



**BNK CAPITAL**

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# **BNK CAPITAL MARKETS LTD.**

**TWENTYEIGHTH ANNUAL REPORT**

**2013-2014**



www.bnkcapital.com



**Late R. S. Khandelwal**  
Co-Founder & Chairman of the Group



**Late Dr. N. K. Sengupta**  
Chairman of the Board  
(1995-2013)

***They had been the guiding factor to the company.  
Their ideology and values shall continue to guide us in times to come.  
We pay our homage to them.***

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**AGM on 10th September 2014  
Bhartiya Bhasha Parisad  
Sitaram Seksaria Auditorium  
36A, Shakespeare Sarani, Kolkata-700017  
at 10.30 A.M**

## NOTICE

Notice is hereby given that the Twenty Eighth Annual General Meeting of the Members of BNK Capital Markets Ltd. will be held at 10:30 a.m. on Wednesday, September 10, 2014, at Bhartiya Bhasha Parishad, Sitaram Seksaria Auditorium, 36A, Shakespeare Sarani, Kolkata - 700 017 to transact the following business :

### As Ordinary Business

1. To receive, consider and adopt the Audited Financial Statements and the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2014 together with the Report of the Directors and the Auditors.
2. To re-appoint Shri Sanjeev Kumar Khandelwal (DIN: 00419799), as a director of the company who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an ordinary resolution:  
"RESOLVED that M/s R. Bhattacharya & Associates, Chartered Accountants, (Registration No. 307124E) be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of twenty eighth Annual General Meeting till the conclusion of the thirty third Annual General Meeting of the Company at such remuneration as may be fixed by the Board of Directors of the Company."

### As Special Business

To consider and, if thought fit, to pass, with or without modification(s), the following Resolutions:-

4. As an Ordinary Resolution:  
"RESOLVED THAT, Shri Prabir Chakravarti (DIN: 00273523), a Non-Executive Director, be and is hereby appointed as an Independent Director of the Company, in accordance with the provisions of Sections 149, 150 and 152 of the Companies Act, 2013 (the Act) read with Schedule IV and any other applicable provisions of the Act, and the Rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), to hold office for a period of five consecutive years from the conclusion of the Company's twenty eighth Annual General Meeting till the conclusion of the Company's thirty third Annual General Meeting."
5. As an Ordinary Resolution:  
"RESOLVED THAT, Shri Purnabrata Brahmachari (DIN: 00441660), a Non-Executive Director, be and is hereby appointed as an Independent Director of the Company, in accordance with the provisions of Sections 149, 150 and 152 of the Companies Act, 2013 (the Act) read with Schedule IV and any other applicable provisions of the Act, and the Rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), to hold office for a period of five consecutive years from the conclusion of the Company's twenty eighth Annual General Meeting till the conclusion of the Company's thirty third Annual General Meeting."
6. As a Special Resolution:  
"RESOLVED THAT, in suppression of the Ordinary Resolution adopted at the Annual General Meeting in compliance with Section 293(1)(a) of the Companies Act, 1956 and pursuant to Section 180 (1) (a) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules thereof, (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the Company be and is hereby accorded to the creation by the Board of Directors of the Company or any Committee of the Board (hereinafter referred to as the 'Board') of such mortgages and charges in addition to the existing mortgages and charges created by the Company as the Board may direct on such of the assets of the Company, both present and future, in such manner as the Board may direct together with power to take over the management of the Company in certain events, to or in favour of all or any of the financial institutions/banks/any other investing or lending agencies/trustees for the holders of debentures/bonds/other instruments which may be issued to and subscribed by all or any of the financial institutions/banks/any other investing agencies or any other person(s)/bodies corporate by private placement or otherwise, to secure rupee/foreign currency loans, debentures, bonds or other instruments of an equivalent aggregate value not exceeding ₹ 100 crores together with interest thereon at the respective agreed rates, compound interest, additional interest, liquidated damages, commitment charges, premia on prepayment, or on redemption, costs, charges, expenses and all other monies payable by the Company to the aforesaid parties or any of them under the agreements/arrangements entered into to be entered into by the Company in respect of the said loans/debentures/bonds or other instruments.  
"RESOLVED FURTHER THAT, the Board be and is hereby authorized to finalise with the aforesaid parties or any of them, the documents for creating the mortgages/charges and accepting or making any alterations, changes, variations to or in the terms and conditions, to do all such acts, deeds, matters and things and to execute all such documents and writings as it may consider necessary, for the purpose of giving effect to this Resolution."
7. As a Special Resolution:  
"RESOLVED THAT, in suppression of the Ordinary Resolution adopted at the Annual General Meeting in compliance with Section 293(1)(d) of the Companies Act, 1956 and pursuant to Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, and the Rules thereof, (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the Company be and is hereby accorded to the Board of Directors of the Company or any Committee of the Board (hereinafter referred to as the 'Board'), to borrow moneys from time to time for the purposes of the Company's business exceeding the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, subject to the condition that the moneys borrowed, together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) at any time, shall not exceed a sum of ₹ 100 crores."  
"RESOLVED FURTHER THAT, the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters, things as may be considered incidental, necessary and expedient to give effect to the above resolutions."
8. As a Special Resolution:  
"RESOLVED THAT in suppression of earlier resolution adopted at the Annual General Meeting in compliance with Section 372A of the Companies Act, 1956 and pursuant to Section 186 and other applicable Provisions of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules 2014 or any amendments or re-enactment thereto are or may be in force from time to time, consent of the Company be and is hereby accorded to the Board of Directors (a) to give any loan to any person or other body corporate(s) (b) to give any guarantee or provide security in connection with a loan to any other body corporate or person and (c) to acquire by way of subscription, purchase or otherwise, the securities of any other body corporate(s) which together with the existing loans / deposits, guarantees / Securities given or provided and investments made, shall not exceed at any time the aggregate amount of Rs.100.00 Crores (Rupees One hundred crores only) notwithstanding that such loans / deposits, guarantees given and security provided and investments made, shall be in excess of any or all of the percentages prescribed under the provisions of Section 186 of the Companies Act, 2013."  
"RESOLVED FURTHER THAT, the Board of Directors of the Company be and is hereby authorized to determine the specific amount within the aggregate limit of Rs.100.00 Crores (Rupees One hundred crores only), particular of the body corporate in which loan / deposit or guarantee / security is proposed to be given or provided, and investment to be made, the purpose of such loans / deposits and guarantee / security and investment, specific sources of funding and such other details, which in their absolute discretion may deem appropriate and in the best interest of the Company pursuant to Section 179 and other applicable provisions if any of the Companies Act, 2013."  
"RESOLVED FURTHER THAT, the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters, things as may be considered incidental, necessary and expedient to give effect to the above resolutions"

