

Date: 30<sup>th</sup> August, 2017

✓ The Deputy General Manager,  
Department of Corporate Services,  
BSE Limited  
Phiroze Jeejebhoy Towers,  
Dalal Street, Mumbai - 400 001  
Security Code: 500069

The Secretary  
The Calcutta Stock Exchange Ltd  
7, Lyons Range  
Kolkata - 700 001  
Script Code: 10012048

**Sub: Submission of Annual Report of the Company as per Regulation 34(1) of the SEBI  
(Listing Obligations & Disclosure Requirements) Regulation, 2015**

Dear Sir,

We are enclosing herewith a copy of the Annual Report for the year ended on 31<sup>st</sup> March, 2017 as per Regulation 34(1) of the SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015

Thanking You,

Yours Faithfully,  
For BNK Capital Markets Limited



Company Secretary

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



[www.bnkcapital.com](http://www.bnkcapital.com)



# BNK CAPITAL MARKETS LTD.

THIRTY FIRST ANNUAL REPORT

2016-2017



www.bnkcapiatal.com

## Corporate Information

### **BOARD OF DIRECTORS**

Mr. Ajit Khandelwal, (DIN: 00416445), Chairman & Managing Director

Mr. P. Brahmachari (DIN: 00441660)

Mr. S. Khandelwal (DIN: 00419799)

Ms. Heena Gorsia (DIN: 07060485)

Mr. Ankit Khandelwal (DIN: 03057891)

Mr. P. Chakravarti\* (DIN: 00273523)

\* since deceased on 5<sup>th</sup> February, 2017

### **CHIEF FINANCIAL OFFICER**

Mr. Rabindra Nath Mishra

### **COMPANY SECRETARY**

Ms. Pratibha Jaiswal (ACS)

### **STATUTORY AUDITORS**

M/s. Santosh Choudhary & Associates

Chartered Accountants

Address: Commerce House,

2A Ganesh Chandra Avenue,

6<sup>th</sup> Floor, Suite No. 3, Kolkata – 700 013

### **INTERNAL AUDITORS**

M/s. S. Singhi & Associates

Chartered Accountants

Address: 47A, Ezra Street,

Kolkata – 700 001

### **REGISTERED OFFICE**

Mayfair Towers, 2 Palm Avenue

Kolkata - 700 019

CIN: L34202WB1986PLC040542

Email: corporate@bnkcapiatal.com

Website: www.bnkcapiatal.com

Ph. No. (033) 3058-0560 / 61

Fax No. (033) 3058-0562

### **REGISTRAR & SHARE TRANSFER AGENTS**

C.B. Management Services (P) Ltd.

CIN: U740140WB1994PTC082951

Address: P-22, Bondel Road, Kolkata – 700 019

Ph. No. (033) 2280-6692/93, 4011-6700

Fax No. (033) 2287-0263

Email: ria@cbmsl.com

Website: www.cbmsl.com

### **BANKERS**

HDFC Bank Ltd

The Federal Bank Ltd

ICICI Bank Ltd

**AGM on 26th August, 2017**  
**Bharatiya Bhasha Parishad,**  
**Sitaram Seksaria Auditorium,**  
**36A, Shakespeare Sarani, Kolkata- 700 017**  
**at 10:30 A.M.**

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## NOTICE

Notice is hereby given that the Thirty First Annual General Meeting of the Members of BNK Capital Markets Ltd. will be held on Saturday, 26th August, 2017 at 10:30 A.M. at Bharatiya Bhasha Parishad, Sitaram Sekaria Auditorium, 36A, Shakespeare Sarani, Kolkata - 700 017 to transact the following business :

### Ordinary Business

1. To receive, consider and audit the Audited Financial Statements and the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2017 together with the Board's Report and the Auditors Report.
2. To declare dividend for the year ended 31st March, 2017.
3. To re-appoint Shri Ankit Khandelwal (DIN: 03057891), who retires by rotation and being eligible, offers himself for re-appointment.
4. 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, the appointment of M/s Santosh Choudhary & Associates, Chartered Accountants, (Registration No. 323720E) be and is hereby appointed as Auditors of the Company, to hold office from the conclusion of 31st Annual General Meeting till the conclusion of the 36th Annual General Meeting of the Company at such remuneration as may be fixed by the Board of Directors of the Company subject to ratification of the shareholders every year.\*

### Registered Office :

Mayfair Tower, 2 Palm Avenue  
Kolkata - 700 019  
CIN: L34202WB1986PLC040542  
Email: corporate@bnkcapital.com  
Website: www.bnkcapital.com  
Ph. No. 033 - 30580560 / 61  
Dated: 18th May 2017  
Place : Kolkata

By order of the Board

Pratibha Jaiswal  
Company Secretary

### Notes :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (AGM) SHALL BE ENTITLED TO APPOINT ANOTHER PERSON AS PROXY TO ATTEND AND VOTE AT THE MEETING ON HIS BEHALF. A PROXY SHALL NOT HAVE THE RIGHT TO SPEAK AT THE AFORESAID MEETING AND SHALL NOT BE ENTITLED TO VOTE EXCEPT ON A POLL. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE AFORESAID MEETING. PROXIES SUBMITTED ON BEHALF OF LIMITED COMPANIES, SOCIETIES, ETC. MUST BE SUPPORTED BY APPROPRIATE RESOLUTIONS/AUTHORITY, AS APPLICABLE. A PERSON CAN ACT AS PROXY ON BEHALF OF NOT MORE THAN FIFTY MEMBERS AND HOLDING IN THE AGGREGATE, NOT MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT BE ENTITLED TO ACT AS PROXY FOR ANY OTHER PERSON OR MEMBER.
2. Corporate Members are requested to send to the Company/Registrar & Share Transfer Agent, a duly certified copy of the Board Resolution / Power of Attorney authorizing their representative to attend and vote at the AGM pursuant to Section 113 of the Companies Act, 2013.
3. The Register of Members and Share Transfer Books of the Company shall remain closed from 21st August, 2017 to 26th August, 2017, both days inclusive.
4. Members are requested to produce the attendance slip duly signed as per the specimen signature recorded with the Company for admission to the meeting hall.
5. Members who hold shares in dematerialized form are requested to furnish their Client ID and DP ID nos. for easy identification at the Meeting.
6. Dividend on Ordinary (Equity) Shares as recommended by the Board, if approved at the Meeting, will be paid to the Members of the Company, holding shares in the physical form and whose names appear in the Register of Members on 19th August, 2017 and, holding shares in electronic form, to those whose names appear in the list of beneficial holders furnished by respective Depositories as at the end of business hours on 19th August, 2017 within the stipulated period.
7. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the Special Business to be transacted at the Annual General Meeting as set out in the Notice is annexed hereto.
8. The Securities and Exchange Board of India (SEBI) has mandated submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their respective Depository Participant with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/ Registrar & Share Transfer Agent of the Company.
9. Relevant documents referred to in the proposed resolutions are available for inspection at the Registered Office of the Company from 11 A.M. to 1 P.M. on all days except Saturdays, Sundays and public holidays and at the Annual General Meeting.
10. Members are requested to notify any change in their address immediately to M/s. CB Management Services (P) Limited, P-22, Bondel Road, Kolkata - 700 019, the Registrars & Share Transfer Agents of the Company for shares held in physical form. Shareholders who hold their shares in dematerialized form may lodge their requests for change of address, if any, with their respective Depository Participants.
11. Members holding shares of the Company in physical form through multiple folios are requested to consolidate their shareholding into single folio, by sending their original share certificates along with a request letter to consolidate their shareholding into one single folio, to the Registrar & Share Transfer Agents of the Company.
12. In all correspondence with the Company/Registrar & Share Transfer Agents, Members are requested to quote their Folio Number and in case their shares are held in the dematerialized form, they must quote their DP ID and Client ID Number.
13. Members are reminded to send their dividend warrants, which have not been encashed, to the Company, for validation. As per the provisions of Section 124(6) of the Companies Act, 2013, unclaimed dividend is liable to be transferred to the Investor Education and Protection Fund of the Central Government after expiry of seven years from the date they become due for payment.
14. As per current SEBI Regulations, dividend is required to be credited to shareholders' respective bank accounts through Electronic Clearing Service (ECS), wherever the facility is available and the requisite details / mandates have been provided by the Members. Members desirous of availing this facility may send the details of their bank accounts with addresses and MICR Codes of their banks to their Depository Participants (in case of shares held in dematerialized form) or to CB Management Services (P) Limited (in case of shares held in physical form) at the earliest.
15. Members interested in nomination in respect of shares held by them in physical form may write to M/s. CB Management Services (P) Limited at the address as mentioned in paragraph (10), as above, for the prescribed form.
16. Members may note that the Notice of the 31st AGM and the Annual Report for 2016-17 will be available on the Company's website www.bnkcapital.com. Members who require communication in physical form in addition to e-communication, may write to the Company / Registrar & Transfer Agent at corporate@bnkcapital.com / rta@cbsml.com
17. Members are to inform of their current email ID to the Company in compliance of Green Initiative as per Ministry of Corporate Affairs' circular on this subject.
18. For shares held in physical form, Members may initiate action to get their shares dematerialized since trading of shares is done compulsorily in the dematerialized mode. Dematerialization not only provides easy liquidity, but also safeguards from any possible physical loss.  
The company has approved issuance of new share certificates with reorganized distinctive numbers against surrender of old share certificates to the physical share holders. Share holders are requested to exchange their old share certificates with the new one from M/s. C. B. Management Services Pvt. Limited.
19. In compliance with the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management & Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meeting (SS-2) issued by the Institute of Company Secretaries of India, the Company is providing the members with the facility to cast their vote electronically from a location other than the venue of the Annual General Meeting ("Remote e-voting"). The Company has engaged in Central Depository Services Limited ("CDSL") to provide to the Members the e-voting platform and services for casting their vote through remote E-voting on all resolutions set forth in this Notice.  
The facility for voting through ballot paper shall be made available at Annual General Meeting and the members attending the Annual General Meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the Annual General Meeting through ballot paper. Members who have cast their votes by remote e-voting prior to the Annual General Meeting may attend the Annual General Meeting but shall not be entitled to cast their vote again.
20. A route map along with the prominent landmark for easy location to reach the venue of the Annual General Meeting is annexed to this notice.



**THE INSTRUCTIONS FOR SHAREHOLDERS VOTING ELECTRONICALLY ARE AS UNDER:**

- (i) The voting period begins on 23rd August, 2017 at 09.00 a.m. and ends on 25th August, 2017 at 05.00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (i.e. 19th August, 2017) may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. The facility for voting through polling papers shall be made available at the AGM on 26th August, 2017 and the members as on the "cut-off date" i.e. 19th August, 2017 attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right to vote at the meeting through poll.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com) during the voting period.
- (iii) Click on "Shareholders" tab.
- (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](http://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 are requested to use the sequence number appearing on the enclosed Attendance Slip cum Electronic Voting Particulars in the PAN field.
- 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 as mentioned in instruction (vii).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach 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) Click on the EVSN for -BNK CAPITAL MARKETSLTD- on which you choose to vote.
- (xii) 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.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) 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.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) 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.
- (xviii) **Note for Institutional Shareholders**
  - 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.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they have to create a compliance user using the admin login and password. The Compliance user would be able to link the account(s) which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or [corporate@bnkcapital.com](mailto:corporate@bnkcapital.com)

Ms. Jyoti Mahatma, Practicing Company Secretary, (ACS-31621) have been appointed as the Scrutinizer to scrutinize the voting in a fair and transparent manner, whose e-mail address is [csjyotimahatma2907@gmail.com](mailto:csjyotimahatma2907@gmail.com) / [jyoti.jain2907@gmail.com](mailto:jyoti.jain2907@gmail.com)

The voting rights of the Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date. In case of joint holders, only one of the joint holders may cast his vote.

Members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their voting right at the meeting through poll. The members who have already cast their vote by remote e-voting prior to the meeting shall not be entitled to cast their vote again.

The results on the resolution will be declared not later than three (3) days from the conclusion of the AGM i.e. 26th August, 2017. The declared results along with the Scrutinizer's Report shall be placed on the Company's website [www.bnkcapital.com](http://www.bnkcapital.com) and on the website of CDSL at [www.evotingindia.com](http://www.evotingindia.com) and will also be forwarded to the Stock Exchanges where the Company's shares are listed subject to receipt of requisite number of votes, the resolutions set out in the Notice shall be deemed to be passed on the date of the AGM.

**Registered Office :**

Mayfair Tower, 2 Palm Avenue  
Kolkata - 700 019  
CIN: L34202WB1986PLC040542  
Email: [corporate@bnkcapital.com](mailto:corporate@bnkcapital.com)  
Website: [www.bnkcapital.com](http://www.bnkcapital.com)  
Ph. No. 033 - 30580560 / 61  
Dated: 18th May 2017

Place : Kolkata

By order of the Board

Pratibha Jaiswal  
Company Secretary

**ADDITIONAL INFORMATIONS ON DIRECTORS RECOMMENDED FOR APPOINTMENT / RE-APPOINTMENT AS REQUIRED UNDER REGULATION 36(3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

1. NAME  
DIN  
DATE OF BIRTH  
DATE OF APPOINTMENT  
QUALIFICATIONS  
EXPERTISE

Shri Ankit Khandelwal  
03057891  
1st September, 1983  
30th January, 2015  
MSC (Finance), UK  
Business - Experience in Financial Services, Merchant Banking, Capital Markets and Commodity Markets operations & Investment Advisory Services for over 10 years.

**DIRECTORSHIPS DETAILS**  
(as at 31.03.2017)

Name of Indian Company  
BNK Capital Markets Ltd  
BNK Commodities Pvt Ltd  
BNK Securities Pvt Ltd  
Shareholding in the Company

Committee Memberships, if any with position  
Nomination & Remuneration Committee - Member  
Nil  
Nil  
Nil

## DIRECTORS' REPORT TO THE MEMBERS

Your Directors present before you the 31st Annual Report of your Company on business & operations together with Audited Financial Statements and the Auditor's Report for the year ending 31st March 2017.

### Operation and Future Prospects

India has maintained a growth in GDP. Our GDP grew @ 7.10 % p.a. in F.Y.2016-17. India is the fastest growing among major economies of the world. The Government under Prime Ministership of Mr. Narendra Modi is moving forward with Growth and Governance as its main agenda. Demonetization of currency was a bold step taken by the Prime Minister. Though it had its operational problems and has affected the economy in short term, it is expected to give positive results in a long term. The interest rates and inflation is also coming down. G S T is another major tax reform which is likely to be implemented from 1st July 2017. Like in any major reform, G S T may also have its initial pains more so because of large number of traders are in unorganized sector and it requires lot of understanding of the complex system and preparedness for the same. There are initial concerns but in times to come it is expected that this will lead to better tax compliance and growth in the economy. The organized sector is expected to perform better on the implementation of G S T. Expectation of Growth led good governance, policy actions, have resulted in good sentiments and the foreign investors have investing in Indian stocks in a big way. This has resulted in the rise of "Nifty & Sensex" to 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 2017 is summarized below:

PARTICULARS	STANDALONE		CONSOLIDATED	
	Year Ended 31/03/2017 (` In Lacs)	Year Ended 31/03/2016 (` In Lacs)	Year Ended 31/03/2017 (` In Lacs)	Year Ended 31/03/2016 (` In Lacs)
Gross Income	1465.05	856.38	1469.51	870.42
Profit Before Interest & Depreciation	1137.13	697.59	1136.90	703.73
Finance Charge	43.24	51.99	43.24	51.99
<b>Gross Profit</b>	<b>1093.89</b>	<b>645.60</b>	<b>1093.66</b>	<b>651.74</b>
Provision for Depreciation	20.19	20.64	20.44	21.09
Net Profit Before Tax	1073.70	624.96	1073.22	630.65
Provision for Tax	145.07	10.61	145.07	11.66
Minority Interest	-	-	(0.21)	(2.01)
Profit from Associate	-	-	14.06	11.58
<b>Net Profit After Tax</b>	<b>928.63</b>	<b>614.35</b>	<b>942.00</b>	<b>628.56</b>
Balance of Profit Brought Forward	1040.38	689.82	1044.99	680.35
Balance available for appropriation	1969.01	1,304.18	1986.99	1,308.91
Proposed Dividend on Equity Shares	150.00	100.00	150.00	100.00
Tax on Proposed Dividend	30.54	18.18	30.54	18.18
Adjustments Earlier Years	3.83	22.75	3.98	22.75
Transfer to Reserve	785.73	122.87	788.40	122.99
<b>Surplus carried to Balance Sheet</b>	<b>998.91</b>	<b>1,040.38</b>	<b>1014.07</b>	<b>1,044.99</b>

### DIVIDEND

The Board of Directors have recommended payment of dividend of Re. 1.50 per equity share of face value of Rs. 10/- each for the financial year ended on 31st March 2017.

### TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Pursuant to the provisions of Section 124(5) of the Companies Act, 2013, dividend which remains unpaid or unclaimed for a period of seven years from the date of its transfer to unpaid dividend is required to be transferred by the Company to Investor Education and Protection Fund (IEPF), established by the Central Government under the provisions of Section 125 of the Companies Act, 2013. The amount transferred to IEPF was Rs. 1,13,644/- (F.Y. 2009-10) during the year.

