

# 15<sup>th</sup> **ANNUAL REPORT 2006-2007**

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**Premium  
Capital Market And  
Investments Limited**



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

<b><u>Board of Directors'</u></b>	:	Shri S.K. Bandi	Chairman
		Shri Shivdatt Bohra	Director
		Shri Vinay F. Kothari	Director
		Shri Sumer Chand Jain	Director
		Shri Puneet Kumar Khale	Whole-Time-Director

<b><u>Company Secretary</u></b>	:	Raj Kumar Bhawsar
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<b><u>Auditors</u></b>	:	Airen Saluja & Hablani Chartered Accountants
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210, Sapna Chamber,  
12/1, South Tukoganj,  
Behind Hotel Shreemaya,  
Indore (M.P.)

<b><u>Registered Office</u></b>	:	401, Starlit Tower, 4 <sup>th</sup> Floor 29 Y.N. Road, Indore (M.P.) - 452003 Tel : 2536127, 2433348 Fax : (0731) 4066309
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## **PREMIUM CAPITAL MARKET AND INVESTMENTS LIMITED**

### **NOTICE**

NOTICE is hereby given that 15<sup>th</sup> Annual General Meeting of the Premium Capital Market and Investments Limited will be held at 401 Starlit Tower, 4<sup>th</sup> Floor, 29 Y.N. Road, Indore (M.P.) - 452003, on Thursday, the 6<sup>th</sup> Day of September, 2007 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 31<sup>st</sup> March, 2007 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 a Director in place of Shri Shivdatt Bohra, Who retires by rotation and being eligible offers himself for re- appointment.
4. To appoint the auditors and to fix their remuneration.

#### **II. SPECIAL BUSINESS:**

5. To consider and, if thought fit, to pass, the following resolution as an Ordinary Resolution:  
 "RESOLVED THAT Mr. Puneet Kumar Khale, who was appointed as an Additional Director by the Board of Directors and who holds office as such only upto the date of ensuing Annual General Meeting and in respect of whom a notice under Section 257 of the Act has been received from some members signifying his candidature for the office of the director of the company be and is hereby appointed as a Director of the Company liable to retire by rotation."
6. To consider and, if thought fit, to pass, the following resolution as Special Resolution:  
 "RESOLVED THAT pursuant to the provision of Section 198,269,309,310 and 311 read with schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being enforce) the consent of the Company be and is hereby accorded to the Board of Directors (the "Board" including committee thereof) for appointment and remuneration paid or payable (w.e.f. January 1, 2007) to Mr. Puneet Kumar Khale as Whole-Time-Director of the Company on a monthly remuneration of Rs. 6000/- with yearly increment subject to limit prescribed by the Act.  
 "RESOLVED FURTHER THAT the Board be and is hereby authorised to take all such steps as may be necessary, proper or expedient to give effect to this resolution"

**By Orders of the Board**  
**For Premium Capital Market and Investments Ltd.**  
**RAJ KUMAR BHAWSAR**  
**Company Secretary**

**Place : Indore**

**Date : 23<sup>rd</sup> July, 2007**

#### **NOTES :**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND 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 Member and Share Transfer Book of the Company will remain closed from 03-09-07 to 06-09-07 (both day 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 account; and  
 (ii) to the Company's Share Transfer Agent in respect of their physical share folios, if any.  
 b) In case the mailing address on this Annual Report is without the PIN CODE, member are requested to kindly inform their PIN CODE immediately.
4. Non-resident Indian Shareholders are requested to inform Share Transfer Agent 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 accompanying notice are open for inspection at the Registered office of the Company on all working days, except Saturday between 11.00 A.M. to 1.00 P.M.



