



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



Report Junction.com

# **BNK CAPITAL MARKETS LTD.**

**TWENTYFIRST ANNUAL REPORT  
2006-07**

**BNK CAPITAL MARKETS LTD.****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 28th September, 2007**  
**MAYFAIR TOWERS, Ground floor,**  
**2, Palm Avenue,**  
**Kolkata – 700 019 at 11.00 A.M.**

**AUDITORS**

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

**BANKERS**

American Express Bank Ltd.  
 HDFC Bank Ltd.  
 Oriental Bank of Commerce

**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

**CONTENTS**

Notice .....	1
Directors' Report .....	2
Report on Corporate Governance .....	3
Management Discussion & Analysis Report .....	6
Auditors Report .....	6
Balance Sheet .....	8
Profit & Loss Account .....	9
Schedules .....	10
Cash Flow Statement .....	15
<b>BNK Commodities Pvt. Ltd.</b>	
Directors' Report .....	17
Auditors' Report .....	17
Balance Sheet .....	18
Profit & Loss Account .....	18
Schedules .....	19
Cash Flow Statement .....	20
<b>BNK Capital Market Ltd. (Consolidated)</b>	
Auditors' Report .....	21
Balance Sheet .....	22
Profit & Loss Account .....	22
Schedules .....	23
Cash Flow Statement .....	24

**BNK CAPITAL MARKETS LTD.  
2 PALM AVENUE, KOLKATA – 700 0019**

**Addendum / Corrigendum to the notice dated 21<sup>st</sup> June 2007 for 21<sup>st</sup> Annual General Meeting of the Company to be held on 28th September 2007.**

- A. Agenda Item no.2 should be added as under:**
  - 2) To approved payment of dividend on equity shares.**
- B. Agenda Item 2,3 & 4 should be read as 3,4 & 5.**
- C. At the Explanatory statement, item no.4 should be read as item no.5**

**The errors are regretted.**

**Dated: 1<sup>st</sup> September 2007**

**For BNK Capital Markets Ltd.  
Ajit Khandelwal  
Managing Director**

**BNK CAPITAL MARKETS LTD.****NOTICE**

Notice is hereby given that the 21st Annual General Meeting of the Company will be held on 28TH September 2007 Mayfair tower, Ground floor, 2, Palm Avenue, Kolkata - 700 019 at 11.00 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 2007, along with 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**

4. To consider and if thought fit, to pass with or without modifications the following resolution as an

**Ordinary Resolution:**

"Resolved that pursuant to the provisions of sections 269,309 another applicable provisions, if any, of the company act 1956 including schedule XIII of the act as amended up to date, consent of the company be and is to hereby accorded to the reappointment of Mr. Ajit Khandelwal as managing director for a further period of three years with effect from April 1st on the terms and conditions as annexed in the explanatory statement."

**Registered Office :**  
Mayfair Tower  
2, Palm Avenue  
Kolkata - 700 019, India.  
Dated : 21th June 2007

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 24th September to 28th September, 2007 (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 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 24th September to 28th September 2007 between 11.00a.m. to 1.00p.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 /credited to the Bank A/c of the share holder's as on book closing within the stipulated time.

**Explanatory Statements pursuant to Section 173(2) of the Companies Act 1956:****ITEM No. 4:**

The Board of Directors in their meeting held on 24th January 2007 has reappointed Mr. Ajit Khandelwal as Managing Director of the Company with effect from 1st April 2007 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 Rs50000-50000-60000 Per Month.
- Perquisite : The Company shall provide unfurnished accommodation. Alternatively Mr. Khandelwal will be entitled for house rent allowance, which shall not exceed Rs.15000/- Per Month. He shall also be entitled for reimbursement of expenses for electricity, maintenance and repairs, furnishing etc. on actual basis.
- Accomodation : For self and family once during the year to any place in India or abroad.
- LTC : Restricted to one Month, salary in a year or three month salary in a block of three years for self and family.
- Medical Reimbursement : Not More than two clubs including admission fee.
- Club Fees : Premium not exceeding Rs15000/- Per annum.
- Personal accident : Insurance
- Car and Telephone : Company shall provide a car with driver for his use. Free Telephone facilities at residence however personal long distance calls to be recovered.

