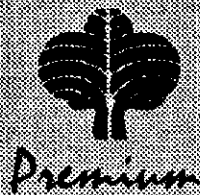


# 7<sup>th</sup>

## ANNUAL REPORT 1998-99



**Premium  
Capital Market And  
Investments Limited**

**PREMIUM CAPITAL MARKET AND INVESTMENTS LIMITED**

**Board of Directors** : Shri S.K. Bandi Chairman  
: Dr (Mrs) Sushma Bandi Director  
: Shri M.N. Govindaraj Director  
: Shri M.K. Khapra Director

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

**Bankers** : Canara Bank  
Dena Bank

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

**Other Office**

**Mumbai** : 5, Pushpam Building, 2nd Floor,  
30-E, Cawasji Patel Street,  
Opp. Yazdani Bakery, Fort,  
Mumbai - 400 001.  
Tel- 2846401-04  
Fax (022) 2846405



**PREMIUM CAPITAL MARKET AND INVESTMENTS LIMITED****NOTICE**

NOTICE is hereby given that the 7th Annual General Meeting of the PREMIUM CAPITAL MARKET AND INVESTMENTS LTD. will be held at 403, Ahinsa Towers, 7, M.G. Road, Indore (M.P.) - 452 001 on Monday the 27th day of September, 1999 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, 1999 and report of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri M.N. Govindaraj who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint the Auditors M/s. J. P. Saraf & Co. in Place of M/s. Sanjay & Sanjay Associates, Chartered Accountants, and to fix their remuneration.

**II SPECIAL BUSINESS BY SPECIAL RESOLUTION :**

4. 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 though fit, to pass, with or without modification (s) the following the Resolution as Special Resolution :

**RESOLVED THAT** pursuant to the provisions of Section 17 and all other applicable provisions, if any, of the Companies Act, 1956 and subject to confirmation of the Registrar of Companies, Madhya Pradesh, the following additional object clause as 5 (a) be and is 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 at its own or association with any Indian or foreign agency, individual, firm, company or Govt. undertaking either in India or abroad for electronic information technology development, up gradation manufacturing, processing and up gradation manufacturing, processing and up gradation of hardware, software, web-site, web-page, internet, e-mail, online electronic communication systems, data processing, developing, producing, generating, dealing and manufacturing and dealing, upgrading in all types of the computer hard wares, soft wares computer stationery.

Place : Indore  
Date : 25th August, 1999

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

**DR. (MRS) SUSHMA BANDI**  
**DIRECTOR**

**NOTES :**

1. A Member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote *instead of himself and the proxy need not be a Member*. Proxy in order to be effective must be deposited at the Registered Office of the company not less than 48 hours before the time fixed for holding the aforesaid meeting.
2. Register of Members and Share Transfer Books of the Company will remain closed from 25.08.99 to 28.08.99 (both days inclusive) as has been notified in the press / Stock Exchanges alongwith the Audited Financial Results dated 30.06.99.
3. Explanatory statement in pursuant to the provisions of Section 173 (2) of the Companies Act, 1956 in respect to the Special business in item No. 4 are annexed hereunder.
4. Members desirous of obtaining any information concerning Accounts and operation of the company are requested to address their question in writing to the Company atleast 7 days before the date of the Meeting so that the information required may be made available at the Meeting.

## **PREMIUM CAPITAL MARKET AND INVESTMENTS LIMITED**



### **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 :**

In view of the opportunities in the field of Information & Software Development Technology, the Company plans to carry on the business of developing of software, hardware, data processing and other relevant activities. The Company proposes to widen the scope of its activities to have a synergy in its existing and proposed business activities. Proposed amendment in the object clause shall empower the Company to enter into a new developing filed which shall be in the interest of the members and Company as a whole.

The amendment made in the object Clause at the 5th Annual General Meeting held on 29th Sept., 1997 not confirmed by the Registrar of Companies, therefore the same was automatically cancelled and have no effect.

As per the provisions of Section 17 of the Companies Act, 1956 the object of the Company may only be amended after the consent of the members by way of Special Resolution subject to confirmation of the Registrar of Companies.

Your Directors recommend to pass necessary resolution as set out in item no. 4 of the notice as Special Resolution.

Amended copies of the Memorandum of Association may be inspected during the business hours at the registered office of the Company.

None of the Directors of the Company are concerned or interested in the resolutions except as members of the Company.

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For PREMIUM CAPITAL MARKET & INVESTMENTS LTD.

Place : Indore  
Dated : 25th August, 1999

Dr. (Mrs.) SUSHMA BANDI  
DIRECTOR

**PREMIUM CAPITAL MARKET AND INVESTMENTS LIMITED****DIRECTORS' REPORT****THE MEMBERS**

PREMIUM CAPITAL MARKET AND INVESTMENTS LTD.

The Directors have pleasure to present the 7th Annual Report on the business and operations of the Company together with, the Audited Accounts for the year ended 31st March, 1999.

