adopt the Balance Sheet as at 31st March 2011 together with the report of the Directors and Auditors thereon.
2. To appoint Directors who retires by rotation.
3. To appoint Auditors and to fix their remuneration.

As Special Business:

To consider and pass with or without modification the following as ordinary resolution;

4. **"RESOLVED THAT** subject to the relevant provisions of the Companies Act 1956 and other applicable provisions, if any the existing clause V of the Memorandum of Association of the company relating to the share capital and is hereby altered by deleting the same and substituting in place the following new clause-V

The Authorized Share Capital of the Company is Rs.3000000.00 (Rupees Three Crore Only) divided in to 3000000 (Thirty Lakh) Equity Shares of Rs. 10/- (Rupees Ten) each. The Company has power, from time to time to increase or reduce its capital and to divide the shares in the capital for the time being into other classes and to attach thereto respectively such preferential, deferred, qualified or other special rights, privileges conditions or restrictions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify or appropriate any such right privileges or conditions or restrictions in such manner as may for the time being permitted by the Articles of Association of the company or the legislative provisions for the time being in force in that behalf.

To consider and pass with or without modification the following as special resolution;

5. **RESOLVED THAT** pursuant to the applicable provisions if any the existing clause 4 of the Articles of Association of the company be and is hereby altered by deleting the existing clause 4 and substituting in place there of the following as new clause 4.

The Authorized Share Capital of the Company is Rs.3,00,00,000 (Rupees Three Crore Only) divided in to 30,00,000 (Thirty Lakhs) Equity Shares of Rs. 10/- (Rupees Ten) each.

To consider and pass with or without modification the following as ordinary resolution;

6. **RESOLVED THAT** in accordance with the the provisions of Section 81 of the Companies Act 1956 and any other applicable provisions thereof, for the time being in force, relevant provisions of the Memorandum and Articles of Association of the Company and subject to the guidelines issued by the Securities and Exchange Board of India and such approvals as may be required in this regard,

consent of the Members be and is hereby accorded to the Board of Directors of the Company to allot upto 1000000 Equity Shares of Rs 10/ each for cash at par or at such premium as the Board may think fit to such persons they deem fit.

RESOLVED FURTHER THAT for the purposes of giving effect to issue of Equity Shares resolved hereinbefore, the Board, and or the committee of Directors appointed for the purpose, and other designated officers of the Company be and are hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as it may at its discretion deem necessary or desirable for such purpose.

Registered Office:
Mayfair Tower
2, Palm Avenue
Kolkata: 700 019.
Dated: 28th May 2011

Ajit Khandelwal
Director

Notes:

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.

The Register of members and Share Transfer Books of the Company will remain closed from 27th to 30th June 2011 (both days inclusive).

ANNEXTURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956:

Item No. 4 and 5:

Increase in the Authorized Capital

The present Authorized Capital of the Company is Rs. 2,00,00,000 (Rupees Two Crore only) divided into 20,00,000 (Twenty Lakh) equity shares of Rs.10/- (Rupees Ten) each. The said Authorized Capital of the Company needs to be increased from the present size to accommodate the allotment of the any other fresh issue of capital which the Company might consider in near future. Hence it is proposed to increase the Authorized Capital to Rs.3,00,00,000 (Rupees Three Crore Only) divided in to 30,00,000 (Thirty Lakh) Equity Shares of Rs. 10/- (Rupees Ten) each.

Item No.6:

The Company is a member of commodity exchanges and is required to maintain prescribed by them. To maintain the same the promoters have given application money for allotment of shares. The increase in authorized capital is required for allotment of shares to them and /or any other persons as the Board may think fit, subject to necessary approvals from the Exchanges and any other authorities.

