

# PREMIUM MERCHANTS LIMITED

Registered office: A-1, Maharani Bagh, New Delhi – 110 065

CIN: L51909DL1985PLC021077, Tel: +91 11 26830014

Email Id: [premiummerchants123@gmail.com](mailto:premiummerchants123@gmail.com), website:[www.pmltd.com](http://www.pmltd.com)

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28.08.2015

The Secretary,  
Metropolitan Stock Exchange of India Limited (MSEI)  
(Formerly known as MCX Stock Exchange Ltd.)  
4th Floor, Vibgyor Towers, Plot No. C-62  
Opposite Trident Hotel, Kurla Complex,  
Bandra East, Mumbai-400098

Symbol: PML  
Series : BE

**Sub: Compliance under clause 31(a) of Listing Agreement**


Dear Sir,

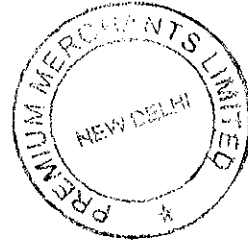
Please find enclosed six copies of Annual Report along with Notice of AGM under Clause 31(a) of the Listing Agreement for the Financial Year 2014-15.

Kindly acknowledge the receipt of the same.

Thanking You.

Yours faithfully,  
For Premium Merchants Limited

  
Balbir Singh  
Director  
DIN: 00027438



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## NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE is hereby given that the 30<sup>th</sup> Annual General Meeting (AGM) of the Company will be held at Registered Office at A-1, Maharani Bagh, New Delhi- 110065 on Wednesday 30<sup>th</sup> September, 2015 at 11:00 A.M to transact the following business:

### ORDINARY BUSINESS:

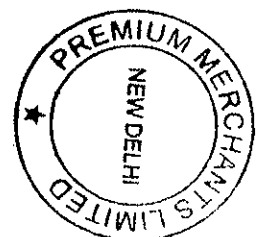
1. To receive, consider and adopt the Audited Financial Statement of the Company for the financial year ended 31<sup>st</sup> March, 2015, together with the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Krishan Kumar Modi (DIN:00029407) who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Rajeev Kapoor (DIN:03155896) who retires by rotation and being eligible, offers himself for re-appointment.
4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the appointment of M/s R C Agarwal & Co, Chartered Accountants (Firm’s Registration No. 003175N), as the Statutory Auditors of the Company, be and is hereby ratified to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting at such remuneration plus applicable service tax and reimbursement of out-of-pocket expenses as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors.”

### SPECIAL BUSINESS:

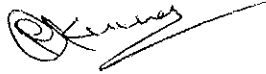
5. To consider, and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution :

“RESOLVED THAT Ms. Babita Gupta (DIN 0715430), who was appointed as an Additional Director on the Board of Directors of the Company in terms of Section 161(1) of the Companies Act, 2013 (the ‘Act’) (including any statutory modification(s) or re-enactment thereof for the time being in force) and whose term of office expires at the ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing her candidature for appointment as a Non Executive Director in terms of section 160 of the said Act , be and is hereby appointed as a Non Executive Director liable to retire by rotation, in accordance with Sections 149, 150, 152 and other applicable provisions of the Act and corresponding Rules formed thereunder.



**RESOLVED FURTHER THAT** Mr. Krishan Kumar Modi (DIN:00029407) , Mr. Sanjay Kumar Gupta (DIN:00027728), Mr. Balbir Singh (DIN:00027438), Mr. Anil Kumar Nautiyal (DIN:00061214) and Mr. Rajeev Kapoor (DIN:03155896), Directors be and are hereby authorized severally to file the necessary returns/forms with ROC and to do all such acts, deeds and things as may be necessary to give effect to the resolution.”

By order of the Board  
For **Premium Merchants Limited**



**Rajinder Kumar**  
Company Secretary  
Membership No. 7581



Place: New Delhi  
Date : 28<sup>th</sup> August, 2015

**Notes:**

1. The Register of Members and Share Transfer Register of the Company shall remain closed from Thursday, September 24, 2015 to Wednesday, September 30, 2015 (both days inclusive) for the purpose of taking record of the shareholders at the Annual General Meeting.
2. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the company. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member. Proxy Form, in order to be effective, shall be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy form is annexed to this Notice. Proxy forms submitted on behalf of the limited companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable.
3. Corporate members intending to send their authorized representative to attend the meeting are requested to send the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
4. In terms of Section 72 of the Companies Act, 2013, the shareholders of the Company may nominate a person on whom the shares held by him/them shall vest in the event of his/their death. Shareholders desirous of availing this facility may submit nomination in SH-13.
5. Members are requested to note that the Company's shares are under compulsory demat trading for all the investors. Members are, therefore, requested to dematerialize their shareholding to avoid any inconvenience.
6. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates, to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company/ Registrar & Transfer Agent (RTA).
7. Members may please note that the Registrars & Transfer Agents (RTA) of the Company is M/s. MAS SERVICES LIMITED and members are requested to contact them for any investor related services in respect of the Company at this address. The address and other contact details of RTA are as under:  
  
**MAS Services Limited**  
T-34, 2nd Floor, Okhla Industrial Area,  
Phase II, New Delhi-110020  
Tel. No. : 011-26387281, 82,83  
Fax No. : 011-26387384  
e-mail: info@masserv.com
8. A Statement pursuant to Section 102(1) of Companies Act, 2013, relating to special business to be transacted at the meeting is annexed hereto.
9. In case of joint holders attending the Meeting first named joint holder will be entitled to vote.
10. The Statement of Profit and Loss for the financial year ended 31<sup>st</sup> March, 2015, the Balance Sheet as at that date, the Auditors' Report, the Directors' Report and all other documents annexed or attached to



the Balance Sheet, are available for inspection by Members at the Registered Office of the Company during business hours on all working days up to the date of this AGM. Members may also visit the Company's website [www.pmltd.com](http://www.pmltd.com) for viewing various financial information including the quarterly results and annual report of the Company.

11. As a part of its 'Green initiative' and pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with the relevant Rules issued thereunder, companies can serve annual report and other communications through electronic mode to those shareholders who have registered their e-mail address either with the company or with its depository participant. Therefore, electronic copy of the annual report along with the Notice is being sent to all those members whose e-mail addresses are registered with the Company/Depository Participant unless a member has requested for a physical copy of the same. For members who have not registered their e-mail address, physical copies of the above mentioned documents is being sent in the permitted mode.
12. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / RTA.
13. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
14. Members are requested to bring their attendance slip along with their copy of Annual Report to the meeting.
15. **Voting through electronic means**
  - A. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Clause 35B of the Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
  - B. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
  - C. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
  - D. The remote e-voting period commences on Sunday, September 27<sup>th</sup>, 2015 (09:00 am) and ends on Tuesday, September 29<sup>th</sup>, 2015 (05:00 pm). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of September 23<sup>rd</sup>, 2015, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL.



voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

**The procedure and instructions** for members for remote e-voting are as under:

- I. In case of Members receiving e-mail from NSDL (For those members whose e-mail addresses are registered with Company/Depositories):**
  - a. Open e-mail and open PDF file viz; "remote e-voting.pdf" with your client ID or Folio No. as password containing your user ID and password for remote e-voting. Please note that the password is an initial password.
  - b. Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>.
  - c. Click on Shareholder-Login.
  - d. Put user ID and password as initial password noted in step (i) above. Click Login.
  - e. Password change menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
  - f. Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
  - g. Select "Remote E-Voting Event Number (REVEN)" of "Premium Merchants Limited".
  - h. Now you are ready for remote e-voting as Cast Vote page opens.
  - i. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
  - j. Upon confirmation, the message "Vote cast successfully" will be displayed.
  - k. Once you have voted on the resolution, you will not be allowed to modify your vote.
  - l. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to 'kapahiassociates@yahoo.com' with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- II. In case of Members receiving Physical copy of Notice of Annual General Meeting (for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy)**
  - a. Initial password is provided at the bottom of the Attendance Slip for the AGM
  - b. Please follow all steps from Sl. No. (b) to Sl. No. (l) above, to cast vote.

**General Instructions:**

- i. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990.
- ii. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- iii. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).



- iv. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of September 23<sup>rd</sup>, 2015.
- v. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. September 23<sup>rd</sup>, 2015, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or RTA, MAS Services Limited. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.
- vi. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- vii. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- viii. Mr. S.K Kapahi, (CP No. 1118), Proprietor Kapahi and Associates, Companies Secretaries has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting (i.e remote e-voting and physical voting at the meeting ) process in a fair and transparent manner.
- ix. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- x. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

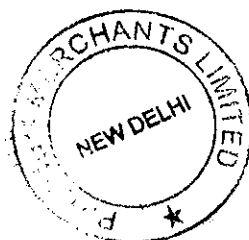
The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company [www.pmltd.com](http://www.pmltd.com) and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing and communicated to the Metropolitan Stock Exchange of India Limited (formerly Known as MCX Stock Exchange Limited) and Delhi Stock Exchange.

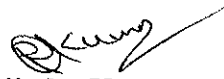
**Regd. Office:**

A-1, Maharani Bagh, New Delhi-110065

Dated: 28<sup>th</sup> August, 2015

By Order of the Board  
For premium Merchants Limited



  
(Rajinder Kumar)  
Company Secretary  
Membership No.7581

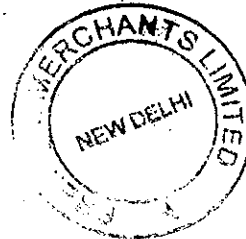
FORM A

Format of covering letter of the annual audit report to be filed with the stock exchanges  
(pursuant to clause 31(a) of Listing Agreement)

Sr. No.	Particulars	Details
1	Name of the Company	Premium Merchants Limited
2	Annual Financial Statements	March 31, 2015
3	Type of Audit observation	No qualification or matter of emphasis has been included in the Audit Report
4	Frequency of observation	Not applicable in view of comments in (3) above.
5	To be signed by:	
	CEO	NOT APPOINTED
	CFO	NOT APPOINTED
	Audit Committee Chairman	<i>Balbir</i> (Balbir Singh)
	Auditor of the Company	<i>R.C. Agarwal</i> R.C Agarwal & Co. Chartered Accountants

PLACE : NEW DELHI

DATE : 29.05.2015





# PREMIUM MERCHANTS LIMITED

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## PREMIUM MERCHANTS LIMITED

### DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the 30<sup>th</sup> Annual Report together with the Audited Financial Statements for the year ended March 31, 2015.

#### 1. Financial Highlights

The Company earned a profit of Rs. 57.33 lacs (before tax) during the year under report as against a profit of Rs. 59.85 lacs (before tax) in the previous year. The profit after tax and appropriations has been transferred to the Balance Sheet .

#### 2. State of Company's affair

The Company is an investment company and registered as Non-Banking Financial Company (NBFC) with Reserve Bank of India under Section 45-IA of the RBI Act, 1934.

During the year under review, the income of the Company by way of Brokerage was Rs.38.56 lacs as against Rs.55.89 lacs in the previous year. The interest income was Rs. 5.30 lacs as against Rs. 3.80 lacs in the previous year. The income by way of dividend was Rs.16.73 lacs as against 14.64 lacs in the previous year.

#### 3. Dividend

In order to conserve the resources for future requirements, no dividend is proposed to be declared during the year under review.

#### 4. Analysis and Review

The Company is registered with 'Association of Mutual Funds of India' (AMFI) as 'Mutual Fund Advisor' so as to provide financial services. The AMFI is dedicated to developing and promoting the Indian Mutual Fund Industry on Professional, healthy and ethical lines and to enhance and maintain standards in all areas with a view to protecting and promoting the interest of mutual funds and their unit holders.



During the year under review the main source of income was from mobilisation of mutual funds against which brokerage income of the Company was Rs. 38.56 lacs representing 52.76% of the total income.