No sitting fee shall be paid for attending the Board or Committee Meetings. He shall be entitled for reimbursement of all expenses incurred by him for business purpose during normal course of his duties. The reappointment and remuneration of Mr. Khandelwal requires & approval of Members of the Company in General Meeting under section 309 of the companies' act 1956. No Director of the company except Mr. Khandelwal, Mr. Radhey Shyam Khandelwal & Mr. Sanjiv Kumar Khandelwal are concerned or interested in the resolution.



www.bnkcapital.com

## BNK CAPITAL MARKETS LTD.

### DIRECTORS' REPORT TO THE MEMBERS

Your Directors present before you the 21st Annual Report together with Audited Accounts for the year ending 31st March, 2007.

#### Operation and Future Prospects

During the period under review, the Indian economy performed quite impressively emerging as one of the fastest growing economies in the world. The continued reforms process profound influence on the economy showing positive signs of growth, which reflected in a vibrant capital market. Clearly Indian economy has developed a momentum of its own and can grow on its own independent of day to day dispensation of policy by government. Our GDP, Industrial production, Exports and Services sector have all been registering impressive growth rates. The GDP grew by over 9% and inflation rate was 5%. Agriculture is also expected to follow suit since this years monsoon is expected to be nearly normal and the government has put major thrust on the growth of agricultural sector. The overall business environment during the year remained healthy.

#### Financial Results

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

	Year Ended 31st March 2007 (Rs. in '000s)	Year Ended 31st March 2006 (Rs. in '000s)
Income from Capital market operation	33469	80566
Other Income	39	137
Total Expenditure (a+b)	5186	8186
a. Staff Cost	787	533
b. Other Expenditure	4399	7653
Interest & Finance Charges	10439	13591
Earnings after Interest but before Depreciation & Tax	17883	58927
Depreciation	243	268
Profit Before Tax	17640	58659
Provision for Tax (Current Tax)	1250	1777
Provision for Tax (Deferred Tax)	27	(13)
Profit After Tax	16390	56895
Balance Brought Forward	24587	13365
Profit available for Appropriation	40977	70260
Dividend	5000	5000
Provision for Tax on Dividend	850	673
Transfer to special reserve	15781	40000
Balance carried to Balance Sheet	19346	24587

Your Directors recommend payment of Dividend @ Rs. 1per share for the year ended 31st March, 2007.

#### Investments, Diversifications & Subsidiary Company

The BPO operation of BNK Solutions Pvt. Ltd. is running at a capacity of over 550 seats and employing over 1000 people. It plans to increase its capacity to 1000 seats in near future. BNK Commodities Pvt. Ltd. a member of NCDEX (National Commodities and Derivatives Exchange of India) & MCX (Multi Commodity Exchange of India) has started operations. BNK Comdex DMCC a company registered in UAE is a member of DGCX (Dubai Gold & Commodities Exchange). The company along with its subsidiaries and its associate companies is fully geared up to offer complete financial solutions including trading in securities, commodities and their derivatives.

The company has set up a financial portal www.bnkcapital.com which aims to offers all its services online. As part of its retail expansion strategy, the company plans to set up financial supper markets by offering integrated financial services by opening up offices in Rajasthan. The company plans to take up this strategy vigorously by expanding its operation under one roof in various cities of India and abroad.

#### Fixed Deposits

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

#### Directors

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company Mr. P. Chakravarti, and Mr. Ajit Khandelwal, Directors of the Company retire by rotation at the conclusion of the forthcoming Annual General Meeting, and being eligible offer themselves for reappointment. Mr. Ajit Khandelwal's term of Appointment as Managing Director of the Company ended on 31.3.2007. The board of Directors in the meeting held on 24th January 2007 re-appointed Mr. Ajit Khandelwal as the Managing Director of the Company for a period of 3 years commencing from 01.04.2007. Necessary resolutions for re-appointment of Directors & Managing Director are proposed in the AGM for your approval.

#### 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 judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year;
- 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. 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 received from Central Govt., State Govt., Bankers as well as the shareholders during the year under review. Your Directors also wish to place on record their appreciation of the devoted and dedicated service rendered by all the employees of the company.