BALANCE SHEET AS AT 31ST MARCH, 2011

	Schedule	Current Year (Rs.)	Previous Year (Rs.)
I. SOURCES OF FUNDS			
1 Shareholder's Fund			
Share Capital	1	2,00,00,000	2,00,00,000
Share Application		58,00,000	58,00,000
		<u>2,58,00,000</u>	<u>2,58,00,000</u>
II. APPLICATION OF FUNDS			
1 Fixed Assets	2		
a) Gross Block		2,67,856	2,67,856
b) Less: Depreciation		2,55,376	2,47,056
c) Net Block		<u>12,480</u>	<u>20,800</u>
2 Investments	3	10190458	7441641
3 Current Assets, Loans & Advances	4		
a) Cash and Bank Balances		6,84,728	14,90,134
b) Loan and Advances		65,65,738	59,45,094
		<u>72,50,466</u>	<u>74,35,228</u>
Less: Current Liabilities & Provisions	5		
a) Current Liabilities		37,02,010	14,57,769
Net Current Assets		<u>1,37,51,394</u>	<u>1,34,39,899</u>
Miscellaneous Expenditure:			
Profit & Loss A/c		1,20,48,607	1,23,60,101
		<u>2,58,00,000</u>	<u>2,58,00,000</u>

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

A. INCOME			
Brokerage		25377	214541
Interest (TDS c/y13.15 p/y6.60)		100163	66060
Profit/(Loss) on Commodity Trading		(33085)	119970
Profit on sale of Investment		465246	0
Dividend		67971	58062
	TOTAL	<u>625671</u>	<u>458633</u>
B. EXPENDITURE			
Administration & Other Expenses	6	250257	333373
Depreciation		8320	13867
	TOTAL	<u>258577</u>	<u>347240</u>
Profit Before Taxation		367094	111393
Provision for Taxation			
Current Tax		55600	17100
Profit After Taxation		<u>311494</u>	<u>94293</u>
		<u>311494</u>	<u>94293</u>
Balance bought forward from previous Year		(12360101)	(12454394)
C. APPROPRIATIONS			
Balance Carried to Balance Sheet		(12048607)	(12360101)
	TOTAL	<u>(12048607)</u>	<u>(12360101)</u>
Earning Per Share (Basic & Diluted) (Rs.)		0.16	0.04
ACCOUNTING POLICIES & NOTES ON ACCOUNTS	7		

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
(Registration No.307124E)

R. Bhattacharya

Proprietor

Membership No. 12394

ON BEHALF OF THE BOARD

R. S. Khandelwal
Director

A. Khandelwal
Director

S. Khandelwal
Director

SCHEDULES TO THE ACCOUNTS

SCHEDULE - 1

SHARE CAPITAL

Authorised

20,00,000 Equity shares of Rs.10/- each fully paid up

Issued, Subscribed and Paid-up

20,00,000 Equity Shares of Rs.10/- each

Share Application

	Current Year (Rs.)	Previous Year (Rs.)
	2,00,00,000	2,00,00,000
	2,00,00,000	2,00,00,000
	58,00,000	58,00,000

SCHEDULE - 2

FIXED ASSETS

Sl. Assets	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	As at 1.4.2010 Rs.	Asset sold out Rs.	Addit./ Adj. Rs.	As at 31.3.11 Rs.	Upto 31.3.10 Rs.	Current Year Rs.	Addit./ (Sold) Rs.	As at 31.3.11 Rs.	As at 31.3.11 Rs.	As at 31.3.10 Rs.
Computer & Accessories	267856	-	-	2,67,856	2,47,056	8,320	-	2,55,376	12,480	20,800
TOTAL	2,67,856	-	-	2,67,856	2,47,056	8,320	-	2,55,376	12,480	20,800
PREVIOUS YEAR	2,67,856	-	-	2,67,856	2,33,189	13,867		2,47,056	20,800	34,667

SCHEDULE-3

INVESTMENTS (AT COST)

a) Listed Securities

Name of Shares

Brabourne Enterprises Ltd.

Jayshree Nirman Ltd.

Marksans Pharma Ltd.

Mcnally Bharat Ltd.

RPG Life Science Ltd.

Summit Securities Ltd.

Usher Agro Ltd.

Qty.

-

46000

50000

11781

47202

1685

-

Qty.