## **5. RBI Guidelines**

Your Company has complied with all the applicable regulations prescribed by the Reserve Bank of India from time to time. According to Section 45-IC of the Reserve Bank of India Act, 1934, every NBFC is required to create a reserve fund and transfer therein a sum not less than 20% of its Net Profit every year. Thus the requisite sum has been transferred to the Statutory Reserve under the provisions of Section 45 IC of the RBI Act, 1934.

The Reserve Bank of India vide its Notification No.-DNBS 223/CGM (US)-2011 dated 17.01.2011 has issued directions to all NBFC's to make provision of 0.25% on standard assets. As the amount of standard assets as on Balance Sheet date is nominal, no provision has been made under above mentioned notification.

## **6. Transfer to Reserves**

During the year under review, no amount was transferred to Reserves.

## **7. Detailed performance and financial position of Subsidiary/Joint Venture/ Associate Company**

The Company does not have any Subsidiary/Joint Venture or Associate Company.

## **8. Extract of Annual Return**

The details forming part of the extract of Annual Return in form MGT- 9, as required under Section 92 of the Companies Act, 2013 is included in this report as per Annexure 'A'.

## **9. Corporate Governance**

The Company is listed with Delhi Stock Exchange and Metropolitan Stock Exchange of India Limited (formerly Known as MCX Stock Exchange Limited). With reference to SEBI circular CIR/CFD/POLICYCELL/7/2014 dated 15<sup>th</sup> September, 2014, clause 49 under Listing Agreement relating to corporate governance is not applicable to the Company under the criteria given in the said circular. Hence, no disclosure has been made on the items covered under said clause 49.

## **10. Directors/ Key Managerial Personnel**

During the financial year 2014-15, Mr. Inder Kumar Gupta (DIN: 00048470) resigned from the directorship of the Company w.e.f 23.05.2014 in accordance with the provisions of Section 168 of the Companies Act, 2013 and the rules made thereunder.



In accordance with the provisions of the Act and the Articles of Association of the Company, Mr. Krishan Kumar Modi (DIN: 00029407) and Mr. Rajeev Kapoor (DIN: 03155896), Directors of the Company retire by rotation at the ensuing Annual General Meeting and being eligible have offered themselves for re-appointment.

During the year under review, Ms. Babita Gupta (DIN 07135430) was appointed as an Additional Director w.e.f 16th March, 2015. In accordance with the provisions of Section 149, 152 and 160 and any other applicable provision of the Companies Act, 2013 and the Rules made there under, approval of the Members will be sought at the ensuing Annual General Meeting of the Company for regularization of her appointment who hold the office as an additional director upto the date of ensuing Annual General Meeting.

During the year under review, Mr. Rajinder Kumar, member of 'Institute of Company Secretaries of India' was appointed as Company Secretary of the Company w.e.f 16<sup>th</sup> March, 2015.

### **11. Declaration given by Independent Director**

The Company has received declarations from Mr Balbir Singh (DIN: 00027438) and Mr. Anil Kumar Nautiyal (DIN: 00061214) , Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013.

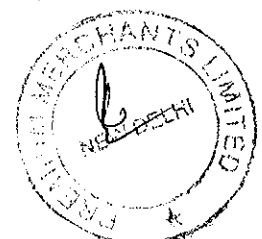
### **12. Annual Performance Evaluation**

The Company in consultation with Nomination and Remuneration Committee has carried out the performance evaluation of Independent Directors, Board, Committees and other individual Directors. Pursuant to the provisions of the Companies Act, 2013, a structured questionnaire was prepared after taking into consideration of the various aspects of the Board's functioning, composition of the Board and its committees, culture, execution and performance of specific duties, obligations and governance.

The performance evaluation of Independent Directors was completed. The performance evaluation of the other Board Members was carried out by the Independent Directors. The Board of Directors expressed their satisfaction with the evaluation process.

### **13. Number of Meetings of the Board**

The details of the number of meetings of the Board held during the Financial Year 2014-15 are as follows:



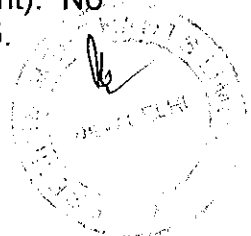
S.No.	Date of Meeting	Name of Directors who attended the meeting
1	30.04.2014	Mr. Krishan Kumar Modi, Mr. Balbir Singh, Mr. Sanjay Kumar Gupta, Mr. Anil Kumar Nautiyal and Mr. Rajeev Kapoor
2	12.05.2014	Mr. Krishan Kumar Modi, Mr. Balbir Singh, Mr. Sanjay Kumar Gupta, Mr. Anil Kumar Nautiyal and Mr. Rajeev Kapoor
3	29.05.2014	Mr. Krishan Kumar Modi, Mr. Balbir Singh, Mr. Sanjay Kumar Gupta, Mr. Anil Kumar Nautiyal and Mr. Rajeev Kapoor
4	04.08.2014	Mr. Krishan Kumar Modi, Mr. Balbir Singh, Mr. Sanjay Kumar Gupta and Mr. Anil Kumar Nautiyal
5	03.09.2014	Mr. Krishan Kumar Modi, Mr. Balbir Singh, Mr. Sanjay Kumar Gupta and Mr. Anil Kumar Nautiyal
6	05.11.2014	Mr. Krishan Kumar Modi, Mr. Balbir Singh, Mr. Sanjay Kumar Gupta and Mr. Anil Kumar Nautiyal
7	30.01.2015	Mr. Krishan Kumar Modi, Mr. Balbir Singh, Mr. Sanjay Kumar Gupta and Mr. Anil Kumar Nautiyal
8	16.03.2015	Mr. Sanjay Kumar Gupta and Mr. Balbir Singh

#### 14. Deposits

The Company does not accept any public deposits.

#### 15. Particulars of Loans, Guarantees or Investments by Company

The details of Loans and Investments covered under the provisions of section 186 of the Companies Act, 2013 are given in the notes to Financial Statements. (Please refer Note 8 and 12 of the Financial Statement). No guarantee was given by the company during the Financial Year 2014-15.



## 16. Related Party Transactions

No transactions as prescribed under section 188 (1) of the Companies Act, 2013 were entered into with Related Parties during the year under review. The transactions other than as prescribed under section 188(1) of the Companies Act, 2013 have been reported in note number 18 to the Balance Sheet. Form AOC 2 is attached as per **Annexure 'B'**

## 17. Whistle Blower Policy/ Vigil Mechanism

The Company has formulated a whistle blower policy to report genuine concerns or grievances and the said policy is attached as per **Annexure 'C'**

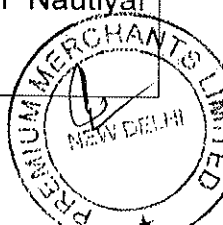
## 18. Audit Committee

The composition of audit committee of the Company is as follows:

S. No.	Name of Member	Designation
1.	Mr. Balbir Singh	Chairman
2.	Mr. Anil Kumar Nautiyal	Member
3.	Mr. Sanjay Kumar Gupta	Member

The details regarding number of meetings held by Audit Committee during the year are as follows:

S.No.	Date of Meeting	Name of Directors who attended the meeting
1	12.05.2014	Mr. Balbir Singh, Mr. Anil Kumar Nautiyal and Mr. Sanjay Kumar Gupta
2	29.05.2014	Mr. Balbir Singh, Mr. Anil Kumar Nautiyal and Mr. Sanjay Kumar Gupta
3	04.08.2014	Mr. Balbir Singh, Mr. Anil Kumar Nautiyal and Mr. Sanjay Kumar Gupta
4	05.11.2014	Mr. Balbir Singh, Mr. Anil Kumar Nautiyal and Mr. Sanjay Kumar Gupta
5	30.01.2015	Mr. Balbir Singh, Mr. Anil Kumar Nautiyal and Mr. Sanjay Kumar Gupta



The Board has accepted all the recommendations proposed by audit committee during the financial year.

## 19. Nomination and Remuneration Committee

The composition of Nomination and Remuneration committee of the Company is as follows:

S. No.	Name of Member	Designation
1.	Mr. Balbir Singh	Chairman
2.	Mr. Anil Kumar Nautiyal	Member
3.	Mr. Sanjay Kumar Gupta	Member

The details regarding number of meetings held by Nomination and Remuneration Committee during the year are as follows:

S.No.	Date of Meeting	Name of Directors who attended the meeting
1	16.03.2015	Mr. Balbir Singh, Mr. Anil Kumar Nautiyal and Mr. Sanjay Kumar Gupta

## 20. Remuneration and Nomination Policy

The Nomination and Remuneration Committee framed a Remuneration and Nomination Policy for selection and appointment of Directors, Senior Management and their remuneration.

The policy formulated by nomination and remuneration committee is attached as per Annexure 'D'.

## 21. Director's Responsibility Statement

To the best of their knowledge and in terms of the provisions of Section 134 (3) (c) of the Companies Act, 2013, the Directors make the following statements:

- that in the preparation of the Annual Accounts for the year ended March 31, 2015, the applicable accounting standards had been followed along with the proper explanation relating to material departures;
- the director had selected 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 as at March 31, 2015 and of the profit of the Company for that period;



- c) 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;
- d) the directors had prepared the annual accounts on a going concern basis;
- e) the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **22. Statutory Auditors**

M/s. R.C Agarwal & Co., Chartered Accountants (Firm Registration No. 0003175N) were appointed as Statutory Auditors of the Company at the last Annual General Meeting held on 30<sup>th</sup> September, 2014 for a term of five years. However, as per the provisions of Section 139 of the Companies Act, 2013, their appointment is required to be ratified by the shareholders at every Annual General Meeting.

## **23. Auditor's Report**

There is no audit qualification on the Financial Statements by the statutory auditors for the year under review. Hence, there are no comments on the Auditor's Report.

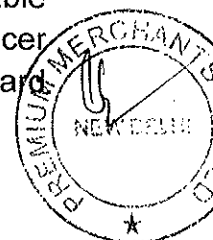
## **24. Consolidated Financial Statement**

As the Company does not have any Subsidiary, Joint Venture or Associate Company, the Consolidated Financial statements is not applicable to the Company.

## **25. Secretarial Auditor**

The Board has appointed 'M/s Kundan Agrawal & Associates', Practising Company Secretaries, to conduct Secretarial Audit for the financial year 2014-15 pursuant to section 204 of the Companies Act, 2013. The Secretarial Audit report submitted by them in the prescribed form MR-3 is attached as per **Annexure 'E'** and forms part of this report.

With reference to the observation made by the Secretarial Auditor it is submitted that the Company is in the advance stage of finalizing suitable candidate for the post of Chief Financial Officer and Chief Executive Officer pursuant to section 203 of the Companies Act, 2013. The composition of Board



and other appointments of Key Managerial Personnel under the said act have been complied with.

## **26. Internal Control System and their Adequacy**

Your Company has an effective Internal Control and risk- mitigation system, which are continuously assessed and strengthened with new/revised standard operating procedures. The company's Internal Control System is commensurate with its size, scale and complexities of its operations. The internal audit is entrusted to M/s S.K Shukla & Co. , Chartered Accountants (FRN:019237N) .The main thrust of internal audit is to test and review controls, appraisal of risks and business processes, besides benchmarking controls with best practices in the industry.

The Audit committee and the Board of Directors actively reviews the adequacy and effectiveness of the internal control systems and suggests improvements to strengthen the same. The Company has a robust Management Information System.

The Audit Committee of the Board of Directors and Statutory Auditors are periodically apprised of the internal audit findings and corrective action taken. The Audit plays a key role in providing assurance to the Board of Directors. The significant audit observation and corrective actions taken by the management are presented to the Audit Committee of the Board. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee.

## **27. Risk Management**

The Company has adopted a risk management policy so as to take corrective measures in advance and to maximize the returns on capital employed.