### Registered Office :

Mayfair Towers, 2 Palm Avenue  
Kolkata - 700 019  
CIN: L34202WB1986PLC040542  
Email: corporate@bnkcapiatal.com  
Website: www.bnkcapiatal.com  
Ph. No. 033 - 30580560 / 61  
Dated: 30th July 2014

By order of the Board

Pratibha Jaiswal  
Company Secretary

## Notes :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith.
2. The register of Members of the Company will remain closed from 02nd September, 2014 to 10th September, 2014 (both days inclusive).
3. The Securities & Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market transaction and off-market/private transaction including, transfer of shares held in physical form, deletion of name of the deceased shareholder(s), where the shares are held in the name of two or more shareholders, transmission of shares to the legal heir(s), where deceased shareholder was the sole holder of shares and transposition of shares - when there is a change in the order of names in which physical shares are held jointly in the names of two or more shareholders. Members holding shares in physical form are requested to notify immediately changes, if any in their registered address and bank particulars to the Company's Registrar and Share Transfer Agent at the below - mentioned address quoting their Folio Numbers :-  
M/s. C B Management Services (P) Ltd  
(Unit : BNK Capital Markets Limited)  
P - 22, Bondel Road, Kolkata - 700 019  
Ph : (033) 2280-6692 / 6693, Fax : (033) 2247-0263, Email : cbmsl1@cal2.vsnl.net.in / rta@cbmsl.com
- In case Shares are held in electronic form, these information should be passed on directly to their respective Depository Participant (DP).
4. Members/Proxies should bring the Attendance Slip duly filled in for attending the Meeting and also their copy of the Annual Report.
5. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 will be available for inspection by the members at the Annual General Meeting of the Company.  
The Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the Members at the Annual General Meeting of the Company.
6. Electronic copy of the Annual Report for the financial year ended 31st March, 2014 and Notice of the Twenty Eighth Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email ids are registered with the Depository Participant(s) for communication purposes. For Members who have not registered their email addresses, physical copies of the Notice of Twenty Eighth Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
7. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the members may also send requests to the Company or Registrar & Share Transfer Agent at their email id: rta@cbmsl.com, or at corporate@bnkcapital.com.
8. Members wishing to claim dividends, which remain unclaimed are requested to correspond with C B Management (P) Ltd, Registrar & Share Transfer Agent. Members are requested to note that dividends not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will as per Section 124 of the Companies Act, 2013 (Section 205A of the erstwhile Companies Act, 1956) be transferred to the Investors Education & Protection Fund.
9. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company on any working day except Saturday between 11.00 am and 1.00 pm up to and including the date of the Annual General Meeting of the Company.  
Your Company has opted for E-voting Facility and instruction is given below.  
In case of members receiving e-mail:  
(i) Log on to the e-voting website www.evotingindia.com  
(ii) Click on "Shareholders" tab.  
(iii) Now, select the "BNK CAPITAL MARKETS LTD" from the drop down menu and click on "SUBMIT"  
(iv) Now Enter your User ID  
a. For CDSL: 16 digits beneficiary ID,  
b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,  
c. Members holding shares in Physical Form should enter Folio Number registered with the Company.  
(v) Next enter the Image Verification as displayed and Click on Login.  
(vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.  
(vii) If you are a first time user follow the steps given below:  
For Members holding shares in Demat Form and Physical Form  
PAN Enter your 10 digit alpha-numeric \*PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)  
• Members who have not updated their PAN with the Company/Depository Participant can enter in the PAN field 8 characters as first 2 alphabets of the first holder's name followed by & characters consisting of folio number prefix by "O" (or eight characters from right of BO-ID). No special characters will be taken from the name & folio Number (E.g. Ajay Srivastava & folio No. is 00000005, the PAN to be entered will be AJ000000005. Vipul Chandak & folio No. is C0000129, the PAN to be entered will be VIC0000129)  
