



BNK CAPITAL MARKETS LTD.
TWENTYSIXTH ANNUAL REPORT
2011-2012



BOARD OF DIRECTORS

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

AGM on 25th August 2012
MAYFAIR TOWERS, Ground floor,
2, Palm Avenue,
Kolkata – 700 019 at 12.00 noon

AUDITORS

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

BANKERS

HDFC Bank Ltd.
Standard Chartered Bank

REGISTERED OFFICE

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

REGISTRAR & SHARE

TRANSFER AGENTS

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

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NOTICE

Notice is hereby given that the 26th Annual General Meeting of the Company will be held on, Saturday, the 25th August 2012 at Mayfair Tower, Ground floor, 2, Palm Avenue, Kolkata - 700 019 at 12.00 noon to transact the following business:

As Ordinary Business

1. To receive, consider and adopt the Profit & Loss Account for the year ended 31st March, 2012, along with the Balance Sheet as at that date together with the report of the Directors and Auditors thereon.
2. To approve payment of dividend
3. To elect the Directors in place of those retiring by rotation.
4. To appoint Auditors and to fix their remuneration.

Registered Office :

Mayfair Tower
2, Palm Avenue
Kolkata - 700 019, India.
Dated : 28th May 2012

By order of the Board

Ajit Khandelwal
Managing Director

Notes :

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself, and the proxy need not be a member of the Company. The instrument appointing proxy should be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for the meeting.
2. The Register of members and Share Transfer Books of the Company will remain closed from 18th August to 25th August 2012.
3. Members are requested to:
 - a) Notify immediately any change in their address to the Company.
 - b) Bring their copy of the Annual Report to the Meeting.
 - c) Members desiring any information on the business to be transacted at the meeting are requested to write to the Company at least 10 days in advance to enable the Management to keep the information, as far as possible, ready at the meeting.
4. A copy of the Memorandum and Articles of Association and other relevant documents are available for inspection at the Registered Office of the Company on any working day from between 11.00a.m. to 1.00 p.m.
5. The Equity Shares of the Company are now traded on the Stock Exchange only in dematerialized form. It is in the interest of the Shareholders to get their physical share certificates demated.
6. Dividend, if approved in the Annual General Meeting shall be paid to the shareholders as on the date of the book closure for the purpose, within the stipulated time.

DIRECTORS' REPORT TO THE MEMBERS

Your Directors present before you the 26th Annual Report together with Audited Accounts for the year ending 31st March 2012.

Operation and Future Prospects

The Global melt down, Euro zone crises and recession backed by the continuing crude price hike gave a significant hit to the Indian economy last year. The GDP growth rate has fallen down to 6.5% in 2012. The Country had started facing, food and non food inflation. The RBI had to intervene and is still trying to fight it. It had to increase interest rate 13 times in rapid succession to check inflation. The effect of this had resulted in a slowdown in the economy. This has started affecting all interest rate sensitive and infra projects. Quite a number of projects have been put on hold or delayed. The rising oil prices and the fall in the value of Rupee, mounting pressure on the subsidy bill, negative balance of payment are posing a continuous threat to the economy. Indian economy is facing a typical problem of having to manage between high inflation and fast economic growth. Further the inability of the Govt. to pursue reforms and implement its policies because of its political compulsions, scams and issues of corruptions, inactiveness of Govt. machineries has brought the business confidence levels to its lowest. This has resulted in a substantial decrease in the capital inflow. We are hoping on good monsoon and the cooling down of the crude price. This if coupled with a strong Govt action on policy implementation may take couple of quarters to again start moving on the growth trajectory. The Govt. expects to maintain the growth rate of the economy at about 7% for the current year. Both the capital markets and the interest rate markets are expected to remain volatile in near future.

Financial Results

The financial performance of the Company, for the year ended 31st March 2012 is summarized below :

	Year Ended	Year Ended
	31st March 2012	31st March 2011
	(` In Lacs)	(` In Lacs)
Profit before Depreciation and Amortisation	354.79	399.39
Expenses, Finance Costs and Tax Expenses		
Less : Finance Costs	28.18	38.55
Depreciation and Amortisation Expenses	9.14	8.82
Profit before Tax	317.47	352.02
Less : Current Tax	34.05	39.58
Deferred Tax	(0.48)	(0.64)
Profit for the year	283.90	313.08
Add : Balance in Profit & Loss Account	569.89	465.10
	853.79	778.18
Less : Appropriation		
Transferred to Statutory Reserve	56.78	65.00
Transferred to General Reserve	50.00	50.00
Proposed Dividend on Equity Shares	80.00	80.00
Tax on Dividend	12.98	13.29
Closing Balance	654.03	569.89

Your Directors recommend payment of Dividend of ` 0.80 per equity share of ` 10 each for the year ended 31st March 2012.

Subsidiary Company & Investments

The Company has upto now invested a sum of Rs 161 lacs to wards the Equity capital of its subsidiary Company, BNK Commodities Pvt Ltd out of which Rs 56 lacs is pending allotment. BNK Commodities Pvt Ltd. is a member of MCX, NCDEX ,and NSEL. Commodity Exchanges are gradually picking up and is expected to generate

very high volumes of trading thus providing a good business opportunity. Your Company along with its subsidiaries and its Associate Companies is fully geared up to offer complete financial solutions including trading in securities, commodities and their derivatives, currency derivatives, Depository services & Category I Merchant Bankers

As a plan to diversify into other business area Your Company has registered itself as a UID enrolling agency. It has plans to bid and participate in the UID projects of the Govt of India. For this purpose, to start with, your company has tied up with an existing service provider in this area.

Fixed Deposits

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

Directors

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company Dr. N.K.Sengupta and Mr. Sanjeev Khandelwal, Directors of the Company retire by rotation at the conclusion of the forthcoming Annual General Meeting, and being eligible offer themselves for reappointment.

Auditors

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

Corporate Governance

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

Directors' Responsibility Statement:

- Pursuant to Section 217 (2AA) of the Companies Act, 1956 your Directors confirm:
- That in the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departure;
 - That they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year;
 - That they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
 - That they have prepared the Annual Accounts on a 'going concern' basis.

Statutory Information

The provision relating to conservation of energy and technology absorption does not apply to the Company. The Company has no foreign exchange earning during the year under report. The Company has incurred expenses in foreign exchange to a tune of US\$ 218 during the year. There is no employee of the Company as covered under Section 217(2A) of the Companies Act, 1956, for which a separate disclosure is required.

Acknowledgement

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

For and on behalf of the Board

Place : Kolkata

Dr. N.K.Sengupta

Dated : 28th May 2012

Chairman

REPORT ON CORPORATE GOVERNANCE

The Company has put in place the SEBI guidelines pertaining to Corporate Governance effective from Financial year 2002-2003. The report on Corporate Governance for the year 2011-12 is as under:

Corporate Governance - Philosophy

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

1. Board of Directors

As on 31st March 2012 Board of the Company comprised of six directors of which five are Non-executive including the non-executive Chairman. Fifty percent of the directors are Independent Directors The Independent Directors have no professional and / or business relationship with the Company. They are eminent professionals, drawn from amongst persons with experience in business, finance, law and corporate management. The composition of the board during the year is tabulated below:

Director	Executive/Non-Executive/ Independent	Other Director-ships held
Dr.N.K.Sengupta	Chairman, Non-Executive & Independent	05
Mr.R.S.Khandelwal	Vice-Chairman & Non-Executive	08
Mr.P.Chakravarti	Non-Executive & Independent	10
Mr.P.Brahmachari	Non-Executive & Independent	01
Mr.S.Khandelwal	Non-Executive	06
Mr.A.Khandelwal	Managing Director	11

2. Audit Committee

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

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

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

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

Director	Position	Meeting held	Meeting Attended
Mr.P.Chakravarti	Chairman	04	04
Mr.R.S.Khandelwal	Member	04	04
Mr.P.Brahmachari	Member	04	03

3.Remuneration Committee

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

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

Director	Position	Meeting held	Meeting Attended
Mr. R. S. Khandelwal	Chairman	0	0
Mr. N. K. Sengupta	Member	0	0
Mr. P. Brahmachari	Member	0	0

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

4. Remuneration to Directors

Director	Designation	Remuneration paid during 2012 (All figures in `)		
		Sitting fees	Salary & Perks	Total
Dr.N.K.Sengupta	Chairman	12000	--	12000
Mr.R.S.Khandelwal	Vice-Chairman	23000	--	23000
Mr.P.Chakravarti	Director	23000	--	23000
Mr.P.Brahmachari	Director	24000	--	24000
Mr.S.Khandelwal	Director	23000	--	23000
Mr.A.Khandelwal	Managing Director	--	1287328	1287328

5. Shareholders/Investors Grievance & Transfer Committee

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

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

Director	Position	Meeting held	Meeting Attended
Mr.P.Brahmachari	Chairman	04	03
Mr.S.Khandelwal	Member	04	04
Mr.A.Khandelwal	Member	04	04

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

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

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

6. Number of Board Meetings and Board Procedures.

Your Company's Board met 5 (Five) times during the year and details of the meeting are high lighted below. Agenda papers along with explanatory statements were circulated to the Directors well in advance of the meeting. The senior management of your Company was invited to participate in matters of interest, importance and relevance. The Board has access to any information within your Company and every effort is made to ensure that the information is adequate and appropriate to enable the Board to take considered decisions on issues.

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

	Date of Board Meeting	Place
1	17th April 2011	Kolkata
2	28th May 2011	Kolkata
3	30th July 2011	Kolkata
4	5th November 2011	Kolkata
5	4th February 2012	Kolkata

Directors	No. of Meetings		
	Held	Attended	Attended Last AGM
Dr.N.K.Sengupta	05	04	No
Mr.R.S.Khandelwal	05	05	Yes
Mr.P.Chakravarti	05	05	Yes
Mr.P.Brahmachari	05	04	No
Mr. S. Khandelwal	05	05	Yes
Mr. A. Khandelwal	05	05	Yes

7. Management Discussions and Analysis Report

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

8. Director's Membership/Chairmanship in Committees

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

Director	No. of Committees in which	
	Member	Chairman
Dr.N.K.Sengupta	--	--
Mr.R.S.Khandelwal	02	--
Mr.P.Chakravarti	08	01
Mr.P.Brahmachari	01	--
Mr.S.Khandelwal	01	--
Mr.A.Khandelwal	06	01

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

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

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

Name of Director	Mr. N.K.Segupta	Mr. Sanjeev Khandelwal
Date of Birth	23rd September 1934	15th November 1960
Date of appointment	21st November 1995	27th June 1995
Experience in specific functional areas	I.A.S.	Businessman

List of outside Directorships held Excluding Alternate Directorship and Private Companies	1.MCX Stock Exchange Limited 2.Credit Analysis & Research Ltd 3.Nagarjuna Agro Chem. Ltd 4.Hindustan Gum & Chemicals Ltd Nil
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10. Material Contracts/Transactions Concerning Director's Interest

The Company had not entered into any arrangement with any body other than with BNK Securities Private Limited and BNK Commodities Pvt. Ltd., for dealing in shares, securities, currency their derivatives and commodities where the Promoter Directors are interested. The Company has entered into an understanding with In Media Computer Services LLP (a firm Co-owned by the Promoters) to bid and participated in UID projects.The disclosure to this effect was made at the relevant meeting of the Board of Directors There was no arrangement of material nature other than stated above that may have a potential conflict with interest of your Company. Your company is also a promoter of the said BNK Securities Pvt. Ltd. & BNK Commodities Pvt. Ltd.

11. Code For Prevention Of Insider Trading

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

12. Other Disclosures

i. Details Of Annual General Meeting

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

Year	Location	Date	Time
2008-2009	Mayfair Tower, Ground floor, 2, Palm Avenue Kolkata – 700 019.	2nd Sep, 2009	11.30 AM
2009-2010	Mayfair Tower, Ground floor, 2, Palm Avenue Kolkata – 700 019.	27th July, 2010	11.30 AM
2010-2011	Mayfair Tower Ground floor, 2, Palm Avenue, Kolkata - 700 019.	30th July, 2011	11.30 A.M

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

ii. Means of Communication

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

iii. Shareholders Information

- Annual General Meeting**
 - * Date and Time : 25th August 2012 at 11.30 A.M
 - * Venue : Mayfair Tower, Ground Floor, 2, Palm Avenue Kolkata - 700 019
- Financial Calender**
For the Financial Year ended 31st March 2012.
 - Financial Results for Quarter ended June 30, 2011. : 30th July, 2011
 - Financial Results for Quarter ended September 30, 2011. : 5th November, 2011
 - Financial Results for Quarter ended December 31, 2011. : 4th February, 2012
 - Audited Financial Results for Year ended March 31, 2012. : 28th May 2012
- Date of Book Closure** 18th August 2012 to 25th August 2012 (Both days inclusive)

- Dividend Payment Date**
Dividend @ `0.80 per Equity Share of `10 each if approved at the forth Company AGM shall be Paid/credited to the bank a/c of the share holders as on the date of book closure of the Company within the stipulated time.

- Registered Office**
Mayfair Tower, 2 Palm Avenue, Kolkata: 700 019
Tel : (033) 2281-0560 / 61, Fax : (033) 30580562

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

The Company has paid the Listing Fees for the year 2011-12 to both the Stock Exchanges.