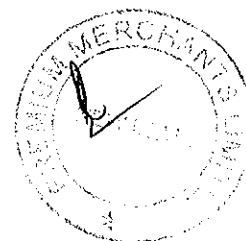
## **28. Corporate Social Responsibility (CSR)**

The provisions of Corporate Social Responsibility are not applicable to the Company as per the criteria laid down under section 135 of the Companies Act, 2013.

## **29. Remuneration to Directors and Key Managerial Personnel**

Mr. Rajinder Kumar, Company Secretary was employed for part of the year and remuneration of Rs. 4645/- (Rupees Four Thousand six hundred and Forty Five) was paid to him as per the provisions contained in section 17 (1) of the Income Tax Act, 1961. Further, no remuneration was paid to the Directors of the Company.

A statement of Particulars as per rule 5 of the Companies (Appointment and Remuneration of managerial Personnel) Rules, 2014 is annexed as per Annexure 'F'





### 30. Statutory information

Being an Investment Company, there are no particulars which are required to be furnished under section 134 (3)(m) of the Companies Act, 2013 relating to Conservation of Energy and Technology Absorption, as these are not applicable. There were no foreign exchange earnings or outgo during the year.

### 31. Equity Share Capital

The Equity share capital of the Company as at 31<sup>st</sup> March, 2015 stood at Rs. 99.80 lacs. During the year under report, the Company has not issued shares with differential voting rights nor has granted any stock options or sweat equity. As on 31<sup>st</sup> March, 2015, none of the Directors of the Company hold instruments convertible into equity shares of the Company.

### 32. Disclosures

- a. No significant and material orders were passed by the Regulators/ Courts that would impact the going concern status of the Company and its future operations.
- b. There were no material changes and commitments during the year under report.
- c. There was no change in the nature of business during the year under report
- d. During the year under review, no complaints were reported to the Board under Sexual Harassment of women at workplace (Prevention, Prohibition & Redressal ) Act, 2013.


The other relevant provisions/ sections of the Companies Act, 2013, are not applicable to the Company and therefore have not been reported above.

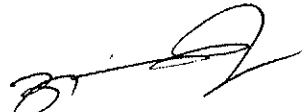
### 33. Appreciation

Your directors wish to thank and express their sincere appreciation to the valued shareholders, bankers and clients for their continued support and faith reposed in the Company

Respectfully submitted on behalf of the Board

Place: New Delhi  
Dated: 29.05.2015

  
(Balbir Singh )  
Director  
(DIN-00027438)

  
(Sanjay Kumar Gupta)  
Director  
(DIN-00027728)



# PREMIUM MERCHANTS LIMITED

Registered office: A-1, Maharani Bagh, New Delhi – 110 065

CIN: L51909DL1985PLC021077, Tel: +91 11 26830014

Email Id: [premiummerchants123@gmail.com](mailto:premiummerchants123@gmail.com), website: [www.pmltd.com](http://www.pmltd.com)

Annual Return Extracts in MGT-9

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31.03.2015

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

## I. REGISTRATION AND OTHER DETAILS:

- |    |   |   |
|----|---|---|
| 1. | CIN   | L51909DL1985PLC021077   |
| 2. | Registration Date   | 29.05.1985  |
| 3. | Name of the Company   | Premium Merchants Limited   |
| 4. | Category/Sub-category of the Company                                      | Company limited by shares<br>(Indian Non- Government Company)   |
| 5. | Address of the Registered office and contact details                      | A-1, Maharani Bagh, New Delhi-110065<br>Contact details: 011-26830014   |
| 6. | Whether Listed Company  | Yes   |
| 7. | Name, Address and Contact details of Registrar and Transfer Agent, if any | MAS Services Limited<br>Address: T-34, 2 <sup>nd</sup> Floor, Okhla Phase-II<br>Delhi-110020<br>Email Id: <a href="mailto:info@masserv.com">info@masserv.com</a><br>Tel: 011-26387281, 82, 83 |



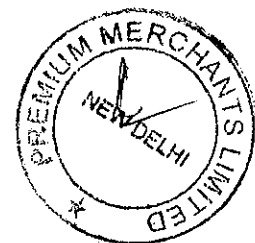
**PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the company shall be stated

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Brokerage Received	66190	52.76%
2	Dividend Income	66190	22.89%
3	Profit on sale of long term investment	66190	10.95%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:-**

S. NO	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY / ASSOCIATE	% of shares held	Applicable Section
1	K .K Modi Investment And Financial Services Private Limited Regd. Office: A-1, Maharani Bagh, New Delhi-110065	U65101DL1992PTC049846	Holding	72.14%	Section 2(46) of Companies Act, 2013



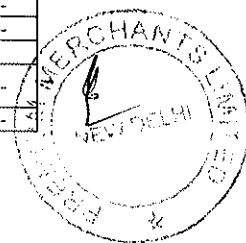
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Email Id: premiummerchants123@gmail.com, website: www.pmltd.com.

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)										
1) Category-wise Share Holding										
Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				Change during the year	%
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
<b>A. Promoters</b>										
<b>(1) Indian</b>										
a) Individual/HUF	-	-	-	-	-	-	-	-	-	
b) Central Govt	-	-	-	-	-	-	-	-	-	
c) State Govt(s)	-	-	-	-	-	-	-	-	-	
d) Bodies Corporate	-	720000	720000	72.14	720000	-	720000	72.14	-	
e) Banks/ FI	-	-	-	-	-	-	-	-	-	
f) Any Other	-	-	-	-	-	-	-	-	-	
<b>Sub-total</b>	-	720000	720000	72.14	720000	-	720000	72.14	-	
<b>(A) (1):-</b>	-	720000	720000	72.14	720000	-	720000	72.14	-	
<b>(2) Foreign</b>										
a) NRIs -Individuals	-	-	-	-	-	-	-	-	-	
b) Other -Individuals	-	-	-	-	-	-	-	-	-	
c) Bodies Corp.	-	-	-	-	-	-	-	-	-	
d) Banks / FI	-	-	-	-	-	-	-	-	-	
e) Any Other....	-	-	-	-	-	-	-	-	-	
<b>Sub-total</b>	-	-	-	-	-	-	-	-	-	
<b>(A) (2):-</b>	-	-	-	-	-	-	-	-	-	
<b>Total shareholding of Promoter</b>	-	720000	720000	72.14	720000	-	720000	72.14	-	
<b>(A) =</b>	-	720000	720000	72.14	720000	-	720000	72.14	-	
<b>(A) (1)+(A) (2)</b>	-	720000	720000	72.14	720000	-	720000	72.14	-	
<b>B. Public Shareholding</b>										
<b>1 Institutions</b>										
a) Mutual Funds	-	-	-	-	-	-	-	-	-	
b) Banks / FI	-	-	-	-	-	-	-	-	-	
c) Central Govt.	-	-	-	-	-	-	-	-	-	
d) State Govt	-	-	-	-	-	-	-	-	-	
e) Venture Capital funds	-	-	-	-	-	-	-	-	-	
f) Insurance Companies	-	-	-	-	-	-	-	-	-	
g) FIs	-	-	-	-	-	-	-	-	-	
h) Foreign Venture Capital funds	-	-	-	-	-	-	-	-	-	
i) Others (Specify)	-	-	-	-	-	-	-	-	-	
<b>Sub-total (B) (1):-</b>	-	-	-	-	-	-	-	-	-	
<b>2. Non-Institutions</b>										
a) Bodies Corp.										
i) Indian	-	175400	175400	17.58	-	175385	175385	17.58	-	
ii) Overseas	-	-	-	-	-	-	-	-	-	
b) Individuals										
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh.	-	102600	102600	10.28	-	102615	102615	10.28	-	
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	-	-	-	-	-	-	-	-	-	
<b>Sub-total (B) (2):-</b>	-	278000	278000	27.86	-	278000	278000	27.86	-	
<b>Total Public Shareholding (B) = (B) (1)+(B) (2)</b>	-	278000	278000	27.86	-	278000	278000	27.86	-	
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-	
<b>Grand Totalal (A+B+C)</b>	-	998000	998000	100	720000	278000	998000	100	-	



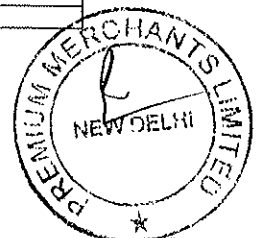
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Email Id: premiummerchants123@gmail.com, website: www.pmltd.com

<i>ii) Shareholding of Promoters</i>								
	Shareholders, Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change during the year the year
		No. of shares	% of total Shares of the Company	% of Shares pledged/encumbered to total shares	No. of shares	% of total Shares of the Company	% of Shares pledged/encumbered to total shares	
1	K.K Modi Investment and Financial Services Private Limited	455000	45.59	-	720000	72.14	-	26.55
2	Shashank Traders Limited	130000	13.02	-	0	0	-	(13.02)
3	Aar Shyam India Investment Company Limited	135000	13.53	-	0	0	-	(13.53)
	<b>Total</b>	<b>720000</b>	<b>72.14</b>	<b>-</b>	<b>720000</b>	<b>72.14</b>	<b>-</b>	<b>0</b>
<i>iii) Change in Promoters' Shareholding (Please specify, if there is no change)</i>								
		Shareholding at the beginning of the year			Cumulative Shareholding during the year			
		No. of shares	% of total Shares of the Company	% of Shares pledged/encumbered to total shares	No. of shares	% of total Shares of the Company		
	<b>At the beginning of the year</b>							
1	K.K Modi Investment And Financial Services Private Limited	455000	45.59	-	455000	45.59	-	
	Datewise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease(e.g allotment/transfer/bonus/sweat equity etc):	On 03.09.2014 'K.K Modi Investment And Financial Services Private Limited' acquired 1,30,000 Equity Shares from another promoter Shashank Traders Limited and 135000 Equity shares from Aar Shyam India Investment Company Limited by way of transfer of equity shares		26.55	720000	72.14	-	
	<b>At the End of the year</b>	<b>720000</b>	<b>72.14</b>	<b>-</b>	<b>720000</b>	<b>72.14</b>	<b>-</b>	
2	Shashank Traders Limited	130000	13.02	-	130000	13.02	-	
	Datewise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease(e.g allotment/transfer/bonus/sweat equity etc):	On 03.09.2014 Shashank Traders Limited sold 1,30,000 Equity Shares to 'K.K Modi Investment And Financial Services Private Limited' by way of transfer of equity shares.		13.02	0	0	-	
	<b>At the End of the year</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
3	Aar Shyam India Investment And Financial Services Private Limited	1,35,000	13.53	-	135000	13.53	-	
	Datewise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease(e.g allotment/transfer/bonus/sweat equity etc):	On 03.09.2014 Aar Shyam India Investment Company Limited sold 1,35,000 Equity Shares to 'K.K Modi Investment And Financial Services Private Limited' by way of transfer of equity shares.		13.53	0	0	-	
	<b>At the End of the year</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	