• In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters.  
DOB Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.  
Dividend Bank Details Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.  
• Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.  
(viii) After entering these details appropriately, click on "SUBMIT" tab.  
(ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.  
(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.  
(xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.  
(xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.  
(xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.  
(xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.  
(xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.  
(xvi) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.  
• Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to https://www.evotingindia.co.in and register themselves as Corporates.  
• They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.  
• After receiving the login details they have to link the account(s) which they wish to vote on and then cast their votes.  
• The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.  
• They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.  
In case of members receiving the physical copy:  
A. Please follow all steps from sl. no. (i) to sl. no. (xvi) above to cast vote.  
B. The voting period begins on 2nd September, 2014 at 09.00 a. m and ends on 4th September, 2014 at 6.00 p.m. During this period shareholder's of the Company, holding shares either in physical form or in dematerialized form, as on 8th August, 2014 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.  
C. In case you have any queries or issues regarding e-voting, please contact the company or Registrar & Share Transfer Agent or send mail to rta@cbmsl.com. You may also send mail to helpdesk.evoting@cdslindia.com or refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in.  
The voting rights of shares shall be in proportion to their shares of the paid up equity share capital of the company as on the cut off date of 8th August 2014.  
Mr. Rakesh Kumar Gupta, Practicing Company Secretary holding Certificate of Practice No. 13477, has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner, whose e-mail address is rakeshg6919@gmail.com.  
The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company. The Results shall be declared on or after the AGM of the Company.  
The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.bnkcapital.com and on the website of CDSL within two (2) days of passing of the resolutions at the AGM of the Company.
10. The information as required to be provided in terms of Clause 49 of the Listing Agreements with the Stock Exchanges regarding the Directors who are proposed to be appointed / re-appointed and explanatory statement pursuant to Section 102 of the Companies Act, 2013 is annexed to the Notice.

## Registered Office :

Mayfair Towers, 2 Palm Avenue, Kolkata - 700 019, Ph. No. 033 - 30580560 / 61  
CIN: L34202WB1986PLC040542

By order of the Board

Pratibha Jaiswal

**Annexure to the notice of the Annual General Meeting dated 30th July 2014**  
**PARTICULARS RELATING TO DIRECTORS PROPOSED TO BE APPOINTED / RE-APPOINTED**

1. NAME  
AGE  
Qualifications  
Expertise  
  
Directorships Details  
(as at 31.03.2014)  
**Name of Indian Company**  
BNK Capital Markets Ltd  
Patrex Vyapaar Ltd  
Abacus Funds Services Pvt Ltd  
Asian Securities Exchange Pvt Ltd  
BNK Commodities Pvt Ltd  
BNK Securities Pvt Ltd  
Multiple Infra Pvt Ltd  
Shareholding in the Company
2. NAME  
AGE  
Qualifications  
Expertise  
  
Directorships Details  
(as at 31.03.2014)  
**Name of Indian Company**  
Baghmari Tea Company Ltd.  
NICCO Financial Services Ltd.  
Reliance Jute Meals (International) Ltd.  
Vidula Consultancy Services Ltd.  
NICCO Corporation Ltd.  
  
Jayshree Chemicals Ltd.  
  
Mangalam Timber Products Ltd.
3. NAME  
AGE  
Qualifications  
Expertise  
  
Directorships Details  
(as at 31.03.2014)  
**Name of Indian Company**  
BNK Capital Markets Ltd.  
  
Shareholding in the Company

Mr. Sanjeev Kumar Khandelwal  
53 Years  
B.COM (Honours)  
Business - Experience in Capital Market &  
Financial Services for over 30 years.