Place : Kolkata

Dated : 21th June, 2007.

For and on behalf of the Board

Dr. N.K.Sengupta  
Chairman

# BNK CAPITAL MARKETS LTD.



## 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 2006-07 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 2007 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 Directorships held
Dr.N.K.Sengupta	Chairman, Non-Executive & Independent	6
Mr.R.S.Khandelwal	Vice-Chairman & Non-Executive	8
Mr.P.Chakravarti	Non-Executive & Independent	13
Mr.P.Brahmachari	Non-Executive & Independent	2
Mr.S.Khandelwal	Non-Executive	6
Mr.A.Khandelwal	Managing Director	11

#### 2. Audit Committee

The Company has an Audit Committee at the Board level functioning since 30th May, 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 and independent. The Statutory Auditor, 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	4	4
Mr.R.S.Khandelwal	Member	4	4
Mr.P.Brahmachari	Member	4	4

#### 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 is as follow :-

Director	Position	Meeting held	Meeting Attended
Mr.R.S.Khandelwal	Chairman	1	1
Mr.P.Brahmachari	Member	1	1
Mr.P.Chakravarti	Member	1	1

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

#### 4. Remuneration to Directors

Director	Designation	Remuneration paid during 2007 (All figures in Rupees)		
		Sitting fees	Salary & Perks	Total
Dr.N.K.Sengupta	Chairman	15000	—	15000
Mr.R.S.Khandelwal	Vice-Chairman	27000	—	27000
Mr.P.Chakravarti	Director	27000	—	27000
Mr.P.Brahmachari	Director	33000	—	33000
Mr.S.Khandelwal	Director	21000	—	21000
Mr.A.Khandelwal	Managing Director	—	246000	246000

#### 5. Shareholders/Investors Grievance & Transfer Committee

The Company has "SHAREHOLDERS / INVESTORS GRIEVANCE & TRANSFER COMMITTEE" under the chairmanship of a non-executives / independent director to specifically look into shareholder issue including share transfer, transmission, issue of duplicate certificates and redressing of shareholder complaints like non receipt of balance sheet, declared dividend etc.

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

Director	Position	Meeting held	Meeting Attended
Mr.P.Brahmachari	Chairman	6	6
Mr.S.Khandelwal	Member	6	6
Mr.A.Khandelwal	Member	6	6

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, cases of routine nature of transfers of shares are approved by the members of the committee by circulation which are then ratified in their next meeting.

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

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

#### 6. Number of Board Meetings and Board Procedures.

Your Company's Board met 6 (Six) times during the year and details of the meeting are high lighted below. Agenda papers along with explanatory statements were circulated to the Directors well in advance of the meeting. The senior management of your Company were 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	City
1. 15th April 2006	Kolkata
2. 27th June 2006	Kolkata
3. 21th July 2006	Kolkata
4. 23rd September 2006	Kolkata
5. 29th October 2006	Kolkata
6. 24nd January 2007	Kolkata

Directors	Held	No. of Meetings Attended	Attended Last AGM
Dr.N.K.Sengupta	6	5	No
Mr.R.S.Khandelwal	6	6	Yes
Mr.P.Chakravarti	6	6	Yes
Mr.P.Brahmachari	6	6	Yes
Mr.S.Khandelwal	6	6	Yes
Mr.A.Khandelwal	6	6	Yes

#### 7. Management Discussions and Analysis Report

As a part of the disclosure related to Management, in addition to the





## BNK CAPITAL MARKETS LTD.

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	2	-
Mr.R.S.Khandelwal	-	1
Mr.P.Chakravarti	2	1
Mr.P.Brahmachari	2	1
Mr.S.Khandelwal	1	-
Mr.A.Khandelwal	3	1

(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. P. Chakravarti	Mr. Ajit Khandelwal
Date of Birth	13th April, 1934	10th November 1957
Date of appointment	28th August, 1993	17th April 1986
Experience in specific functional areas	Buisnessman	Professional