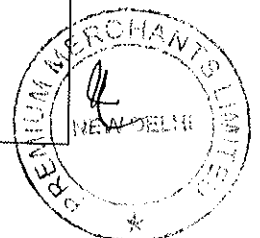
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iv) Shareholding pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):					
	Shareholding at the beginning of the year			Cumulative Shareholding during the year	
	For each of the Top 10 Shareholders	No. of shares (at the beginning of the year)	%	No. of shares	% of total Shares of the Company
1	<b>Trend Agencies Private Limited</b>	49000	4.91	49000	4.91
	Datewise Increase/Decrease in Promoters Shareholding during the yearspecifying the reasons for increase /decrease(e.g allotment/transfer/bonus/sweat equity etc):	Nil Movement during the year	0	0	0
	At the End of the year (or on date of sepration, if seperated during the year)	49000	4.91	49000	4.91
2	<b>Azure Products Private Limited</b>	49000	4.91	49000	4.91
	Datewise Increase/Decrease in Promoters Shareholding during the yearspecifying the reasons for increase /decrease(e.g allotment/transfer/bonus/sweat equity etc):	On 04.08.2014, Azure Products Private Limited sold 15 shares	0	48985	4.91
	At the End of the year (or on date of sepration, if seperated during the year)	48985	4.91	48985	4.91
3	<b>Narayan Sales Private Limited</b>	47400	4.75	47400	4.75
	Datewise Increase/Decrease in Promoters Shareholding during the yearspecifying the reasons for increase /decrease(e.g allotment/transfer/bonus/sweat equity etc):	Nil movement during the year	0	0	0
	At the End of the year (or on date of sepration, if seperated during the year)	47400	4.75	47400	4.75
4	<b>Soni Associates Private Limited</b>	30000	3.01	30000	3.01
	Datewise Increase/Decrease in Promoters Shareholding during the yearspecifying the reasons for increase /decrease(e.g allotment/transfer/bonus/sweat equity etc):	Nil movement during the year	0	0	0
	At the End of the year (or on date of sepration, if seperated during the year)	30000	3.01	30000	3.01
5	<b>Rajesh Kumar</b>	2000	0.2	2000	0.2
	Datewise Increase/Decrease in Promoters Shareholding during the yearspecifying the reasons for increase /decrease(e.g allotment/transfer/bonus/sweat equity etc):	Nil movement during the year	0	0	0
	At the End of the year (or on date of sepration, if seperated during the year)	2000	0.2	2000	0.2
6	<b>Rajesh Kumar Gupta</b>	2000	0.2	2000	0.2
	Datewise Increase/Decrease in Promoters Shareholding during the yearspecifying the reasons for increase /decrease(e.g allotment/transfer/bonus/sweat equity etc):	Nil movement during the year	0	0	0
	At the End of the year (or on date of sepration, if seperated during the year)	2000	0.2	2000	0.2



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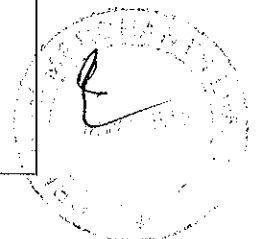
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7	<b>Ram Dhari Gupta</b>	2000	0.2	2000	0.2
	Datewise Increase/Decrease in Promoters Shareholding during the yearspecifying the reasons for increase /decrease(e.g allotment/transfer/bonus/sweat equity etc):	Nil movement during the year	0	0	0
	At the End of the year (or on date of sepration, if seperated during the year)	2000	0.2	2000	0.2
8	<b>Sanjay Chaturvedi</b>	2000	0.2	2000	0.2
	Datewise Increase/Decrease in Promoters Shareholding during the yearspecifying the reasons for increase /decrease(e.g allotment/transfer/bonus/sweat equity etc):	Nil movement during the year	0	0	0
	At the End of the year (or on date of sepration, if seperated during the year)	2000	0.2	2000	0.2
9	<b>Satya Devi</b>	2000	0.2	2000	0.2
	Datewise Increase/Decrease in Promoters Shareholding during the yearspecifying the reasons for increase /decrease(e.g allotment/transfer/bonus/sweat equity etc):	Nil movement during the year	0	0	0
	At the End of the year (or on date of sepration, if seperated during the year)	2000	0.2	2000	0.2
10	<b>Satya Narain Bagri</b>	2000	0.2	2000	0.2
	Datewise Increase/Decrease in Promoters Shareholding during the yearspecifying the reasons for increase /decrease(e.g allotment/transfer/bonus/sweat equity etc):	Nil movement during the year	0	0	0
	At the End of the year (or on date of sepration, if seperated during the year)	2000	0.2	2000	0.2

### v) Shareholding of Directors and Key Managerial Personnel

	Shareholding at the beginning of the year	Cumulative Shareholding during the year	
		No. of shares	% of total Shares of the Company
For each of the Directors and KMP	No. of shares (at the beginning of the year)	No. of shares	% of total Shares of the Company
<b>A</b>	<b>Directors</b>		
1	<b>Balbir Singh (DIN: 00027438)</b>	Nil	0
	Datewise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease(e.g allotment/transfer/bonus/sweat equity etc):	On 04.08.2014 Mr. Balbir Singh, Director of the Company acquired 5 (Five) equity shares by way of transfer	5
	At the End of the year	5	0
2	<b>Krishan Kumar Modi (DIN: 00029407)</b>	Nil	0
	Datewise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease(e.g allotment/transfer/bonus/sweat equity etc):	Nil Movement during the year	0
	At the End of the year	0	0
3	<b>Sanjay Kumar Gupta (DIN: 00027728)</b>	Nil	0
	Datewise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease(e.g allotment/transfer/bonus/sweat equity etc):	Nil Movement during the year	0



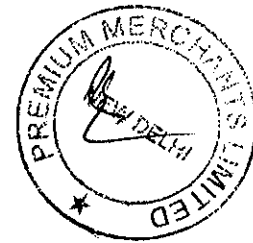
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	At the End of the year		0	0	0	0
4	<b>Anil Kumar Nautiyal (DIN: 00061214)</b>	Nil		0	0	0
	Datewise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease(e.g allotment/transfer/bonus/sweat equity etc):	Nil Movement during the year		0	0	0
	At the End of the year		0	0	0	0
5	<b>Rajeev Kapoor (DIN: 03155696)</b>	Nil		0	0	0
	Datewise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease(e.g allotment/transfer/bonus/sweat equity etc):	Nil Movement during the year		0	0	0
	At the End of the year		0	0	0	0
6	<b>Babita Gupta (DIN: 07135430)</b>	Nil		0	0	0
	Datewise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease(e.g allotment/transfer/bonus/sweat equity etc):	Nil Movement during the year		0	0	0
	At the End of the year		0	0	0	0
B	<b>Key Managerial Personnel (KMP)</b>					
1	<b>Rajinder Kumar</b>	Nil		0	0	0
	Datewise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease(e.g allotment/transfer/bonus/sweat equity etc):	Nil Movement during the year		0	0	0
	At the End of the year		0	0	0	0





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V Indebtedness of the Company including interest outstanding/accrued but not due for payment					
		Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtness
Indebtedness at the beginning of the Financial year		-	-	-	-
i)Principal Amount					
ii)Interest due but not paid					
iii)Interest accrued but not due					
<b>Total (i+ii +iii)</b>					
Change in indebtedness during the Financial year		-	-	-	-
Addition					
Reduction					
iii)Interest accrued but not due		-	-	-	-
<b>Total (i+ii+iii)</b>		-	-	-	-
VI Remuneration of Directors and Key Managerial Personnel					
A. Remuneration to Managing Director, Whole- time Directors and/or Manager					
S.L No.	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount		
1	<b>Gross Salary</b>				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-		
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-		
	(c) Profits in lieu of salary under section 17(3) Income-tax act, 1961	-	-		
2	Stock option	-	-		
3	Sewat Equity	-	-		
4	Commission as % of Profit others, specify	-	-		
5	Others, Please specify				
	Total(A)	-	-		
	Ceiling as per the Act				
B. Remuneration to other directors (No Remuneration was paid to other directors during F.Y 2014-15)					
Sl. No	Particulars of Remuneration	Name of Directors	Total Amount		
1	<b>Independent Directors</b>				
	Fees for attending board committee meetings				
	Commission				
	others, Please specify				
	Total(1)				
2	<b>Other Non-Executive Directors</b>				
	Fees for attending board committee meetings				
	Commission				
	others, Please specify				
	Total(2)				
	Total(B) = (1+2)				
	<b>Total Managerial Remuneration</b>				
	Overall Ceiling as per the Act				



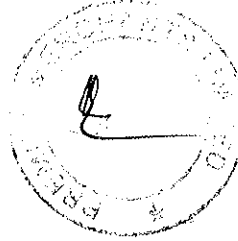
## PREMIUM MERCHANTS LIMITED

Registered office: A-1, Maharani Bagh, New Delhi – 110 065

CIN: L51909DL1985PLC021077, Tel: +91 11 26830014

Email Id: premiummerchants123@gmail.com, website:www.pmltd.com

C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD			
Sl. No	Particulars of Remuneration	Key Managerial Personnel	
		Company Secretary (Rajinder Kumar)	Total
1	Gross Salary	4645/-	4645/-
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	-	-
	(b) Value of perquisites u/s 17(2) Income-Tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income -Tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat equity	-	-
4	Commission	-	-
	as % of Profit	-	-
	others, specify	-	-
5	others, please specify	-	-
	<b>Total</b>	<b>4645</b>	<b>4645</b>



# PREMIUM MERCHANTS LIMITED

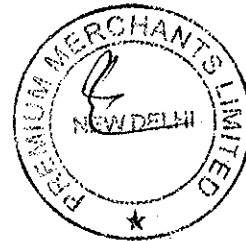
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VII Penalties/Punishment/Compounding of offences:					
Indebtedness of the Company including interest outstanding/accrued but not due for payment					
Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment /Compounding fees imposed	Authority (RD/NCLT/ Court)	Appeal made, if any (give details)
<b>A. Company</b>					
Penalty					
Punishment					
Compounding					
<b>B. Directors</b>					
Penalty					
Punishment					
Compounding					
<b>C. Others Officers in Default</b>					
Penalty					
Punishment					
Compounding					

NIL



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Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis:

(a)	Name(s) of the related party and nature of relationship	Not Applicable
(b)	Nature of contracts/arrangements/transactions	
(c)	Duration of the contracts / arrangements/transactions	
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
(e)	Justification for entering into such contracts or arrangements or transactions	
(f)	Date(s) of approval by the Board	
(g)	Amount paid as advances, if any:	
(h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	

2. Details of contracts or arrangements or transactions at arm's length basis:

(a)	Name(s) of the related party and nature of relationship	No transactions as prescribed under section 188 (1) of the Companies Act, 2013 were entered into with Related Parties during the year under review. Refer point number 16 to the Directors Report.
(b)	Nature of contracts/arrangements/transactions	
(c)	Duration of the contracts / arrangements/transactions	
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
(e)	Date(s) of approval by the Board, if any	
(f)	Amount paid as advances, if any	



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## VIGIL MECHANISM/WHISTLE BLOWER POLICY

### 1. Preface:

The Company is committed to conducting its business and affairs by adopting highest standards of professionalism, honesty and ethical behavior. The Company is also committed to provide safe and ethical working culture for all the employees.

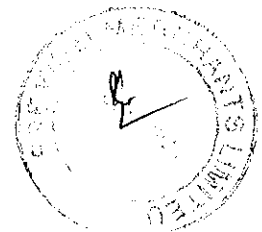
As per provisions of sub-section 9 of Section 177 of the Companies Act, 2013 and Rule 7 of Companies (Meetings of Board and its Powers) Rules, 2014, it is mandatory for all listed companies to establish a Vigil Mechanism, so that their directors and employees can report any instance of unethical behavior or improper activity.

This policy has been formulated with a view to provide employees a framework to raise their concerns about serious irregularities in company with protecting their identities.

### 2. Definitions:-

The definitions of some of the key terms used in this Policy are given below:

- i. **“Audit Committee”** means the Audit Committee constituted by the Board of Directors of the Company in accordance with Section 177 of the Companies Act, 2013
- ii. **“Employee”** means every employee of the Company (whether working in India or abroad), including the Directors in the employment of the Company.
- iii. **“Investigators”** mean those persons authorised, appointed, consulted or approached by the Competent Authority for assistance in investigation of Protected Disclosure and include the auditors of the Company and the police.
- iv. **“Protected Disclosure”** means any communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity.
- v. **“Subject”** means an individual or group of individuals against or in relation to whom a Protected Disclosure has been made or evidence gathered during the course of an investigation.
- vi. **“Unethical or improper activity”** means but not limited to:-
  - a) Abuse of authority.
  - b) Breach of contract.