## Committee Memberships, if any with position

Share Transfer &amp; Investor Grievance Committee - Member

11.25.063 equity shares @ Rs. 10/- each

2. NAME  
AGE  
Qualifications  
Expertise  
Directorships Details  
(as at 31.03.2014)  
**Name of Indian Company**  
Baghmari Tea Company Ltd.  
NICCO Financial Services Ltd.  
Reliance Jute Meals (International) Ltd.  
Vidula Consultancy Services Ltd.  
NICCO Corporation Ltd.  
  
Jayshree Chemicals Ltd.  
  
Mangalam Timber Products Ltd.
3. NAME  
AGE  
Qualifications  
Expertise  
Directorships Details  
(as at 31.03.2014)  
**Name of Indian Company**  
BNK Capital Markets Ltd.  
Shareholding in the Company

Mr. Prabir Chakravarti  
70 years  
LLB, M.A. (ECON), MBA  
Business

## Committee Memberships, if any with position

Audit Committee - Member  
Compensation & Remuneration Committee - Member  
Audit Committee - Member  
Remuneration Committee - Member  
Audit Committee - Member  
Remuneration Committee - Member  
Investors Grievance Committee - Member  
Audit Committee - Chairman

NIL

- |  |   |
|--|---|
| <p>3. NAME<br/>AGE<br/>Qualifications<br/>Expertise<br/>Directorships Details<br/>(as at 31.03.2014)</p> | <p>Mr. Purnabrata Brahmachari<br/>81 years<br/>B.Tech (DIC) London, MSC (ENGG), London<br/>Advisor</p>  |
| <p><b>Name of Indian Company</b><br/>BNK Capital Markets Ltd.</p>  | <p><b>Committee Memberships, if any with position</b><br/>Shareholders / Investors Grievance &amp; Transfer<br/>Remuneration Committee - Member</p> |
| <p>Shareholding in the Company</p>   | <p>NIL</p>  |

Mr. Purnabrata Brahmachari  
81 years  
B.Tech (DIC) London, MSC (ENGG), London  
Advisor

## Committee Memberships, if any with position

Shareholders / Investors Grievance & Transfer Committee - Chairman  
Remuneration Committee - Member  
Nil

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

**Item Nos. 4 & 5**

Mr. Prabir Chakravarti, & Mr. Purnabrata Brahmachari, are Non-Executive Directors of the Company and have been Independent Directors of the Company in terms of Clause 49 of the Listing Agreement with the Stock Exchanges. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013 (the Act), Mr. Prabir Chakravarti, & Mr. Purnabrata Brahmachari, each being eligible for appointment, are proposed to be individually appointed as Independent Directors for five consecutive years for a term up to the conclusion of the thirty third Annual General Meeting of the Company. The Company has also received declarations from Mr. Prabir Chakravarti, & Mr. Purnabrata Brahmachari, that they meet with the criteria of Independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

In the opinion of the Board, Mr. Prabir Chakravarti, & Mr. Purnabrata Brahmachari, fulfill the conditions specified in the Companies Act, 2013 and rules made there under for individual appointment as an Independent Director of the Company and each are individually independent of the management.

The Board considers that each of the above mentioned Director's continued association would be of immense benefit to the Company and it is desirable to continue to avail services of each of the above mentioned Directors as Independent Directors. Accordingly, the Board recommends the resolutions by way of Ordinary Resolutions as set out as above under Items 4 & 5, in relation to the individual appointments of Mr. Prabir Chakravarti, & Mr. Purnabrata Brahmachari, as Independent Director, for the approval by the shareholders of the Company.

Notice(s) has been received from member(s) along with the deposits of requisite amounts under Section 160 of the Act proposing each of Mr. Prabir Chakravarti, Mr. Purnabrata Brahmachari, as candidate(s) for the office of Independent Directors of the Company.

The details with regard to age, qualification, expertise and directorships in other Indian Companies as well as shareholding in the Company of the above mentioned Independent Directors as at March 31, 2014 have been provided as above.

Copies of the draft letters for appointment of Mr. Prabir Chakravarti, & Mr. Purnabrata Brahmachari, as Independent Directors setting out the terms and conditions would be available for inspection by the members at the Registered Office of the Company during the prescribed time.

Except Mr. Prabir Chakravarti, & Mr. Purnabrata Brahmachari, being individual appointee(s), none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise. In their respective resolutions set out at Item Nos. 4 & 5.

**Item Nos. 6, 7 & 8**

The company is a NBFC and engaged in the business of borrowing & lending investments and other allied business. During the course of its business, it is required to borrow / lend over and about the prescribed limits. In order to facilitate the borrowing & lending for the business of the company.

