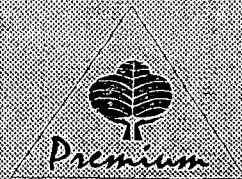


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CS	NA		DPY	NA
RO	<input checked="" type="checkbox"/>		DIV	NA
TRA	NA		AC	<input checked="" type="checkbox"/>
AGM	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	SHI	<input checked="" type="checkbox"/>
YE	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>

# 6<sup>th</sup>

**ANNUAL**

**REPORT 1997-98**



**Premium  
Capital Market &  
Investments Limited**









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

<b>Board of Directors</b>	:	Shri S.K. Bandi	Chairman
	:	Shri Suman Kumar Bandi	Whole Time Director
	:	Dr. (Smt.) Sushma Bandi	Whole Time Director
	:	Shri M.N. Govindaraj	Director
	:	Shri M.K. Khapra	Director

**Auditors** : M/s. Sanjay & Sanjay Associates  
Chartered Accountants  
Sapana Chamber, 2 nd Floor,  
12/1, South Tukoganj  
INDORE

**Bankers** : Dena Bank  
Canara Bank

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

**Other Office** :

**Mumbai** : 202, Malhotra Chambers  
31-33, Police Court Lane, D.N. Road, Fort  
MUMBAI-400 001  
Tel. : 2659591, 2659592, 2659626  
Fax : (022) 2659627



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

205, City Centre, 570 M.G. Road, INDORE

**NOTICE**

**NOTICE** is hereby given that the 6th Annual General Meeting of the members of the **PREMIUM CAPITAL MARKET & INVESTMENTS LIMITED** will be held at 403, Ahinsa Towers, 7, M.G. Road, INDORE (M.P.) - 452 001 on Monday, the 28th day of September, 1998 at 10.00 A.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, 1998 and report of the Directors and Auditors thereon.
2. To appoint a Director in place of Smt. Sushma Bandi, who retires by rotation and being eligible offers herself for re-appointment.
3. To appoint auditors and to authorise the Board to fix their remuneration.

**II. SPECIAL BUSINESS BY ORDINARY RESOLUTION :**

4. 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 Sections 198, 269, 302, 309, 310 read with Schedule XIII and other applicable provisions of the Companies Act 1956, if any, Mr. Suman Kumar 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 April, 1998 on the terms and conditions as specified in the Explanatory Statement attached to the notice hereto.

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 Section 372 and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of the Central Government and such other approvals as may be necessary, approval of the Company be and is hereby granted to the Board of Directors of the Company to invest the funds of the Company, up to an amount not exceeding in the aggregate 60% of aggregate of the subscribed capital and free reserves by way of subscription/purchase of Equity shares in such companies as may be decided by the Board of Directors notwithstanding that such investment together with the company's existing investments in all of the percentage prescribed to the provisions of sub-section (2) of Section 372 of the Act and the proviso thereto.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to determine the actual sums to be invested and all matters arising out of or incidental to the proposed investment and to do all such acts, deeds, matters and things as the Board may in its absolute discretion deem necessary, desirable and expedient to implement this resolution.

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 Section 372 and other applicable provisions, if any, of the Companies Act, 1956 and subject to previous approval of the Central Government and other approvals as may be required under various laws, consent of the Company be and is hereby given to the Board of Directors for making investment of a sum not exceeding Rs. 3,00,00,000/- (rupees Three Crores only) in the aggregate in Equity Share Capital in M/s. Premium Global Securities Ltd., in cash at par or at premium or on such terms and conditions as the Board may deem fit to make it a subsidiary of Premium Capital Market & Investments Ltd., notwithstanding that such investments in other Bodies Corporate may be in excess of the limits prescribed U/s 372 of the Companies Act 1956 read with Rule 11C of the Companies (Central Government's) General Rules and Forms, 1956.