- Registrar & Transfer Agent**
C B Management Services (P) Ltd, P-22, Bondel Road, Kolkata: 700 019
Tel No.: (033) 2280-6692 / 6693, Fax No.: (033) 2247-0263
E-mail: cbmsl 1 @cal2.vsnl.net.in, rta@cbmsl.com

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

- Investor Services**
Complaints received during the year

Nature of Complaints	2011-2012		2010-2011	
	Received	Cleared	Received	Cleared
Relating to Transfer, Transmission etc., Dividend, Interest, Redemption etc., Change of Address, Demat – Remat and Others	Nil	Nil	Nil	Nil
Received from SEBI, Stock Exchanges and Other Statutory Authorities	2	2	Nil	Nil
Total	2	2	Nil	Nil

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

- Distribution of Shareholding as on 31st March 2012.** (See table No. 1)
- Categories of Shareholding as on 31st March 2012.** (See table No. 2)
- Dematerialization of shares & liquidity**

Over 94.85 % of equity shares have been dematerialized as on 31.03.2012. Trading in equity shares of your Company on Bombay Stock Exchange (BSE) and Calcutta Stock Exchange (CSE) is permitted only in dematerialized mode w.e.f. November 25, 2000 as per notification issued by SEBI.

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

13. **Details on use of public fund obtained in the last three years :** N.A
14. **Fresh Issue of Capital**
During the year under review, your Company has not raised any fresh capital. It has allotted 2000000 Equity Shares of ₹ 10/- each as Bonus Shares in the ratio of 1 shares for every 4 shares held.
15. **Investors Correspondence**
Registered Office : Mayfair Tower, 2 Palm Avenue, Kolkata : 700 019, Tel : (033) 2281 – 0560 / 61, Fax : (033) 30580562, E-mail : corporate@bnkcapital.com, compliance@bnkcapital.com
- OR**
pRegistrar & Share Transfer Agents
C B Management Services (P) Ltd.
P-22, Bondel Road, Kolkata:700 019, Tel No.: (033) 22806692 / 6693, Fax No.: (033) 22470263, E-mail : cbmsl1@cal2.vsnl.net.in, rta@cbmsl.com
16. **TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)**
The due date on which unclaimed dividends lying in the unpaid dividend accounts of the Company would be credited to the IEPF, are stated in the table below. Investors are requested to claim their dividends before these dates.

Financial Year	Date of Declaration	30days expire from the date of declaration	Transfer to unpaid dividend "unpaid/unclaimed dividend account"	7 Years expire from the date of transfer to unpaid/unclaimed dividend account	Amount lying unpaid / unclaimed as on 31st March 2012
2005-06	23-09-2006	22-10-2006	23-10-2006	22-10-2013	4,79,249.00
2006-07	28-09-2007	27-10-2007	28-10-2007	27-10-2014	1,32,847.00
2007-08	06-09-2008	05-10-2008	06-10-2008	05-10-2015	1,38,608.18
2008-09	02-09-2009	01-10-2009	02-10-2009	01-10-2016	1,38,697.00
2009-10	27-07-2010	26-08-2010	27-08-2010	26-08-2017	1,16,493.00
2010-11	30-07-2011	29-08-2011	30-08-2011	29-08-2018	1,10,740.00

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 after which these Shares will be transferred into one folio in the name of "Unclaimed Suspense Account" in due course.

17. **Per Share data**

	2011-2012	2010-2011
EPS (₹)	2.97	3.91
EPS Growth (%)	-24%	55%
Book Value per share (₹)	38.52	45.46
Share price as on 31st March 2012	20.00	41.65

18. **Market Price (High & Low) at BSE during each month of the Financial Year 11-12**

Month	High (₹)	Low (₹)	Month	High (₹)	Low (₹)
April 2011	54.50	39.30	October 2011	24.50	20.50
May 2011	43.95	36.15	November 2011	24.35	19.20
June 2011	41.95	22.80	December 2011	21.85	16.80
July 2011	31.50	23.20	January 2012	21.00	18.15
August 2011	28.95	20.10	February 2012	23.40	19.05
September 2011	27.15	21.65	March 2012	24.00	18.80

Table 1

Share held	No. of share holders	2011-2012		2010-2011		Share amount	% of share amount
		% of share holders	Share amount	% of share holders	Share amount		
1-5000	2050	80.74	394411	3.94%	2120	382937	4.79%
5001-10000	209	8.23	146288	1.46%	139	113632	1.42%
10001-20000	109	4.29	158077	1.58%	88	138518	1.71%
20001-30000	43	1.69	106811	1.07%	41	101606	1.27%
30001-40000	33	1.30	108051	1.08%	10	36097	0.45%
40001-50000	7	0.28	32772	0.33%	15	72072	0.90%
50001-100000	29	1.14	206123	2.06%	20	152386	1.91%
100001 & above	59	2.33	8847467	88.48%	53	7002752	87.53%
Total	2539	100.00	10000000	100.00	2486	8000000	100.00

Table 2

Category	2011-2012		2010-2011	
	No. of share held	% of share holding	No. of share held	% of share holding
01. Promoter Company	1871881	18.72	1171225	14.64
02. Director	3358251	33.58	2740102	34.25
03. Directors Relative	66875	0.67	53500	0.67
04. Mutual Fund	31250	0.31	25000	0.31
05. F.I.I.	NIL	NIL	NIL	NIL
06. Financial Institution	NIL	NIL	NIL	NIL
07. N.R.I	33061	0.33	26052	0.33
08. Other Bodies Corp.	2628876	26.29	2442434	30.53
09. Bank	NIL	NIL	NIL	NIL
10. Resident Individual	2008341	20.08	1532599	19.16
11. Clearing Members	1465	0.02	9088	0.11
TOTAL	10000000	100.00	8000000	100.00

AUDITOR'S CERTIFICATE

To

The Members of BNK Capital Markets Ltd.

We have examined the compliance of conditions of corporate governance by BNK Capital Markets Ltd., for the year ended on 31st March 2012, as stipulated in Clause - 49 of the Listing Agreement of the said Company with stock exchanges in India.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreements.

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

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For R. Bhattacharya & Associates

Chartered Accountants

Registration No. 307124E

R. BHATTACHARYA

Proprietor

Kolkata
28th May 2012

Membership No. 012394

Management Discussion & Analysis Report

Overview : The Global melt down, Eurozone crises and recession backed by the continuing crude price hike gave a significant hit to the Indian economy last year. The GDP growth rate has fallen down to 6.5% in 2012. The Country had started facing, food and non food inflation. The RBI had to intervene and is still trying to fight it. It had to increase interest rate 13 times in rapid succession to check inflation. The effect of this had resulted in a slowdown in the economy. This has started affecting all interest rate sensitive and infra projects. Quite a number of projects have been put on hold or delayed. The rising oil prices and the fall in the value of Rupee, mounting pressure on the subsidy bill, negative balance of payment are posing a continuous threat to the economy. Indian economy is facing a typical problem of having to manage between high inflation and fast economic growth. Further the inability of the Govt. to pursue reforms and implement its policies because of its political compulsions, scams and issues of corruptions, in activeness of Govt. machineries has brought the business confidence levels to its lowest. This has resulted in a substantial decrease in the capital inflow. We are hoping on good monsoon and the cooling down of the crude price. This if coupled with a strong Govt action on policy implementation may take couple of quarters to again start moving on the growth trajectory. The Govt. expects to maintain the growth rate of the economy at about 7% for the current year. Both the capital markets and the interest rate markets are expected to remain volatile in near future.

Opportunities and Threats : The economy is looking up for the timely and good monsoon this time. This if coupled with a strong Govt action on policy implementation may take couple of quarters to again start moving on the growth trajectory. The Govt. expects to maintain the growth rate of the economy at about 7% for the current year. Cooling down of crude will help in bringing down the energy bill and will also help in controlling cost inflation. It is expected that the GDP will grow @ 6.5% this year. We should see again moving on the fast growth trajectory by the last quarter of the financial year.

The key threats include the change/slowdown in implementation of the policies of the Government. Indecisiveness of the Govt. because of political pressures, changes in tax structure, failure to contain actual inflation within a reasonable range, high inflation rate, increasing interest rates, governing rules of SEBI and RBI etc., crises in Eurozone, which may affect the capital and debt market substantially.

Business Segment Analysis : During the period under review the Company's activities were mainly restricted to Capital Market and related fields. However the company has made investments and disinvestments in Equity Shares, trading and dealings in G Secs, Corporate Bonds and other debts instruments. The Company's Debt Desks in Mumbai has started to cater large corporate clients, Banks & Institutions, Provident Funds, Trusts etc.

AUDITORS' REPORT

TO THE MEMBERS OF BNK CAPITAL MARKETS LTD.

- We have audited the attached Balance Sheet of BNK CAPITAL MARKETS LTD. (the Company) as at 31st March 2012 and also the statement of Profit and Loss and the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
- We conducted our audit in accordance with the auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- As required by the Companies (Auditor's Report) Order, (The Order) 2003, issued by the Central Government of India in terms of sub-section 4(A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.

FINANCIAL PERFORMANCE

	Year Ended 31st March 2012 (` In Lacs)	Year Ended 31st March 2011 (` In Lacs)
Profit before Depreciation and Amortisation Expenses, Finance Costs and Tax Expenses	354.79	399.39
Less: Finance Costs	28.18	38.55
Depreciation and Amortisation Expenses	9.14	8.82
Profit before Tax	317.47	352.02
Less: Current Tax	34.05	39.58
Deferred Tax	(0.48)	(0.64)
Profit for the year	283.90	313.08
Add: Balance in Profit & Loss Account	569.89	465.10
	853.79	778.18
Less: Appropriation		
Transferred to Statutory Reserve	56.78	65.00
Transferred to General Reserve	50.00	50.00
Proposed Dividend on Equity Shares	80.00	80.00
Tax on Dividend	12.98	13.29
Closing Balance	654.03	569.89

Comment on current year's performance:

Revenue : Total Revenue of the Company has decreased in comparison to Previous year because of volatile capital markets, volatile interest rate regime.

Operating Expenses : Operating expense has increased compare to last year because of setting up of new offices. However your directors have tried to keep it to minimum levels.

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

Interest Expense : Interest Expenses has been lower as compared to last year. Depreciation Depreciation has increased during the year.

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

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

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

The internal 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.

- Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
 - The Balance Sheet, statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - In our opinion, the Balance Sheet, statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - On the basis of the written representations received from the Directors, as on 31st March, 2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2012 from being appointed as a Director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956;
 - In our opinion, and to the best of our information and according to the explanations given to us, the said accounts read together with the Significant Accounting Policies and notes thereon give the information required by the

Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) In the case of the Balance Sheet, of the State of Affairs of the Company as at 31st March, 2012;
- (ii) In the case of the statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- (iii) In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

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

(R. BHATTACHARYA)

Proprietor
Membership No. - 012394

Kolkata
28th May, 2012.

ANNEXURE TO THE AUDITORS' REPORT

With reference to the Annexure referred to in Paragraph 3 of the Auditors' Report of Even Date to the Members of BNK Capital Markets Ltd. on the financial statement for the year ended 31st March 2012, we report that:

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

- (7) In our opinion, the company has an internal audit system commensurate with the size and nature of its business, for the purchases of shares/securities, equipment and other assets and for sale of shares/securities.
- (8) In our opinion, the provisions of section 209 (1) (d) of the Companies Act, 1956 for the maintenance of cost records are not applicable to the company.
- (9) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues including Investor Education and Protection Fund, Income Tax, Wealth Tax, Service Tax, Cess and other material statutory dues as applicable to the appropriate authorities.
(b) According to the information and explanations given to us, there are no dues of Income Tax, Wealth Tax, Service Tax, and Cess which have not been deposited on account of any dispute payable for a period of more than six month from the date they became payable.
- (10) The company has no accumulated losses at the end of the financial year and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
- (11) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holder as at the balance sheet date.
- (12) The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (13) The provisions of any special statute applicable to chit fund/nidhi/mutual benefit fund/societies are not applicable to the company.
- (14) In our opinion and according to the information and explanations given to us, proper records have been maintained for the transactions and contracts in respect of inventories or dealing in shares, securities, debentures and other investments and timely entries have been made therein and also the shares, securities, debentures and other investments have been held by the company in its own name except to the extent of the exemption, if any, granted u/s 49 of the Companies Act, 1956.
- (15) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
- (16) The Company did not have any term loans outstanding during the year.
- (17) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment. No long-term funds have been used to finance short-term assets except permanent working capital.
- (18) According to the information and explanations given to us, no preferential shares have been allotted by the company to parties and companies covered in the register maintained u/s 301 of the Companies Act, 1956.
- (19) During the year under audit, the Company has not created any security or charge in respect of debentures issued.
- (20) The Company has not raised any monies by way of public issues during the year.
- (21) To the best of our knowledge and belief and according to the information and explanations given to us, no material fraud on or by the Company was noticed or reported during the year.

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

(R. BHATTACHARYA)
Proprietor
Membership No. - 012394

Kolkata
28th May, 2012.

BALANCE SHEET AS AT 31ST MARCH, 2012.