-

50000

47202

-

-

25000

-

	-	-	47202	3,77,616
	6,23,300	-	-	-
	11,55,658	50000	-	11,55,658
	23,93,729	-	-	-
	38,90,154	47202	-	38,90,154
	3,77,616	-	-	-
	-	25000	-	12,68,212
	84,40,458			66,91,641
		17,50,000		7,50,000
		10190458		74,41,641
		70,61,500		26,39,301

SCHEDULE - 4

CURRENT ASSETS, LOANS AND ADVANCES

Cash and Bank Balances:

I. Cash-in-Hand

II. Cash with Scheduled Banks

	170	6,459
	6,84,558	14,83,675
	6,84,728	14,90,134

Loans and Advances:

Unsecured and Considered good:

I. Sundry Debtors

II. Advances Recoverable in Cash or in kind or for value to be received

	3,555	3,555
	65,62,183	59,41,539
	65,65,738	59,45,094

SCHEDULE - 5

CURRENT LIABILITIES :

Sundry Creditors

Bank Overdraft with Scheduled Banks

Auditors Remuneration Payable

Provision for taxation

Liabilities for expenses

	3335623	1415957
	266306	-
	2,500	2,500
	94,107	38,507
	3,474	805
	37,02,010	14,57,769

SCHEDULE- 6

ADMINISTRATION AND OTHER EXPENSES

1 Auditors Remuneration

2 Bank Charges

3 Demat Charges

4 General & Misc. Exp.

5 Legal & Professional Fees

6 Membership & Subscription

7 Postal Exp.

8 Printing & Stationery

9 Rent Rates & Taxes

10 Salary

11 Telephone Expenses

12 Transaction & Misc. Charges

	2500	2500
	525	276
	45852	43181
	969	2749
	18353	9700
	81500	116000
	130	121
	690	4375
	13043	16525
	7000	18000
	48404	69383
	31291	50563
	250257	333373

SCHEDULES TO THE ACCOUNTS (Contd.)

SCHEDULE - 7

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 Company.
- b) The Company generally follows mercantile system of accounting and recognizes significant items of income / expenditure on the accrual 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 at written down value method. The rates applied, however in accordance with the provisions of Schedule XIV of the Companies Act, 1956.

3 Pre-Operative Expenses

The company has capitalised all the pre-operative expenses brought forward from the last year since the company has started its business operation this year.

4 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 periods. 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.

5 Previous year's figure/figures has been regrouped or rearranged wherever considered necessary.

6 Earnings Per Share (EPS) **0.16**

7 Expenditure in Foreign Currency **Nil**

8 Income in Foreign Currency **Nil**

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2011

	<u>For the year ended 31.3.11</u>	<u>For the year ended 31.3.10</u>
A. Cash flow from Operating Activities:		
Net profit before Tax and Extraordinary Items	367094	111393
Adjustments for :		
1 Depreciation	8320	13867
2 Interest Income	(100163)	(66060)
3 Interest Expenses	-	-
4 Dividend Income	(67971)	(58062)
Operating Profit before Working Capital Changes	207281	1138
Adjustments for :		
1 Trade and other Receivables	-	-
2 Loans and advances	(620644)	(87623)
3 Inventories	-	-
4 Other Current Assets	-	-
5 Other Liabilities & Provisions	2244241	(730310)
6 Adjustment for extraordinary Items	-	-
Cash Generated from Operations	1830878	(816795)
1 Interest Paid	-	-
2 Taxes Paid (Current & Deferred)	(55600)	(17100)
Cash Flow before Extraordinary Items	1775278	(833895)
Extraordinary Items :		
1 Share Issue Expenses	-	-
NET CASH FROM OPERATING ACTIVITIES (A)	1775278	(833895)
B. Cash Flow from Investing Activities :		
1 Purchase of Fixed Assets	-	-
2 Sale of Fixed assets	-	-
3 Purchase of Investments	(2748817)	(1268212)
4 Interest Received	100163	66060
5 Dividend Received	67971	58062
NET CASH USED IN INVESTING ACTIVITIES (B)	(2580683)	(1144090)
C. Cash flow from financial Activities		
1 Proceeds from Issue of Share Capital\Share Application	-	-
2 Proceeds from Short Term Borrowing	-	-
3 Proceeds from Long Term Borrowing	-	-
4 Dividend Paid	-	-
NET CASH (USED IN) / SURPLUS FROM FINANCING ACTIVITIES ©	-	-
Net Increase in Cash and Cash Equivalents A+B+C	(805406)	(1977985)
Cash and Cash Equivalents (Opening Balance)	14,90,134	34,68,119
Cash and Cash Equivalents (Closing Balance)	684728	1490134

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

Signed in terms of our report of even date.