**PREMIUM CAPITAL MARKET & INVESTMENTS LTD.**

**RESOLVED FURTHER THAT** the Board of Directors of the company be and are hereby authorised to do all such acts, deeds, matters and things as the Board may in its absolute discretion deem necessary, desirable and expedient to implement this resolution.

**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 an Special Resolution :

**RESOLVED THAT** consent of the Company pursuant to the provisions of clause (b) of sub Section (1) of Section 314 and other applicable provisions if any of the Companies Act, 1956 be and is hereby accorded for the appointment of Shri Gaurav Bandi, Chartered Accountant at Mumbai as a legal, taxation and corporate consultant of the company, who is relative of Director of the Company w.e.f. 1st October, 1997 on payment of monthly fee of Rs. 10,000/- (Ten thousand only) and also for the reimbursement of actual conveyance and out of pocket expenses for rendering consultancy services and attending legal matters of the company including co-ordination with the solicitors of the company.

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

Place : Indore  
Dated : 31st August, 1998

**SUMAN KUMAR BANDI**  
WHOLE - TIME DIRECTOR

Report Junction.com

**NOTES :**

1. A Member entitled to attend and vote at the Meeting is entitled to appoint a Proxy to attend and vote instead of himself and the proxy need not be a Member. Proxy in order to be effective must be received by the Company not less than 48 hours before the Meeting.
2. Register of Members and Share Transfer Books of the Company will remain closed from 22.09.1998 to 25.09.1998 (both days inclusive).
3. All documents referred to in the accompanying Notice 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.
4. Members desirous of obtaining any information concerning Accounts and operation of the company are requested to address their questions in writing to the Company at least 7 days before the date of Meeting so that the information required may be made available at the Meeting.
5. Members are requested to please bring with them their copies of the Annual Report to the Meeting.
6. Unpaid Dividend for the years 1994-95 and 1995-96 have been kept in a separate Bank A/C and the Members are requested to please approach for re-validation/issuance of duplicate Dividend Warrant to the Company. The Company shall proceed to transfer the amount of unpaid Dividend to the General Revenue Account of the Central Govt. after expiry of the stipulated time.

**ANNEXURE TO THE NOTICE**

**EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 173 (2) OF THE COMPANIES ACT, 1956 IN RESPECT TO THE SPECIAL BUSINESS :**

**ITEM NO. 4 :**

Mr. Suman kumar Bandi was appointed to hold office of the whole-time Director for a period of 5 years w.e.f. 1st April, 1993 and comes to an end on 31st March, 1998, the Board proposes his re-appointment for a further period of five years w.e.f. 1st April 1998 on the following terms and conditions :

Salary	:	Rs. 6,000/- P.M. (with an Annual increment of Rs. 1,500/-)
Perquisites & Allowances	:	Rs. 8,500/- P.M. (Maximum permissible)



**PREMIUM CAPITAL MARKET & INVESTMENTS LTD.**

**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. Suman kumar Bandi, shall also be entitled for reimbursement of actual entertainment, travelling, boarding and lodging, conveyance expenses incurred by him 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. 4 in the Notice.

Except Shri Suman kumar Bandi, being re-appointed as a whole time Director of the Company and Shri S.K. Bandi and Smt. Sushma Bandi are deemed to be interested being the relatives of Mr. Suman kumar Bandi, none of the other Directors of the Company are concerned or interested in the resolution.

**ITEM NO. 5 & 6 :**

Section 372 of the Companies Act, 1956, restricts the power of the Board of Directors of a public limited Company to invest in shares and other Securities of other bodies corporate in excess of the limits prescribed under section 372 of the Companies Act, 1956 with Rule 11C of the Companies (Central Government's) General Rules and Forms, 1956, unless approved by the members in the General Meeting and by the Central Government previously.

As the members are aware that the Company is registered with the SEBI as Merchant Banker and the Company is also engaged in fund based activities. In view of the SEBI Guidelines restricting Merchant Bankers from carrying on fund based business of the Company would be required to make investment in M/s. Premium Global Securities Ltd. which may be in excess of the prescribed limits under the Companies Act, 1956.

