

# 12<sup>th</sup> ANNUAL REPORT 2003-2004

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Premium Capital Market & Investment Ltd

  
Director

  
*Premium* **Premium  
Capital Market &  
Investments Limited**



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**PREMIUM CAPITAL MARKET & INVESTMENTS LIMITED**

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<b><u>Board of Directors</u></b>	:	Shri S. K. Bandi	Chairman
	:	Shri R. S. Shekhawat	Director
		Shri S. R. Bohra	Director
		Shri Vinay F. Kothari	Director
		Shri Sumerchand Jain	Director

**Auditors** : Sanjay & Sanjay Associates  
210, Sapna Chamber,  
12/1, South Tukoganj,  
Behind Hotel Shreemaya,  
Indore (M.P.)

**Registered Office** : 205, City Centre, 570, M. G. Road  
INDORE 452 001  
Tel.: 2536127, 2435233  
Fax : (0731) 5066309



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**PREMIUM CAPITAL MARKET & INVESTMENTS LIMITED****NOTICE**

NOTICE is hereby given that 12th Annual General Meeting of the Premium Capital Market & Investments Limited will be held at 205, City Center, 570 M.G. Road, Indore (M.P) 452001, on Thursday, the 9th day of September, 2004 at 10.00 A.M. to transact the following businesses:

**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, 2004 and report of the Directors and Auditors thereon.
2. To appoint a director in place of Shri S.K. Bandi, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint the auditors of the company and to fix their remuneration.

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

4. To consider and if thought fit, to pass with or without modification(s) if any, the following Ordinary Resolution:

RESOLVED THAT Shri Sumerchand Jain, who was appointed as an additional director by the Board w.e.f. 27th March, 2004, to hold office up to the date of this Annual General Meeting, and in respect of whom a notice under section 257 of the Companies Act, 1956 have been received from some members signifying their intention to propose Shri Sumerchand Jain as a candidate for the office of the director of the Company be and is hereby elected and appointed as a director, liable to retire by rotation.

By Orders of the Board

For, Premium Capital Market &amp; Investments Ltd.

R.S.Shekhawat

(Whole Time Director)

Indore

21st May, 2004

**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 Book of the Company will remain closed from 06th Sept., 2004 to 08th Sept., 2004 (both days inclusive).
3. a) Members are requested to notify immediately any change of address;
  - (i) to their Depository Participants (DPs) in respect of their electronic share accounts; and
  - (ii) to the Company's Share Transfer Agents in respect of their physical share folios, if any.
 b) In case the mailing address on this Annual Report is without the PINCODE, members are requested to kindly inform their PINCODE immediately.
4. Non-resident Indian Shareholders are requested to inform Share Transfer Agents immediately:
  - a) the change in the residential status on return to India for permanent settlement.
  - b) the particulars of NRE Account with a Bank in India, if not furnished earlier
5. 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.
6. Members who are holding shares in identical order of names in more than one folio are requested to



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send to the Company the details of such folios together with the share certificates for consolidating their holdings in one folio. The share certificates will be returned to the members after making requisite changes thereon.

7. Members desires 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.
8. The Company has connectivity from the CDSL & NSDL and equity shares of the Company may also be held in the Electronic form with any Depository Participant (DP) with whom the members/investors having their depository account. The ISIN No. for the Equity Shares of the Company is INE 555D01019 In case of any query/difficulty in any matter relating thereto may be addressed to the Share Transfer Agents Ankit Consultancy Pvt. Ltd., Alankar Point, Gita Bhawan Chouraha A.B.Road, Indore (M.P.).
9. As per the provisions of the Companies Act, 1956, facility for making nominations is now available to INDIVIDUALS holding shares in the Company. The Nomination Form-2B prescribed by the Government can be obtained from the Share Transfer Agent or may be down load from the website of the Department of Company affairs.
10. Pursuant to the recommendation of SEBI Committee on Corporate Governance for re-appointment of the retiring directors, a statement containing details of the concerned directors is attached hereto.

### STATEMENT REGARDING THE DIRECTORS PROPOSED FOR APPOINTMENT/RE-APPOINTMENT

NAME AND DESIGNATION OF APPOINTEE	AGE/YEARS	QUALIFICATIONS	EXPERTISATION/EXPERIENCE	DATE OF RE-APPOINTMENT/ APPOINTMENT	OTHER DIRECTORSHIPS HELD
Shri S.K. Bandi	57	B.Com, FCA	Finance and Management	09.09.2004	One
Shri Sumerchand Jain	58	B. A.	Management	27.03.2004	Nil

### 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. 4:

Shri Sumerchand Jain was appointed by the Board as additional directors of the Company w.e.f. 27th March, 2004 to induct him as the independent director in the Board of directors of the Company as required under clause 49 of the listing agreement and in order to broad base the Board of directors and to utilise his expert knowledge and advises.

