



www.bnkcapiatl.com



Reportjunction.com

BNK CAPITAL MARKETS LTD.

**TWENTYTHIRD ANNUAL REPORT
2008-09**

BNK CAPITAL MARKETS LTD.

www.bnkcapiat.com

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 2nd September, 2009
MAYFAIR TOWERS, Ground floor,
2, Palm Avenue,
Kolkata – 700 019 at 11.30 A.M.

AUDITORS

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

BANKERS

HDFC Bank Ltd.
 Standard Chartered Bank
 Oriental Bank of Commerce

REGISTERED OFFICE

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

**REGISTRAR & SHARE
TRANSFER AGENTS**

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

CONTENTS

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

BNK CAPITAL MARKETS LTD.**NOTICE**

Notice is hereby given that the 23rd Annual General Meeting of the Company will be held on Wednesday, the 2nd September 2009 at Mayfair Towers, Ground floor, 2, Palm Avenue, Kolkata - 700 019 at 11.30 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, 2009, 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 : 21st June 2009

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 26th August 2009 to 2nd September 2009 (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 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.



www.bnkcapital.com

BNK CAPITAL MARKETS LTD.

DIRECTORS' REPORT TO THE MEMBERS

Your Directors present before you the 23rd Annual Report together with Audited Accounts For the year ending 31st March 2009.

Operation and Future Prospects

This year's overview has to be studied with caution. The Global melt down and recession has given a significant hit to the Indian economy. The GDP growth rate from over 9% in 2008 has come down to under 7% in 2009, but still it has the highest rate of growth after China. The Capital Markets has seen a very bad year when most of the stocks have eroded by over 60% because of continues disinvestment by FIIs and absence of any fresh investments in the markets. The BSE Sensex fell down to as low as 8451 on closing basis. More over the liquidity crunch because of Global reasons and inflation management measures of the Govt. had hard-hit the industry. Lack of demand and liquidity crisis has resulted in one of the worst period for the Economy and Industry from August to December 2008. The Indian economy is no longer insulated from the major economies of the world. In January 2008, Sub-Prime effect in U.S and some European Countries resulted in huge financial losses to banks & other financial institution. Due to Sub-Prime crisis exports has declined by more than 20% and capital outflow from FIIs has resulted in rupee depreciating against the dollar. The Poor Export performance and the fall in automobile sales push the industrial production growth in the negative territory in October 2008.

Because of economic meltdown, The Government has to announce multiple stimulus packages for different industries. RBI had also played a very proactive role in inflation and liquidity management. This has resulted in increase in fiscal deficit but it has helped troublesome industries like automobile, cement, steel etc. With the installation of a stable Government at the Centre, economy is expected to recover in next couple of quarters. Improvement in advance tax numbers in last quarter, decline in interest rates & easing of liquidity with the banks, decrease in WPI numbers, are indicative factors for the recovery. The recession in the world economy is likely to get over and India being the fastest growing economy after China will outperform the rest of the world.

The Union Budget for the Year which is to be presented in the Parliament in the first week of July is expected to take adequate measures to support the inclusive growth of the economy. With a stable Government in the centre and positive economic indicators the investment sentiments have changed and we are seeing inflow of investments in the Capital Market. The market is expected to perform relatively better in coming times.

Financial Results

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

	Year Ended 31st March 2009 (Rs. In '000s)	Year Ended 31st March 2008 (Rs. In '000s)
Income from Capital Market	39361	31597
Income from Interest Receipts	4957	5167
Other Income	320	1140
Total Expenditure	6923	4325
a. Staff Cost	2851	1077
b. Other Expenditure	4072	3248
Interest & Finance Charges	9709	10686
Earnings after Interest but before Depreciation & Tax	28006	22894
Depreciation	357	405
Profit Before Tax	27649	22489
Provision for Tax (Current Tax)	2256	1955
Provision for Tax (Deferred Tax)	5	(7)
Profit After Tax	25388	20541
Balance Brought Forward	29537	19346
Profit available for Appropriation	54925	39887
Dividend	6200	5000
Provision for Tax on Dividend	1054	850
Transfer to reserves	6000	4500
Balance carried to Balance Sheet	41672	29537

Your Directors recommend payment of Dividend of Re. 1/- per equity share of Rs. 10/- each for the year ended 31st March 2009.

