

Prime Capital Market Limited

15th Annual Report 2008 - 2009

Board of Directors

Sushil Kumar Purohit
Bimal Joshi
Dhruva Narayan Jha
Pravin Jain

Chairman & Managing Director
Wholetime Director
Independent Director
Independent Director

Registered Office

18A, B.J.B. Nagar
Bhubaneswar-751014, Orissa

Corporate Office

P-27, Princep Street
Kolkata-700 072

Bankers

Axis Bank Limited
Kotak Mahindra Bank
Syndicate Bank

Auditors

Saral Kr. Ganguly
Chartered Accountant
8, Strand Road,
Kolkata - 700 001.

Registrar & Share Transfer Agent

ABS Consultants Private Limited

99, Stephen House
4, B.B.D. Bag (East)
Kolkata-700 002.

Annual General Meeting

Date : 18th September 2009
Time : 4.00 P.M.
Venue : 18A, B.J.B. Nagar
Bhubaneswar-751014, Orissa

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Members are requested to bring their copy of Annual Report at the time of Meeting

NOTICE

Notice is hereby given that the Twenty Fifth Annual General Meeting of the members of **Prime Capital Market Limited** will be held on Friday, the 18th day of September, 2009 at 4.00 P.M. at 18A, B.J.B. Nagar, Bhubaneshwar-751014, Orissa to transact the following businesses as :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Directors' Report and Audited Statement of Accounts for the year ended 31st March 2009.
2. To declare dividend.
3. To appoint Director in place of Mr. Dhruva Narayan Jha, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors to hold the office from the conclusion of this Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

5. To consider and if thought fit to pass with or without modifications the following resolution as an ordinary resolution :

“RESOLVED THAT Pursuant to the provisions of Section 260 and all other applicable provisions of the Companies Act, 1956 (the Act) and in terms of Article 87 of the Articles of Association of the Company, Mr. Pravin Jain, who was appointed as an Additional Director of the Company at the Board meeting held on 22nd May 2008 and who holds the office up to the date of this Annual General Meeting in terms of provision of section 260 of the Act, and in whose respect the Company has received a notice from a member under Section 257 of the Act, together with necessary deposit as mentioned in the said section, proposing the candidature of Mr. Pravin Jain for the office of Director of the Company be and is hereby appointed as Director of the Company.”

Kolkata, June 30, 2009

By order of the Board
For Prime Capital Market Limited

Registered Office :

18A, B.J.B. Nagar,
Bhubaneshwar-751014, Orissa

Sushil Kumar Purohit
Chairman & Managing Director

Notes :

1. Proxies, in order to be effective, must be received at the Registered Office of the Company, not less than 48 hours before the commencement of the Annual General Meeting.
2. The Register of Member and the Share Transfer Books of the Company will remain closed from 12th September 2009 to 18th September 2009 (both days inclusive).
3. Members desirous of getting any information about the accounts of the Company, are requested to send their queries so as to reach at-least ten days before the meeting at the Registered Office of the Company, so that the information required can be made readily available at the meeting.

4. Members are requested to intimate change in their address immediately to M/s ABS Consultants Private Limited, the Company's Registrar and Share Transfer Agents, at their office at 99, Stephen House, 4, B.B.D. Bag (East), Kolkata-700 002.
5. Members are requested to bring copies of Annual Report to the Annual General Meeting.
6. Members holding shares in the same set of names under different folios are requested to apply for consolidation of such folios along with relevant Share Certificates to M/s ABS Consultants Private Limited, Registrar and Share Transfer Agents of the Company, at their address given above.
7. The Members/Proxies should bring the attendance slip duly filed in and signed for attending the meeting.
8. Members are requested to send their queries in regard to the accounts atleast 10 days in advance to the Registered Office of the Company.
9. Members are requested to quote Folio Number/Client ID in their correspondence.
10. The Equity shares of the Company are listed on Calcutta Stock Exchange (CSE) and Listing Fees for the financial year 2008-2009 have been paid to CSE.

