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BNK CAPITAL MARKETS LTD.

TWENTYEIGHTH ANNUAL REPORT

2013-2014



www.bnkcapiatal.com



Late R. S. Khandelwal
Co-Founder & Chairman of the Group



Late Dr. N. K. Sengupta
Chairman of the Board
(1995-2013)

*They had been the guiding factor to the company.
Their ideology and values shall continue to guide us in times to come.
We pay our homage to them.*

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AGM on 10th September 2014
Bhartiya Bhasha Parisad
Sitaram Seksaria Auditorium
36A, Shakespeare Sarani, Kolkata-700017
at 10.30 A.M

NOTICE

Notice is hereby given that the Twenty Eighth Annual General Meeting of the Members of BNK Capital Markets Ltd. will be held at 10:30 a.m. on Wednesday, September 10, 2014, at Bhartiya Bhasha Parishad, Sitaram Seksaria Auditorium, 36A, Shakespeare Sarani, Kolkata - 700 017 to transact the following business:

As Ordinary Business

1. To receive, consider and adopt the Audited Financial Statements and the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2014 together with the Report of the Directors and the Auditors.
2. To re-appoint Shri Sanjeev Kumar Khandelwal (DIN: 00419799), as a director of the company who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an ordinary resolution:
"RESOLVED that M/s R. Bhattacharya & Associates, Chartered Accountants, (Registration No. 307124E) be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of twenty eighth Annual General Meeting till the conclusion of the thirty third Annual General Meeting of the Company at such remuneration as may be fixed by the Board of Directors of the Company."

As Special Business

To consider and, if thought fit, to pass, with or without modification(s), the following Resolutions:-

4. As an Ordinary Resolution:
"RESOLVED THAT, Shri Prabir Chakravarti (DIN: 00273523), a Non-Executive Director, be and is hereby appointed as an Independent Director of the Company, in accordance with the provisions of Sections 149, 150 and 152 of the Companies Act, 2013 (the Act) read with Schedule IV and any other applicable provisions of the Act, and the Rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), to hold office for a period of five consecutive years from the conclusion of the Company's twenty eighth Annual General Meeting till the conclusion of the Company's thirty third Annual General Meeting."
5. As an Ordinary Resolution:
"RESOLVED THAT, Shri Purnabrata Brahmachari (DIN: 00441660), a Non-Executive Director, be and is hereby appointed as an Independent Director of the Company, in accordance with the provisions of Sections 149, 150 and 152 of the Companies Act, 2013 (the Act) read with Schedule IV and any other applicable provisions of the Act, and the Rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), to hold office for a period of five consecutive years from the conclusion of the Company's twenty eighth Annual General Meeting till the conclusion of the Company's thirty third Annual General Meeting."
6. As a Special Resolution:
"RESOLVED THAT, in suppression of the Ordinary Resolution adopted at the Annual General Meeting in compliance with Section 293(1)(a) of the Companies Act, 1956 and pursuant to Section 180 (1) (a) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules thereof, (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the Company be and is hereby accorded to the creation by the Board of Directors of the Company or any Committee of the Board (hereinafter referred to as the 'Board') of such mortgages and charges in addition to the existing mortgages and charges created by the Company as the Board may direct on such of the assets of the Company, both present and future, in such manner as the Board may direct together with power to take over the management of the Company in certain events, to or in favour of all or any of the financial institutions/banks/any other investing or lending agencies/trustees for the holders of debentures/bonds/other instruments which may be issued to and subscribed by all or any of the financial institutions/banks/any other investing agencies or any other person(s)/bodies corporate by private placement or otherwise, to secure rupee/foreign currency loans, debentures, bonds or other instruments of an equivalent aggregate value not exceeding ₹ 100 crores together with interest thereon at the respective agreed rates, compound interest, additional interest, liquidated damages, commitment charges, premia on prepayment, or on redemption, costs, charges, expenses and all other monies payable by the Company to the aforesaid parties or any of them under the agreements/arrangements entered into to be entered into by the Company in respect of the said loans/debentures/bonds or other instruments.
"RESOLVED FURTHER THAT, the Board be and is hereby authorized to finalise with the aforesaid parties or any of them, the documents for creating the mortgages/charges and accepting or making any alterations, changes, variations to or in the terms and conditions, to do all such acts, deeds, matters and things and to execute all such documents and writings as it may consider necessary, for the purpose of giving effect to this Resolution."
7. As a Special Resolution:
"RESOLVED THAT, in suppression of the Ordinary Resolution adopted at the Annual General Meeting in compliance with Section 293(1)(d) of the Companies Act, 1956 and pursuant to Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, and the Rules thereof, (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the Company be and is hereby accorded to the Board of Directors of the Company or any Committee of the Board (hereinafter referred to as the 'Board'), to borrow moneys from time to time for the purposes of the Company's business exceeding the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, subject to the condition that the moneys borrowed, together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) at any time, shall not exceed a sum of ₹ 100 crores."
"RESOLVED FURTHER THAT, the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters, things as may be considered incidental, necessary and expedient to give effect to the above resolutions."
8. As a Special Resolution:
"RESOLVED THAT in suppression of earlier resolution adopted at the Annual General Meeting in compliance with Section 372A of the Companies Act, 1956 and pursuant to Section 186 and other applicable Provisions of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules 2014 or any amendments or re-enactment thereto are or may be in force from time to time, consent of the Company be and is hereby accorded to the Board of Directors (a) to give any loan to any person or other body corporate(s) (b) to give any guarantee or provide security in connection with a loan to any other body corporate or person and (c) to acquire by way of subscription, purchase or otherwise, the securities of any other body corporate(s) which together with the existing loans / deposits, guarantees / Securities given or provided and investments made, shall not exceed at any time the aggregate amount of Rs.100.00 Crores (Rupees One hundred crores only) notwithstanding that such loans / deposits, guarantees given and security provided and investments made, shall be in excess of any or all of the percentages prescribed under the provisions of Section 186 of the Companies Act, 2013."
"RESOLVED FURTHER THAT, the Board of Directors of the Company be and is hereby authorized to determine the specific amount within the aggregate limit of Rs.100.00 Crores (Rupees One hundred crores only), particular of the body corporate in which loan / deposit or guarantee / security is proposed to be given or provided, and investment to be made, the purpose of such loans / deposits and guarantee / security and investment, specific sources of funding and such other details, which in their absolute discretion may deem appropriate and in the best interest of the Company pursuant to Section 179 and other applicable provisions if any of the Companies Act, 2013."
"RESOLVED FURTHER THAT, the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters, things as may be considered incidental, necessary and expedient to give effect to the above resolutions"

Registered Office :

Mayfair Towers, 2 Palm Avenue
Kolkata - 700 019
CIN: L34202WB1986PLC040542
Email: corporate@bnkcapital.com
Website: www.bnkcapital.com
Ph. No. 033 - 30580560 / 61
Dated: 30th July 2014

By order of the Board

Pratibha Jaiswal
Company Secretary

Notes :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith.
2. The register of Members of the Company will remain closed from 02nd September, 2014 to 10th September, 2014 (both days inclusive).
3. The Securities & Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market transaction and off-market/private transaction including, transfer of shares held in physical form, deletion of name of the deceased shareholder(s), where the shares are held in the name of two or more shareholders, transmission of shares to the legal heir(s), where deceased shareholder was the sole holder of shares and transposition of shares - when there is a change in the order of names in which physical shares are held jointly in the names of two or more shareholders. Members holding shares in physical form are requested to notify immediately changes, if any in their registered address and bank particulars to the Company's Registrar and Share Transfer Agent at the below - mentioned address quoting their Folio Numbers :-
M/s. C B Management Services (P) Ltd
(Unit : BNK Capital Markets Limited)
P - 22, Bondel Road, Kolkata - 700 019
Ph : (033) 2280-6692 / 6693, Fax : (033) 2247-0263, Email : cbmsl1@cal2.vsnl.net.in / rta@cbmsl.com
- In case Shares are held in electronic form, these information should be passed on directly to their respective Depository Participant (DP).
4. Members/Proxies should bring the Attendance Slip duly filled in for attending the Meeting and also their copy of the Annual Report.
5. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 will be available for inspection by the members at the Annual General Meeting of the Company.
The Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the Members at the Annual General Meeting of the Company.
6. Electronic copy of the Annual Report for the financial year ended 31st March, 2014 and Notice of the Twenty Eighth Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email ids are registered with the Depository Participant(s) for communication purposes. For Members who have not registered their email addresses, physical copies of the Notice of Twenty Eighth Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with attendance Slip and Proxy Form is being sent in the permitted mode.
7. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the members may also send requests to the Company or Registrar & Share Transfer Agent at their email id: rta@cbmsl.com, or at corporate@bnkcapital.com.
8. Members wishing to claim dividends, which remain unclaimed are requested to correspond with C B Management (P) Ltd, Registrar & Share Transfer Agent. Members are requested to note that dividends not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will as per Section 124 of the Companies Act, 2013 (Section 205A of the erstwhile Companies Act, 1956) be transferred to the Investors Education & Protection Fund.
9. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company on any working day except Saturday between 11.00 am and 1.00 pm up to and including the date of the Annual General Meeting of the Company.
Your Company has opted for E-voting Facility and instruction is given below.
In case of members receiving e-mail:
(i) Log on to the e-voting website www.evotingindia.com
(ii) Click on "Shareholders" tab.
(iii) Now, select the "BNK CAPITAL MARKETS LTD" from the drop down menu and click on "SUBMIT"
(iv) Now Enter your User ID
a. For CDSL: 16 digits beneficiary ID,
b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
(v) Next enter the Image Verification as displayed and Click on Login.
(vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
(vii) If you are a first time user follow the steps given below:
For Members holding shares in Demat Form and Physical Form
PAN Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
 - Members who have not updated their PAN with the Company/Depository Participant can enter in the PAN field 8 characters as first 2 alphabets of the first holder's name followed by & characters consisting of folio number prefix by "O" (or eight characters from right of BO-Id). No special characters will be taken from the name & folio Number (E.g. Ajay Srivastava & folio No. is 00000005, the PAN to be entered will be AJ00000005. Vipul Chandak & folio No. is C0000129, the PAN to be entered will be VIC0000129)
 - In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters.
DOB Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.
 - Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.
(viii) After entering these details appropriately, click on "SUBMIT" tab.
(ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
(xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
(xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
(xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
(xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
(xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
(xvi) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
 - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to link the account(s) which they wish to vote on and then cast their votes.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
In case of members receiving the physical copy:
A. Please follow all steps from sl. no. (i) to sl. no. (xvi) above to cast vote.
B. The voting period begins on 2nd September, 2014 at 09.00 a. m and ends on 4th September, 2014 at 6.00 p.m. During this period shareholder's of the Company, holding shares either in physical form or in dematerialized form, as on 8th August, 2014 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
C. In case you have any queries or issues regarding e-voting, please contact the company or Registrar & Share Transfer Agent or send mail to rta@cbmsl.com. You may also send mail to helpdesk.evoting@cdslindia.com or refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in.
The voting rights of shares shall be in proportion to their shares of the paid up equity share capital of the company as on the cut off date of 8th August 2014.
Mr. Rakesh Kumar Gupta, Practicing Company Secretary holding Certificate of Practice No. 13477, has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner, whose e-mail address is rakeshg6919@gmail.com.
The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company. The Results shall be declared on or after the AGM of the Company.
The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.bnkcapital.com and on the website of CDSL within two (2) days of passing of the resolutions at the AGM of the Company.

Registered Office :
Mayfair Towers, 2 Palm Avenue, Kolkata - 700 019, Ph. No. 033 - 30580560 / 61
CIN: L34202WB1986PLC040542

By order of the Board
Pratibha Jaiswal

**Annexure to the notice of the Annual General Meeting dated 30th July 2014
PARTICULARS RELATING TO DIRECTORS PROPOSED TO BE APPOINTED / RE-APPOINTED**

<p>1. NAME AGE Qualifications Expertise</p> <p>Directorships Details (as at 31.03.2014) Name of Indian Company BNK Capital Markets Ltd Patrex Vyapaar Ltd Abacus Funds Services Pvt Ltd Asian Securities Exchange Pvt Ltd BNK Commodities Pvt Ltd BNK Securities Pvt Ltd Multiple Infra Pvt Ltd Shareholding in the Company</p>	<p>Mr. Sanjeev Kumar Khandelwal 53 Years B.COM (Honours) Business - Experience in Capital Market & Financial Services for over 30 years.</p> <p>Committee Memberships, if any with position Share Transfer & Investor Grievance Committee - Member</p> <p>11,25,063 equity shares @ Rs. 10/- each</p>
<p>2. NAME AGE Qualifications Expertise Directorships Details (as at 31.03.2014) Name of Indian Company Baghmari Tea Company Ltd. NICCO Financial Services Ltd. Reliance Jute Meals (International) Ltd. Vidula Consultancy Services Ltd. NICCO Corporation Ltd.</p> <p>Jayshree Chemicals Ltd.</p> <p>Mangalam Timber Products Ltd.</p> <p>BNK Capital Markets Ltd. Sri Girija Prasanna Cotton Mills Ltd. Shareholding in the Company</p>	<p>Mr. Prabir Chakravarti 70 years LLB, M.A. (ECON), MBA Business</p> <p>Committee Memberships, if any with position</p> <p>Audit Committee - Member Compensation & Remuneration Committee - Member Audit Committee - Member Remuneration Committee - Member Audit Committee - Member Remuneration Committee - Member Investors Grievance Committee - Member Audit Committee - Chairman</p> <p>NIL</p>
<p>3. NAME AGE Qualifications Expertise Directorships Details (as at 31.03.2014) Name of Indian Company BNK Capital Markets Ltd.</p> <p>Shareholding in the Company</p>	<p>Mr. Purnabrata Brahmachari 81 years B.Tech (DIC) London, MSC (ENGG), London Advisor</p> <p>Committee Memberships, if any with position Shareholders / Investors Grievance & Transfer Committee - Chairman Remuneration Committee - Member NIL</p>

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item Nos. 4 & 5

Mr. Prabir Chakravarti, & Mr. Purnabrata Brahmachari, are Non-Executive Directors of the Company and have been Independent Directors of the Company in terms of Clause 49 of the Listing Agreement with the Stock Exchanges. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013 (the Act), Mr. Prabir Chakravarti, & Mr. Purnabrata Brahmachari, each being eligible for appointment, are proposed to be individually appointed as Independent Directors for five consecutive years for a term up to the conclusion of the thirty third Annual General Meeting of the Company.

The Company has also received declarations from Mr. Prabir Chakravarti, & Mr. Purnabrata Brahmachari, that they meet with the criteria of Independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

In the opinion of the Board, Mr. Prabir Chakravarti, & Mr. Purnabrata Brahmachari, fulfill the conditions specified in the Companies Act, 2013 and rules made there under for individual appointment as an Independent Director of the Company and each are individually independent of the management.

The Board considers that each of the above mentioned Director's continued association would be of immense benefit to the Company and it is desirable to continue to avail services of each of the above mentioned Directors as Independent Directors. Accordingly, the Board recommends the resolutions by way of Ordinary Resolutions as set out as above under Items 4 & 5, in relation to the individual appointments of Mr. Prabir Chakravarti, & Mr. Purnabrata Brahmachari, as Independent Director, for the approval by the shareholders of the Company.

Notice(s) has been received from member(s) along with the deposits of requisite amounts under Section 160 of the Act proposing each of Mr. Prabir Chakravarti, Mr. Purnabrata Brahmachari, as candidate(s) for the office of Independent Directors of the Company.

The details with regard to age, qualification, expertise and directorships in other Indian Companies as well as shareholding in the Company of the above mentioned Independent Directors as at March 31, 2014 have been provided as above.

Copies of the draft letters for appointment of Mr. Prabir Chakravarti, & Mr. Purnabrata Brahmachari, as Independent Directors setting out the terms and conditions would be available for inspection by the members at the Registered Office of the Company during the prescribed time.

Except Mr. Prabir Chakravarti, & Mr. Purnabrata Brahmachari, being individual appointee(s), none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in their respective resolutions set out at Item Nos. 4 & 5.