Subsidiary Company & Investments

The Company has made further investments in BNK Commodities Pvt Ltd. a subsidiary of the Company. BNK Commodities Pvt. Ltd. is now a member of NCDEX, MCX, & NSEL has started its 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's a financial portal www.bnkcapital.com is offering various online services. The Company at its offices at various places in the Country is offering integrated financial services. The Company has disinvested its interest in BNK e Solutions Pvt Ltd.

Fixed Deposits

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

Fresh Issue of Capital

During the year under review, your Company has made a preferential issue of Capital. The Company has allotted 1200000 Equity Shares @ 46/- per shares to investors and 1800000 warrants to the Promoters as per the guidelines issued by SEBI. By this process the Company has raised a sum of Rs 6.34crores for long term corporate requirements.

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. Necessary resolutions for re-appointment of Directors 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 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. 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

Dr. N.K.Sengupta
Chairman

Place : Kolkata

Dated : 23rd June, 2009.

BNK CAPITAL MARKETS LTD.

www.bnkcapital.com

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 2008-09 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 2009 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	6
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	12

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	4	4
Mr.R.S.Khandelwal	Member	4	4
Mr.P.Brahmachari	Member	4	2

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	Nil	Nil
Mr.P.Brahmachari	Member	Nil	Nil
Mr. P. Chakravarti	Member	Nil	Nil

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

4. Remuneration to Directors

Director	Designation	Remuneration paid during 2009		
		(All figures in Rupees)	Sitting fees	Salary & Perks
Dr.N.K.Sengupta	Chairman	15000	—	15000
Mr.R.S.Khandelwal	Vice-Chairman	28000	—	28000
Mr.P.Chakravarti	Director	28000	—	28000
Mr.P.Brahmachari	Director	24000	—	24000
Mr.S.Khandelwal	Director	30000	—	30000
Mr.A.Khandelwal	Managing Director	—	660000	660000

5. Shareholders/Investors Grievance & Transfer Committee

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

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

Director	Position	Meeting held	Meeting Attended
Mr.P.Brahmachari	Chairman	6	3
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 sometimes the members of the committee approve cases of routine nature of transfers of shares by circulation, which are subsequently ratified.

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

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

6. Number of Board Meetings and Board Procedures.

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

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

Date of Board Meeting	City
1 28th April 2008	Kolkata
2 21st June 2008	Kolkata
3 29th July 2008	Kolkata
4 18th October 2008	Kolkata
5 16th January 2009	Kolkata
6 24th March 2009	Kolkata

Directors	No. of Meetings		
	Held	Attended	Attended Last AGM
Dr.N.K.Sengupta	6	5	Yes
Mr.R.S.Khandelwal	6	6	Yes
Mr.P.Chakravarti	6	6	Yes
Mr.P.Brahmachari	6	4	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 Directors' Report, Management Discussion and Analysis Report forms part of the Annual Report to the shareholders as per specification of SEBI.



www.bnkcapital.com

BNK CAPITAL MARKETS LTD.**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	1
Mr.P.Chakravarti	2	1
Mr.P.Brahmachari	1	1
Mr.S.Khandelwal	1	-
Mr.A.Khandelwal	4	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.N. K. Sengupta	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	1. Organon (India) Ltd. 2. Credit Analysis & Research Ltd.	Nil
Excluding Alternate Directorship and Private Companies	3. Inova Hotel /Choice Hospitality India Ltd. 4. Nagarjuna Agro Chem. Ltd 5. Sharchi Securities 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 Private Limited and 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
2005-2006	Mayfair Tower, Ground floor, 2, Palm Avenue Kolkata – 700 019.	23rd Sep. 2006	12.45 PM
2006-2007	Mayfair Tower, Ground floor, 2, Palm Avenue Kolkata – 700 019.	28th Sep. 2007	11.00 AM
2007-2008	Mayfair Tower, Ground floor, 2, Palm Avenue Kolkata – 700 019.	6th Sep. 2008	11.00 AM

- b. Whether special resolution were put through postal ballot last year? YES
- 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 Financial Express, (English) Danik Lipi (Bengali)
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. Shareholder Information**1. Annual General Meeting**

* Date and Time	: 2nd September, 2009 at 11.30 A.M.
* Venue	: Mayfair Towers, Ground Floor, 2, Palm Avenue, Kolkata – 700 019.