### NUMBER OF BOARD MEETINGS HELD

The Board of Directors met 4 (Four) times i.e., 28.05.2016, 23.07.2016, 27.10.2016 & 28.01.2017 during this financial year. The Board meeting held on 28.05.2016 was adjourned & the adjourned meeting was duly concluded on 31st May, 2016.

### SUBSIDIARY COMPANY & INVESTMENTS

BNK Commodities Private Limited, 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. Form AOC-1 is enclosed as a part of this report in Annexure A.

### FIXED DEPOSITS

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

### DIRECTORS

With profound grief we inform you about the sad and sudden demise of Shri Prabir Chakravarti on 5th February, 2017. He was the member of the Board since 28th August, 1993 & had played an important role in the growth of the Company by his active participation & guidance. The Board of Directors pays its homage to the departed soul and record deep appreciation for the services rendered to the Company.

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company Shri Ankit Khandelwal (DIN: 03057891), Director of the Company retire by rotation at the conclusion of the forthcoming Annual General Meeting, and being eligible offer himself for reappointment. All Independent Directors have provided declarations that they meet the criteria of independence as laid down u/s 149(6) of the Companies Act, 2013 & Regulation 16(1)(b) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

### AUDITORS

#### i) Statutory Auditors

With profound grief we inform you about the sad and sudden demise of Shri Radharaman Bhattacharya on 25th March, 2017. He was the Statutory Auditor of the Company since 24th September, 1990 & had played an important role in the growth of the Company by his active participation & guidance. The Board of Directors pays its homage to the departed soul and record deep appreciation for the services rendered to the Company.  
M/s. Santosh Choudhary & Associates, Chartered Accountants, (Registration No. 323720E), had given their consent & were appointed as the Statutory Auditors of the Company to hold office till the forthcoming Annual General Meeting due to casual vacancy.  
M/s. Santosh Choudhary & Associates, Chartered Accountants, (Registration No. 323720E), have given their consent and are proposed to be appointed as the Statutory Auditors of the Company at the forthcoming Annual General Meeting for a term of 5 years subject to ratification every year.

#### ii) Secretarial Auditor

According to the provisions of Section 204 of the Companies Act, 2013 read with Section 179(3)(k) read with Rule 8(4) of the Companies (Meeting of Board and its Powers) Rules, 2014, the Secretarial Audit Report submitted by the Company Secretary in Practice is enclosed as a part of this report in Annexure B.

## CORPORATE GOVERNANCE & MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Your Directors re-affirm their commitment to the Corporate Governance standards prescribed by Securities and Exchange Board of India codified as per the applicable regulations read with Schedule V of Securities and Exchange Board of India (Listing Obligation And Disclosure Requirements) Regulation, 2015 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 134(5) of the Companies Act, 2013 your Directors confirm:

- That in the preparation of the Annual Accounts, the applicable accounting standards had been followed;
- 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 and of the profit of the Company for that period;
- That they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- That they have prepared the Annual Accounts on a 'Going Concern' basis.
- That they have laid down internal financial controls in the Company that are adequate and were operating effectively.
- That they have devised proper systems to ensure compliance with the provisions of all applicable laws and these are adequate and are operating effectively.

### INTERNAL FINANCIAL CONTROL

The Board of Directors (Board) has devised systems, policies and procedures / frameworks, which are currently operational within the Company for ensuring the orderly and efficient conduct of its business, which includes adherence to Company's policies, safeguarding assets of the Company, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and timely preparation of reliable financial information. In line with best practices, the Audit Committee and the Board reviews these internal control systems to ensure they remain effective and are achieving their intended purpose. Where weaknesses, if any, are identified as a result of the reviews, new procedures are put in place to strengthen controls. These controls are in turn reviewed at regular intervals.

### CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company being in the service sector, conservation of energy and technology absorption as specified under section 134(3)(m) of the Companies Act, 2013 read with rule 8 of the Companies (Accounts) Rules, 2014 has no significance for the Company.

There is no earning & expenses in foreign exchange during the period. None of the employees are covered by the provisions contained in Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

### AUDIT COMMITTEE

The Audit Committee of the Board has been constituted in terms of Listing Regulations and Section 177 of the Companies Act, 2013. The constitution and other details of the Audit Committee are given in the Corporate Governance Report.

### CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee of the Board has been constituted in compliance with the provisions of Companies Act, 2013 as amended from time to time. The constitution and other details of the Corporate Social Responsibility Committee are given in the Corporate Governance Report. The Board will oversee and review CSR performance of the Company through its CSR Committee.

### BOARD EVALUATION

As per the provisions of the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015, the Board has carried out the annual evaluation of its own performance, and of each of the Directors individually, including the independent directors, as well as the working of its committees.

### DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company's policy on prevention of sexual harassment of women provides for the protection of women employees at the workplace and for prevention and redressal of such complaints. There were no complaints pending for the redressal at the beginning of the year and no complaints received during the financial year.

### LOANS, GUARANTEES AND INVESTMENTS

The Company is a Non-Banking Financial Company and Section 186 of the Companies Act, 2013 is not applicable to it.

### SIGNIFICANT AND MATERIAL ORDERS BY THE REGULATORS OR COURTS TRIBUNAL IMPACTING THE COMPANY'S GOING CONCERN STATUS & OPERATIONS IN FUTURE

During the period under review, no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in the future.

### DISCLOSURE ON SPECIFIED NOTES

During the year, the Company had Specified Bank Notes (SBNs) or other denomination notes as defined in the MCA Notification, G.S.R. 308(E), dated March 31, 2017. The details of SBNs held and transacted during the period from 8th November, 2016 to 30th December, 2016. The

denomination wise SBNs and other notes as per the notification are as follows:

Particulars	SBNs	Other Denominations	Total (in Rs.)
Closing Cash in hand as on 8th November, 2016	75,000	877	75,877
Add: Permitted Receipts (including bank withdrawals)	-	2,30,000	2,30,000
Less: Permitted Payments	-	1,62,858	1,62,858
Less: Amount deposited in Banks	75,000	-	75,000
Closing Cash in hand as on 30th December, 2016	-	-	68,019

### POLICIES

The Company has formulated various policies as required under the Companies Act, 2013, Securities and Exchange Board of India (Listing Obligation And Disclosure Requirements) Regulation, 2015 & Listing Agreement and are uploaded on our Company's website as mentioned below:

NAME OF COMMITTEE	COMPANIES ACT 2013/ LISTING AGREEMENT	LINK
Whistle Blower / Vigil Mechanism Policy	The Company has adopted the policy as required under Section 177(9) & (10) of the Companies Act, 2013 & as per Clause 49 of the Listing Agreement.	
Nomination & Remuneration Policy	The Company has adopted the policy as required under Section 178(3) of the Companies Act, 2013 & SEBI Listing Regulations.	
Risk Management Policy	The Company has adopted the policy as per Clause 49 of the Listing Agreement.	
Related Party Transactions Policy	The Company has adopted the policy as required under Section 188(1) of the Companies Act, 2013 & SEBI (LODR) Regulation, 2015 read with Clause 49 of the Listing Agreement.	<a href="http://www.bnkcapital.com/Aboutus/bnkcapitalmarketpolicies.aspx?id=13">http://www.bnkcapital.com/Aboutus/bnkcapitalmarketpolicies.aspx?id=13</a>
Policy on Determining Material Subsidiaries	The Company has adopted the policy as required under Companies Act, 2013 & SEBI (LODR) Regulation, 2015.	
Familiarization Programme for Independent Directors	The Company has adopted the policy pursuant to Part III of Schedule IV of the Companies Act, 2013 & Clause 49 (I) (B) (7) of the Listing Agreement.	
Policy on Corporate Social Responsibility	The Company has adopted the policy as required under Companies Act, 2013.	

### RELATED PARTY TRANSACTIONS

The Board of Directors of the Company has adopted a policy to regulate transactions between the Company and its related parties in compliance with the applicable provisions of Companies Act, 2013, SEBI (LODR) Regulation, 2015 read with Clause 49 of the Listing Agreement. The disclosure of related party transactions is made as per AS-18 in the Notes to Financial Statements. However in terms of Section 188(1) of the Companies Act, 2013 read with rule 15 of the Companies (Meeting of Board and its Powers) Rules, 2014, the Board feels that the transactions made are not material in nature as such AOC-2 is annexed to this report.

### EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in Form MGT-9, as required under Section 92 of the Companies Act, 2013 is enclosed as a part of the Report in Annexure C.

### ACKNOWLEDGEMENT

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

Place : Kolkata  
Dated : 18th May, 2017

For and on behalf of the Board  
**Ajit Khandelwal**  
Chairman & Managing Director

**Form AOC-1**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures**

**Part "A": Subsidiaries**

(Information in respect of each subsidiary to be presented with amounts in Rs.)

Sl. No.	Particulars	Details
1.	Name of the subsidiary	BNK Commodities Pvt Ltd
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Not Applicable
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Not Applicable
4.	Share capital (Paid-up)	28,400,000
5.	Reserves & surplus	(11,778,000)
6.	Total assets	16,891,000
7.	Total Liabilities	16,891,000
8.	Investments	6,009,000
9.	Turnover	346,000
10.	Profit before taxation	(48,000)
11.	Provision for taxation	
12.	Profit after taxation	(48,000)
13.	Proposed Dividend	-
14.	% of shareholding	56.69%

**Notes:** The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations
- Names of subsidiaries which have been liquidated or sold during the year.

**Part "B": Associates and Joint Ventures**

**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

Name of associates/Joint Ventures	BNK Securities Pvt Ltd
1. Latest audited Balance Sheet Date	18 <sup>th</sup> May, 2017
2. Shares of Associate/Joint Ventures held by the company on the year end	
No. of Shares	2544
Amount of Investment in Associates/Joint Venture	43,969,000
Extend of Holding %	36.35%
3. Description of how there is significant influence	BNK Capital Markets Ltd holds 36.35% in BNK Securities Pvt Ltd.
4. Reason why the associate/joint venture is not consolidated	Not Applicable
5. Net worth attributable to shareholding as per latest audited Balance Sheet	632,251,348
6. Profit/Loss for the year	
i. Considered in Consolidation	1,406,000
ii. Not Considered in Consolidation	-

- Names of associates or joint ventures which are yet to commence operations.
- Names of associates or joint ventures which have been liquidated or sold during the year.

**Note:** This Form is to be certified in the same manner in which the Balance Sheet is to be certified.

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**

**Rabindra Nath Mishra**

**A. Khandelwal**

**Pratibha Jaiswal**

**P. Brahmachari**

Chief Financial Officer

Chairman & Managing Director

Company Secretary

Director & Chairman of Audit Committee

## Annexure-B

**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED - 31.03.2017**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,

**BNK Capital Markets Limited**

CIN: L34202WB1986PLC040542

Regd Office- Mayfair Towers, 2 Palm Avenue Kolkata- 700019

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by BNK CAPITAL MARKETS LTD (hereinafter called the company). Secretarial Audit was conducted in accordance with the Guidance Note issued by the Institute of Company Secretaries of India (A statutory body constituted under the Company Secretaries Act, 1980) and in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

The Company's Management is responsible for preparation and maintenance of secretarial records and for devising proper systems to ensure compliance with the provisions of applicable laws and regulations.

Our responsibility is to express an opinion on the secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.

We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and read with the Statutory Auditors' Report on Financial Statements and Compliance of the conditions of Corporate Governance and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion and to the best of our information, knowledge and belief and according to the explanations given to us, the company has, during the audit period covering the financial year ended on 31.03.2017 generally complied with the applicable statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by BNK CAPITAL MARKETS LTD for the financial year ended on 31.03.2017 according to the applicable provisions of:

1. The Companies Act, 2013 (the Act) and the rules made there under;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
4. Foreign Exchange Management Act; 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings to the extent applicable to the company;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the company-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 No issue of any security during the year
  - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 No such instances reported during the year
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 No instances were reported during the year.
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client - The Company has duly appointed a SEBI authorized Category I Registrar and Share Transfer Agent as required under Law.
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009. No Delisting was done during the year

- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998. No buy - back was done during the year.

We have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India;
- ii. The Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc mentioned above subject to the following observations:

1. Section 135 of the Companies Act, 2013 relating to CSR is applicable to the Company.
2. Cost Audit is not applicable to the Company as it is not a manufacturing concern.

We further report that as far as we have been able to ascertain -

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors and the changes in the composition of Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
2. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
3. We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

(Jyoti Mahatma)  
Company Secretaries  
Membership No. ACS No:31621  
C P No. : 11731

Place : Kolkata  
Date : 18.05.2017

"Annexure A"

To,

The Members

BNK CAPITAL MARKETS LTD

CIN: L34202WB1986PLC040542

Regd Office- Mayfair Towers, 2 Palm Avenue Kolkata- 700019

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audits.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the fairness of the contents of the Secretarial records. The verification was done on test basis to ensure that facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis to the extent applicable to the Company.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

(Jyoti Mahatma)  
Company Secretaries  
Membership No. ACS No:31621  
C P No. : 11731

Place : Kolkata  
Date : 18.05.2017

**FORM NO. MGT-9**

**EXTRACT OF ANNUAL RETURN**

as on the financial year ended on 31.03.2017

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

- i) CIN: L34202WB1986PLC040542
- ii) Registration Date: 17.04.1986
- iii) Name of the Company: BNK CAPITAL MARKETS LIMITED
- iv) Category / Sub-Category of the Company: Company Limited by Shares
- v) Address of the Registered office and contact details: Mayfair Tower, 2 Palm Avenue, Kolkata – 700 019  
Telephone No. (033) 2280-0457, (033) 30028574-583  
E-mail ID: [corporate@bnkapital.com](mailto:corporate@bnkapital.com)  
Website: [www.bnkapital.com](http://www.bnkapital.com)

vi) Whether listed company Yes / No: Yes

vii) Name, Address and Contact details of Registrar and Transfer Agent, if any: CB Management Services (P) Limited  
P-22, Bondel Road, Kolkata – 700 019  
Ph. No.: (033)2280-6692/93, 4011-6700  
Fax. No.: (033)2287-0263  
E-mail ID: [rta@cbmsl.com](mailto:rta@cbmsl.com)  
Website: [www.cbmsl.com](http://www.cbmsl.com)  
CIN: U74140WB1994PTC062959

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products/services	NIC Code of the Product/ service	% to total turnover of the company
1.	Dividend Income	64300	25.70
2.	Interest Income	64300	17.28
3.	Sale of Investment	66190	48.85

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -**

S. NO	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY /ASSOCIATE	% of shares held	Applicable Section
1	BNK Commodities Pvt Ltd Address: Mayfair Tower, 2 Palm Avenue, Kolkata – 700 019	U74999WB2003PTC097491	Subsidiary	56.69	2(87)
2	BNK Securities Pvt Ltd Address: 2 Palm Avenue, Ground Floor, Kolkata – 700 019	U67120WB1995PTC071182	Associate	36.35	2(6)

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**
**i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/ HUF	3705126	-	3705126	37.05	3705126	-	3705126	37.05	-
b) Central Govt or State Govt (s)	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	1591881	-	1591881	15.92	1591881	-	1591881	15.92	-
d) Banks/ FI	-	-	-	-	-	-	-	-	-
e) Any Other...	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (1):-</b>	<b>5297007</b>	<b>-</b>	<b>5297007</b>	<b>52.97</b>	<b>5297007</b>	<b>-</b>	<b>5297007</b>	<b>52.97</b>	<b>-</b>
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (2):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>5297007</b>	<b>-</b>	<b>5297007</b>	<b>52.97</b>	<b>5297007</b>	<b>0</b>	<b>5297007</b>	<b>52.97</b>	<b>-</b>
<b>B. Public Shareholding</b>									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/ FI	-	-	-	-	-	-	-	-	-
c) Central Govt or State Govt(s)	-	-	-	-	-	-	-	-	-
d) Venture Capital Funds	-	-	-	-	-	-	-	-	-
e) Insurance Companies	-	-	-	-	-	-	-	-	-
f) FIs	-	-	-	-	-	-	-	-	-
g) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
h) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	2783308	9876	2793184	27.93	2753713	9876	2763589	27.64	(0.30)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	1463787	279291	1743078	17.43	743329	273291	1016620	10.17	(7.26)
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	128125	-	128125	1.28	874031	-	874031	8.74	7.46



c) Others (specify)									
i) NRI / OCB	16357	21764	38121	0.38	26114	21625	47739	0.48	0.10
ii) Trust	-	-	-	-	-	-	-	-	-
iii) Clearing Members	405	-	405	0.01	1014	-	1014	0.01	0.01
<b>Sub-total (B)(2):-</b>	<b>4392062</b>	<b>310931</b>	<b>4702993</b>	<b>47.03</b>	<b>4398201</b>	<b>304792</b>	<b>4702993</b>	<b>47.03</b>	<b>-</b>
Total Public Shareholding (B) = (B)(1) + (B)(2)	<b>4392062</b>	<b>310931</b>	<b>4702993</b>	<b>47.03</b>	<b>4398201</b>	<b>304792</b>	<b>4702993</b>	<b>47.03</b>	<b>-</b>
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
<b>GrandTotal (A+B+C)</b>	<b>9689069</b>	<b>310931</b>	<b>10000000</b>	<b>100.00</b>	<b>9695208</b>	<b>304792</b>	<b>10000000</b>	<b>100.00</b>	<b>-</b>