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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 folio together with the share certificate for consolidating their holding in one folio. The share certificate 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 the information required may be 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 Share of the Company is INE 555D01019 . In case of any query/difficulty in any matter relating there to may be addressed to the Share Transfer Agent Ankit Consultancy Pvt. Ltd, 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 Ministry of Corporate 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 DIRECTORSHIP HELD
Shri S.K. Bandi Director	59	B. Com., FCA	Finance and Management	01-07-92	Two
Shri Shivdatt Bohra Director	66	B. Com., LL.B	Legal Practice Advocate	15-02-00	Nil
Shri Puneet Kumar Khale Whole-Time-Director	25	B.Sc. (Computer Science)	Management System Devel.	01-01-07	Nil

Explanatory Statement Pursuant to Section 173(2) of the Companies Act, 1956.

#### ITEM 5

Shri Puneet Kumar Khale was appointed as an Additional Director of the company on January 1, 2007 to holds office till the date of ensuing Annual General Meeting of the Company. Notice has been received from one of the member of Company pursuant to Section 257 of the companies Act, 1956 signifying his candidature for the office of the Director retire by rotation. The Board recommend for appointment of Shri Puneet Kumar Khale as Director liable to retire by rotation.

None of the Directors except Shri Puneet Kumar Khale is interested in the resolution.

#### ITEM 6

Shri Puneet Kumar Khale born on July 1, 1982 is B.Sc.(Computer Science) possessing wide experience in field of Computer Science, his appointment is made by the Board of Directors and approved by Remuneration Committee of the Board as Whole-Time-Director of the Company for a period of three years effective from January 1, 2007.

The appointment of and remuneration paid to Shri Puneet Kumar Khale as Whole-Time Director of the Company are subject to the limits under Section 198,269,309,310,311 read with Schedule XIII and all other applicable provisions (including statutory amendment thereof) if any, of the Companies Act, 1956. The Directors recommend the resolution as set out in item 6 of the notice for acceptance of Members.

None of the Directors other than Shri Puneet Kumar Khale is concerned or interested in the resolution.

By Orders of the Board  
For Premium Capital Market and Investments Ltd.  
**RAJ KUMAR BHAWSAR**  
Company Secretary

Place : Indore  
Date : 23<sup>rd</sup> July, 2007



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

### **DIRECTORS' REPORT**

To,  
The Members,  
Premium Capital Market and Investments Limited

The Director present their 15<sup>th</sup> Annual report on the business and operations of the Company along with the Audited Balance Sheet and Profit & Loss Accounts for the year ended 31<sup>st</sup> March, 2007.

#### **FINANCIAL RESULT :**

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

	(Rs. in Lakhs)	
	2006-07	2005-06
Total Income from operations	(-)13.37	9.58
Profit (Loss) before tax and depreciation	(-)18.97	2.35
Less : depreciation	1.72	1.72
Profit (Loss) before Tax	(-)20.68	0.63
Previous year's adjustment	0.15	-
Provision for Tax	-	-
	(-)20.83	0.63
Add : Balance brought forward from previous year	(-)362.41	(-) 363.04
Losses carried to Balance Sheet	(-)383.25	(-) 362.41
Earning Per Share	(0.32)	0.01

#### **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:**

During the Financial Year 2006-07, the Company has incurred heavy loss of Rs. 20.83 Lacs Out of which Future & Option Trading Loss of Rs. 16.24 Lacs.

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 better comparatively 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 Shivdatt Bohra (Chairman of the Audit Committee), Shri Sumer Chand 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.



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

### **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 (India) Ltd. (CDSL) and National Securities Depository Ltd (NSDL) to provide facilities to all members and investors to hold the Company's shares in Dematerialized form.

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 Exchange.

### **DIRECTORS:**

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

Shri Puneet Kumar Khale was appointed as the Additional Director of the company w.e.f. 1<sup>st</sup> January 2007 in category of the executive 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 Directors recommend to pass the resolution for his appoint as the Director of the Company.