2. Financial Calendar

For the Financial Year ended 31st March 2009.

Financial Results for Quarter ended June 30, 2008.	: 29th July, 2008
Financial Results for Quarter ended September 30, 2008.	: 18th October, 2008
Financial Results for Quarter ended December 31, 2008.	: 16th January 2009
Audited Financial Results for Year ended March 31, 2009.	: 23rd June 2009

3. Date of Book Closure	26th August, 2009 to 2nd September 2009. (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, 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 2007 – 2008 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 3 Directors and Independent Director as its Chairman. 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.bnkapital.com

9. Investor Services

Complaints received during the year

Nature of Complaints	2008-2009		2007-2008	
	Received	Cleared	Received	Cleared
Relating to Transfer, Transmission etc., Dividend, Interest, Redemption etc., Change of Address, Demat - Remat and Others	1	1	Nil	Nil
Received from SEBI, Stock Exchanges and Other Statutory Authorities	1	1	Nil	Nil
Total	2	2	Nil	Nil

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

10. Distribution of Shareholding as on 31st March 2009. (See table No. 1)**11. Categories of Shareholding as on 31st March 2009.** (See table No. 2)**12. Dematerialization of shares & liquidity**

Over 88.22 % of equity shares have been dematerialized as on 31.03.2009.

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 made a preferential issue of capital. The company has allotted 1200000 Equity Shares @ 46 per share to investor & 1800000 warrants to the promoters as per the guidelines issued by SEBI by this process the company has raised amount of Rs. 6.34 Crores.

15. Investors Correspondence

Address for correspondence :-

Registered Office

Mayfair Tower, 2 Palm Avenue, Kolkata : 700 019

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

E-mail : corporate@bnkapital.com, compliance@bnkapital.com

OR

Registrar & Share Transfer Agents

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

16. Per Share data	2008-2009	2007-2008
EPS (Rs.)	4.10	4.11
EPS Growth (%)	-0.25%*	25%
Book Value per share (Rs.)	41.73	35.42
Share price as on 31st March 2009	12.76 (BSE)	37.00 (BSE)

* The Share Capital of the Company increased by 1200000 Equity Shares during the year.

Market Price(High & Low)at BSE during each month of the Financial Year08-09 Month

High (Rs.)	Low (Rs.)
April 2008	47.00
May 2008	57.05
June 2008	46.50
July 2008	43.45
August 2008	39.95
September 2008	40.90
October 2008	31.85
November 2008	24.80
December 2008	21.25
January 2009	20.45
February 2009	16.70
March 2009	18.76

Table 1

Share held	No. of share holders	2008-2009		2007-2008	
		% of share holders	Share amount	% of share holders	Share amount
1-5000	2433	85.82	4606170	7.43	2479
5001-10000	169	5.96	1371290	2.21	153
10001-20000	81	2.86	1311340	2.12	75
20001-30000	48	1.69	1203600	1.94	46
30001-40000	20	0.70	731760	1.18	18
40001-50000	11	0.39	522070	0.84	13
50001-100000	26	0.92	1893520	3.05	26
100001 & above	47	1.66	50360250	81.23	46
Total	2835	100.00	62000000	100.00	3220

Table 2

Category	2008-2009		2007-2008	
	No. of share held	% of share holding	No. of share held	% of share holding
01. Promoter Company	683925	11.03	683925	13.68
02. Director	1931000	31.15	1931000	38.62
03. Directors Relative	53500	0.87	53500	1.07
04. Mutual Fund	25000	0.40	-	-
05. F.I.I.	-	-	-	-
06. Financial Institution	-	-	-	-
07. N.R.I	26994	0.43	27170	0.54
08. Other Bodies Corp.	1870961	30.17	669463	13.39
09. Bank	-	-	-	-
10. Resident Individual	1599843	25.09	1627458	32.55
11. Clearing Members	8777	0.14	7484	0.15
TOTAL	6200000	100.00	5000000	100.00

AUDITOR'S CERTIFICATE

To The Members of BNK Capital Markets Ltd.

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 2009, 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

Kolkata

R. BHATTACHARYA

June 23, 2009

Proprietor

Membership No. 012394



www.bnkcapital.com

BNK CAPITAL MARKETS LTD.