- c) Manipulation of company data/records.
- d) Any unlawful act whether Criminal/ Civil.
- e) Intentional Financial irregularities, including fraud or suspected fraud.
- f) Gross or Wilful Negligence causing substantial and specific danger to health, safety and environment.
- g) Misconduct with other Directors/ Business partners/ employees or vulnerable adults (e.g. through physical, sexual, psychological or financial abuse, exploitation).
- h) Wastage/misappropriation of company funds/assets.
- i) Violation of Company policies.
- j) Pilferation of confidential/propriety information.

viii) **“Whistle Blower”** is someone who makes a Protected Disclosure under this Policy.

### 3. **Eligibility:-**

All Employees of the Company are eligible to make Protected Disclosures under the Policy. The Protected Disclosures may be in relation to matters concerning the Company or any of its subsidiaries.

### 4. **Disqualifications:-**

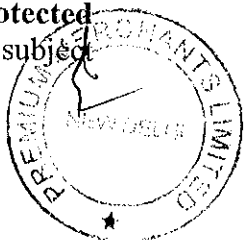
- a. While it will be ensured that genuine Whistle Blowers are accorded complete protection from any kind of unfair treatment as herein set out, any abuse of this protection will warrant disciplinary action.
- b. Protection under this Policy would not mean protection from disciplinary action arising out of false allegations made by a Whistle Blower knowing it to be false or with a *mala fide* intention.
- c. Whistle Blowers, who make any Protected Disclosures, which have been subsequently found to be *mala fide* or *malicious* or Whistle Blowers who make 3 or more Protected Disclosures, which have been subsequently found to be frivolous, baseless or reported otherwise than in good faith, will be disqualified from reporting further Protected Disclosures under this Policy and shall be liable to disciplinary action.

### 5. **Procedure:-**

All Protected Disclosures should be reported in writing by the complainant as soon as possible, not later than 30 days after the Whistle Blower becomes aware of the same and should either be typed or written in a legible handwriting in English or Hindi or regional language of place of employment of the Whistle Blower.

Anonymous disclosures, as a rule, will not be entertained.

The Protected Disclosure should be submitted under a covering letter signed by the complainant in a closed and secured envelope and should be super scribed as **“Protected disclosure under the Whistle Blower policy”** or sent through email with the subject



“Protected disclosure under the Whistle Blower policy”. If the complaint is not superscribed and closed as mentioned above, it will not be possible to provide protection to the Whistle Blower as specified under this policy.

All Protected Disclosures should be addressed to the Competent Authority of the Company or to the Chairman of the Audit Committee in exceptional cases.

The contact details of the Competent Authority are as under:-

<b>Name and Address</b>	Mr. Balbir Singh Director, A-1, Maharani bagh, New Delhi-110065	Mr. Sanjay Kumar Gupta Director, A-1, Maharani bagh, New Delhi- 110065
<b>Contact Number</b>	011-61119436	011-61119418
<b>e-mail id</b>	bsingh-gpi@modi.com	skgupta-gpi@modi.com

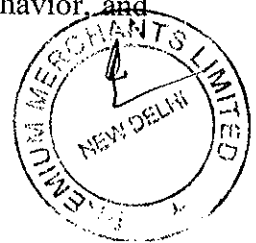
The Competent Authority shall detach the covering letter and forward only the Protected Disclosure to the Investigators for investigation.

## **6. Investigation and Role of Investigators:-**

- a) The matter raised may be investigated internally or referred to an external investigator depending on the nature of the concern raised by Whistle Blower.
- b) The decision to conduct an investigation taken by Competent Authority is by itself not an accusation and is to be treated as a neutral fact-finding process. The outcome of the investigation may not support the conclusion of the Whistle Blower that an improper or unethical act was committed.
- c) Subjects will normally be informed of the allegations at the outset of a formal investigation and have opportunities for providing their inputs during the investigation.
- d) Subjects shall have a duty to co-operate with the Competent Authority or any of the Investigators during investigation to the extent that such co-operation will not compromise self-incrimination protections available under the applicable laws.
- e) Subjects have a right to consult with a person or persons of their choice, other than the Investigators and/or members of the Audit Committee and/or the Whistle Blower. Subjects shall be free at any time to engage counsel at their own cost to represent them in the investigation proceedings. However, if the allegations against the subject are not sustainable, then the Company may see reason to reimburse such costs.
- f) Subjects have a right to be informed of the outcome of the investigation.
- g) The investigation shall be completed normally within 45 days of the receipt of the Protected Disclosure and any delay beyond 45 days shall be justified in the investigation report.

The Role of Investigators shall be as follows:

- i. Investigators are required to conduct a process towards fact-finding and analysis.
- ii. All Investigators shall be independent and unbiased both in fact and as perceived.
- iii. Investigators have a duty of fairness, objectivity, thoroughness, ethical behavior, and observance of legal and professional standards.



- iv. Investigations will be launched only after a preliminary review by the Competent Authority.
- v. Investigators shall maintain strict confidentiality all the time.
- vi. Investigator shall derive the outcome of the inquiry and recommend appropriate course of action.
- vii. Investigators shall submit their report to the Competent Authority.

#### **7. Decision:-**

If an investigation leads to a conclusion that an improper or unethical act has been committed, the Competent Authority shall recommend to the management of the Company to take disciplinary or remedial action under the provision of applicable Service Rules and / or initiate action under applicable statutory provisions.

Any disciplinary or remedial action initiated against the Subject as a result of the findings of an investigation pursuant to this Policy shall adhere to the applicable personnel or staff conduct and disciplinary procedures.

If the Competent Authority is of opinion that the investigation discloses that no further action on the protected disclosure is warranted, it shall so record in writing.

#### **8. Reporting:-**

A quarterly report with number of complaints received under the Policy, investigation conducted and their outcome shall be placed before the Audit Committee.

The Audit Committee shall have power to review any action or decision taken by the Competent Authority.

#### **9. Protection:-**

No unfair treatment will be meted out to a Whistle Blower by virtue of his/her having reported a Protected Disclosure under this Policy. The Company, as a policy, condemns any kind of discrimination, harassment, victimization or any other unfair employment practice being adopted against Whistle Blowers.

The Company will take steps to minimize difficulties, which the Whistle Blower may experience as a result of making the Protected Disclosure.

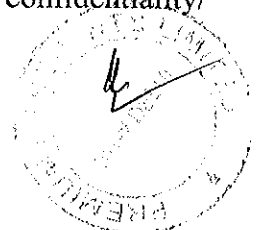
The identity of the Whistle Blower shall be kept confidential to the extent possible and permitted under law.

Any other Employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.

#### **10. Confidentiality:-**

All concerns and issues raised under this policy shall be treated in a confidential manner except to the extent necessary to conduct a complete, fair and effective investigation.

The Whistle Blower, the Subject, Competent Authority, members of Audit Committee, Investigators and everyone involved in the process shall maintain complete confidentiality/ secrecy of the matter.





If anyone is found not complying with the above, he/ she shall be held liable for such disciplinary action as is considered fit.

**11. Retention of documents:-**

All Protected Disclosures in writing or documented along with the results of investigation relating thereto shall be retained by the Company for a minimum period of seven years.

**12. Amendment:-**

The Company reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever. Any amendment to the policy shall take effect from the date when approved by the Board of Directors of the Company



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## Nomination and Remuneration Policy

The Nomination and Remuneration Policy is being formulated in compliance with section 178 of the Companies Act, 2013 read along with applicable rules and any amendments from time to time. This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee and has been approved by the Board of Directors.

### 1. Definitions:

- a) **“Remuneration”** means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income tax Act, 1961.
- b) **“Key Managerial Personnel”** means:
- (i) The Chief Executive Officer or the Managing Director or the Manager
  - (ii) The Company Secretary
  - (iii) The Whole time Director
  - (iv) The Chief Financial Officer, and
  - (v) such other officer as may be prescribed.
- c) **“Senior Managerial Personnel”** means the personnel of the Company who are members of its core management team excluding Board of Directors.

### 2. Objective:

#### The objective of the policy is to ensure that

- the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- relationship of remuneration to performance is clear and meets appropriate performance benchmarks
- remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goal.

### 3. Role of the Committee:

#### The role of the Nomination and Remuneration Committee:



- to identify persons who are qualified to become directors and who may be appointed in senior management and recommend to the Board of Directors their appointment and removal.
- to carry out evaluation of every director's performance.
- to formulate the criteria for determining qualifications, positive attributes and independence of a director.
- to recommend to the Board a policy, relating to the remuneration for the directors, key management personnel and the employees in senior management.
- Any other matter as may be assigned by Board from time to time.

#### **4. Appointment and Removal of Director, Key Managerial Personnel and Senior Management**

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the Person for appointment as Director, KMP or at Senior Management Level and recommend his /her appointment, as per Company's Policy.
- b) A Person should possess adequate qualification, expertise and experience for the position he/she is considered for appointment. The Committee has authority to decide whether qualification, expertise and experience possessed by a person is sufficient /satisfactory for the position.
- c) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution.

#### **5. Term/Tenure**

##### **a) Managing Director/Whole-time Director**

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

##### **b) Independent Director:**

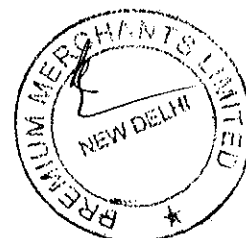
An Independent director shall not office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing a special Resolution by the Company and disclosure of such appointment in the Board's Report.

#### **6. Evaluation**

The committee shall carry out evaluation of performance of Director, KMP and Senior Management Personnel yearly or at such intervals as may be considered necessary.

#### **7. Removal**

The Committee may recommend with reasons recorded in writing, removable of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the Companies Act, 2013, rules, regulations and the policy of the Company.



## **8. Retirement**

The Director, KMP and the Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company.

## **9. Policy for Remuneration to Directors/KMP/Senior Management Personnel**

### **a) Remuneration to Key Managerial Personnel**

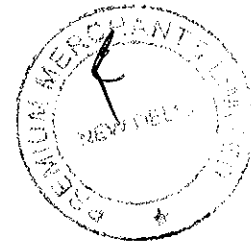
The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.

### **b) Remuneration to Non-executive / Independent Director**

The non-executive /Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of the Companies Act, 2013.

## **10. Implementation**

- The committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate.
- The Committee may delegate any of its powers to one or more of its members.



**M/s Premium Merchants Limited**  
A-1 Maharani Bagh,  
New Delhi- 110065

**SECRETARIAL AUDIT REPORT**

**2014-2015**

CS Kundan Agrawal  
**M/s Kundan Agrawal & Associates**  
H-23 A, 204, 2<sup>nd</sup> Floor, Near Sai Mandir, Vikas Marg,  
Laxmi Nagar, Delhi-110092  
Land line-011-43093900  
Mobile-9999415059, 9212467033



SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2015

[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To  
The Members  
**M/s Premium Merchants Limited**  
A-1 Maharani Bagh,  
New Delhi- 110065

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s Premium Merchants Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

We report that:

- a) Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- b) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion. We have not verified the correctness and appropriateness of the financial records and Books of the Company.
- c) Where ever required, we have obtained the Management representation about the compliances of laws, rules and regulations and happening of events etc. The compliance of the provisions of the Corporate and other applicable laws, rules, regulations, standards is the responsibility of management.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31 March, 2015 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;



(Secretarial Audit Report for F.Y 2014-2015 for M/s Premium Merchants Limited)

- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): —
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28 October 2014;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.
- (vi) Indian Stamp Act, 1899;
- (vii) Indian Contract Act, 1872;
- (viii) Income Tax Act, 1961 and indirect tax laws;
- (ix) Applicable Labour Laws; and
- (x) Other applicable Laws;

Having regard to the compliance system prevailing in the Company and on the basis of presentation and Reports made by Compliance Auditors and Internal Auditors of the Company, we further report that the Company has adequate system to ensure the compliance of the other applicable laws specifically to the Company.

