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BNK CAPITAL MARKETS LTD.

**THIRTY FIRST ANNUAL REPORT
2016-2017**



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Corporate Information

BOARD OF DIRECTORS

Mr. Ajit Khandelwal, (DIN: 00416445), Chairman & Managing Director

Mr. P. Brahmachari (DIN: 00441660)

Mr. S. Khandelwal (DIN: 00419799)

Ms. Heena Gorsia (DIN: 07060485)

Mr. Ankit Khandelwal (DIN: 03057891)

Mr. P. Chakravarti* (DIN: 00273523)

* since deceased on 5th February, 2017

CHIEF FINANCIAL OFFICER

Mr. Rabindra Nath Mishra

COMPANY SECRETARY

Ms. Pratibha Jaiswal (ACS)

STATUTORY AUDITORS

M/s. Santosh Choudhary & Associates

Chartered Accountants

Address: Commerce House,

2A Ganesh Chandra Avenue,

6th Floor, Suite No. 3, Kolkata – 700 013

INTERNAL AUDITORS

M/s. S. Singhi & Associates

Chartered Accountants

Address: 47A, Ezra Street,

Kolkata – 700 001

REGISTERED OFFICE

Mayfair Towers, 2 Palm Avenue

Kolkata - 700 019

CIN: L34202WB1986PLC040542

Email: corporate@bnkcapi tal.com

Website: www.bnkcapi tal.com

Ph. No. (033) 3058-0560 / 61

Fax No. (033) 3058-0562

REGISTRAR & SHARE TRANSFER AGENTS

C.B. Management Services (P) Ltd.

CIN: U74014WB1994PTC062951

Address: P-22, Bondel Road, Kolkata – 700 019

Ph. No. (033) 2280-6692/93, 4011-6700

Fax No. (033) 2287-0263

Email: ria@cbmsl.com

Website: www.cbmsl.com

BANKERS

HDFC Bank Ltd

The Federal Bank Ltd

ICICI Bank Ltd

AGM on 26th August, 2017
Bharatiya Bhasha Parishad,
Sitaram Seksaria Auditorium,
36A, Shakespeare Sarani, Kolkata- 700 017
at 10:30 A.M.

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BNK CAPITAL MARKETSLTD.



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NOTICE

Notice is hereby given that the Thirty First Annual General Meeting of the Members of BNK Capital Markets Ltd. will be held on Saturday, 26th August, 2017 at 10:30 A.M. at Bharatiya Bhasha Parishad, Sitaram Seksaria Auditorium, 36A, Shakespeare Sarani, Kolkata - 700 017 to transact the following business :

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, 2017 together with the Board's Report and the Auditors Report.
2. To declare dividend for the year ended 31st March, 2017.
3. To re-appoint Shri Ankit Khandelwal (DIN: 03057891), who retires by rotation and being eligible, offers himself for re-appointment.
4. 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, the appointment of M/s Santosh Choudhary & Associates, Chartered Accountants, (Registration No. 323720E) be and is hereby appointed as Auditors of the Company, to hold office from the conclusion of 31st Annual General Meeting till the conclusion of the 36th Annual General Meeting of the Company at such remuneration as may be fixed by the Board of Directors of the Company subject to ratification of the shareholders every year."

Registered Office :

Mayfair Tower, 2 Palm Avenue
Kolkata - 700 019
CIN: L34202WB1986PLC040542
Email: corporate@bnkcapital.com
Website: www.bnkcapital.com
Ph. No. 033 - 30580560 / 61
Dated: 18th May 2017
Place : Kolkata