**(ii) Shareholding of Promoters**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year		
		No. Of Shares	% of total Shares of the company	%of Shares Pledged/ encumbered to total shares	No. Of Shares	% of total Shares of the company	%of Shares Pledged/ encumbered to total shares
1.	<b>Sanjeev Kumar Khandelwal (120605000000116)</b>						
	a)At the Beginning of the year	932000	9.32	Nil	932000	9.32	Nil
	b)Change during the year				No Change		
	c)At the End of the year				932000	9.32	
2.	<b>BNK Securities Pvt Ltd (120605000000023)</b>						
	a)At the Beginning of the year	1127781	11.28	Nil	1127781	11.28	Nil
	b)Change during the year				No Change		
	c)At the End of the year				1127781	11.28	
3.	<b>Patrex Vyapaar Limited (1206050000000587)</b>						
	a)At the Beginning of the year	127850	1.28	Nil	127850	1.28	Nil
	b)Change during the year				No Change		
	c)At the End of the year				127850	1.28	
4.	<b>Asian Securities Exchange Pvt Ltd. (1206050000000141)</b>						
	a)At the Beginning of the year	336250	3.36	Nil	336250	3.36	Nil
	b)Change during the year				No Change		
	c)At the End of the year				336250	3.36	
5.	<b>Sanjeev Kumar Khandelwal (1206050000000521)</b>						
	a)At the Beginning of the year	182125	1.82	Nil	182125	1.82	Nil
	b)Change during the year				No Change		
	c)At the End of the year				182125	1.82	

6.	<b>Sanjeev Kumar Khandelwal (1206050000001747)</b>						
	a)At the Beginning of the year	60938	0.61	Nil	60938	0.61	
	b)Change during the year				No Change		
	c)At the End of the year				60938	0.61	
7.	<b>R. S. Khandelwal HUF (1206050000000038)</b>						
	a)At the Beginning of the year	193125	1.93	Nil	193125	1.93	Nil
	b)Change during the year				No Change		
	c)At the End of the year				193125	1.93	
8.	<b>Sanjeev Kumar Khandelwal (1206050000001713)</b>						
	a)At the Beginning of the year	9250	0.09		9250	0.09	
	b)Change during the year				No Change		
	c)At the End of the year				9250	0.09	
9.	<b>Ajit Kumar Khandelwal (1206050000000363)</b>						
	a)At the Beginning of the year	57250	0.57	Nil	57250	0.57	Nil
	b)Change during the year						
	c)At the End of the year				57250	0.57	
10.	<b>Ajit Kumar Khandelwal (1206050000001732)</b>						
	a)At the Beginning of the year	2270438	22.70		2270438	22.70	
	b)Change during the year				No Change		
	c)At the End of the year				2270438	22.70	
	<b>Total</b>	<b>5297007</b>	<b>52.97</b>	<b>0</b>	<b>5297007</b>	<b>52.97</b>	<b>0</b>

(iii) Change in Promoters' Shareholding (please specify, if there is no change): **There is no change during the year**

Sl. No.	Shareholding at the beginning of the year (01.04.2016)		Cumulative Shareholding during the year (01.04.2016 to 31.03.2017)	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	5297007	52.97	5297007	52.97

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (01.04.2016)		Cumulative Shareholding during the year (01.04.2016 to 31.03.2017)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	<b>Interactive Technologies Pvt Ltd (IN30021413486754)</b>				
	a)At the Beginning of the year	450100	4.5	450100	4.5
	b)Change during the year			No Change	
	c)At the End of the year			450100	4.5

<b>2.</b>	<b>Commercial House Pvt Ltd (IN30032710061407)</b>				
	a)At the Beginning of the year	375000	3.75	375000	3.75
	b)Change during the year			No Change	
	c)At the End of the year			375000	3.75
<b>3.</b>	<b>Rainbow Investments Ltd (IN30125028925700)</b>				
	a)At the Beginning of the year	375000	3.75	375000	3.75
	b)Change during the year			No Change	
	c)At the End of the year			375000	3.75
<b>4.</b>	<b>Vishnuhari Investment Ltd (IN30032710053458)</b>				
	a)At the Beginning of the year	312500	3.12	312500	3.12
	b)Change during the year			No Change	
	c)At the End of the year			312500	3.12
<b>5.</b>	<b>Bhaktwatsal Investment Ltd (IN30032710058331)</b>				
	a)At the Beginning of the year	312500	3.12	312500	3.12
	b)Change during the year			No Change	
	c)At the End of the year			312500	3.12
<b>6.</b>	<b>Response Securities Pvt Ltd (IN30289810354780)</b>				
	a)At the Beginning of the year	257170	2.54	254170	2.54
	b)Change during the year			No Change	
	c)At the End of the year			254170	2.54
<b>7.</b>	<b>Kothari Investment &amp; Industries Pvt Ltd (IN30032710058190)</b>				
	a)At the Beginning of the year	125000	1.25	125000	1.25
	b)Change during the year			No Change	
	c)At the End of the year			125000	1.25
<b>8.</b>	<b>Ankit Banka (IN30125028894476)</b>				
	a)At the Beginning of the year	128125	1.28	128125	1.28
	b)Change during the year			No Change	
	c)At the End of the year			128125	1.28
<b>9.</b>	<b>ReligareFinvest Ltd (IN30177410567245)</b>				
	a)At the Beginning of the year	121870	1.22	121870	1.22
	b)Change during the year			No Change	
	Date	<b>REASON</b>			
	29.07.2016	<b>SALE</b>	101870	1.02	20000
	05.08.2016	<b>SALE</b>	20000	0.20	-
	c)At the End of the year			-	-

10.	<b>TrendzInvnt. (P) Ltd (IN30012611105062)</b>				
	a)At the Beginning of the year	326971	3.27	326971	3.27
	b)Change during the year			No Change	
	c)At the End of the year			326971	3.27
11.	<b>Padam Kumar Agarwala (IN30125028043180)</b>				
	a)At the Beginning of the year	96944	0.97	96944	0.97
	b)Change during the year			No Change	
	c)At the End of the year			96944	0.97

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	<b>For Each of the Directors and KMP</b>				
	<b>Shareholding of Key Managerial Personnel:</b>				
1	<b>Mr. Ajit Khandelwal</b>				
	At the Beginning of the year	2327600	23.28		
	Change during the year	No Change			
	At the End of the year	2327600	23.28		
2	<b>Ms. Pratibha Jaiswal</b>				
	At the Beginning of the year	Nil	Nil		
	Change during the year	Nil	Nil		
	At the End of the year	Nil	Nil		
3	<b>Mr. Rabindranath Mishra</b>				
	At the Beginning of the year	Nil	Nil		
	Change during the year	Nil	Nil		
	At the End of the year	Nil	Nil		
	<b>Shareholding of Directors:</b>				
4	<b>Mr. Purnabrata Brahmachari</b>				
	At the Beginning of the year	Nil	Nil		
	Change during the year	Nil	Nil		
	At the End of the year	Nil	Nil		
5	<b>Mr. Prabir Chakravarti</b>				
	At the Beginning of the year	Nil	Nil		
	Change during the year	Nil	Nil		
	At the End of the year	Nil	Nil		
6	<b>Mr. Sanjeev Kumar Khandelwal</b>				
	At the Beginning of the year	1184313	11.84		
	Change during the year	No Change			
	At the End of the year	1184313	11.84		
7	<b>Ms. Heena Gorsia</b>				
	At the Beginning of the year	Nil	Nil		
	Change during the year	Nil	Nil		
	At the End of the year	Nil	Nil		
8	<b>Mr. Ankit Khandelwal</b>				
	At the Beginning of the year	Nil	Nil		
	Change during the year	Nil	Nil		
	At the End of the year	Nil	Nil		

**V. INDEBTEDNESS**
**Indebtedness of the Company including interest outstanding/accrued but not due for payment**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	10,223,838	137,050,000	-	147,273,838
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>10,223,838</b>	<b>137,050,000</b>	<b>-</b>	<b>147,273,838</b>
Change in Indebtedness during the financial year				
▪ Addition	306,310,539	-	-	306,310,539
▪ Reduction	272,527,203	-	-	272,527,203
<b>Net Change</b>	<b>33,783,336</b>	<b>-</b>	<b>-</b>	<b>33,783,336</b>
Indebtedness at the end of the financial year				
i) Principal Amount	44,007,174	137,050,000	-	181,057,174
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>44,007,174</b>	<b>137,050,000</b>	<b>-</b>	<b>181,057,174</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**
**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

Sl. no.	Particulars of Remuneration	Name of Managing Director Ajit Khandelwal	Total Amount
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	21,15,000 - -	21,15,000 - -
2.	Stock Option	Nil	Nil
3.	Sweat Equity	Nil	Nil
4.	Commission - as % of profit - Others, specify...	Nil	Nil
5.	Others, please specify	Nil	Nil
	<b>Total (A)</b>	<b>21,15,000</b>	<b>21,15,000</b>
	Ceiling as per the Act		

**B. Remuneration to other directors:**

SL. No.	PARTICULARS OF REMUNERATION	NAME OF DIRECTORS					TOTAL AMOUNT
		Purnabrata Brahmachari	Prabir Chakravarti	Heena Gorsla	Sanjeev Kumar Khandelwal	Ankit Khandelwal	
1	Independent Directors						
	• Fee for attending board committee meetings	55,000	40,000	20,000	-	-	1,15,000
	• Commission	-	-	-	-	-	-
	• Others, please specify	-	-	-	-	-	-
	Total (1)	55,000	40,000	20,000	-	-	1,15,000
2	Other Non-Executive Directors						
	• Fee for attending board committee meetings	-	-	-	40,000	20,000	60,000
	• Commission	-	-	-	-	-	-
	• Others, please specify	-	-	-	-	-	-
	Total (2)	-	-	-	40,000	20,000	60,000
	<b>Total (B) = (1 + 2)</b>	<b>55,000</b>	<b>40,000</b>	<b>20,000</b>	<b>40,000</b>	<b>20,000</b>	<b>1,75,000</b>
	Total Managerial Remuneration						
	Overall Ceiling as per the Act						

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

Sl. no.	Particulars of Remuneration	Key Managerial Personnel		
		Ms. Pratibha Jaiswal Company Secretary	Mr. Rabindra Nath Mishra Chief Financial Officer	Total
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3,42,516	4,00,000	7,42,516
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Option	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil
4.	Commission	Nil	Nil	Nil
	- as % of profit			
	- others, specify...			
5.	Others, please specify	Nil	Nil	Nil
	<b>Total</b>	<b>3,42,516</b>	<b>4,00,000</b>	<b>7,42,516</b>

**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES: None**

## 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 financial year ended on 31st March, 2017 as per the applicable provisions of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 is as under:

### Corporate Governance - Philosophy

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

### 1. Board of Directors

The Board of Directors of the Company have an optimum combination of Executive, Non-Executive and Independent Director who have an in-depth knowledge and experience of business, finance, law and corporate management, in addition to the expertise in their areas of specialization. The Board of the Company comprises of Five Directors that include one Woman Director as on 31st March, 2017. The composition of the board during the year is tabulated below:

Director	Executive/Non-Executive/ Independent	Other Directorships held
Mr. A. Khandelwal Din: 00416445	Chairman & Managing Director	09
Mr. S. K. Khandelwal DIN: 00419799	Non-Executive	06
Mr. P. Brahmachari DIN: 00441660	Non-Executive & Independent	Nil
Ms. Heena Gorsia DIN: 07060485	Non-Executive & Independent	Nil
Mr. Ankit Khandelwal DIN: 03057891	Non-Executive	02
Mr. P. Chakravarti* DIN: 00273523	Non-Executive & Independent	11

\*Ceased to be the Director due to death on 5th February, 2017.

### 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 is in compliance with the provisions of Companies Act, 2013 & Listing Regulations as amended from time to time. The Audit Committee also takes care of Whistle Blower Mechanism.

The Terms of reference of the Audit Committee broadly are:

- Review and approval of Related Party Transactions.
- Review of Financial Reporting systems.
- Reviewing the Quarterly, Half Yearly and Annual Financial Results.
- Reviewing Taxation & related matters.
- Discussing the annual financial statements and auditors report before submission to the Board.
- Interaction with Statutory Auditors.
- Recommendation for appointment and remuneration of Auditors.
- Any other matter which may be required and assigned by the Board from time to time.

The Audit Committee is 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. Ms. Pratibha Jaiswal is the Convener 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 (Independent)	04	04
Mr. P. Brahmachari	Member (Independent)	04	04
Mr. S. K. Khandelwal	Member	04	04

\*ceased to be the Chairman of the Committee due to death on 5th February, 2017. Mr. P. Brahmachari has been appointed as the Chairman of the Committee w.e.f. 19th April, 2017.

### 3. Nomination and Remuneration Committee

The Company has a Remuneration Committee at the Board level functioning since May 30, 2002. The Committee is in compliance with the provisions of Companies Act, 2013 & Listing Regulations as amended from time to time. The Nomination & Remuneration Committee is comprised of three members, all members including the Chairman of the Committee are non-executive. Ms. Pratibha Jaiswal is the Convener to the Nomination & Remuneration Committee.

The terms of reference of the Nomination & Remuneration Committee inter-alia include the following:

- It shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out the evaluation of every director's performance.
- It shall formulate the criteria for determining the qualifications, positive attributes and independence of a director and recommend to the Board remuneration policy for the directors, KMP and other employees.
- Devising a policy on board diversity.
- Any other matter which may be required and assigned by the Board from time to time.

The composition of the Nomination & Remuneration Committee and the details of meeting held by it are as follows:

Director	Position	Meeting held	Meeting Attended
Mr. P. Brahmachari	Chairman (Independent)	Nil	Nil
Ms. Heena Gorsia	Member (Independent)	Nil	Nil
Mr. Ankit Khandelwal	Member	Nil	Nil

### 4. Stakeholders' Relationship Committee

The Company has Stakeholder's Relationship 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. The Committee is in compliance with the provisions of Companies Act, 2013 & Listing Regulations as amended from time to time. Ms. Pratibha Jaiswal is the Convener to the Stakeholders' Relationship Committee.

The terms of reference of the Stakeholders Relationship Committee inter-alia include the following:

- Review the process and mechanism for redressal of investor grievance and to suggest measures for improving the same.
- Review and resolve the pending investors complaints, if any, relating to transfer of shares, non-receipt of share certificate(s), non-receipt of interest.
- Oversee the performance of the Registrar & Share Transfer Agent and also review and take note of complaints directly received and resolve them.
- Oversee the implementation and compliance of the Code of Conduct adopted by the Company for Prevention of Insider Trading for Listed Companies as specified in the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 as amended from time to time.
- Any other matter which may be required and assigned by the Board from time to time.

Ms. Jaiswal is the Company Secretary & Compliance Officer of the Company. Their was no complaint during the year.

The Composition of the Stakeholder's Relationship Committee and the details of meeting held by it are as follows:

Director	Position	Meeting held	Meeting Attended
Mr. P. Brahmachari	Chairman (Independent)	04	04
Mr. P. Chakravarti*	Member (Independent)	04	02
Mr. A. Khandelwal	Member	04	04



\*ceased to be the Member of the Committee due to death on 5th February, 2017. Ms. Heena Gorsia has been appointed as the Member of the Committee w.e.f. 19th April, 2017.

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 Stakeholder's Relationship 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.

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.

## 5. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Company formed a Corporate Social Responsibility Committee in their Board meeting held on 28th January, 2017 under the Chairmanship of a Non-Executive Director. The Committee is in compliance with the provisions of Companies Act, 2013 as amended from time to time. Ms. Pratibha Jaiswal is the Convener to the Corporate Social Responsibility Committee. The terms of reference of the Corporate Social Responsibility Committee inter-alia include the following:

- To review the existing CSR Policy and to make it more comprehensive so as to indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;
- To provide guidance on various CSR activities to be undertaken by the Company and to monitor process;
- Any other matter which may be required and assigned by the Board from time to time.

The composition of the Corporate Social Responsibility Committee and the details of meeting held by it are as follows:

Director	Position	Meeting held	Meeting Attended
Mr. S. K. Khandelwal	Chairman (Non - Executive)	-	-
Mr. P. Brahmachari	Member (Independent)	-	-
Mr. Heena Gorsia	Member (Independent)	-	-

## 6. Remuneration to Directors

Director	Designation	Remuneration paid during 2016-17 (All figures in `)		
		Sitting fees for Board & Comm. Meetings	Salary & Perks	Total
Mr. A. Khandelwal	Chairman & Managing Director	-	21,15,000	21,15,000
Mr.P.Chakravarti	Director	40000	-	40000
Mr.P.Brahmachari	Director	55000	-	55000
Mr.S.K.Khandelwal	Director	40000	-	40000
Ms. Heena Gorsia	Director	20000	-	20000
Mr. Ankit Khandelwal	Director	20000	-	20000

## 7. NUMBER OF BOARD MEETINGS AND BOARD PROCEDURES

Your Company's Board met 4 (four) 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.