Particulars	Note No	As at 31.03.2012		As at 31.03.2011	
		` (lacs)	` (lacs)	` (lacs)	` (lacs)
I. EQUITY AND LIABILITIES					
(1) Shareholders' Funds					
(a) Share Capital	2	1,000.00		800.00	
(b) Reserves and Surplus	3	2,851.64	3,851.64	2,860.70	3,660.70
(2) Current Liabilities					
(a) Short-term borrowings	4(a)	2,587.13		2,962.79	
(b) Trade payables	4(b)	4.11		4.10	
(c) Other current liabilities	4(c)	2.76		5.51	
(d) Short-term provisions	4(d)	244.46	2,838.46	210.72	3,183.12
Total			<u>6,690.10</u>		<u>6,843.82</u>
II. ASSETS					
(1) Non-Current Assets					
(a) Fixed Assets					
Tangible assets	5(a)	31.10	31.10	25.04	25.04
(b) Non-current investments	5(b)	3,325.98		3,546.59	
(c) Long term loans and advances	5(c)	18.13		18.60	
(d) Deferred tax assets (Net)	5(d)	0.92	3,345.03	0.44	3,565.63
(2) Current Assets					
(a) Current Investments	6(a)	474.00		698.84	
(b) Inventories	27	262.55		511.99	
(c) Trade receivables	6(b)	1.55		114.60	
(d) Cash and cash equivalents	6(c)	89.93		156.29	
(e) Short-term loans and advances	6(d)	2,203.71		1,544.64	
(f) Other current assets	6(e)	282.23	3,313.97	226.79	3,253.15
Total			<u>6,690.10</u>		<u>6,843.82</u>

R.BHATTACHARYA & ASSOCIATES

Chartered Accountants
(Registration No. 307124E)

R.Bhattacharya

Proprietor
Membership No.12394
7B Panchanantala Road
Kolkata- 700029
Kolkata, May 28th, 2012.

ON BEHALF OF THE BOARD

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

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

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2012.

Particulars	Note No	As at	
		31.03.2012	31.03.2011
		₹ (lacs)	₹ (lacs)
I. Revenue from operations	7	12,994.27	45,081.65
II. Other Income	8	231.58	339.99
III. Total Revenue (I+II)		13,225.85	45,421.64
IV. Expenses:			
Purchase of Stock-in-Trade		12,437.10	45,351.23
Changes in inventories of Stock-in-Trade		249.43	(498.03)
Employees benefits expense		69.18	73.61
Finance costs	9	28.18	38.55
Depreciation and amortization expenses		9.14	8.82
Other expenses	10	115.33	95.44
Total Expenses		12,908.36	45,069.62
V. Profit before exceptional and extraordinary items and tax	(III-IV)	317.49	352.02
VI. Profit before tax		317.49	352.02
VII. Tax expense:			
(1) Current tax		(34.05)	(39.58)
(2) Deferred tax		0.48	0.64
VIII. Profit(Loss) for the period	(VI-VII)	-	313.08
IX. Earnings per equity share:			
(1) Basic and Diluted (in ₹)		2.97	3.92

R.BHATTACHARYA & ASSOCIATES

Chartered Accountants
(Registration No. 307124E)

R.Bhattacharya

Proprietor
Membership No.12394
7B Panchanantala Road
Kolkata- 700029
Kolkata, May 28th, 2012.

ON BEHALF OF THE BOARD

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

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

Notes Annexed to and forming part of Accounts

Notes on Accounts and Significant Accounting Policies forming to and part of Balance Sheet as at 31st March, 2012 and Statement of Profit and Loss for the year ended as on that date.

Note No.

1 SIGNIFICANT ACCOUNTING POLICIES

a) Presentation & Disclosure of Financial statements

The revised Schedule VI notified under the Companies Act, 1956 has become applicable to the company during the year ended 31st March, 2012 for preparation & presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition & measurement principles followed for preparation of financial statements. However, the company has reclassified the previous year figures in accordance with the requirements applicable in the current year.

b) Basis of Accounting :

The financial statements have been prepared to comply in all material aspects with the Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006, relevant provisions of the Companies Act, 1956 and also as per the guidelines for prudential norms prescribed by the Reserve Bank of India. The accounts have been prepared on the historical cost basis and on the principles of going concern.

c) Fixed Assets :

All Fixed Assets are valued at cost less depreciation. An Asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to profit & loss account in the year in which an asset is identified as impaired.

d) Depreciation :

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

e) Investments :

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

Long Term Investments are stated at cost. Current Investments are carried in the financial statements at cost of individual investment basis. In case of

unquoted securities, the value is determined at cost. On disposal of an Investment, the difference between its carrying amount and net disposal proceeds is charged to the statement of profit and loss.

f) Recognition of Income and Expenditure :

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

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

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

g) Employee Retirement & Other Benefits

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

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

h) Income Taxes

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

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

Minimum Alternate Tax (MAT) in accordance with the provisions of sec.115GB of the income tax act, 1961 is not applicable for the year under audit to the company.

i) Earnings Per Share (EPS)

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

For the purpose of calculating the diluted EPS, the net profit or loss for the period attributable to Equity Shareholders and the Weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

Notes on Financial Statements for the Year ended 31st March 2012

Particulars	As at 31.03.2012		As at 31.03.2011		
	₹ (lacs)	₹ (lacs)	₹ (lacs)	₹ (lacs)	
2 SHARE CAPITAL					
Authorised					
125,00,000 Equity Shares of ₹ 10/- each		<u>1,250.00</u>		<u>800.00</u>	
Issued, Subscribed & Paid Up					
100,00,000 Equity Shares of ₹ 10/- each, fully paid up in cash. (Prev.Yr:80,00,000 Equity Shares of ₹ 10/- each)		<u>1,000.00</u>		<u>800.00</u>	
		<u>1,000.00</u>		<u>800.00</u>	
Reconciliation of Equity Share of the company:					
Issued, Subscribed & Paid up:					
Number of Equity Shares at the beginning of the year		8,000,000		8,000,000	
Add: Issued/Subscribed & Paid Up during the year		<u>2,000,000</u>		<u>-</u>	
Closing (Number)		<u>10,000,000</u>		<u>8,000,000</u>	
Details of holding more than 5% of paid up Equity Share Capital:					
	% of holding	No. of Shares	% of holding	No. of Shares	
Radhey Shyam Khandelwal	11.75	1,175,000	11.75	940,000	
Ajit Kumar khandelwal	11.25	1,125,063	11.25	900,051	
Sanjeev Kumar Khandelwal	11.25	1,125,063	11.25	900,051	
BNK Securities Pvt.Ltd	11.28	1,127,781	11.28	902,225	
Details for preceding Five Years of Equity Shares:					
	FY:2011-12	FY:2010-11	FY:2009-10	FY:2008-09	FY:2007-08
Aggregate number of Equity Shares allotted as fully paid up by way of Bonus Shares	2,000,000	N.A	N.A	N.A	N.A
3 RESERVES & SURPLUS					
Share Premium Account					
Balance Brought Forward		1,230.00	1,230.00	1,230.00	1,230.00
Statutory Reserve					
Balance Brought Forward		237.60		172.60	
Add: Transferred during the year		<u>56.78</u>	294.38	<u>65.00</u>	237.60
General Reserve					
Balance Brought Forward		823.21		773.21	
Add: Transferred during the year		50.00		50.00	
Less: Used for Bonus Issue		<u>(200.00)</u>	673.21	<u>-</u>	823.21
Surplus from Profit & Loss Accounts B/F					
Balance Brought Forward		569.89		465.10	
Add: Profit for the year		<u>283.92</u>		<u>313.08</u>	
		853.81		778.18	
Less:					
Transferred to Statutory Reserve		56.78		65.00	
Transferred to General Reserve		50.00		50.00	
Proposed Dividend on Equity Shares [Dividend per Share ₹ 0.80 (Previous year ₹ 1.00)]		80.00		80.00	
Tax on Dividend		<u>12.98</u>	<u>654.05</u>	<u>13.29</u>	<u>569.89</u>
		<u>2,851.64</u>	<u>2,851.64</u>	<u>2,860.70</u>	<u>2,860.70</u>

Notes on Financial Statements for the Year ended 31st March 2012

		As at 31.03.2012	As at 31.03.2011
	` (lacs)	` (lacs)	` (lacs)
4 CURRENT LIABILITIES			
(a) Short-term borrowings			
Unsecured			
Bank Overdraft	133.62	0.35	
From bodycorporates, repayable within one year	2,453.51	2,587.13	2,962.79
		<u>2,587.13</u>	<u>2,962.79</u>
(b) Trade Payables			
Trade Payable	4.11	4.10	
Less: Due for more than one year	-	4.11	4.10
		<u>4.11</u>	<u>4.10</u>
(c) Other Current Liabilities			
TDS Payable	1.47	4.03	
for Expenses	1.29	1.48	
less: due for more than one year	-	2.76	5.51
		<u>2.76</u>	<u>5.51</u>
(d) Short Term Provisions			
Provision for Income Tax	164.46	130.72	
Provision for Dividend	80.00	244.46	210.72
		<u>244.46</u>	<u>210.72</u>
5 NON CURRENT ASSETS			
(a) Tangible Assets			
Gross Amount			
Opening Balance B/F	45.29	59.71	
Additions during the Year	15.19	6.71	
Sale/Adjustment during the Year	-	60.48	(21.14)
			<u>45.28</u>
Less: Depreciation			
Opening Balance B/F	20.24	28.06	
Additions during the Year	9.14	8.82	
Reversal/Adjustment during the Year	-	(29.38)	(16.64)
		<u>31.10</u>	<u>25.04</u>

Fixed Assed

Particulars	GROSS BLOCK			DEPRECIATION				NET BLOCK	
	As On 01.01.2011	Adjustment /Sale during the year	As On 31.03.2012	As On 01.01.2011	Adjustment /Sale during the year	Addition during the year	As On 31.03.2012	As On 31.03.2012	As On 31.03.2011
TANGIBLE ASSETS									
Furnitue & Fittings	0.45	-	0.45	0.18	0.05	-	0.23	0.22	0.27
Motor Car	32.51	15.19	47.70	15.85	7.45	-	23.30	24.40	16.66
Office equipments	6.88	-	6.88	0.90	0.78	-	1.68	5.20	5.98
Computer	5.45	-	5.45	3.31	0.86	-	4.17	1.28	2.14
TOTAL	45.29	15.19	60.48	20.24	9.14	-	29.38	31.10	25.05
PREVIOUS YEAR	59.71	(14.42)	45.29	28.06	8.82	16.64	20.24	25.05	31.66

Notes on Financial Statements for the Year ended 31st March 2012

b) Non Current Investments

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

Shares & securities, Quoted	F.V.	Quantity	Amount	Quantity	Amount
Apeejay Tea Ltd	10.00	-	-	500	0.51
Arco Impex Ltd	10.00	44,000	4.51	44,000	4.51
Arihant Impex Ltd	10.00	20,000	0.45	20,000	0.45
Ballasore Alloy Ltd.	10.00	52,000	19.31	52,000	19.31
Bharat Earth Movers Ltd.	10.00	44	0.16	44	0.16
Bharat Pipes & Fittings Ltd	10.00	500	0.12	500	0.12
Bhoruka Aluminium Ltd.	10.00	25,000	1.24	-	-
Bharti Airtel Ltd	10.00	-	-	1,000	3.31
B.J.Duplex Boards Ltd	10.00	1,000	0.05	1,000	0.05
Bombay Burmah Trading Corporation Ltd	10.00	2,000	0.76	2,000	0.76
Bombay Rayon Fashion Ltd.	10.00	-	-	150,000	388.32
CESC Ltd	10.00	3,017,351	645.64	3,017,351	645.64
CNI Research Ltd.	1.00	5,000	-	5,000	-
Color Chips (India) Ltd	10.00	660	0.07	660	0.07
Duncans Brothers & Company Ltd	10.00	3,185	0.16	3,185	0.16
DSQ Biotech Ltd.	10.00	3,600	0.14	3,600	0.14
ESS Dee Aluminium Ltd.	10.00	785	9.00	785	9.00
Everest Kanto Cylinder Ltd	2.00	10,000	7.24	10,000	7.24
ELGI Equipment Ltd.	1.00	50	0.01	50	0.01
Ellenbarrie Industrial Gases Ltd.	10.00	4,266	17.88	266	0.45
Enkay Texofood Industries Ltd	10.00	2,000	0.04	2,000	0.04
Enso Secutrack Ltd	10.00	4,000	0.11	4,000	0.11
Fairluck Commercial Ltd.	10.00	243,800	13.79	243,800	13.79
Gujarat Mineral Development Corp.Ltd	2.00	1,000	1.68	1,000	1.68
Gujrat Fluoro Chemical Ltd.	10.00	25,000	125.72	-	-
G.V.Films Ltd	10.00	2,500	0.09	2,500	0.09
GVK Power & Infrastructure Ltd	1.00	51,250	7.94	51,250	7.94
Gwalior Strips Ltd	10.00	1,000	0.20	1,000	0.20
Halmark Drug & Chem Ltd	10.00	5,000	0.04	5,000	0.04
Harrisons Malayam Ltd	10.00	35,000	27.95	35,000	27.95
Hendez Electronics Ltd	10.00	300	0.03	300	0.03
India Bulls Power Ltd	10.00	10,000	2.19	10,000	2.19
India Bulls Securities Ltd	10.00	10,000	1.56	10,000	1.56
India Gelatine & Chemicals Ltd	10.00	1,520	0.14	1,520	0.14
IST Ltd	10.00	1,600	0.47	1,600	0.47
Indsil Hydro Power & Maganese Ltd	10.00	3,333	0.08	3,333	0.08
Jay Bharat Fabric Ltd	10.00	10,000	0.30	10,000	0.30
J Kumar Infra Project Ltd	10.00	2,500	3.30	2,500	3.30
Kanika Infrastructure & Power Ltd	10.00	500	-	500	-
KEC International Ltd	2.00	2,294,275	868.20	2,111,275	753.48
Kirloskar Electric Co.Ltd	10.00	10,000	4.46	10,000	4.46
Kanel Oil Export Ltd	10.00	1,100	0.01	1,100	0.01
Kothari Phyto Chemicals Ltd	10.00	150,000	62.32	150,000	62.32
K S Oil Ltd	10.00	5,000	1.65	5,000	1.65
Mardia Steel Ltd	10.00	600	0.01	600	0.01
Mcnally Bharat Engg. Ltd	10.00	62,861	105.83	45,000	100.85
Meghmaqni Organics Ltd	1.00	25,000	3.41	25,000	3.41
Mura Black India Ltd	10.00	300	-	300	-
Nagarjuna Fertilizer Ltd	10.00	1,400	0.33	1,400	0.33
NHPC Ltd	10.00	100,000	30.65	10,000	30.65
Nihar Info Global Ltd	10.00	25,000	0.75	25,000	0.75
Orchid Chemicals Ltd.	10.00	300	0.67	300	0.67
Padmini Technologies Ltd	10.00	2,500	0.16	2,500	0.16
Phillips Carbon Black Ltd	10.00	210,000	284.39	210,000	284.39
Pennar Aluminium Company Ltd	10.00	15,000	0.31	15,000	0.31
Polaris Soft Ltd	5.00	450	0.50	450	0.50
Protchem Industries Ltd	1.00	2,500	0.55	2,500	0.55
PNB Gilts Ltd	10.00	5,000	1.12	5,000	1.12
Punjab Chemicals & Protection Ltd	10.00	500	0.76	500	0.76
Rasai Ltd	10.00	6,002	19.13	65,223	202.88
Raspropack Lamipack Ltd.	10.00	1,250	0.30	1,250	0.30