The Company have received notice under section 257 of the Companies Act, 1956 from member proposing his appointment for the office of the directors of the Company. Looking into his experience and qualification, your Board recommend the appointment of Shri Sumerchand Jain as the director of the Company and proposes to pass the resolution as set out in Item No. 4 of the Notice for approval as a Ordinary Resolution. Except, Shri Sumerchand Jain being appointed none other directors are interested or concerned in the resolution.

**By Orders of the Board**  
**For Premium Capital Market & Investments Ltd.**

**Indore**  
**21st May, 2004**

**R.S.Shekhawat**  
**(Whole-time Director)**



## **PREMIUM CAPITAL MARKET & INVESTMENTS LIMITED**

### **DIRECTORS' REPORT**

To,  
The Members,  
Premium Capital Market and Investments Limited

Your Board of directors presenting their 12th Annual report on the business and operations of the Company along with the Audited Balance Sheet and Profit & Loss Accounts for the year ended 31st March, 2004.

#### **FINANCIAL RESULTS:**

Financial Results of the company for the year under review along with the comparative figures for previous year are as follows:

	<b>(Rs in Lakhs)</b>	
	<b>2003-04</b>	<b>2002-03</b>
Income from operations	18.52	10.35
Profit (Loss) before tax and depreciation	(9.83)	(44.14)
Less: Depreciation	2.06	2.41
Profit (Loss) before Tax	(7.77)	(46.55)
Previous year's adjustment	1.55	5.78
Provision for Tax	-	-
	(6.22)	(40.77)
Add: Balance brought forward from previous year	(337.15)	(296.38)
Losses carried to Balance Sheet	(343.37)	(337.15)
Earning Per Share	(0.09)	(0.62)
Basic and diluted earning per share		

#### **DIVIDEND:**

Looking into the heavy business losses suffered by the Company, it is not possible for the management to recommend any dividend for the year under review.

#### **REVIEW ON OPERATIONS:**

Total revenue increased to Rs.18.52 Lacs from Rs.10.35 Lacs in the previous year. The company earned a profit of Rs.2.04 Lacs from Future & Option Trading as compared to loss of Rs.1.75 Lacs in the previous year.

During the year, your company as a corporate member of NSE has operated in broking business from Mumbai as well as Indore offices. Being a year of numerous and unforeseen ups and downs in the securities market and in view of the SEBI directions issued to the Merchant Bankers requiring closure of fund based activities, the operations of the company were substantially and also adversely effected.

#### **NSE OPERATIONS:**

During the year your company has continued its operations and activities in NSE Stock Broking and trading in Indore and Mumbai at its own office premises and is continuously endeavoring to generate more business and broadening its client base to achieve promising gains.

Your Directors envisage improved market and economic conditions for achieving better business volumes in the years to come.

#### **FUTURE OPTION BUSINESS ACTIVITIES:**

During the year, your company has continued to carry on the Future & Options (Derivatives) Segment broking business and has earned a profit of Rs.2.04 Lacs as compared to previous year loss of Rs.1.75 Lacs.



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## **PREMIUM CAPITAL MARKET & INVESTMENTS LIMITED**

### **FUTURE PLANS**

In the present scenario of world economy, India has emerged as a major hub for the global 'Business Process Outsourcing' (BPO) Industry. In view of the changing economic scenario and the immense opportunities in the Outsourcing sectors, your company since last year stepped into the new arena of BPO in the form of a small scale joint venture unit 'PREMIUM OUTSOURCING' in technical support of Mr. Gaurav Bandi and his associates. 'Premium Outsourcing' has incepted its BPO venture in the fields of Computer Based Data Entry, Data Transfer and processing work and in the near future it looks forward to cater to the back office requirements, e-accounting services and advanced data processing for esteemed clients based at USA & UK.

The company has targeted to achieve gross revenue generation of more than 100 lacs every year and to employ more than 200 trained operators and professionals to highlight the company as one of the major leading BPO & e-accounting concerns, on the map of Central India.

### **MANAGEMENT DISCUSSION AND ANALYSIS:**

Your company being managed by professionals and experienced individuals, has always endeavored to diversify and evolve out of adversities. Though the past years have not yielded attractive earnings the company hopes to set its feet firmly in its BPO adventure and shoot up its current and future revenue to the neutralisation of its networth.

Further, your management shall also strive to create shareholder's value through corporate social responsibilities.

### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

The Company has reasonable system of internal control comprising authority levels and the powers, supervision, checks, policies and the procedures. During the year your company has reconstituted the Audit Committee and have inducted Shri Sumerchand Jain as a member in place of Shri Milind Shende who ceased to be a director of the company. Shri S.R. Bohra is the Chairman of the Committee. The said Committee review the adequacy of internal controls systems and the Compliance thereof.