Item Nos. 6, 7 & 8

The company is a NBFC and engaged in the business of borrowing & lending investments and other allied business. During the course of its business, it is required to borrow / lend over and about the prescribed limits. In order to facilitate the borrowing & lending for the business of the company.

1. In the Annual General Meeting held on September 23, 2006 the Members authorized the Board in terms of Section 293 (1)(a) of the Companies Act, 1956, by way of Ordinary Resolution, to create mortgages/charges on properties / assets of the Company, both present and future in favour of lenders/trustees as and when the business exigencies so require, up to a limit of ` 100 Crores.

2. In the Annual General Meeting held on September 23, 2006 the Members authorized the Board, in terms of Section 293(1)(d) of the Companies Act, 1956, by way of Ordinary Resolution, to make borrowings (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business), over and above the aggregate of paid up share capital and free reserves of the Company up to a limit of ` 100 Crores.

Section 180 of the Companies Act, 2013 effective from September 12, 2013 requires that the above powers be exercised by the Company with consent of the Members by way of Special Resolution. Vide General Circular No. 4/2014 dated March 25, 2014, the Ministry of Corporate Affairs has clarified that the Ordinary Resolutions passed under Sections 293(1)(a) and 293(1)(d) of the Companies Act, 1956 is sufficient compliance of Section 180 of the Companies Act, 2013 for a period of one year from the date of notification of the said section.

It is, therefore, necessary for the members to pass Special Resolutions under Section 180(1)(a) and Section 180(1)(c) and other applicable provisions of the Companies Act, 2013, as set out at Item No. 6, 7 & 8, respectively, of the Notice, to enable to the Board to create such mortgages/charges as and when the business exigencies so require and to borrow money in excess of the aggregate of the paid up share capital and free reserves of the Company, respectively, up to the said limits.

The Board recommends the resolutions set out at Item Nos. 6, 7 & 8, for the approval of the Members of the Company.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item Nos. 6, 7 & 8.

Registered Office :

Mayfair Towers, 2 Palm Avenue, Kolkata - 700 019, Ph. No. 033 - 30580560 / 61
CIN: L34202WB1986PLC040542
Email: corporate@bnkcapital.com, Website: www.bnkcapital.com
Dated: 30th July 2014

By order of the Board

Pratibha Jaiswal
Company Secretary

DIRECTORS' REPORT TO THE MEMBERS

Your Directors present before you the 28th Annual Report together with Audited Accounts for the year ending 31st March 2014.

Operation and Future Prospects

Prolonged economic crisis, particularly in the Euro zone, crude price hike, high import of crude & Gold, weakening of Rupee, high current account deficit lead to very slow growth of GDP. GDP grew @4.70% P.A in F.Y.2013-14. This has kept the market quite dull in most part of the last financial year. Only at the end of last quarter some positive movement has taken place because of the expectation of change in the Government with the general elections. However Loksabha election in April -May 2014 has given a decisive mandate in favor of BJP lead NDA. The New Government under Priministership of Mr. Narendra Modi has assumed office and are moving forward with Growth and Governance as its main agenda. It is presumed that the projects which was held up for a long period of time shall be resumed. Expectation of Growth led good governance, policy actions, have resulted in good sentiments and the foreign investors have stated investments in Indian stocks in a big way. This has lead to a sense in "Nifty & Sensex" to all time high levels. We expect the markets to move positively after some consolidation in times to come.

Financial Results

The financial performance of the Company, for the year ended 31st March 2014 is summarized below:

	Year Ended 31st March 2014 (` In Lacs)	Year Ended 31st March 2013 (` In Lacs)
Profit before Depreciation and Amortisation		
Expenses, Finance Costs and Tax Expenses	111.17	368.36
Less: Finance Costs	69.67	57.49
Depreciation and Amortisation Expences	6.50	8.25
Profit before Tax	35.00	302.62
Less: Current Tax	29.94	35.84
Deferred Tax	(0.22)	(0.48)
Profit for the year	5.28	267.26
Add: Balance in Profit & Loss Account	759.77	654.05
	765.05	921.31
Less: Appropriation		
Transferred to Statutory Reserve	2.65	53.45
Transferred to General Reserve	0.00	50.00
Proposed Dividend on Equity Shares	0.00	50.00
Tax on Dividend	0.00	8.11
Closing Balance	762.40	759.77

The Board of Directors do not recommend any dividend for the financial year ended on 31st March 2014 because of insufficient profits

Subsidiary Company & Investments

BNK Commodities Pvt Ltd., a subsidiary of your company is a member of MCX, NCDEX and NSEL. Your Company along with its subsidiaries and its Associate Companies is offering complete financial solutions including trading in securities, commodities and their derivatives, currency derivatives, Depository services & Category I Merchant Bankers.

Fixed Deposits

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

Directors

With profound grief we inform you about the sad and sudden demise of Dr N K Sengupta

on 3rd November 2013. Dr Sengupta was the Chairman of the Board of Directors since 1995. The Co Promoter and Chairman, Shri Radhey Shyam Khandelwal also, after a short illness, left for his heavenly abode on 29th April 2014. The Board of Directors pays its homage to the departed soul and record deep appreciation for their services rendered to the Company.

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company Mr. Sanjeev Kumar Khandelwal, Director of the Company retire by rotation at the conclusion of the forthcoming Annual General Meeting, and being eligible offer himself for re-appointment. Mr. Purnabara Brahmachari and Mr. P Chakravarti an independent directors on the Board of the Company and as per the requirements of the Companies Act 2013 shall be reappointed for a period of 5 years from the conclusion of the Annual General Meeting. Their appointment has to be made at Annual General Meeting. The Board recommends passing of resolutions regard their appointment/re-appointment.

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 re-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:

- i) That in the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departure;
- ii) 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. There is no employee of the Company as covered under Section 217(2A) of the Companies Act, 1956, for which a separate disclosure is required.

Acknowledgement

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

For and on behalf of the Board

Place : Kolkata

P. Brahmachari

Dated : 30th May 2014

Director

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 2013-14 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, stakeholders and society at large.

1. Board of Directors

As on 31st March 2014 Board of the Company comprised of directors of which two are Non-executive. Mr R S Khandelwal was made the Chairman of the Board on 29th January 2014. Dr N K Sengupta, who was an independent director and Chairman of the Board since 1995 died suddenly on 3rd November 2013 Forty percent of the directors are Independent Directors. The Independent Directors have no professional and / or business relationship with the Company. They are eminent professionals, drawn from amongst persons with experience in business, finance, law and corporate management. The composition of the board during the year is tabulated below:

Director	Executive/Non-Executive/ Independent	Other Directorships held
Dr.N.K.Sengupta	Chairman, Non-Executive & Independent (upto 3rd November 2013)	05
Mr.R.S.Khandelwal	Chairman & Non-Executive (From 29th January 2014)	05
Mr.P.Chakravarti	Non-Executive & Independent	10
Mr.P.Brahmachari	Non-Executive & Independent	--
Mr.S.Khandelwal	Non-Executive	06
Mr.A.Khandelwal	Managing Director	10

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	03

3.Remuneration Committee

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

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

Director	Position	Meeting held	Meeting Attended
Mr. R. S. Khandelwal	Chairman	1	1
Mr. N. K. Sengupta	Member	-	-
Mr. P. Brahmachari	Member	1	1

Mr. R. N. Mishra is the Secretary to the Remuneration Committee.

4. Remuneration to Directors

Director	Designation	Remuneration paid during 2013		
		(All figures in `) Sitting fees	Salary & Perks	Total
Dr.N.K.Sengupta	Chairman (upto3/11/13)	9000	--	9000
Mr.R.S.Khandelwal	Chairman (from 29/1/14)	24000	--	24000
Mr.P.Chakravarti	Director	23000	--	23000
Mr.P.Brahmachari	Director	15000	--	15000
Mr.S.Khandelwal	Director	23000	--	23000
Mr.A.Khandelwal	Managing Director	--	1415000	1415000

5. Shareholders/Investors Grievance & Transfer Committee

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

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

Director	Position	Meeting held	Meeting Attended
Mr.P.Brahmachari	Chairman	06	05
Mr.S.Khandelwal	Member	06	06
Mr.A.Khandelwal	Member	06	06

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

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

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

6. Number of Board Meetings and Board Procedures.

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

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

Date of Board Meeting	Place
1 5th April 2013	Kolkata
2 28th May 2013	Kolkata
3 26th July 2013	Kolkata
4 31st August 2013	Kolkata
5 31st October 2013	Kolkata
6 29th January 2014	Kolkata

Directors	No. of Meetings		
	Held	Attended	Attended Last AGM
Dr. N.K. Sengupta	06	03	Yes
Mr. R.S. Khandelwal	06	06	Yes
Mr. P. Chakravarti	06	05	Yes
Mr. P. Brahmachari	06	03	No
Mr. S. Khandelwal	06	06	Yes
Mr. A. Khandelwal	06	06	Yes

7. Management Discussions and Analysis Report

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

8. Director's Membership/Chairmanship in Committees

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

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

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

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

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

Name of Director	Mr. Sanjeev Kumar Khandelwal
Date of Birth	15th November 1960
Date of appointment	27th June 1995
Experience in specific functional areas	Businessman
List of outside Directorships held Excluding Alternate Directorship and Private Companies	1. Patrex Vyapaar Limited

10. Material Contracts/Transactions Concerning Director's Interest

The Company had not entered into any arrangement with any body other than BNK Securities Private Limited and BNK Commodities Pvt. Ltd. for dealing in shares, securities, currency, derivatives 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 Insider's Trading) Regulation, 1992, as amended in February 2002, the Board of Director of the Company has formulated the code of conduct for prevention of insider's trading in shares of Company by its employees.

12. Other Disclosures

i. Details Of Annual General Meeting

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

Year	Location	Date	Time
2010-2011	Mayfair Tower Ground floor, 2, Palm Avenue, Kolkata - 700 019.	30th July, 2011	11.30 A.M
2011-2012	Mayfair Tower, Ground floor, 2, Palm Avenue Kolkata - 700 019.	25th Aug. 2012	12.00 Noon
2012-2013	Mayfair Tower, Ground floor, 2, Palm Avenue Kolkata - 700 019.	31st Aug. 2013	11.30 AM

B. Whether special resolution were put through postal ballot last year? **NO**

C. Are votes proposed to be conducted through postal ballot this year? **Yes**

As per Sebi guidelines E-Voting facility is to be provided to all share holders as such all the resolutions shall be passed by ballot/e-voting.

ii. Means of Communication

Half year report / highlights sent to Household of each shareholders	No
Quarterly results, published in specified newspapers	Business Standard(English) Duronto Bharta (Bengali)
Corporate website	www.bnkcapital.com
Any Official new release published in newspapers	N.A

Whether MD&A Report is a part of Annual Report **Yes**
Whether shareholder information section forms part of Annual Report **Yes**

iii. Shareholders Information

1. Annual General Meeting

* Date and Time : 10th September 2014 at 10.30 A.M.
* Venue : Bhartiya Bhasha Parisad, Sitaram Seksaria Auditorium 36A, Shakespeare Sarani, Kolkata-700017

2. Financial Calender

For the Financial Year ended 31st March 2014.

Financial Results for Quarter ended June 30, 2013.	26th July, 2013
Financial Results for Quarter ended September 30, 2013.	31th October, 2013
Financial Results for Quarter ended December 31, 2014.	29th January, 2014
Audited Financial Results for Year ended March 31, 2014.	30th May 2014

3. **Date of Book Closure** 2nd September 2014 to 10th September 2014 (Both days inclusive)

4. Dividend Payment Date

In absence of sufficient profit the Board of Directors do not recommend payment of any dividend for the financial year 2013-2014

5. Registered Office

Mayfair Tower, 2 Palm Avenue, Kolkata: 700 019
Tel : (033) 3002 8574-76, Fax : (033) 3058 0562

6. Listing Details (Equity Share)

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

The Company has paid the Listing Fees for the year 2013-14 to B S E Ltd. The payment of fee to Calcutta Stock Exchange is under dispute as the exchange was closed for trading for the period under consideration.

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: cbmsl 1 @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. In case of routine matters a process of circular resolutions adopted. 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	2013-2014		2012-2013	
	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	1	1	1	1
Total	1	1	1	1

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

10. Distribution of Shareholding as on 31st March 2014. (See table No. 1)

11. Categories of Shareholding as on 31st March 2014. (See table No. 2)

12. Dematerialization of shares & liquidity

Over 95.25% of equity shares have been dematerialized as on 31.03.2014. Trading in equity shares of your Company on BSE Ltd. 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 : 700 019, Tel : (033) 2281 – 0560 / 61, Fax : (033) 22800457, E-mail : corporate@bnkcapital.com, compliance@bnkcapital.com

Registrar & 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. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

The due date on which unclaimed dividends lying in the unpaid dividend accounts of the Company would be credited to the IEPF, are stated in the table below. Investors are requested to claim their dividends before these dates.

Financial Year	Date of Declaration	30days expire from the date of declaration	Transfer to unpaid dividend "unpaid/unclaimed dividend account	7 Years expire from the date of transfer to unpaid /unclaimed dividend account	Amount lying unpaid / unclaimed as on 31st March 2013
2006-07	28-09-2007	27-10-2007	28-10-2007	27-10-2014	1,07,847.00
2007-08	06-09-2008	05-10-2008	06-10-2008	05-10-2015	1,13,608.18
2008-09	02-09-2009	01-10-2009	02-10-2009	01-10-2016	1,27,744.00
2009-10	27-07-2010	26-08-2010	27-08-2010	26-08-2017	1,14,044.00
2010-11	30-07-2011	29-08-2011	30-08-2011	29-08-2018	1,10,540.00
2011-12	25-08-2012	24-09-2012	25-09-2012	24-09-2019	1,27,051.20
2012-13	09-09-2013	08-10-2013	09-10-2013	03-10-2020	84,227.00

In terms of the shares issued by the Company in physical form, the certificates of which are lying unclaimed, the Company intends to issue reminders to their holders. These Shares will be transferred into one folio in the name of "Unclaimed Suspense Account" in due course.

17. Per Share data

	2013-2014	2012-2013
EPS (₹)	0.53	2.67
EPS Growth (%)	-80%	-10%
Book Value per share (₹)	40.66	40.61
Share price as on 31st March 2014	20.90	18.90

18. Market Price(High & Low)at BSE during each month of the Financial Year 13-14

Month	High (₹)	Low (₹)			
April 2013	19.10	16.70	October 2013	19.95	18.10
May 2013	20.75	17.15	November 2013	21.00	18.10
June 2013	20.10	18.20	December 2013	21.70	17.20
July 2013	18.15	17.00	January 2014	22.75	17.75
August 2013	17.90	16.00	February 2014	21.40	16.45
September 2013	17.85	15.45	March 2014	20.90	18.00

Table 1

Share held	No. of share holders	2013-2014		2012-2013		Share amount	% of share amount
		% of share holders	Share amount	% of share holders	Share amount		
1 - 5000	1971	81.41	373239	3.73	1972	380041	3.80
5001-10000	194	8.01	135854	1.36	210	148524	1.48
10001-20000	89	3.68	127517	1.27	92	131663	1.32
20001-30000	38	1.57	95550	0.96	42	105540	1.06
30001-40000	36	1.49	119772	1.20	32	105410	1.05
40001-50000	10	0.41	47847	0.48	10	46319	0.46
50001-100000	30	1.24	215061	2.15	30	219670	2.20
100001 & above	53	2.19	8885160	88.85	56	8862833	88.63
Total	2421	100.00	10000000	100.00	2444	10000000	100

Table 2

Category	2013-2014		2012-2013	
	No. of share held	% of share holding	No. of share held	% of share holding
01. Promoter Company	1871881	18.72	1871881	18.72
02. Director	3425126	34.25	3358251	33.58
03. Directors Relative	--	--	66875	0.67
04. Mutual Fund	--	--	31250	0.31
05. F.I.I.	--	--	--	--
06. Financial Institution	--	--	--	--
07. N.R.I	30586	0.31	30586	0.31
08. Other Bodies Corp.	2669507	26.69	2743543	27.44
09. Bank	--	--	--	--
10. Resident Individual	1988902	19.89	1897314	18.97
11. Clearing Members	13998	0.14	300	0
TOTAL	10000000	100.00	10000000	100.00

AUDITOR'S CERTIFICATE

To

The Members of BNK Capital Markets Ltd.