R. BHATTACHARYA & ASSOCIATES

Chartered Accountants

(Registration No.307124E)

R. Bhattacharya

Proprietor

Kolkata, May 28, 2011.

Membership No. 12394

22

ON BEHALF OF THE BOARD

R. S. Khandelwal

Director

A. Khandelwal

Director

S. Khandelwal

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:

2	0	0	3	P	T	C	0	9	7	4	9	1
											2	1
3	1	M	A	R	C	H	2	0	1	1		

Registration No. U74999WB

State Code

Balance Sheet Date

II. Capital Raised during the year (Amount in thousand)

Public Issue

Bonus Issue

Rights Issue

Private Placement

N	I	L
N	I	L
N	I	L
N	I	L

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

Total Liabilities

2	9	5	0	2
2	9	5	0	2

Total Assets

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

1	2
---	---

Investments

1	0	1	9	0
---	---	---	---	---

Net Current Assets

1	3	7	5	1
---	---	---	---	---

Misc. Expenditure

0	0
---	---

IV. Performance of the Company (Amount in Thousand)

Turnover & Other Income

6	5	9
---	---	---

Total Expenditure

2	9	2
---	---	---

Profit Before Tax

3	6	7
---	---	---

Profit After Tax

3	1	1
---	---	---

Earnings Per Share (Rs.)

.	1	6
---	---	---

Dividend (Rate)

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

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

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**ON BEHALF OF THE BOARD**

Chartered Accountants

(Registration No.307124E)

R. Bhattacharya, Proprietor

Membership No. 12394

R. S. Khandelwal

Director

A. Khandelwal

Director

S. Khandelwal

Director

Kolkata, May 28, 2011.

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, 2011, 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. These 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, 2011;
 - 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 as 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 as on that date.

R. BHATTACHARYA & ASSOCIATES

Chartered Accountants

(Registration No.307124E)

R. Bhattacharya, Proprietor

Membership No. 12394

Kolkata, May 28, 2011.

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2011

	Schedule	Current Year (Rs.in 000s)	Previous Year (Rs.in 000s)
I. SOURCES OF FUNDS			
1 Shareholder's Fund			
a) Share Capital	1	80,000	80,000
b) Reserves & Surplus	2	2,74,022	2,51,732
c) Share Application		5,800	5,800
2 Minority Interest		9,500	9,500
3 Loan Funds			
Unsecured Loans	3	2,26,596	1,52,016
4 Deferred Tax Liabilities		-	20
		<u>5,95,918</u>	<u>4,99,068</u>
II. APPLICATION OF FUNDS			
1 Fixed Assets	4		
a) Gross Block		4,796	6,238
b) Less: Depreciation		2,279	3,052
c) Net Block		<u>2,518</u>	<u>3,186</u>
2 Investments	5	3,63,142	2,44,856
3 Current Assets, Loans & Advances	6		
a) Inventories		51,199	1,396
b) Sundry Debtors		11,464	9
c) Cash and Bank Balances		77,401	29,417
d) Deferred Tax Assets		44	-
e) Loan and Advances		1,85,089	3,09,340
		<u>3,25,197</u>	<u>3,40,161</u>
Less: Current Liabilities & Provisions	7		
a) Current Liabilities		73,771	71,951
b) Provisions		21,168	17,183
Net Current Assets		<u>2,30,259</u>	<u>2,51,027</u>
		<u>5,95,918</u>	<u>4,99,068</u>

CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011.