1. In the Annual General Meeting held on September 23, 2006 the Members authorized the Board in terms of Section 293 (1)(a) of the Companies Act, 1956, by way of Ordinary Resolution, to create mortgages/charges on properties / assets of the Company, both present and future in favour of lenders/trustees as and when the business exigencies so require, up to a limit of ` 100 Crores.
2. In the Annual General Meeting held on September 23, 2006 the Members authorized the Board, in terms of Section 293(1)(d) of the Companies Act, 1956, by way of Ordinary Resolution, to make borrowings (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business), over and above the aggregate of paid up share capital and free reserves of the Company up to a limit of ` 100 Crores.
- Section 180 of the Companies Act, 2013 effective from September 12, 2013 requires that the above powers be exercised by the Company with consent of the Members by way of Special Resolution. Vide General Circular No. 4/2014 dated March 25, 2014, the Ministry of Corporate Affairs has clarified that the Ordinary Resolutions passed under Sections 293(1)(a) and 293(1)(d) of the Companies Act, 1956 is sufficient compliance of Section 180 of the Companies Act, 2013 for a period of one year from the date of notification of the said section.
- It is, therefore, necessary for the members to pass Special Resolutions under Section 180(1)(a) and Section 180(1)(c) and other applicable provisions of the Companies Act, 2013, as set out at Item No. 6, 7 & 8, respectively, of the Notice, to enable to the Board to create such mortgages/charges as and when the business exigencies so require and to borrow money in excess of the aggregate of the paid up share capital and free reserves of the Company, respectively, up to the said limits.
- The Board recommends the resolutions set out at Item Nos. 6, 7 & 8, for the approval of the Members of the Company.
- None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item Nos. 6, 7 & 8.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item Nos. 6, 7 & 8.

**Registered Office :**

Mayfair Towers, 2 Palm Avenue, Kolkata - 700 019, Ph. No. 033 - 30580560 / 61  
 CIN: L34202WB1986PLC040542  
 Email: corporate@bnkcapital.com, Website: www.bnkcapital.com  
 Dated: 30th July 2014

By order of the Board

Pratibha Jaiswal  
Company Secretary

## DIRECTORS' REPORT TO THE MEMBERS

Your Directors present before you the 28th Annual Report together with Audited Accounts for the year ending 31st March 2014.

### Operation and Future Prospects

Prolonged economic crisis, particularly in the Euro zone, crude price hike, high import of crude & Gold, weakening of Rupee, high current account deficit lead to very slow growth of GDP. GDP grew @ 4.70% P.A in F.Y. 2013-14. This has kept the market quite dull in most part of the last financial year. Only at the end of last quarter some positive movement has taken place because of the expectation of change in the Government with the general elections. However Lok Sabha election in April-May 2014 has given a decisive mandate in favor of BJP lead NDA. The New Government under Priministership of Mr. Narendra Modi has assumed office and are moving forward with Growth and Governance as its main agenda. It is presumed that the projects which was held up for a long period of time shall be resumed. Expectation of Growth led good governance, policy actions, have resulted in good sentiments and the foreign investors have stated investments in Indian stocks in a big way. This has lead to a sense in "Nifty & Sensex" to all time high levels. We expect the markets to move positively after some consolidation in times to come.

### Financial Results

The financial performance of the Company, for the year ended 31st March 2014 is summarized below:

	Year Ended 31st March 2014 (` In Lacs)	Year Ended 31st March 2013 (` In Lacs)
Profit before Depreciation and Amortisation		
Expenses, Finance Costs and Tax Expenses	111.17	368.36
Less: Finance Costs	69.67	57.49
Depreciation and Amortisation Expenses	6.50	8.25
<b>Profit before Tax</b>	<b>35.00</b>	<b>302.62</b>
Less: Current Tax	29.94	35.84
Deferred Tax	(0.22)	(0.48)
<b>Profit for the year</b>	<b>5.28</b>	<b>267.26</b>
Add: Balance in Profit & Loss Account	759.77	654.05
	<b>765.05</b>	<b>921.31</b>
<b>Less: Appropriation</b>		
Transferred to Statutory Reserve	2.65	53.45
Transferred to General Reserve	0.00	50.00
Proposed Dividend on Equity Shares	0.00	50.00
Tax on Dividend	0.00	8.11
<b>Closing Balance</b>	<b>762.40</b>	<b>759.77</b>

The Board of Directors do not recommend any dividend for the financial year ended on 31st March 2014 because of insufficient profits

### Subsidiary Company & Investments

BNK Commodities Pvt Ltd., a subsidiary of your company is a member of MCX, NCDEX and NSEL. Your Company along with its subsidiaries and its Associate Companies is offering complete financial solutions including trading in securities, commodities and their derivatives, currency derivatives, Depository services & Category I Merchant Bankers.