Date of Board Meeting	Place
1 28th May, 2016	Kolkata
2 31st May, 2016	Kolkata
3 23rd July, 2016	Kolkata
4 27th October, 2016	Kolkata
5 28th January, 2017	Kolkata

Directors	No. of Meetings		Attended Last AGM Held on 19.09.2016
	Held	Attended	
Mr. A. Khandelwal	04	04	Yes
Mr. S. Khandelwal	04	04	Yes
Mr. P. Chakravarti	04	04	Yes
Mr. P. Brahmachari	04	04	Yes
Ms. Heena Gorsia	04	04	Yes
Mr. Ankit Khandelwal	04	04	Yes

## 8. Independent Directors

The Company has complied with the definition of Independence as per section 149 read with the provisions of Schedule IV of the Companies Act, 2013 and applicable regulations of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. They also obtained declarations from all the Independent Directors pursuant to Section 149(7) of the Companies Act, 2013.

Whenever new Non-Executive and Independent Directors are included in the Board they are introduced to our Company's culture through appropriate orientation session and they are also introduced to our organization structure, our business, constitution, board procedures, our major risks and management strategy. The Company has adopted a Familiarization Programme for Independent Directors which is uploaded on the Company's website.

The Independent Directors held a Meeting on 28th January, 2017 wherein they discussed the following in details:

- Relevant provisions w.r.t. Companies Act, 2013 and Listing Agreement.
- Performance of the Non-Independent Directors and Board as a whole.
- Flow of information between Company Management and Board that is necessary for the Board to effectively and reasonably perform their duties.

The Board also evaluated the performance of the Independent Directors, Non-Executive Directors including the performance of the Chairman & Managing Director as required by the Companies Act, 2013.

## 9. Internal Control & Risk Management

The Company has an effective system of internal control and corporate risk management and mitigation, commensurate with the size of the Company and ensures operational efficiency, accuracy in financial reporting and compliance of applicable laws and regulations. The system is also reviewed from time to time.

## 10. Management Discussions and Analysis Report

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

## 11. 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
Mr. A. Khandelwal	06	04
Mr. S. Khandelwal	02	-
Mr. P. Brahmachari	02	02
Ms. Heena Gorsia	02	-
Mr. Ankit Khandelwal	01	-
Mr. P. Chakravarti*	08	01

(The above includes committee positions in BNK Capital Markets Limited) \*Ceased to be the Director due to death on 5th February, 2017.

## 12. Disclosure Regarding Director's Appointment and Re-Appointment

Abrief 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	Shri Ankit Khandelwal
DIN	03057891
Date of Birth	1st September, 1983
Date of appointment	30th January, 2015
Experience in specific functional areas	Experience in Financial Services, Merchant Banking, Capital Markets and Commodity Markets operations & Investment Advisory Services for over 10 years.
List of outside Directorships held Excluding Alternate Directorship and Private Companies	Nil

### 13 Material Contracts / Transactions Concerning Director's Interest

The Company had not entered into any arrangement with any body other than with BNK Securities Private Limited and BNK Commodities Pvt. Ltd. for dealing in shares, securities, Currency their derivatives and commodities where the Promoter Directors are interested. Rents for office space are paid to Brijnath Khandelwal & Co where promoters are partners. The disclosure/approval to this effect was made at the relevant meeting of the Audit Committee/Board of Directors. There was no arrangement of material nature that may have a potential conflict with interest of your Company.

### 14. Codes for Prevention of Insider Trading

In accordance with the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulation, 2015 the Board of Director of the Company have formulated and adopted a Code of Practices And Procedure For Fair Disclosures Of Unpublished Price Sensitive Information & Code of Conduct To Regulate, Monitor And Report Trading By Insiders for its employees and other connected persons towards the compliance of the Regulations.

### 15. Other Disclosures

#### (i) Details Of Annual General Meeting

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

Year	Location	Date	Time
2015-2016	Bharatiya Bhasha Parishad, Sitaram Seksaria Auditorium, 36A, Shakespeare Sarani, Kolkata - 700017	20th Aug. 2016	10:30 A.M.
2014-2015	Bharatiya Bhasha Parishad, Sitaram Seksaria Auditorium, 36A, Shakespeare Sarani, Kolkata - 700017	19th Sep. 2015	10:30 A.M.
2013-2014	Bharatiya Bhasha Parishad, Sitaram Seksaria Auditorium, 36A, Shakespeare Sarani, Kolkata - 700017	10th Sep. 2014	10:30 A.M.

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

C. Are votes proposed to be conducted through poll this year? Yes

as per SEBI Guidelines & Companies Act, 2013, e-voting facility shall be provided to all share holders along with arrangements for poll at the AGM for those present who have not voted through e-voting.

#### (ii) Means of Communication

Half year report / highlights sent to Household of each shareholders No  
Quarterly results, published in Published in specified newspapers

Corporate website www.bnkcapital.com  
Any Official new release published in newspapers No  
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 : 26th August, 2017 at 10:30 A.M  
\* Venue : Bharatiya Bhasha Parishad, Sitaram Seksaria Auditorium 36A, Shakespeare Sarani, Kolkata-700017

##### 2. Financial Calendar

**For the Financial Year ended 31st March 2017.**  
Financial Results for Quarter ended June 30, 2016. 23rd July, 2016  
Financial Results for Quarter ended September 30, 2016. 27th October, 2016  
Financial Results for Quarter ended December 31, 2016. 28th January, 2017  
Audited Financial Results for Year ended March 31, 2016. 18th May, 2017

##### 3. Date of Book Closure

21st August, 2017 to 26th August, 2017 (Both days inclusive)

##### 4. Dividend Payment Date

Dividend @ Re. 1.50 per Equity Share of Rs. 10 each if approved at the forth coming AGM shall be paid / credited to the bank a/c of the shareholders as on date of book closure of the Company within the stipulated time.

##### 5. Registered Office

Mayfair Tower, 2 Palm Avenue, Kolkata: 700 019  
Tel: (033) 30028574, Fax: (033) 30580562  
E-mail id: corporate@bnkcapital.com

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

**BSE Ltd., Mumbai**  
(Security Code : 500069 & ISIN : INE418C01012)  
Phiroze Jeejeebhoy Tower, Dalal St., Mumbai 400023  
**The Calcutta Stock Exchange Association Ltd.**  
(Security Code : 10012048)  
7, Lyons Range, Kolkata-700 001.

The Company has paid the Listing Fees for the year 2016-17 to BSE Limited. The payment of fee to Calcutta Stock Exchange has not been made 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: 700019  
Tel No.: (033) 4011-6700, 2280-6692/93,  
Fax No.: (033) 2287-0263, E-mail: rta@cbmsl.com

##### 8. Share Transfer System

Stakeholders' Relationship 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, Independent Director as its Chairman. In case of routine matters a process of circular resolutions to be 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	2016-2017		2015-2016	
Nature of Complaints	Received	Cleared	Received	Cleared
Relating to Transfer, Transmission etc.,	Nil	Nil	Nil	Nil
Dividend, Interest, Redemption etc.,	-	-	-	-
Change of Address,	-	-	-	-
Demat – Remat and Others	-	-	-	-
Received from SEBI, Stock Exchanges and Other Statutory Authorities	Nil	Nil	1	1
<b>Total</b>	Nil	Nil	1	1

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

##### 10. Distribution of Shareholding as on 31st March 2017.

(See table No. 1)

##### 11. Categories of Shareholding as on 31st March 2017.

Category	2016-2017		2015-2016	
	No. of share held	% of share holding	No. of share held	% of share holding
01. Promoter Company	1591881	15.92	1591881	15.92
02. Director	3705126	37.05	3705126	37.05
03. Directors Relative	-	-	-	-
04. Mutual Fund	-	-	-	-
05. F.I.I.	-	-	-	-
06. Financial Institution	-	-	-	-
07. N.R.I	47739	0.48	38121	0.38
08. Other Bodies Corp.	2763589	27.64	2793184	27.93
09. Bank	-	-	-	-
10. Resident Individual	1890651	18.91	1871203	18.71
11. Clearing Members	1014	0.01	485	0.01
<b>TOTAL</b>	<b>10000000</b>	<b>100.00</b>	<b>10000000</b>	<b>100.00</b>

## 12. Dematerialization of shares & liquidity

Over 96.95% of equity shares have been dematerialized as on 31.03.2017. Trading in equity shares of your Company on BSE Limited (Security Code: 500069) and The Calcutta Stock Exchange Limited (Script Code: 10012048) 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.

## 17. 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	30 days 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 2017
2009-10	27-07-2010	26-08-2010	27-08-2010	26-08-2017	1,13,644.00
2010-11	30-07-2011	29-08-2011	29-08-2011	29-08-2018	1,10,140.00
2011-12	25-08-2012	24-09-2012	25-09-2012	24-09-2019	1,21,651.20
2012-13	31-08-2013	30-09-2013	01-10-2013	30-09-2020	82,664.00
2013-14	No Dividend	N.A	N.A	N.A	N.A
2014-15	19.09.2015	19.10.2015	20.10.2015	19.10.2022	3,29,741.50
2015-16	20.08.2016	19.09.2016	20.09.2016	19.09.2023	6,37,922.00

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.

## 18. Market Price (High & Low) at BSE (Security Code: 500069) during each month of the financial year 2016-17

April 2016	32.70	29.50
May 2016	33.50	28.30
June 2016	30.95	27.80
July 2016	35.30	30.00
August 2016	40.65	31.50
September 2016	39.70	33.35
October 2016	45.00	33.00
November 2016	43.95	30.65
December 2016	39.85	33.00
January 2017	38.95	35.15
February 2017	46.85	36.60
March 2017	45.60	42.50

Share held	No. of Share holders	2016-2017			2015-2016			
		% of Share holders	Share amount	% of Total Share	No. of Share holders	% of Share holders	Share Amount	% of Total Share
1 - 5000	1967	82.10	3469470	3.47	2024	82.08	3614930	3.62
5001-10000	186	7.76	1392980	1.39	190	7.70	1412930	1.41
10001-20000	88	3.67	1339950	1.34	93	3.77	1370010	1.37
20001-30000	30	1.25	750900	0.75	39	1.58	981970	0.98
30001-40000	34	1.42	1138430	1.14	36	1.46	1205560	1.21
40001-50000	12	0.50	556990	0.56	11	0.45	513510	0.51
50001-100000	33	1.38	2421490	2.42	29	1.18	2179630	2.18
100001 & above	46	1.92	88929790	88.93	44	1.78	88721460	88.72
Total	2396	100.00	100000000	100.00	2466	100.00	100000000	100.00

## IV. Others

- The Board of Directors of the Company has adopted a policy to regulate transactions between the Company and its related parties in compliance with the applicable provisions of Companies Act, 2013, SEBI (LODR) Regulation, 2015 read with Clause 49 of the Listing Agreement. The disclosure of related party transactions is made as per AS-18 in the Notes to Financial Statements. However in terms of Section 188(1) of the Companies Act, 2013 read with rule 15 of the Companies (Meeting of Board and its Powers) Rules, 2014, the Board feels that the transactions made are not material in nature.
- The Company has no penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years.
- The Company has adopted the Whistle Blower/Vigil Mechanism Policy as required under Section 177(9) & (10) of the Companies Act, 2013 & as per Clause 49 of the Listing Agreement.
- The Company has complied with mandatory requirements of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.
- The Company has adopted the Policy on Determining Material Subsidiaries as required under Companies Act, 2013 & SEBI (LODR) Regulation, 2015.
- The Company has adopted the Related Party Transactions Policy as required under Section 188(1) of the Companies Act, 2013 & SEBI (LODR) Regulation, 2015 read with Clause 49 of the Listing Agreement.
- The Company has no commodity price risks and commodity hedging activities.

## DECLARATION IN RESPECT OF CODE OF CONDUCT

In accordance with Regulation 26(3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, I hereby confirm and declare that, all the Directors and the Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct of the Company laid down for them, for the financial year ended on 31st March, 2017.

Place: Kolkata  
Date: 18.05.2017

For BNK Capital Markets Limited  
Ajit Khandelwal  
Managing Director

## MANAGEMENT DISCUSSION & ANALYSIS REPORT

### Overview :

India has maintained a growth in GDP. Our GDP grew @ 7.10 % p.a. in F.Y. 2016-17. India is the fastest growing among major economies of the world. The Government under Prime Ministership of Mr. Narendra Modi is moving forward with Growth and Governance as its main agenda. Demonetization of currency was a bold step taken by the Prime Minister. Though it had its operational problems and has affected the economy in short term, it is expected to give positive results in a long term. The interest rates and inflation is also coming down.

### Outlook:

G S T is another major tax reform which is likely to be implemented from 1st July 2017. Like in any major reform, G S T may also have its initial pains more so because of large number of traders are in unorganized sector and it requires lot of understanding of the complex system and preparedness for the same. There are initial concerns but in times to come it is expected that this will lead to better tax compliance and growth in the economy. The organized sector is expected to perform better on the implementation of G S T. Expectation of Growth led good governance, policy actions, have resulted in good sentiments and the foreign investors have investing in Indian stocks in a big way. This has resulted in the rise of "Nifty & Sensex" to high levels. We expect the markets to move positively after some consolidation in times to come.

### Risk and concerns:

The key threats include, the change/slowdown in implementation of the policies of the Government, delay & short term fall out in implementation of major tax reform like GST, failure to contain actual inflation within a reasonable range, high NPAs of the banks, defaults, governing rules of SEBI and RBI etc. Effect of BRIT from Eurozone, new political conditions in US may affect the global economy which may reflect in capital, currency, commodities and debt market substantially.

### Business Segment Analysis

During the period under review the Company's activities were mainly restricted to Capital Market, NBFC and related fields. The company has made investments and disinvestments in Equity Shares, Mutual Funds, trading and dealings in Corporate Bonds and other debts instruments.

### Financial Results

The financial performance of the Company, for the year ended 31st March 2017 is summarized below:

	Year Ended 31st March 2017 (` In Lacs)	Year Ended 31st March 2016 (` In Lacs)
Gross Profit	1093.89	645.60
Net Profit After Tax	928.63	614.35
Surplus carried to Balance Sheet	998.91	1040.38

### Comment on current year's performance:

Revenue : Total Revenue of the Company have increased in comparison to previous year because of sale of investments.

Operating Expenses : Operating expense has increased in comparison to previous year because of higher legal expenses & write offs.

Operating Profit : Profits have increased in comparison to last year due to sale of investments

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

Depreciation : Depreciation has decreased during the year.

Net Profit : Net profit of the Company during the year have increased in comparison to previous year under review.

### Human Resources

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

### Internal Controls

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

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

## MANAGING DIRECTOR AND CFO CERTIFICATION

We Ajit Khandelwal, Managing Director and Rabindra Nath Mishra, Chief Financial Officer responsible for the finance function hereby certify that:

- a) We have reviewed the financial statements and cash flow statement for the year ended 31st March, 2017 and to the best of our knowledge and belief:
  - I) These Statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - II) These Statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) To the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2017 are fraudulent, illegal or violate the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control system of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware, have been disclosed to the auditors and the Audit Committee and steps have been taken to rectify these deficiencies.
- d) I) There has not been any significant change in internal control over financial reporting during the year under reference.  
 II) There has not been any significant change in accounting policies during the year requiring disclosure in the notes to the financial statements.  
 III) We are not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Ajit Khandelwal  
Managing Director

Rabindra Nath Mishra  
Chief Financial Officer

Place: Kolkata

Date: 18th May, 2017

## AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

### To

### The Members of BNK Capital Markets Ltd.

We have examined the compliance of conditions of corporate governance by BNK Capital Markets Limited ("the Company"), for the year ended 31st March, 2017, as stipulated in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 of the said Company with the Stock Exchanges in India.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance, issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of the 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 and representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the above mentioned Listing Agreement and Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 SANTOSH CHOUDHARY & ASSOCIATES  
CHARTERED ACCOUNTANTS

FIRM'S REGISTRATION NO - 323720E

CA SANTOSH KUMAR CHOUDHARY

PARTNER

Place : Kolkata

Date: 18th May, 2017

MEMBERSHIP NO. 058692

**INDEPENDENT AUDITOR'S REPORT**

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

**Report on the Standalone Financial Statements**

We have audited the accompanying financial statements of BNK Capital Markets Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matter in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone 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 specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting the frauds and other irregularities, selection and application of appropriate accounting policies, making judgment and estimates that are reasonable and prudent and design, implementation and maintenance of adequate internal financial controls, that were operating effectively by ensuring the accuracy and completeness of the accounting records, 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 standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. 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 financial control relevant to the Company's preparation of the 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 Company's Directors, 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 on the standalone financial statements.

**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:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2017;
- (b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) 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**

1. As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, (hereinafter referred to the "order"), and on the basis of such checks of the books and records of the Company as we consider appropriate and according to the information and explanations given to us, we give in the Annexure-A a statement on the matters specified in paragraph 3 and 4 of the order.

