

**TWELFTH
ANNUAL REPORT
1997-98**



BNK CAPITAL MARKETS LTD.



BOARD OF DIRECTORS

Mr. N. K. Sengupta, *Chairman*

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

Mr. P. Brahmachari

Mr. P. Chakraborti

Mr. S. Khandelwal

Mr. Ajit Khandelwal, *Managing Director*

MD				BKC	
CS				DPY	
RO				DIV	
TRA				AC	
AGM				SHI	
YE					

COMPANY SECRETARY

Mr. S. B. Guha

B.Com., ACIS (London), ACS (India)

AUDITORS

M/s R. Bhattacharya & Associates

Chartered Accountants

7, Panchanantala Road

Calcutta - 700 029.

**AGM on 19th September 1998
at Somani Hall, Merchant Chambers
at 10.30 a.m.**

BANKERS

American Express Bank Ltd.

Oriental Bank of Commerce

REGISTERED OFFICE

111, Block A, 'Tivoli Court',

1A, Ballygunge Circular Road

Calcutta - 700 019, India.

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BNK CAPITAL MARKETS LTD.**NOTICE**

Notice is hereby given that the 12th Annual General Meeting of the Company will be held on Saturday, 19th September, 1998 at Somany Hall, Merchant Chambers, 15B, Old Court House Street, Calcutta - 700 001, at 10.30 a.m. to transact the following business :

As Ordinary Business

1. To receive, consider and adopt the Profit & Loss Account for the year ended 31st March 1998, alongwith the Balance Sheet as at that date together with the report of the Directors and Auditors thereon.
2. To elect the Directors in place of those retiring by rotation.
3. To appoint Auditors and to fix their remuneration.

As Special Business

TO CONSIDER AND IF THOUGHT FIT, TO PASS THE FOLLOWING WITH OR WITHOUT MODIFICATION AS ORDINARY RESOLUTION :

4. "Resolved that pursuant to the provisions of Sections 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 including Schedule XIII of the Act as amended upto date, consent of the Company be and is hereby accorded to the reappointment of Mr. Ajit Khandelwal as Managing Director for a further period of three years w.e.f. April 1st, 1998 on the terms and conditions as annexed in the explanatory statement".

Registered Office :

111, Block A, 'Tivoli Court',
1A, Ballygunge Circular Road
Calcutta - 700 019, India.
Dated : 8th August 1998

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 14th September to 19th September, 1998 (both days inclusive).
3. Members are requested to :
 - a) Notify immediately any change in their address to the Company.
 - b) Bring their copy of the Annual Report to the Meeting.
 - c) Members desiring any information on the business to be transacted at the Meeting are requested to write to the Company atleast 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 between 11.00 a.m. and 1.00 p.m.

Explanatory Statements pursuant to Section 173(2) of the Companies Act, 1956

4. The Board of Directors in their meeting held on 28.3.98 has reappointed Mr. Ajit Khandelwal as their Managing Director of the Company with effect from 1st April 1998 for a further period of three years on the following terms and conditions within the purview of Schedule XIII, subject to the approval of the same in the Annual General Meeting :

Salary	: In the range of Rs. 27,500 - 2500 - 32,500 per month.
Perquisites	:
Accommodation	: The Company shall provide unfurnished accommodation.
LTC	: For self and family once during the year to any where in India or abroad.
Medical reimbursement	: Restricted to one month's salary in a year or three months' salary in a block of three years for self and family.
Club fees	: Not more than three clubs. No admission fees shall be paid.
Personal Accident Insurance	: Premium not exceeding Rs. 10,000 per annum.
Car and telephone	: Free use of Company's car for official purpose. Free telephone facilities at residence. Personal long distance calls to be recovered.

No sitting fee shall be paid for attending the Board or Committee meetings.

The appointment is contractual and can be terminated by either side by giving three months' notice in writing. Mr. R. S. Khandelwal and Mr. Sanjeev Kumar Khandelwal being relatives, and Mr. Ajit Khandelwal, since it relates to the terms of his appointment may be deemed to be interested in the proposed resolution. The Board recommends passing of the resolution.



DIRECTORS' REPORT TO THE MEMBERS

Your Directors present before you the 12th Annual Report and audited accounts for the year ending 31st March, 1998.

Financial Results

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

	Year Ended 31/3/98 (Rs. in '000s)	Year Ended 31/3/97 (Rs. in '000s)
Total Income	25,742	31,304
Income from Operations	25742	31304
Gross Profit	1264	10,178
Interest & Finance Charges	22,356	18,804
Depreciation	5739	8511
Profit before Tax	(4465)	1667
Provision for Tax / MAT	80	215
Profit after Tax	(4545)	1452
Balance brought forward	1933	681
Profit available for Appropriation	(2612)	2133
Transfer to general Reserve	—	200
Profit & Loss Account	(2612)	1933

Your Directors do not recommend any payment of Dividend for the year-ended 31.3.98, due to inadequate profits.

Operations and Future Prospects

The year under review saw a very bad capital market resulting in a fall in the Sensex at the Stock Market. There was a disproportionate fall in the prices of those equity shares which did not come within the scope of the Sensex. They were absolutely illiquid, and the whole year saw a big liquidity crunch. As a result, all activities related to the capital market were affected and your company was not an exception. This has been adversely reflected on the financial results of the Company. Moreover, the Company was not able to obtain any bank or institutional finance because of the guidelines on Non-Banking Finance Companies. Lack of adequate funds resulted in a halt in fresh Leasing and Hire Purchase activities of the Company. With the change of the Government at the centre, and their assurances to continue with the liberalisation policy, the Stock Market had started reacting favourably. Post-nuclear explosions, US sanctions, and other political factors has taken the economy aback. The rating of the country has also been downgraded. This has resulted in the FIIs losing confidence in the Indian Capital Market. Moreover, SEBI guidelines now also restrict the business activities of the Company. The Directors feel that this situation shall take some time to change, and as such there is no hope of improvement in the performance of the Company in the near future.

Fixed Deposits

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