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ANNUAL

REPORT 1996-97

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**Premium
Capital Market &
Investments Limited**



PREMIUM CAPITAL MARKET & INVESTMENTS LTD.

Board of Directors :

Shri S.K. Bandi	(Chairman)
Dr. (Smt.) Sushma Bandi	(Whole-Time Director)
Shri Suman Kumar Bandi	(Whole-Time Director)
Shri M.C. Asawa	(Executive Director)
Shri M.N. Govindaraj	(Director)
Shri M.K. Khapra	(Director)

Auditors :

M/s. Sanjay & Sanjay Associates
Chartered Accountants
Sapna Chamber, IInd Floor,
12/1, Sough Tukoganj,
INDORE

Bankers :

Dena Bank.
Bank of Madura Ltd.
Canara Bank.

Registered Office :

205, City Centre, 570, M.G. Road,
INDORE - 452 001
Tel. : 536127, 435233
Fax : (0731) 535086

Other Offices :

Ahmedabad :

B 403/404, 4th Floor, Rajshree Avenue,
Near Dinesh Hall, Income Tax,
AHMEDABAD - 9
Tel. : 460664
Fax : (079) 6560531

Bombay :

102, Malhotra Chambers
31-33, Police Court Lane, D.N. Road,
BOMBAY - 400 001
Tel. : 2659591, 2659592, 2659626
Fax : (022) 2659627

Ujjain :

Chhota Gopal Mandir
Tower Chowk, Free Ganj,
UJJAIN
Tel. : 551776
Fax : (0734) 559498

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PREMIUM CAPITAL MARKET & INVESTMENTS LTD.**PREMIUM CAPITAL MARKET & INVESTMENTS LTD.**

205, City Centre, 570 M.G. Road, INDORE - 452 001

NOTICE

NOTICE is hereby given that 5th Annual General Meeting of the Members of the **PREMIUM CAPITAL MARKET AND INVESTMENTS LIMITED** will be held at Hall Roof Top of the Hotel President, R.N.T. Marg, Indore (M.P.) 452001 on Monday, the 29th day of September, 1997 at 4.00 P.M. to transact the following business :

I. ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet and Profit & Loss Account of the Company for the year ended 31st March, 1997 and the Report of the Directors & Auditors thereon.
2. To appoint a Director in place of Shri S.K. Bandi, who retire by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri M.K. Khapra, who retire by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and to authorise the Board to fix their remuneration.

II. SPECIAL BUSINESS BY ORDINARY RESOLUTION:

5. To consider and if thought fit to pass the following Resolution with or without modification if any, as an Ordinary Resolution.

RESOLVED THAT pursuant to the provisions of Section 198, 269, 302, 309, 310 read with Schedule XIII and other applicable provisions of the Companies Act 1956, if any, consent of the Members of the Company be and is hereby accorded for the appointment of Shri M.C. Asawa as Whole Time Director (Designated as an Executive Director) of the Company for a period of Five years w.e.f. 20th January, 1997 on terms and conditions as specified in the Explanatory Statement attached herewith.

6. To consider and if thought fit to pass the following Resolution with or without modification if any, as an Ordinary Resolution.

RESOLVED THAT pursuant to the provisions of Section 198, 269, 302, 309, 310 read with Schedule XIII and other applicable provisions of the Companies Act 1956, if any, remuneration of Mrs. Sushma Bandi, Whole Time Director of the Company be and is hereby revised with effect from 1st April, 1997 for the remaining part of her tenure as set out in the Explanatory Statement attached to the notice hereto.

RESOLVED THAT pursuant to the provisions of Section 198, 269, 302, 309, 310 read with Schedule XIII and other applicable provisions of the Companies Act 1956, if any, Mrs. Sushma Bandi be and is hereby re-appointed as a Whole Time Director of the Company for a period of Five years w.e.f. 1st August, 1998 on the terms and conditions as specified in the Explanatory Statement attached to the notice hereto.

III. SPECIAL BUSINESS BY SPECIAL RESOLUTION:

7. To consider and if thought fit to pass the following resolution with or without modification if any, as Special Resolution to increase the Authorised share Capital of the Company.