2. As required by section 143(3) of the Act, we report that:

- (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow

- (d) Statement dealt with by this Report are in agreement with the books of account; in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) on the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of Section 164(2) of the Act;
- (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure-B";
- (g) As required under "Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2008", 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:
  - i. The Company has obtained the "Certificate of Registration" from Reserve Bank of India for registration as "Non-banking Financial Company without accepting public deposits" on 9th December, 2004 (Certificate No. B.05.02574).
  - ii. In terms of its Assets / Income Pattern for the financial year 31st March, 2017, 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 "Systematically Important Non Deposit taking Non-Banking Financial Company."
- Our opinion is not qualified in respect of this matter; and
- (h) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors), 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements as referred to Note 27 to the financial statements.
    - ii. In our opinion and as per the information and explanations provided to us, the Company did not have any long term contracts including derivative contracts for which there were any materials foreseeable losses.
    - iii. There has been no delay in transferring the amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
    - iv. The Company has provided requisite disclosures in its standalone financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with books of accounts maintained by the Company. Refer to Note no. 34 to the standalone financial statements.

**ANNEXURE-A 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, we report that:

- 1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All the fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.
- (c) The Company holds no immovable property in its own name and possession.
- 2. (a) The inventories have been physically verified at reasonable intervals by the management.
- (b) In our opinion, no material discrepancies were noticed on such physical verification.
- 3. As per the information given to us, the company has granted loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013:
  - (a) In respect of aforesaid loan granted, the schedule of repayment was stipulated and the repayment is regular.
  - (b) In our opinion and according to the information and explanations given to us, the terms and conditions of the grant of such loan are not prejudicial to the interest of the company.
  - (c) In respect of the said Loans and Interest thereon, there are no amounts overdue more than 90 days.

4. In our opinion and according to the information and explanations given to us, the provisions of section 185 and 186 of the Companies Act, 2013 have been complied with in respect of loans, investments, guarantees and securities.
5. According to the information and explanations given to us, the company has not accepted any deposits in terms of directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013, and the rules framed there under are not applicable to the Company.
6. The maintenance of cost records as specified by the Central Government under sub section (1) of section 148 of the Companies Act, 2013 is not applicable to the Company.
7. (a) The Company is regular in depositing undisputed statutory dues including Investor Education and Protection Fund, Income Tax, Service Tax, Cess and other statutory dues as applicable to the appropriate authorities and no undisputed amounts payable in respect of the aforesaid dues were outstanding as on 31st March, 2017 for a period of more than six months from the date they became payable.
- (b) The disputed Income Tax aggregating to Rs. 394.87 Lakhs that have not been deposited on account of disputed matters pending before appropriate authorities are as under:
 

S. No.	Nature	Assessment Year	Rs. (in Lacs)	Forum where dispute is pending
1	Income Tax	2004-05	43.49	Appeal effect is pending
2	Income Tax	2006-07	241.13	Appeal effect is pending
3	Income Tax	2008-09	38.11	Appeal effect is pending
4	Income Tax	2010-11	10.17	Appeal effect is pending
5	Income Tax	2011-12	5.63	Appeal effect is pending
6	Income Tax	2012-13	52.94	CIT-IV
7	Income Tax	2013-14	3.40	CIT Appeal
8. The Company has not defaulted in repayment of dues to its financial institution(s) and its bank during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.
9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.
10. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. According to the information and explanations given to us, the remuneration of the Managing Director of the Company has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the requirements as per clause 3(xii) of the Order is not applicable to the Company.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 177 & 188 of the Companies Act, 2013 where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
16. The Company had obtained the registration under section 45-IA of the Reserve Bank of India Act, 1934 with effect from 9th December, 2004 and has been carrying on of the business of Non-Banking Financial Institution without accepting public deposit.

FOR SANTOSH CHOUDHARY & ASSOCIATES  
 CHARTERED ACCOUNTANTS  
 FIRM'S REGISTRATION NO - 323720E  
 CA SANTOSH KUMAR CHOUDHARY  
 PARTNER  
 MEMBERSHIP NO. 058692

Place : Kolkata  
 Date: 18th May, 2017

## Annexure - B to the Independent Auditor's Report of even date, on the Standalone Financial Statements of BNK Capital Markets Limited.

### Report on the Internal Financial Controls under Clause (i) of Sub-Section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial reporting of BNK Capital Markets Limited ("the Company") as on 31st March, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

FOR SANTOSH CHOUDHARY & ASSOCIATES  
 CHARTERED ACCOUNTANTS  
 FIRM'S REGISTRATION NO - 323720E  
 CA SANTOSH KUMAR CHOUDHARY  
 PARTNER

Place : Kolkata  
 Date: 18th May, 2017

MEMBERSHIP NO. 058692

**BALANCE SHEET AS AT 31ST MARCH, 2017.**

Sl. No.	Particulars	Note No	As at		As at	
			31.03.2017	31.03.2016	31.03.2017	31.03.2016
			₹ (lacs)	₹ (lacs)	₹ (lacs)	₹ (lacs)
<b>I. EQUITY AND LIABILITIES</b>						
1	Shareholders' Funds					
	(a) Share Capital	2	1000.00		1000.00	
	(b) Reserves and Surplus	3	<u>4583.09</u>	5583.09	<u>3838.85</u>	4838.85
2	Non-Current Liabilities					
	Long-Term Provisions	4		20.03		17.85
3	Current Liabilities					
	(a) Short-Term Borrowings	5(a)	1859.89		1547.13	
	(b) Other Current Liabilities	5(b)	14.34		3.42	
	(c) Trade Payable	5(c)	28.19		-	
	(d) Short-Term Provisions	5(d)	<u>187.45</u>	<u>2089.87</u>	<u>123.62</u>	<u>1674.17</u>
	<b>Total</b>			<u>7693.00</u>		<u>6530.87</u>
<b>II. ASSETS</b>						
1	Non-Current Assets					
	Fixed Assets					
	Tangible Assets					
	6(a)			39.72		58.42
	Non-Current Investments	6(b)	3461.24		3520.13	
	Deferred Tax Assets (Net)	6(c)	5.94		4.44	
	Long Term Loans and Advances	6(d)	<u>809.18</u>	4276.36	<u>812.63</u>	4337.20
2	Current Assets					
	(a) Inventories	7(a)	12.55		12.55	
	(b) Trade Receivables	7(b)	43.39		-	
	(c) Cash and Cash Equivalents	7(c)	383.78		172.74	
	(d) Short Term Loans and Advances	7(d)	2766.16		1802.25	
	(e) Other Current Assets	7(e)	<u>171.04</u>	<u>3376.92</u>	<u>147.71</u>	<u>2135.25</u>
	<b>Total</b>			<u>7693.00</u>		<u>6530.87</u>

Significant Accounting Policies 1

"The accompanying notes 2 to 36 are an integral part of the financial statements."

As per our report of even date

**FOR SANTOSH CHOUDHARY & ASSOCIATES**

Chartered Accountants

Firm Registration.No. 323720E

**(CA. SANTOSH KUMAR CHOUDHARY)**

Partner

Membership No.058692

Place: Kolkata

Date: 18th day of May, 2017

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**

**AJIT KHANDELWAL**  
Chairman & Managing Director  
DIN: 00416445

**PURNABRATA BRAHMACHARI**  
Director & Chairman Audit Committee  
DIN: 00441660

**PRATIBHA JAISWAL**  
Company Secretary

**RABINDRANATH MISHRA**  
Chief Financial Officer



**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2017.**

Sl. Particulars No.	Note No	As at		As at	
		31.03.2017	31.03.2016	31.03.2017	31.03.2016
		₹ (lacs)	₹ (lacs)	₹ (lacs)	₹ (lacs)
I. Revenue from Operations	8		366.97		246.91
II. Other Income	9		1098.08		609.48
III. Total Revenue (I +II)			1465.05		856.38
IV. Expenses:					
Purchases	10		-		19.79
Employee Benefits Expense	11		60.77		59.38
Finance Costs	12		43.24		51.99
Depreciation and Amortization Expense	13		20.19		20.64
Other Expenses	14		267.16		79.62
Total Expenses			391.36		231.42
V. Profit before Tax (III-IV )			1073.70		624.96
VI. Tax expenses:					
1 Current Tax		146.57		12.13	
2 Deferred Tax		-1.50	145.07	-1.51	10.61
VII. Profit for the year			928.63		614.35
VIII. Earnings Per Equity Share:					
1 Basic and Diluted (in ₹)			9.29		6.14

Significant Accounting Policies 1

The accompanying notes 2 to 36 are an integral part of the financial statements.

As per our report of even date

**FOR SANTOSH CHOUDHARY & ASSOCIATES**

Chartered Accountants

Firm Registration.No. 323720E

**(CA. SANTOSH KUMAR CHOUDHARY)**

Partner

Membership No.058692

Place: Kolkata

Date: 18th day of May, 2017

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**
**AJIT KHANDELWAL**  
 Chairman & Managing Director  
 DIN: 00416445

**PURNABRATA BRAHMACHARI**  
 Director & Chairman Audit Committee  
 DIN: 00441660

**PRATIBHA JAISWAL**  
 Company Secretary

**RABINDRANATH MISHRA**  
 Chief Financial Officer

## Notes Annexed to and forming part of Accounts

Notes to Financial Statements forming to and part of the Balance Sheet as at 31st March, 2017 and the Statement of Profit and Loss for the year ended as 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 and Preparation of Financial Statements:

The financial statements of the Company have been prepared under on going concern assumption and under the historical cost convention in accordance with Generally Accepted Accounting Principles in India (Indian GAAP) and relevant provisions of the Companies Act, 2013.

All Expenses and Income to the extent ascertainable with reasonable certainty are accounted for on accrual basis.

##### c) Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles (Indian GAAP) requires the management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities as on the date of financial statements and the amounts of revenue and expenses within the reported period. Difference between the actual results and estimates are recognized in the period in which the results are known/materialized. 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 III to the Companies Act, 2013.

##### d) Tangible 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.

##### e) Depreciation:

Depreciation is systematically allocated over the useful life of all tangible assets under Straight Line Method as specified in part C of Schedule II of the Companies Act, 2013. Depreciation for assets purchased/sold during the period under review is proportionately charged.

##### f) Investments:

Investments are readily realizable 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, however if there is any permanent diminution in the value of investment it is recognized in the statement of Profit & Loss and appreciation is generally ignored. There have been changes in the quantity /face value/the name

of the Companies due to their respective various corporate restructuring activities. These are marked with (\*) in Note no. 6(b).

##### g) Inventory

Inventories are valued at lower of cost and net realizable value or at NAV in case of mutual fund.

##### h) Income Recognition

Revenue is recognized 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 recognized as and when the same has accrued on time proportion basis and company's right to receive interest is established.

Dividend Income is recognized when the same is received by the company.

Income including interest/ discount or any other charges on NPA is recognized when it is actually realized.

The expenditure of the business are measured and taken into account on accrual basis.

##### i) Employees Retirement & Other Benefits

Short term employees benefits are recognized in the period in which employees' 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 been provided for the year under review.

##### j) Income Taxes

Tax expenses comprise 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 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 asset is not recognized in the books as a matter of prudence. Deferred tax is measured at substantively enacted tax rates by the Balance Sheet date.

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.

##### k) 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 recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

##### l) 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 to Financial Statements for the Year ended 31st March 2017

Particulars	31.03.2017 ₹ (lacs)	As at ₹ (lacs)	31.03.2016 ₹ (lacs)	As at ₹ (lacs)
<b>2 SHARE CAPITAL</b>				
<b>Authorised</b>				
125,00,000 Equity Shares of ₹ 10/- each		<u>1,250.00</u>		<u>1,250.00</u>
<b>Issued, Subscribed &amp; Paid Up</b>				
100,00,000 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)		<u>1,000.00</u>		<u>1,000.00</u>
<b>Reconciliation of Equity Share of the company:</b>		No. of Shares	No. of Shares	
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		<u>10,000,000</u>		<u>10,000,000</u>
<b>Terms/Rights attached to Equity Shares</b>				
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.				
<b>Details of holding more than 5% of Paid up Equity Share Capital:</b>	% of holding	No. of Shares	% of holding	No. of Shares
Ajit Kumar khandelwal	23.28	2,327,688	23.28	2,327,688
Sanjeev Kumar Khandelwal	11.84	1,184,313	11.84	1,184,313
BNK Securities Pvt.Ltd	11.28	1,127,781	11.28	1,127,781
	As at 31.03.2017 ₹ (lacs)	As at 31.03.2017 ₹ (lacs)	As at 31.03.2016 ₹ (lacs)	As at 31.03.2016 ₹ (lacs)
<b>3 RESERVES &amp; SURPLUS</b>				
<b>Share Premium Account</b>				
Balance Brought Forward	<u>1230.00</u>	1230.00	<u>1230.00</u>	1230.00
<b>Statutory Reserve</b>				
Balance Brought Forward	545.25		422.38	
Add: Transferred during the year	<u>185.73</u>	730.98	<u>122.87</u>	545.25
<b>General Reserve</b>				
Balance Brought Forward	1023.21		1023.21	
Add: Transferred During the Year	<u>600.00</u>	1623.21	<u>-</u>	1023.21
<b>Surplus from Statement of Profit &amp; Loss</b>				
Balance Brought Forward	1040.39		689.82	
Add: Profit for the year	<u>928.63</u>		<u>614.35</u>	
	1969.01		1304.18	
Less:				
Transferred to Statutory Reserve	185.73		122.87	
Transferred to General Reserve	600.00		-	
Securities Written off	-		22.75	
Tax for Earlier Year	3.84		-	
Proposed Dividend on Equity Shares	150.00		100.00	
Dividend per Share ₹ 1.50				
Tax on Dividend	<u>30.54</u>	<u>998.91</u>	<u>18.18</u>	<u>1040.39</u>
		<u>4583.09</u>		<u>3838.85</u>

**Notes to Financial Statements for the Year ended 31st March 2017**

	As at 31.03.2017		As at 31.03.2016	
	₹ (lacs)	₹ (lacs)	₹ (lacs)	₹ (lacs)
<b>4 Non-Current Liabilities</b>				
<b>(c) Long Term Provisions</b>				
Provision for employee benefits		20.03		17.85
		<u>20.03</u>		<u>17.85</u>
<b>5 CURRENT LIABILITIES</b>				
<b>(a) Short-term borrowings</b>				
<b>Secured</b>				
From Body Corporates, Repayable on Demand (Against Pledged of Equity Shares)	440.07		102.24	
Bank Overdraft (Limit Sanctioned ₹ 1.57 crore) (P.Y. ₹ 1.44 crore) (Against Security of Fixed Deposit)	49.32		74.39	
		489.39		176.63
<b>Unsecured</b>				
From Body Corporates, Repayable on Demand		1370.50		1370.50
		<u>1859.89</u>		<u>1547.13</u>
<b>(b) Other Current Liabilities</b>				
Outstanding Liabilities For				
Other Finance	4.36		2.90	
For Expenses	4.03		0.52	
Retention Money	5.94	14.34	-	3.42
		<u>14.34</u>		<u>3.42</u>
<b>(c) Trade Payable</b>				
Unsecured, Considered Good				
Trade Payable outstanding for a period less than six months Trade Payable are dues in respect of goods/services received in ordinary course of business		28.19		-
<b>(d) Short Term Provisions</b>				
Contingent Provision Against Standard Assets (under the provision of NBFC (non-deposit accepting or holding ) Prudential norms RBI Directions 2007 )	6.92		5.44	
Provision for Dividend (Including Tax thereon)	180.54	187.45	118.18	123.62
		<u>187.45</u>		<u>123.62</u>

**Fixed Asset**
**Appendix No. 1 to Note No. 6 forming part of Financial Statement for the period ended 31.03.2017**

Particulars	GROSS BLOCK				DEPRECIATION			NET BLOCK		
	As On 01.04.2016	Sale during the year	Addition during the year	As On 31.03.2017	As On 01.04.2016	Addition during the year	Addition/ Adjusted during the year	As On 31.03.2017	As On 31.03.2017	As On 31.03.2016
<b>TANGIBLE ASSETS</b>										
Furniture & Fittings	2.83	-	0.82	3.65	1.87	0.26	-	2.13	1.52	0.96
Motor Car	76.25	-	-	76.25	26.61	15.50	-	42.11	34.14	49.63
Office equipments	12.23	-	0.40	12.63	9.58	1.22	-	10.80	1.83	2.65
Computer	11.97	-	0.27	12.24	6.80	3.21	-	10.00	2.23	5.17
Total	103.27	-	1.49	104.77	44.851	20.19	-	65.05	39.72	58.41
Previous Year	42.74	-0.32	60.86	103.27	24.44	20.64	-0.22	44.86	58.41	18.03

## 6 NON CURRENT ASSETS

		As at 31.03.2017	As at 31.03.2016
(a) Tangible Assets			
Gross Amount	` (lacs)	` (lacs)	` (lacs)
Opening Balance B/F	103.28	42.74	
Additions During the Year	1.48	60.86	
Sale/Adjustment During the Year	-	104.77	(0.32)
	<u>          </u>	<u>          </u>	<u>          </u>
Less: Depreciation			
Opening Balance B/F	44.86	24.44	
Additions During the Year	20.19	20.64	
Reversal/Adjustment During the Year	-	(65.05)	(0.22)
Net Amount	<u>          </u>	<u>          </u>	<u>          </u>
		39.72	58.42