We have examined the compliance of conditions of corporate governance by BNK Capital Markets Ltd., for the year ended on 31st March 2014, 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
ICAI Firm Registration No-307124E
CHARTERED ACCOUNTANTS
(RADHARAMAN BHATTACHARYA)

Place : Kolkata Proprietor
Date : 30th May 2014 Membership No. - 12394

Management Discussion & Analysis Report

Overview :

Prolonged economic crisis, particularly in the Euro zone, crude price hike, high import of crude & Gold, weakening of Rupee, high current account deficit lead to very slow growth of GDP. GDP grew @ 4.70% P.A in F.Y.2013-14. This has kept the market quite dull in most part of the last financial year. Only at the end of last quarter some positive movement has taken place because of the expectation of change in the Government with the general elections. However Loksabha election in April -May 2014 has given a decisive mandate in favor of BJP lead NDA. The New Government under Priministership of Mr. Narendra Modi has assumed office and are moving forward with Growth and Governance as its main agenda. It is presumed that the projects which was held up for a long period of time shall be resumed. Expectation of Growth led good governance, policy actions, have resulted in good sentiments and the foreign investors have stated investments in Indian stocks in a big way. This has lead to a sense in "Nifty & Sensex" to all time high levels. We expect the markets to move positively after some consolidation in times to come.

Opportunities and Threats

The economy is looking up. This coupled with a strong Govt action on policy implementation may take couple of quarters to again start moving on the growth trajectory. The Cooling down of crude will help in bringing down the energy bill and will also help in controlling cost inflation. It is expected that the GDP will grow over 6.% this year. We should see the Country again moving on the fast growth trajectory by the last quarter of the financial year.

The key threats include deficiency in monsoon, the change/slowdown in implementation of the policies of the Government., delay in implementation of tax reforms, failure to contain actual inflation within a reasonable range, high inflation rate, increasing interest rates because of inflationary pressure, governing rules of SEBI and RBI etc., crises in Eurozone, which may affect the capital and debt 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 2014 (In Lacs)	Year Ended 31st March 2013 (In Lacs)
Profit before Depreciation and Amortisation Expenses, Finance Costs and Tax Expenses	1117.17	368.37
Less: Finance Costs	69.67	57.49
Depreciation and Amortisation Expences	6.50	8.25
Profit before Tax	35.00	302.63
Less: Current Tax	29.94	35.84
Deferred Tax	0.22	(0.48)
Profit for the year	5.28	267.27
Add: Balance in Profit & Loss Account	759.77	654.05
	765.05	921.33
Less: Appropriation		
Transferred to Statutory Reserve	2.65	53.45
Transferred to General Reserve	0.00	50.00
Proposed Dividend on Equity Shares	0.00	50.00
Tax on Dividend	0.00	8.11
Closing Balance	762.40	759.77

Comment on current year's performance:

Revenue : Total Revenue of the Company has decreased in comparison to previous year because of volatile capital markets, volatile interest rate regime & bad economic scenario.

Operating Expenses : Operating expense has increased compare to previous year because of bad debts & provisioning for non performing assets. However your directors have tried to keep it to minimum levels.

Operating Profit : Profit decreased on account of sale of investment, dividend, interest in comparison to last year.

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

Depreciation : Depreciation has reduced during the year.

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

HUMAN RESOURCES

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

INTERNAL CONTROLS

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

The internal control 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BNK CAPITAL MARKETS LTD.

We have audited the accompanying financial statements of BNK Capital Markets Ltd. ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards notified under the Companies Act, 1956 read with general Circular 15/2013, dated 13th September 2013, issued by the Ministry of Corporate Affairs, in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control . An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 1956(" the Act") 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 March 31, 2014;
- In the case of the Statement of Profit and Loss , of the profit for the year ended on that date; and
- In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, we report that:
- we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - 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 Statement of Profit and Loss, 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 statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 read with General Circular 15/2013 dated 13th September 2013, issued by the Ministry of Corporate Affairs, in respect of Section 133 of the Companies Act, 2013;
 - on the basis or written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

Place : Kolkata

Date : 30th May 2014

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

Annexure referred to in Paragraph 6 of the Auditors' Report of Even Date
Re: BNK Capital Markets Limited ("the Company")

- The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
 - The Fixed Assets have been physically verified by the management during the year, and no material discrepancies were identified on such verification.
 - There was no substantial disposal of fixed assets save and except the sale of two numbers of dilapidated Motor Cars during the year
- The management has conducted physical verification of inventory at reasonable intervals during the year.
 - The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - The Company has maintained proper records of inventory and no material discrepancies were noticed on physical verification.
- In respect of the loans, secured or unsecured, granted or taken by the Company to/from companies, firms or other parties covered in the register maintenance under section 301 of the Companies Act, 1956:
 - As per information and records made available to us, the Company has granted unsecured loans to six Companies listed in the register maintained under section 301 of the Act. The maximum amount involved during the period and the balances of said loans were aggregating to Rs.363 lacs and Rs.265.28 lacs respectively.
 - In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions of the loans given by the Company, are not prima facie prejudicial to the interest of the Company.
 - In respect of aforesaid loan granted, the amounts of principal as well as interest have been repaid regularly.
 - In respect of the said loans and interest thereon, there are no overdue amounts.
 - 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. Accordingly, sub clause (f) and (g) of clause 4(iii) of the said order are not applicable of the Company.
- In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit no major weakness has been noticed in the internal control systems in respect of these areas. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system of the Company in respect of these areas.
- According to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements that need to be entered into the register required to be maintained under section 301 of the Companies Act, 1956 have been so entered.
- According to the information and explanations given to us, the Company

- In our opinion, the company has an internal audit system commensurate with the size of the Company and nature of its business, for the purchases of shares/securities, equipment and other assets and for sale of shares/securities.
- In our opinion, the provisions of section 209(1) (d) of the Companies Act 1956 for the maintenance of cost records are not applicable to the Company.
- According to the information's and explanations given to us and the records of the Companies examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues including Investor Education and Protection Fund, Income Tax, Service Tax, Cess and other material statutory dues as applicable to the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2014 for a period of more than six months from the date they become payable.
 - The disputed Income Tax aggregating Rs.338.53 Lacs that have not been deposited on account of disputed matters pending before appropriate authorities are as under:

Sr. No	Nature of the Dues	Amount (` in Lacs)	Period to which the amount relates	Forum where dispute is pending
1	Income Tax	43.49	2004-2005	Appeal effect is pending with DCIT
2	Income Tax	241.13	2006-2007	Appeal effect is pending with DCIT
3	Income Tax	38.11	2008-2009	ITAT
4	Income Tax	10.17	2010-2011	CIT-XXII(A)
5	Income Tax	5.63	2011-2012	CIT-XII

- The company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the financial year ended as on that date or in the immediately preceding financial year.
- According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holder as at the balance sheet date.
- According to the information and explanations given to us and based on the documents and records produced to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- In our opinion, the Company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, the provisions of Clause 4(xiii) of the order are not applicable to the Company.
- 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 of 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 of the exemption, if any, granted u/s 49 of the Companies Act, 1956.
- In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
- The Company has neither raised any term loans during the year nor was any unutilised amount left on this account, at the beginning of the year. Therefore, the provisions of Clause 4(xvi) of the order are not applicable to the Company.
- 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.
- 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.
- During the year under audit, the Company has not created any security or charge in respect of debentures issued.
- The Company has not raised any monies by way of public issues during the year.
- During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instances of material fraud on or by the Company, noticed or reported during the year, nor have been informed of any such case by the management.

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

Place : Kolkata

Date : 30th May 2014

Proprietor

Membership No. - 12394

BALANCE SHEET AS AT 31ST MARCH, 2014.

Particulars	Note No	As at 31.03.2014		As at 31.03.2013	
		₹ (lacs)	₹ (lacs)	₹ (lacs)	₹ (lacs)
I. EQUITY AND LIABILITIES					
(1) Shareholders' Funds					
(a) Share Capital	2	1,000.00		1,000.00	
(b) Reserves and Surplus	3	3,066.09	4,066.09	3,060.81	4,060.81
(2) Current Liabilities					
(a) Short-term borrowings	4(a)	1,645.80		1,916.25	
(b) Other current liabilities	4(b)	745.16		727.52	
(c) Short-term provisions	4(c)	5.39	2,396.35	50.00	2,693.77
Total			6,462.44		6,754.58
II. ASSETS					
(1) Non-Current Assets					
(a) Fixed Assets					
Tangible assets	5(a)	14.09	14.09	28.31	28.31
(b) Non-current investments	5(b)	2,955.30		3,459.15	
(c) Deferred tax assets (Net)	5(c)	1.62		1.40	
(d) Long term loans and advances	5(d)	9.70	2,966.63	12.58	3,473.13
(2) Current Assets					
(a) Inventories		12.55		12.55	
(b) Trade receivables	6(a)	0.59		12.06	
(c) Cash and cash equivalents	6(b)	210.05		568.90	
(d) Short-term loans and advances	6(c)	3,145.41		2,514.28	
(e) Other current assets	6(d)	113.13	3,481.72	145.34	3,253.14
Total			6,462.44		6,754.58
Significant Accounting Policies	1				

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For R. BHATTACHARYA & ASSOCIATES
ICAI Firm Registration No. 307124E
Chartered Accountants

CA. R. Bhattacharya
Proprietor
Membership No.012394

Kolkata, May 30th, 2014.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

P. Brahmachari
Director

S. Khandelwal
Director

P. Chakravarti
Director

A. Khandelwal
Managing Director

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2014.

Particulars	Note No	As at	
		31.03.2014	31.03.2013
		₹ (lacs)	₹ (lacs)
I. Revenue from operations	7	272.20	829.59
II. Other Income	8	131.81	210.94
III. Total Revenue (I +II)		404.01	1,040.53
IV. Expenses:			
Purchase of Stock-in-Trade		-	264.43
Changes in inventories of Stock-in-Trade		-	250.00
Employees benefit expense		70.98	81.43
Finance costs	9	69.67	57.49
Depreciation and amortization expense		6.50	8.25
Other expenses	10	221.86	76.30
Total Expenses		369.01	737.90
V Profit before Tax (IV-V)		35.00	302.63
VI. Tax expenses:			
(1) Current tax		(29.94)	(35.84)
(2) Deferred tax		0.22	0.48
VII. Profit for the year		5.28	267.27
VIII. Earnings per equity share:			
(1) Basic and Diluted (in Rs.)		0.05	2.67

Significant Accounting Policies

1

The accompanying notes are an integral part of the financial statements.

As per our report of even date
For R.BHATTACHARYA & ASSOCIATES
 ICAI Firm Registration No. 307124E
 Chartered Accountants

CA. R. Bhattacharya
 Proprietor
 Membership No.012394

Kolkata, May 30th, 2014.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

P. Brahmachari
 Director

S. Khandelwal
 Director

P. Chakravarti
 Director

A. Khandelwal
 Managing Director

Notes Annexed to and forming part of Accounts

Notes to Financial Statements forming to and part of the Balance Sheet as at 31st March, 2014 and the Statement of Profit and Loss for the year ended on that date.

Note No.

1 SIGNIFICANT ACCOUNTING POLICIES

a) Corporate Information

BNK Capital Markets Limited is a public limited Company domiciled in India and incorporated under the Provisions of the Companies Act, 1956. Its shares are listed on the BSE Limited and The Calcutta Stock Exchange Limited in India. BNK Capital Markets Limited is a Non-Banking Financial (Non-Deposit Accepting or Holding) Company registered under the Reserve Bank of India Act, 1934.

b) Basis of Accounting :

The financial statements have been prepared under the historical cost convention on the accounting principles of a going concern. Accounting Policies not specifically referred to otherwise are consistent and in consonance with the applicable accounting standards prescribed by the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956 (as amended) to the extent applicable and also as per the guidelines for prudential norms prescribed by the Reserve Bank of India and the general circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. All Expenses and income to the extent ascertainable with reasonable certainty are accounted for on accrual basis. "The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities on the date of financial statements and reported amounts of revenue and expenses for that year. Actual result could differ from these estimates. Any revision to the accounting estimates is recognised prospectively." All assets and liabilities have been classified as Current and Non Current as per the Company's normal operating cycle and other criteria set out in the Schedule VI to the Companies Act, 1956 (as amended).

c) Fixed Assets :

All Fixed Assets are valued at cost less depreciation.

An Asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to profit & loss account in the year in which an asset is identified as impaired.

d) Depreciation :

Depreciation on all tangible fixed assets is provided on written down value method in terms of Section 350 of the Companies Act, 1956, at the rates prescribed in Schedule XIV to the said act over their useful life.

e) Investments :

Investments, are readily realisable but intended to be held for more than one year from the date on which such

investments are made, are classified as Non Current Investments, all other Investments are classified as current Investments.

Investments are stated at cost.

On disposal of an Investment, the difference between its carrying amount and net disposal proceeds is charged to the statement of profit and loss.

f) Inventory

Inventories are valued at cost.

g) Recognition of Income and Expenditure :

i) Revenue is recognised and reported to the extent it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

ii) Interest Income is recognised as and when the same has accrued on time proportion basis and company's right to receive interest is established.

iii) Dividend Income is recognised when the same is received by the company.

h) Employee Retirement & Other Benefits

i) Short term employees benefits are recognised in the period in which employees' services are rendered.

ii) Leave Encashment benefit is considered and provided for, based on actual as at the financial year.

iii) The benefits for staff gratuity have not been provided for the year under review. As most of the employees appointed are contractual.

i) Income Taxes

Tax expenses are comprised of Current & Deferred Tax. Current Income Tax is measured at the amount expected to be paid to the Tax Authorities in accordance with the Income Tax act, 1961. Deferred Income Taxes reflect the impact of the timing differences between taxable income and the accounting income originating during the current year and reversal of timing differences for the earlier years.

Deferred tax liabilities are recognised for all taxable timing differences. Deferred tax Assets are recognised for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Minimum Alternate Tax (MAT) if paid in a year is charged to the Statement of Profit & Loss as Current Tax. The company recognises MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period i.e. the period for which MAT credit is allowed to be carried forward.

j) Provisions, Contingent Liabilities and Contingent Assets Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

k) Earnings Per Share (EPS)

Basic EPS are calculated by dividing the net profit for the period attributable to the equity share holders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period.