Kolkata, June 30, 2009

By order of the Board
For Prime Capital Market Limited

Registered Office :

18A, B.J.B. Nagar,
Bhubaneswar-751014, Orissa

Sushil Kumar Purohit
Chairman & Managing Director

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No. 4

The Board of Directors of your Company appointed Mr. Pravin Jain as Additional Director of your Company at the Board meeting held on 22nd May 2008 to broad base the Board.

Mr. Pravin Jain has vast knowledge and rich experience in the field of finance & Capital Market of both primary and secondary division and it will be advantageous for the Company to avail his valuable services and rich experience. Your Company has received notices from members pursuant to section 257 of the Act, 1956 together with necessary deposit proposing the candidature of Mr. Pravin Jain for the office of Director of the Company.

Except Mr. Pravin Jain in his respective appointment, no other Director is concerned or interested in their appointment as Directors of the Company.

Directors' Report & Management Discussions & Analysis

Your Directors have pleasure in presenting the Fifteenth Annual Report of your Company together with the Audited Statements of Accounts for the financial year ended March 31, 2009.

(Rs. in Lacs)

| Financial Results | Year Ended 31.03.2009 | Year Ended 31.03.2008 |
|---|--------------------------|--------------------------|
| Income | 8.29 | 4.55 |
| Profit before Tax & Extraordinary Items | 2.52 | 0.88 |
| Less : Provision for Taxation | 0.72 | 0.30 |
| Profit after Tax | 1.80 | 0.58 |
| Add : Profit b/f from previous year | 117.94 | 117.36 |
| Balance c/f to next year | 119.74 | 117.95 |

Dividend

Due to Low profit and in order to conserve resources, your Directors do not recommend for the year under review.

Economic Scenario and Outlook

The year 2008 was unparalleled, with the unfolding of an unprecedented financial crisis on Wall Street, Falling property prices, coupled with massive leveraging, sparked off the sub-prime crisis in the housing mortgage sector in the US. Due to tight integration of the financial markets across the world, this contagion has spread to the global banking sector. Finally, this has traversed from the financial to the real estate sector, and has participated into a global economic slowdown.

The growth prospects of emerging economics such as India have most definitively been undermined by the ongoing crisis and the resilience of the Indian economy is being tested like never before. There is evidence of the slowdown in the economy with moderation of real GDP growth in the 1st half of 2008-09. The softening demand has dented corporate margins, while the uncertainty surrounding the crisis has affected business confidence.

The Central Government of India and the Reserve Bank of India have announced fiscal and monetary measures to revive growth. The Government is seeking to boost through various stimulus packages by way of enhanced expenditure on infrastructure and through tax reductions. However, business confidence and economy may take a while to rebound due to the traditional lag effect associated with stimulus packages.

Performance & Current Year Prospects

Your Company is one of Non Banking Finance Company (NBFC). During the entire year, there were almost no business due to sluggish market as well as rise and fall in Dollar verses Rupee as well as non-predictable low demand in money market. Due to uncertainty, the Company has decided to stay away from Finance & Money market and hence the Company was only able to be a profitable entity during the year under review.

Now the Money market has started to be stable as well as rise in demand in money market, thus the Company is hopeful of doing well in coming days and hope that both business and profit will shoot up and hence will be able to deliver more to its investors.

Business Segment

Your Company offers its services to customers through industry practices in the services of NBFC activities. Beside this your Company uses to invest its surplus fund in investing activities like investment in Equity Shares or in Capital Market or Mutual Fund.

Risk & Concerns

The risks that the Company faces are the ones that face the industry today and these have mentioned periodically. These risks includes sharp and un-predicted fall or rise in interest rates, lack of demand in money market, risk of bad debts due to change in exchange rates of Dollar versus Rupees. Others risks are client concentration risk, competitive risk and financial risk etc.

Overview

The Company is planning to counter its challenges through focused marketing, tight control on liquidity and margins, cost effective sourcing of services, improved quality and timely services as well as to take timely decision to avoid risk of bad debts or risk of loss due to change in rate of foreign currency.

Internal Control Systems and Adequacy

JMD has developed adequate Internal Control Systems in place to ensure a smooth functioning of its business. The Control System provides a reasonable assurance of recording the transactions of its operations in all material aspects and of providing protection against misuse or loss of Company's assets.

