

# 14<sup>th</sup> ANNUAL REPORT 2005-2006

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**Premium  
Capital Market &  
Investments Limited**

*Premium***PREMIUM CAPITAL MARKET & INVESTMENTS LIMITED**

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**Board of Directors** : Shri S. K. Bandi Chairman  
Shri S. R. Bohra Director  
Shri Vinay F. Kothari Director  
Shri Sumerchand Jain Director  
Shri Bhavesh Jain Director

**Auditors** : Airen, Saluja & Hablani  
Chartered Accountants  
210, Sapna Chamber,  
12/1, South Tukoganj,  
Behind Hotel Shreemaya,  
Indore (M.P.)

**Registered Office** : 401, Starlit Tower, 29, Y. N. Road,  
INDORE 452 003  
Tel.: 2536127, 2433348  
Fax : (0731) 4066309



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

### **NOTICE**

NOTICE is hereby given that 14th Annual General Meeting of the Premium Capital Market & Investments Limited will be held at 401, Starlit Tower, Y. N. Road, Indore (M.P) 452003, on Thursday, the 28th day of September, 2006 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, 2006 and report of the Directors and Auditors thereon.
2. To appoint a director in place of Shri Sumerchand Jain, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Shri Bhavesh Jain, Who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint the auditors and to fix their remuneration.

**By Orders of the Board**

**For : Premium Capital Market & Investments Ltd.**

**Indore**

**18th August, 2006**

**S.K.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 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 25.09.06 to 28.09.2005 (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 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



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

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 Bhavesh Jain	28	B. Com., ACA	Finance Consultant & Corporate Law	14-10-05	Nil
Shri Sumerchand Jain	60	Graduate	-	27-03-04	Nil

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

Indore  
18th Aug, 2006

S. K. Bandi  
(Director)



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## PREMIUM CAPITAL MARKET & INVESTMENTS LIMITED

### DIRECTORS' REPORT

To,  
The Members,  
Premium Capital Market and Investments Limited

The Directors present their 14th 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, 2006.

#### FINANCIAL RESULTS :

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

	(Rs in Lakhs)	
	2005-06	2004-05
Total Income from operations	9.58	12.73
Profit (Loss) before tax and depreciation	2.35	(-) 17.66
Less: Depreciation	1.72	2.02
Profit (Loss) before Tax	0.63	(-) 19.68
Previous year's adjustment	-	-
Provision for Tax	-	-
	0.63	19.68
Add: Balance brought forward from previous year	(-) 363.04	343.36
Losses carried to Balance Sheet	(-) 362.41	(-) 363.04
Earning Per Share	0.01	(0.30)

#### 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 has been reduced to Rs. 9.58 Lacs from Rs. 12.73 Lacs in the previous year. The company incurred a loss of Rs. 0.98 Lacs from Future & Option Trading as compared to Loss of Rs. 1.33 Lacs in the previous year.

The Company's funds blocked with sundry debtors and advances made by the Company, for which necessary legal proceedings were already initiated by the Company which are under various stages. Though, in absence of the liquidity of funds the Company could generate comparative better results during the year under review.

#### INTERNAL CONTROL SYSTEM & THEIR ADEQUACY :

The company has reasonable system of internal control comprising authority levels and the powers, supervision, checks, policies, and the procedures. The Audit Committee consists of Shri S.R. Bohara (Chairman of the Audit Committee), Shri Sumerchand Jain (Director) & Shri Vinay F. Kothari (Director). The said Committee review the adequacy of internal control system 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 control system during the year.

#### SHARE CAPITAL & LISTING :

The Equity Share of the Company can also be kept in Electronic form your Company has obtained connectivity from the Central Depository Services Ltd (CDSL) and National Depository Services Ltd (NSDL) to provide facilities to all members and investors to hold the Company's shares in Dematerialised form.



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

Company's Equity Shares are listed with the Stock Exchange, Mumbai, M.P. & Ahmedabad. In view of the SEBI (Delisting of Securities) Guidelines, 2003 application has been made with the M.P. and Ahmedabad Stock Exchange for delisting which is under consideration. Therefore, Company 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 & non executive directors including independent directors who have wide & varied experience in different disciplines of Corporate functioning.

Shri Bhavesh Jain was appointed as the additional director of the Company w.e.f. 14th October 2005 in category of the independent director of the company. The company has received notice u/s 257 of the companies Act, 1956 for proposing his candidature for the appointment as the Director of the Company. Your Director recommend to pass the resolution for his appoint as the Director of the Company.