### Fixed Deposits

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

### Directors

With profound grief we inform you about the sad and sudden demise of Dr N K Sengupta

on 3rd November 2013. Dr Sengupta was the Chairman of the Board of Directors since 1995. The Co Promoter and Chairman, Shri Radhey Shyam Khandelwal also, after a short illness, left for his heavenly abode on 29th April 2014. The Board of Directors pays its homage to the departed soul and record deep appreciation for their services rendered to the Company.

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company Mr. Sanjeev Kumar Khandelwal, Director of the Company retire by rotation at the conclusion of the forthcoming Annual General Meeting, and being eligible offer himself for re-appointment. Mr. Purnabara Brahmachari and Mr. P Chakravarti an independent directors on the Board of the Company and as per the requirements of the Companies Act 2013 shall be reappointed for a period of 5 years from the conclusion of the Annual General Meeting. Their appointment has to be made at Annual General Meeting. The Board recommends passing of resolutions regard their appointment/re-appointment.

### 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 re-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. 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

**P. Brahmachari**

Dated : 30th May 2014

Director

## 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 2013-14 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, stakeholders and society at large.

### 1. Board of Directors

As on 31st March 2014 Board of the Company comprised of directors of which two are Non-executive. Mr R S Khandelwal was made the Chairman of the Board on 29th January 2014. Dr N K Sengupta, who was a independent director and Chairman of the Board since 1995 died suddenly on 3rd November 2013 Forty 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 (upto 3rd November 2013)	05
Mr.R.S.Khandelwal	Chairman & Non-Executive (From 29th January 2014)	05
Mr.P.Chakravarti	Non-Executive & Independent	10
Mr.P.Brahmachari	Non-Executive & Independent	--
Mr.S.Khandelwal	Non-Executive	06
Mr.A.Khandelwal	Managing Director	10

### 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	1	1
Mr. N. K. Sengupta	Member	-	-
Mr. P. Brahmachari	Member	1	1

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

### 4. Remuneration to Directors

Director	Designation	Remuneration paid during 2013 (All figures in `)		
		Sitting fees	Salary & Perks	Total
Dr.N.K.Sengupta	Chairman (upto 3/11/13)	9000	--	9000
Mr.R.S.Khandelwal	Chairman (from 29/1/14)	24000	--	24000
Mr.P.Chakravarti	Director	23000	--	23000
Mr.P.Brahmachari	Director	15000	--	15000
Mr.S.Khandelwal	Director	23000	--	23000
Mr.A.Khandelwal	Managing Director	--	1415000	1415000

### 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	06	05
Mr.S.Khandelwal	Member	06	06
Mr.A.Khandelwal	Member	06	06

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		Place	
1	5th April 2013	Kolkata	
2	28th May 2013	Kolkata	
3	26th July 2013	Kolkata	
4	31st August 2013	Kolkata	
5	31st October 2013	Kolkata	
6	29th January 2014	Kolkata	
Directors		No. of Meetings	
	Held	Attended	Attended Last AGM
Dr. N.K. Sengupta	06	03	Yes
Mr. R.S. Khandelwal	06	06	Yes
Mr. P. Chakravarti	06	05	Yes
Mr. P. Brahmachari	06	03	No
Mr. S. Khandelwal	06	06	Yes
Mr. A. Khandelwal	06	06	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	--	03
Mr.R.S.Khandelwal	01	01
Mr.P.Chakravarti	07	01
Mr.P.Brahmachari	01	01
Mr.S.Khandelwal	01	--
Mr.A.Khandelwal	03	02

(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. Sanjeev Kumar Khandelwal
Date of Birth	15th November 1960
Date of appointment	27th June 1995
Experience in specific functional areas	Businessman
List of outside Directorships held	1. Patrex Vyapaar Limited
Excluding Alternate Directorship and Private Companies	

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

The Company had not entered into any arrangement with any body other than BNK Securities Private Limited and BNK Commodities Pvt. Ltd. for dealing in shares, securities, currency, derivatives 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. Codes for Prevention of Insider Trading

In accordance with the Securities & Exchange Board of India (Prohibition of Insider's 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's 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
2010-2011	Mayfair Tower Ground floor, 2, Palm Avenue, Kolkata - 700 019.	30th July, 2011	11.30 A.M
2011-2012	Mayfair Tower, Ground floor, 2, Palm Avenue Kolkata - 700 019.	25th Aug. 2012	12.00 Noon
2012-2013	Mayfair Tower, Ground floor, 2, Palm Avenue Kolkata - 700 019.	31st Aug. 2013	11.30 AM

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

C. Are votes proposed to be conducted through postal ballot this year? **Yes**

As per Sebi guidelines E-Voting facility is to be provided to all share holders as such all the resolutions shall be passed by ballot/e-voting.