Notes on Financial Statements for the Year ended 31st March 2012

	F.V.	Quantity	Amount	Quantity	Amount
Reliance Power Ltd	10.00	3,270		3,270	
Sanghi Polyster Ltd	10.00	4,700	0.04	4,700	0.04
Saint Gobainb Sekurit India Ltd	10.00	1,000	0.47	1,000	0.47
Saregama Ltd.	10.00	63,220	66.71	-	-
Satyam Computer Ltd	2.00	30,000	19.81	30,000	19.81
Shivalik Bymetal Controls Ltd	2.00	15,000	2.86	15,000	2.86
Shree Synthetic Ltd	10.00	25	-	25	-
Shree Securities Ltd	10.00	33,000	65.41	33,000	65.41
Stiefel Und Schuh Ltd	10.00	2,100	0.21	2,100	0.21
Steel Strips Infrastructures Ltd.	10.00	6,000	0.48	-	-
Siemens Ltd	10.00	-	-	2,000	-
Summit Securities Ltd	10.00	62,787	170.74	62,787	170.74
Tisco Ltd	10.00	580	1.42	580	1.42
Texmaco Ltd	10.00	5,000	1.59	5,000	1.59
Valiant Communication Ltd	10.00	10,000	1.92	10,000	1.92
Varun Shipping Co.Ltd	10.00	14,850	1.39	14,850	1.39
Vikash Wsp Ltd	10.00	-	-	3,000	0.71
Zensar Technologies Ltd	10.00	4,200	13.75	4,200	13.75
Zydus Weliness Ltd	10.00	1,000	1.25	1,000	1.25
			<u>2,625.93</u>		<u>2,871.25</u>
In unquoted Equity Shares, at cost Others	F.V	Quantity	Amount	Quantity	Amount
Apeejay Surendra Corprate Services Pvt.Ltd.	10	1	0.35		
BNK Securities Pvt Ltd	10	2,544,400	439.69	2,544,400	439.69
Bliss Stock Brokers Pvt Ltd	10	180,000	18.00	180,000	18.00
Fermanite Nicco Services Ltd	10	10		10	
Gujarat Securities Ltd	10	10,000	0.15	10,000	0.15
I Land Info Ltd	10	30,000	3.00	30,000	3.00
Malanpur Steel Ltd	10	218	-	218	-
Multiple Infra Pvt Ltd	10	22,500	24.75	22,500	24.75
Trendz Investment Ltd	10	350,000	35.00	350,000	35.00
Zeon Synthetics Ltd	10	120,000	12.00	120,000	12.00
			<u>532.94</u>		<u>532.59</u>
In Debenture at cost					
Galleria Mall Developers Pvt.Ltd.		16	5.87	-	-
Lily Realty Pvt.Ltd.		6	3.07	-	-
Prince Foundation Ltd.		16	9.06	-	-
Sheth Developers Pvt.Ltd.		10	6.36	-	-
			<u>24.36</u>		<u>-</u>
In Mutual Fund					
UTI Master Share		5000	0.74	5,000	0.74
			<u>0.74</u>		<u>0.74</u>
In Subsidiary Company Equity Shares					
BNK Commodities Pvt.Ltd.	10	1,050,000	105.00	1,050,000	105.00
			<u>105.00</u>		<u>105.00</u>
In Foreign Company					
BNK Comdex DMCC (shares of 1000 ADE each)		300	37.01	300.00	37.01
			<u>37.01</u>		<u>37.01</u>
			<u>3,325.98</u>		<u>3,546.59</u>
Aggregate Market Value of quoted shares			<u>10,601.17</u>		<u>12,562.29</u>
NAV of Mutual Fund			<u>1.19</u>		<u>-</u>
			<u>10,602.36</u>		<u>12,562.29</u>
c) Long term Loans & Advances					
Security Deposit			<u>18.13</u>		<u>18.60</u>
			<u>18.13</u>		<u>18.60</u>
d) Other Non Current Assets					
Deferred tax assets (Net)			<u>0.92</u>		<u>0.44</u>
			<u>0.92</u>		<u>0.44</u>

Notes on Financial Statements for the Year ended 31st March 2012

6 CURRENT ASSETS

(a) Current Investments

In Fixed deposit

	448.04		610.84
In Debenture at cost			
Sri Khodiar Realtech P.Ltd	-	88	88.00
Galleria Mall Developers Pvt.Ltd.	16 10.67	-	-
Lily Realty Pvt.Ltd.	6 3.00	-	-
Prince Foundation Ltd.	16 8.00	-	-
Sheth Developers Pvt.Ltd.	10 4.29	-	-
	<u>474.00</u>		<u>698.84</u>

(b) Trade Receivables

Unsecured, Considered Good

Trade Receivables outstanding for a period less than Six months	1.55	114.60	
Less: Receivable for more than one year	-	-	114.60
	<u>1.55</u>		<u>114.60</u>

(c) Cash & Cash Equivalents

(i) Balances with banks in Current Accounts	89.11		155.17
(ii) Cash in hand	<u>0.82</u>		<u>1.12</u>
	89.93		156.29

(d) Short Term Loans & Advances

(unsecured, considered good)

(i) Loan Given	1,641.54	1,485.04	
Less: Receivable for more than one year	-	-	1,485.04
(ii) Loans & Advances to Related Parties	562.17		58.95
(iii) Staff Advance			0.65
	<u>2,203.71</u>		<u>1,544.64</u>

(e) Other Current Assets

Prepaid Expenses	0.74		1.11
Share Applications pending allotment with Subcidiary	56.00		30.00
Margin with Brokers	-		23.00
Advance Tax paid	124.67		97.30
Tax Deducted at source	98.02		75.07
Service Tax	<u>2.80</u>		<u>0.31</u>
	282.23		226.79

7 REVENUE FROM OPERATIONS

Interest income	234.18		185.25
Sale of Bonds	12,760.09		44,882.25
Profit from Liquid Fund	-		9.21
Profit from Commodities Trading	-		4.94
	<u>12,994.27</u>		<u>45,081.65</u>

8 OTHER INCOME

Dividend Received	162.93		153.44
Profit on Sale of Non Current Investments	68.15		154.22
Income From Advisory & Consultancy Services	-		32.33
Misc. Receipts	<u>0.50</u>		<u>-</u>
	231.58		339.99

9 Finance Costs

Interest Paid	28.18		38.55
on Bank Overdraft	13.23		-
on Loan	<u>14.95</u>	<u>38.55</u>	
	28.18		38.55

10 OTHER EXPENSES

(a) Operational Expenses

Purchases (bonds)	12,435.18		45,349.24
Security Transaction Tax	<u>1.92</u>		<u>1.99</u>
	12,437.10		45,351.23

Notes on Financial Statements for the Year ended 31st March 2012

(b) Administrative & Other Expenses

Director's Remuneration & Sitting Fees	13.32		10.01
Business Promotion Expenses	7.78		5.79
Demat Charges	0.95		1.01
General Charges	2.58		3.42
Motor Car Expenses	5.06		3.09
Travelling Expenses	10.96		16.23
Donations	-		0.10
Bank Charges	0.77		0.17
Rates & Taxes	18.05		17.88
Legal Expenses	2.27		1.17
Listing & Filing Fees	3.10		0.83
Auditors Remuneration			
For Audit Fees	0.09	0.09	
For Tax Audit Fees	0.02	0.02	
Other Matters	0.10	0.10	0.21
Printing & Stationery	1.32		3.48
Professional Fees	27.93		5.23
Telephone Charges	5.20		3.84
Electricity Charges	4.06		4.48
Loss on Collapse of Office Premises	-		4.49
Meeting & conference Expenses	2.44		1.12
Membership & Subscriptions	0.64		0.19
Notice & Publications	0.22		0.14
Postage & Telegram	1.10		0.50
Repair & Maintenance	1.84		2.51
Website Maintenance	5.53		9.55
	115.33	95.44	

- 11 The Company is an Non Deposit accepting 'Non Banking Finance Company' having registration number B-05.02574 dated 09.12.2004 allotted by Reserve bank of India.
- 12 The Board of Directors of the Company has passed a resolution for Non - acceptance of public deposit and consequently the company has not accepted any public deposit during the year under audit.
- 13 The company has complied with the prudential norms relating to income recognition, accounting standards and assets classification as applicable to it.
- 14 The company has appropriated during the year to Statutory Reserve Fund as per guidelines issued by the Reserve Bank of India for Non Banking Finance Companies in terms of Section 45(IC) of Reserve Bank of India Act, 1934.
- 15 The company under the provisions of Non Banking (Non Deposit Accepting or Holding) Companies Prudential Norms(Reserve Bank) Directions, 2007 has not made provision for standard assets of Trade Receivables @ 0.25% of the outstanding as on 31.03.2012, since the amount of provision is not material for consideration.
- 16 In the opinion of the board of directors, all current assets, loans & advances have a value on realisation in the ordinary course of business atleast equal to the amount at which they are stated.
- 17 Loan and advances given to parties are repayable on demand.
- 18 Based on information available with the company, there are no clients/creditors who are registered under Micro, Small and Medium Enterprises Development Act, 2006.
- 19 There is no small scale industrial undertaking to whom the company owes amounts outstanding for more than 30 days as at 31st March,2012.
- 20 Advance Tax paid and Tax Deducted at Source will be adjusted by the company on the completion of assessment of the income for the year by the Income Tax Department.
- 21 In accordance with the revised Accounting Standard AS-15, i.e. Employees Benefits, the company has recognised the short term employees benefits accordingly paid for the services rendered by the employees for that period. Long term benefits are not payable to the employees of the company, as the company is not under any statutory obligation as well as contractual obligation.
- 22 The company considers its operation of NBFC activities as single segment and as such Accounting Standard AS-17 'Segment Reporting' issued by ICAI is not applicable for the company
- 23 Claims against the Company not acknowledged as debt.

S. No.	Nature	Assessment Year	(in lacs)	Forum where dispute is pending	
1	Income Tax	2004-2005	43.49	_____	ITAT
2	Income Tax	2006-2007	241.13	_____	ITAT
3	Income Tax	2008-2009	38.11	_____	ITAT

Notes on Financial Statements for the Year ended 31st March 2012

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

List of related parties and description of relationship:

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

Transactions during the year with related parties:

		Year ended 31.03.2012 (In Lacs)	Year ended 31.03.2011 (In Lacs)
A. Key management Personnel			
Remuneration Paid		12.87	9.15
Balance at year end:	Debit/(credit)	<u>12.87</u>	<u>9.15</u>
C. Associates / Group Companies		-	
Rent Paid		1.08	1.10
Securities Purchase		450.35	1205.34
Securities Sale		763.94	437.67
Loan Given		1,154.94	549.90
Loan Refund		1,364.69	546.00
Interest Received		49.60	5.37
Balance at year end:	Debit/(credit)	562.16	58.95

25 Earnings Per share			
Particulars		As at 31.03.2012	As at 31.03.2011
Profit After Tax		283.92	313.08
Weighted average Number of Equity Shares outstanding		9,583,333	8,000,000
Face Value of Share		10	10
Basic & Diluted Earnings Per Share		2.97	3.92

26 The Company has adopted Accounting Standard AS-22 'Accounting for taxes on Income' issued by ICAI. The Company has no deferred tax liability arising out of timing difference as on 31.03.2012. However, Deferred Tax assets have been recognised subject to the consideration of prudence in respect of DTA, on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

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

Particulars	As at 31.03.2012		As at 31.03.2011	
	Quantity		Quantity	
Opening Stock				
Bonds	71	511.99	1	10.07
Purchases				
Bonds	43,638	12,435.18	1,015,411	45,349.24
Sales				
Bonds	43,663	12,684.62	1,015,341	44,847.32
Closing stock				
Bonds	46	262.55	71	511.99

28 Reserve bank of India vide Notification No. DNBS.167/CGN(OPA)-2003 dt. March 29, 2003 has directed that every NBFC shall append to its Balance Sheet prescribed under the Companies Act, 1956, the particulars in the format as set out in the Appendix 1.