RESOLVED THAT pursuant to provisions of Section 94, 97 and other applicable provisions, if any, of the Companies Act 1956, the Authorised Share Capital of the Company be and is hereby increased from Rs. 10,00,00,000/- (Rs. Ten Crore Only) divided into 1,00,00,000 (One Crore) Equity Shares of Rs. 10/- each to Rs. 15,00,00,000/- (Rs. Fifteen Crores only) by creation of 50,00,000, (Fifty Lakhs only) Unclassified Shares of Rs. 10/- (Rupees Ten only) each (and such unclassified Shares may be either Equity with or without voting right Shares or Preference Convertible or Non-convertible, Cumulative or Non-Cumulative, and may carry such dividend as may be decided by the Director's (from time to time) with power to the company to convert the same into Equity Shares at any time and from time to time, to increase, reduce or modify the capital and to divide all or any of the shares in the capital of the Company, for the time being, and to classify and reclassify such shares from shares of one class into shares of other class or classes and to attach thereto respectively such preferential, deferred, qualified or other special rights, privileges, conditions or restrictions as may be determined by the Company in accordance with the Articles of Association of the Company and to vary, modify or abrogate any such rights, privileges, conditions or restrictions, in such manner and by such persons as may, for the time being, be permitted under the provisions of the Articles of Association of the Company or legislative provisions for the time being in force in that behalf."

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8. To consider and if thought fit to pass the following resolution with or without modification if any, as Special Resolution to amend the Clause No. V of the Memorandum Of Association of the Company.

RESOLVED THAT the existing Clause V of the Memorandum of Association of the Company be altered and substituted by the following new Clause :

V. The Authorised Share Capital of the Company is Rs. 15,00,00,000/- (Rs. Fifteen Crores Only) divided into 1,00,00,000 (One Crore) Equity Shares of Rs. 10/- (Rs. Ten only) each and 50,00,000 (Fifty Lakhs) Unclassified Shares of Rs. 10/- (Rupees Ten only) each (and such unclassified Shares may be either Equity Shares with or without voting rights or Preference Convertible or Non-convertible, Cumulative or Non- Cumulative, and may carry such dividend as may be decided by the Director's from time to time) with power to the company to convert the same into Equity Shares at any time and from time to time, to increase, reduce or modify the capital and to divide all or any of the shares in the capital of the Company, for the time being, and to classify and reclassify such shares from shares of one class into shares of other class or classes and to attach thereto respectively such preferential, deferred, qualified or other special rights, privileges, conditions or restrictions as may be determined by the Company in accordance with the Articles of Association of the Company and to vary, modify or abrogate any such rights, privileges, conditions or restrictions, in such manner and by such persons as may, for the time being, be permitted under the provisions of the Articles of Association of the Company or legislative provisions for the time being in force in that behalf."

9. To consider and if thought fit to pass the following resolution with or without modification if any as Special Resolution to amend the Article No. 5 of the Articles Of Association of the Company.

RESOLVED THAT pursuant to Section 31 of the Companies Act 1956, Article No. 5 of the Articles of Association of the Company be altered by substituted by the following new clause :

No 5 : The Authorised Share Capital of the Company is Rs. 15,00,00,000/- (Rs. Fifteen Crores only) divided into 1,00,00,000 (One Crore)Equity Shares of Rs. 10/- (Rs. Ten only) each and 50,00,000 (Fifty Lakhs) Unclassified Shares of Rs. 10/- (Rupees Ten each) each (and such unclassified Shares may be either Equity Shares with or without voting rights or Preference Convertible or Non-convertible, Cumulative or Non- Cumulative, and may carry such dividend as may be decided by the Director,s from time to time) with power to the company to convert the same into Equity Shares at any time and from time to time, to increase, reduce or modify the capital and to divide all or any of the shares in the capital of the Company, for the time being, and to classify and reclassify such shares from shares of one class into shares of other class or classes and to attach thereto respectively such preferential, deferred, qualified or other special rights, privileges, conditions or restrictions as may be determined by the Company in accordance with the Articles of Association of the Company and to vary, modify or abrogate any such rights, privileges, conditions or restrictions, in such manner and by such persons as may, for the time being, be permitted under the provisions of the Articles of Association of the Company or legislative provisions for the time being in force in that behalf."

10. To consider and if thought fit to pass the following Resolution with or without modification if any, as Special Resolution.