List of outside Directorships held	1. Sinclair Hotels & Trans. Ltd.	1. Rakesh Textiles Ltd.
Excluding Alternate Directorship and Private Companies	2. Bagmati Tea Co. Ltd.	2. Kothari Phytochemicals & Ind.Ltd.
	3. Bharuka Alluminium Ltd	3. Ellenbarrie Industrial Gases Ltd.
	4. Nicco Corp.Ltd	4. Nucent Estates Ltd.
	5. Reliance Jute Mill Ltd.	5. Bharat Fritz Werner Ltd.
	6. SPS Steel Rolling Mills Ltd	
	7. GPI Textiles Ltd.	
	8. BESCO Ltd.	
	9. Jayshree Chemicals Ltd	

### 10. Material Contracts/Transactions Concerning Director's Interest

The Company had not entered into any arrangement with any body other than with BNK Securities Pvt. Ltd. & BNK Commodities Pvt.Ltd., dealing in shares, securities and commodities where the Promoter Directors are interested. The disclosure to this effect was made at the relevant meeting of the Board of Directors. There was no arrangement of material nature other than stated above that may have a potential conflict with interest of your Company. Your company is also a promoter of the said BNK Securities Pvt. Ltd. & BNK Commodities Pvt.Ltd.

### 11. 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 inside trading in shares of Company by its employees.

### 12. Other Disclosures

#### i. Details Of Annual General Meeting

##### a. Location and time, where last three AGMs held

Year	Location	Date	Time
2003-2004	Infinity Towers, 4th Floor, A3, Block- GP, Sector-V, Saltlake, Kolkata – 700 091.	8th Sep, 2004	4.00 PM
2004-2005	MayfairTower, Ground floor, 2, Palm Avenue Kolkata – 700 019.	24th Sep. 2005	11.00 AM
2005-2006	MayfairTower, Ground floor, 2, Palm Avenue Kolkata – 700 019.	23rd Sep. 2006	12.45 pM

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 each Household of shareholders Quarterly results, which newspapers Normally published in Any website, where displayed
- Whether it also displays official news Realize
- Whether MD&A is a part of Annual Report
- Whether shareholder information section forms part of Annual Report

#### iii. Shareholder Information

##### 1. Annual General Meeting

- Date and Time : 28th September, 2007 at 11.00 A.M.
- Venue : Mayfair Towers, Ground Floor, 2, Palm Avenue, Kolkata – 700 019.

##### 2. Financial Calender

For the Financial Year ended 31st March 2007.

- Financial Reporting for the Quarter ending 30th June, 2006. : 21st July, 2006.
- Financial Reporting for the Quarter ending 30th September, 2006. : 27th October, 2006.
- Financial Reporting for the Quarter ending 31st December, 2006. : 24th January, 2007.
- Financial Reporting for the Quarter ending 31st March, 2007. : 21th June, 2007.

3. Date of Book Closure : 24th September, 2007 to 28th September 2007. (Both days inclusive)

##### 4. Dividend Payment Date

Dividend @ Re. 1 per Equity Share of Rs. 10 each if approved at the AGM shall be paid/credited to the bank a/c of the share holders as on the date of book closure of the Company within the stipulated time.

##### 5. Registered Office

Mayfair Tower, 2 Palm Avenue, Kolkata: 700 019  
Tel : (033) 2281-0560 / 61, Fax : (033) 2280-0457

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

The Stock Exchange, Mumbai  
Phiroze Jeejeebhoy Tower, Dalai, 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 2006 – 2007 to all the Stock Exchanges.

##### 7. Registrar & Transfer Agent

C B Management Services (P) Ltd, P-22, Bondel Road, Kolkata:700 019  
Tel No.: (033) 2280-6692 / 6693, Fax No.: (033) 2247-0263  
E-mail : cbmsl1@cal2.vsnl.net.in

##### 8. Share Transfer System

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

# BNK CAPITAL MARKETS LTD.



www.bnkcapital.com

## 9. Investor Services

Complaints received during the year

Nature of Complaints	2006-2007		2005-2006	
	Received	Cleared	Received	Cleared
Relating to Transfer, Transmission etc.,	3	3	Nil	Nil
Dividend, Interest, Redemption etc.,				
Change of Address, Demat - Remat and Others				
Received from SEBI, Stock Exchanges and Other Statutory Authorities	1	1	Nil	Nil
<b>Total</b>	<b>4</b>	<b>4</b>	<b>Nil</b>	<b>Nil</b>

The Company endeavors to settle all shareholder complaints in the minimum

## 10. Distribution of Shareholding as on 31st March 2007.

(See table No. 1)

## 11. Categories of Shareholding as on 31st March 2007.

(See table No. 2)

## 12. Dematerialization of shares & liquidity

Over 83.85% of equity shares have been dematerialized as on 31.03.2007.