29 Expenditure in foreign currency during the Financial Year	As at 31.03.2012	As at 31.03.2011
	\$218	\$10,000

30 Statement Pursuant to Section 212(1) (e) of The Companies Act, 1956, relating to Subsidiary Companies

Name of the Subsidiary : BNK Commodities Pvt. Ltd.

Holding Companies Interest : 1050000 Equity Shares of ` 10/- each out of total Subscribed Capital of 2000000 Equity Shares of ` 10/- each fully paid up

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

R.BHATTACHARYA & ASSOCIATES
Chartered Accountants
(Registration No. 307124E)

R.Bhattacharya
Proprietor

Membership No.12394
7B Panchanantala Road
Kolkata- 700029

Kolkata, May 28th, 2012.

Appendix No. 1 to Note No. 28

**Schedules to the Balance Sheet of a Non-Banking Financial Company as on 31.03.2012
(as required in terms of Paragraph 13 of Non-Banking Financial
Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007)**

Particulars	Amount outstanding	Amount overdue (` in Lacs)
Liabilities side :		
1. Loans and advances availed by the NBFCs inclusive of interest accrued therein but not paid :		
(a) Debentures : Secured	NIL	NIL
Unsecured (other than falling within the meaning of Public deposits*)	NIL	NIL
(b) Deferred Credits	NIL	NIL
(c) Term Loans	NIL	NIL
(d) Inter-corporate Loans and Borrowing	2,587	NIL
(e) Commercial Paper	NIL	NIL
(f) Other Loans (specify nature)	NIL	NIL
Assets side :		
2. Break-up of Loans and Advances including bills receivables [other than those included in (3) below] :		Amount outstanding
(a) Secured		NIL
(b) Unsecured		1,642
3. Break up of Leased Assets & stock on hire & other assets (counting towards AFC activities) :		
(I) Lease assets including lease rentals under S. 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		25.96
(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		2,625.93
(b) Preference		NIL
(ii) Debentures and Bonds		NIL
(iii) Units of Mutual Funds		0.74

(iv) Government Securities		NIL
(v) Others (Please specify)		NIL
2. Unquoted :		
(i) Shares	(a) Equity	Rs.532.94
	(b) Preference	NIL
(ii) Debentures and Bonds		24.36
(iii) Units of Mutual Funds		NIL
(iv) Government Securities		NIL
(v) Others (Please Specify)		NIL
Particulars		Amount net of provisions

5. Borrower group-wise classification of assets financed as in (2) and (3) above:

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

6. Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :

Please see note 3 at the end of Format.

Category	Market Value/Break up or Fair Value or NVA	Book Value (Net of Provisions)
1. Related Parties		
(a) Subsidiaries	105.00	105.00
(b) Companies in the same group	NIL	NIL
(c) Other related parties	501.45	501.45
2. Other than related parties :	10,692.22	2,745.49
Total :	11,298.67	3,351.94

AS per Accounting Standard of ICAI

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) 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. 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

R.BHATTACHARYA & ASSOCIATES

Chartered Accountants

(Registration No. 307124E)

R.Bhattacharya

Proprietor

Membership No.12394

7B Panchanantala Road

Kolkata- 700029

Kolkata, May 28th, 2012.

ON BEHALF OF THE BOARD

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

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

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

Particulars	For the year ended 31.03.2012 ` (lacs)	For the year ended 31.03.2011 ` (lacs)
A. CASH FLOW FROM THE OPERATING ACTIVITIES		
Net Profit before Tax from Continuing Operations	317.49	352.02
Non Cash Adjustments to reconcile net cash flow		
<u>Adjustments for :</u>		
Depreciation & Amortisation	9.14	8.82
Profit/(Loss) on Non Current Investment	(68.15)	(154.22)
Dividend Received	(162.93)	(153.44)
Interest Received	(234.18)	(185.25)
Interest Expenses	28.18	38.55
Operating Profit before Working Capital changes	(110.45)	(93.52)
<u>Adjustments for :</u>		
Trade & other Receivable	113.05	(114.55)
Inventories	(249.44)	(498.03)
Prepaid expenses	0.37	1.11
Tax Deducted at Source (Receivable)	(22.93)	(22.05)
Trade payable	(2.74)	9.61
Cash generated from operations	(272.14)	(717.43)
Direct taxes Paid	67.31	78.21
Cash Flow before extraordinary items	(204.83)	(639.22)
Extra Ordinary Items	-	-
Net Cash Used in Operating Activities	(204.83)	(639.22)
B CASH FLOW FROM THE INVESTING ACTIVITIES		
Purchase of Fixed Assets	(15.20)	14.43
Sale of Fixed Assets	-	4.50
Purchase of Investment	(539.91)	1,342.63
Sale of Investment	552.62	(1,001.23)
Dividend Received	162.93	153.44
Net Cash Used in Investing Activities	160.44	513.77
C CASH FLOW FROM THE FINANCING ACTIVITIES		
Proceed from issue of Share Capital	-	-
Share Premium	-	-
Proceed from Long / Short Term Borrowings	375.66	603.11
Interest paid	(28.18)	(38.55)
Loan Given/Refund Received	(603.63)	(747.34)
Interest Received	234.18	185.25
Net Cash Flow from Financial Activities	(21.97)	2.47
D Net Increase/(Decrease) in Cash & Cash Equivalent	(66.36)	(122.98)
Cash & Cash Equivalent (Opening)	156.29	279.27
Cash & Cash Equivalent (Closing)	89.93	156.29

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

As per our report of even date
R.BHATTACHARYA & ASSOCIATES
Chartered Accountants
(Registration No. 307124E)

R.Bhattacharya
Proprietor
Membership No.12394
7B Panchanantala Road
Kolkata- 700029
Kolkata, May 28th, 2012.

ON BEHALF OF THE BOARD

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

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

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the Ninth Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2012.

Financial Results

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

	Year Ended 31st March 2012 (` In Lacs)	Year Ended 31st March 2011 (` In Lacs)
Profit before Depreciation and Amortisation	0.47	3.74
Expenses, Finance Costs and Tax Expenses		
Less: Finance Costs	0.01	-
Depreciation and Amortisation Expenses	0.05	0.08
Profit before Tax	0.41	3.66
Less: Current Tax	-	0.56
Profit for the year	0.41	3.10
Add: Balance in Profit & Loss Account	(120.50)	(123.60)
Closing Balance	(120.09)	(120.50)

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

PERFORMANCE:

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

FIXED DEPOSITS:

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

AUTHORISED CAPITAL:

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

DIRECTORS:

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

PERSONNEL:

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

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

Information as per Section 217 (1) (e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in Report of the Board of Directors) Rules, 1988 and forming part of the Directors' Report for the period ended 31st March 2011 is as under:

A. CONSERVATION OF ENERGY:

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

B. TECHNOLOGY ABSORPTION:

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

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign Exchange Earnings	` Nil.
Foreign Exchange Outgo	` Nil.

DIRECTORS' RESPONSIBILITY STATEMENT:

Your Directors confirm:

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

STATUTORY DUES:

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

AUDITORS:

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

ACKNOWLEDGEMENTS:

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

For and on behalf of the Board

Place : Kolkata
Dated : 28th May 2012

R.S. Khandelwal
Director

NOTICE

Notice is hereby given that the 9th Annual General Meeting of the Company will be held on Saturday, the 21st July 2012 at the Registered office of the Company at Mayfair Tower, 2 Palm Avenue, Kolkata - 700 019 at 10.00 A.M to transact the following business:

As Ordinary Business

1. To receive, consider and adopt the Balance Sheet as at 31st March 2012 together with the report of the Directors and Auditors thereon.
2. To appoint Directors who retires by rotation.
3. To appoint Auditors and to fix their remuneration.

As Special Business:

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

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

The Authorized Share Capital of the Company is ` 30000000.00 (Rupees Three Crore Only) divided in to 3000000 (Thirty Lakh) Equity Shares of ` 10/- (Rupees Ten) each. The Company has power, from time to time to increase or reduce its capital and to divide the shares in the capital for the time being into other classes and to attach thereto respectively such preferential, deferred, qualified or other special rights, privileges conditions or restrictions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify or appropriate any such right privileges or conditions or restrictions in such manner as may for the time being permitted by the Articles of Association of the company or the legislative provisions for the time being in force in that behalf.

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

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

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

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

6. RESOLVED THAT in accordance with the the provisions of Section 81 of the Companies Act 1956 and any other applicable provisions thereof, for the time being in force , relevant provisions of the Memorandum and Articles of Association of the Company and subject to the guidelines issued by the Securities and Exchange Board of India and such approvals as may be required in this regard, consent of the Members be and is hereby accorded to the Board of Directors of the Company to allot upto 1000000 Equity Shares of Rs 10/ each for cash at par or at such premium as the Board may think fit to such persons they deem fit.

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

Registered Office :

Mayfair Tower
2, Palm Avenue
Kolkata - 700 019, India.
Dated : 28th May 2012

By order of the Board

Ajit Khandelwal
Director

Notes :

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself, and the proxy need not be a member of the Company. The instrument appointing proxy should be deposited at the Registered Office of the company not less than 48 hours before the time fixed for the meeting.
2. The Register of members and Share Transfer Books of the Company will remain closed from 16th July to 21th July 2012 (both days inclusive).

ANNEXTURE TO THE NOTICE

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

Item No. 4 and 5:

Increase in the Authorized Capital

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

Item No.6:

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

AUDITORS' REPORT TO THE MEMBERS OF BNK COMMODITIES PVT. LTD.

1. We have audited the attached Balance Sheet of BNK COMMODITIES PRIVATE LTD.(the Company) as at 31st March 2012, the statement of Profit and Loss and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, (CARO) 2003, issued by the Central Government of India in terms of sub-section 4(A) of section 227 of the Companies Act, 1956, we enclose as Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
 - (c) The Balance Sheet, the statement of Profit and Loss and the Cash

Flow Statement dealt with by this report are in agreement with the books of account;

- (d) In our opinion, the Balance Sheet, the statement of Profit and Loss and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section 3(C) of Section 211 of the Companies Act, 1956;
- (e) On the basis of the written representations received from the Directors, as on 31st March, 2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2012 from being appointed as a Director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956;
- (f) In our opinion, and to the best of our information and according to the explanations given to us, the said accounts read together with the significant Accounting policies and notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) In the case of the Balance Sheet, of the State of Affairs of the Company as at 31st March, 2012;
 - (ii) In the case of the statement of Profit and Loss, of the Profit of the Company for the year ended on that date; and
 - (iii) In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

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

Kolkata
May, 28, 2012

ANNEXURE TO THE AUDITORS' REPORT

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

- (1) (a) The Company has maintained proper records showing full particulars including quantitative details and Situation of fixed assets.
- (b) The Fixed Assets of the Company have been physically verified by the management according to a phased programme, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets, and no material discrepancies were noticed on such verification as confirmed by the management.
- (c) No Fixed Assets has been disposed off during the year, and therefore, the going concern assumption is not affected.
- (2) Since the Company has no inventory, sub- clause ii (a), ii (b) and ii(c) of clause 4 of the said order are not applicable to the company.
- (3) The Company has neither granted nor taken any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. According sub clauses (b), (c) and (d) of clause 4(iii) of said order are not applicable to the company.
- (4) In our opinion and according to the information and explanations given to us, there is an adequate internal control system which commensurate with the size of the company and the nature of its business with regard to purchases of securities, fixed assets and sale of securities and services. During the course of our audit we have not observed any continuing failure to correct major weaknesses in internal control system. The fixed assets of the Company have not been revalued during the year.
- (5) (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Companies Act have been entered in the register required to be maintained under that section;
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (6) The Company has not accepted any deposits from the public within the meaning of sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under.
- (7) In our opinion, the company has an internal audit system which commensurate with the size and nature of its business for the purchases of shares/securities, equipment and other assets and for sale of shares/securities.
- (8) In our opinion, the provisions of section 209 (1)(d) of the Companies Act, 1956 for the maintenance of cost records are not applicable to the company.
- (9) (a) According to the information and explanations given to us and the records of the company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues including Investor Education and Protection Fund, Income Tax, Wealth Tax, Service Tax, Cess

and other material statutory dues as applicable with the appropriate authorities.