Management Discussion & Analysis Report

Overview : This year's overview has to be studied with caution. The Global melt down and recession has given a significant hit to the Indian economy. The GDP growth rate from over 9% in 2008 has come down to under 7 % in 2009, but still it has the highest rate of growth after China. The Capital Markets has seen a very bad year when most of the stocks have eroded by over 60% because of continues disinvestment by FIIs and absence of any fresh investments in the markets. The BSE Sensex fell down to as low as 7600 level but lowest closing was 8451. More over the liquidity crunch because of Global reasons and because of inflation management measures of the Govt. had hard-hit the industry. Lack of demand and liquidity crises has resulted in one of the worst period for the Economy and Industry from August to December 2008. The Indian economy was no longer insulated from the major economy of the world. In January 2008, Sub-Prime effect in U.S and some European Countries resulted in huge financial losses to banks & other financial institution. Due to Sub-Prime crisis exports has declined by more than 20% and capital inflow from FIIs has resulted in rupee depreciating against the dollar. The Poor Export performance and the fall in automobile sales push the industrial production growth push the industrial production growth in the negative territory in October 2008.

Because of economic meltdown, The Government has to announce multiple stimulus packages for different industries. RBI had also played a very proactive roll in inflation and liquidity management. This has resulted in increase in fiscal deficit but it has helped troublesome industries like automobile, cement, steel etc. With the installation of a stable government at the centre economy is expected to recover in next couple of quarters. Improvement in advance tax numbers in last quarter, Decline in interest rate & easing of liquidity with the banks, decrease in WPI numbers, are indicative factors for the recovery. The recession in the world economy is almost is on verged of getting over and India being the fastest growing economy after china will outperform the rest of the world.

The Union Budget for the Year which is to be presented in the parliament in the first week of July is expected to take adequate measures to support the inclusive growth of the economy. The market is expected to perform relatively better in coming times.

Opportunities and Threats : With increasing liberalization and industrial growth, expected recovery in the US economy. With a stable Government in the centre and positive economic indicators the investment sentiments have changed and we are seeing inflow of investments in the Capital Market. The scope of Investment will increase in coming years.

The key threats include the failure of monsoon in India, if the monsoon fails than it will hamper businesses in India which will lead to poor performance in the capital market, the change/slowdown in policies the Government policies. U- turn on subsidies and indecisiveness of the Govt. because of political pressures, changes in tax structure, failure to contain

actual inflation within a reasonable range, governing rules of SEBI and RBI etc., which may affect the capital market substantially. As our Economy is coupled with global Economy any extraordinary delay in their recovery may have a negative impact which may affect the capital market substantially.

Business Segment Analysis : During the period under review the Company performed only in Capital Market segment. However the company has made investments / promoted in other ventures and the result are to reflect in times to come.

FINANCIAL PERFORMANCE

	Year Ended 31st March 2009 (Rs. In '000s)	Year Ended 31st March 2008 (Rs. In '000s)
Total Income	44638	37905
Operating Expenses	6923	4325
Operating Profit	37715	33580
Interest & Finance Charges	9709	10686
Depreciation	357	405
Profit Before Tax	27649	22489
Provision for Tax (Current tax)	2256	1956
Provision for Tax (Deferred tax)	5	(7)
Profit After Tax	25388	20541
Balance Brought Forward	29537	19346
Profit available for Appropriation	54925	39887

Comment on current year's performance:

Revenue : Total Revenue of the Company has increased in comparison to previous year. Mainly due to sale of investments and reduces interest cost.

Operating Expenses : Operating expenses has increased compare to last year but your directors have try to keep it to minimum levels.

Operating Profit : Profit on account of sale of investment and dividend has increased in comparison to last year.

Interest Expenses : Interest Expenses has been decreased during the year.

Depreciation : Depreciation has reduced during the year.

Net Profit : Net profit has shown an increase 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.

AUDITORS' REPORT

TO THE MEMBERS OF BNK CAPITAL MARKETS LTD.

- We have audited the attached Balance Sheet of BNK COMMODITIES PRIVATE LTD. (the Company) as at 31st March 2009 and also the Profit and Loss Account 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.
- 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.
- 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.

- 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, The Profit and Loss Account and The Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - In our opinion, the Balance Sheet, the Profit and Loss Account 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;
 - On the basis of the written representations received from the Directors, as on 31st March, 2009 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2009 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 give the information required by the Companies Act, 1956,