The Resolution is proposed to obtain the approval of the members for making investment in excess of the prescribed limits and thereby creating a subsidiary of the Company.

None of the Directors of the Company is concerned or interested in the Resolution except to the extent that Mr. S.K. Bandi, Mr. Suman kumar Bandi and Mrs. Sushma Bandi are also Directors and Shareholders in M/s Premium Global Securities Ltd.

**ITEM NO. 7**

Shri Gaurav Bandi, who is Chartered Accountant, was appointed by the Board w.e.f. 1st October, 1997 as a legal, taxation and corporate consultant of the Company to attend various legal, taxation and other corporate matters of the Company. Shri Gaurav Bandi is a young and Dynamic professional and having proper exposure to deal with the legal and corporate matters before the various authorities. His appointment shall be in the interest of the Company and your Directors recommend to pass the resolution as set out in item No. 7 of the notice.

Since Shri Gaurav Bandi is a relative of Shri S.K. Bandi, Shri Suman kumar Bandi and Mrs. Sushma Bandi, Directors of the company, his appointment as a consultant on the monthly remuneration requires approval of members in General Meeting by way of special resolution in term of the provision of section 314 (1) (b) of the Companies Act, 1956.

None of the Directors of the Company is concerned or interested in the resolution except to the extent that Mr. S.K. Bandi, Mr. Suman Kumar Bandi and Mrs. Sushma Bandi who are the relatives of Mr. Gaurav Bandi.

By order of the Board  
For **PREMIUM CAPITAL MARKET & INVESTMENTS LTD.**

Place : Indore  
Dated : 31st August, 1998

**SUMAN KUMAR BANDI**  
WHOLE-TIME DIRECTOR



**PREMIUM CAPITAL MARKET & INVESTMENTS LTD.****DIRECTORS' REPORT****THE MEMBERS****PREMIUM CAPITAL MARKET AND INVESTMENTS LTD.**

The Directors present their 6th Annual Report on the business and operations of the Company together with, the Audited Accounts for the year ended 31st March, 1998.

**FINANCIAL RESULTS:**

**Financial Results of the Company during the period vis-a-vis, previous year as follows:**

	(Rs. in Lakhs)	
	<u>1997-98</u>	<u>1996-97</u>
Profit/Loss before Depreciation & Tax	(-) 84.43	28.58
Less: Depreciation	<u>13.04</u>	<u>12.90</u>
Profit/Loss before Tax	(-) 97.47	15.68
Provision for Tax	-	(-) 3.60
Previous year Adjustments	<u>1.33</u>	<u>0.06</u>
	(-) 98.80	12.14
Add: Balance brought forward from the previous year	<u>3.05</u>	<u>34.33</u>
Amount available for appropriation	(-) 95.75	<u>46.47</u>
<b>APPROPRIATION</b>		
Transfer to/from General Reserve	(-) 63.97	41.00
Transferred to Reserve u/s 45 (IC) of RBI Act	-	2.42
Surplus carried to next year	(-) 31.78	<u>3.05</u>
	(-) 95.75	<u>46.47</u>

**BUSINESS PERFORMANCE**

Your Company offers the Specialised services in the fields of Issue management, Project Appraisal, Corporate Consultancy, Loan Syndication, Underwriting. The Company was also carrying fund based activities viz, Bills Discounting, Lease Financing, Loan Syndication, Inter Corporate Loans, Investment Banking etc. In view of the SEBI directions issued to the Merchant Bankers your Company also has to close its fund based activities, which reduced the operations of the Company substantially and also adversely affected the realisation of funds.