- (b) According to the information and explanations given to us, there are no dues of, Income Tax, Wealth Tax, Service Tax, and Cess which have not been deposited on account of any dispute.
- (10) The company has accumulated losses for ` at the end of the financial year and it has incurred no cash losses in the financial year ended on that date.
- (11) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holder as at the balance sheet date.
- (12) The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (13) The provisions of any special statute applicable to chit fund/nidhi/mutual benefit fund/societies are not applicable to the company.
- (14) In our opinion and according to the information and explanations given to us, proper records have been maintained of the transactions and contracts in respect of dealing or trading in shares, securities, debentures and other investments and timely entries have been made therein and also the shares, securities, debentures and other investments have been held by the company in its own name except to the extent of the exemption, if any, granted u/s 49 of the Companies Act, 1956.
- (15) In our opinion and according to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
- (16) The company did not have any term loans outstanding during the year.
- (17) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term investment. No long- term funds have been used to finance short-term assets except permanent working capital.
- (18) According to the information and explanations given to us, no preferential shares have been allotted by the company to parties and companies covered in the register maintained u/s 301 of the Companies Act, 1956.
- (19) During the course of our audit, the Company has not created security or charge in respect of debentures issued.
- (20) The Company has not raised any monies by way of public issues during the year.
- (21) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

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

Kolkata
May, 28, 2012

BALANCE SHEET AS AT 31st MARCH, 2012

Particulars	Note No	As at 31.03.2012		As at 31.03.2011	
		₹ (lacs)	₹ (lacs)	₹ (lacs)	₹ (lacs)
I. EQUITY AND LIABILITIES					
(1) Shareholders' Funds					
(a) Share Capital	2	200.00		200.00	
(b) Reserves and Surplus	3	(120.09)	79.92	(120.49)	79.51
(2) Share application money pending allotment			84.00		58.00
(3) Current Liabilities					
(a) Short-term borrowings	5(a)	1.57		2.66	
(b) Trade payables	5(b)	10.18		33.36	
(c) Other current liabilities	5(c)	0.06		0.06	
(d) Short-term provisions	5(d)	0.94	12.75	0.94	37.02
Total			176.66		174.53
II. ASSETS					
(1) Non-Current Assets					
(a) Fixed Assets					
Tangible assets	6(a)	0.08	0.08	0.13	0.13
(b) Non-current investments	6(b)	84.40	84.40	84.40	84.40
(2) Current Assets					
(a) Current Investments	7(a)	17.50		17.50	
(b) Trade receivables	7(b)	0.22		0.04	
(c) Cash and cash equivalents	7(c)	18.41		6.85	
(d) Short-term loans and advances	7(d)	54.01		64.06	
(e) Other current assets	7(e)	2.04	92.18	1.56	90.01
Total			176.66		174.54

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2012

I. Revenue from operations	8	4.71	1.25
II. Other Income	9	0.99	5.33
III. Total Revenue (I +II)		5.70	6.58
IV. Expenses:			
Employees benefits expense		0.39	0.07
Finance costs	10	0.01	-
Depreciation and amortization expense		0.05	0.08
Other expenses	11	4.85	2.77
Total Expenses		5.30	2.92
V. Profit before exceptional and extraordinary items and tax	(III-IV)	0.41	3.66
VI. Profit before tax		0.41	3.66
VII. Tax expense:			
Current tax		-	0.56
VIII. Profit(Loss)for the period	(VI-VII)	-	3.11
IX. Earnings per equity share:		0.02	3.92
(1) Basic and Diluted (in Rs.)			

R.BHATTACHARYA & ASSOCIATES

Chartered Accountants
(Registration.No. 307124E)

ON BEHALF OF THE BOARD

R. S. Khandelwal
Director

A. Khandelwal
Director

S. Khandelwal
Director

R.Bhattacharya

Proprietor
Membership No.12394
7B Panchanantala Road
Kolkata- 700029
Kolkata, May 28th, 2012.

Notes Annexed to and forming part of Accounts

Notes on Accounts and Significant Accounting Policies forming to and part of Balance Sheet as at 31st March, 2012 and Statement of Profit and Loss for the year ended on that date.

Note No.

1 SIGNIFICANT ACCOUNTING POLICIES

a) Presentation & Disclosure of Financial statements

The revised Schedule VI notified under the Companies Act, 1956 has become applicable to the company during the year ended 31st March, 2012 for preparation & presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition & measurement principles followed for preparation of financial statements. However, the company has reclassified the previous year figures in accordance with the requirements applicable in the current year.

b) Basis of Accounting :

The financial statements have been prepared to comply in all material aspects with the Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006, relevant provisions of the Companies Act, 1956 and also as per the guidelines for prudential norms prescribed by the Reserve Bank of India. The accounts have been prepared on the historical cost basis and on the principles of going concern.

c) Fixed Assets :

All Fixed Assets are valued at cost less depreciation.

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

d) Depreciation :

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

e) Investments :

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

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

investments. Current Investments are carried in the financial statements at cost of individual investment basis. In case of unquoted securities, the value is determined at cost. On disposal of an Investment, the difference between its carrying amount and net disposal proceeds is charged to the statement of profit and loss.

f) Recognition of Income and Expenditure :

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

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

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

g) Employee Retirement & Other Benefits

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

Leave Encashment

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

h) Income Taxes

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

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

i) Earnings Per Share (EPS)

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

For the purpose of calculating the diluted EPS, the net profit or loss for the period attributable to Equity Shareholders and the Weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

Notes on Financial Statements for the Year ended 31st March 2012

Particulars	As at 31.03.2012		As at 31.03.2011	
	` (lacs)	` (lacs)	` (lacs)	` (lacs)
2 SHARE CAPITAL				
Authorised				
20,00,000 Equity Shares of ` 10/- each		200.00		200.00
Issued, Subscribed & Paid Up				
20,00,000 Equity Shares of ` 10/- each, fully paid up in cash.		200.00		200.00
(Prev.Yr:20,00000 Equity Shares of ` 10/- each)		200.00		200.00
Reconciliation of Equity Share of the company:				
Issued, Subscribed & Paid up:				
Number of Equity Shares at the beginning of the year		2,000,000		2,000,000
Closing (Number)		2,000,000		2,000,000
Details of Shareholder holding more than 5% of paid up Equity Share Capital:	% of holding	No. of Shares	% of holding	No. of Shares
BNK Capital Markets Ltd.	52.00	1,050,000	52.00	1,050,000
BNK Securities Pvt.Ltd.	48.00	9,50,000	48.00	9,50,000
3 RESERVES & SURPLUS				
Surplus from Profit & Loss Accounts B/F				
Balance Brought Forward	(120.49)		(123.60)	
Add: Profit for the year	0.41	(120.09)	3.11	(120.49)
		(120.09)		(120.49)
4 CURRENT LIABILITIES				
Short-term borrowings				
(a) Unsecured				
Bank Overdraft	1.57		2.66	
From bodycorporates, repayable within one year	-	1.57	-	2.66
		1.57		2.66
(b) Trade Payables				
Trade Payables	10.18		33.36	
Less: Due for more than one year	-	10.18	-	33.36
		10.18		33.36
(c) Other Current Liabilities				
for Expenses	0.06		0.06	
less: due for more than one year	-	0.06	-	0.06
		0.06		0.06
(d) Short Term Provisions				
Provision for Income Tax	0.94	0.94	0.94	0.94
		0.94		0.94
5 NON CURRENT ASSETS				
(a) Tangible Assets				
Gross Amount				
Opening Balance B/F	2.68		2.68	
Additions during the Year	-		-	
Sale/Adjustment during the Year	-	2.68	-	2.68
Less: Depreciation				
Opening Balance B/F	2.55		2.47	
Additions during the Year	0.05		0.08	
Reversal/Adjustment during the Year	-	(2.60)	-	2.55
Net Amount		0.08		0.13

Fixed Assets

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As On 01.01.2011	Adjustment /Sale during the year	As On 31.03.2012	As On 01.01.2011	Adjustment /Sale during the year	Addition during the year	As On 31.03.2012	As On 31.03.2012	As On 31.03.2011
TANGIBLE ASSETS									
Computer	2.68	-	2.68	2.55	0.05	-	2.60	0.08	0.13
TOTAL	2.68	-	2.68	2.55	0.05	-	2.60	0.08	0.13
PREVIOUS YEAR	2.68	-	2.68	2.47	0.08	-	2.55	0.13	0.21

Notes on Financial Statements for the Year ended 31st March 2012
b) Non Current Investments
(b) (i) Investments (at cost, Long term, Other than trade)

Shares & securities, Quoted	F.V	Quantity	Amount	Quantity	Amount
Jayshree Nirman Ltd.	10.00	46,000	6.23	46,000	6.23
Marksans Pharma Ltd.	10.00	50,000	11.56	50,000	11.56
Mcnally Bharat Ltd.	10.00	11,781	23.94	11,781	23.94
RPG Life Science Ltd.	10.00	47,202	38.90	47,202	38.90
Summit Securities Ltd.	10.00	1,685	3.78	1,685	3.78
			<u>84.40</u>		<u>84.40</u>
Aggregate market Value of quoted shares			48.85		70.62
			<u>48.85</u>		<u>70.62</u>

6 CURRENT ASSETS

(a) Current investment					
In Fixed Deposit			17.50		17.50
(b) Trade Receivables					
Unsecured, Considered Good					
Trade Receivables outstanding for a period less than Six months			0.22		0.04
Others					
Less: Receivable for more than one year		-	0.22	-	0.04
			<u>0.22</u>		<u>0.04</u>
(c) Cash & Cash Equivalent					
(i) Balances with banks					
in Current Accounts			18.21		6.85
(ii) Cash in hand			0.20		0.00
			<u>18.41</u>		<u>6.85</u>
(d) Short Term Loans & Advances					
(unsecured, considered good)					
(a) Loan Given			54.01		64.06
Less: Receivable for more than one year		-	54.01	-	64.06
			<u>54.01</u>		<u>64.06</u>
(e) Other Current Assets					
Advance Tax paid			0.78		0.78
Tax Deducted at source			0.76		0.62
Service Tax			0.50		0.17
			<u>2.04</u>		<u>1.56</u>

7 REVENUE FROM OPERATIONS

Interest Income			1.43		1.00
Brokerage Income			3.28		0.25
			<u>4.71</u>		<u>1.25</u>

8 OTHER INCOME

Dividend Received			0.99		0.68
Profit on Sale of Non Current Investments			-		4.65
			<u>0.99</u>		<u>5.33</u>

9 Finance Costs

Interest Paid		-	0.01	-	-
others		0.01	-	-	-
		<u>0.01</u>	<u>0.01</u>	-	-



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10 OTHER EXPENSES

(a) Operational Expenses

Loss in Commodities Trading	2.04	0.33
	2.04	0.33
(b) Administrative & Other Expenses		
Business Promotion Expenses	-	0.46
Demat Charges	0.42	0.01
General Charges	0.01	-
Travelling Expenses	0.01	-
Donations	-	0.01
Bank Charges	0.00	0.13
Rates & Taxes	0.02	-
Listing & Filing Fees	0.04	-
Auditors Remuneration	0.03	0.03
Printing & Stationery	-	0.01
Professional Fee	0.18	0.18
Telephone Fees	0.26	0.48
Membership & Subscriptions	0.86	0.81
Postage & Telegram	-	0.01
Transaction & Misc. Charges	0.98	0.31
	<u>2.81</u>	<u>2.44</u>

11 In the opinion of the board of directors, all current assets, loans & advances have a value on realisation in the ordinary course of business atleast equal to the amount at which they are stated.

12 Loan and advances given to parties are receivable on demand.

13 Based on information available with the company, there are no clients/creditors who are registered under Micro, Small and Medium Enterprises Development Act, 2006.

14 There is no small scale industrial undertaking to whom the company owes amounts outstanding for more than 30 days as at 31st March, 2012.

15 Tax Deducted at Source will be adjusted by the company on the completion of assessment of the income for the year by the Income Tax Department.

16 In accordance with the revised Accounting Standard AS-15, i.e. Employee Benefits, the company has recognised the short term employee benefits accordingly paid for the services rendered by the employee for that period. Long term benefits are not payable to the employee of the company, as the company is not under any statutory obligation as well as contractual obligation.

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

List of related parties	Transactions during the year with them
i) BNK Securities Pvt.Ltd.	Nil
ii) BNK Comdex DMCC	Nil
iii) Abacus Fund Services Pvt.Ltd.	Nil
iv) Patrex Vyappar Pvt.Ltd.	Nil
v) In Media Computer Services LLP	Nil

18 Earnings Per share

Particulars	As At 31.03.2012	As At 31.03.2011
Profit After Tax	0.41	3.11
Average Number of Equity Shares outstanding	2,000,000	2,000,000
Face Value of Share	10	10
Basic & Diluted Earnings Per Share	0.02	3.92

R.BHATTACHARYA & ASSOCIATES

Chartered Accountants
(Registration.No. 307124E)

R. Bhattacharya

Proprietor
Membership No.12394
7B Panchanantala Road
Kolkata- 700029

Kolkata, May 28th, 2012.