The ICS and their adequacy are frequently reviewed and improved and are documented.

Material Development in Human Resources

Prime's biggest assets are their employees. We are continuously working on innovative initiatives to attract, train, retain and motivate our employees. Our endeavors are driven by a strong set of values imbibed in us and policies that we abide by. Our constant goal, and indeed our biggest strength, is a healthy, happy and prosperous work environment for all our employees. Currently staff strength of the Company is 4 Employees including senior & junior category staff.

Directors

During the year Mr. Joharpal Singh has resigned from Directorship on 16th May 2008 and Mr. Pravin Kumar Jain has appointed as Additional Director of the Company on 22nd May 2008.

In accordance with the requirements of the Companies Act, 1956 and as per the provisions of Articles of Association of the Company, Mr. Dhruva Narayan Jha is liable to retire and eligible, offers himself for re-appointments in the forthcoming Annual General Meeting.

Except Mr. Dhruva Narayan Jha, no other Directors of the Company are interested in his re-appointment.

Further, none of the Directors of the Company are disqualified under section 274(1)g of the Companies Act 1956.

Auditors

Auditors M/s. Saral Kumar Ganguly, Chartered Accountants, Kolkata holds the office until the conclusion of ensuing Annual General Meeting. Your Company has received certificate from the Auditors under section 224(1B) of the Companies Act, 1956 to the effect that their reappointment if made, will be within the limit prescribed.

The shareholders are requested to appoint the Auditors and fix their remuneration.

Comments On Auditor's Report:

The notes referred to in the Auditor's Report are self explanatory and as such they do not call for any further explanation as required under section 217(3) of the Companies Act, 1956.

Public Deposits

Your Company has not accepted any deposits from the Public during the year under review.

Corporate Governance

Your Company follows the principles of the effective corporate governance practices. The Clause 49 of Listing Agreement deals with the Corporate Governance requirements which every publicly listed Company has taken steps to comply with the requirements of the revised Clause 49 of the Listing Agreement with the Stock Exchange.

A separate section on Corporate Governance forming part of the Directors' Report and the certificate from the Company's Auditors on Corporate Governance as stipulated in Clause 49 of the Listing Agreement is included in the Annual Report.

Human Resources

The Company takes pride in the commitment, competence and dedication shown by its employees in all areas of business. Various HR initiatives are taken to align the HR policies to the growing requirements of the business.

The Company has a structured induction process and management development programmes to upgrade skills of managers. Objective appraisal systems are in place for senior management system.

Statutory Information

The Company being basically in the media sector, requirement, regarding and disclosures of Particulars of conservation of energy and technology absorption prescribed by the rule is not applicable to us.

Particulars of Employees

People are the backbone of our operations. It is a matter of great satisfaction for our Company that our employees have been very supportive of the Company's plan. By far the employee's relations have been cordial through out the year.

The information as required by provisions of section 217(2A) of the Companies Act, 1956 read with the companies (Particular of employees) amendments rules, 1988 is reported to be NIL.

Particulars under section 217 (1) (e) of the Companies Act, 1956

The Company is engaged in the business of media products hence the information regarding conservation of energy, Technology Absorption, Adoption and innovation, the information required under section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules 1988, is reported to be **Nil**.

The Company has not earned or used foreign exchange earnings/outgoings during the year under review.

Directors Responsibility Statement

Pursuant to Section 217 (2AA) of the Companies (Amendment) Act, 2000 the Directors confirm that:

1. In the preparation of the Annuals Accounts, for the year ended 31st March 2009, all the applicable accounting standards prescribed by the Institute of Chartered Accountants of India have been followed;
2. The Directors had adopted such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period.
3. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. The Directors had prepared the annual accounts on a going concern basis.

Appreciation

The Board of Directors wishes to convey their appreciation to all the Company's employees for their performance and continued support. The Directors would also like to thank all the Shareholders, Consultants, Customers, Vendors, Bankers, Service Providers, and Governmental and Statutory Authorities for their continued support.