During the year under review the Company generated income of Rs. 109.94 Lakhs as compared to Rs. 106.71 Lakhs in the previous year. The Company has to provide provision as per RBI Prudential Norms for Non Performing Assets for Rs. 69.07 Lakhs, written off of balances of Accounts for Rs. 48.28 Lakhs and loss on sale of fixed assets of Rs. 0.52 Lakhs, total of Rs. 117.87 Lakhs (previous year nil), due to these provisions your Company have to show losses in the books.

**MERCHANT BANKING**

During the year under review capital raised in the primary market has been showing a steady decline and lack of activities in the primary market was further worsened due to political uncertainty in the Country during the whole year which resulted in the lack of confidence of the Investors in the Capital Market by falling prices in the secondary market. So many operators in the capital markets have surrendered their licence for merchant banking activities.

Since your Company is having category I, merchant bankers status and built up good reputation in the market. Even in the depressed capital market the Company have one Right issue in the hands and also expects good business opportunities in future when capital market will revive in due course.

**NSE OPERATION**

During the year under review, Your Company has continued its full fledged activities in the NSE Stock Broking & Trading in Indore and Mumbai at its own office premises and extended counter at Ujjain through its Agent and achieved income of Rs. 71.32 Lakhs (Previous Year Rs. 60.88 Lakhs). The Company is continuously making efforts to generate more business by broadening its clientele base. Your Directors



**PREMIUM CAPITAL MARKET & INVESTMENTS LTD.**

envisage improved market for better business volume in the years to come.

**FUTURE PLANS :**

In view of the SEBI guidelines, your Company have to shift its fund based activities to other Company and for that purpose it proposes to promote a wholly owned subsidiary Company so that the existing fund based activities may be transferred in the subsidiary Company.

**NON BANKING FINANCE COMPANY :**

As per the Revised Guidelines of the Reserve Bank Of India the Company had already applied to the RBI for registration as NBFC and is under consideration of the RBI.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION :**

1. Information in respect of Form 'A' is not applicable to the Company.
2. Information in respect of R & D and Technology absorption as required to be given is not applicable to the Company.
3. Information in respect of Foreign Exchange Earning & Outgo is : NIL

**PARTICULARS OF EMPLOYEES :**

Particulars of the employees as required under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of the Employees ) Rules 1975 are not applicable since, None of the employee of the Company is drawing more than Rs. 3,00,000 P.A. or Rs. 25,000 per month for the part of the year, during the year under review.

**LISTING OF SHARES :**

The Company's equity shares are listed with The M.P.Stock Exchange Indore (Regional) and also with the Stock Exchanges, Mumbai and Ahmedabad and during the period the shares of the Company were permitted for trading and there was no suspension of trading. The Company is regular in payment of Annual Listing fee to all the concerned Stock Exchanges.

**DIRECTORS :**

Mrs. Sushma Bandi, Whole Time Director who retires by rotation, being eligible offers her self for re-appointment. Mr. Suman Kumar Bandi proposed for re-appointment as a Whole time Director of the Company.

Mr. M.C.Asawa, resigned from the office of the Director and Whole Time Director ( designated as Executive Director) of the Company w.e.f. 23rd July, 1998. The Board places on record its appreciation of the valuable services and guidance rendered by Shri M.C. Asawa during his tenure as Director of the Company.

**DEPOSITS :**

In view of the Directions of the RBI issued on 2nd January, 1998 your Company is not accepting or renewing any deposit from the General Public and balance amount of the deposits shall be repaid within the stipulated time .

**AUDITORS REPORT :**

The Auditors in their report have referred to the Notes forming part of the Account, considering the principle of the materiality, the notes are self explanatory and need no comments.

**AUDITORS :**

M/S Sanjay & Sanjay Associates, Chartered Accountants, Auditors of Your Company retire from the office of the Auditors at the ensuing Annual General Meeting, and being eligible offers themselves for re-appointment. The Company have received a certificate from them to the effect that Re-Appointment if made would be within the limits prescribed U/S 224(1) of the Companies Act, 1956.