Notes on Financial Statements for the Year ended 31st March 2014

Particulars	As at 31.03.2014		As at 31.03.2013	
	₹ (lacs)	₹ (lacs)	₹ (lacs)	₹ (lacs)
2 SHARE CAPITAL				
Authorised				
125,00,000 Equity Shares of ₹ 10/- each		1,250.00		1,250.00
Issued, Subscribed & Paid Up				
100,00,000 Equity Shares of ₹ 10/- each, fully paid up in cash. (Prev.Yr:100,00,000 Equity Shares of ₹ 10/- each)		1,000.00		1,000.00
		1,000.00		1,000.00
Reconciliation of Equity Share of the company:				
Issued, Subscribed & Paid up:				
Number of Equity Shares at the beginning of the year		10,000,000		10,000,000
Add: Issued/Subscribed & Paid Up during the year		-		-
Balance at the end of the year		10,000,000		10,000,000
Terms/Rights attached to Equity Shares				
The company has only one class of equity shares having a par value of Rs.10/- per share. Each holder of equity share is entitled to one vote per share.				
In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.				
Details of holding more than 5% of paid up Equity Share Capital:				
	% of holding	No. of Shares	% of holding	No. of Shares
Radhey Shyam Khandelwal	11.75	1,175,000	11.75	1,175,000
Ajit Kumar khandelwal	11.25	1,125,063	11.25	1,125,063
Sanjeev Kumar Khandelwal	11.25	1,125,063	11.25	1,125,063
BNK Securities Pvt.Ltd	11.28	1,127,781	11.28	1,127,781
Details for preceeding Five Years of Equity Shares:				
	FY:2013-14	FY:2012-13	FY:2011-12	FY:2010-11
Aggregate number of Equity Shares allotted as fully paid up by way of Bonus Shares	N.A.	N.A.	2,000,000	N.A.
3 RESERVES & SURPLUS				
Share Premium Account				
Balance Brought Forward		1,230.00	1,230.00	1,230.00
Statutory Reserve				
Balance Brought Forward		347.83		294.38
Add: Transferred during the year		2.65	350.48	53.45
				347.83
General Reserve				
Balance Brought Forward		723.21		673.21
Add: Transferred during the year		-	723.21	50.00
				723.21
Surplus from Statement of Profit & Loss				
Balance Brought Forward		759.77		654.05
Add: Profit for the year		5.28		267.27
		765.05		921.33
Less:				
Transferred to Statutory Reserve		2.65		53.45
Transferred to General Reserve		-		50.00
Proposed Dividend on Equity Shares [Dividend per Share Rs.0.00 (Previous year Rs.0.50)]		-		50.00
Tax on Dividend		-	762.40	8.11
			3,066.09	3,060.81

Notes on Financial Statements for the Year ended 31st March 2014

		As at 31.03.2014	As at 31.03.2013
	` (lacs)	` (lacs)	` (lacs)
4 CURRENT LIABILITIES			
(a) Short-term borrowings			
Bank Overdraft	0.30	0.30	293.84
Limit sanctioned Rs.4.50 lac (P.Year4.20 lac) Against security of Fixed Deposit		0.30	293.84
Unsecured			
From body corporates, repayable on demand	1,645.50	1,645.50	1,622.41
		1,645.50	1,622.41
(b) Other Current Liabilities			
<u>Outstanding liabilities for</u>			
Other Finance	1.50		1.15
For Expenses	0.46		0.58
Interest Accrued & Due	743.19	745.16	725.79
		745.16	727.52
(c) Short Term Provisions			
Contingent Provision against Standard Assets (under the provision of NBFC(non-deposit accepting or holding) Prudential norms RBI Directions 2007)	5.39	5.39	
Provision for Dividend			50.00
		5.39	50.00
5 NON CURRENT ASSETS			
(a) Tangible Assets			
Gross Amount			
Opening Balance B/F	65.94		60.48
Additions during the Year	1.36		5.46
Sale/Adjustment during the Year	(21.78)	45.52	-
Less: Depreciation			
Opening Balance B/F	37.63		29.38
Additions during the Year	6.50		8.25
Reversal/Adjustment during the Year	(12.69)	(31.43)	-
Net Amount		14.09	28.31

Fixed Asset

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As On 01.04.2013	Adjustment /Sale during the year	As On 31.03.2014	As On 01.04.2013	Adjustment /Sale during the year	Addition during the year	As On 31.03.2014	As On 31.03.2014	As On 31.03.2013
TANGIBLE ASSETS									
Furniture & Fittings	2.83	-	2.83	0.63	0.40		1.03	1.80	2.20
Motor Car	47.70	(21.78)	25.92	29.62	4.50	(12.69)	21.43	4.49	18.08
Office equipments	9.69	0.45	10.14	2.63	1.03		3.66	6.48	7.06
Computer	5.72	0.91	6.63	4.75	0.56		5.31	1.32	0.97
Total	65.94	(20.42)	45.52	37.63	6.50	(12.69)	31.43	14.09	28.31
Previous Year	60.48	5.46	65.94	29.38	8.25	-	37.63	28.31	31.10

Notes on Financial Statements for the Year ended 31st March 2014

b) Non Current Investments

(i) Investments (at cost, Long term, Other than trade)

Shares & securities, Quoted	F.V.	Quantity	Amount	Quantity	Amount
Arco Impex Ltd	10	44,000	5	44,000	4.51
Arihant Impex Ltd	10	20,000	0	20,000	0.45
Ballasore Alloy Ltd.	10	52,000	19	52,000	19.31
BEML Ltd	10	44	0	44	0.16
Bharat Pipes & Fittings Ltd	10	500	0	500	0.12
Bhoruka Aluminium Ltd.	10	25,000	1	25,000	1.24
B.J.Duplex Boards Ltd	10	1,000	0	1,000	0.05
Bombay Burmah Trading Corporation Ltd	2	10,000	1	10,000	0.76
Bombay Rayon Fashion Ltd.	10	10,000	23	10,000	23.01
CESC Ltd	10	3,017,351	646	3,017,351	645.64
CNI Research Ltd.	1	5,000	-	5,000	-
Color Chips (India) Ltd	10	66	0	660	0.07
Duncans Brothers & Company Ltd	10	-	-	3,185	0.16
DSQ Biotech Ltd.	10	-	-	3,600	0.14
ESS Dee Alluminium Ltd.	10	785	9	785	9.00
Eveready Industries Ltd.	5	18,000	8	-	-
ELGI Equipment Ltd.	1	50	0	50	0.01
Ellenbarrie Industrial Gases Ltd.	10	-	-	4,255	17.86
Enkay Texofood Industries Ltd.	10	2,000	0.04	2,000	0.04
Enso Secutrack Ltd.	10	4,000	0.11	4,000	0.11
Essel Propack Ltd.	2	75	0.30	75	0.30
Fairluck Commercial Company Ltd.	10	243,800	13.79	243,800	13.79
Gujarat Mineral Development Corp.Ltd	2	1,000	1.68	1,000	1.68
Gujrat Fluro Chemical Ltd.	10	16,000	79.81	16,000	79.81
G.V.Films Ltd	10	2,500	0.09	2,500	0.09
GVK Power & Infrastructure Ltd	1	51,250	7.94	51,250	7.94
Gwalior Strips Ltd	10	1,000	0.20	1,000	0.20
Halmark Drug & Chem Ltd	10	5,000	0.04	5,000	0.04
Harrisons Malayalam Ltd	10	35,000	27.95	35,000	27.95
Hendez Electronics Ltd	10	300	0.03	300	0.03
India Bulls Power Ltd	10	20,000	3.33	20,000	3.33
India Bulls Securities Ltd	10	10,000	1.56	10,000	1.56
India Gelatine & Chemicals Ltd	10	-	-	1,520	0.14
IST Ltd	10	-	-	1,600	0.47
Indsil Hydro Power & Maganese Ltd	10	3,333	0.08	3,333	0.08
Jay Bharat Fabric Ltd	10	10,000	0.30	10,000	0.30
Jindal South West Holdings Ltd	10	-	-	100	0.56
Kanika Infrastructure & Power Ltd	10	500	-	500	-
KEC International Ltd	2	26,660	16.24	1,509,275	588.04
Kirloskar Electric Co.Ltd	10	3,261	1.45	3,261	1.45
Kanel Oil Export Ltd	10	1,100	0.01	1,100	0.01
Kothari Phyto Chemicals Ltd	10	150,000	62.32	150,000	62.32
Mardia Steel Ltd	10	600	0.01	600	0.01
Mcnally Bharat Engg. Ltd	10	-	-	17,861	17.13
Meghmani Organics Ltd	1	25,000	3.41	25,000	3.41
Mura Black India Ltd	10	300	-	300	-
Nagarjuna Fertilizer Ltd	10	1,400	0.33	1,400	0.33
NHPC Ltd	10	100,000	30.65	100,000	30.65
Nihar Info Global Ltd	10	25,000	0.75	25,000	0.75
Orchid Chemicals Ltd.	10	300	0.67	300	0.67
Origion Agro Star Limited	10	3,600	0.13	-	-
Padmini Technologies Ltd	10	2,500	0.16	2,500	0.16
Phillips Carbon Black Ltd	10	680,000	653.21	530,000	553.32
Pennar Alluminium Company Ltd	10	15,000	0.31	15,000	0.31
Polaris Financial Technologies Ltd	5	450	0.50	450	0.50
Protchem Industries Ltd	1	2,500	0.55	2,500	0.55
PNB Gilts Ltd	10	6,666	1.12	5,000	1.12
Punjab Chemicals & Protection Ltd	10	500	0.76	500	0.76
Rasoi Ltd	10	6,607	21.67	6,002	19.13
Reliance Power Ltd	10	3,270	-	3,270	-
Sanghi Polyester Ltd	10	4,700	0.04	4,700	0.04

Notes on Financial Statements for the Year ended 31st March 2014

	F.V.	Quantity	Amount	Quantity	Amount
Saregama Ltd.	10	523,220	481.90	523,220	481.90
Shivalik Bymetal Controls Ltd	2	15,000	2.86	15,000	2.86
Shree Synthetic Ltd	10	25	-	25	-
Shoper Stop Ltd.	5	1,000	3.54	1,000	3.54
Shree Securities Ltd	10	33,000	65.41	33,000	65.41
Stieful Und Schuh Ltd	10	2,100	0.21	2,100	0.21
Steel Strips Infrastructures Ltd.	10	6,000	0.48	6,000	0.48
Summit Securities Ltd	10	-	-	17,787	48.37
Tata Steel Ltd	10	580	1.42	580	1.42
Texmaco Infrastructure & Holding Ltd	10	5,000	1.59	5,000	1.59
Valiant Communication Ltd	10	10,000	1.92	10,000	1.92
Varun Shipping Co.Ltd	10	14,850	1.39	14,850	1.39
Welspun Corp.Ltd.	5	2,500	2.49	2,500	2.49
Welspun Enterprises Limited	10	125	-	-	-
Zensar Technologies Ltd	10	4,200	13.75	4,200	13.75
Zydus Weliness Ltd	10	1,000	1.25	1,000	1.25
			2,221.97		2,768.15
In unquoted Equity Shares, at cost Others	F.V	Quantity	Amount	Quantity	Amount
Bliss Stock Brokers Pvt Ltd	10	180,000	18.00	180,000	18.00
Fermanite Nicco Services Ltd	10	10		10	
Gujarat Securities Ltd	10	10,000	0.15	10,000	0.15
I Land Info Ltd	10	30,000	3.00	30,000	3.00
Malanpur Steel Ltd	10	218	-	218	-
Trendz Investment Ltd	10	350,000	35.00	350,000	35.00
Zeon Synthetics Ltd	10	120,000	12.00	120,000	12.00
			68.15		68.15
Associates					
BNK Securities Pvt Ltd	10	2,544,400	439.69	2,544,400	439.69
Multiple Infra Pvt Ltd	10	22,500	24.75	22,500	24.75
			464.44		464.44
In Debenture at cost					
Galleria Mall Developers Pvt.Ltd.		0	-	16	5.87
Lily Realty Pvt.Ltd.		0	-	6	0.08
Prince Foundation Ltd.		16	2.00	16	9.06
Sheth Developers Pvt.Ltd.		0	-	10	0.65
			2.00		15.66
In Mutual Fund					
UTI Master Share		5000	0.74	5,000	0.74
			0.74		0.74
In Subsidiary Company Equity Shares					
BNK Commodities Pvt.Ltd.	10	1,610,000	161.00	1,050,000	105.00
			161.00		105.00
In Foreign Company(Associate)					
BNK Comdex DMCC (shares of 1000 ADE each)		300	37.01	300	37.01
			37.01		37.01
			2,955.30		3,459.15
Aggregate Market Value of quoted shares			16,193.76		9,908.61
NAV of Mutual Fund			1.19		1.19
			16,194.95		9,909.80
c) Other Non Current Assets					
Deferred tax assets (Net)			1.62		1.40
			1.62		1.40
d) Long term Loans & Advances					
Security Deposit			9.70		12.58
			9.70		12.58

Notes on Financial Statements for the Year ended 31st March 2014

6 CURRENT ASSETS

(a) Trade Receivables

Unsecured, Considered Good

Trade Receivables outstanding for a period

less than Six months

Others

		-		-
	0.59	0.59	12.06	12.06
		<u>0.59</u>		<u>12.06</u>

(b) Cash & Cash Equivalents

(i) Balances with banks

in Current Accounts

(ii) Cash in hand

(iii) Fixed Deposit with Bank(maturity within one year)

	69.72		84.26
	0.61		0.51
	139.72		484.13
	<u>210.05</u>		<u>568.90</u>

(c) Short Term Loans & Advances

(unsecured, considered good)

(i) Loan Given

to corporates, other than associate companies to others

Less: Provisions for Non Performing Assets (sub standard) 80.37

(ii) Loans & Advances to Related Parties

(iii) Staff Advance

2,960.50		2,221.93	
	2,880.13	-	2,221.93
	265.28		291.50
	-		0.85
	<u>3,145.41</u>		<u>2,514.28</u>

(d) Other Current Assets

Prepaid Expenses

Share Applications pending allotment with Subsidiary

Provision for Taxation(net of tax)

Service Tax

0.36		0.83
-		56.00
108.24		85.18
4.53		3.33
<u>113.13</u>		<u>145.34</u>

7 REVENUE FROM OPERATIONS

Interest income

On Fixed Deposit

On Others

Less: Interest reversed as per RBI prudential norms relating to income recognition

Sale of Bonds

	47.20		42.65
303.49		274.34	
<u>78.49</u>	225.00	-	274.34
	<u>272.20</u>		<u>512.60</u>
			<u>829.59</u>

8 OTHER INCOME

Dividend Received

Net Loss on Sale of Non Current Investments

Misc. Receipts

227.52		191.73
(96.27)		19.11
<u>0.57</u>		<u>0.10</u>
<u>131.81</u>		<u>210.94</u>

9 Finance Costs

Interest Paid

on Bank Overdraft

on Loan

33.38		33.72
<u>36.28</u>	69.67	<u>23.77</u>
	<u>69.67</u>	<u>57.49</u>

10 OTHER EXPENSES

(a) Operational Expenses

Purchases (bonds)

Security Transaction Tax

		263.02
	-	1.41
	-	<u>264.43</u>

(b) Administrative & Other Expenses

Director's Remuneration & Sitting Fees

Business Promotion Expenses

Demat Charges

14.94		15.08
2.98		5.60
0.53		0.56

Notes on Financial Statements for the Year ended 31st March 2014

General Charges		0.75		3.41
Guest House Expences				8.75
Motor Car Expenses		2.88		5.59
Travelling Expenses		9.27		11.33
Bank Charges		0.06		0.06
Bad Debt written off		73.30		-
Rent Rates & Taxes		9.55		8.14
Legal Expenses		0.03		0.10
Listing & Filing Fees		0.31		0.46
Auditors Remuneration				
For Audit Fees	0.09		0.09	
For Tax Audit Fees	0.02		0.02	
Other Matters	0.10	0.21	0.10	0.21
Printing & Stationery		0.63		1.87
Professional Fee		4.01		2.31
Telephone Expenses		0.51		1.64
Electric Charges		1.58		3.85
Meeting & confarence Expenses		0.20		1.53
Membership & Subscriptions		0.42		0.29
Notice & Publication		0.20		0.21
Postage & Telegram		0.39		0.70
Repair & Maintenance		1.28		1.21
Website Maintenance		4.29		3.40
Loss on sale of fixed assets		7.79		-
Provision for Non Performing Loans & Advances		80.37		-
Contingent Provision against Standard Assets		5.39		-
		<u>221.86</u>		<u>76.30</u>

- 11 The Company is an Non Deposit accepting 'Non Banking Finance Company' having registration number B-05.02574 dated 09.12.2004 allotted by Reserve bank of India.
- 12 The Board of Directors of the Company has passed a resolution for Non - acceptance of public deposit and consequently the company has not accepted any public deposit during the year under audit.
- 13 The company has complied with the prudential norms relating to income recognition, accounting standards and assets classification as applicable to it.
- 14 The company has appropriated during the year to Statutory Reserve Fund as per guidelines issued by the Reserve Bank of India for Non Banking Finance Companies in terms of Section 45(IC) of Reserve Bank of India Act, 1934.
- 15 The company under the provisions of Non Banking (Non Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 has made provision for standard assets of Trade Receivables @ 0.25% of the outstanding as on 31.03.2014 .
- 16 In the opinion of the board of directors, all current assets, have a value on realisation in the ordinary course of business atleast equal to the amount at which they are stated.
- 17 Unsecured Loan due to parties are repayable on demand.
- 18 Based on information available with the company, there are no clients/creditors who are registered under Micro, Small and Medium Enterprises Development Act, 2006.
- 19 There is no small scale industrial undertaking to whom the company owes amounts outstanding for more than 30 days as at 31st March,2014.
- 20 Advance Tax paid and Tax Deducted at Source will be adjusted by the company on the completion of assessment of the income for the A.Y.2013-14 by the Income Tax Department.
- 21 In accordance with the revised Accounting Standard AS-15, i.e. Employee Benefits, the company has recognised the short term employee benefits accordingly paid for the services rendered by the employees for that period. Long term benefis are not payable to the employees of the company, as the company is not under any statutory obligation as well as contractual obligation.
- 22 The company considers its operation of NBFC activities as single segment and as such Accounting Standard AS-17 'Segment Reporting issued by ICAI is not applicable for the Company
- 23 The Company has provided for the non performing assets/loan/advances during the year. Interest income taken on such loans & advances have been reversed in compliance of guidelines issued by the Reserve Bank Of India for non banking finance Companies.
- 24 Claims against the Company not acknowledged as debt.