Further the annual financial statement of the company are reviewed and approved by the committee and placed before the Board for the consideration. The Committee also reviewed the internal controls system during the year.

### **SHARE CAPITAL AND LISTING:**

The equity shares of the Company can also be kept in electronic form as your company is having connectivity from the Central Depository Services Ltd. (CDSL) and National Depository Services Ltd. (NSDL) and has provided facilities to all members and investors to hold the Company's shares in dematerialised form.

The shares of the company are listed with the Stock Exchange, Mumbai, M.P and Ahmedabad. In view of no trading in the shares at the Stock Exchange, M.P and Ahmedabad, the members had passed special resolution in accordance with the SEBI (Delisting of Securities) Guidelines, 2003 and the application with the M.P and Ahmedabad Stock Exchanges for delisting is under final consideration. Therefore, the Company's shares will be listed only with the BSE, where the equity shares of the Company being traded generally.

Your company is regular in payment of annual listing fee to the Stock Exchanges.

### **DIRECTORS:**

The Board consists of executive and non-executive directors including independent directors who have wide and varied experience in different disciplines of Corporate functioning.

Shri Milind Shende has resigned from the directorship and membership of various Committees w.e.f. 27th March, 2004. Your Directors place on record their appreciation for the valuable services rendered by him in the capacity of director of the Company.





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Shri Sumerchand Jain was appointed as the additional director of the Company w.e.f. 27th March, 2004 in the category of the independent director of the Company. The Company has received notice under section 257 of the Companies Act, 1956 for proposing his candidature for the appointment as the director of the Company. Your directors recommend to pass the resolution for his appointment as the director of the Company.

Shri S.K. Bandi, Director of the Company will retire by rotation at the forthcoming Annual General Meeting and being eligible, offer himself for re-appointment.

### **AUDITOR'S & THEIR REPORT:**

Comments of the Auditors in their report and the notes forming part of the Accounts, are self explanatory and needs no comments.

M/s Sanjay & Sanjay Associates, the Company's Auditors will retire at the conclusion of the ensuing Annual General Meeting. The Company has obtained a certificate from them in accordance with the provisions of section 224(1B) of the Companies Act, 1956 confirming their eligibility for reappointment as the auditors of the company.

### **PUBLIC DEPOSITS:**

During the year under review the company has neither accepted nor invited any public deposits in view of the directions issued by the Reserve Bank of India. There is no out standing amount of matured deposits remains unpaid at the end of the financial year.

### **DIRECTORS' RESPONSIBILITY STATEMENT:**

In accordance with the provisions of section of 217(2AA) of the Companies Act, 1956, your directors state that:

- ◆ In the preparation of accounts, the applicable accounting standards have been followed.
- ◆ Accounting policies selected were applied consistently. Reasonable and prudent judgments and estimates were made so as to give a true and fair view of the state of affairs of the company as at the end of March 31, 2004 and the loss of the company for the year ended on that date.
- ◆ Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities.
- ◆ The annual accounts of the company have been prepared on the going concern basis.

### **CORPORATE GOVERNANCE:**

Your Company is committed to good Corporate Governance practice and follows the principles of fair representation and full disclosure in all its dealings and communications, thereby protecting the rights and interests of all its shareholders. The Company's goal is to find creative and productive ways of delighting its stakeholders, i.e., investors, customers and associates, while fulfilling the role of a responsible corporate representative committed to the best practices.

Your Company has complied with the mandatory requirements of clause 49 of the listing agreement within the stipulated time. A report on the Corporate Governance have been annexed to the Directors' Report.

### **PERSONNEL:**

The Company continued to have cordial relations with its employees during the year under review.

### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION:**

Particulars pursuant to the Companies (Disclosure of Particulars in the Report of Board of Director) Rules, 1988 are not applicable to the Company as it has no manufacturing activities during the year under review. The Company has no earnings or outgo of any foreign exchange.



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### **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. 24,00,000/- P.A. or Rs.2,00,000/- P.M. for the part of the year, during the year under review.

### **ACKNOWLEDGEMENTS:**

Your directors wish to place on record their sincere appreciation and acknowledge with gratitude for the assistance, cooperation and encouragement by valued customers, suppliers, bankers, shareholders and employees of the company and look forward for their continued support.

**For and on behalf of the Board**

**Place : Indore**  
**Dated :21st May, 2004**

**R.S.SHEKHAWAT**  
**WHOLE TIME DIRECTOR**







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## PREMIUM CAPITAL MARKET & INVESTMENTS LIMITED

### CORPORATE GOVERNANCE REPORT REPORT OF COMPLIANCE WITH CLAUSE 49 OF THE LISTING AGREEMENT OF THE STOCK EXCHANGES

#### 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

The Company's philosophy on code of Governance envisages the attainment of the highest levels of transparency, accountability and equity in all facts of its operations and in all its interactions with its stakeholders, including shareholders, employers, the government and lenders.