\* Refer Appendix No. 1

## Notes on Financial Statements for the Year ended 31st March 2017

### b) Non Current Investments

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

##### Shares & Securities, Quoted

	F.V.	Quantity	Amount	Quantity	Amount
Adani Ports & Special Economic Zone Ltd.	2	100	0.27	100	0.27
Arihant Impex Ltd	10	20,000	0.45	20,000	0.45
Axiscades Engineering Technologies Ltd.	5	5,000	7.74	-	-
Balalore Alloys Ltd.	5	52,000	19.31	52,000	19.31
BEML Ltd	10	44	0.16	44	0.16
Bharat Pipes & Fittings Ltd	10	500	0.12	500	0.12
Bhoruka Aluminium Ltd.	10	25,000	1.24	25,000	1.24
B.J.Duplex Boards Ltd	10	1,000	0.05	1,000	0.05
Bombay Rayon Fashion Ltd.	10	60,000	100.46	10,000	23.01
CESC Ltd	10	2,902,514	583.60	3,005,917	645.64
CFL Capital Financial Services Ltd	10	3,439,832	-	3,439,832	88.12
CNI Research Ltd.	1	5,000	-	5,000	-
Coromandel Engineering Ltd	10	1,000	0.73	1,000	0.73
ELGI Equipment Ltd.	1	50	0.01	50	0.01
Enkay Texofood Industries Ltd	10	2,000	0.04	2,000	0.04
Enso Securtrack Ltd	10	4,000	0.11	4,000	0.11
Essel Propack Ltd.	2	75	0.30	75	0.30
Fairluck Commercial Ltd.	10	176,300	9.97	176,300	9.97
Gujarat Mineral Development Corp. Ltd	2	1,000	1.68	1,000	1.68
G.V.Films Ltd	1	2,500	0.09	2,500	0.09
GVK Power & Infrastructure Ltd	1	51,250	7.95	51,250	7.95
Gwalior Strips Ltd	10	1,000	0.20	1,000	0.20
Halmark Drug & Chem Ltd	10	5,000	0.05	5,000	0.05
Hendez Electronics Ltd	10	300	0.03	300	0.03
High Ground Enterprise Ltd*	1	4,950	2.42	4,500	2.42
Indiabulls Ventures Ltd	2	10,000	1.57	10,000	1.57
Indsil Hydro Power & Maganese Ltd	10	3,333	0.08	3,333	0.08
Intellect Design Arena Ltd.	5	450	0.14	450	0.14
Jay Bharat Fabric Ltd	10	10,000	0.30	10,000	0.30
JL Morision (India) Ltd.	10	1,100	15.06	1,100	15.06
Kanika Infrastructure & Power Ltd	1	500	-	500	-
KEC International Ltd	2	-	-	7,900	-
Kirloskar Electric Co.Ltd	10	-	-	3,261	1.45
Kanel Oil Export Ltd	10	1,100	0.01	1,100	0.01
Kothari Phyto Chemicals & Industries Ltd	10	322,000	162.00	322,000	162.00
L & T Infotech Ltd.	1	949	6.74	-	-
Mardia Steel Ltd	10	600	0.01	600	0.01
Mura Black India Ltd	10	300	0.00	300	0.00
Nagarjuna Fertilizer and Chemicals Ltd	10	1,540	0.33	1,400	0.33
Nagarjuna Oil Refinery Ltd	1	1,400	-	-	-
NHPC Ltd	10	88,960	27.27	100,000	30.65
Nihar Info Global Ltd	10	25,000	0.75	25,000	0.75
Orchid Pharma Ltd	10	300	0.67	300	0.67
Origion Agro Star Limited	10	3,600	0.14	3,600	0.14
Padmini Technologies Ltd	10	2,500	0.16	2,500	0.16

**Notes to Financial Statements for the Year ended 31st March 2017**

Phillips Carbon Black Ltd	10	730,400	707.55	764,500	753.73
Pennar Aluminium Company Ltd	10	15,000	0.32	15,000	0.32
Polaris Consulting & Services Limited	5	450	0.36	450	0.36
Protchem Industries Ltd	10	2,500	0.55	2,500	0.55
PNB Gilts Ltd	10	6,666	1.12	6,666	1.12
Rasoi Ltd*	200	749	92.99	11,811	43.10
Rattan India Power Ltd.	10	20,000	3.33	20,000	3.33
RBL Bank Ltd	10	100	0.48	-	-
Reliance Power Ltd	10	3,270	-	3,270.00	-
Sanghi Polyester Ltd	10	4,700	0.04	4,700	0.04
Saregama India Limited	10	810,720	892.50	810,720	892.50
Shoppers Stop Ltd.	5	1,000	3.54	1,000	3.54
Shree Securities Ltd	10	33,000	65.41	33,000	65.41
Sphere Global Services Ltd.	10	66	0.07	66	0.07
Stiefel 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
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 Global Limited	1	14,850	0.28	14,850	0.28
Varun Resources Limited	1	59,400	1.11	59,400	1.11
Welspun Corp.Ltd.	5	2,500	2.49	2,500	2.49
Welspun Enterprises Limited	10	1,500	-	1,500	-
			<u>2729.90</u>		<u>2788.79</u>
<b>(ii) In unquoted Equity Shares, at cost Others</b>	<b>F.V</b>	<b>Quantity</b>	<b>Amount</b>	<b>Quantity</b>	<b>Amount</b>
Bliss Stock Brokers Pvt Ltd	10	180,000	18.00	180,000	18
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
Trendz Investment Ltd	10	350,000	35.00	350,000	35
Zeon Synthetics Ltd	10	120,000	12.00	120,000	12
			<u>68.15</u>		<u>68.15</u>
Associates					
BNK Securities Pvt Ltd*	10000	2,544	439.69	2,544,400	439.69
Multiple Infra Pvt Ltd	10	22,500	24.75	22,500	24.75
			<u>464.44</u>		<u>464.44</u>
<b>(iii) In Mutual Fund</b>					
UTI Master Share		5,000	0.74	5,000	0.74
			<u>0.74</u>		<u>0.74</u>
<b>(iv) In Subsidiary Company Equity Shares</b>					
BNK Commodities Pvt.Ltd.	10	1,610,000	161.00	1,610,000	161.00
			<u>161.00</u>		<u>161.00</u>
<b>(v) In Foreign Company (Associate)</b>					
BNK Comdex DMCC (shares of 1000 ADE each)		300.00	37.01	300	37.01
			<u>37.01</u>		<u>37.01</u>
			<u>3461.24</u>		<u>3520.13</u>
Aggregate Market Value of quoted shares			34168.89		17685.67
NAV of Mutual Fund			1.68		1.77
			<u>34170.57</u>		<u>17687.44</u>
<b>c) Other Non Current Assets</b>					
Deferred Tax Assets (Net)			5.94		4.44
			<u>5.94</u>		<u>4.44</u>
<b>d) Long term Loans &amp; Advances</b>					
Advances & Deposits			809.18		812.63
			<u>809.18</u>		<u>812.63</u>

## Notes to Financial Statements for the Year ended 31st March 2017

### 7 CURRENT ASSETS

#### (a) Inventories

Closing Stock	12.55	12.55
At the lower of cost or net realisable value	12.55	12.55

#### (b) Trade Receivables

Unsecured, Considered Good		
Trade Receivables Outstanding for a Period Less Than Six months		
Due from Related Parties	-	-
Others	43.39	43.39
	43.39	43.39

#### (c) Cash & Cash Equivalents

(i) Balances with banks		
in Current Accounts	53.52	4.09
(ii) Cash in hand	0.81	1.08
(iii) Cash in liquid fund	150.15	-
(iv) Fixed Deposit with Bank (maturity within one year)	179.30	167.57
	383.78	172.74

#### (d) Short Term Loans & Advances

(Unsecured, Considered Good)		
(i) Loan Given		
to Corporates and other than Associate Companies	2328.94	1757.10
(ii) Loans & Advances to Related Parties	437.21	45.11
(iii) Staff Advance	-	0.05
	2766.16	1802.25

#### (e) Other Current Assets

Prepaid Expenses	0.38	0.50
Prepaid Taxes(Net of provisions)	158.12	140.25
Interest Receivable	3.71	-
Retention Money	8.83	-
Service Tax	-	6.96
	171.04	147.71

### 8 REVENUE FROM OPERATIONS

Sale of Shares & Securities	-	16.67
Income from Services	113.76	-
Interest Income		
On Fixed Deposit	13.03	13.90
On Loan Given	240.19	216.33
	366.97	246.91

### 9 OTHER INCOME

Dividend Received	376.54	601.71
Long Term Capital Gain on Non Current Investments	715.71	4.77
Profit in Shares/Mutual Fund	2.74	-
Misc. Receipts	3.10	3.00
	1098.08	609.48

### 10 Purchases

Shares & Securities	-	19.79
	-	19.79

### 11 EMPLOYEE BENEFIT EXPENSES

Salary	59.15	57.89
Staff Welfare	1.62	1.49
	60.77	59.38
	60.77	59.38

### 12 FINANCE COSTS

Interest Paid		
on Bank Overdraft	43.24	51.99
on Loan	5.97	10.42
	37.27	41.57
	43.24	51.99

### 13 DEPRECIATION AND AMORTIZATION EXPENSES

Depreciation	20.19	20.64
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**Notes to Financial Statements for the Year ended 31st March 2017**
**14 OTHER EXPENSES**
**Administrative & Other Expenses :**

Director's Remuneration	21.15		21.43
Directors Sitting Fees	1.72		1.75
Business Promotion Expenses	5.38		2.61
Demat Charges	0.68		0.52
Office Expenses	1.37		1.73
Motor Car Expenses	4.69		5.21
Travelling & Conveyance Expenses	5.63		7.88
Bank Commission & Charges	0.52		0.13
Computer Consumable Exp.	31.31		-
Rent,Rates & Taxes	12.69		11.68
Listing &Filing Fees	2.05		2.24
Auditors Remuneration			
For Statutory Audit Fees	0.29	0.25	
For Tax Audit Fees	0.11	0.10	
Other Matters	0.40	0.40	0.75
Printing & Stationery	0.95		1.19
Legal & Professional Fee	79.43		13.55
Telephone Expenses	0.60		0.42
Electricity Charges	1.55		2.05
Meeting & Conference Expenses	-		0.09
Membership &Subscriptions	0.16		0.41
Notice & Publication Expenses	0.22		0.24
Postage & Courier Charges	0.60		0.68
Repair & Maintenance Expenses	2.75		2.23
Website Maintenance Charges	0.72		1.29
Securities Transaction Charges	0.67		0.28
Software Expenses	1.55		1.23
Swach Bharat Expenses	0.39		0.05
Share Value written off	88.12		-
Contingent Provision against Standard Assets	1.47		-
	<u>267.16</u>		<u>79.62</u>

- 15 The Company is Non Deposit accepting or holding 'Non Banking Financial Company' having registration number B-05.02574 dated 09.12.2004 allotted by Reserve bank of India.
- 16 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.
- 17 The company has complied with the prudential norms relating to income recognition, accounting standards and assets classification as applicable to it.
- 18 The company has appropriated 20% of profit for 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.
- 19 The company under the provisions of Non Banking (Non Deposit Accepting or Holding) Companies Prudential Norms(Reserve Bank) Directions, 2007, provision for standard assets of Loans Given @ 0.25% of the outstanding as on 31.03.2017 has been covered .
- 20 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.
- 21 Unsecured Loan due to parties are repayable on demand.
- 22 Based on information available with the company, there are no clients/creditors who are registered under Micro, Small and Medium Enterprises Development Act, 2006.
- 23 There is no small scale industrial undertaking to whom the company owes amounts outstanding for more than 30 days as at 31st March, 2017.
- 24 The Company holds 300 shares of 1000AED each in BNK Comdex DMCC, a company incorporated in UAE which represents 30% of the paid up capital of Company. Mr.Ajit Khandelwal and Mr. Sanjeev Khandelwal are Directors on the Board of the said company.
- 25 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.
- 26 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



## Notes to Financial Statements for the Year ended 31st March 2017

27 Claims against the Company not acknowledged as debt in respect of Income Tax are as follows:

S. No.	Nature	Assessment Year	(in lacs)	Forum where dispute is pending
1	Income Tax	2004-2005	43.49	Appeal effect is pending
2	Income Tax	2006-2007	241.13	Appeal effect is pending
3	Income Tax	2008-2009	38.11	Appeal effect is pending
4	Income Tax	2010-2011	10.17	Appeal effect is pending
5	Income Tax	2011-2012	5.63	Appeal effect is pending
6	Income Tax	2012-2013	52.94	CIT--IV
7	Income Tax	2013-2014	3.40	CIT Appeal

28 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
Mr. Rabindra Nath Mishra	Chief Financial Officer
Ms. Pratibha Jaiswal	Company Secretary

b) Associate / Group Companies

1. Subsidiary Company
  - i) BNK Commodities Pvt. Ltd
2. Associates
  - i) BNK Securities Pvt.Ltd.
  - ii) Abacus Fund Services Pvt.Ltd.
  - iii) Patrex Vyappaar Ltd.
  - iv) In Media Computer Services LLP
  - v) Brijnath Khandelwal & Co.

Transactions during the year with related parties:

	Year ended 31.03.2017 (In Lacs)	Year ended 31.03.2016 (In Lacs)
A. Key management Personnel		
Remuneration Paid	28.55	28.79
B. Associates / Group Companies		

Rent Paid	Brijnath Khandelwal & CO	1.63	1.26
Brokerage & Commission	BNK Securities Pvt.Ltd	0.92	0.24
Loan Given	Patrex Vyappaar Ltd	-	1.00
	BNK Securities Pvt.Ltd	750.00	-
Loan Refund	Patrex Vyappaar Ltd	-	143.80
	Abacus Funds Services Pvt. Ltd	12.00	-
	BNK Securities Pvt.Ltd	350.00	-
Interest Received	Patrex Vyappaar Ltd	-	10.16
	Abacus Funds Services Pvt. Ltd	4.42	-
	BNK Securities Pvt.Ltd	0.92	-
Balance at year end:	Abacus Funds Services Pvt. Ltd	37.09	45.11
	BNK Securities Pvt.Ltd	400.12	-

29 Earning Per share

Particulars	As at 31.03.2017 (In Lacs)	As at 31.03.2016 (In Lacs)
Profit After Tax	928.63	614.35
Weighted average Number of Equity Shares outstanding	10,000,000	10,000,000
Face Value of Share	10.00	10.00
Basic & Diluted Earnings Per Share	9.29	6.14

30 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 31.03.2017. 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 .



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31	The detail of traded securities purchased & sold during the year				
	Particulars	Quantity	As at 31.03.2017 Amount (In Lacs)	Quantity	As at 31.03.2016 Amount (In Lacs)
	Opening Stock				
	Bonds	21	12.55	21	12.55
	Purchases				
	Shares & Securities	-	-	5,000	19.79
	Sales				
	Shares & Securities	-	-	5,000	16.67
	Closing Stocks				
	Bonds	21	12.55	21	12.55
32	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 .The particulars in the format as setout in the Appendix 2. to the financial statement.				
			As At 31.03.2017 (In Lacs)		As At 31.03.2016 (In Lacs)
33	Expenditure in foreign currency during the Financial Year		Nil		Nil
	Earnings in foreign exchange		Nil		Nil
34	Statement relating to Subsidiary Company:				
	Name of the Subsidiary : BNK Commodities Pvt.Ltd.				
	Holding Companies Interest : 16,10,000 Equity Shares of Rs. 10/- each out of total Subscribed Capital of 30,00,000 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				
35	During the year, the company had Specified Bank Notes (SBNs) or other denomination notes as defined in the MCA notification, G.S.R. 308(E), dated 31st March, 2017. The details of SBNs held and transacted during the period from 8th November, 2016 to 30th December, 2016, the denomination-wise SBNs and other notes as per the notification are as follows:				
	Particulars	SBNs*	Other Denomination Notes		Total
	Closing Cash in Hand as on 08.11.2016	75,000.00	877.00		75,877.00
	(+) Permitted Receipts	-	230,000.00		230,000.00
	(-) Permitted Payments	-	162,858.00		162,858.00
	(-) Amount deposited in Bank	75,000.00	-		75,000.00
	Closing Cash in Hand as on 30.12.2016	-	68,019.00		68,019.00
	*For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016".				
36	Previous year's figures have been regrouped/reclassified wherever necessary.				