S. No.	Nature	Assessment Year	(in lacs)	Forum where dispute is pending
1	Income Tax	2004-2005	43.49	Appeal effect is pending with DCIT
2	Income Tax	2006-2007	241.13	Appeal effect is pending with DCIT
3	Income Tax	2008-2009	38.11	ITAT
4	Income Tax	2010-2011	10.17	CIT-XXII (A)
5	Income Tax	2011-2012	5.63	CIT--XII

Notes on Financial Statements for the Year ended 31st March 2014

25 Related party disclosures in accordance with the Accounting Standard - 18 issued by the Institute of Chartered Accountants of India:

List of related parties and description of relationship:

- a) Key Management Personnel
Mr. Ajit Khandelwal Managing Director
- b) Associate / Group Companies
 1. Subsidiary Company
 - i) BNK Commodities Pvt. Ltd
 2. Associates
 - i) Abacus Fund Services Pvt.Ltd.
 - ii) BNK Comdex DMCC
 - iii) BNK Securities Pvt.Ltd.
 - iv) In Media Computer Services LLP
 - v) Patrex Vyappar Ltd.
 - vi) Multiple Infra Pvt. Ltd.

Transactions during the year with related parties:

	Year ended 31.03.2014 (In Lacs)	Year ended 31.03.2013 (In Lacs)
A. Key management Personnel		
Remuneration Paid	14.47	14.70
Balance at year end:	Debit/(credit) <u>14.47</u>	<u>14.70</u>
B. Associates / Group Companies	-	
Rent Paid	1.08	1.08
Securities Purchases	102.42	630.84
Securities Sales	18.30	505.62
Loan Given	469.50	996.66
Loan Refund	240.08	1,267.31
Interest Received	35.86	40.11
Balance at year end:	Debit/(credit) <u>265.28</u>	<u>291.51</u>
26 Earning Per share		
Particulars	As at 31.03.2014	As at 31.03.2013
Profit After Tax	5.28	267.27
Weighted average Number of Equity Shares outstanding	10,000,000	10,000,000
Face Value of Share	10	10
Basic & Diluted Earnings Per Share	0.53	2.67

27 The Company has adopted Accounting Standard AS-22 'Accounting for taxes on Income' issued by ICAI. The Company has no deferred tax liability arising out of timing difference as on 31.03.2014. However, Deferred Tax assets have been recognised subject to the consideration of prudence in respect of DTA, on timing difference 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.

28 The details of traded securities purchased & sold during the year:

	As at 31.03.2014 Quantity	As at 31.03.2013 Quantity
Opening Stock		
Bonds	21	46
Purchases		
Bonds	-	358
Sales		
Bonds	-	383
Closing stock		
Bonds	21	21

29 Reserve bank of India vide Notification No. DNBS.167/CGN(OPA)-2003 dt. March 29, 2003 has directed that every NBFC shall append to its Balance Sheet prescribed under the Companies Act, 1956, the particulars in the format as set out in the Appendix 2.

30 Expenditure in foreign currency during the Financial Year As at 31.03.2014 As at 31.03.2013

31 Statement Pursuant to Section 212(1) (e) of The Companies Act, 1956, relating to Subsidiary Companies NIL \$2,000

Name of the Subsidiary : BNK Commodities Pvt.Ltd.
Holding Companies Interest : 1610000 Equity Shares of Rs. 10/- each out of total Subscribed Capital of 3000000 Equity Shares of Rs.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:- NIL

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

32 Previous year's figures have been regrouped/reclassified wherever necessary.

As per our report of even date

For R. BHATTACHARYA & ASSOCIATES

ICAI Firm Registration No. 307124E

Chartered Accountants

CA. R. Bhattacharya

Proprietor

Membership No.012394

Kolkata, May 30th, 2014.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

P. Brahmachari
Director

P. Chakravarti
Director

S. Khandelwal
Director

A. Khandelwal
Managing Director

Appendix No. 1 to Note No. 27

**Schedules to the Balance Sheet of a Non-Banking Financial Company as on 31.03.2014
(as required in terms of Paragraph 13 of Non-Banking Financial
Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007)**

Particulars	Amount outstanding	Amount overdue (` in Lacs)
Liabilities side :		
1. Loans and advances availed by the NBFCs inclusive of interest accrued therein but not paid :		
(a) Debentures : Secured	NIL	NIL
Unsecured (other than falling within the meaning of Public deposits)	NIL	NIL
(b) Deferred Credits	NIL	NIL
(c) Term Loans	NIL	NIL
(d) Inter-corporate Loans and Borrowing	2,389	NIL
(e) Commercial Paper	NIL	NIL
(f) Other Loans (specify nature)	NIL	NIL
Assets side :		
2 Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :		Amount outstanding
(a) Secured		NIL
(b) Unsecured		3,308
3. Break up of Leased Assets & stock on hire & other assets Accounting towards AFC activities :		
(I) Lease assets including lease rentals under Sundry Debtors :		
(a) Financial Lease		NIL
(b) Operating Lease		NIL
(II) Stock on hire including hire charges under Sundry Debtors :		
(a) Assets on hire		NIL
(b) Repossessed Assets		NIL
(III) Other Loans counting towards AFC activities		
(a) Loans where assets have been repossessed		NIL
(b) Loans other than (a) above		NIL
4. Break-up of Investments :		
Current Investments :		
1. Quoted :		
(I) Shares (a) Equity		NIL
(b) Preference		NIL
(ii) Debentures and Bonds		NIL
(iii) Units of Mutual Funds		NIL
(iv) Government Securities		NIL
(v) Others (Please specify)		NIL
2. Unquoted :		
(I) Shares (a) Equity		NIL
(b) Preference		NIL
(ii) Debentures and Bonds		NIL
(iii) Units of Mutual Funds		NIL
(iv) Government Securities		NIL
(v) Others (Please specify)		NIL
Long Term Investments :		
1. Quoted :		
(I) Shares (a) Equity		2,221.97
(b) Preference		NIL
(ii) Debentures and Bonds		NIL
(iii) Units of Mutual Funds		0.74

(iv) Government Securities			NIL
(v) Others (Please specify)			NIL
2. Unquoted :			
(i) Shares	(a) Equity		Rs.532.59
	(b) Preference		NIL
(ii) Debentures and Bonds			2.00
(iii) Units of Mutual Funds			NIL
(iv) Government Securities			NIL
(v) Others (Please Specify)			NIL
Particulars			Amount net of provisions
5. Borrower group-wise classification of assets financed as in (2) and (3) above:			
Category	Secured	Unsecured	Total
1. Related Parties			
(a) Subsidiaries	NIL	NIL	NIL
(b) Companies in the same group	NIL	NIL	NIL
(c) Other related parties	NIL	NIL	NIL
2. Other than related parties :	NIL	NIL	NIL
Total :	NIL	NIL	NIL
6. Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :			
Please see note 3			
Category	Market Value/Break up or Fair Value or NVA		Book Value (Net of Provisions)
1. Related Parties			
(a) Subsidiaries	161.00		161.00
(b) Companies in the same group	NIL		NIL
(c) Other related parties	501.45		501.45
2. Other than related parties :	16,194.95		2,292.85
Total :	16,857.40		2,955.30
AS per Accounting Standard of ICAI			
7. Other Information :			Amount
Particular			
(i) Gross Non-Performing Assets			
(a) Related parties			NIL
(b) Other than related parties			NIL
(ii) Net Non-performing Assets			
(a) Related parties			NIL
(b) Other than related parties			NIL
(iii) Assets acquired in satisfaction of debt			NIL
Total :			NIL

NOTES :

- Provisioning norms shall be applicable as prescribed in the Non-Banking Financial(Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions,2007.
- All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/fair value / NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in column (4) above.

As per our report of even date

For R.BHATTACHARYA & ASSOCIATES
ICAI Firm Registration No. 307124E
Chartered Accountants

CA. R. Bhattacharya
Proprietor
Membership No.012394

Kolkata, May 30th, 2014.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

P. Brahmachari
Director

P. Chakravarti
Director

S. Khandelwal
Director

A. Khandelwal
Managing Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

Particulars	For the year ended 31.03.2014 ` (lacs)	For the year ended 31.03.2013 ` (lacs)
A. CASH FLOW FROM THE OPERATING ACTIVITIES		
Net Profit before Tax from Continuing Operations	35.00	302.63
Non Cash Adjustments to reconcile net cash flow		
<u>Adjustments for :</u>		
Depreciation & Amortisation	6.50	8.25
Profit/(Loss) on Non Current Investment	96.27	(19.11)
Dividend Received	(227.52)	(191.73)
Interest Received	(272.20)	(316.99)
Interest Expenses	69.67	57.49
Operating Profit before Working Capital changes	(292.28)	(159.46)
<u>Adjustments for :</u>		
Trade & other Receivable	11.47	(10.51)
Inventories	(0.00)	(250.00)
Other Current Assets	(227.64)	58.54
Trade payable	(17.64)	5.14
Cash generated from operations	(526.09)	(356.29)
Direct taxes Paid	(6.66)	(34.39)
Cash Flow before extraordinary items	(532.75)	(390.68)
Extra Ordinary Items	-	-
Net Cash Used in Operating Activities	(532.75)	(390.68)
B CASH FLOW FROM THE INVESTING ACTIVITIES		
Purchase of Fixed Assets	(1.36)	(5.46)
Sale of Fixed Assets	1.30	-
Purchase of Investment	(649.72)	(165.76)
Sale of Investment	1,033.89	(114.06)
Dividend Received	227.52	191.73
Net Cash Used in Investing Activities	611.62	(93.55)
C CASH FLOW FROM THE FINANCING ACTIVITIES		
Proceed from issue of Share Capital	-	-
Share Premium	-	-
Proceed from Long / Short Term Borrowings	23.09	(54.91)
Interest paid	(69.67)	(57.49)
Loan Given/Refund Received	(663.34)	310.57
Interest Received	272.20	316.99
Net Cash Flow from Financial Activities	(437.72)	515.16
D Net Increase/(Decrease) in Cash & Cash Equivalent	(358.85)	30.93
Cash & Cash Equivalent (Opening)	568.90	537.97
Cash & Cash Equivalent (Closing)	210.05	568.90

Note : a) Previous years figures have been regrouped/rearranged wherever considered necessary.

As per our report of even date

For R.BHATTACHARYA & ASSOCIATES
ICAI Firm Registration No. 307124E
Chartered Accountants

CA. R. Bhattacharya
Proprietor
Membership No.012394

Kolkata, May 30th, 2014.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

P. Brahmachari
Director

S. Khandelwal
Director

P. Chakravarti
Director

A. Khandelwal
Managing Director

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 11th Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2014.

Financial Results

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

	Year Ended 31st March 2014 (` In Lacs)	Year Ended 31st March 2013 (` In Lacs)
Profit before Depreciation and Amortisation	(8.23)	1.75
Expenses, Finance Costs and Tax Expenses		
Less: Finance Costs	--	--
Depreciation and Amortisation Expenses	(0.02)	0.03
Profit before Tax	(8.25)	1.72
Less: Current Tax	--	0.84
Profit for the year	(8.25)	0.88
Add: Balance in Profit & Loss Account	(128.34)	(120.09)
Closing Balance	(136.59)	(128.34)

In absence of 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.

CAPITAL:

During the year the Company has allotted 840000 Equity Shares of Rs.10 each of the Company to the promoters after receiving the approval from the commodity exchanges where the company is a member. The application money in this respect was received in the earlier years.

DIRECTORS:

With profound grief we inform you about the sad demise of Shri Radhey Shyam Khandelwal, Director of the Company., After a short illness ,he left for his heavenly abode on 29th April 2014. The Board of Directors pays its homage to the departed soul and record deep appreciation for his services rendered to the Company.

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 2014 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:

- i) that in the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii) that they had selected such accounting policies and applied them consistently and made judgements 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 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;
- iv) that they had prepared the Annual Accounts on a going concern basis.

STATUTORY DUES:

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

AUDITORS:

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

ACKNOWLEDGEMENTS:

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

For and on behalf of the Board

Place : Kolkata
Dated : 12th May 2014

Ajit Khandelwal
Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BNK COMMODITIES PVT. LTD. Report on the Financial Statements

We have audited the accompanying financial statements of BNK Commodities Private Ltd. ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year ended, and a summary of significant accounting policies and other explanatory information.

Management Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards notified under the Companies Act, 1956 read with General Circular 15/2013 dated 13th September 2013, issued by the Ministry of Corporate Affairs, in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act 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 March 31, 2014
- in the case of the Profit and Loss Account, of the Loss for the year ended on that date; and
- in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- As required by section 227(3) of the Act, we report that:
 - we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - 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 Statement of Profit and Loss, 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 statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956 read with General Circular 15/2013 dated 13th September 2013, issued by the Ministry of Corporate Affairs, in respect of Section 133 of the Companies Act, 2013;
 - on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (l) of section 274 of the Companies Act, 1956.

For R. BHATTACHARYA & ASSOCIATES
CHARTERED ACCOUNTANTS
ICAI Firm Registration No-307124E
CA. R. BHATTACHARYA
Proprietor
Membership No. - 12394

Kolkata
May, 12, 2014

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date:

(Re: BNK Commodities Private Limited ("The Company"))

- The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
 - According to the information and explanations given to us, the Fixed Assets of the Company have been Physically verified by the management during the year, and no material discrepancies were noticed on such verification as confirmed by the management.
 - In our opinion, 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.
- As explained to us, the Company does not have any inventory at the end of this financial year, and as such the information required to be given under clause 4(ii)(a), 4(ii)(b) and 4(ii)(c) does not arise.
- In respect of the loans, secured or unsecured, granted or taken by the company to/from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956:
 - As per the information and records made available, 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 Act. Accordingly, sub clause (b), (c), (d), (f), and (g) 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.
- According to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements that need to be entered into the register required to be maintained under section 301 of the Companies Act, 1956 have been so entered.
- According to the information and explanations given to us, the Company has not accepted any deposits from the public. Therefore, the provisions of Clause (vi) of paragraph 4 of the Order are not applicable to the Company.
- The company does not have internal audit system. However, in our opinion, there are adequate internal control procedures commensurate with the size and nature of its business, for the purchases of shares/securities, equipment and other assets and for sale of shares/securities.
- In our opinion, the provisions of section 209 (1) (d) of the Companies Act, 1956 for the maintenance of cost records are not applicable to the company.
- According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues including Income Tax, Service Tax, Cess and other material statutory dues as applicable to the appropriate authorities.
 - According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2014 for a period of more than six months from the date they became payable.
- The company has accumulated losses to the extent of Rs.136.59 (In lacs) at the end of the financial year and it has not incurred any cash losses in the financial year ended as on that date or in the immediately preceding financial year.
- According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holder as at the balance sheet date.
- The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- The provisions of any special statute applicable to chit fund/nidhi/mutual benefit fund/societies are not applicable to the company.
- In our opinion and according to the information and explanations given to us, proper records have been maintained 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.
- In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
- The Company did not have any term loans outstanding during the year.
- 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.
- 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.
- During the year under audit, the Company has not created any security or charge in respect of debentures issued.
- The Company has raised monies by way of an issue of its 840000 Equity Shares of Rs. 10 each during the year under Review.
- 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 was noticed or reported during the year.