The Company believes that all its operations and actions must serve the underlying goal of enhancing overall shareholder value, over a sustained period of time.

#### 2 BOARD OF DIRECTORS:

##### (i) Details of Directors:

The Company is having Five directors in the Board and having optimum composition of the 4 independent director in the Board of Directors of the Company. Details of the Directors of the Company as at 31st March, 2004 are as under:

Directors	Executive/ Non Executive/ Independent	No. of outside directorship held		No. of outside positions held		Committee
		Public	Private	Member	Chairman	
Shri S.K.Bandi	Chairman	-	1	-	-	-
Shri R.S.Sekhawat	ED/Independent	-	-	-	-	-
Shri S.R.Bohra	NED/Independent	-	-	-	-	-
Shri Vinay F. Kothari	NED/Independent	-	-	-	-	-
Shri Sumerchand Jain*	NED/Independent	-	-	-	-	-
Shri Milind Shende**	NED/Independent	-	-	-	-	-

\* Shri Sumerchand Jain was appointed as the additional director by the Board w.e.f. 27th March, 2004.

\*\* Shri Milind Shende has resigned from the office of directorship w.e.f. 27th March, 2004.

##### (ii) Details of Board Meetings held during the year:

During the financial year 2003-04, there was total Eight meetings of the Board of Directors of the Company. Details regarding the date, venue, strength of the Board and Directors present at the respective meetings are as under:

Date of Board Meetings	Name of Directors Present at Meeting	Total Strength of the Board	No. of Directors present
28th May, 2003	SKB, RSS, SRB	5	3
30th July, 2003	SKB, RSS, SRB	5	3
18th August, 2003	SKB, RSS, SRB	5	3
20th September, 2003	SKB, RSS, SRB, VK, MS	5	5
8th October, 2003	SKB, RSS, SRB	5	3
31st December, 2003	SKB, RSS, SRB, VK	5	4
4th February, 2004	SKB, RSS, SRB	5	3
15th March, 2004	SKB, RSS, VK	5	3

#### 3. AUDIT COMMITTEE:

##### (A) Brief description of terms of reference:

- Oversight of the Company's financial reporting process and the disclosure of its financial information.



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- (b) Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.
- (c) Review with the management the annual/half-yearly financial statements before submission to the Board, focussing primarily on:
  - (i) any changes in accounting policies and practices;
  - (ii) major accounting entries based on exercise of judgement by management;
  - (iii) qualifications in draft audit report;
  - (iv) significant adjustments arising out of audit;
  - (v) the going concern assumption;
  - (vi) compliance with accounting standards, Stock Exchange and legal requirements concerning financial statements; and
  - (vii) any related party transactions.
- (d) Hold discussion with external auditors before the audit commences nature and scope of audit as well as have post-audit discussion to ascertain any area of concern.
- (e) Review the Company's financial and risk management policies and the adequacy of internal control systems.
- (f) Review the adequacy of accounting records maintained in accordance with the provisions of the Companies Act 1956.
- (g) Review the performance of Statutory Auditors and recommend their appointment and remuneration to the Board, considering their independence & effectiveness.
- (h) Perform other activities consistent with the Company's Memorandum and Articles, the Companies Act, 1956 and other Governing Laws.

### **(B) Composition of Committee and number of meetings held:**

S.No.	Name	Designation	Position in Committee
1.	Shri S.R.Bohra	Director	Chairman
2.	Shri Vinay F. Kothari	Director	Member
3.	Shri Sumerchand Jain*	Director	Member
4.	Shri Milind Shende**	Director	Member

\* Shri Sumerchand Jain was appointed as the Member of the Committee w.e.f. 27th March, 2004.

\*\* Shri Milind Shende ceased to be the Member of the Committee w.e.f. 27th March, 2004.

The Statutory Auditors and Whole-time Director of the Company were also invited by the Committee for express their views in the Meeting.

During the year under review, the Audit Committee of the Board met three times viz. 16th June, 2003; 27th August, 2003 and 12th February, 2004 to deliberate on various matters.

## **4. SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE:**

### **(A) Brief description of terms of reference:**

The Company has a 'Shareholders Grievance & Transfer Committee' at the Board level to look into the redressing of shareholders and investors complaints like:

- (a) Transfer of Shares, transmissions and delay in confirmation in D-mat of shares.
- (b) Non-receipt of Annual Report, etc.

The Committee oversees the performance of the Registrar and Share Transfer Agent and recommend measure for overall improvement in the quality of investor services.

### **(B) Composition of Committee and number of meetings held:**