*K. V. S. Rao*

(Secretarial Audit Report for F.Y 2014-2015 for M/s Premium Merchants Limited)

We have also examined compliance with the applicable clauses of the following:

- Secretarial Standards issued by The Institute of Company Secretaries of India (have not notified hence not applicable to the Company during the audit period).
- Listing Agreements with Stock Exchanges in India.


During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc.

We further report that

- During the period under review, we observed that the Company is in process of appointment of 'Chief Financial Officer' and 'Chief Executing Officer' pursuant to Section 203 of the Companies Act, 2013. The composition of Board and other appointments of Key Managerial Personnel under the said act were found to be in order.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were generally sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- All decisions at Board Meetings and Committee Meetings are carried out by majority as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that based on the information received and records maintained there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Place: Delhi  
Date: 25/05/2015

For Kundan Agrawal & Associates  
Company Secretaries  
  
Kundan Agrawal  
Company Secretary  
C.P. No. 8325



**STATEMENT OF PARTICULARS AS PER RULE 5 OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.**

- (i) **The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year**
- No remuneration was paid to the Directors of the Company during the Financial Year 2014-15.
- (ii) **The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager in the financial year**
- The Company has only one Key Managerial Personnel i.e Company Secretary, who was appointed during the Financial Year 2014-15.
- (iii) **The percentage increase in the median remuneration of employees in the financial year**
- There was only one employee in the Company during the year, hence median remuneration cannot be calculated.
- (iv) **The number of permanent employees on the rolls of Company**
- The number of permanent employee on the roll of the Company is one (01).
- (v) **The explanation on the relationship between average increase in remuneration and Company performance**
- The Company's profit after tax for the year grew by 5.96%. The Company has only one Key Managerial Personnel i.e Company Secretary, who was appointed during the year under report. Hence, no direct relationship can be established between the two.
- (vi) **Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company**
- The Company's profit after tax for the year grew by 5.96%. The Company has only one Key Managerial Personnel i.e Company Secretary, who was appointed during the year under report. Hence, no direct relationship can be established between the two.
- (vii) **Variations in the market capitalization of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies**
- The Company is listed only on Delhi Stock Exchange where there was no trading activity during the year under report. Therefore in the absence of market price, market capitalisation/ price earnings ratio cannot be calculated.
- (viii) **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration**
- Not applicable as appointment of Key Managerial Personnel (KMP) was made during the year under report.
- (ix) **Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company**

Please refer details given in point (vi) above.

- (x) The key parameters for any variable component of remuneration availed by the directors**

Not applicable as no remuneration was paid to the Directors.

- (xi) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year**

Not applicable

- (xii) Affirmation that the remuneration is as per the remuneration policy of the company**

Yes

**R. C. AGARWAL & CO.**  
**CHARTERED ACCOUNTANTS**

102, Laxman Palace, 19, Veer Savarkar Block, Madhuban Road, Shakarpur, Delhi-110092  
Ph.: Off: 42445220 Tele fax: 22450737  
Mob: 9810039548 E Mail-rcagg2003@yahoo.com

**To the Members of M/S PREMIUM MERCHANTS LIMITED**

**Report on the Financial Statements**

We have audited the accompanying financial statements of **M/S PREMIUM MERCHANTS LIMITED** ("the Company") which comprise the Balance Sheet as at 31 March 2015 and the Statement of Profit and Loss for the year ended on that date, and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the Accounting Standards referred to in section 133 of the Companies Act, 2013 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

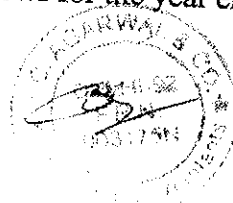
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- i. In the case of the balance sheet, of the state of affairs of the Company as at 31 March 2015; and
- ii. In the case of the statement of profit and loss, of the Profit for the year ended on that date; and
- iii. In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.



R. C. AGARWAL & CO.  
CHARTERED ACCOUNTANTS

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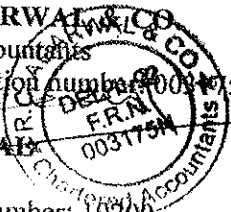
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Mob: 9810039548 E Mail-rcagg2003@yahoo.com

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), as issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give the Annexure, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Companies Act, 2013 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 account as required by law have been kept by the Company so far as appears from our examination of those books ;
  - c. the Balance Sheet ,Statement of Profit and Loss and Cash Flow statement dealt with by this Report are in agreement with the books of account ;
  - d. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow statement comply with the Accounting Standards referred to in Section 133 of the Companies Act, 2013;
  - e. On the basis of written representations received from the directors as on 31 March 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015, from being appointed as a director in terms of sub-section (2) of Section 164 of the Companies Act, 2013.
  - f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid of the Companies Act, 2013 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For R.C. AGARWAL & CO.  
Chartered Accountants  
Firm's registration number: 003175N  
R.C. AGARWAL  
Partner  
Membership number: 10200  
Place: Delhi  
Date: 29/05/2015



**R. C. AGARWAL & CO.**  
**CHARTERED ACCOUNTANTS**

102, Laxman Palace, 19, Veer Savarkar Block, Madhuban Road, Shakarpur, Delhi-110092

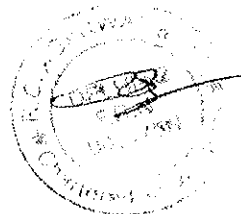
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**Annexure to the Auditors' Report**

The Annexure referred to in our report to the members of **M/S PREMIUM MERCHANTS LIMITED** ("the Company") for the year ended 31 March 2015. We Report that:

- 1(a). The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b). The Company has a phased programme of physical verification of its fixed assets which in our opinion, is reasonable having regard to the size of the company and nature of its assets. In accordance with such programme, the management during the year has physically verified all the fixed assets and no material discrepancies were noticed on such verification.
2. As explained to us, the company did not have any inventory, hence sub-clause (a), (b) & (c) of clause (ii) of paragraph 3 of the company's Auditors Report order 2015 are not applicable.
3. During the year under review, the company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act.
4. According to the information and explanations given to us, there is an adequate internal control procedures commensurate with the size of the company and nature of business with regard to purchase of fixed assets and for sale of goods and services. We have not observed any continuing failure to correct major weakness in internal control system.
5. According to the information and explanations given to us, the Company has not accepted any deposits from the public covered under section 73 to 76 of the Companies Act, 2013.
6. As per information & explanation given by the management, maintenance of cost records has not been prescribed by the Central Government under sub-section (1) of section 148 of the Act.
7. (a) According to the records of the company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, duty of Service Tax, duty of Custom, duty of Excise, value added tax cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31<sup>st</sup> of March, 2015 for a period of more than six months from the date they became payable.
- (b) According to information and explanations given to us no amount is required to be transferred to Investor Protection Fund pursuant to provisions of Companies Act.
8. The Company does not have any accumulated loss and has not incurred cash loss during the financial year covered by our audit and in the immediately preceding financial year.
9. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
10. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.



**R. C. AGARWAL & CO.  
CHARTERED ACCOUNTANTS**

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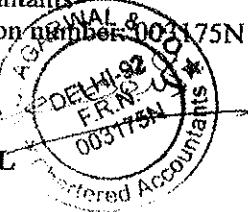
Mob: 9810039548 E Mail:rcagg2003@yahoo.com

11. Based on our audit procedures and on the information given by the management, we report that the company has not obtained any loans during the year.

12. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

For **R.C. AGARWAL & CO.**  
Chartered Accountants  
Firm's registration number: 0031175N

**R.C. AGARWAL**  
Partner  
Membership number: 10200  
Place: Delhi  
Date: 29/05/2015

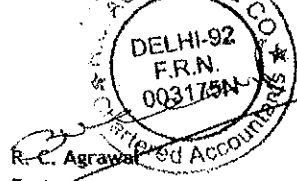


PREMIUM MERCHANTS LIMITED  
Balance Sheet as at 31st March 2015

(Amount in Rs.)

Particulars	Note	As at		As at	
		31-03-2015		31-03-2014	
<b>EQUITY AND LIABILITIES</b>					
<b>Shareholders' funds</b>					
Share capital	2	1,99,80,000		1,99,80,000	
Reserves and surplus	3	4,40,76,904	6,40,56,904	3,58,67,378	5,58,47,378
<b>Non-current liabilities</b>					
Other Long term liabilities	4	1,50,000		1,50,000	
Long-term provisions	5	8,027	1,58,027	9,126	1,59,126
<b>Current liabilities</b>					
Other current liabilities	6		4,57,272		54,203
<b>TOTAL</b>			<b>6,46,72,203</b>		<b>5,60,60,707</b>
<b>ASSETS</b>					
<b>Non-current assets</b>					
Fixed Assets - Tangible assets	7	1,88,17,133		1,50,36,505	
Non-current investments	8	4,07,33,337		2,90,95,086	
Other non current assets	9	11,900	5,95,62,370	11,900	4,41,43,491
<b>Current assets</b>					
Trade receivables	10	4,08,873		14,21,849	
Cash and cash equivalents	11	5,28,092		71,75,658	
Short term loans and advances	12	18,50,000		18,50,000	
Other current assets	13	23,22,868	51,09,833	14,69,709	1,19,17,216
Accompanying notes 1 to 23 form part of the financial statements					
<b>TOTAL</b>			<b>6,46,72,203</b>		<b>5,60,60,707</b>

As per our report of even date  
For R.C. AGARWAL & Co.  
Chartered Accountants



R.C. Agrawal  
Partner  
Membership No. 10200  
FRN NO. : 003175N

Place : New Delhi  
Dated : 29-05-2015

For and on behalf of the Board of Directors

*Balbir Singh*  
Balbir Singh  
Director  
DIN NO. 00027438

*Rajeev Kapoor*  
Rajeev Kapoor  
Director  
DIN NO. 03155896

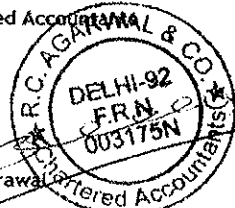
*Rajinder Kumar*  
Rajinder Kumar  
Company Secretary

PREMIUM MERCHANTS LIMITED  
Statement of Profit and loss for the year ended 31st March 2015

(Amount in Rs.)