"RESOLVED THAT pursuant to the provisions of Article No. 7 to 11 and other applicable provisions, if any, of the Articles of Association of the Company, and according to the provisions of Section 80, 81(1-A) and other applicable provisions, if any, of the Companies Act 1956, and subject to other necessary approvals of Central Govt., RBI, SEBI, Stock Exchanges etc. wherever required, the Company acting through its Board of Directors (hereinafter referred to as the 'Board', which term shall be deemed to include any duly authorised Committee or any Director thereof for the time being exercising the powers conferred on the Board by this resolution) to offer and allot such number of Equity shares with or without voting rights or Preference Shares not exceeding the authorised share capital of the company, which may be either Equity share or Preference Convertible or Non-convertible, cumulative or non-cumulative, at par or at premium and in such numbers and to such persons, whether or not such persons are existing shareholders of the company, public or any Bodies corporate, financial institutions, foreign institutional investors, mutual funds or any other persons/parties, whether by way of public issue, rights issue, by way of bought-out deals, placements or otherwise as the Board may consider appropriate in one or more tranches, in the manner and on the terms and conditions set out below and/or on such other terms and conditions as may be prescribed by the appropriate authorities while granting such approvals or which the Board may in its absolute discretion consider proper or expedient :

- i) The equity or preference shares to be issued and allotted by the company in the manner aforesaid, will be subject to the provisions of the Companies Act, 1956 and ammendum thereto from time to time and Memorandum and Articles of Association of the Company.
- ii) The Equity or Preference share will carry such rate of dividend as the Board may decide in its absolute discretion.
- iii) The rate of dividend may vary for each series of equity or preference shares to be issued.
- iv) The dividend may be either cumulative or non-cumulative as the Board may decide.

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- v) The equity or preference shares will be redeemed/buy back at such price, in one or more instalments on expiry of specified periods as may be agreed to by the Board and the subscriber(s).
- vi) The equity or preference shares to be issued may be with or without voting right as per the provisions of the Companies Act.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board be and is hereby authorised to agree and to make such modifications and alterations from time to time as it deem fit and to take all steps as it may deem necessary, desirable or expedient and to resolve all questions or doubts and to do all acts, deeds, matter and things in connection therewith and incidental thereto as the Board in its absolute discretion shall deemed fit without being required to seek any fresh approval of the Members of the Company and the decision of the Board shall be final and conclusive and binding."

11. To alter Object Clause of the Memorandum of Association of the Company by inclusion in the Main Objects of the Memorandum of Association of the Company to consider and, if thought fit, to pass, with or without modification the following resolution as a Special Resolution.

RESOLVED THAT pursuant to provisions of Section 17 and all other applicable provisions if any of the Companies Act 1956 amended from time to time, the special resolution passed by the Members at their 3rd Annual General Meeting held on 25th September, 1995 for amending the Main Objects by inclusion of the Object No. 5(a) to 5(g) be and is hereby suppressed by the following additional object clauses number 5(a), 5(b), 5(c), 5(d), 5(e), 5(f), 5(g), and 5(h) and 5(i) be and are hereby included under Clause III (A) i.e. Main Objects of the Memorandum Of Association of the Company after Clause 5 in the main object clause of the Memorandum of Association.

5 (a) To carry on the business of full fledged money changers in the foreign currencies and to do all such acts which may be deemed expedient for carry out the said business.

5 (b) To establish, construct, maintain, sale or exchange safe deposit vaults and to carry on the business of running them on hire/ lease etc. on such terms and conditions as may be deemed fit and proper.

5 (c) To enter into agreement for financial, managerial and for technical collaborations, for any of the objects of the Company with any Indian or foreign agency, individual, firm, Company or Government undertaking either in India or abroad.

5 (d) To sponsor and promote investment funds, (domestic as well as offshore) growth funds, open ended funds, income or capital funds, taxable or tax exempt funds, provident funds, superannuation funds, charitable funds, trust funds, investment pool or any other like fund as may be allowed by appropriate authorities and other person or bodies of persons whether incorporated or not, as part of mutual fund business, for investment in equity and other securities to contribute to the development of capital market, stock holding and to promote Asset Management Company to carry on the above business.

5 (e) To carry on business of Advertising, Marketing, Research, Project Consultancy, Management Consultancy, Software development as its own or in association with any Indian or Foreign agency, individual, firm, company or Government undertaking either in India or abroad.

5 (f) To promote and establish any kind of Industrial and Construction Projects and to carry on business of Builders and Developers.

5 (g) To promote establish and invest in or any separate company / body corporate to carry on business of Banking, under Private Sector Banks in India, whether local area or national bank, as per the Guidelines of the Reserve Bank Of India, to carry on the Banking Business as defined under the Banking Regulation Act 1949, as a promoter or co-promoter of such Company or body corporate and to get approval of the RBI or any other competent authority for obtaining licence and incorporation of such separate Company or Body Corporate.