**FINANCIAL RESULTS :**

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

	<b>Rs. Lakhs</b>	
	<b>1998-99</b>	<b>1997-98</b>
Profit / Loss before depreciation & Tax	(68.40)	(84.43)
Less : Depreciation	13.03	13.04
Profit / Loss before Tax	(81.43)	(97.47)
Provision for Tax	-	-
Previous year Adjustments	1.77	1.33
	(83.20)	(98.80)
Add : Balance brought forward from the previous year	(31.78)	3.05
Amount available for appropriation	(114.98)	(95.75)
APPROPRIATION		
Transfer from General Reserve	-	(63.97)
Transferred to Reserve u/s 45 (IC) of RBI Act	-	-
Surplus carried to next year	(114.98)	(31.78)
	(114.98)	(95.75)

**BUSINESS PERFORMANCE**

During the year your company as Corporate Member of NSE has operated its Broking Business from Mumbai and Indore. 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 income during the year. Due to various unforeseen circumstances the NSE operations could not be smooth. During the year under review the company generated income of Rs. 59.70 Lakhs as compared to Rs. 109.94 Lakhs in the previous year. The Company has to provide provision as per RBI Prudential Norms for Non-performing Assets for Rs. 63.08 Lakhs, written off balance Accounts for Rs. 3.60 Lakhs, total of Rs. 66.68 Lakhs (previous year 117.87 lakhs). Due to these provisions your company has to show losses in the books.

**NSE OPERATIONS**

During the year under review, your Company has continued its full fledged activities in the NSE Stock Broking and Trading in Indore and Mumbai at its own office premises and NSE operations at Ujjain were closed in June, 1998 and achieved income of Rs. 26.56 Lakhs (previous year Rs. 71.32 lakhs). The Company is continuously making efforts to generate more business by broadening its clientele base. Yours Directors envisage improved market for better business volume in the years to come.

**FUTURE PLANS :**

In view of the SEBI guidelines, your company has to shift its fund based activities to other company and for that purpose it proposes to continue the fund based activities in a subsidiary company.

Looking into continuous adverse financial market situation, your Board Propose to inter into Information Technology and allied field which is very fast growing sector in to Country. To achieve this business opportunity, Your Board of Director recommend to pass necessary resolution to amend the Main object of the Company.

## **PREMIUM CAPITAL MARKET AND INVESTMENTS LIMITED**



### **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 From '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 Earnings & 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 Stock Exchanges at 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**

Mr. M.N. Govindaraj, Director, who retires by rotation and being eligible offers himself for re-appointment. Mr. Suman Kumar Bnadi a Whole-time Director of the Company resigned from his office w.e.f. July 1st, 1999. The Board places on record its appreciation for the valuable services rendered by Shri Suman K. Bandi during his tenure as Director.

### **AUDITORS REPORT :**

The Auditors in their report have referred to the Notes forming part of the Accounts, 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 Submitted their unwillingness for reappointment on the auditors of the company. The company have received a certificate from M/s. J. P. Saraf & company Chartered Accountants to the effect that if the appointment made would be within the limit prescribed U/S 224(I) of the Companies Act, 1956.

Your Board of Directors recomend to appoint M/s. J. P. Saraf & Co. on the statutory Auditors of the company in place of M/s. Sanjay & Sanjay Associates to hold office of the Auditors till the Conclusion of next annual general meeting on such remuneration as may be decided by the Board

### **ACKNOWLEDGEMENT**

Your directors would like to place on record their appreciation for the sincerity of purpose, hard and dedicated efforts put in by the employees of the Company at all the levels of management. Gratitude are also expressed to RBI, SEBI, NSE, Registrar of Companies and other Governmental and non-Governmental Agencies, Financial Institutions, Bankers, Consultants and Members of the Company at large for their confidence and support extended to the Company.

Place : Indore

Dated : June 30, 1999

**For & On Behalf of the Board.**

**S.K. Bandi**

**Chairman**

## **PREMIUM CAPITAL MARKET AND INVESTMENTS LIMITED**



### **AUDITORS REPORT**

To,  
The Members,  
Premium Capital Market & Investments Ltd.  
Indore

We have audited the attached Balance sheet of Premium Capital Market And Investments Ltd. as at 31st March, 1999 and the Profit & Loss account annexed herewith for the year ended on that date and report that :-

1. As required by the manufacturing and other Companies (Auditor's Report) Order, 1988 issued by the Company Law Board in terms of section 227 (4A) of the Companies Act, 1956. we give in the Annexure a statement on the matters specified in paragraph 4 and 5 of the order.
2. Further to our comments in the Annexure referred to in paragraph 1 above, we report that :-
  - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - (b) In our opinion proper books of accounts as required by law have been kept by the company, so far as appears from our examination of such books of Accounts.
  - (c) The balance sheet and profit and loss account dealt with by this report are in agreement with the books of accounts.
  - (d) In our opinion the Balance Sheet & Profit & Loss account dealt with by this report Complies with the accounting standards referred to in sub section (3c) of the section 211 of the companies Act, 1956.
  - (e) In our opinion and to the best of our information and according to the explanation given to us, the said accounts, read together with the notes thereon, give the informations required by the Companies Act, 1956, in the manner so required and give a true and fair view :
    - (i) In the case of balance sheet of the state of affairs of the Company as at 31st March, 1999; and
    - (ii) In the case of profit and loss account, of the loss of the Company for the period ended on that date.

**For SANJAY & SANJAY ASSOCIATES  
CHARTERED ACCOUNTANTS**

Place : Indore  
Dated : June 30, 1999

**(SANJAY AIREN)  
Proprietor**