Particulars	Note	For the year ended 31st March 2015	For the year ended 31st March 2014
Revenue from operations	14	73,08,805	88,53,347
<b>Total Revenue</b>		<b>73,08,805</b>	<b>88,53,347</b>
<b>Expenses:</b>			
Employee benefit expenses	15	4,645	-
Interest expenses	16	-	961
Depreciation & Amortisation	7	58,233	3,24,419
Other expenses	17	15,14,361	25,43,112
<b>Total expenses</b>		<b>15,77,239</b>	<b>28,68,492</b>
<b>Profit before extraordinary items and tax</b>		<b>57,31,566</b>	<b>59,84,855</b>
Extraordinary Items			
Provision against standard assets written back		1,099	-
<b>Profit before tax</b>		<b>57,32,665</b>	<b>59,84,855</b>
Tax expense:			
Current tax		13,62,000	18,60,000
<b>Profit for the period</b>		<b>43,70,665</b>	<b>41,24,855</b>
Earnings per equity share of Rs 10 each:			
(1) Basic		4.38	4.13
(2) Diluted		4.38	4.13
Accompanying notes 1 to 23 form part of the financial statements			

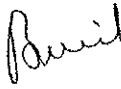
As per our report of even date  
For R.C.AGARWAL & Co.  
Chartered Accountants



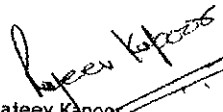
R. C. Agrawal  
Partner  
Membership No. 10200  
FRN NO. : 003175N

Place : New Delhi  
Dated : 29-05-2015

For and on behalf of the Board of Directors



Balbir Singh  
Director  
DIN NO. 00027438



Rajeev Kapoor  
Director  
DIN NO. 03155896



Rajinder Kumar  
Company Secretary




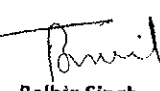
PREMIUM MERCHANTS LIMITED

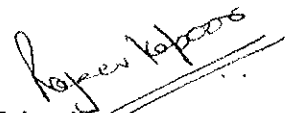
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

	For the year ended 31.3.2015 (Rs.)	For the year ended 31.3.2014 (Rs.)
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net profit before tax	5732665	5984855
adjustments for :		
Depreciation	58233	324419
Interest Income	(529643)	(379960)
Dividend Income	(1673136)	(1463994)
Provision against standard assets writ	(1099)	-
Profit on sale of long term investment	(800000)	-
Insurance claim received	-	(970357)
	<u>(2945645)</u>	<u>(970357)</u>
Operating profit before working capital changes	<u>2787020</u>	<u>3494963</u>
Ajustments for :		
Trade and other receivables	1012976	944796
Trade and other payables	<u>403069</u>	<u>14267</u>
	<u>1416045</u>	<u>959063</u>
Cash generated from operations	<u>4203065</u>	<u>4454026</u>
Interest Income	492848	74285
Insurance claim received	-	970357
Dividend Income	1673136	1463994
Direct taxes refund/(paid)	<u>(2178363)</u>	<u>(1362996)</u>
	<u>(12379)</u>	<u>(1362996)</u>
Cash flow from operating activities	<u>4190686</u>	<u>5599666</u>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of investments	(11758251)	(636087)
Proceeds from sale of investments	920000	-
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Loan given/Repaid	<u>(6647565)</u>	<u>800000</u>
Opening cash and cash equivalents	7175658	1412079
Closing cash and cash equivalents	528092	7175658


In terms of our report of even date attached  
For R.C. AGARWAL & Co.  
Chartered Accountants

  
R. C. Agrawal  
Partner  
Membership No. 10200  
FRN NO. : 003175N

  
Balbir Singh  
Director  
DIN NO. 00027438

  
Rajeev Kapoor  
Director  
DIN NO. 03155896

Place : New Delhi  
Dated : 29-05-2015

  
Rajinder Kumar  
Company Secretary

## PREMIUM MERCHANTS LIMITED

### i – Significant Accounting Policies

#### i) **Basis of Accounting**

The financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India, the Accounting Standards notified under Companies Act, 1956 ('the Act') (which continues to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13 September, 2013 of Ministry of Corporate Affairs) and relevant provisions of Act. The financial statements have been prepared on accrual basis under the historical cost convention.

#### ii) **Fixed Assets and Depreciation**

##### **Tangible fixed assets and depreciation:**

Fixed assets are stated at cost of acquisition or construction less accumulated depreciation and include interest on loans attributable to the acquisition of qualifying assets upto the date they are ready for their intended use.

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013

#### iii) **Income-tax**

Provision for income-tax is based on the assessable profits computed in accordance with the provisions of the Income-tax Act, 1961.

Deferred tax is recognised, subject to the consideration of prudence, on timing differences, being the differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

#### iv) **Revenue recognition**

Revenue (income) is recognized when no significant uncertainty as to its determination or realization exists.

#### v) **Investments**

Long term investments are valued at cost unless there is a decline in value other than temporary. Current investments are stated at lower of cost or fair value

#### vi) **Current/Non-Current Assets and Liabilities**

Assets are classified as current when it satisfied any of the following criteria:

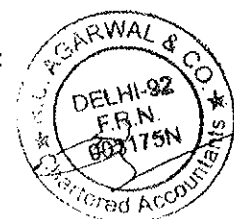
- a) It is expected to be realized within 12 months from the reporting date.
- b) It is held for trading purpose.

All other assets are classified as Non-current.

Liabilities are classified as current when it satisfied any of the following criteria:

- a) It is expected to be settled within 12 months after the reporting date.
- b) It is held for trading purpose.

All other liabilities are classified as Non-current.



2. Share capital

Particulars	As at 31st March 2015		As at 31 March 2014	
	Number	Amount	Number	Amount
<b>Authorised Capital</b>				
Equity Shares of Rs. 10/- each	10,00,000	1,00,00,000	10,00,000	1,00,00,000
Preference Shares of Rs. 10/- each	10,00,000	1,00,00,000	10,00,000	1,00,00,000
	20,00,000	2,00,00,000	20,00,000	2,00,00,000
<b>Issued, Subscribed &amp; Paid up Capital</b>				
Equity Shares of Rs.10/- each	9,98,000	99,80,000	9,98,000	99,80,000
9% Redeemable, Non- Cumulative Preference	4,00,000	40,00,000	4,00,000	40,00,000
6% Redeemable, Non- Cumulative Preference	6,00,000	60,00,000	6,00,000	60,00,000
<b>Total</b>	<b>19,98,000</b>	<b>1,99,80,000</b>	<b>19,98,000</b>	<b>1,99,80,000</b>

(i) Reconciliation of equity shares outstanding at the beginning and at the end of reporting period

Particulars	Equity Shares		Preference Shares	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	9,98,000	99,80,000	10,00,000	1,00,00,000
Shares outstanding at the end of the year	9,98,000	99,80,000	10,00,000	1,00,00,000

(ii) Disclosure pursuant to Note no. 6(A)(g) and 6(A)(f) of Part I of Schedule III to the Companies Act, 2013

A. Equity Shareholders

Name of Shareholder	As at 31 March 2015		As at 31 March 2014	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
K. K. Modi Investment & Fin Ser Pvt Ltd	7,20,000	72.14	4,55,000	45.59
Aar Shyam (India) Investment Co Ltd	-	-	1,35,000	13.53
Shashank Traders Ltd	-	-	1,30,000	13.03

B. Preference Shareholders

Name of Shareholder	As at 31 March 2015		As at 31 March 2014	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
K. K. Modi Investment & Fin Ser Pvt Ltd	10,00,000	100.00	50,000	5.00
Shashank Traders Ltd	-	-	1,00,000	10.00
Aar Shyam (India) Investment Co Ltd	-	-	2,50,000	25.00
R. C. Tobacco Pvt. Ltd.	-	-	6,00,000	60.00

PREMIUM MERCHANTS LIMITED  
Notes forming part of financial statement

3 Reserves and surplus

(Amount in Rs.)

Particulars	As at 31 March 2015	As at 31 March 2014
<b>Special Reserve</b>		
Opening Balance	6,43,250	6,43,250
(+) Current year transfer	-	-
<b>Closing Balance</b>	<b>6,43,250</b>	<b>6,43,250</b>
<b>Statutory Reserve *</b>		
Opening Balance	34,89,257	26,64,286
(+) Current Year Transfer	16,41,905	8,24,971
<b>Closing Balance</b>	<b>51,31,162</b>	<b>34,89,257</b>
<b>Surplus</b>		
Opening balance	3,17,34,871	2,84,34,987
(+) Net Profit/(Net Loss) For the current year	43,70,665	41,24,855
(+) Transferred from Tangible Assets - Building (Refer note no. 19)	38,38,861	-
(-) Transfer to Statutory Reserve	16,41,905	8,24,971
<b>Closing Balance</b>	<b>3,83,02,492</b>	<b>3,17,34,871</b>
<b>Total</b>	<b>4,40,76,904</b>	<b>3,58,67,378</b>

\* Statutory reserve created under section 45-IC of the Reserve Bank of India Act, 1934



PREMIUM MERCHANTS LIMITED  
Notes forming part of financial statement

4. Other Long term liabilities

(Amount in Rs.)

Particulars	As at 31 March 2015	As at 31 March 2014
Security deposit	1,50,000	1,50,000
<b>Total</b>	<b>1,50,000</b>	<b>1,50,000</b>

5. Long term provisions

(Amount in Rs.)

Particulars	As at 31 March 2015	As at 31 March 2014
Contingent provision against standard assets	8,027	9,126
<b>Total</b>	<b>8,027</b>	<b>9,126</b>

6. Other current liabilities

(Amount in Rs.)

Particulars	As at 31 March 2015	As at 31 March 2014
Audit fee payable	8,427	8,427
TDS Payable	75,000	-
Expenses payable	3,73,845	45,776
<b>Total</b>	<b>4,57,272</b>	<b>54,203</b>



PREMIUM MERCHANTS LIMITED  
Notes forming part of financial statement

7. Fixed assets

(Amount in Rs.)

Fixed Assets	Gross Block			Accumulated Depreciation			Net Block	
	Balance as at 1 April 2014	Additions during the year	Sale/Adjustment during the year	Balance as at 1 April 2014	Depreciation in charge for the year	Adjustments during the year*	Balance as at April 2014	Balance as at 31 March 2015
<b>Tangible Assets</b>								
Land	1,62,25,100	-	-	-	-	-	1,62,25,100	1,62,25,100
Building	36,77,900	-	-	48,66,495	58,233	(38,38,861)	(11,88,595)	25,92,033
<b>Total</b>	<b>1,99,03,000</b>	<b>-</b>	<b>-</b>	<b>48,66,495</b>	<b>58,233</b>	<b>(38,38,861)</b>	<b>1,50,36,505</b>	<b>1,88,17,133</b>
Previous year	1,99,03,000	-	-	45,42,076	3,24,419	-	1,53,60,924	1,50,36,505

\* Refer note no. 19



PREMIUM MERCHANTS LIMITED  
Notes forming part of financial statement

8. Non-current Investments

(Amount in Rs.)

Particulars	As at 31 March 2015	As at 31 March 2014
	Rs.	Rs.
Investments - Other Investment in Equity instruments	4,07,33,337	2,90,95,086
<b>Total</b>	<b>4,07,33,337</b>	<b>2,90,95,086</b>

Particulars	As at 31 March 2015	As at 31 March 2014
	Aggregate amount of quoted investments	4,73,301
Aggregate amount of unquoted investments	4,02,60,036	2,89,75,086
<b>Total</b>	<b>4,07,33,337</b>	<b>2,90,95,086</b>
Market value of quoted investments	88,620	1,20,000

8.1 Details of Other Non-Current Investments:

Sr. No.	Name of the Body Corporate	Face value per share	No. of Share / Unit		(Amount in Rs.)	
			As at 31 March 2015	As at 31 March 2014	As at 31 March 2015	As at 31 March 2014
(a)	Investment in Equity Instruments - Quoted, fully paid up					
	Aar Shyam India Investment Company Limited	10	-	40000	-	1,20,000
	Bharat Hotels	10	400	-	58,145	-
	Modi Naturals Ltd.	10	4,200	-	88,000	-
	Surbose Limited	2	4,900	-	3,27,156	-
	<b>Total (a)</b>				<b>4,73,301</b>	<b>1,20,000</b>
(b)	Investment in Equity Instruments - Unquoted, fully paid up					
	Vandana Dealers Private Limited	10	3,30,000	3,30,000	8,93,228	8,93,228
	Indofil Industries Limited	10	4,18,284	4,18,284	2,74,45,771	2,74,45,771
	Rajputana Fertilizers Ltd.	10	2,70,000	2,70,000	6,36,087	6,36,087
	<b>Total (b)</b>				<b>2,89,75,086</b>	<b>2,89,75,086</b>
(c)	Investment in Equity Instruments - Unquoted, partly paid up					
	Indofil Industries Limited	3	46,476	-	37,18,080	-
	<b>Total (c)</b>				<b>37,18,080</b>	<b>-</b>
(d)	Investment in Preference Instruments - Unquoted, fully paid up					
	Colorbar Cosmetics Pvt. Ltd.	10	6,54,800	-	65,64,370	-
	Premium TradeLinks Pvt. Limited	10	1,00,000	-	10,02,500	-
	<b>Total (d)</b>				<b>75,66,870</b>	<b>-</b>
	<b>Total (a + b + c + d)</b>				<b>4,07,33,337</b>	<b>2,90,95,086</b>