By order of the Board

Pratibha Jaiswal
Company Secretary

Notes :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (AGM) SHALL BE ENTITLED TO APPOINT ANOTHER PERSON AS PROXY TO ATTEND AND VOTE AT THE MEETING ON HIS BEHALF. A PROXY SHALL NOT HAVE THE RIGHT TO SPEAK AT THE AFORESAID MEETING AND SHALL NOT BE ENTITLED TO VOTE EXCEPT ON A POLL. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE AFORESAID MEETING. PROXIES SUBMITTED ON BEHALF OF LIMITED COMPANIES, SOCIETIES, ETC. MUST BE SUPPORTED BY APPROPRIATE RESOLUTION/AUTHORITY, AS APPLICABLE. A PERSON CAN ACT AS PROXY ON BEHALF OF NOT MORE THAN FIFTY MEMBERS AND HOLDING IN THE AGGREGATE, NOT MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT BE ENTITLED TO ACT AS PROXY FOR ANY OTHER PERSON OR MEMBER.
2. Corporate Members are requested to send to the Company/Registrar & Share Transfer Agent, a duly certified copy of the Board Resolution / Power of Attorney authorizing their representative to attend and vote at the AGM pursuant to Section 113 of the Companies Act, 2013.
3. The Register of Members and Share Transfer Books of the Company shall remain closed from 21st August, 2017 to 26th August, 2017, both days inclusive.
4. Members are requested to produce the attendance slip duly signed as per the specimen signature recorded with the Company for admission to the meeting hall.
5. Members who hold shares in dematerialized form are requested to furnish their Client ID and DP ID nos. for easy identification at the Meeting.
6. Dividend on Ordinary (Equity) Shares as recommended by the Board, if approved at the Meeting, will be paid to the Members of the Company, holding shares in the physical form and whose names appear in the Register of Members on 19th August, 2017 and, holding shares in electronic form, to those whose names appear in the list of beneficial holders furnished by respective Depositories as at the end of business hours on 19th August, 2017 within the stipulated period.
7. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the Special Business to be transacted at the Annual General Meeting as set out in the Notice is annexed hereto.
8. The Securities and Exchange Board of India (SEBI) has mandated submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their respective Depository Participant with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/ Registrar & Share Transfer Agent of the Company.
9. Relevant documents referred to in the proposed resolutions are available for inspection at the Registered Office of the Company from 11 A.M. to 1 P.M. on all days except Saturdays, Sundays and public holidays and at the Annual General Meeting.
10. Members are requested to notify any change in their address immediately to M/s. CB Management Services (P) Limited, P-22, Bondel Road, Kolkata - 700 019, the Registrars & Share Transfer Agents of the Company for shares held in physical form. Shareholders who hold their shares in dematerialized form may lodge their requests for change of address, if any, with their respective Depository Participants.
11. Members holding shares of the Company in physical form through multiple folios are requested to consolidate their shareholding into single folio, by sending their original share certificates along with a request letter to consolidate their shareholding into one single folio, to the Registrar & Share Transfer Agents of the Company.
12. In all correspondence with the Company/Registrar & Share Transfer Agents, Members are requested to quote their Folio Number and in case their shares are held in the dematerialized form, they must quote their DP ID and Client ID Number.
13. Members are reminded to send their dividend warrants, which have not been encashed, to the Company, for revalidation. As per the provisions of Section 124(6) of the Companies Act, 2013, unclaimed dividend is liable to be transferred to the Investor Education and Protection Fund of the Central Government after expiry of seven years from the date they become due for payment.
14. As per current SEBI Regulations, dividend is required to be credited to shareholders' respective bank accounts through Electronic Clearing Service (ECS), wherever the facility is available and the requisite details / mandates have been provided by the Members. Members desirous of availing this facility may send the details of their bank accounts with addresses and MICR Codes of their banks to their Depository Participants (in case of shares held in dematerialized form) or to CB Management Services (P) Limited (in case of shares held in physical form) at the earliest.
15. Members interested in nomination in respect of shares held by them in physical form may write to M/s. CB Management Services (P) Limited at the address as mentioned in paragraph (10), as above, for the prescribed form.
16. Members may note that the Notice of the 31st AGM and the Annual Report for 2016-17 will be available on the Company's website www.bnkcapital.com. Members who require communication in physical form in addition to e-communication, may write to the Company / Registrar & Transfer Agent at corporate@bnkcapital.com / rta@cbsnl.com
17. Members are to inform of their current email ID to the Company in compliance of Green Initiative as per Ministry of Corporate Affairs' circular on this subject.
18. For shares held in physical form, Members may initiate action to get their shares dematerialized since trading of shares is done compulsorily in the dematerialized mode. Dematerialization not only provides easy liquidity, but also safeguards from any possible physical loss.
The company has approved issuance of new share certificates with reorganized distinctive numbers against surrender of old share certificates to the physical share holders. Share holders are requested to exchange their old share certificates with the new one from M/s. C. B. Management Services Pvt. Limited.
19. In compliance with the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management & Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meeting (SS-2) issued by The Institute of Company Secretaries of India, the Company is providing the members with the facility to cast their vote electronically from a location other than the venue of the Annual General Meeting ("Remote e-voting"). The Company has engaged in Central Depository Services Limited ("CDSL") to provide to the Members the e-voting platform and services for casting their vote through remote E-voting on all resolutions set forth in this Notice.
The facility for voting through ballot paper shall be made available at Annual General Meeting and the members attending the Annual General Meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the Annual General Meeting through ballot paper. Members who have cast their votes by remote e-voting prior to the Annual General Meeting may attend the Annual General Meeting but shall not be entitled to cast their vote again.
20. A route map along with the prominent landmark for easy location to reach the venue of the Annual General Meeting is annexed to this notice.