5 (h) To establish and carry on business of depository participant for Securities in India and abroad as per the SEBI guidelines and other provisions, rules and regulations as may be applicable from time to time and to do all such acts which may be deemed expedient for carrying out the said business.

5 (i) To establish and carry on business of private sector agency or local office for Registrar of Companies in India and to obtain contract or licence as per the provisions of the Companies Act, which may be amended from time to time and to do all such acts which may be deemed expedient for carrying out the said business.

12. To give power to the Board for making corrections, additions, deletions etc in the above resolution and for that purpose to pass, with or without modification(s), the following resolution as a Special Resolution :

RESOLVED THAT the Board of Directors of the Company or the person(s) authorised by the Board as an Authorised Representative of the Company be and are hereby authorised to agree and accept the conditions, or

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deletion, alteration, modification, addition, changes in the main objects proposed to be inserted as above as may be instructed/directed by the Registrar of Companies or any other competent authority.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to take all necessary, incidental, ancillary steps/action in this respect to incur necessary expenses for the same.

By Orders of the Board
For, PREMIUM CAPITAL MARKET & INVESTMENTS LTD.

Place: Indore

SUSHMA BANDI

Dated: 11th Aug 1997

DIRECTOR

NOTE :

1. A Member entitled to attend and vote at the Meeting is entitled to appoint a Proxy to attend and vote instead of himself and the proxy need not be a Member. Proxy in order to be effective must be received by the Company not less than 48 hours before the Meeting.
2. Explanatory Statement setting out the material facts in respect of item no. 5 to 12 is annexed hereto.
3. Register of Members and Share Transfer Book of the Company will remain closed from 22.09.1997 to 29.09.1997 (both days inclusive)
4. All documents referred to in the accompanying Notice and Explanatory Statement are open for inspection at the Registered Office of the Company on all working days, except Saturdays between 11.00 A.M. to 1.00 P.M. till the date of the Meeting.
5. Members desirous of obtaining any information concerning Accounts and Operations of the Company, are requested to address their questions in writing to the Company at least 7 days before the date of the Meeting so that the information required may be made available at the Meeting.
6. Members are requested to please bring with them their copies of the Annual Report to the Meeting.

ANNEXURE TO THE NOTICE**EXPLANATORY STATEMENT IN PURSUANT TO THE PROVISIONS OF SECTION 173 (2) OF THE COMPANIES ACT, 1956 IN RESPECT TO THE SPECIAL BUSINESS :****ITEM NO. 5 & 6:**

Shri M.C.Asawa, was appointed by the Board as Wholetime Director (Designated as Executive Director) of the Company with effect from 20th January, 1997 to look after the operations of the Company. Shri Asawa is associated with the Company since inception and he is a qualified Chartered Accountant, and having 22 years experience of Banking as Senior officer in Bank of India & for 3 years before his retirement he was Manager Trade Finance in the Hongkong Main branch of the Bank of India besides this he has vast experience in the field of corporate finance, taxation, export credit, etc. Shri Asawa was previously looking the business activities of the Company in Hongkong. The Board recommend the resolution for approval for his appointment as set out in item no. 5 of the notice.

Mrs Sushma Bandi, the Whole Time Director of the Company was appointed by the Board with effect from 1st August, 1993 for a period of five years and her remuneration were revised w.e.f 1st April, 1994 at the Extra Ordinary General Meeting, held on 21st March, 1994, accordingly Mrs. Sushma Bandi is entitled to draw remuneration of Rs.18,500/- p.m., Looking to her sincere efforts and involvements into the affairs of the Company and, expanded activities, net worth of the Company etc the Board have considered for further revision in remunerations w.e.f. 1st April, 1997 for the remaining part of tenure.

Since Mrs. Sushma Bandi was appointed to hold office of the whole time Directors for a period of 5 years w.e.f. 1st August, 1993 and shall come to an end on 31st July, 1998, the Board also proposes her re-appointment for a period of five years w.e.f. 1st August, 1998 on the following terms and conditions. Since there was no dis interested quorum in the Board meeting the resolution is put before the members for approval.