As per our report of even date

**FOR SANTOSH CHOUDHARY & ASSOCIATES**

Chartered Accountants  
Firm Registration.No. 323720E

**(CA. SANTOSH KUMAR CHOUDHARY)**

Partner  
Membership No.058692

Place: Kolkata  
Date: 18th day of May, 2017

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**

**AJIT KHANDELWAL**  
Chairman & Managing Director  
DIN: 00416445

**PURNABRATA BRAHMACHARI**  
Director & Chairman Audit Committee  
DIN: 00441660

**PRATIBHA JAISWAL**  
Company Secretary

**RABINDRANATH MISHRA**  
Chief Financial Officer

**Appendix No. 2 to Note No. 32**
**Schedules to the Balance Sheet of a Non-Banking Financial Company as on 31.03.2017**
**(as required in terms of Paragraph 13 of Non-Banking Financial**
**Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007)**

(₹ in Lacs)

Particulars	Amount outstanding	Amount overdue
<b>Liabilities side :</b>		
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	1810.57	NIL
(e) Commercial Paper	NIL	NIL
(f) Other Loans (specify nature)	NIL	NIL
*Please see Note No. 1 at the end of format		
<b>Assets side :</b>		Amount outstanding
2. Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :		
(a) Secured		NIL
(b) Unsecured		2766.16
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		12.55
(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		2,729.90
(b) Preference		NIL
(ii) Debentures and Bonds		NIL
(iii) Units of Mutual Funds		0.74



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(iv) Government Securities		NIL
(v) Others (Please specify)		NIL
2. Unquoted :		Rs.730.60
(i) Shares	(a) Equity	NIL
	(b) Preference	NIL
(ii) Debentures and Bonds		NIL
(iii) Units of Mutual Funds		0.74
(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:

\*Please see Note No. 2 at the end of format

Category	Secured	Unsecured	Total
1. Related Parties**			
(a) Subsidiaries	NIL	NIL	NIL
(b) Companies in the same group	NIL	437.21	437.21
(c) Other related parties	NIL	NIL	NIL
2. Other than related parties :	NIL	2328.94	2328.94
Total :		2766.15	2766.15

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	501.45	501.45
(c) Other related parties	NIL	NIL
2. Other than related parties :	<u>2,798.79</u>	<u>2,798.79</u>
Total :	<u>3,461.24</u>	<u>3,461.24</u>

\*\*As per Accounting Standard of ICAI (Please see Note No. 3 at the end of format )

7. Other Information :

Particular	Amount
(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 :

- As defined in Paragraph 2(1)(xii) of the Non-Banking Financial Companies acceptance of Public Deposits (Reserve Bank) Directions, 1998.
- 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 SANTOSH CHOUDHARY & ASSOCIATES**

Chartered Accountants

Firm Registration.No. 323720E

**(CA. SANTOSH KUMAR CHOUDHARY)**

Partner

Membership No.058692

Place: Kolkata

Date: 18th day of May, 2017

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**

**AJIT KHANDELWAL**  
Chairman & Managing Director  
DIN: 00416445

**PURNABRATA BRAHMACHARI**  
Director & Chairman Audit Committee  
DIN: 00441660

**PRATIBHA JAISWAL**  
Company Secretary

**RABINDRANATH MISHRA**  
Chief Financial Officer

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

Particulars	For the year ended 31.03.2017 (lacs)	For the year ended 31.03.2016 (lacs)
<b>A. CASH FLOW FROM THE OPERATING ACTIVITIES</b>		
<b>Net Profit before Tax from Continuing Operations</b>	<b>1073.70</b>	<b>624.96</b>
<b><u>Non Cash Adjustments to reconcile net cash flow</u></b>		
Adjustments for :		
Depreciation & Amortisation	20.19	20.64
Profit/(Loss) on Non Current Investment	-718.45	-4.77
Share Value written off	88.12	-
Contingent Provision against Standard Assets	1.47	-
Dividend Received	-376.54	-601.71
Interest Received	-253.21	-230.23
Interest Expenses	43.24	51.99
<b>Operating Profit before Working Capital changes</b>	<b>-121.48</b>	<b>-139.12</b>
Adjustments for :		
Trade & other Receivable	-43.39	0.42
Other Current Assets	134.79	-16.26
Other Current Liabilities	10.92	-
Trade payable	28.19	-736.63
<b>Cash generated from operations</b>	<b>9.02</b>	<b>-891.59</b>
Direct taxes Paid	-154.28	-15.22
Dividend Paid	-120.42	-
<b>Cash Flow before extraordinary items</b>	<b>-265.68</b>	<b>-906.81</b>
Extra Ordinary Items	-	-
<b>Net Cash Used in Operating Activities (A)</b>	<b>-265.68</b>	<b>-906.81</b>
<b>B. CASH FLOW FROM THE INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	-1.49	-60.86
Sale of Fixed Assets	-	-0.99
Purchase of Investment	-538.30	-237.94
Sale of Investment	1077.69	36.35
Dividend Received	376.54	601.71
<b>Net Cash Used in Investing Activities (B)</b>	<b>914.44</b>	<b>338.27</b>
<b>C. CASH FLOW FROM THE FINANCING ACTIVITIES</b>		
Proceed from Long / Short Term Borrowings	312.76	-219.67
Interest paid	-43.24	-51.99
Loan Given/Refund Received	-960.45	612.60
Interest Received	253.21	230.23
<b>Net Cash Flow from Financial Activities (C )</b>	<b>-437.71</b>	<b>571.17</b>
<b>D. Net Increase/(Decrease) in Cash &amp; Cash Equivalent</b>	<b>211.04</b>	<b>2.64</b>
<b>Cash &amp; Cash Equivalent (Opening)</b>	<b>172.74</b>	<b>170.72</b>
<b>Cash &amp; Cash Equivalent (Closing)</b>	<b>383.78</b>	<b>172.74</b>

As per our report of even date

**FOR SANTOSH CHOUDHARY & ASSOCIATES**

Chartered Accountants

Firm Registration.No. 323720E

**(CA. SANTOSH KUMAR CHOUDHARY)**

Partner

Membership No.058692

Place: Kolkata

Date: 18th day of May, 2017

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**

**AJIT KHANDELWAL**  
Chairman & Managing Director  
DIN: 00416445

**PURNABRATA BRAHMACHARI**  
Director & Chairman Audit Committee  
DIN: 00441660

**PRATIBHA JAISWAL**  
Company Secretary

**RABINDRANATH MISHRA**  
Chief Financial Officer

## INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To the Members of BNK Capital Markets Limited.

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of BNK Capital Markets Limited ('the Holding Company') and its subsidiary and associate (collectively referred to as 'the Company' or 'the Group'), comprising the consolidated balance sheet as at 31 March 2017, the consolidated statement of profit and loss, the consolidated cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated financial statements').

### Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of the consolidated financial statements in terms of the requirements of the Companies Act, 2013 ('the Act') 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 the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Companies Act, 2013 (hereinafter referred to as 'the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014. The Board of Directors of the Company is responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities, the selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent, and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### Auditors' Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 the disclosures in the consolidated financial statements. The procedures selected depend on the auditors' 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 financial control relevant to the Holding Company's preparation 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 the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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, of the consolidated state of affairs of the Company, as at 31 March 2017, and their consolidated profit and their consolidated cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by sub-section 3 of Section 143 of the Act, we report, to the extent applicable, that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
- c. The consolidated balance sheet, the consolidated statement of profit and loss, and the consolidated cash flow statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of the written representations received from the directors of the Holding Company as on 31 March 2017 taken on record by the Board of Directors of the Holding Company and its subsidiary, none of the Directors of the Group is disqualified as on 31 March 2017 from being appointed as a Director of that company in terms of sub-section 2 of Section 164 of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'; and
- g. As required under "Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2008", 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:
  - i. The Company has obtained the "Certificate of Registration" from Reserve Bank of India for registration as "Non-banking Financial Company without accepting public deposits" on 9th December, 2004 (Certificate No. B.05.02574).
  - ii. In terms of its Assets / Income Pattern for the financial year 31st March, 2017, 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 "Systematically Important Non Deposit taking Non-Banking Financial Company."

Our opinion is not qualified in respect of this matter.

- h. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.
  - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivatives contracts and
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary.

For SANTOSH CHOUDHARY & ASSOCIATES  
 CHARTERED ACCOUNTANTS  
 FIRM'S REGISTRATION NO. - 323720E  
 (CA SANTOSH KUMAR CHOUDHARY)  
 Partner  
 Membership No. - 058692

Place: Kolkata  
 Date: 18.05.2017

## Annexure-A to the Auditor's Report

### Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting of BNK Capital Markets Limited (the Holding Company) and its subsidiary as of that date.

#### Management's Responsibility for Internal Financial Controls

The Respective Board of Directors of the Holding Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial

controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### Opinion

In our opinion, the Holding Company and its subsidiary company, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For SANTOSH CHOUDHARY & ASSOCIATES

CHARTERED ACCOUNTANTS

FIRM'S REGISTRATION NO. - 323720E

(CA SANTOSH KUMAR CHOUDHARY)

Partner

Membership No. - 058692

Place: Kolkata

Date: 18.05.2017

## CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2017

Particulars	Note No	As at 31.03.2017		As at 31.03.2016	
		₹ (lacs)	₹ (lacs)	₹ (lacs)	₹ (lacs)
<b>I. EQUITY AND LIABILITIES</b>					
1 Shareholders' Funds					
(a) Share Capital	2	1000.00		1000.00	
(b) Reserves and Surplus	3	4780.97	5780.97	4023.50	5023.50
2 Non-Current Liabilities					
Long-Term Provisions	4		20.03		17.85
3 Minority Interest			71.98		72.27
4 Current Liabilities					
(a) Short-Term Borrowings	5(a)	1859.89		1547.13	
(b) Other Current Liabilities	5(b)	14.46		3.52	
(c) Trade Payable	5(c)	30.77		0.31	
(d) Short-Term Provisions	5(d)	187.45	2092.57	123.62	1674.58
Total			7965.55		6788.21
<b>II. ASSETS</b>					
(1) Non-Current Assets					
Fixed Assets					
Tangible Assets	6(a)		39.86		58.80
Non-Current Investments	6(b)	3625.00		3666.79	
Deferred Tax Assets (Net)	6(c)	5.94		4.44	
Long Term Loans and Advances	6(d)	809.18	4440.11	812.63	4483.86
2 Current Assets					
(a) Inventories	7(a)	12.55		12.55	
(b) Trade Receivables	7(b)	44.38		1.60	
(c) Cash and Cash Equivalents	7(c)	408.71		199.65	
(d) Short-Term Loans and Advances	7(d)	2844.95		1879.22	
(e) Other Current Assets	7(e)	175.00	3485.58	152.53	2245.55
Total			7965.55		6788.21

Significant Accounting Policies

The accompanying notes 2 to 23 are an integral part of the financial statements.

As per our report of even date

**FOR SANTOSH CHOUDHARY & ASSOCIATES**

Chartered Accountants

Firm Registration No. 323720E

(CA. SANTOSH KUMAR CHOUDHARY)

Partner

Membership No. 058692

Kolkata, 18th day of May, 2017

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**

**AJIT KHANDELWAL**  
Chairman & Managing Director  
DIN: 00416445

**PURNABRATA BRAHMACHARI**  
Director & Chairman Audit Committee  
DIN: 00441660

**PRATIBHA JAISWAL**  
Company Secretary

**RABINDRANATH MISHRA**  
Chief Financial Officer



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# BNK CAPITAL MARKETSLTD. (Consolidated)

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2017

Particulars	Note No	As at 31.03.2017		As at 31.03.2016	
		(lacs)	(lacs)	(lacs)	(lacs)
I. Revenue from Operations	8		370.43		246.75
II. Other Income	9		1099.85		623.67
III. Total Revenue (I +II)			1470.28		870.42
IV. Expenses:					
Purchases	10		-		19.79
Employee benefits expense	11		64.21		60.87
Finance costs	12		43.24		51.99
Depreciation and amortization expense	6		20.44		20.64
Other expenses	13		269.18		86.03
Total Expenses			397.07		239.32
V. Profit before Tax (III-IV )			1073.21		631.11
VI. Tax expenses:					
1 Current tax		146.57		13.17	
2 Deferred tax		-1.50	145.07	-1.51	11.67
Minority Interest			-0.21		2.01
VII. Profit for the year			927.94		617.43
Share of Profit of Associate			14.06		11.58
Profit/loss after tax share profit of Associate			942.00		629.01
VIII. Earnings per equity share:			9.42		6.29
1 Basic and Diluted (in Rs.)			9.42		6.29

Significant Accounting Policies 1

The accompanying notes 2 to 23 are an integral part of the financial statements.

As per our report of even date

**FOR SANTOSH CHOUDHARY & ASSOCIATES**

Chartered Accountants

Firm Registration No. 323720E

**(CA. SANTOSH KUMAR CHOUDHARY)**

Partner

Membership No.058692

**Kolkata, 18th day of May, 2017**

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**

**AJIT KHANDELWAL**

Chairman & Managing Director

DIN: 00416445

**PURNABRATA BRAHMACHARI**

Director & Chairman Audit Committee

DIN: 00441660

**PRATIBHA JAISWAL**

Company Secretary

**RABINDRANATH MISHRA**

Chief Financial Officer

### Notes Annexed to and forming part of Accounts

Notes to Financial Statements forming to and part of the Consolidated Balance Sheet as at 31st March, 2017 and the Consolidated Statement of Profit and Loss for the year ended as on that date.

Note No.

#### 1. SIGNIFICANT ACCOUNTING POLICIES

##### a) Corporate Information:

BNK Capital Markets Limited (Holding Company) 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 and Preparation of Financial Statements:

The financial statements of the Holding Company and its subsidiary and associate have been prepared under on going concern assumption and under the historical cost convention in accordance with Generally Accepted Accounting Principles in India (Indian GAAP) and relevant provisions of the Companies Act, 2013.

All Expenses and Income to the extent ascertainable with reasonable certainty are accounted for on accrual basis.

##### c) Use of Estimates:

The preparation of consolidated financial statements in conformity with generally accepted accounting principles (Indian GAAP) requires the management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities as on the date of financial statements and the amounts of revenue and expenses within the reported period. Difference between the actual results and estimates are recognized in the period in which the results are known/materialized. 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 III to the Companies Act, 2013.

##### d) Tangible 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.

##### e) Depreciation:

Depreciation is systematically allocated over the useful life of all tangible assets under Straight Line Method as specified in part C of Schedule II of the Companies Act, 2013. Depreciation for assets purchased/sold during the period under review is proportionately charged.

##### f) Investments:

Investments are readily realizable 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, however if there is any permanent diminution in the value of investment it is

recognized in the statement of Profit & Loss and appreciation is generally ignored.

There have been changes in the quantum/face value/the name of the Companies due to their respective various corporate restructuring activities. These are marked with (\*) in Note no. 6(b).

##### g) Inventory

Inventories are valued at lower of cost and net realizable value or at NAV in case of mutual fund.

##### h) Income Recognition

Revenue is recognized 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 recognized as and when the same has accrued on time proportion basis and company's right to receive interest is established.

Dividend Income is recognized when the same is received by the company.

Income including interest discount or any other charges on NPA is recognized when it is actually realized.

The expenditure of the business are measured and taken into account on accrual basis.

##### i) Employees Retirement & Other Benefits

Short term employees benefits are recognized in the period in which employees' 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 been provided for the year under review.

##### j) Income Taxes

Tax expenses comprise 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 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 asset is not recognized in the books as a matter of prudence. Deferred tax is measured at substantively enacted tax rates by the Balance Sheet date.

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.

##### k) 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 recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

##### l) 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 2017

Particulars	As at 31.03.2017		As at 31.03.2016	
	(lacs)	(lacs)	(lacs)	(lacs)
<b>2 SHARE CAPITAL</b>				
<b>Authorised</b>				
125,00,000 Equity Shares of ₹ 10/- each		1,250.00		1,250.00
<b>Issued, Subscribed &amp; Paid Up</b>				
100,00,000 Equity Shares of ₹ 10/- each, fully paid up in cash.		No. of Shares 1,000.00		No. of Shares 1,000.00
		<u>1,000.00</u>		<u>1,000.00</u>
<b>Reconciliation of Equity Share of the company:</b>				
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		<u>10,000,000</u>		<u>10,000,000</u>
<b>Terms/Rights attached to Equity Shares</b>				
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.				
<b>Details of Shareholder holding more than 5% of paid up Equity Share Capital:</b>				
	<u>% of holding</u>	<u>No. of Shares</u>	<u>% of holding</u>	<u>No. of Shares</u>
Ajit Kumar khandelwal	23.28	2,327,688	23.28	2,327,688
Sanjeev Kumar Khandelwal	11.84	1,184,313	11.84	1,184,313
BNK Securities Pvt.Ltd	11.28	1,127,781	11.28	1,127,781
<b>3 RESERVES &amp; SURPLUS</b>				
<b>Share Premium Account</b>				
Balance Brought Forward	1,230.00	1,230.00	1,230.00	1,230.00
<b>Statutory Reserve</b>				
Balance Brought Forward	545.25		422.38	
Add: Transferred during the year	185.73	730.98	122.87	545.25
<b>General Reserve</b>				
Balance Brought Forward	1023.21		1023.21	
Add: Transferred during the year	600.00	1623.21	-	1023.21
<b>Surplus from Statement of Profit &amp; Loss</b>				
Balance Brought Forward	1225.04		860.28	
Add: Profit for the year	942.00		628.56	
	2167.04		1488.84	
Less:				
Transferred to Statutory Reserve	185.73		122.87	
Transferred to General Reserve	600.00		-	
Securities written off	-		22.75	
tax for earlier year	3.99		-	
Proposed Dividend on Equity Shares	150.00		100.00	
Dividend per Share Rs. 1.50				
Tax on Dividend	30.54		18.18	
	<u>30.54</u>	<u>1196.78</u>	<u>18.18</u>	<u>1225.04</u>
		<u>4780.97</u>		<u>4023.50</u>
<b>4 Non-current Liabilities</b>				
Provision for employee benefits		20.03		17.85
		<u>20.03</u>		<u>17.85</u>
<b>5 CURRENT LIABILITIES</b>				
(a) Short-term borrowings				
Secured				
From Body Corporates, repayable on demand	440.07		102.24	
Against pledged of equity shares				
Bank Overdraft	49.32	489.39	74.39	176.63
Limit sanctioned ₹ 1.57 crore (P.Y. ₹ 1.44 crore)				
Against security of Fixed Deposit				
Unsecured				
From Body Corporates, repayable on demand	1370.50		1370.50	
		<u>1859.89</u>		<u>1547.13</u>
(b) Other Current Liabilities				
Outstanding liabilities for				
Other Finance	4.36		2.90	
For Expenses	4.16		0.62	
Retention Money	5.94	14.46	-	3.52
		<u>14.46</u>		<u>3.52</u>
(c) Trade Payable				
Unsecured, Considered Good		30.77		0.31
Trade Payables outstanding for a period less than Six months				
(d) Short Term Provisions				
Contingent Provision against Standard Assets	6.92		5.44	
(under the provision of NBFC (non-deposit accepting or holding)				
Prudential norms RBI Directions 2007 )				
Provision for Dividend	180.54	187.45	118.18	123.62
(Including Tax thereon)		<u>187.45</u>		<u>123.62</u>