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THE INSTRUCTIONS FOR SHAREHOLDERS VOTING ELECTRONICALLY ARE AS UNDER:

- (i) The voting period begins on 23rd August, 2017 at 09.00 a.m. and ends on 25th August, 2017 at 05.00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (i.e. 19th August, 2017) may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. The facility for voting through polling papers shall be made available at the AGM on 26th August, 2017 and the members as on the "cut-off date" i.e. 19th August, 2017 attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right to vote at the meeting through poll.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com during the voting period.
- (iii) Click on "Shareholders" tab.
- (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 are requested to use the sequence number appearing on the enclosed Attendance Slip cum Electronic Voting Particulars in the PAN field.
- 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 Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.
- Details
 - 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 as mentioned in instruction (vii).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach 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) Click on the EVSN for <BNK CAPITAL MARKETS LTD> on which you choose to vote.
- (xii) 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.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) 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.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) 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.
- (xviii) **Note for Institutional Shareholders**
 - 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.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdsindia.com.
 - After receiving the login details they have to create a compliance user using the admin login and password. The Compliance user would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdsindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdsindia.com or corporate@bnkcapital.com

Ms. Jyoti Mahatma, Practicing Company Secretary, (ACS-31621) have been appointed as the Scrutinizer to scrutinize the voting in a fair and transparent manner, whose e-mail address is csjyotimahatma2907@gmail.com / jyoti.jain2907@gmail.com

The voting rights of the Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date. In case of joint holders, only one of the joint holders may cast his vote.

Members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their voting right at the meeting through poll. The members who have already cast their vote by remote e-voting prior to the meeting shall not be entitled to cast their vote again.

The results on the resolution will be declared not later than three (3) days from the conclusion of the AGM i.e. 26th August, 2017. The declared results along with the Scrutinizer's Report shall be placed on the Company's website www.bnkcapital.com and on the website of CDSL at www.evotingindia.com and will also be forwarded to the Stock Exchanges where the Company's shares are listed subject to receipt of requisite number of votes, the resolutions set out in the Notice shall be deemed to be passed on the date of the AGM.

Registered Office :

Mayfair Tower, 2 Palm Avenue
Kolkata - 700 019
CIN: L34202WB1986PLC040542
Email: corporate@bnkcapital.com
Website: www.bnkcapital.com
Ph. No. 033 - 30580560 / 61
Dated: 18th May 2017

Place : Kolkata

By order of the Board

Pratibha Jaiswal
Company Secretary

ADDITIONAL INFORMATION ON DIRECTORS RECOMMENDED FOR APPOINTMENT / RE-APPOINTMENT AS REQUIRED UNDER REGULATION 36(3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

1. NAME
DIN
DATE OF BIRTH
DATE OF APPOINTMENT
QUALIFICATIONS
EXPERTISE

Shri Ankit Khandelwal
03057891
1st September, 1983
30th January, 2015
MSC (Finance), UK
Business - Experience in Financial Services, Merchant Banking, Capital Markets and Commodity Markets operations & Investment Advisory Services for over 10 years.