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

### **PUBLIC DEPOSITS :**

In view of the Directions of the RBI issued on 2nd January, 1998 your Company has neither accepted nor invited any deposit from the General Public. There is no outstanding amount of matured deposits remain 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 judgements 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, 2006 and the profit 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 a going concern basis.

### **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 :**

Comments of the Auditors in their Annual Report and the notes forming part of the Accounts, are self explanatory and needs no comment. M/s Airen Saluja & Hablani, Chartered Accountants , Auditors of your Company retires from the office of the Auditors at the ensuing Annual General Meeting. The Company has obtained a Certificate from them in accordance with the provisions of Section 224(1B) of the Company's Act 1956 confirming their eligibility for re-appointment as the auditors of the Company.

Your directors recommend to appoint M/s Airen Saluja & Hablani, Chartered Accountants as the Auditors of the Company to hold office till the conclusion of the next Annual General Meeting on such remuneration as may be determined by the Board of directors of the Company.



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

### **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 & 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 Director's Report.

### **PERSONNEL :**

The Company continued to have cordial relationship 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) Rule 1988 are not applicable to the Company as it has no manufacturing activities during the year under review. The Company has no earnings or outflow of any foreign exchange.

### **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 under review.

### **ACKNOWLEDGEMENT :**

Your Directors wish to place on record their sincere appreciation and acknowledge with the gratitude for the assistance, co-operation and encouragement by valued customers, suppliers, bankers, shareholders and employees of the Company and look forward for their continued support.

**For & On Behalf of the Board**

**Indore**

**Dated : 18th August, 2006**

**S.K.BANDI  
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 the code of Governance envisages the attainment of the highest level of transparency, accountability and equity in all factes of its operations and in all its interactions with its stakeholders, employers, the government & lenders.

**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 Mrach,2006 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	-	2	-	-	-
Shri Bhavesh Jain	ED/Independent	-	-	-	-	-
Shri S.R.Bohra	NED/Independent	-	-	-	-	-
Shri Vinay F.Kothari	NED/Independent	-	-	-	-	-
Shri Sumerchand Jain	NED/Independent	-	-	-	-	-

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

During the financial year 2005-06 there was total Eight meetings of the Board of Directors of the Company. Detail regarding the date, venue & Strength of the Board of Directors present at the respective meeting are as under :

Date of Board Meetings	Name of Directors Present at Meeting	Total Strength of the Board	No of Directors Present
20thMay, 2005	SKB,RSS,SRB,VK	5	4
30thMay, 2005	SKB,RSS,SRB,VK	5	4
17th June, 2005	SKB,RSS,VK	5	3
29th July, 2005	SKB,RSS,SRB,VK,SCJ	5	5
15th Sep., 2005	SKB,VK, SCJ,SRB	5	4
14th October, 2005	SKB,BJ,SCJ	5	3
10th March, 2006	SKB,BJ,SCJ,SRB	5	4
28th March, 2006	SKB,BJ,SRB,VK	5	4

**3. AUDIT COMMITTEE:**
**(A)BRIEF DESCRIPTION OF TERMS OF REFERENCE :**

- Oversight of the Company's financial reporting and the discloser of its financial information.
- Recommending the appointment and removal of external auditors, fixation of audit fees and also approval for payment for any other services.
- Review with the management the annual/half yearly financial statement before submission to the Board, focusing primarily on :
  - any changes in accounting policies and practices:





## PREMIUM CAPITAL MARKET & INVESTMENTS LIMITED

- (ii) major accounting entries based on exercise of judgement by management;
  - (iii) qualification 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 statement; 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 system.
- (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 & remuneration to the Board, considering their independence & effectiveness.
- (h) Perform other activities consistent with the Company's Memorandum & 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

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

During the year under review, the Audit Committee of the Board met 4 times viz. 12th May, 2005, 14<sup>th</sup> September, 2005, 20<sup>th</sup> December, 2005 & 20th March, 2006 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 & 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 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 :

S. No.	Name	Designation	Position in Committee
1	Shri S.R. Bohra	Director	Chairman
2	Shri Vinay F. Kothari	Director	Member
3	Shri Bhavesh Jain	Director	Member

During the year under review, the Shareholders Greivance & Transfer Committee of the Board met four times viz. 20<sup>th</sup> July, 2005, 14<sup>th</sup> October, 2005, 16<sup>th</sup> Feb, 2006 & 22th March, 2006.