### ii. Means of Communication

Half year report / highlights sent to Household of each shareholders	No
Quarterly results, published in specified newspapers	Business Standard(English)
Corporate website	Duronto Bharta (Bengali)
Any Official new release published in newspapers	www.bnkcapital.com
	N.A

Whether MD&A Report is a part of Annual Report **Yes**

Whether shareholder information section forms part of Annual Report **Yes**

## iii. Shareholders Information

### 1. Annual General Meeting

\* Date and Time : 10th September 2014 at 10.30 A.M.

\* Venue : Bhartiya Bhasha Parisad, Sitaram Seksaria Auditorium 36A, Shakespeare Sarani, Kolkata-700017

### 2. Financial Calendar

#### For the Financial Year ended 31st March 2014.

Financial Results for Quarter ended June 30, 2013.	26th July, 2013
Financial Results for Quarter ended September 30, 2013.	31th October, 2013
Financial Results for Quarter ended December 31, 2013.	29th January, 2014
Audited Financial Results for Year ended March 31, 2014.	30th May 2014

3. **Date of Book Closure** 2nd September 2014 to 10th September 2014 (Both days inclusive)

### 4. Dividend Payment Date

In absence of sufficient profit the Board of Directors do not recommend payment of any dividend for the financial year 2013-2014

### 5. Registered Office

Mayfair Tower, 2 Palm Avenue, Kolkata: 700 019  
Tel : (033) 3002 8574-76, Fax : (033) 3058 0562

### 6. Listing Details (Equity Share)

**BSE Ltd., 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 2013-14 to B S E Ltd. The payment of fee to Calcutta Stock Exchange is under dispute as the exchange was closed for trading for the period under consideration.

### 7. Registrar & Transfer Agent

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

### 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. 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.

### 9. Investor Services

Complaints received during the year

Nature of Complaints	2013-2014		2012-2013	
	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	1	1	1	1
<b>Total</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>

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

### 10. Distribution of Shareholding as on 31st March 2014. (See table No. 1)

### 11. Categories of Shareholding as on 31st March 2014. (See table No. 2)

### 12. Dematerialization of shares & liquidity

Over 95.25% of equity shares have been dematerialized as on 31.03.2014. Trading in equity shares of your Company on BSE Ltd. 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.
15. **Investors Correspondence**  
**Registered Office :** Mayfair Tower, 2 Palm Avenue, Kolkata : 700 019, Tel : (033) 2281 – 0560 / 61, Fax : (033) 22800457, E-mail : corporate@bnkcapi.com, compliance@bnkcapi.com  
**Registrar & 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 2013
2006-07	28-09-2007	27-10-2007	28-10-2007	27-10-2014	1,07,847.00
2007-08	06-09-2008	05-10-2008	06-10-2008	05-10-2015	1,13,608.18
2008-09	02-09-2009	01-10-2009	02-10-2009	01-10-2016	1,27,744.00
2009-10	27-07-2010	26-08-2010	27-08-2010	26-08-2017	1,14,044.00
2010-11	30-07-2011	29-08-2011	30-08-2011	29-08-2018	1,10,540.00
2011-12	25-08-2012	24-09-2012	25-09-2012	24-09-2019	1,27,051.20
2012-13	09-09-2013	08-10-2013	09-10-2013	03-10-2020	84,227.00

In terms of the shares issued by the Company in physical form, the certificates of which are lying unclaimed, the Company intends to issue reminders to their holders. These Shares will be transferred into one folio in the name of "Unclaimed Suspense Account" in due course.

17. **Per Share data**
- |                                   | 2013-2014 | 2012-2013 |
|-----------------------------------|-----------|-----------|
| EPS (₹)                           | 0.53      | 2.67      |
| EPS Growth (%)                    | -80%      | -10%      |
| Book Value per share (₹)          | 40.66     | 40.61     |
| Share price as on 31st March 2014 | 20.90     | 18.90     |

18. **Market Price(High & Low)at BSE during each month of the Financial Year 13-14**

Month	High (₹)	Low (₹)			
April 2013	19.10	16.70	October 2013	19.95	18.10
May 2013	20.75	17.15	November 2013	21.00	18.10
June 2013	20.10	18.20	December 2013	21.70	17.20
July 2013	18.15	17.00	January 2014	22.75	17.75
August 2013	17.90	16.00	February 2014	21.40	16.45
September 2013	17.85	15.45	March 2014	20.90	18.00