DIRECTORSHIPS DETAILS (as at 31.03.2017)

Name of Indian Company
BNK Capital Markets Ltd
BNK Commodities Pvt Ltd
BNK Securities Pvt Ltd
Shareholding in the Company

Committee Memberships, if any with position
Nomination & Remuneration Committee - Member
Nil
Nil
Nil

DIRECTORS' REPORT TO THE MEMBERS

Your Directors present before you the 31st Annual Report of your Company on business & operations together with Audited Financial Statements and the Auditor's Report for the year ended 31st March 2017.

Operation and Future Prospects

India has maintained a growth in GDP. Our GDP grew @ 7.10 % p.a. in F.Y.2016-17. India is the fastest growing among major economies of the world. The Government under Prime Ministership of Mr. Narendra Modi is moving forward with Growth and Governance as its main agenda. Demonetization of currency was a bold step taken by the Prime Minister. Though it had its operational problems and has affected the economy in short term, it is expected to give positive results in a long term. The interest rates and inflation is also coming down. G S T is another major tax reform which is likely to be implemented from 1st July 2017. Like in any major reform, G S T may also have its initial pains more so because of large number of traders are in unorganized sector and it requires lot of understanding of the complex system and preparedness for the same. There are initial concerns but in times to come it is expected that this will lead to better tax compliance and growth in the economy. The organized sector is expected to perform better on the implementation of G S T. Expectation of Growth led good governance, policy actions, have resulted in good sentiments and the foreign investors have investing in Indian stocks in a big way. This has resulted in the rise of "Nifty & Sensex" to 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 2017 is summarized below:

PARTICULARS	STANDALONE		CONSOLIDATED	
	Year Ended 31/03/2017 (` In Lacs)	Year Ended 31/03/2016 (` In Lacs)	Year Ended 31/03/2017 (` In Lacs)	Year Ended 31/03/2016 (` In Lacs)
Gross Income	1465.05	856.38	1469.51	870.42
Profit Before Interest & Depreciation	1137.13	697.59	1136.90	703.73
Finance Charge	43.24	51.99	43.24	51.99
Gross Profit	1093.89	645.60	1093.66	651.74
Provision for Depreciation	20.19	20.64	20.44	21.09
Net Profit Before Tax	1073.70	624.96	1073.22	630.65
Provision for Tax	145.07	10.61	145.07	11.66
Minority Interest	-	-	(0.21)	(2.01)
Profit from Associate	-	-	14.06	11.58
Net Profit After Tax	928.63	614.35	942.00	628.56
Balance of Profit Brought Forward	1040.38	689.82	1044.99	680.35
Balance available for appropriation	1969.01	1,304.18	1986.99	1,308.91
Proposed Dividend on Equity Shares	150.00	100.00	150.00	100.00
Tax on Proposed Dividend	30.54	18.18	30.54	18.18
Adjustments Earlier Years	3.83	22.75	3.98	22.75
Transfer to Reserve	785.73	122.87	788.40	122.99
Surplus carried to Balance Sheet	998.91	1,040.38	1014.07	1,044.99

DIVIDEND

The Board of Directors have recommended payment of dividend of Re. 1.50 per equity share of face value of Rs. 10/- each for the financial year ended on 31st March 2017.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Pursuant to the provisions of Section 124(5) of the Companies Act, 2013, dividend which remains unpaid or unclaimed for a period of seven years from the date of its transfer to unpaid dividend is required to be transferred by the Company to Investor Education and Protection Fund (IEPF), established by the Central Government under the provisions of Section 125 of the Companies Act, 2013. The amount transferred to IEPF was Rs. 1,13,644/- (F.Y. 2009-10) during the year.