ON BEHALF OF THE BOARD

R. S. Khandelwal
Director

A. Khandelwal
Director

S. Khandelwal
Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

Particulars	For the year ended 31.03.2012 ` (lacs)	For the year ended 31.03.2011 ` (lacs)
A. CASH FLOW FROM THE OPERATING ACTIVITIES		
Net Profit before Tax from Continuing Operations	0.41	3.66
Non Cash Adjustments to reconcile net cash flow		
Adjustments for :		
Depreciation & Amortisation	0.05	0.08
Profit/(Loss) on Non Current Investment	-	(4.65)
Dividend Received	(0.99)	(0.68)
Interest Received	(1.43)	(1.00)
Interest Expenses	0.01	-
Operating Profit before Working Capital changes	(1.96)	(2.59)
Adjustments for :		
Trade & other Receivable	(0.18)	0.01
Trade payable	(23.18)	19.26
Cash generated from operations	(25.32)	16.69
Direct taxes Paid		0.96
Cash Flow before extraordinary items	(25.32)	17.65
Extra Ordinary Items	-	-
Net Cash Used in Operating Activities	(25.32)	17.65
B CASH FLOW FROM THE INVESTING ACTIVITIES		
Purchase of Fixed Assets	-	0.00
Sale of Fixed Assets	-	-
Purchase of Investment	-	(26.95)
Sale of Investment	-	-
Dividend Received	0.99	0.68
Net Cash Used in Investing Activities	0.99	(26.27)
C CASH FLOW FROM THE FINANCING ACTIVITIES		
Proceed from issue of Share Capital	26.00	-
Share Premium	-	-
Proceed from Long / Short Term Borrowings	(1.09)	2.66
Interest paid	(0.01)	-
Loan Given/Refund Received	9.57	(3.09)
Interest Received	1.43	1.00
Net Cash Flow from Financial Activities	35.90	0.57
D Net Increase/(Decrease) in Cash & Cash Equivalent	11.57	(8.05)
Cash & Cash Equivalent (Opening)	6.85	14.90
Cash & Cash Equivalent (Closing)	18.41	6.85

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

R.BHATTACHARYA & ASSOCIATES

Chartered Accountants
(Registration.No. 307124E)

ON BEHALF OF THE BOARD

R. S. Khandelwal
Director

A. Khandelwal
Director

S. Khandelwal
Director

R. Bhattacharya

Proprietor
Membership No.12394
7B Panchanantala Road
Kolkata- 700029

Kolkata, May 28th, 2012.

AUDITORS' REPORT

To the Board of Directors of BNK Capital Markets Limited.

- We have audited the attached Consolidated Balance Sheet of BNK Capital Markets Limited and its subsidiary as at March 31, 2012, the Consolidated statement of Profit and Loss for the year ended on that date, and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These consolidated financial statements are the responsibility of the Management of BNK Capital Markets Limited. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
- We have conducted our audit in accordance with auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are prepared in all material respects in accordance with an identified financial reporting framework and are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- We report that the consolidated financial statements have been prepared by the company in accordance with the requirements of Accounting Standard 21, "Consolidated Financial Statements", issued by the Institute of Chartered

Accountants of India and on the basis of the separate audited financial statements of BNK Capital Markets Limited and its subsidiary included in the consolidated financial statements.

- On the basis of the information and explanations given to us and on consideration of the separate audit reports on individual audited financial statements of BNK Capital Markets Limited and its aforesaid subsidiary, in our opinion, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - In the case of the Consolidated Balance Sheet, of the consolidated State of Affairs of BNK Capital Markets Limited and its subsidiary as at March 31, 2012;
 - In the case of the Consolidated statement of Profit and Loss, of the consolidated result of operations of BNK Capital Markets Limited and its subsidiary for the year ended on that date; and
 - In the case of the Consolidated Cash Flow Statement, of the Consolidated Cash Flows of BNK Capital Markets Limited and its subsidiary for the year ended on that date.

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

Kolkata
May, 28, 2012

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2012

Particulars	Note No	As at 31.03.2012		As at 31.03.2011	
		(lacs)	(lacs)	(lacs)	(lacs)
I. EQUITY AND LIABILITIES					
(1) Shareholders' Funds					
(a) Share Capital	2	1,000.00		800.00	
(b) Reserves and Surplus	3	2,731.56	3,731.56	2,740.21	3,540.21
(2) Share application money pending allotment			84.00		58.00
(3) Minority Interest			95.00		95.00
(4) Current Liabilities					
(a) Short-term borrowings	4(a)	2,588.70		2,965.45	
(b) Trade payables	4(b)	14.29		37.46	
(c) Other current liabilities	4(c)	2.82		5.57	
(d) Short-term provisions	4(d)	245.40	2,851.21	211.66	3,220.14
Total			6,761.76		6,913.35
II. ASSETS					
(1) Non-Current Assets					
(a) Fixed Assets					
Tangible assets	5(a)	31.18	31.18	25.17	25.17
(b) Non-current investments	5(b)	3,305.38		3,525.99	
(c) Long term loans and advances	5(c)	18.13		18.60	
(d) Deferred tax assets (Net)	5(d)	0.92	3,324.43	0.44	3,545.03
(2) Current Assets					
(a) Current Investments	6(a)	491.50		716.34	
(b) Inventories	27	262.55		511.99	
(c) Trade receivables	6(b)	1.77		114.64	
(d) Cash and cash equivalents	6(c)	108.34		163.14	
(e) Short-term loans and advances	6(d)	2,257.72		1,608.70	
(f) Other current assets	6(e)	284.27	3,406.15	228.35	3,343.15
Total			6,761.76		6,913.35

R.BHATTACHARYA & ASSOCIATES

Chartered Accountants
(Registration.No. 307124E)

R.Bhattacharya
Proprietor
Membership No.12394
7B Panchanantala Road
Kolkata- 700029

Kolkata, May 28th, 2012.

ON BEHALF OF THE BOARD

R. S. Khandelwal
Director

A. Khandelwal
Director

S. Khandelwal
Director

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2012

Particulars	Note No	As at 31.03.2012		As at 31.03.2011	
		(lacs)	(lacs)	(lacs)	(lacs)
I. Revenue from operations	8		12,998.98		45,082.90
II. Other Income	9		232.57		345.32
III. Total Revenue (I+II)			13,231.55		45,428.22
IV. Expenses:					
Purchase of Stock-in-Trade			12,439.14		45,351.56
Changes in inventories of Stock-in-Trade			249.43		(498.03)
Employee benefits expense			69.57		73.68
Finance costs	10		28.19		38.55
Depreciation and amortization expense			9.19		8.90
Other expenses	11		118.14		97.88
Total Expenses			12,913.66		45,072.54
V. Profit before exceptional and extraordinary items and tax	(III-IV)		317.89		355.68
VI. Profit before tax			317.89		355.68
VII. Tax expense:					
(1) Current tax		34.05		40.14	
(2) Deferred tax		(0.48)	33.57	(0.64)	39.50
VIII. Profit(Loss) for the period	(VI-VII)	-	284.32		316.18
IX. Earnings per equity share:			2.97		3.95
(1) Basic and Diluted (in Rs.)					

R.BHATTACHARYA & ASSOCIATES

Chartered Accountants
(Registration.No. 307124E)

R.Bhattacharya
Proprietor
Membership No.12394
7B Panchanantala Road
Kolkata- 700029

Kolkata, May 28th, 2012.

ON BEHALF OF THE BOARD

R. S. Khandelwal
Director

A. Khandelwal
Director

S. Khandelwal
Director

Notes Annexed to and forming part of Accounts

Notes on Accounts and Significant Accounting Policies forming to and part of Balance Sheet as at 31st March,2012 and Statement of Profit and Loss for the year ended as on that date.

Note No.

1 SIGNIFICANT ACCOUNTING POLICIES

a) Presentation & Disclosure of Financial statements

The revised Schedule VI notified under the Companies Act, 1956 has become applicable to the company during the year ended 31st March, 2012 for preparation & presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition & measurement principles followed for preparation of financial statements. However, the company has reclassified the previous year figures in accordance with the requirements applicable in the current year.

b) Basis of Accounting :

The financial statements have been prepared to comply in all material aspects with the Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006, relevant provisions of the Companies Act, 1956 and also as per the guidelines for prudential norms prescribed by the Reserve Bank of India. The accounts have been prepared on the historical cost basis and on the principles of going concern.

c) Fixed Assets :

All Fixed Assets are valued at cost less depreciation.

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

d) Depreciation :

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

e) Investments :

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

Current Investments are carried in the financial statements at cost of individual investment basis. In case of unquoted securities, the value is determined at cost. On disposal of an Investment, the difference between its carrying amount and net disposal proceeds is charged to the statement of profit and loss.

f) Recognition of Income and Expenditure :

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

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

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

g) Employees Retirement & Other Benefits

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

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

h) Income Taxes

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

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

Minimum Alternate Tax (MAT) in accordance with the provisions of sec.115GB of the income tax act,1961 is not applicable for the year under audit to the company.

i) Earnings Per Share (EPS)

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

For the purpose of calculating the diluted EPS, the net profit or loss for the period attributable to Equity Shareholders and the Weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

Consolidated Notes on Financial Statements for the Year ended 31st March 2012

Particulars	As at 31.03.2012		As at 31.03.2011	
	(lacs)	(lacs)	(lacs)	(lacs)
2 SHARE CAPITAL				
Authorised				
125,00,000 Equity Shares of ₹ 10/- each		1,250.00		800.00
Issued, Subscribed & Paid Up				
100,00,000 Equity Shares of ₹ 10/- each, fully paid up in cash. (Prev.Yr:80,00,000 Equity Shares of ₹ 10/- each)		1,000.00		800.00
		1,000.00		800.00
Reconciliation of Equity Share of the company:				
Issued, Subscribed & Paid up:				
Number of Equity Shares at the beginning of the year		8,000,000		8,000,000
Add: Issued/Subscribed & Paid Up during the year		2,000,000		-
Closing (Number)		10,000,000		8,000,000
Details of Shareholder holding more than 5% of paid up Equity Share Capital:				
	% of holding	No. of Shares	% of holding	No. of Shares
Radhey Shyam Khandelwal	11.75	1,175,000	11.75	940,000
Ajit Kumar khandelwal	11.25	1,125,063	11.25	900,051
Sanjeev Kumar Khandelwal	11.25	1,125,063	11.25	900,051
BNK Securities Pvt.Ltd	11.28	1,127,781	11.28	902,225
Details for preceeding Five Years of Equity Shares:				
	FY:2011-12	FY:2010-11	FY:2009-10	FY:2008-09
Aggregate number of Equity Shares allotted as fully paid up by way of Bonus Shares	2,000,000	N.A	N.A	N.A
3 RESERVES & SURPLUS				
Share Premium Account				
Balance Brought Forward	1,230.00		1,230.00	
Add: Transferred during the year	-	1,230.00	-	1,230.00
Statutory Reserve				
Balance Brought Forward	237.60		172.60	
Add: Transferred during the year	56.78	294.38	65.00	237.60
General Reserve				
Balance Brought Forward	823.21		773.21	
Add: Transferred during the year	50.00		50.00	
Less: Used for Bonus Issue	(200.00)	673.21	-	823.21
Surplus from Profit & Loss Accounts B/F				
Balance Brought Forward	449.40		341.50	
Add: Profit for the year	284.33		316.19	
	733.73		657.69	
Less:				
Transferred to Statutory Reserve	56.78		65.00	
Transferred to Genral Reserve	50.00		50.00	
Proposed Dividend on Equity Shares	80.00		80.00	
[Dividend per Share ₹ 0.80 (Previous year ₹ 1.00)]				
Tax on Dividend	12.98	533.97	13.29	449.40
		2,731.56		2,740.21
4 CURRENT LIABILITIES				
(a) Short-term borrowings				
(i) Unsecured				
Bank Overdraft	135.19		2,120.56	
From bodycorporates, repayable within one year	2,453.51	2,588.70	844.89	2,965.45
		2,588.70		2,965.45
(b) Trade Payables				
Creditors	14.29		37.46	
Less: Due for more than one year	-	14.29	-	37.46
		14.29		37.46
(c) Other Current Liabilities				
TDS Payable	1.47		4.03	
for Expenses	1.35		1.54	
less: due for more than one year	-	2.82	-	5.57
		2.82		5.57
(d) Short Term Provisions				
Provision for Income Tax	165.40		131.66	
Provision for Dividend	80.00		80.00	
For Contingent Provision against Standard Assets	-	245.40	-	211.66
		245.40		211.66