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

Place : Kolkata
Date : 12th May 2014

BALANCE SHEET AS AT 31st MARCH, 2014

Particulars	Note No	As at 31.03.2014		As at 31.03.2013	
		₹ (lacs)	₹ (lacs)	₹ (lacs)	₹ (lacs)
I. EQUITY AND LIABILITIES					
(1) Shareholders' Funds					
(a) Share Capital	2	284.00		200.00	
(b) Reserves and Surplus	3	(136.59)	147.41	(128.34)	71.66
(2) Share application money pending allotment			-		84.00
(3) Current Liabilities					
(a) Trade payables	4(a)	0.21		-	
(b) Other current liabilities	4(b)	0.04		0.04	
(c) Short-term provisions	4(c)	0.23	0.48	0.23	0.27
Total			147.89		155.93
II. ASSETS					
(1) Non-Current Assets					
(a) Fixed Assets					
Tangible assets	5(a)	0.03	0.03	0.05	0.05
(b) Non-current investments	5(b)	56.69	56.69	84.40	84.40
(2) Current Assets					
(b) Trade receivables	6(a)	2.40		0.04	
(c) Cash and cash equivalents	6(b)	13.64		5.35	
(d) Short-term loans and advances	6(c)	72.79		65.21	
(e) Other current assets	6(d)	2.32	91.16	0.89	71.47
Total			147.89		155.93

Significant Accounting Policies

1

The accompanying notes 2 to 21 are an integral part of the financial statements.

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2014

I. Revenue from operations	7	23.35		6.96
II. Other Income	8	(18.73)		0.50
III. Total Revenue (I +II)		4.62		7.46
IV. Expenses:				
Employee benefits expense		0.42		0.42
Depreciation and amortization expense		0.02		0.03
Other expenses	9	12.43		5.29
Total Expenses		12.86		5.74
V. Profit before exceptional and extraordinary items and tax (III-IV)		(8.25)		1.72
VI. Profit before tax		(8.25)		1.72
VII. Tax expense:				
Current tax u/s 115JB		-	(0.23)	-
Adjustment against previous year		-	(0.61)	(0.84)
VIII. Profit(Loss) for the period	(VI-VII)	-	(8.25)	0.88
IX. Earnings per equity share:			(0.29)	0.04
(1) Basic and Diluted (in Rs.)				

Significant Accounting Policies

1

The accompanying notes 2 to 21 are an integral part of the financial statements.

R. BHATTACHARYA & ASSOCIATES

ICAI Firm Registration No. 307124E

Chartered Accountants

ON BEHALF OF THE BOARD

A. Khandelwal
Director

S. Khandelwal
Director

Ankit Khandelwal
Director

CA. R. Bhattacharya

Proprietor

Membership No.012394

Kolkata, May 12th, 2014.

Notes Annexed to and forming part of Accounts

Notes on Accounts and Significant Accounting Policies forming to and part of Balance Sheet as at 31st March, 2014 and Statement of Profit and Loss for the year ended on that date.

Note No.

1 SIGNIFICANT ACCOUNTING POLICIES

a) Corporate Information:

BNK Commodities Private Limited is a Private limited Company domiciled in India and incorporated under the Provisions of the Companies Act, 1956. It is a member of MCX, NCDEX and National Spot Exchange. It is a subsidiary Company of BNK Capital Markets Limited.

b) Basis of Accounting:

The financial statements have been prepared under the historical cost convention on the accounting principles of a going concern.

Accounting Policies not specifically referred to otherwise are consistent and in consonance with the applicable accounting standards prescribed by the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956 ("The Act") to the extent applicable and the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013.

All Expenses and income to the extent ascertainable with reasonable certainty are accounted for on accrual basis. The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities on the date of financial statements and reported amounts of revenue and expenses for that year. Actual result could differ from these estimates. Any revision to the accounting estimates is recognised prospectively.

All assets and liabilities have been classified as Current and Non Current as per the Company's normal operating cycle and other criteria set out in the Schedule VI to the Companies Act, 1956 (as amended).

c) Fixed Assets :

All Fixed Assets are valued at cost less depreciation.

An Asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to profit & loss account in the year in which an asset is identified as impaired.

d) Depreciation :

Depreciation on all tangible fixed assets is provided on written down value method in terms of Section

350 of the Companies Act, 1956, at the rates prescribed in Schedule XIV to the said act over their useful life.

e) Investments :

Investments, are readily realisable but intended to be held for more than one year from the date on which such investments are made, are classified as Non Current Investments. All other Investments are classified as current Investments.

Long Term Investments are stated at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

On disposal of an Investment, the difference between its carrying amount and net disposal proceeds is charged to the statement of profit and loss.

f) Recognition of Income and Expenditure :

i) Revenue is recognised and reported to the extent it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

ii) Interest Income is recognised as and when the same has accrued on time proportion basis and company's right to receive interest is established.

iii) Dividend Income is recognised when the same is received by the company.

g) Employee Retirement & Other Benefits

i) Short term employees benefits are recognised in the period in which employees's services are rendered.

ii) Leave Encashment

Leave Encashment benefit is considered and provided for, based on actual as at the financial year.

h) Income Taxes

Deferred Income Taxes reflect the impact of the timing differences between taxable income and the accounting income originating during the current year and reversal of timing differences for the earlier years.

Deferred tax liabilities are recognised for all taxable timing differences. Deferred tax Assets are recognised for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such differed tax assets can be realised.

i) Earnings Per Share (EPS)

Basic EPS are calculated by dividing the net profit or loss for the period attributable to the equity share holders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period.

Notes on Financial Statements for the Year ended 31st March 2014

Particulars	As at 31.03.2014		As at 31.03.2013	
	₹ (lacs)	₹ (lacs)	₹ (lacs)	₹ (lacs)
2 SHARE CAPITAL				
Authorised				
30,00,000 Equity Shares of ₹ 10/- each		300.00		300.00
Issued, Subscribed & Paid Up				
20,00,000 Equity Shares of ₹ 10/- each, fully paid up in cash.		200.00		200.00
(Prev.Yr:20,00,000 Equity Shares of ₹ 10/- each)				
Add : During the year		84.00		
		284.00		200.00
Reconciliation of Equity Share of the company:				
Issued, Subscribed & Paid up:				
Number of Equity Shares at the beginning of the year		2,000,000		2,000,000
Balance at the end of the year		2,840,000		2,000,000
Details of Shareholder holding more than 5% of paid up Equity Share Capital:				
	% of holding	No. of Shares	% of holding	No. of Shares
BNK Capital Markets Ltd.	56.69	1,610,000	52.00	1,050,000
BNK Securities Pvt.Ltd.	43.31	1,230,000	48.00	95,000
3 RESERVES & SURPLUS				
SURPLUS FROM PROFIT & LOSS ACCOUNTS B/F				
Balance Brought Forward	(128.34)		(120.09)	
Add: Adjustment against earlier year	-		(9.14)	
Less: Loss for the year	(8.25)	(136.59)	0.88	(128.34)
		(136.59)		(128.34)
4 CURRENT LIABILITIES				
(a) Trade Payables				
Trade Payables	0.21	0.21	-	-
		0.21		-
(b) Other Current Liabilities for Expenses	0.04	0.04	0.04	0.04
		0.04		0.04
(c) Short Term Provisions				
Provision for Income Tax	0.23	0.23	0.23	0.23
		0.23		0.23
5 NON CURRENT ASSETS				
(a) Tangible Assets				
Gross Amount				
Opening Balance B/F	2.68		2.68	
Additions during the Year	-		-	
Sale/Adjustment during the Year	-	2.68	-	2.68
Less: Depreciation				
Opening Balance B/F	2.63		2.60	
Additions during the Year	0.02		0.03	
Reversal/Adjustment during the Year	-	(2.65)	-	2.63
Net Amount		0.03		0.05

Fixed Assets

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As On 01.04.2013	Adjustment /Sale during the year	As On 31.03.2014	As On 01.04.2013	Adjustment /Sale during the year	Addition during the year	As On 31.03.2014	As On 31.03.2014	As On 31.03.2013
TANGIBLE ASSETS									
Computer	2.68	-	2.68	2.63	0.02		2.65	0.03	0.05
Total	2.68	-	2.68	2.63	0.02		2.65	0.03	0.05
Previous Year	2.68	-	2.68	2.60	0.03	-	2.63	0.05	0.13

Notes on Financial Statements for the Year ended 31st March 2014

b) Non Current Investments

(b) (i) Investments (at cost, Long term, Other than trade)

<u>Shares & securities, Quoted</u>	<u>F.V</u>	<u>Quantity</u>	<u>Amount</u>	<u>Quantity</u>	<u>Amount</u>
Jayshree Nirman Ltd.	10.00	46,000	6.23	46,000	6.23
Marksans Pharma Ltd.	1.00	50,000	11.56	50,000	11.56
Mcnally Bharat Engeneering Ltd.	10.00	-	-	11,781	23.94
RPG Life Science Ltd.	10.00	47,202	38.90	47,202	38.90
Summit Securities Ltd.	10.00	-	-	1,685	3.78
			<u>56.69</u>		<u>84.40</u>

In unquoted Equity Shares, at cost

<u>Others</u>	<u>F.V</u>	<u>Quantity</u>	<u>Amount</u>	<u>Quantity</u>	<u>Amount</u>
Aggregate market Value of quoted shares			46.58		46.64
			<u>46.58</u>		<u>46.64</u>

6 CURRENT ASSETS

(a) Trade Receivables

Unsecured, Considered Goods

Trade Receivables outstanding for a period less than Six months

Due from related parties

Others

-	-
2.40	0.04
<u>2.40</u>	<u>0.04</u>

(b) Cash & Cash Equivalents

(i) Balances with banks

in Current Accounts

(ii) Cash in hand

13.58	5.21
0.06	0.14
<u>13.64</u>	<u>5.35</u>

**(c) Short Term Loans & Advances
(unsecured, considered goods)**

(i) Deposit with Exchanges

(ii) Fixed Deposit with Exchanges

51.96	47.71
20.83	17.50
<u>72.79</u>	<u>65.21</u>

(d) Other Current Assets

Tax Deducted at source

Service Tax

0.23	0.15
2.10	0.74
<u>2.32</u>	<u>0.89</u>

7 REVENUE FROM OPERATIONS

Interest Income

Profit in Commodities Trading

Brokerage Income

1.73	1.61
21.62	2.01
-	3.34
<u>23.35</u>	<u>6.96</u>

8 OTHER INCOME

Dividend Received

Loss on Sale of Non Current Investment

0.57	0.50
(19.30)	
<u>(18.73)</u>	<u>0.50</u>

9 OTHER EXPENSES

Administrative & Other Expenses

Demat Charges

General Charges

Travelling Expenses

0.58	0.34
0.24	0.10
0.01	0.01

Rent Rates & Taxes	0.11	0.02
Listing & Filling Fees	0.07	0.53
Auditors Remuneration	0.03	0.03
Printing & Stationery	-	0.01
Professional Fee	4.70	0.21
Software Expenses	0.47	-
Telephone & Lease Line Charges	3.50	2.13
Membership & Subscriptions	0.75	1.50
Transaction & Misc. Charges	1.96	0.40
	<u>12.43</u>	<u>5.29</u>

Notes on Financial Statements for the Year ended 31st March 2014

- 10 In the opinion of the board of directors, all current assets, loans & advances have a value on realisation in the ordinary course of business atleast equal to the amount at which they are stated.
- 11 Loan and advances given to parties are receivable on demand.
- 12 Based on information available with the company, there are no clients/creditors who are registered under Micro, Small and Medium Enterprises Development Act, 2006.
- 13 There is no small scale industrial undertaking to whom the company owes amounts outstanding for more than 30 days as at 31st March, 2014.
- 14 TDS(Receivable) will be adjusted by the company on the completion of assessment of the income for the year by the Income Tax Department.
- 15 In accordance with the revised Accounting Standard AS-15, i.e. Employee Benefits, the company has recognised the short term employee benefits accordingly paid for the services rendered by the employee for that period. Long term benefits are not payable to the employee of the company, obligation. as the company is not under any statutory obligation as well as contractual
- 16 Related party disclosures in accordance with the Accounting Standard-18 issued by the Institute of Chartered Accountants of India:
- | | |
|---------------------------------------|--|
| List of related parties | Transactions during the year with them |
| i) Abacus Fund Services Pvt.Ltd. | Nil |
| ii) Asian Securities Exchange Pvt Ltd | Nil |
| iii) BNK Securities Pvt.Ltd. | Nil |
| iv) BNK Comdex DMCC | Nil |
| v) Patrex Vyapaar Ltd. | Nil |
| vi) In Media Computer Services LLP | Nil |
| vii) Multiple Infra Pvt Ltd | Nil |
- 17 Earnings Per share
- | Particulars | As At 31.03.2014 | As At 31.03.2013 |
|--|------------------|------------------|
| Profit After Tax | (8.25) | 0.88 |
| Weighted average Number of Equity Shares outstanding | 2,000,000 | 2,000,000 |
| Face Value of Share | 10 | 10 |
| Basic & Diluted Earnings Per Share | (0.29) | 0.04 |
- 18 Value of Imports on CIF basis(on accrual basis) Nil
- 19 Foreign Currency Income & Expenditure
- | | |
|-----------------|-----|
| i) Income | Nil |
| ii) Expenditure | Nil |
- 20 Remittance in Foreign Currency on account of Dividend Nil
- 21 Previous year's figures have been regrouped/reclassified, whenever necessary to conform to this year's classification.

R.BHATTACHARYA & ASSOCIATES

ICAI Firm Registration No. 307124E
Chartered Accountants

ON BEHALF OF THE BOARD

A. Khandelwal
Director

S. Khandelwal
Director

Ankit Khandelwal
Director

CA. R. Bhattacharya

Proprietor
Membership No.012394

Kolkata, May 12th, 2014.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

Particulars	For the year ended 31.03.2014 ` (lacs)	For the year ended 31.03.2013 ` (lacs)
A. CASH FLOW FROM THE OPERATING ACTIVITIES		
Net Profit before Tax from Continuing Operations	(8.25)	1.72
Non Cash Adjustments to reconcile net cash flow		
Adjustments for :		
Depreciation & Amortisation	0.02	0.03
Profit/(Loss) on Non Current Investment	19.30	-
Dividend Received	(0.57)	(0.50)
Interest Received	(1.73)	(1.61)
Interest Expenses	-	-
Operating Profit before Working Capital changes	8.77	(0.36)
Adjustments for :		
Trade & other Receivable	(2.36)	0.19
Trade payable	0.20	(10.21)
Cash generated from operations	6.61	(10.38)
Direct taxes Paid		(10.68)
Cash Flow before extraordinary items	6.61	(21.06)
Extra Ordinary Items	-	-
Net Cash Used in Operating Activities	6.61	(21.06)
B CASH FLOW FROM THE INVESTING ACTIVITIES		
Purchase of Fixed Assets		
Sale of Fixed Assets	-	-
Purchase of Investment	(56.69)	-
Sale of Investment	63.66	-
Dividend Received	0.57	0.50
Net Cash Used in Investing Activities	7.54	0.50
C CASH FLOW FROM THE FINANCING ACTIVITIES		
Proceed from issue of Share Capital	-	-
Share Premium	-	-
Proceed from Long / Short Term Borrowings	-	(1.57)
Interest paid	-	-
Loan Given/Refund Received	(7.58)	7.46
Interest Received	1.73	1.61
Net Cash Flow from Financial Activities	(5.85)	7.50
D Net Increase/(Decrease) in Cash & Cash Equivalent	8.29	(13.06)
Cash & Cash Equivalent (Opening)	5.35	18.41
Cash & Cash Equivalent (Closing)	13.64	5.35

R.BHATTACHARYA & ASSOCIATES
ICAI Firm Registration No. 307124E
Chartered Accountants

ON BEHALF OF THE BOARD

A. Khandelwal
Director

S. Khandelwal
Director

Ankit Khandelwal
Director

CA. R. Bhattacharya
Proprietor
Membership No.012394
Kolkata, May 12th, 2014.

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of BNK Capital Markets Limited.