NUMBER OF BOARD MEETINGS HELD

The Board of Directors met 4 (Four) times i.e., 28.05.2016, 23.07.2016, 27.10.2016 & 28.01.2017 during this financial year. The Board meeting held on 28.05.2016 was adjourned & the adjourned meeting was duly concluded on 31st May, 2016.

SUBSIDIARY COMPANY & INVESTMENTS

BNK Commodities Private Limited, 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. Form AOC-1 is enclosed as a part of this report in Annexure A.

FIXED DEPOSITS

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

DIRECTORS

With profound grief we inform you about the sad and sudden demise of Shri Prabir Chakravarti on 5th February, 2017. He was the member of the Board since 28th August, 1993 & had played an important role in the growth of the Company by his active participation & guidance. The Board of Directors pays its homage to the departed soul and record deep appreciation for the services rendered to the Company.

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company Shri Ankit Khandelwal (DIN: 03057891), Director of the Company retire by rotation at the conclusion of the forthcoming Annual General Meeting, and being eligible offer himself for reappointment. All Independent Directors have provided declarations that they meet the criteria of independence as laid down u/s 149(6) of the Companies Act, 2013 & Regulation 16(1)(b) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

AUDITORS

i) Statutory Auditors

With profound grief we inform you about the sad and sudden demise of Shri Radharaman Bhattacharya on 25th March, 2017. He was the Statutory Auditor of the Company since 24th September, 1990 & had played an important role in the growth of the Company by his active participation & guidance. The Board of Directors pays its homage to the departed soul and record deep appreciation for the services rendered to the Company.
M/s. Santosh Choudhary & Associates, Chartered Accountants, (Registration No. 323720E), had given their consent & were appointed as the Statutory Auditors of the Company to hold office till the forthcoming Annual General Meeting due to casual vacancy.
M/s. Santosh Choudhary & Associates, Chartered Accountants, (Registration No. 323720E), have given their consent and are proposed to be appointed as the Statutory Auditors of the Company at the forthcoming Annual General Meeting for a term of 5 years subject to ratification every year.

ii) Secretarial Auditor

According to the provisions of Section 204 of the Companies Act, 2013 read with Section 179(3)(k) read with Rule 8(4) of the Companies (Meeting of Board and its Powers) Rules, 2014, the Secretarial Audit Report submitted by the Company Secretary in Practice is enclosed as a part of this report in Annexure B.

CORPORATE GOVERNANCE & MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Your Directors re-affirm their commitment to the Corporate Governance standards prescribed by Securities and Exchange Board of India codified as per the applicable regulations read with Schedule V of Securities and Exchange Board of India (Listing Obligation And Disclosure Requirements) Regulation, 2015 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 134(5) of the Companies Act, 2013 your Directors confirm:

- That in the preparation of the Annual Accounts, the applicable accounting standards had been followed;
- 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 and of the profit of the Company for that period;
- That they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, 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.
- That they have laid down internal financial controls in the Company that are adequate and were operating effectively.
- That they have devised proper systems to ensure compliance with the provisions of all applicable laws and these are adequate and are operating effectively.

INTERNAL FINANCIAL CONTROL

The Board of Directors (Board) has devised systems, policies and procedures / frameworks, which are currently operational within the Company for ensuring the orderly and efficient conduct of its business, which includes adherence to Company's policies, safeguarding assets of the Company, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and timely preparation of reliable financial information. In line with best practices, the Audit Committee and the Board reviews these internal control systems to ensure they remain effective and are achieving their intended purpose. Where weaknesses, if any, are identified as a result of the reviews, new procedures are put in place to strengthen controls. These controls are in turn reviewed at regular intervals.

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

The Company being in the service sector, conservation of energy and technology absorption as specified under section 134(3)(m) of the Companies Act, 2013 read with rule 8 of the Companies (Accounts) Rules, 2014 has no significance for the Company.