Trading in equity shares of your Company on BSE and CSE is permitted only in dematerialized mode w.e.f. 25th November 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. Investors Correspondence

Address for correspondence :-

**Registered Office**

Mayfair Tower, 2 Palm Avenue, Kolkata : 700 019

Tel : (033) 2281 - 0560 / 61, Fax : (033) 2280- 0457

OR

**C B Management Services (P) Ltd.**

P-22, Bondel Road, Kolkata:700 019

Tel No. : (033) 2280-6692 / 6693, Fax No. : (033) 2247-0263

E-mail : cbmsl1 @cal2.vsnl.net.in

15. Per Share data	2006-2007	2005-2006
EPS (Rs.)	3.28	11.38
EPS Growth (%)	-71%	2276 %
Book Value per share (Rs.)	32.51	30.37
Share price as on 31st March 2007	35.30 (BSE)	24.58 (BSE)
Market Price(High & Low)at BSE during each month of the Financial Year06-07		
Month	High (Rs.)	Low (Rs.)
April 2006	27.95	20.75
May 2006	38.35	23.80
June 2006	23.45	15.90
July 2006	22.70	15.00
August 2006	23.00	15.45
September 2006	23.70	16.00
October 2006	27.65	18.55
November 2006	53.45	20.00
December 2006	62.85	45.00
January 2007	83.20	55.00
February 2007	71.80	42.20
March 2007	46.65	33.25

Table 1

Share held	2006-2007				2005-2006			
	No. of share holders	% of share holders	Share amount	% of share amount	No. of share holders	% of share holders	Share amount	% of share amount
1 - 500	2280	84.29	4917260	9.83	2152	84.13	5007910	10.02
501 - 1000	206	7.62	1691890	3.38	175	8.84	1486420	2.93
1001 - 2000	89	3.29	1407980	2.82	89	3.48	1415580	2.83
2001 - 3000	33	1.22	880880	1.76	39	1.53	1040570	2.08
3001 - 4000	18	0.66	652850	1.31	18	0.70	684850	1.37
4001 - 5000	16	0.59	774500	1.55	12	0.47	586500	1.17
5001 - 10000	20	0.74	1411810	2.82	20	0.78	1645230	3.39
10001 & Above	43	1.59	38262830	76.53	53	2.07	38152940	78.31
<b>TOTAL</b>	<b>2705</b>	<b>100</b>	<b>50000000</b>	<b>100</b>	<b>3326</b>	<b>100</b>	<b>50000000</b>	<b>100</b>

Table 2

Category	2006-2007			2005-2006		
	No. of share held	% of share holding		No. of share held	% of share holding	
01. Promoter Company	630425	12.61		531700	10.64	
02. Director	1931000	38.62		1324600	26.51	
03. Directors Relative	53500	1.07		653500	13.07	
04. Mutual Fund	-	-		-	-	
05. F.I.I.	-	-		-	-	
06. Financial Institution	-	-		-	-	
07. N.R.I	21674	0.43		23014	0.46	
08. Other Bodies Corp.	646675	12.94		592085	11.84	
09. Bank	-	-		-	-	
10. Resident Individual	1713168	34.26		1782053	35.82	
11. Clearing Members	3558	0.07		83048	1.66	
<b>TOTAL</b>	<b>50000000</b>	<b>100</b>		<b>50000000</b>	<b>100</b>	

## 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, 2007, 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 &amp; Associates

Chartered Accountants

R. BHATTACHARYA

Kolkata

June 21, 2007

Proprietor

Membership No. 012394