Consolidated Notes on Financial Statements for the Year ended 31st March 2012

Particulars	As at 31.03.2012		As at 31.03.2011	
	₹ (lacs)	₹ (lacs)	₹ (lacs)	₹ (lacs)
5 NON CURRENT ASSETS				
(a) Tangible Assets				
Gross Amount				
Opening Balance B/F	47.97		62.39	
Additions during the Year	15.19		6.71	
Sale/Adjustment during the Year	-	63.16	(21.14)	47.96
Less: Depreciation				
Opening Balance B/F	22.79		30.53	
Additions during the Year	9.19		8.90	
Reversal/Adjustment during the Year	-	(31.98)	(16.64)	22.79
Net Amount		<u>31.18</u>		<u>25.17</u>
Itemwise details of Fixed Assets and depreciation is given in Notes on Accounts No. 5 of BNK Capital Markets Ltd. & BNK Commodities Pvt. Ltd.				
b) Non Current Investments		Amount		Amount
In quoted Equity Shares, at cost		2,710.33		2,955.65
In unquoted Equity Shares, at cost		<u>595.05</u>		<u>570.34</u>
		<u>3,305.38</u>		<u>3,525.99</u>
Itemwise details of Non Current Investments Notes on Accounts No.6 of BNK Capital Markets Ltd. & BNK Commodities (P)Ltd.				
Long term Loans & Advances				
Loans				
Security Deposit		<u>18.13</u>		<u>18.60</u>
		<u>18.13</u>		<u>18.60</u>
e) Other Non Current Assets				
Deferred tax assets (Net)		<u>0.92</u>		<u>0.44</u>
		<u>0.92</u>		<u>0.44</u>
6 CURRENTASSETS				
(a) Current Investments				
In Fixed Deposit		465.54		628.34
In Debenture at cost		<u>25.96</u>		<u>88.00</u>
		<u>491.50</u>		<u>716.34</u>
Itemwise details of Debentures Notes on Accounts No.7 of BNK Capital Markets Ltd.				
(b) Trade Receivables				
Unsecured, Considered Good				
Trade Receivables outstanding for a period less than Six months	1.77		114.64	
Others				
Less: Receivable for more than one year	-	<u>1.77</u>	-	<u>114.64</u>
		<u>1.77</u>		<u>114.64</u>
(c) Cash & Cash Equivalents				
(b) (i) Balances with banks in Current Accounts		107.32		162.02
(b) (ii) Cash in hand		<u>1.02</u>		<u>1.12</u>
		<u>108.34</u>		<u>163.14</u>
(d) Short Term Loans & Advances (unsecured, considered good)				
(a) Loan Given	<u>1,695.55</u>		<u>1,549.10</u>	
Less: Receivable for more than one year	-	1,695.55	-	1,549.10
(b) Loans & Advances to Related Parties		562.17		58.95
(c) Staff Advance				0.65
		<u>2,257.72</u>		<u>1,608.70</u>
(e) Other Current Assets				
Prepaid Expenses		0.74		1.11
Share Applications pending allotment with Subsidiary		56.00		30.00
Margin with Brokers		-		23.00
Advance Tax paid		125.45		98.08
Tax Deducted at source		98.78		75.69
Service Tax		<u>3.30</u>		<u>0.48</u>
		<u>284.27</u>		<u>228.35</u>
7 REVENUE FROM OPERATIONS				
Interest income		235.61		186.25
Sale Of Bonds		<u>12,760.09</u>		<u>44,882.25</u>
Brokerage Income		3.28		0.25
Profit from Liquid Fund		-		9.21
Profit from Commodities Trading		-		4.94
		<u>12,998.98</u>		<u>45,082.90</u>
8 OTHER INCOME				
Dividend Received		163.92		154.12
Profit on Sale of Non Current Investments		68.15		158.87
Income From Advisory & Consultancy Services		-		32.33
Misc. Receipts		<u>0.50</u>		<u>-</u>
		<u>232.57</u>		<u>345.32</u>

Consolidated Notes on Financial Statements for the Year ended 31st March 2012

Particulars	As at 31.03.2012		As at 31.03.2011	
	(lacs)	(lacs)	(lacs)	(lacs)
9 Finance Costs				
Interest Paid		28.19		38.55
on Bank Overdraft	13.23		-	
on Loan	14.95		38.55	
others	0.01		-	
		<u>28.19</u>		<u>38.55</u>
10 OTHER EXPENSES				
(a) Operational Expenses				
Purchases (bonds)		12,435.18		45,349.24
Loss in Commodity Trading		2.04		0.33
Security Transaction Tax		1.92		1.99
		<u>12,439.14</u>		<u>45,351.56</u>
(b)Administrative & Other Expenses				
Director's Remuneration & Sitting Fees		13.16		10.01
Business Promotion Expenses		7.78		6.25
Demat Charges		1.37		1.02
General Charges		2.75		3.42
Motor Car Expenses		5.06		3.09
Travelling Expenses		10.97		16.23
Donations		-		0.11
Bank Charges		0.77		0.30
Rates & Taxes		18.07		17.88
Legal Expenses		2.27		1.17
Listing &Filing Fees		3.14		0.83
Auditors Remuneration				
For Audit Fees	0.12		0.12	
For Tax Audit Fees	0.02		0.02	
Other Matters	0.10	0.24	0.10	0.24
Printing & Stationery		1.32		3.49
Professional Fees		28.11		5.41
Telephone Expenses		5.46		4.32
Electric Charges		4.06		4.48
Loss on Collapse of Office Premises		-		4.49
Meeting & conferance Expenses		2.44		1.12
Membership &Subscriptions		1.50		1.00
Notice & Publication		0.22		0.14
Postage & Telegram		1.10		0.51
Repair & Maintenance		1.84		2.51
Transactin & Misc.Charges		0.98		0.31
Website Maintenance		5.53		9.55
		<u>118.14</u>		<u>97.88</u>

- 11 The Company is an Non Deposit accepting 'Non Banking Finance Company' having registration number B-05.02574 dated 09.12.2004 allotted by Reserve bank of India.
- 12 The Board of Directors of the Company has passed a resolution for Non - acceptance of public deposit and consequently the company has not accepted any public deposit during the year under audit.
- 13 The company has complied with the prudential norms relating to income recognition, accounting standards and assets classification as applicable to it.
- 14 The company has appropriated during the year to Statutory Reserve Fund as per guidelines issued by the Reserve Bank of India for Non Banking Finance Companies in terms of Section 45(IC) of Reserve Bank of India Act, 1934.
- 15 The company under the provisions of Non Banking (Non Deposit Accepting or Holding) Companies Prudential Norms(Reserve Bank) Directions, 2007 has not made provision for standard assets of Trade Receivables @ 0.25% of the outstanding as on 31.03.2012, since the amount of provision is not material for consideration.
- 16 In the opinion of the board of directors, all current assets, loans & advances have a value on realisation in the ordinary course of business atleast equal to the amount at which they are stated.
- 17 Loan and advances given to parties are repayable on demand.
- 18 Based on information available with the company, there are no clients/creditors who are registered under Micro, Small and Medium Enterprises Development Act, 2006.
- 19 There is no small scale industrial undertaking to whom the company owes amounts outstanding for more than 30 days as at 31st March,2012.
- 20 Advance Tax paid and Tax Deducted at Source will be adjusted by the company on the completion of assessment of the income for the year by the Income Tax Department.
- 21 In accordance with the revised Accounting Standard AS-15, i.e. Employee Benefits, the company has recognised the short term employee benefits accordingly paid for the services rendered by the employees for that period. Long term benefis are not payable to the employees of the company, as the company is not under any statutory obligation as well as contractual obligation.
- 22 The company considers its operation of NBFC activities as single segment and as such Accounting Standard AS-17 'Segment Reporting' issued by ICAI is not applicable to the company.

Consolidated Notes on Financial Statements for the Year ended 31st March 2012

23	Claims against the Company not acknowledged as debt.				
S. No.	Nature	Assessment Year	(in lacs)	Forum where dispute is pending	
1.	Income Tax	2004-05	43.49	ITAT	
1.	Income Tax	2006-07	241.13	ITAT	
1.	Income Tax	2008-09	38.11	ITAT	

24 Related party disclosures in accordance with the Accounting Standard - 18 issued by the Institute of Chartered Accountants and description of relationship: List of related parties:

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

Transactions during the year with related parties:		Year ended 31.03.2012	Year ended 31.03.2011
A. Key management Personnel			
Remuneration Paid		12.87	9.15
Balance at year end:	Debit/(credit)	<u>12.87</u>	<u>9.15</u>
C. Associates / Group Companies			
Rent Paid		1.08	1.10
Loan Given		1,154.94	549.90
Loan Refund		1,364.69	546.00
Interest Received		49.60	5.37
Balance at year end:	Debit/(credit)	<u>562.16</u>	<u>58.95</u>

25	Earnings Per share		
	Particulars	As at 31.03.2012	As at 31.03.2011
	Profit After Tax	283.92	313.08
	Weighted average Number of Equity Shares outstanding	9,583,333	8,000,000
	Face Value of Share	10	10
	Basic & Diluted Earnings Per Share	2.97	3.92

26 The Company has adopted Accounting Standard AS-22 'Accounting for taxes on Income' issued by ICAI. The Company has no deferred tax liability arising out of timing difference as on 31.03.2012. However, Deferred Tax assets have been recognised subject to the consideration of prudence in respect of DTA, on timing difference being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

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

Particulars	As at 31.03.2012		As at 31.03.2011	
	Quantity		Quantity	
Opening Stock				
Bonds	71	511.99	1	10.07
Purchases				
Bonds	43,638	12,435.18	1,015,411	45,349.24
Sales				
Bonds	43,663	12,684.62	1,015,341	44,847.32
Closing stock				
Bonds	46	262.55	71	511.99

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

29 Expenditure in foreign currency during the Financial Year	As at 31.03.2012	As at 31.03.2011
	\$218	\$10,000

R.BHATTACHARYA & ASSOCIATES

Chartered Accountants
(Registration.No. 307124E)

R.Bhattacharya

Proprietor
Membership No.12394
7B Panchanantala Road
Kolkata- 700029
Kolkata, May 28th, 2012.

ON BEHALF OF THE BOARD

R. S. Khandelwal
Director

A. Khandelwal
Director

S. Khandelwal
Director

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

Particulars	For the year ended 31.03.2012 ` (lacs)	For the year ended 31.03.2011 ` (lacs)
A. CASH FLOW FROM THE OPERATING ACTIVITIES		
Net Profit before Tax from Continuing Operations	317.89	355.68
Non Cash Adjustments to reconcile net cash flow		
<u>Adjustments for :</u>		
Depreciation & Amortisation	9.19	8.90
Preliminary Expenses written off	-	-
Profit/(Loss) on Non Current Investment	(68.15)	(158.87)
Dividend Received	(163.92)	(154.12)
Income from Mutual fund	-	-
Interest Received	(235.61)	(186.25)
Interest Expenses	28.19	38.55
Operating Profit before Working Capital changes	(112.41)	(96.11)
<u>Adjustments for :</u>		
Trade & other Receivable	112.87	(114.54)
Inventories	(249.44)	(498.03)
Prepaid expenses	0.37	1.11
Tds	(22.93)	(22.05)
Trade payable	(25.93)	28.87
Cash generated from operations	(297.46)	(700.75)
Direct taxes Paid	67.31	79.18
Cash Flow before extraordinary items	(230.15)	(621.57)
Extra Ordinary Items	-	-
Net Cash Used in Operating Activities	(230.15)	(621.57)
B. CASH FLOW FROM THE INVESTING ACTIVITIES		
Purchase of Fixed Assets	(15.20)	14.43
Sale of Fixed Assets	-	4.50
Purchase of Investment	(539.91)	1,315.68
Sale of Investment	552.62	(1,001.23)
Dividend Received	163.92	154.12
Net Cash Used in Investing Activities	161.43	487.50
C. CASH FLOW FROM THE FINANCING ACTIVITIES		
Proceed from issue of Share Capital	26.00	-
Share Premium	-	-
Proceed from Long / Short Term Borrowings	374.56	605.77
Interest paid	(28.19)	(38.55)
Loan Given/Refund Received	(594.06)	(750.43)
Interest Received	235.61	186.25
Net Cash Flow from Financial Activities	13.93	3.04
D Net Increase/(Decrease) in Cash & Cash Equivalent	(54.80)	(131.03)
Cash & Cash Equivalent (Opening)	163.14	294.17
Cash & Cash Equivalent (Closing)	108.34	163.14

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

R.BHATTACHARYA & ASSOCIATES

Chartered Accountants
(Registration.No. 307124E)

R.Bhattacharya

Proprietor
Membership No.12394
7B Panchanantala Road
Kolkata- 700029
Kolkata, May 28th, 2012.

ON BEHALF OF THE BOARD

R. S. Khandelwal
Director

A. Khandelwal
Director

S. Khandelwal
Director



BNK CAPITAL MARKETS LTD.

Registered Office : 2 Palm Avenue, Kolkata-700 019

PROXY FORM

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

I/We of

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

hereby appoint of

or failing him of

as my/our proxy to attend and vote for me/us, on my/our behalf at the 26th Annual General Meeting of the Company to be held on Saturday 25th August 2012, at 12.00 noon at 'Mayfair Towers' Ground Floor, 2, Palm Avenue, Kolkata-700 019, or any adjournment thereof.

Signed this day of 2012.

Signature



Note :

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



BNK CAPITAL MARKETS LTD.

Registered Office : 2 Palm Avenue, Kolkata-700 019

ATTENDANCE SLIP

26th Annual General Meeting on Saturday 25th August 2012

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

Mr. / Mrs. / Miss

(Member's Name in BLOCK LETTERS)

I certify that I am Registered Member / Proxy (for the above-named registered Member of the Company) I hereby record my presence at the 26th Annual General Meeting of the Company to be held on Saturday 25th August 2012, at 12.00 noon at 'Mayfair Towers' Ground Floor, 2, Palm Avenue, Kolkata-700 019.

Name of Proxy in Block Letters
(If applicable)

Member's / Proxy's Signature

Note :

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

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P-22, Bondel Road
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