There is no earning & expenses in foreign exchange during the period. None of the employees are covered by the provisions contained in Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

AUDIT COMMITTEE

The Audit Committee of the Board has been constituted in terms of Listing Regulations and Section 177 of the Companies Act, 2013. The constitution and other details of the Audit Committee are given in the Corporate Governance Report.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee of the Board has been constituted in compliance with the provisions of Companies Act, 2013 as amended from time to time. The constitution and other details of the Corporate Social Responsibility Committee are given in the Corporate Governance Report. The Board will oversee and review CSR performance of the Company through its CSR Committee.

BOARD EVALUATION

As per the provisions of the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015, the Board has carried out the annual evaluation of its own performance, and of each of the Directors individually, including the independent directors, as well as the working of its committees.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company's policy on prevention of sexual harassment of women provides for the protection of women employees at the workplace and for prevention and redressal of such complaints. There were no complaints pending for the redressal at the beginning of the year and no complaints received during the financial year.

LOANS, GUARANTEES AND INVESTMENTS

The Company is a Non-Banking Financial Company and Section 186 of the Companies Act, 2013 is not applicable to it.

SIGNIFICANT AND MATERIAL ORDERS BY THE REGULATORS OR COURTS TRIBUNAL IMPACTING THE COMPANY'S GOING CONCERN STATUS & OPERATIONS IN FUTURE

During the period under review, no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in the future.

DISCLOSURE ON SPECIFIED NOTES

During the year, the Company had Specified Bank Notes (SBNs) or other denomination notes as defined in the MCA Notification, G.S.R. 308(E), dated March 31, 2017. The details of SBNs held and transacted during the period from 8th November, 2016 to 30th December, 2016. The

denomination wise SBNs and other notes as per the notification are as follows:

Particulars	SBNs	Other Denominations	Total (in Rs.)
Closing Cash in hand as on 8th November, 2016	75,000	877	75,877
Add: Permitted Receipts (including bank withdrawals)	-	2,30,000	2,30,000
Less: Permitted Payments	-	1,62,858	1,62,858
Less: Amount deposited in Banks	75,000	-	75,000
Closing Cash in hand as on 30th December, 2016	-	-	68,019

POLICIES

The Company has formulated various policies as required under the Companies Act, 2013, Securities and Exchange Board of India (Listing Obligation And Disclosure Requirements) Regulation, 2015 & Listing Agreement and are uploaded on our Company's website as mentioned below:

NAME OF COMMITTEE	COMPANIES ACT 2013/ LISTING AGREEMENT	LINK
Whistle Blower / Vigil Mechanism Policy	The Company has adopted the policy as required under Section 177(9) & (10) of the Companies Act, 2013 & as per Clause 49 of the Listing Agreement.	http://www.bnkcapital.com/Aboutus/bnkcapitalmarketpolicies.aspx?d=13
Nomination & Remuneration Policy	The Company has adopted the policy as required under Section 178(3) of the Companies Act, 2013 & SEBI Listing Regulations.	
Risk Management Policy	The Company has adopted the policy as per Clause 49 of the Listing Agreement.	
Related Party Transactions Policy	The Company has adopted the policy as required under Section 188(1) of the Companies Act, 2013 & SEBI (LODR) Regulation, 2015 read with Clause 49 of the Listing Agreement.	
Policy on Determining Material Subsidiaries	The Company has adopted the policy as required under Companies Act, 2013 & SEBI (LODR) Regulation, 2015.	
Familiarization Programme for Independent Directors	The Company has adopted the policy pursuant to Part III of Schedule IV of the Companies Act, 2013 & Clause 49 (I) (B) (7) of the Listing Agreement.	
Policy on Corporate Social Responsibility	The Company has adopted the policy as required under Companies Act, 2013.	