A. INCOME			
Income from operations		4,487	4,746
Capital Gain on Shares		15,887	1,543
Dividend		15,412	14,476
Interest (TDS1863-, PrviousYr1568)		18,626	15,292
Brokerage & Consaltancy fees		3,258	2,695
	TOTAL	<u>57,670</u>	<u>38,753</u>
B. EXPENDITURE			
Establishment		7,178	4,268
Administration & Other Expenses	8	10,178	9,196
Interest		3,855	2,291
Depreciation		890	504
	TOTAL	<u>22,101</u>	<u>16,259</u>
Profit / (Loss) Before Taxation		<u>35,568</u>	<u>22,493</u>
Provision for Taxation			
Current Tax		4,014	2,176
FBT Assessed Tax		-	8
Deferred Tax		(64)	17
		<u>31,619</u>	<u>20,300</u>
Profit / (Loss) after Taxation		<u>34,151</u>	<u>29,219</u>
Balance of profit Brought forward from Previous year		<u>65,770</u>	<u>49,519</u>
C. APPROPRIATIONS			
Transfer to General Reserve		5,000	5,000
Statutory Reserve		6,500	1,000
Divedend		8,000	8,000
Provision for Tax on Divedend		1,329	1,360
Balance Carried to Balance Sheet		44,941	34,151
	TOTAL	<u>65,770</u>	<u>49,511</u>
Earning Per Share (Basic & Diluted) (Rs.)		3.95	2.54

ACCOUNTING POLICY & NOTES ON ACCOUNTS

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
(Registration No.307124E)
R. Bhattacharya
Proprietor
Membership No. 12394

Kolkata, May 28, 2011.

ON BEHALF OF THE BOARD

Dr. N. K. Sengupta Chairman	R. S. Khandelwal Vice-Chairman	A. Khandelwal Managing Director
P. Chakravarti Director	P. Brahmachari Director	S. Khandelwal Director

SCHEDULES TO THE CONSOLIDATED BALANCE SHEET

SCHEDULE - 1

SHARE CAPITAL

Authorised

80,00,000 Equity shares of Rs.10/- each

Issued, Subscribed and Paid-up

Current Year
(Rs.in 000s)

Previous Year
(Rs.in 000s)

80000

80000

80000

80000

SCHEDULE - 2

RESERVES AND SURPLUS

Share Premium Account

123000

123000

General Reserve

82321

77321

Statutory Reserve

23760

17260

Profit and Loss Account

44941

34151

TOTAL

274022

251732

SCHEDULE - 3

Unsecured Loan

Loan from Bodies Corporates

226596

152016

SCHEDULE - 4

FIXED ASSETS

Sl. Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 1.4.10 Rs.	Addit./ Adj. Rs.	Asset Destroyed Rs.	As at 31.3.11 Rs.	Upto 31.3.10 Rs.	Current Year Rs.	Addit./ (adjusted) Rs.	As at 31.3.11 Rs.	As at 31.3.11 Rs.	As at 31.3.10 Rs.
1.Furniture & Fixture	1,073	-	1,029	44	795	51	828	18	26	278
2.Motor Car	3,251	-	-	3,251	1,004	581	-	1,585	1,666	2,247
3.Computer & Access.	1,419	165	771	813	1,064	178	655	587	227	355
4.Office Equipments	495	507	314	688	190	80	181	89	599	305
TOTAL	6,238	672	2,114	4,796	3,053	890	1,664	2,279	2,518	3,185
Previous Year	4,546	2,537	845	6,238	3,307	504	759	3,052	3,186	1,627

SCHEDULE - 5

INVESTMENTS AT COST

(Quoted Investments)

295631

201093

(Unquoted Investments)

65761

43013

Fixed Deposit

1750

750

For details Ref. Sch.5 BNK Capital Markets Ltd &
Sch.3 for BNK Commodities (P)Ltd.

TOTAL

363142

244856

SCHEDULE - 6

CURRENT ASSETS, LOANS AND ADVANCES

A. Current Assets

Inventories

51199

1396

Debtors (Considered good)

Below six months

11,460

5

Over six months

4

11,464

4

9

Cash and Bank Balances:

I. Cash-in-Hand

117

124

II. Cash with Scheduled Banks

77,284

29,293

77,401

29,417

B. Loans and Advances

Unsecured and Considered good:

Loans to Parties

1,53,919

2,06,769

Advances Recoverable in Cash or
in kind or for value to be received

13,831

16,162

Cash in Liquid Fund

-

73,369

Tax Paid on advance and at source

17,339

13,040

1,85,089

309340

TOTAL 3,25,153

338756

SCHEDULES TO THE CONSOLIDATED BALANCE SHEET (Contd.)