Kolkata, June 30, 2009

By order of the Board
For Prime Capital Market Limited

Registered Office :
18A, B.J.B. Nagar,
Bhubaneswar-751014, Orissa

Sushil Kumar Purohit
Chairman & Managing Director

Annexure to the Directors' Report

Corporate Governance

Your Company has complied, in all material respects, with features of Corporate Governance Code as per Clause 49 of the Listing Agreement with the Stock Exchange.

A report on the implementation of the Corporate Governance Code of the Listing Agreement by the Company is furnished below.

The Certificate of Corporate Governance from the Statutory Auditors of the Company confirming compliance of the conditions of Corporate Governance is annexed hereto.

Board of Directors

Composition of Directors

The constitution of the Board is in conformity with the provisions of Clause 49 of the listing Agreement of the Stock Exchange. The Board consists of five Directors out of which three members are Independent Directors.

The Board of Directors met 11 times on 7th April, 5th May, 15th May, 16th May, 22nd May, 30th June, 19th July, 31st July, 12th October and 31st October in year 2008 and on 30th January in the year 2009 during the financial year 2008-2009.

Details of Composition of Board, category of the Directors and their attendance at Board Meetings and last Annual General Meeting, number of other directorship are given below :-

| Name | Designation | Board Meetings Attended | Whether Attended AGM | Committee Membership | Committee Chairmanship | No. of Directorship in other Public Ltd. Co. |
|--------------------|------------------------------|-------------------------|----------------------|----------------------|------------------------|--|
| Sushil Kr. Purohit | Chairman & Managing Director | 11 | Yes | 2 | Nil | 2 |
| Bimal Joshi | Whole time Director | 11 | Yes | 1 | Nil | Nil |
| Dhruva Narayan Jha | Independent Director | 11 | Yes | 1 | 2 | 1 |
| Mr. Joharpal Singh | Independent Director | 5 | No | Nil | 1 | Nil |
| Pravin Jain | Independent Director | 6 | Yes | 2 | 1 | Nil |

Audit Committee

The Audit Committee consists of two Independent Directors & the Managing Director. All members of the Audit Committee are financially literate and they have accounting or related financial management expertise.

The primary purpose of the Audit Committee is to assist the Board of Directors (the “Board”) of Prime Capital Market Ltd., (the “Company”) in fulfilling its oversight responsibilities with respect to (a) the accounting and financial reporting processes of the Company, including the integrity of the audited financial results and other financial information provided by the Company to its stockholders, the public, any stock exchange and others, (b) the Company’s compliances with legal and regulatory requirements, (c) the Company’s independent auditors’ qualification and independence, (d) the audit of the Company’s Financial statements, and the performance of the Company’s internal audit function and its Independent Auditors.

Authority and Responsibilities

The Audit Committee reviews the Company’s financial reporting process, disclosure of accounting treatment, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter, disclosure norms, internal control systems, risk management policies, accounting policies and practices, ensuring the quality and appropriateness of the Company’s accounting and financial disclosures as well as quarterly/half yearly financial statements. It recommends appointment of Statutory Auditors fixes audit fees and reviews internal control systems, Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern, scope for observations of the auditors and adequacy of the internal audit function, discussion with internal auditors any significant findings and follow up there on etc.

In addition to the above, Audit Committee reviews the followings :

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the Chief internal auditor.

The members of Audit Committee met four times on – 30th June, 31st July and 31st October in year 2008 & on 30th January 2009 during the financial year ended on 31st March 2009.

| Name | Number of Meetings Held | Meetings Attended |
|---------------------|--------------------------------|--------------------------|
| Sushil Kr. Purohit | 4 | 4 |
| Pravin Jain | 4 | 4 |
| Dhruva Narayan Jha* | 4 | 4 |

* Chairman of the Committee

Remuneration Committee

Since the Company does not have remuneration Committee (constitution of which is a non-mandatory requirement), the details pertaining to the same are not provided

Details of Remuneration paid to Directors

The payment of salary to Directors was Nil during the financial year 2008-2009.

No Stock option has been allotted to any of the Directors during the financial year 2008-2009.

None of the Independent Directors holds any shares in their name or in the name of their relatives.