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# BNK CAPITAL MARKETSLTD. (Consolidated)

## Consolidated Notes on Financial Statements for the Year ended 31st March 2017

Particulars	As at 31.03.2017		As at 31.03.2016	
	(lacs)	(lacs)	(lacs)	(lacs)
<b>6 NON CURRENT ASSETS</b>				
(a) <u>Tangible Assets</u>				
Gross Amount				
Opening Balance B/F	107.06		46.527	
Additions during the Year	1.49		60.856	
Sale/Adjustment during the Year	-	108.56	-0.32	107.06
Less: Depreciation				
Opening Balance B/F	48.26		27.39	
Additions during the Year	20.44		21.09	
Reversal/Adjustment during the Year	-	-68.70	-0.22	-48.26
Net Amount		<u>39.86</u>		<u>58.80</u>
**Refer Appendix No. 1				
b) <u>Non Current Investments</u>				
In quoted Equity Shares, at cost		2789.99		2845.34
In unquoted Equity Shares, at cost		130.65		130.65
In unquoted Equity Shares, at Associates				
Cost of investment including Reserve arising on consolidation		<u>704.36</u>		<u>690.80</u>
		<u>3625.00</u>		<u>3666.79</u>
c) <u>Other Non Current Assets</u>				
Deferred tax assets (Net)		<u>5.94</u>		<u>4.44</u>
		<u>5.94</u>		<u>4.44</u>
d) <u>Long term Loans &amp; Advances</u>				
Advances & Deposits		<u>809.18</u>		<u>812.63</u>
		<u>809.18</u>		<u>812.63</u>
<b>7 CURRENT ASSETS</b>				
(a) <u>Inventories</u>				
Closing Stock		12.55		12.55
At the lower of cost and net realisable value				
(b) <u>Trade Receivables</u>		<u>12.55</u>		<u>12.55</u>
(Unsecured, Considered Good)				
Others	44.38	<u>44.38</u>	1.6	<u>1.6</u>
		<u>44.38</u>		<u>1.6</u>
(c) <u>Cash &amp; Cash Equivalents</u>				
(i) Balances with banks in Current Accounts		63.75		25.17
(ii) Cash in hand		1.23		1.17
(iii) Cash in liquid fund		164.43		5.73
(iv) Fixed Deposit with Bank(maturity within one year)		<u>179.30</u>		<u>167.57</u>
		<u>408.71</u>		<u>199.64</u>
(d) <u>Short Term Loans &amp; Advances</u> (unsecured, considered good)				
(i) Loan Given				
to corporates and other than associate companies		2328.94		1757.10
(ii) Loans & Advances to Related Parties		<u>437.21</u>		<u>45.10</u>
(iii) Staff Advance		-		0.05
(iv) Deposit with Exchange		<u>78.80</u>		<u>76.96</u>
		<u>2844.95</u>		<u>1879.22</u>
(e) <u>Other Current Assets</u>				
Prepaid Expenses		0.38		0.50
Prepaid Taxes(Net of provisions )		158.44		141.50
Interest Receivable		3.71		-
Retention Money		8.83		-
Service Tax		<u>3.64</u>		<u>10.53</u>
		<u>175.00</u>		<u>152.53</u>
<b>8 REVENUE FROM OPERATIONS</b>				
Sale of Shares & Securities		-		16.67
Brokerage		0.02		-
Income from Services		113.76		-
Interest income				
On Fixed Deposit		16.28		16.72
On Loans given		240.19		216.33
Profit in Commodities Trading		0.19		-2.97
		<u>370.43</u>		<u>246.75</u>

## Consolidated Notes on Financial Statements for the Year ended 31st March 2017

Particulars	As at 31.03.2017		As at 31.03.2016	
	₹ (lacs)	₹ (lacs)	₹ (lacs)	₹ (lacs)
<b>9 OTHER INCOME</b>				
Dividend Received		377.76		601.95
Long Term Capital Gain on Non Current Investments		715.71		18.72
Profit in Shares/Mutual Fund		3.28		0.00
Misc. Receipts		3.10		3.00
		<u>1099.85</u>		<u>623.67</u>
<b>10 PURCHASES</b>				
Shares & Securities		-		19.79
		<u>-</u>		<u>19.79</u>
<b>11 EMPLOYEE BENEFITS EXPENSE</b>				
Salary	62.59		59.38	
Staff Welfare	1.62	64.21	1.49	60.87
		<u>64.21</u>		<u>60.87</u>
<b>12 FINANCE COSTS</b>				
Interest Paid				
on Bank Overdraft	5.97		10.42	
on Loan	37.27	43.24	41.57	51.99
		<u>43.24</u>		<u>51.99</u>
<b>13 OTHER EXPENSES</b>				
<u>Administrative &amp; Other Expenses</u>				
Director's Remuneration		21.15		21.43
Directors Sitting Fees		1.72		1.75
Business Promotion Expenses		5.38		2.61
Demat Charges		0.69		0.53
Office Expenses		1.37		1.83
Motor Car Expenses		4.69		5.21
Travelling & Conveyance Expenses		5.65		7.90
Bank Commission & Charges		0.52		0.13
Computer Consumable Expenses		31.31		0.00
Rent,Rates & Taxes		12.74		11.78
Listing & Filing Fees		2.06		2.25
Auditors Remuneration				
For Statutory Audit Fees	0.41		0.32	
For Tax Audit Fees	0.11		0.13	
Other Matters	0.40	0.92	0.40	0.85
Printing & Stationery		1.00		1.24
Legal & Professional Fees		79.72		14.77
Telephone Expenses		0.83		2.90
Electricity Charges		1.55		2.05
Meeting & Conference Expenses		-		0.09
Membership & Subscriptions Expenses		0.16		2.41
Notice & Publication Expenses		0.22		0.24
Postage & Courier Charges		0.62		0.68
Repairs & Maintenance Expenses		2.75		2.23
Website Maintenance Charges		0.72		1.29
Securities Transaction Charges		0.67		0.28
Software Expenses		1.99		1.53
Swachh Bharat Expenses		0.39		0.05
Share Value written off		88.12		0.00
Contingent Provision against Standard Assets		1.47		0.00
Loss on sale of investment		0.76		-
		<u>269.17</u>		<u>86.03</u>

14 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.

15 There is no small scale industrial undertaking to whom the company owes amounts outstanding for more than 30 days as at 31st March,2016.

16 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  
Mr. Rabindra Nath Mishra  
Ms. Pratbha Jaiswal

Managing Director  
Chief Financial Officer  
Company Secretary



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# BNK CAPITAL MARKETSLTD. (Consolidated)

## Consolidated Notes on Financial Statements for the Year ended 31st March 2017

- b) Associate / Group Companies
1. Subsidiary Company
    - i) BNK Commodities Pvt. Ltd
  2. Associates
    - i) BNK Securities Pvt.Ltd.
    - ii) Abacus Fund Services Pvt.Ltd.
    - iii) Patrex Vyappaar Ltd.
    - iv) In Media Computer Services LLP
    - v) Brijnath Khandelwal & Co.

Transactions during the year with related parties:	Year ended 31.03.2017 (in Lacs)	Year ended 31.03.2016 (in Lacs)
A. Key management Personnel		
Remuneration Paid	28.55	28.79
B. Associates / Group Companies	Name	
Rent Paid	Brijnath Khandelwal & CO	1.26
Brokerage & Commission	BNK Securities Pvt.Ltd	0.24
Loan Given	Patrex Vyappaar Ltd	1.00
	BNK Securities Pvt.Ltd	750.00
Loan Refund	Patrex Vyappaar Ltd	0.00
	Abacus Funds Services Pvt. Ltd	12.00
	BNK Securities Pvt.Ltd	350.00
Interest Received	Patrex Vyappaar Ltd	0.00
	Abacus Funds Services Pvt. Ltd	4.42
	BNK Securities Pvt.Ltd	0.92
Balance at year end:	Abacus Funds Services Pvt. Ltd	37.09
	BNK Securities Pvt.Ltd	400.12

17 Earnings Per share		
Particulars	<u>As at 31.03.2017</u>	<u>As at 31.03.2016</u>
Profit After Tax	927.94	631.11
Weighted average Number of Equity Shares outstanding	10,000,000.00	10,000,000.00
Face Value of Share	10.00	10.00
Basic & Diluted Earnings Per Share	9.42	6.29

18 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 31.03.2017. 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.

19 The detail of traded securities purchased & sold during the year				
Particulars	<u>As at 31.03.2017</u>		<u>As at 31.03.2016</u>	
	Quantity	Amount	Quantity	Amount
Opening Stock				
Bonds	21	12.55	21	12.55
Purchases				
Shares & Securities	-	-	5,000	19.79
Sales				
Shares & Securities	-	-	5,000	16.67
Closing Stocks				
Bonds	21	12.55	21	12.55

20 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 the particulars in the format as set out in the Appendix 2. to the financial statement.

21 Expenditure in foreign currency during the Financial Year	<u>As At 31.03.2017</u>	<u>As At 31.03.2016</u>
Earnings in foreign exchange	NIL	NIL
Statement relating to Subsidiary Company:	NIL	NIL

Name of the Subsidiary : BNK Commodities Pvt.Ltd.  
 Holding Companies Interest : 16,10,000 Equity Shares of Rs. 10/- each out of total Subscribed Capital of 30,00,000 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

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

As per our report of even date

**FOR SANTOSH CHOUDHARY & ASSOCIATES**

Chartered Accountants  
 Firm Registration No. 323720E  
**(CA. SANTOSH KUMAR CHOUDHARY)**

Partner  
 Membership No. 058692  
**Kolkata, 18th day of May, 2017**

**AJIT KHANDELWAL**  
 Chairman & Managing Director  
 DIN: 00416445

**PRATIBHA JAISWAL**  
 Company Secretary

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**

**PURNABRATA BRAHMACHARI**  
 Director & Chairman Audit Committee  
 DIN: 00441660

**RABINDRANATH MISHRA**  
 Chief Financial Officer

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017**

Particulars	For the year ended 31.03.2017 (lacs)	For the year ended 31.03.2016 (lacs)
<b>A. CASH FLOW FROM THE OPERATING ACTIVITIES</b>		
Net Profit before Tax from Continuing Operations	1073.21	631.11
Non Cash Adjustments to reconcile net cash flow		
Adjustments for :		
Depreciation & Amortisation	20.44	20.64
Profit/(Loss) on Non Current Investment	-715.71	-18.72
Contingent Provision against Standard Asset	1.47	-
taxes for earlier year	-3.99	-
share value written off	88.12	-
Dividend Received	-377.76	-601.95
Interest Received	-256.47	-13.75
Interest Expenses	43.24	51.99
<b>Operating Profit before Working Capital changes</b>	<u>-127.44</u>	<u>69.31</u>
Adjustments for :		
Trade & other Receivable	-41.90	44.97
Other Current Assets	-22.46	-61.86
Trade payable	41.40	18.07
Cash generated from operations	-150.40	70.49
Dividend paid	-118.18	-
Direct taxes Paid	-	-21.44
Cash Flow before extraordinary items	<u>-268.58</u>	<u>49.05</u>
Extra Ordinary Items	-	-
Net Cash Used in Operating Activities	<u>-268.58</u>	<u>49.05</u>
<b>B CASH FLOW FROM THE INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	-1.49	-14.06
Sale of Fixed Assets	-	0.8
Purchase of Investment	-538.60	-1524.06
Sale of Investment	1077.69	926.45
Dividend Received	377.76	601.95
<b>Net Cash Used in Investing Activities</b>	<u>915.36</u>	<u>-8.92</u>
<b>C CASH FLOW FROM THE FINANCING ACTIVITIES</b>		
Proceed from Long / Short Term Borrowings	312.76	121
Interest paid	-43.24	-51.99
Loan Given/Refund Received	-963.70	110.1
Interest Received	256.47	13.75
Net Cash Flow from Financial Activities	<u>-437.71</u>	<u>192.86</u>
<b>D Net Increase/(Decrease) in Cash &amp; Cash Equivalent</b>	<u>209.07</u>	<u>232.99</u>
Cash & Cash Equivalent (Opening)	199.65	210.05
Cash & Cash Equivalent (Closing)	408.71	443.04

As per our report of even date

**FOR SANTOSH CHOUDHARY & ASSOCIATES**

Chartered Accountants

Firm Registration No. 323720E

**(CA. SANTOSH KUMAR CHOUDHARY)**

Partner

Membership No. 058692

**Kolkata, 18th day of May, 2017**
**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**
**AJIT KHANDELWAL**

Chairman &amp; Managing Director

DIN: 00416445

**PURNABRATA BRAHMACHARI**

Director &amp; Chairman Audit Committee

DIN: 00441660

**PRATIBHA JAISWAL**

Company Secretary

**RABINDRANATH MISHRA**

Chief Financial Officer

## Notes

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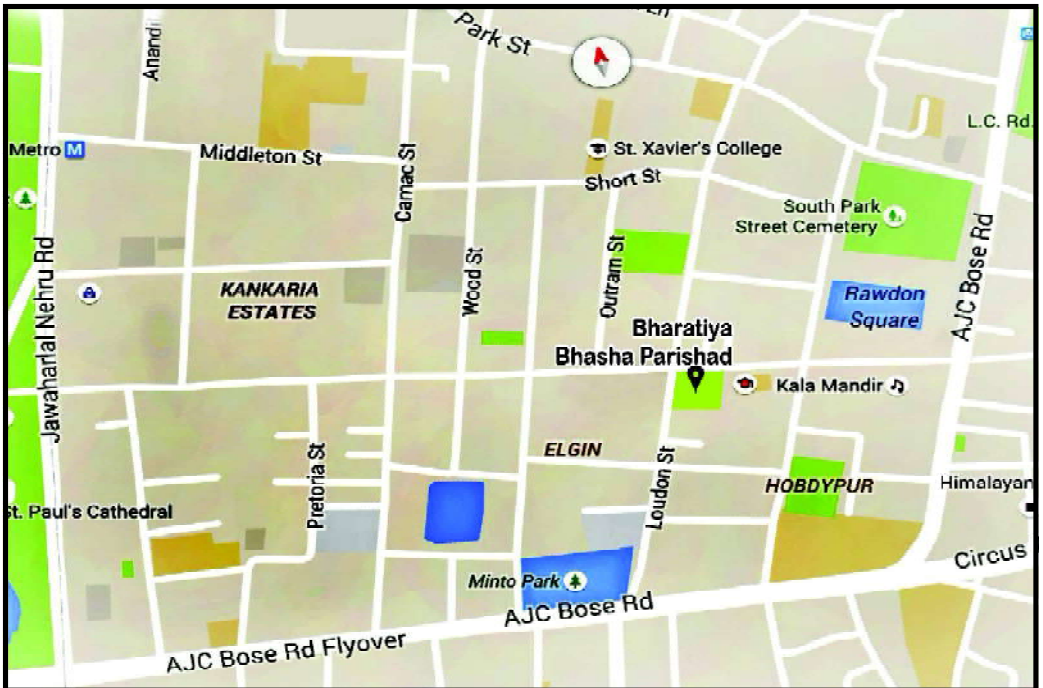
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**BNK CAPITAL MARKETS LIMITED**

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

**31<sup>ST</sup> 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 31<sup>st</sup> Annual General Meeting (AGM) of the Company to be held on the 26<sup>th</sup> day of August, 2017 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 below:

Resolution Number	Description	Optional (✓)	
		For	Against
<b>Ordinary Business</b>			
1.	Adoption of Audited Financial Statements and Audited Consolidated Financial Statements for the year ended 31 <sup>st</sup> March, 2017 along with Board's Report & the Auditors Report.		
2.	Declaration of Dividend for the year ended 31 <sup>st</sup> March, 2017		
3.	Appointment of Shri Ankit Khandelwal (DIN: 03057891) who retires by rotation and offers himself for re-election.		
4.	Appointment of M/s. Santosh Choudhary & Associates, Chartered Accountants, (Registration No. 323720E) as Auditors, to hold office from the conclusion of 31 <sup>st</sup> Annual General Meeting till the conclusion of the 36 <sup>th</sup> Annual General Meeting of the Company at such remuneration for the financial year 2017-18.		

Signed this ----- day of ----- 2017. 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 i.e. by 10:30 A.M. on 26<sup>th</sup> August 2017.

Affix  
Revenue  
Stamp





[www.bnkcapital.com](http://www.bnkcapital.com)