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SCHEDULE - 7	Current Year (Rs.in 000s)	Previous Year (Rs.in 000s)
CURRENT LIABILITIES AND PROVISIONS		
A. Current Liabilities		
1 Bank overdraft at Scheduled Banks	301	-
2 Sundry Creditors	3336	1416
3 Liabilities for Expenses	557	297
4 Liabilities for Other Finance	69,577	70,238
	<u>73,771</u>	<u>71,951</u>
B. Provisions		
Dividend	8,000	8,000
Provision for Taxation	13,168	9,183
	<u>94,939</u>	<u>89,134</u>

SCHEDULE -8	Current Year (Rs.in 000s)	Previous Year (Rs.in 000s)
ADMINISTRATION AND OTHER EXPENSES		
1 Auditors Remuneration		
For Audit Fee	12	12
For Tax Audit	2	2
For Other Capacity	10	10
2 Bank Charges	18	4
3 Business Promotion Expenses	579	483
4 Car Expenses	309	262
5 Chairty & Donation	10	12
6 Conference & Meeting	112	49
7 Demat Charges & Custodial Charges	147	121
8 Directors Remuneration & Fees	1,001	868
9 Electric Charges	448	271
10 General & Miscellaneous Expenses	343	146
11 Legal & Statutory Expenses	37	48
12 Listing Fees	83	36
13 Loss on Collapse of Office Premises	449	-
14 Membership & Subscriptions	101	136
15 Notice & Publication	14	17
16 Postage & Telegram	50	37
17 Printing & Stationery	349	116
18 Professional Service Charges	621	3,112
19 Rent, Rates and Taxes	1,801	1,451
20 Repairs & Maintenance	251	107
21 Securities Transaction Charges	199	93
22 Staff Welfare	190	69
23 Telephone & Communication Expenses	434	230
24 Transaction & Exchange Charges	31	51
25 Travelling & Conveyance	1,623	872
26 Vsat Charges	57	56
27 Website Maintenance	898	527
TOTAL	<u>10,178</u>	<u>9,196</u>

SCHEDULE 9 SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

- Basis of preparation of Financial Statement**
 - 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.
 - The Company generally follows mercantile system of accounting and recognises significant items of income / expenditure on the accrual basis.
- Principles of Consolidation:** The consolidated financial statements have been prepared on following basis:
 - the financial statements of the company and its subsidiary company have been combined on 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 transactions and resulting profits are eliminated in full.
 - The Subsidiary company considered in the consolidated financial statements are :
BNK COMMODITIES PVT LTD % voting power on 31/03/2011 % voting power on 31/03/2010
52.5% 52.5%
- 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.
The office premises of the Company at 13, India Exchange Place, Kolkata- 700001 collapsed on 3/2/11 leaving no assets, records, etc. recoverable. Hence the value of Fixed Assets aggregating to Rs. 449000.00 has been written off in the current year.
- Investments** - Investments are valued at cost
- Stock-in-Trade** - Stock-in-Trade is valued at cost
- Deferred Tax Liabilities**

Deferred Tax Liabilities	Opening (Rs.)	Reversed for the earlier period (01/04/10)	Provided during Year (Rs.)	Closing (31/03/11) (Rs.)
For difference in WDV as per Income tax and as per Companies Act.	-20151	0	64140	43989
- Segment Reporting**
There is no reportable segment as per Accounting Standard 17 as the operations of the Company relate to mainly NBFC activities
- Expenditure in Foreign Currency** Current year \$10,000 Previous Year AED793
- Income in Foreign Currency** Nil Nil
- The previous year's figures have been regrouped and rearranged wherever considered necessary.

R. BHATTACHARYA & ASSOCIATES

Chartered Accountants
(Registration No.307124E)

R. Bhattacharya

Proprietor

Membership No. 12394

Kolkata, May 28, 2011.