- | | |
|--|---|
| 1. Mr. M.C.Asawa, Wholetime Director
with annual increment @ Rs 1,500/
P.M. every year till the end of the
term (from 20th Jan 1997 to 19th
Jan , 2002) | Salary : Rs.11,500 P.M

Perquisites &
Allowances : Rs 8,500 P.M
(Maximum permissible) |
|--|---|

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2. Mrs. Sushma Bandi, Whole Time Director : Salary: Rs. 11,500/-PM
 (revised w.e.f.1st April, 97 for remaining : Perquisite &
 part of her tenure) Allowances : 8,500/- PM (Maximum permissible)
 (w.e.f.1st August, 1998 on re-appointment) : Salary: Rs. 15,000/- PM
 with an Annual Increment @ Rs. 1,500/ : Perquisites &
 P.M every year till the end of the Term. Allowances : 10,000/-PM
 (Maximum permissible)

Perquisites & Allowances: The perquisites and allowances will be allowed as per the break up which may be determined by the Board in addition to salary and the total value of these perquisites & allowances shall be restricted to within the maximum permissible limit.

That Mr. M.C. Asawa, and Mrs. Sushma Bandi, shall also be entitled for reimbursement of actual entertainment, travelling, boarding and lodging, conveyance expenses incurred by them in connection with the Company's business and such other benefits amenities and other privileges, as any from time to time, be available to other Senior Executives of the Company.

THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as in its absolute discretion, which may consider necessary, expedient or desirable, and to settle any question, or doubt that may arise in relation thereto and in order to give effect to the foregoing resolution or as may be otherwise considered appropriate to be in the best interest of the Company."

THAT the Board of Directors of the Company be and are hereby authorised to consider to reduce the Salary, to release the annual increment, perquisites & allowances if considered necessary by the Board and the above Director shall be bound by the decision of the Board. The Board shall have the full liberty and absolute discretionary powers to determine and decide the break up of the remuneration, release the annual increment within the above said maximum permissible limits.

Your Directors recommend to approve the resolutions as set out in Item No. 5 & 6 in the Notice.

None of the Directors of the Company except Shri M.C. Asawa (In Item No 5 of the Agenda) & Mrs. Sushma Bandi, individually interested as a Director of the Company and Shri S.K. Bandi and Shri Suman Kumar Bandi are deemed to be interested being the relatives of Mrs. Sushma Bandi, is concerned or interested in the resolution.(In item No 6 of the Agenda)

ITEM NO. 7 to 9:

The present authorised capital of the Company is Rs. 10,00,00,000/- (Rupees Ten Crores only) divided into 1,00,00,000 equity shares of Rs. 10/- each. The Company propose to increase its Authorised Share Capital from Rs. 10,00,00,000/- (Rs. Ten Crore only) divided into 1,00,00,000 Equity Shares of Rs. 10/- each to Rs. 15,00,00,000/- (Rs. Fifteen Crores only) by creation of 50,00,000 (Fifty Lakhs) Unclassified Shares of Rs. 10/- (Rupees Ten) each (and such unclassified Shares may be either Equity with or without voting right Shares or Preference Convertible or Non-convertible, Cumulative or Non- Cumulative shares to meet out the long term financial resources and to built up net own funds as required by the SEBI & RBI for the various projects under the consideration.

The company is considering several avenues for mobilising additional resources and one of them would be by issuance of Preference Shares / Equity shares to various categories of investors on such terms and conditions as the Directors may decide.

The substitution of Clause V of the Memorandum of Association and Articles No. 4 of the Articles of Association is, therefore, proposed in accordance with the provisions of Sections 16, 17, 31 and 94 & 97 of the Companies Act, 1956.

Those Directors of the Company who may take up any such preference shares / equity shares offered to them, may be deemed to be concerned or interested in the aforesaid resolutions.

A copy of the Memorandum and Articles of Association of the Company, reflecting the substitution as per the respective resolutions, is available for inspection at the Registered Office of the Company.

ITEM NO. 10 :

As stated in the Explanatory Statement at Item Nos. 7 to 9, your company is exploring the possibility of issuing Preference / Equity shares to various categories of investors on such terms and conditions, including as to dividend, issue price and in one or more tranches, as the Board may decide. The resolution at Item No.10 of the notice is an enabling resolution to give effect to the aforesaid proposal.

Section 81 of the Companies Act, 1956. provides, inter alia, that where at any time after the expiry of two years from the formation of a company or at any time after expiry of one year from the allotment of shares in that company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the company by allotment of further shares, then