We have audited the accompanying Consolidated financial statements of BNK Capital Markets Ltd ("the Company") and its subsidiaries, which comprise the Consolidated Balance Sheet as at March 31, 2014, and the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these Consolidated financial statements that give a true and fair view of the consolidated financial position, Consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the

consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2014;

(b) in the case of the consolidated Profit and Loss Account, of the profit for the year ended on that date; and

(c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Report on other Legal and Regulatory Requirements

As required under "Non-Banking Financial Companies Auditors Report (Reserve Bank) Directions, 1988, and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we further state that:

- The Company has received the "Certificate of Registration" from Reserve Bank of India for registration as "Non Banking Financial Company on 9th December 2004 (Certificate No. B.05.02574).
- In terms of its assets / Income pattern for the financial year 31st March 2014, the company is entitled to continue to hold such Certificate of Registration. We further state that:
- The Board of Directors has passed a board resolution for the Non- acceptance of any public deposits.
- The Company has not accepted any public deposits during the year.
- The Company has complied with the Prudential Norms relating to Income Recognition, Accounting Standards, Asset Classification and Provisioning for Bad and Doubtful Debts as applicable to it.
- The Company is not a 'Systemically important non deposit taking non- banking financial company'.

For R. BHATTACHARYA & ASSOCIATES
CHARTERED ACCOUNTANTS

Firm Registration No-307124E

CA. R. BHATTACHARYA

Proprietor

Membership No. - 12394

Kolkata

May, 30, 2014

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2014

Particulars	Note No	As at 31.03.2014		As at 31.03.2013	
		(lacs)	(lacs)	(lacs)	(lacs)
I. EQUITY AND LIABILITIES					
(1) Shareholders' Funds					
(a) Share Capital	2	1,000.00		1,000.00	
(b) Reserves and Surplus	3	2,929.50	3,929.50	2,932.46	3,932.46
(2) Share application money pending allotment			-		84.00
(3) Minority Interest			123.00		95.00
(4) Current Liabilities					
(a) Short-term borrowings	4(a)	1,645.80		1,916.25	
(b) Other current liabilities	4(b)	745.41		727.56	
(c) Short-term provisions	4(c)	5.39	2,396.60	50.00	2,693.81
Total			6,449.09		6,805.27
II. ASSETS					
(1) Non-Current Assets					
(a) Fixed Assets					
Tangible assets	5(a)	14.12	14.12	28.36	28.36
(b) Non-current investments	5(b)	2,851.00		3,438.55	
(c) Deferred tax assets (Net)	5(c)	1.62		1.40	
(d) Long term loans and advances	5(d)	9.70	2,862.32	12.58	3,452.53
(2) Current Assets					
(a) Inventories		12.55		12.55	
(b) Trade receivables	6(a)	2.99		12.10	
(c) Cash and cash equivalents	6(b)	223.69		574.25	
(d) Short-term loans and advances	6(c)	3,218.20		2,579.48	
(e) Other current assets	6(d)	115.23	3,572.65	146.00	3,324.39
Total			6,449.09		6,805.27

Significant Accounting Policies

1

The accompanying notes 2 to 31 are an integral part of the financial statements.

As per our report of even date

For R. BHATTACHARYA & ASSOCIATES

ICAI Firm Registration No. 307124E

Chartered Accountants

CA. R. Bhattacharya

Proprietor

Membership No.012394

Kolkata, May 30th, 2014.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

P. Brahmachari
Director

P. Chakravarti
Director

S. Khandelwal
Director

A. Khandelwal
Managing Director

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2014

Particulars	Note No	As at 31.03.2014		As at 31.03.2013	
		(lacs)	(lacs)	(lacs)	(lacs)
I. Revenue from operations	7		295.55		836.55
II. Other Income	8		113.08		211.44
III. Total Revenue (I +II)			408.63		1,047.99
IV. Expenses:					
Purchase of Stock-in-Trade			-		264.43
Changes in inventories of Stock-in-Trade					250.00
Employee benefits expense			71.40		81.85
Finance costs	9		69.67		57.49
Depreciation and amortization expense			6.52		8.28
Other expenses	10		234.29		81.58
Total Expenses			381.87		743.64
V. Profit before Tax (IV-V)			26.76		304.35
VI. Tax expenses:					
(1) Current tax		(29.94)		(36.68)	
(2) Deferred tax		0.22	(29.72)	0.48	(36.20)
VII. Profit for the year		-	(2.96)		268.15
VIII. Earnings per equity share:			(0.30)		2.67
(1) Basic and Diluted (in Rs.)					

Significant Accounting Policies

1

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For R. BHATTACHARYA & ASSOCIATES

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

ICAI Firm Registration No. 307124E

Chartered Accountants

P. Brahmachari
Director

P. Chakravarti
Director

CA. R. Bhattacharya

Proprietor

Membership No.012394

Kolkata, May 30th, 2014.

S. Khandelwal
Director

A. Khandelwal
Managing Director

Notes Annexed to and forming part of Accounts

Consolidated Notes to Financial Statements forming to and part of the Balance Sheet as at 31st March, 2014 and the Statement of Profit and Loss for the year ended as on that date.

Note No.

1 SIGNIFICANT ACCOUNTING POLICIES

- Corporate Information**
BNK Capital Markets Limited is a public limited Company domiciled in India and incorporated under the Provisions of the Companies Act, 1956. Its shares are listed on the BSE Limited and The Calcutta Stock Exchange Limited in India. BNK Capital Markets Limited is a Non-Banking Financial (Non-Deposit Accepting or Holding) Company registered under the Reserve Bank of India Act, 1934. The Company has a subsidiary namely BNK Commodities Pvt. Ltd. and holds 56.69% of its Equity capital. The subsidiary company is a member of various commodity exchanges of the country.
- Basis of Accounting:**
The financial statements have been prepared under the historical cost convention on the accounting principles of a Going Concern.
Accounting Policies not specifically referred to otherwise are consistent and in consonance with the applicable accounting standards prescribed by the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956 (as amended) to the extent applicable and also as per the guidelines for prudential norms prescribed by the Reserve Bank of India and the general circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013.
All Expenses and income to the extent ascertainable with reasonable certainty are accounted for on accrual basis.
The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities on the date of financial statements and reported amounts of revenue and expenses for that year. Actual result could differ from these estimates. Any revision to the accounting estimates is recognised prospectively.
All assets and liabilities have been classified as Current and Non Current as per the Company's normal operating cycle and other criteria set out in the Schedule VI to the Companies Act, 1956 (as amended).
- Fixed Assets:**
All Fixed Assets are valued at cost less depreciation. An Asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to profit & loss account in the year in which an asset is identified as impaired.
- Depreciation:**
Depreciation on all tangible fixed assets is provided on written down value method in terms of Section 350 of the Companies Act, 1956, at the rates prescribed in Schedule XIV to the said act over their useful life.

- Investments:**
Investments, are readily realisable but intended to be held for more than one year from the date on which such investments are made, are classified as Non Current Investments, all other Investments are classified as current Investments. Investments are stated at cost.
On disposal of an Investment, the difference between its carrying amount and net disposal proceeds is charged to the statement of profit and loss.
- Recognition of Income & Expenditure:**
 - Revenue is recognised and reported to the extent it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.
 - Interest income is recognised as and when the same has accrued on time proportion basis and company's right to receive interest is established.
 - Dividend Income is recognised when the same is received by the company.
- Employee Retirement & Other Benefits**
 - Short term employees benefits are recognised in the period in which employee's services are rendered.
 - Leave Encashment benefit is considered and provided for, based on actual as at the financial year.
 - The benefits for staff gratuity have not been provided for the year under review. As most of the employees appointed are contractual.
- Income Taxes**
Tax expenses are comprised Current & Deferred Tax. Current Income Tax is measured at the amount expected to be paid to the Tax Authorities in accordance with the Income Tax Act, 1961. Deferred Income Taxes reflect the impact of the timing differences between taxable income and the accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax liabilities are recognised for all taxable timing differences. Deferred tax Assets are recognised for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Minimum Alternate Tax (MAT) if paid in a year is charged to the Statement of Profit & Loss as Current Tax. The company recognises MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period i.e. the period for which MAT credit is allowed to be carried forward.
- Provisions, Contingent Liabilities and Contingent Assets**
Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.
- Earnings Per Share (EPS)**
Basic EPS are calculated by dividing the net profit for the period attributable to the equity share holders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period.

Consolidated Notes on Financial Statements for the Year ended 31st March 2014

Particulars	As at 31.03.2014		As at 31.03.2013	
	₹ (lacs)	₹ (lacs)	₹ (lacs)	₹ (lacs)
2 SHARE CAPITAL				
Authorised				
125,00,000 Equity Shares of ₹ 10/- each		1,250.00		1,250.00
Issued, Subscribed & Paid Up				
125,00,000 Equity Shares of ₹ 10/- each, fully paid up in cash.		1,000.00		1,000.00
(Prev.Yr:100,00,000 Equity Shares of ₹ 10/- each)		1,000.00		1,000.00
Reconciliation of Equity Share of the company:				
Issued, Subscribed & Paid up:				
Number of Equity Shares at the beginning of the year		10,000,000		10,000,000
Add: Issued/Subscribed & Paid Up during the year		-		-
Closing (Number)		10,000,000		10,000,000
Details of Shareholder holding more than 5% of paid up Equity Share Capital:	% of holding	No. of Shares	% of holding	No. of Shares
Radhey Shyam Khandelwal	11.75	1,175,000	11.75	1,175,000
Ajit Kumar Khandelwal	11.25	1,125,063	11.25	1,125,063
Sanjeev Kumar Khandelwal	11.25	1,125,063	11.25	1,125,063
BNK Securities Pvt.Ltd	11.28	1,127,781	11.28	1,127,781
Details for preceeding Five Years of Equity Shares:	FY:2013-14	FY:2012-13	FY:2011-12	FY:2010-11
Aggregate number of Equity Shares allotted as fully paid up by way of Bonus Shares	N.A	N.A.	2,000,000	N.A
3 RESERVES & SURPLUS				
Share Premium Account				
Balance Brought Forward	1,230.00	1,230.00	1,230.00	1,230.00
Statutory Reserve				
Balance Brought Forward	347.83		294.38	
Add: Transferred during the year	2.65	350.48	53.45	347.83
General Reserve				
Balance Brought Forward	723.21		673.21	
Add: Transferred during the year	-	723.21	50.00	723.21
Surplus from Statement of Profit & Loss				
Balance Brought Forward	631.42		533.97	
Add: Profit for the year	(2.96)		259.01	
	628.46		792.98	
Less:				
Transferred to Statutory Reserve	2.65		53.45	
Transferred to General Reserve	-		50.00	
Proposed Dividend on Equity Shares	-		50.00	
[Dividend per Share Rs.0.00 (Previous year Rs.0.50)]				
Tax on Dividend	-	625.81	8.11	631.42
		2,929.50		2,932.46
		As at 31.03.2013		As at 31.03.2012
	₹ (lacs)	₹ (lacs)	₹ (lacs)	₹ (lacs)
4 CURRENT LIABILITIES				
(a) Short-term borrowings				
Secured				
Bank Overdraft	0.30	0.30	293.84	293.84
Limit sanctioned Rs.4.50 lac (P.Year4.20 lac)		0.30		293.84
Against security of Fixed Deposit				
Unsecured				
From body corporates, repayable on demand	1,645.50	1,645.50	1,622.41	1,622.41
		1,645.50		1,622.41
(b) Other Current Liabilities				
Outstanding liabilities for				
Trade Payable	0.21			
Other Finance	1.50		1.15	
For Expenses	0.50		0.62	
Interest Accrued & Due	743.19	745.41	725.79	727.56
		745.41		727.56
(c) Short Term Provisions				
Contingent Provision against Standard Assets (under the provision of NBFC(non-deposit accepting or holding) Prudential norms RBI Directions 2007)	5.39			
Provision for Dividend	-	5.39	50.00	50.00
		5.39		50.00

Consolidated Notes on Financial Statements for the Year ended 31st March 2014

Particulars	As at 31.03.2014		As at 31.03.2013	
	(lacs)	(lacs)	(lacs)	(lacs)
5 NON CURRENT ASSETS				
(a) Tangible Assets				
Gross Amount				
Opening Balance B/F	68.62		63.16	
Additions during the Year	1.36		5.46	
Sale/Adjustment during the Year	(21.78)	48.20	-	68.62
Less: Depreciation				
Opening Balance B/F	40.26		31.98	
Additions during the Year	6.52		8.28	
Reversal/Adjustment during the Year	(12.69)	(34.08)	-	(40.26)
Net Amount		<u>14.12</u>		<u>28.36</u>
Itemwise details of Fixed Assets and Depreciation Notes on Accounts No.5(A) of BNK Capital Markets Ltd. & BNK Commodities (P)Ltd.				
b) Non Current Investments				
In quoted Equity Shares, at cost		2278.66		2852.55
In unquoted Equity Shares at cost		572.34		586.00
		<u>2,851.00</u>		<u>3,438.55</u>
Itemwise details of Non Current Investments Notes on Accounts No.5(B) of BNK Capital Markets Ltd & Bnk commodities (P) Ltd.				
c) Other Non Current Assets				
Deferred tax assets (Net)		1.62		1.40
		<u>1.62</u>		<u>1.40</u>
d) Long term Loans & Advances				
Security Deposit		9.70		12.58
		<u>9.70</u>		<u>12.58</u>
6 CURRENT ASSETS				
(a) Trade Receivables				
Unsecured, Considered Good				
Trade Receivables outstanding for a period less than Six months				
Due from related parties	-		-	
Others	2.99	2.99	12.10	12.10
		<u>2.99</u>		<u>12.10</u>
(b) Cash & Cash Equivalents				
(i) Balances with banks in Current Accounts		83.30		89.47
(ii) Cash in hand		0.67		0.65
(iii) Fixed Deposit with Bank(maturity within one year)		139.72		484.13
		<u>223.69</u>		<u>574.25</u>
(c) Short Term Loans & Advances (unsecured, considered good)				
(i) Loan Given to corporates, other than associate companies to others	2,960.50		2,221.93	
Less: Provisions for Non Performing Assets (sub standard)	80.37	2,880.13	-	2,221.93
(ii) Loans & Advances to Related Parties		265.28		291.50
(iii) Staff Advance		-		0.85
(iv) Deposit with Exchange		72.79		65.21
		<u>3,218.20</u>		<u>2,579.48</u>
(d) Other Current Assets				
Prepaid Expenses		0.36		0.83
Share Applications pending allotment with Subsidiary		-		56.00
Provision for Taxation(net of tax)		108.24		85.10
Service Tax		6.63		4.07
		<u>115.23</u>		<u>146.00</u>
7 REVENUE FROM OPERATIONS				
Interest income				
On Fixed Deposit		48.93		44.26
On Others	303.49		274.34	
Less: Interest reversed as per RBI prudential norms relating to income recognition	78.49	225.00	-	274.34
Brokerage income		-		3.34
Profit in Commodities Trading		21.62		2.01
Sale of Bonds		-		512.60
		<u>295.55</u>		<u>836.55</u>
8 OTHER INCOME				
Dividend Received		228.09		192.23
Profit/ Loss on Sale of Non Current Investments		(115.57)		19.11
Misc. Receipts		0.57		0.10
		<u>113.08</u>		<u>211.44</u>

Consolidated Notes on Financial Statements for the Year ended 31st March 2014

Particulars	As at 31.03.2014		As at 31.03.2013	
	(lacs)	(lacs)	(lacs)	(lacs)
9 Finance Costs				
Interest Paid				
on Bank Overdraft	33.38		33.72	
on Loan	36.28	69.67	23.77	57.49
		69.67		57.49
10 OTHER EXPENSES				
(a) Operational Expenses				
Purchases (bonds)				263.02
Security Transaction Tax		-		1.41
		-		264.43
(b) Administrative & Other Expenses				
Director's Remuneration & Sitting Fees		14.94		15.08
Business Promotion Expenses		2.98		5.60
Demat Charges		1.11		0.90
General Charges		0.99		3.51
Guest House Expenses				8.75
Motor Car Expenses		2.88		5.59
Travelling Expenses		9.28		11.34
Bank Charges		0.06		0.06
Bad Debt written off		73.30		-
Rent Rates & Taxes		9.66		8.14
Legal Expenses		0.03		0.10
Listing & Filing Fees		0.38		0.99
Auditors Remuneration				
For Audit Fees	0.12		0.12	
For Tax Audit Fees	0.02		0.02	
Other Matters	0.10	0.24	0.10	0.24
Printing & Stationery		0.63		1.88
Professional Fee		8.71		2.52
Telephone Expenses		4.02		3.77
Transaction & Misc.Charges		1.96		0.40
Electric Charges		1.58		3.85
Meeting & conferance Expenses		0.20		1.53
Membership & Subscriptions		1.17		1.79
Notice & Publication		0.20		0.21
Postage & Telegram		0.39		0.70
Repair & Maintenance		1.28		1.21
Website Maintenance		4.76		3.40
Loss on sale of fixed assets		7.79		-
Provision for Non Performing Loans & Advances		80.37		-
Contingent Provision against Standard Assets		5.39		-
		234.29		81.58