RELATED PARTY TRANSACTIONS

The Board of Directors of the Company has adopted a policy to regulate transactions between the Company and its related parties in compliance with the applicable provisions of Companies Act, 2013, SEBI (LODR) Regulation, 2015 read with Clause 49 of the Listing Agreement. The disclosure of related party transactions is made as per AS-18 in the Notes to Financial Statements. However in terms of Section 188(1) of the Companies Act, 2013 read with rule 15 of the Companies (Meeting of Board and its Powers) Rules, 2014, the Board feels that the transactions made are not material in nature as such no AOC-2 is annexed to this report.

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in Form MGT-9, as required under Section 92 of the Companies Act, 2013 is enclosed as a part of the Report in Annexure C.

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.

Place : Kolkata
 Dated : 18th May, 2017

For and on behalf of the Board
Ajit Khandelwal
 Chairman & Managing Director

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures**Part "A": Subsidiaries**

(Information in respect of each subsidiary to be presented with amounts in Rs.)

Sl. No.	Particulars	Details
1.	Name of the subsidiary	BNK Commodities Pvt Ltd
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Not Applicable
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Not Applicable
4.	Share capital (Paid-up)	28,400,000
5.	Reserves & surplus	(11,778,000)
6.	Total assets	16,891,000
7.	Total Liabilities	16,891,000
8.	Investments	6,009,000
9.	Turnover	346,000
10.	Profit before taxation	(48,000)
11.	Provision for taxation	
12.	Profit after taxation	(48,000)
13.	Proposed Dividend	-
14.	% of shareholding	56.69%

Notes: The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations
- Names of subsidiaries which have been liquidated or sold during the year.

Part "B": Associates and Joint Ventures**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

Name of associates/Joint Ventures	BNK Securities Pvt Ltd
1. Latest audited Balance Sheet Date	18 th May, 2017
2. Shares of Associate/Joint Ventures held by the company on the year end	
No. of Shares	2544
Amount of Investment in Associates/Joint Venture	43,969,000
Extend of Holding %	36.35%
3. Description of how there is significant influence	BNK Capital Markets Ltd holds 36.35% in BNK Securities Pvt Ltd.
4. Reason why the associate/joint venture is not consolidated	Not Applicable
5. Net worth attributable to shareholding as per latest audited Balance Sheet	632,251,348
6. Profit/Loss for the year	
i. Considered in Consolidation	1,406,000
ii. Not Considered in Consolidation	-

- Names of associates or joint ventures which are yet to commence operations.
- Names of associates or joint ventures which have been liquidated or sold during the year.

Note: This Form is to be certified in the same manner in which the Balance Sheet is to be certified.**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**
Rabindra Nath Mishra
 Chief Financial Officer

A. Khandelwal
 Chairman & Managing Director

Pratibha Jaiswal
 Company Secretary

P. Brahmachari
 Director & Chairman of Audit Committee



www.bnkcapital.com

BNK CAPITAL MARKETSLTD.

Annexure-B

FORM NO. MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED - 31.03.2017

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

BNK Capital Markets Limited

CIN: L34202WB1986PLC040542

Regd Office- Mayfair Towers, 2 Palm Avenue Kolkata- 700019

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by BNK CAPITAL MARKETS LTD (hereinafter called the company). Secretarial Audit was conducted in accordance with the Guidance Note issued by the Institute of Company Secretaries of India (A statutory body constituted under the Company Secretaries Act, 1980) and in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

The Company's Management is responsible for preparation and maintenance of secretarial records and for devising proper systems to ensure compliance with the provisions of applicable laws and regulations.

Our responsibility is to express an opinion on the secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.

We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and read with the Statutory Auditors' Report on Financial Statements and Compliance of the conditions of Corporate Governance and also the information provided by the Company, its officers; agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion and to the best of our information, knowledge and belief and according to the explanations given to us, the company has, during the audit period covering the financial year ended on 31.03.2017 generally complied with the applicable statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by BNK CAPITAL MARKETS LTD for the financial year ended on 31.03.2017 according to the applicable provisions of:

1. The Companies Act, 2013 (the Act) and the rules made there under;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings to the extent applicable to the company;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the company:-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 No Issue of any security during the year
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 No such instances reported during the year
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 No instances were reported during the year.
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client - The Company has duly appointed a SEBI authorized Category I Registrar and Share Transfer Agent as required under Law.
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009. No Delisting was done during the year

- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998. No buy - back was done during the year.