**Table 1**

Share held	2013-2014				2012-2013			
	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 - 5000	1971	81.41	373239	3.73	1972	80.69	380041	3.80
5001-10000	194	8.01	135854	1.36	210	8.59	148524	1.48
10001-20000	89	3.68	127517	1.27	92	3.76	131663	1.32
20001-30000	38	1.57	95550	0.96	42	1.72	105540	1.06
30001-40000	36	1.49	119772	1.20	32	1.31	105410	1.05
40001-50000	10	0.41	47847	0.48	10	0.41	46319	0.46
50001-100000	30	1.24	215061	2.15	30	1.23	219670	2.20
100001 & above	53	2.19	8885160	88.85	56	2.29	8862833	88.63
Total	2421	100.00	10000000	100.00	2444	100	10000000	100

**Table 2**

Category	2013-2014		2012-2013	
	No. of share held	% of share holding	No. of share held	% of share holding
01. Promoter Company	1871881	18.72	1871881	18.72
02. Director	3425126	34.25	3358251	33.58
03. Directors Relative	--	--	66875	0.67
04. Mutual Fund	--	--	31250	0.31
05. F.I.I.	--	--	--	--
06. Financial Institution	--	--	--	--
07. N.R.I	30586	0.31	30586	0.31
08. Other Bodies Corp.	2669507	26.69	2743543	27.44
09. Bank	--	--	--	--
10. Resident Individual	1988902	19.89	1897314	18.97
11. Clearing Members	13998	0.14	300	0
TOTAL	10000000	100.00	10000000	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 2014, 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  
ICAI Firm Registration No-307124E  
CHARTERED ACCOUNTANTS  
(RADHARAMAN BHATTACHARYA)

Place : Kolkata  
Date : 30th May 2014  
Proprietor  
Membership No. - 12394

## Management Discussion & Analysis Report

### Overview :

Prolonged economic crisis, particularly in the Euro zone, crude price hike, high import of crude & Gold, weakening of Rupee, high current account deficit lead to very slow growth of GDP. GDP grew @ 4.70% P.A in F.Y.2013-14. This has kept the market quite dull in most part of the last financial year. Only at the end of last quarter some positive movement has taken place because of the expectation of change in the Government with the general elections. However Lok Sabha election in April -May 2014 has given a decisive mandate in favor of BJP lead NDA. The New Government under Priministership of Mr. Narendra Modi has assumed office and are moving forward with Growth and Governance as its main agenda. It is presumed that the projects which was held up for a long period of time shall be resumed. Expectation of Growth led good governance, policy actions, have resulted in good sentiments and the foreign investors have stated investments in Indian stocks in a big way. This has lead to a sense in "Nifty & Sensex" to all time high levels. We expect the markets to move positively after some consolidation in times to come.

### Opportunities and Threats

The economy is looking up. This coupled with a strong Govt action on policy implementation may take couple of quarters to again start moving on the growth trajectory. The 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 over 6% this year. We should see the Country again moving on the fast growth trajectory by the last quarter of the financial year.

The key threats include deficiency in monsoon, the change/slowdown in implementation of the policies of the Government., delay in implementation of tax reforms, failure to contain actual inflation within a reasonable range, high inflation rate, increasing interest rates because of inflationary pressure, 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.

### FINANCIAL PERFORMANCE

	Year Ended 31st March 2014 (` In Lacs)	Year Ended 31st March 2013 (` In Lacs)
Profit before Depreciation and Amortisation Expenses, Finance Costs and Tax Expenses	1117.17	368.37
Less: Finance Costs	69.67	57.49
Depreciation and Amortisation Expences	6.50	8.25
<b>Profit before Tax</b>	<b>35.00</b>	<b>302.63</b>
Less: Current Tax	29.94	35.84
Deferred Tax	0.22	(0.48)
<b>Profit for the year</b>	<b>5.28</b>	<b>267.27</b>
Add: Balance in Profit & Loss Account	759.77	654.05
	<b>765.05</b>	<b>921.33</b>
<b>Less: Appropriation</b>		
Transferred to Statutory Reserve	2.65	53.45
Transferred to General Reserve	0.00	50.00
Proposed Dividend on Equity Shares	0.00	50.00
Tax on Dividend	0.00	8.11
<b>Closing Balance</b>	<b>762.40</b>	<b>759.77</b>

### 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 & bad economic scenario.

Operating Expenses : Operating expense has increased compare to previous year because of bad debts & provisioning for non performing assets. However your directors have tried to keep it to minimum levels.

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

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

Depreciation : Depreciation has reduced 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 control 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.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BNK CAPITAL MARKETS LTD.

We have audited the accompanying financial statements of BNK Capital Markets Ltd. ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards notified under the Companies Act, 1956 read with general Circular 15/2013, dated 13th September 2013, issued by the Ministry of Corporate Affairs, in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 1956 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

- As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.