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

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

### **PUBLIC DEPOSITS:**

In view of the Directions of the RBI issued on 2<sup>nd</sup> 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 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 31,2007 and the Profit / 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 provision 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 forming part of the Accounts are self-explanatory





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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 provision of Section 224(1B) of the Companies 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.

### **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 has been attached to the Directors' 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 Directors) Rules, 1988 are not applicable to the Company as it has no manufacturing activities during the year under review. The Company has no earning or outgo 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 Director wish to place on record their sincere appreciation and acknowledge with the gratitude forth 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**

**Place : Indore**

**Dated : 12<sup>th</sup> July, 2007**

**S.K. BANDI  
CHAIRMAN**



## PREMIUM CAPITAL MARKET AND 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 faces of its operation and in all interaction with its stakeholders, employers, the government & lenders.

#### 2. BOARD OF DIRECTORS:

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

The Company is having six directors in the Board and having optimum composition of the 4 independent directors in the Board of Director of the Company. Details of the Directors of the Company as at 31<sup>st</sup> March, 2007 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 Puneet Kumar Khale	ED/ Professional	-	-	-	-	
Shri Bhavesh Jain	NED / Professional	-	-	-	-	
Shri Shivdatt Bohra	NED / Independent	-	-	-	-	
Shri Vinay F. Kothari	NED / Independent	-	-	-	-	
Shri Sumer Chand Jain	NED / Independent	-	-	-	-	

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

During the financial year 2006-07 there was total nine 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 Meeting	Name of Director Present at Meeting	Total Strength of the Board	No. of Directors Present
28 <sup>th</sup> April 2006	SKB,BJ,SB,VFK	5	4
28 <sup>th</sup> June 2006	SKB,BJ,SB,VFK,SCJ	5	5
29 <sup>th</sup> July 2006	SKB,BJ,SB,VFK	5	4
18 <sup>th</sup> Aug 2006	SKB,BJ,SB,VFK,SCJ	5	5
28 <sup>th</sup> Oct. 2006	SKB,SB,VFK,BJ	5	4
1 <sup>st</sup> Jan. 2007	SKB,SB,VFK,BJ,SCJ	6	5
17 <sup>th</sup> Jan. 2007	SKB,SB,VFK,SCJ,BJ,PKK	6	6
19 <sup>th</sup> Jan. 2007	SKB,SB,VFK,SCJ,PKK	6	5
23 <sup>rd</sup> Feb. 2007	SKB,SB,VFK,SCJ,PKK	6	5

#### 3. AUDIT COMMITTEE:

##### (A) BRIEF DESCRIPTION OF TERMS OF REFERENCE:

- Oversight of the Company's financial reporting and the disclosure 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:





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- (i) any changes in accounting policies and practices;
  - (ii) major accounting entries based on exercise based on exercise of judgment by management;
  - (iii) qualification in draft audit report;
  - (iv) significant adjustment arising out of audit;
  - (v) the going concern assumption;
  - (vi) compliance with Accounting Standards, Stock Exchange and legal requirement concerning financial statement; and
  - (vii) any related party transitions.
- (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 Meeting held :

S.No.	Name	Designation	Position of Committee
1	Shri Shivdatt Bohra	Director	Chairman
2	Shri Vinay F. Kothari	Director	Member
3	Shri Sumer Chand 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 5 time viz. 28<sup>th</sup> April, 2006, 28<sup>th</sup> June, 2006, 29<sup>th</sup> July, 2006, 28<sup>th</sup> October, 2006, and 19<sup>th</sup> January, 2007 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 readdressing of Shareholders & investors complaints like :

- a) Transfer of shares, transmission 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 investors services .

#### B) Composition of Committee and number of meeting held:

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

During the year under review, the Shareholders Grievance & Transfer Committee of the Board met five times viz. 28<sup>th</sup> April, 2006, 28<sup>th</sup> June 2006, 28<sup>th</sup> October 2006, 19<sup>th</sup> January 2007 & 28<sup>th</sup> March 2007.