ON BEHALF OF THE BOARD

Dr. N. K. Sengupta
Chairman

R. S. Khandelwal
Vice-Chairman

A. Khandelwal
Managing Director

P. Chakravarti
Director

P. Brahmachari
Director

S. Khandelwal
Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2011

	For the year ended 31.3.11 <u>(Rs. in 000s)</u>	For the year ended 31.3.10 <u>(Rs. in 000s)</u>
A. Cash flow from Operating Activities:		
Net profit before Tax and Extraordinary Items	35,568	22,493
Adjustments for :		
1 Depreciation	890	504
2 Interest Income	(18,626)	(15,292)
3 Interest Expenses	3,855	2,291
4 Dividend Income	(15,412)	(14,476)
Operating Profit before Working Capital Changes	6,276	(4,480)
Adjustments for :		
1 Trade and other Receivables	(11,455)	515
2 Loans and advances	1,24,207	(38,826)
3 Inventories	(49,803)	(1,396)
4 Other Current Assets	-	-
5 Other Liabilities & Provisions	5,805	2,774
6 Adjustment for extraordinary Items	-	-
Cash Generated from Operations	75,028	(41,412)
1 Interest Paid	(3,855)	(2,291)
2 Taxes & Dividend Paid (Current & Deferred)	(13,277)	(11,528)
Cash Flow before Extraordinary Items	57,896	(55,231)
Extraordinary Items :		
1 Loss on extraordinary Items	450	-
NET CASH FROM OPERATING ACTIVITIES (A)	58,346	(55,231)
B. Cash Flow from Investing Activities :		
1 Purchase of Fixed Assets	(672)	(2,537)
2 Sale/Adjustment of Fixed assets	-	86
3 Purchase of Investments	(1,18,286)	(77,287)
4 Interest Received	18,626	15,292
5 Dividend Received	15,412	14,476
NET CASH USED IN INVESTING ACTIVITIES (B)	(84,921)	(49,970)
C. Cash flow from financial Activities		
1 Proceeds from Issue of Share Capital / Share Application	-	74520
2 Proceeds from Minority Interest	-	-
3 Proceeds from Secured Borrowing	-	-
4 Proceeds from Unsecured Borrowing	74560	(12983)
NET CASH (USED IN) / SURPLUS FROM FINANCING ACTIVITIES ©	74560	61537
Net Increase in Cash and Cash Equivalents A+B+C	47,985	(43,664)
Cash and Cash Equivalents (Opening Balance)	29,416	73,081
Cash and Cash Equivalents (Closing Balance)	77,401	29,416

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

R. BHATTACHARYA & ASSOCIATES

Chartered Accountants
(Registration No.307124E)

R. Bhattacharya

Proprietor

Membership No. 12394

Kolkata, May 28, 2011.

ON BEHALF OF THE BOARD

Dr. N. K. Sengupta
Chairman

R. S. Khandelwal
Vice-Chairman

A. Khandelwal
Managing Director

P. Chakravarti
Director

P. Brahmachari
Director

S. Khandelwal
Director



www.bnkcapital.com

BNK CAPITAL MARKETS LTD.
Registered Office : 2 Palm Avenue, Kolkata - 700019

PROXY FORM

Member's Folio No./DPID & CLID No. No. 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 25th Annual General Meeting of the Company to be held on 30th July, 2011 at 11.30 am at '**MAYFAIR TOWERS' Ground Floor, 2 Palm Avenue, Kolkata - 700019**, or any adjournment thereof.

Signed this day of 2011.

Signature

Affix 20
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.



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BNK CAPITAL MARKETS LTD.
Registered Office : 2 Palm Avenue, Kolkata - 700019

ATTENDANCE SLIP

Member's Folio No./DPID & CLID No. No. 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 25th Annual General Meeting of the Company to be held on 30h July, 2011 at 11.30 am at '**MAYFAIR TOWERS' Ground Floor, 2 Palm Avenue, Kolkata - 700019**.

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.

PRINTED MATTER - BOOK POST

To,



www.bnkcapital.com

If undelivered, please return to :

CB Management Services (P) Ltd.

P-22, Bondel Road

Kolkata - 700019.