- 11 The Company is an Non Deposit accepting 'Non Banking Finance Company' having registration number B-05.02574 dated 09.12.2004 allotted by Reserve Bank of India.
- 12 The Board of Directors of the Company has passed a resolution for Non - acceptance of public deposit and consequently the company has not accepted any public deposit during the year under audit.
- 13 The company has complied with the prudential norms relating to income recognition, accounting standards and assets classification as applicable to it.
- 14 The company has appropriated during the year to Statutory Reserve Fund as per guidelines issued by the Reserve Bank of India for Non Banking Finance Companies in terms of Section 45(IC) of Reserve Bank of India Act, 1934.
- 15 The company under the provisions of Non Banking (Non Deposit Accepting or Holding) Companies Prudential Norms(Reserve Bank) Directions, 2007 has made provision for standard assets of Trade Receivables @ 0.25% of the outstanding as on 31.03.2014 .
- 16 In the opinion of the board of directors, all current assets, have a value on realisation in the ordinary course of business atleast equal to the amount at which they are stated.
- 17 Unsecured Loan due to parties are repayable on demand.
- 18 Based on information available with the company, there are no clients/creditors who are registered under Micro, Small and Medium Enterprises Development Act, 2006.
- 19 There is no small scale industrial undertaking to whom the company owes amounts outstanding for more than 30 days as at 31st March,2014.
- 20 Advance Tax paid and Tax Deducted at Source will be adjusted by the company on the completion of assessment of the income for the A.Y.2013-14 by the Income Tax Department.
- 21 In accordance with the revised Accounting Standard AS-15, i.e. Employee Benefits, the company has recognised the short term employee benefits accordingly paid for the services rendered by the employees for that period. Long term benefits are not payable to the employees of the company, as the company is not under any statutory obligation as well as contractual obligation.
- 22 The company considers its operation of NBFC activities as single segment and as such Accounting Standard AS-17 'Segment Reporting' issued by ICAI is not applicable for the company

Consolidated Notes on Financial Statements for the Year ended 31st March 2014

23	Claims against the Company not acknowledged as debt.					
	S.No	Nature	Assessment Year	Rs. (in lacs)	Forum where dispute is pending	
	1	Income Tax	2004-2005	43.49	Appeal effect is pending with DCIT	
	2	Income Tax	2006-2007	241.13	Appeal effect is pending with DCIT	
	3	Income Tax	2008-2009	38.11	ITAT	
	4	Income Tax	2010-2011	10.17	CIT-XXII (A)	
	5	Income Tax	2011-2012	5.63	CIT--XII	
24	Related party disclosures in accordance with the Accounting Standard AS - 18 issued by the Institute of Chartered Accountants of India					
	List of related parties and description of relationship:					
	a) Key Management Personnel					
	Mr.Ajit Khandelwal Managing Director					
	b) Associate / Group Companies					
	1. Subsidiary Company					
	i) BNK Commodities Pvt. Ltd					
	2. Associates					
	i) BNK Securities Pvt.Ltd.					
	ii) BNK Comdex DMCC					
	iii) Abacus Fund Services Pvt.Ltd.					
	iv) Patrex Vyappar Ltd.					
	v) In Media Computer Services LLP					
	Transactions during the year with related parties:					
				Year ended 31.03.2014	Year ended 31.03.2013	
	A. Key Management Personnel					
	Remuneration Paid 14.47					
	Balance at year end: Debit/(credit) 14.47					
	B. Associates / Group Companies					
	Rent Paid 1.08					
	Securities Purchase 102.42					
	Securities Sale 18.30					
	Loan Given 469.50					
	Loan Refund 240.08					
	Interest Received 35.85					
	Balance at year end: Debit/(credit) 265.28					
25	Earnings Per share					
	Profit After Tax As at 31.03.2014 (2.96)					
	Weighted average Number of Equity Shares outstanding 10,000,000					
	Face Value of Share 10					
	Basic & Diluted Earnings Per Share 0.53					
26	The Company has adopted Accounting Standard AS-22 'Accounting for taxes on Income' issued by ICAI. The Company has no deferred tax liability arising out of timing difference as on 31.03.2014. However, Deferred Tax assets have been recognised subject to the consideration of prudence in respect of DTA, on timing difference 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 .					
27	The details of traded securities purchased & sold during the year:					
	Particulars	As at 31.03.2014		As at 31.03.2013		
		Quantity		Quantity		
	Opening Stock					
	Bonds	21	12.55	46	262.55	
	Purchases					
	Bonds	-	-	358	263.02	
	Sales					
	Bonds	-	-	383	513.02	
	Closing stock					
	Bonds	21	12.55	21	12.55	
28.	Reserve bank of India vide Notification No. DNBS.167/CGN(OPA)-2003 dt. March 29, 2003 has directed that every NBFC shall append to its Balance Sheet prescribed under the Companies Act, 1956, the particulars in the format as setout in the Appendix 2.					
		As at 31.03.2014		As at 31.03.2013		
29	Expenditure in foreign currency during the Financial Year -					
30	Statement Pursuant to Section 212(1) (e) of The Companies Act,1956, relating to Subsidiary Companies					
	Name of the Subsidiary : BNK Commodities Pvt.Ltd.					
	Holding Companies Interes : 1610000 Equity Shares of Rs. 10/- each out of total Subscribed Capital of 3000000 Equity Shares of Rs.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:- NIL					
	Changes,if any,in respect of Fixed Assets etc. of Subsidiary Company between the end of their financial year and that of the Company:- NIL					
31	Previous year's figures have been regrouped/reclassified wherever necessary.					

As per our report of even date

For R.BHATTACHARYA & ASSOCIATES

ICAI Firm Registration No. 307124E

Chartered Accountants

CA. R. Bhattacharya

Proprietor

Membership No.012394

Kolkata, May 30th, 2014.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

P. Brahmachari

Director

S. Khandelwal

Director

P. Chakravarti

Director

A. Khandelwal

Managing Director

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

Particulars	For the year ended 31.03.2014 ` (lacs)	For the year ended 31.03.2013 ` (lacs)
A. CASH FLOW FROM THE OPERATING ACTIVITIES		
Net Profit before Tax from Continuing Operations	26.76	304.35
Non Cash Adjustments to reconcile net cash flow		
<u>Adjustments for :</u>		
Depreciation & Amortisation	6.52	8.28
Profit/(Loss) on Non Current Investment	115.57	(19.11)
Dividend Received	(228.09)	(192.23)
Interest Received	(273.93)	(318.60)
Interest Expenses	69.66	57.49
Operating Profit before Working Capital changes	(283.51)	(159.82)
Adjustments for :		
Trade & other Receivable	9.11	(10.33)
Inventories	(0.00)	(250.00)
Other Current Assets	(227.64)	58.54
Trade payable	(17.44)	(5.06)
Cash generated from operations	(519.49)	(366.67)
Direct taxes Paid	(6.66)	(45.07)
Cash Flow before extraordinary items	(526.15)	(411.74)
Extra Ordinary Items	-	-
Net Cash Used in Operating Activities	(526.15)	(411.74)
B CASH FLOW FROM THE INVESTING ACTIVITIES		
Purchase of Fixed Assets	(1.36)	(5.46)
Sale of Fixed Assets	1.30	-
Purchase of Investment	(706.41)	(165.76)
Sale of Investment	1,097.55	(114.06)
Dividend Received	228.09	192.23
Net Cash Used in Investing Activities	619.16	(93.05)
C CASH FLOW FROM THE FINANCING ACTIVITIES		
Proceed from issue of Share Capital	-	-
Share Premium	-	-
Proceed from Long / Short Term Borrowings	23.09	(56.48)
Interest paid	(69.66)	(57.49)
Loan Given/Refund Received	(670.92)	318.03
Interest Received	273.93	318.60
Net Cash Flow from Financial Activities	(443.57)	522.66
D Net Increase/(Decrease) in Cash & Cash Equivalent	(350.56)	17.87
Cash & Cash Equivalent (Opening)	574.25	556.38
Cash & Cash Equivalent (Closing)	223.69	574.25

Note : a) Previous years figures have been regrouped/rearranged wherever considered necessary.

As per our report of even date

For **R.BHATTACHARYA & ASSOCIATES**
ICAI Firm Registration No. 307124E
Chartered Accountants

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

P. Brahmachari
Director

P. Chakravarti
Director

CA. R. Bhattacharya
Proprietor
Membership No.012394

S. Khandelwal
Director

A. Khandelwal
Managing Director

Kolkata, May 30th, 2014.

Notes

BNK CAPITAL MARKETS LIMITED

CIN: L34202WB1986PLC040542

Registered Office : Mayfair Tower, 2, Palm Avenue, Kolkata – 700 019

Ph. : 033 3002 8574-76, Fax : 033 3058 0562, E-mail : corporate@bnkcapital.com, Web : www.bnkcapital.com

28th ANNUAL GENERAL MEETING ADMISSION SLIP

DATE	VENUE	TIME
WEDNESDAY, 10 TH SEPTEMBER, 2014	Bhartiya Bhasha Parishad, Sitaram Seksaria Auditorium 36A, Shakespeare Sarani, Kolkata – 700 017	10:30 A.M.

1. Name of Member :
2. DP ID No. & Client ID No. /
Registered Folio No. :
3. No. of share(s) held :

I certify that I am the Member / Proxy for the member holding the above shares.

Name of the Proxy in Block Letters

Signature of Member / Proxy attending

NOTES : Member / Proxy attending the Annual General Meeting (AGM) must bring his / her Admission Slip which should be signed and deposited before entry to the Bhartiya Bhasha Parishad, Sitaram Seksaria Auditorium.

BNK CAPITAL MARKETS LIMITED

CIN: L34202WB1986PLC040542

Registered Office : Mayfair Tower, 2, Palm Avenue, Kolkata – 700 019

Ph. : 033 3002 8574-76, Fax : 033 3058 0562, E-mail : corporate@bnkcapital.com, Web : www.bnkcapital.com

28th ANNUAL GENERAL MEETING

PROXY FORM

1. Name(s) of Member(s) :
Including joint holders, if any
2. Registered address of the sole / :
First named Member
3. E-mail Id :
4. DP ID No. & Client ID No. / :
Registered Folio No.
5. No. of share(s) held :

I / We, being the Member(s) of BNK Capital Markets Limited, hereby appoint

(1) Name: ----- Address: -----

E-mail ID: ----- Signature : -----, or falling him

(2) Name: ----- Address: -----

E-mail ID: ----- Signature : -----, or falling him

(3) Name: ----- Address: -----

E-mail ID: ----- Signature : -----, or falling him

as my / our proxy to attend and vote (on poll) for me / us and on my / our behalf at the 28th Annual General Meeting (AGM) of the Company to be held on the 10th day of September, 2014 at 10:30 a.m. at Bhartiya Bhasha Parishad, Sitaram Seksaria Auditorium, 36A, Shakespeare Sarani, Kolkata – 700 017 and at any adjournment thereof in respect of such resolutions as are indicated next page:

Resolution Number	Description	Optional (✓)	
		For	Against
Ordinary Business			
1.	Adoption of Audited Financial Statements and Consolidated Financial Statements for the year ended 31 st March, 2014 along with Report of Directors & Auditors.		
2.	Appointment of Shri Sanjeev Kumar Khandelwal who retires by rotation and offers himself for re-election.		
3.	Appointment of M/s. R.Bhattacharya & Associates, Chartered Accountants, as Auditors, for a period of five years from the conclusion of this AGM till the conclusion of 33 rd AGM and their remuneration for the financial year 2014-15.		
Special Business			
4.	Appointment of Shri Prabir Chakravarti as a Independent Director for a period of five years with effect from the date of this AGM.		
5.	Appointment of Shri Purnabrata Brahmachari as a Independent Director for a period of five years with effect from the date of this AGM.		
6.	Special Resolution u/s 180 (1) (a) of the Companies Act, 2013 for giving powers to the board for mortgaging assets of the company.		
7.	Special Resolution u/s 180 (1) (c) of the Companies Act, 2013 for giving powers to the board to borrow on behalf of the company.		
8.	Special Resolution u/s 186 of the Companies Act, 2013 for giving powers to the board to lend and invest on behalf of the company.		

Signed this _____ day of _____ 2014. Signature of shareholder : _____

NOTE : This form of proxy, in order to be effective, should be duly completed and deposited at BNK Capital Markets Limited, 2 Palm Avenue, Mayfair Tower, Kolkata – 700 019 not less than 48 hours before the commencement of AGM.

Affix
Revenue
Stamp



www.bnkcapital.com

Corporate Information

BOARD OF DIRECTORS

Dr. N. K Sengupta *Chairman (up to 03.11.2013)**
Mr. R. S. Khandelwal *Chairman (up to 29.04.2014)**
Mr. P. Brahmachari
Mr. P. Chakravarti
Mr. S. Khandelwal
Mr. Ajit Khandelwal, *Managing Director*
**Since Deceased*

COMPANY SECRETARY

Ms. Pratibha Jaiswal

AUDITORS

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

BANKERS

HDFC Bank Ltd.

COMPANY IDENTIFICATION NO.

L34202WB1986PLC040542

REGISTERED OFFICE

Mayfair Towers
2, Palm Avenue, Kolkata - 700 019, India
Ph. : 033 3002 8574-76
Fax : 033 3058 0562
E-mail : corporate@bnkcapital.com
Web : www.bnkcapital.com

REGISTRAR & SHARE TRANSFER AGENTS

CB Management Services (P) Limited
P-22, Bondel Road, Kolkata-700 019
Ph. : 033 2280-6692/6693
Fax : 033 2247-0263
E-mail : cbmsl@cal2.vsnl.net.in



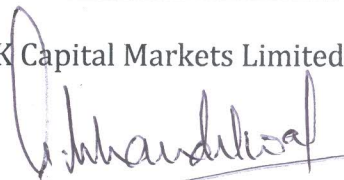

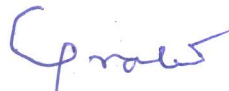
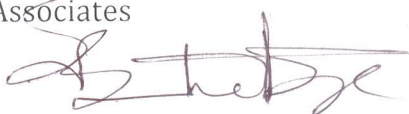
BNK CAPITAL

Opportunities Unlimited ...

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FORM A

(Covering Letter of the annual audit report to be filed with the stock exchanges under Clause 31(a) of the Listing Agreement)

1	Name of the Company	BNK Capital Markets Limited
2	Annual Financial Statements for the year ended	31 st March, 2014
3	Type of Audit Qualification	Unqualified
4	Frequency of Qualification	Not Applicable
5	Shri Ajit Khandelwal Managing Director	BNK Capital Markets Limited  Managing Director
	Ms. Pratibha Jaiswal Company Secretary	BNK Capital Markets Limited  Company Secretary
	Shri Prabir Chakravarti Audit Committee Chairman	BNK Capital Markets Limited  Director
	Auditor of the Company R. Bhattacharya Proprietor Membership No. 12394 For R. Bhattacharya & Associates Chartered Accountants Firm Registration No. 307124E (Statutory Auditors of the Company)	For R. Bhattacharya & Associates  R. Bhattacharya Proprietor

CIN No. : L34202WB1986PLC040542

An ISO 9001 : 2008 COMPANY

Regd. Office : Mayfair Tower, 2, Palm Avenue, Kolkata-700019, (India)

Telefax : +91-33 2280-0457, Tel. : +91-33 30028574-583, E-mail : corporate@bnkcapital.com

Mumbai Office : 1st Fl. 'Buona Casa', Homji Street, Sir P. M. Road, Fort Mumbai 400 001, Tel. : +91-22 2270 2408-10 / 5224