We have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India:
- ii. The Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc mentioned above subject to the following observations:

1. Section 135 of the Companies Act, 2013 relating to CSR is applicable to the Company.
2. Cost Audit is not applicable to the Company as it is not a manufacturing concern.

We further report that as far as we have been able to ascertain -

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors and the changes in the composition of Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
2. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
3. We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

(Jyoti Mahatma)

Company Secretaries

Membership No. ACS No:31621

C P No. : 11731

Place : Kolkata

Date : 18.05.2017

"Annexure A"

To,

The Members

BNK CAPITAL MARKETS LTD

CIN: L34202WB1986PLC040542

Regd Office- Mayfair Towers, 2 Palm Avenue Kolkata- 700019

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audits.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the fairness of the contents of the Secretarial records. The verification was done on test basis to ensure that facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis to the extent applicable to the Company.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

(Jyoti Mahatma)

Company Secretaries

Membership No. ACS No:31621

C P No. : 11731

Place : Kolkata

Date : 18.05.2017

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31.03.2017

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

- i) CIN: L34202WB1986PLC040542
 ii) Registration Date: 17.04.1986
 iii) Name of the Company: BNK CAPITAL MARKETS LIMITED
 iv) Category / Sub-Category of the Company: Company Limited by Shares
 v) Address of the Registered office and contact details: Mayfair Tower, 2 Palm Avenue, Kolkata – 700 019
 Telephone No. (033) 2280-0457, (033) 30028574-583
 E-mail ID: corporate@bnkcapital.com
 Website: www.bnkcapital.com

vi) Whether listed company Yes / No: Yes

vii) Name, Address and Contact details of Registrar and Transfer Agent, if any: CB Management Services (P) Limited
 P-22, Bondel Road, Kolkata – 700 019
 Ph. No.: (033) 2280-6692/93, 4011-6700
 Fax. No.: (033) 2287-0263
 E-mail ID: rta@cbmsl.com
 Website: www.cbmsl.com
 CIN: U74140WB1994PTC062959

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products/services	NIC Code of the Product/ service	% to total turnover of the company
1.	Dividend Income	64300	25.70
2.	Interest Income	64300	17.28
3.	Sale of Investment	66190	48.85

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

S. NO	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY /ASSOCIATE	% of shares held	Applicable Section
1	BNK Commodities Pvt Ltd Address: Mayfair Tower, 2 Palm Avenue, Kolkata – 700 019	U74999WB2003PTC097491	Subsidiary	56.69	2(87)
2	BNK Securities Pvt Ltd Address: 2 Palm Avenue, Ground Floor, Kolkata – 700 019	U67120WB1995PTC071182	Associate	36.35	2(6)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	3705126	-	3705126	37.05	3705126	-	3705126	37.05	-
b) Central Govt or State Govt (s)	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	1591881	-	1591881	15.92	1591881	-	1591881	15.92	-
d) Banks/ FI	-	-	-	-	-	-	-	-	-
e) Any Other...	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	5297007	-	5297007	52.97	5297007	-	5297007	52.97	-
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	0	0	0	0	0	0	0	0	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	5297007	-	5297007	52.97	5297007	0	5297007	52.97	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/ FI	-	-	-	-	-	-	-	-	-
c) Central Govt or State Govt(s)	-	-	-	-	-	-	-	-	-
d) Venture Capital Funds	-	-	-	-	-	-	-	-	-
e) Insurance Companies	-	-	-	-	-	-	-	-	-
f) FIs	-	-	-	-	-	-	-	-	-
g) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
h) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	2783308	9876	2793184	27.93	2753713	9876	2763589	27.64	(0.30)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	1463787	279291	1743078	17.43	743329	273291	1016620	10.17	(7.26)
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	128125	-	128125	1.28	874031	-	874031	8.74	7.46