PREMIUM MERCHANTS LIMITED  
Notes forming part of financial statement

9. Other non current assets

Particulars	(Amount in Rs.)	
	As at 31 March 2015	As at 31 March 2014
Security deposit	11,900	11,900
	11,900	11,900

10. Trade receivables

Particulars	(Amount in Rs.)	
	As at 31 March 2015	As at 31 March 2014
Trade receivables outstanding for a period less than six months Unsecured, considered good	4,08,873	14,21,849
	4,08,873	14,21,849

11. Cash and cash equivalents

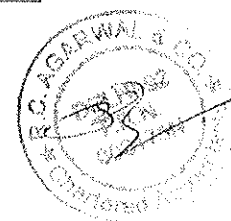
Particulars	(Amount in Rs.)	
	As at 31 March 2015	As at 31 March 2014
Cash on hand	1,849	7,259
Balances with banks:		
In current account	5,25,794	68,399
In fixed deposit	-	71,00,000
Stamp in hand	449	-
	5,28,092	71,75,658

12. Short term loans and advances

Particulars	(Amount in Rs.)	
	As at 31 March 2015	As at 31 March 2014
Rajputana Fertilizers Ltd	18,50,000	18,50,000
	18,50,000	18,50,000

13. Other current assets

Particulars	(Amount in Rs.)	
	As at 31 March 2015	As at 31 March 2014
Interest receivable	13,60,623	13,23,828
Tax Refundable (net of provision)	9,62,245	1,45,881
	23,22,868	14,69,709





PREMIUM MERCHANTS LIMITED  
Notes forming part of financial statement

14. Revenue from operations

Particulars	(Amount in Rs.)	
	For the year ended 31st March 2015	For the year ended 31st March 2014
Brokerage received	38,56,026	55,89,036
Interest income	5,29,643	3,79,960
Dividend income	16,73,136	14,63,994
Rent received	4,50,000	4,50,000
Insurance claim received	-	9,70,357
Profit on sale of long term investment	8,00,000	-
<b>Total</b>	<b>73,08,805</b>	<b>88,53,347</b>

15. Employee benefit expenses

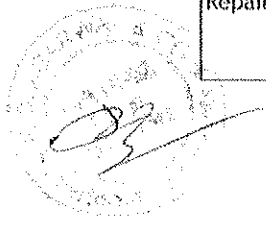
Particulars	(Amount in Rs.)	
	For the year ended 31st March 2015	For the year ended 31st March 2014
Salary	4,645	-
<b>Total</b>	<b>4,645</b>	<b>-</b>

16. Finance cost

Particulars	(Amount in Rs.)	
	For the year ended 31st March 2015	For the year ended 31st March 2014
Interest expense - on duties and taxes	-	961
<b>Total</b>	<b>-</b>	<b>961</b>

17. Other expenses

Particulars	(Amount in Rs.)	
	For the year ended 31st March 2015	For the year ended 31st March 2014
Advertisement expenses	38,914	27,896
Audit fees	20,927	9,427
Bank charges	1,508	2,658
Listing fees	4,38,204	5,618
Demat charges	1,906	-
Depository charges	67,416	-
Insurance charges	35,899	15,330
Filing fees & Subscription	24,109	2,13,871
Rate & Taxes	67,113	79,154
Postage expenses	2,058	1,260
Professional charges	8,07,632	16,800
General expenses	8,675	2,779
Repair & Maintenance	-	21,68,319
<b>Total</b>	<b>15,14,361</b>	<b>25,43,112</b>



PREMIUM MERCHANTS LIMITED

18. Related party disclosure under Accounting Standard 18:

(A) Names of related parties and nature of related party relationships:

List of Related Parties

(i) Holding Company

K. K. Modi Investment & Financial Services Pvt. Ltd.

(ii) Fellow Subsidiaries

Integrated Technology Solutions Private Ltd.  
KKM Management Centre Private Ltd.  
MWC Market Services Private Limited  
Neon Solutions Pvt. Ltd.  
Premium Bidi Company Limited  
Sapphire Insurance Agencies Ltd.  
Vandana Dealers Private Limited

(iii) Key Management Personnel:

Mr. Krishan Kumar Modi, Director  
Mr. A.K. Nautiyal, Director  
Mr. Balbir Singh, Director  
Mr. Rajeev Kapoor, Director  
Mr. Sajnay Kumar Gupta, Director  
Miss. Babita Gupta, Additional Director  
Mr. Rajinder Kumar, Company Secretary

(iv) Enterprises over which key management personnel and their relatives are able to exercise significant influence: NONE

(B) Disclosure of transactions between the Company and related parties and status of outstanding balances as at the year end:

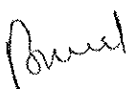
Description	Amount (Rs.)
Purchase of shares from Aar Shyam India Investment Co. Ltd. -Fellow subsidiary*	384340
Purchase of shares from Shashank Traders Ltd. -Fellow subsidiary*	87780

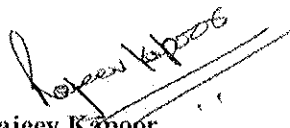
\* ceased to be fellow subsidiary w.e.f. 26/11/2014



19. During the year under review, the combined cost under the head 'Land and Building' was allocated under separate heads namely 'Land' and 'Building'. The initial cost of Land and building acquired in the financial year 1990-91, has been allocated on the basis of area of land (i.e. 1505 sq. Meters) and its circle value (Rs. 6500 per sq. Meter) in the year of purchase. Thus the initial cost of acquisition of land and building of Rs. 1,20,00,000 has been allocated under the head 'Land' and 'Building' for Rs. 97,82,500 and Rs. 22,17,500 respectively. The subsequent addition of Rs. 79,03,000 under 'Land and building' has also been allocated to "Land' and 'Building' in proportion of allocated cost as stated above. The excess depreciation of Rs. 38,38,861 as provided in earlier years has been reversed and adjusted out of the reserves. The estimated life of the building has been considered as 60 years from the date of acquisition / addition of the same and the depreciation has been provided as per the provision of Companies Act, 2013.
20. Deferred tax assets in relation thereto pursuant to Accounting Standard (AS – 22) on 'Accounting for Taxes on Income', has not been recognized in view of uncertainty of sufficient future taxable income.
21. The details of assets and liabilities in terms of Para 9BB of Non – Banking Financial Companies Prudential Norms (Reserve Bank of India) Directions, 1998 are given as per 'Annexure – I'.
22. Earnings per share (EPS)
- |   | 2014-15 | 2013-14 |
|---|---------|---------|
| Net Profit/(Loss) as per Profit Loss Account  | 4370665 | 4124855 |
| No. of Equity Shares                          | 998000  | 998000  |
| Earnings per share (Rs.)<br>(Basic & Diluted) | 4.38    | 4.13    |
23. The previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

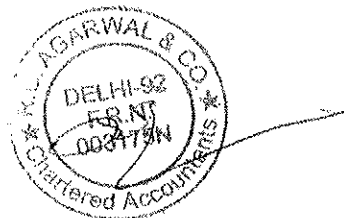
**For and on behalf of the Board of Directors**

  
**Balbir Singh**  
 Director  
 DIN No. 00027438

  
**Rajeev Kapoor**  
 Director  
 DIN No. 03155896

  
**Rajinder Kumar**  
 Company Secretary

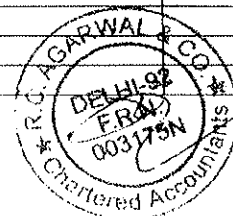
**Place: New Delhi**  
**Date: 29-05-2015**



**PREMIUM MERCHANTS LIMITED**  
**ANNEXURE '1'**

Schedule to the Balance Sheet as on 31<sup>st</sup> March 2015 of a non-deposit taking Non-Banking Financial Company  
(as required in terms of paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding)  
Companies Prudential Norms (Reserve Bank) Directions, 2007)

Particulars		(Rs. in lakh)	
<b>Liabilities side :</b>			
(1)	<b>Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:</b>	Amount out-standing	Amount overdue
a)	Debentures : Secured	--	--
	: Unsecured	--	--
	(other than falling within the meaning of public deposits*)		
b)	Defered Credits	--	--
c)	Term Loans	--	--
d)	Inter-corporate loans and borrowing	--	--
e)	Commercial Paper	--	--
f)	Other Loans (specify nature)	--	--
* Please see Note 1 below			
<b>Total</b>		--	--
<b>Assets side :</b>			
(2)	<b>Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :</b>	Amount outstanding	
a)	Secured	Nil	
b)	Unsecured	36.19	
(3)	<b>Break up of Leased Assets and stock on hire and other assets counting towards AFC activities</b>		
i)	Lease assets including lease rentals under sundry debtors :		
a)	Financial lease	Nil	
b)	Operating lease	Nil	
ii)	Stock on hire including hire charges under sundry debtors:		
a)	Assets on hire	Nil	
b)	Repossessed Assets	Nil	
iii)	Other loans counting towards AFC activities		
a)	Loans where assets have been repossessed	Nil	
b)	Loans other than (a) above	Nil	
<b>Total</b>		36.19	
(4)	<b>Break-up of Investments :</b>		
<b>Current Investments :</b>			
1.	<b>Quoted :</b>		
i)	Shares :	a) Equity	Nil
		b) Preference	Nil
ii)	Debentures and Bonds	Nil	
iii)	Units of Mutual Funds	Nil	
iv)	Government Securities	Nil	
v)	Others (please specify)	Nil	
2.	<b>Unquoted :</b>		
i)	Shares :	a) Equity	Nil
		b) Preference	Nil
ii)	Debentures and Bonds	Nil	
iii)	Units of mutual funds	Nil	
iv)	Government Securities	Nil	
v)	Others (please specify)	Nil	



Long Term Investments :					
1.	Quoted :				
	i)	Shares :	a)	Equity	4.73
			b)	Preference	Nil
	ii)	Debentures and Bonds			Nil
	iii)	Units of mutual funds			Nil
	iv)	Government Securities			Nil
	v)	Others (please specify)			Nil
2.	Unquoted :				
	i)	Shares :	a)	Equity	326.93
			b)	Preference	75.67
	ii)	Debentures and Bonds			Nil
	iii)	Units of mutual funds			Nil
	iv)	Government Securities			Nil
	v)	Others (please specify)			Nil
				Total	407.33
(5)	<b>Borrower group-wise classification of assets financed as in (2) and (3) above :</b>				
	Please see Note 2 below				
	Category		Amount net of provisions		
			Secured	Unsecured	Total
	1.	Related Parties **			
	a)	Subsidiaries	Nil	Nil	Nil
	b)	Companies in the same group	Nil	Nil	Nil
	c)	Other related parties	Nil	Nil	Nil
	2.	Other than related parties	Nil	36.19	36.19
		Total	Nil	36.19	36.19
(6)	<b>Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):</b>				
	Please see Note 3 below				
	Category		Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)	
	1.	Related Parties **			
	a)	Subsidiaries	Nil	Nil	
	b)	Companies in the same group (Fellow subsidiaries)	8.93	8.93	
	c)	Other related parties	--	--	
	2.	Other than related parties	398.40	398.40	
		Total	407.33	407.33	
(7)	<b>Other information</b>				
	Particulars				Amount
	i)	Gross Non-Performing Assets			
		a)	Related parties		Nil
		b)	Other than related parties		Nil
	ii)	Net Non-Performing Assets			
		a)	Related parties		Nil
		b)	Other than related parties		Nil
	iii)	Assets acquired in satisfaction of debt			Nil

