

**31<sup>st</sup> ANNUAL REPORT**  
**OF**  
**PREMIUM MERCHANTS**  
**LIMITED**  
  
**2015-16**

**PREMIUM MERCHANTS LIMITED**  
(CIN : L51909DL1985PLC021077)  
Regd. Office: A-1, Maharani Bagh,  
New Delhi-110 065  
Email id – premiummerchants123@gmail.com  
Tel:91 11 26830014

[www.pmltd.com](http://www.pmltd.com)

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<b>31<sup>st</sup> ANNUAL GENERAL MEETING</b>	
Day:-	Thursday
Date:-	29 <sup>th</sup> September, 2016
Time:-	3.00 P.M
Venue:-	At the Hotel 'The Cameron', Plot No. 92, Pocket -1, Kalindi Kunj, Noida Road, Jasola Vihar, New Delhi- 110025

# 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

## NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE is hereby given that the 31<sup>st</sup> Annual General Meeting (AGM) of the Company will be held at Hotel 'The Cameron', Plot No. 92, Pocket-1, Kalindi Kunj, Noida Road, Jasola Vihar, New Delhi-110025 on Thursday, 29<sup>th</sup> September, 2016 at 3.00 P.M to transact the following business:

### ORDINARY BUSINESS:

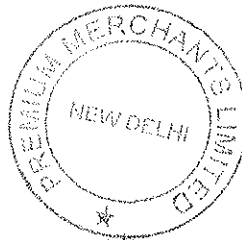
1. To receive, consider and adopt the Audited Financial Statement of the Company for the financial year ended 31<sup>st</sup> March, 2016, together with the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Sanjay Kumar Gupta (DIN:00027728) who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Ms. Babita Gupta (DIN:07135430) who retires by rotation and being eligible, offers herself 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.”

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



**Manish Buttan**  
Company Secretary  
Membership No. 42168



Place: New Delhi  
Date : 22<sup>nd</sup> August, 2016

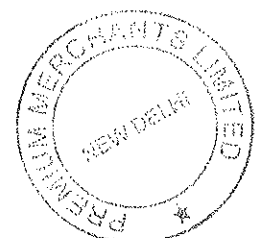
**Notes:**

1. The Register of Members and Share Transfer Register of the Company shall remain closed from Friday, September 23, 2016 to Thursday, September 29, 2016 (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 at the Annual General Meeting (AGM) 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 Form SH-13.
5. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form to eliminate all risks associated with physical shares. Members can contact the Company or the Company's Registrars & Transfer Agents (RTA) for assistance in this regard.
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**

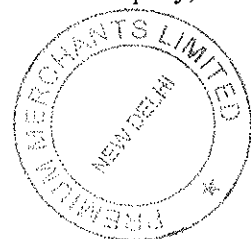
T-34, 2nd Floor, Okhla Industrial Area,  
Phase II, New Delhi-110020  
Tel. No. : 011-26387281, 82,83  
Fax No. : 011-26387384  
e-mail: info@masserv.com

8. In case of joint holders attending the Meeting, the first named joint holder will be entitled to vote.
9. The Statement of Profit and Loss for the financial year ended 31<sup>st</sup> March, 2016, 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.

10. 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.
11. 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.
12. 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.
13. Members, Proxies and Authorised Representative are requested to bring their attendance slip, duly completed and signed along with their copy of Annual Report to the meeting.
14. The route map showing directors to reach the venue of the 31<sup>st</sup> AGM is annexed.
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 44 of the SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by National Securities Depository Limited (NSDL), on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below. Resolution(s) passed by Members through e-voting is/are deemed to have been passed as if they have been passed at the AGM.
  - 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 Monday, September 26<sup>th</sup>, 2016 (09:00 am) and ends on Wednesday, September 28<sup>th</sup>, 2016 (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 22<sup>nd</sup>, 2016, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for 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):**

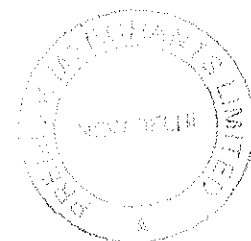
- a. Open e-mail and open PDF file viz; "Premium Merchants Limited" with your client ID or Folio No. as password containing your user ID and password for remote e-voting. Please note that the password is an initial password.
- b. Open the internet browser by typing the following URL: <https://www.evoting.nsd.com/>.
- c. Click on Shareholder-Login.
- d. Put user ID and password as initial password noted in step (a) 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 'kapahassociates@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)**

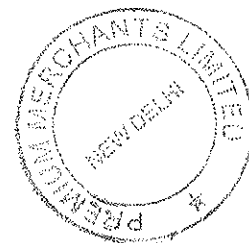
- a. Initial password is provided at the bottom of the Attendance Slip for the AGM
- b. Please follow all steps from Sl. No. (b) to Sl. No. (l) above, to cast vote.

**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.nsd.com](http://www.evoting.nsd.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 22<sup>nd</sup>, 2016.
- 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 22<sup>nd</sup>, 2016, 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. Surrinder Kishore Kapahi (CP No. 1118), Proprietor Kapahi and Associates, Practicing Company 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.



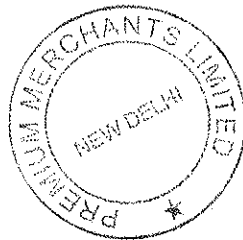
The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company [www.pmltd.com](http://www.pmltd.com) and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing and communicated to the Metropolitan 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: 22<sup>nd</sup> August, 2016

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



A handwritten signature in black ink, appearing to read "Manish Buttan".

**Manish Buttan**  
**Company Secretary**  
**Membership No. 42168**



# 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**

## PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s)	
Registered address	
Email ID	
Folio No./ Client ID	
DP ID	No. of Shares

I/We, being the member(s) of..... shares of the above named Company, hereby appoint:

1.	Name		Signature
	Address		
	Email ID		
	Or failing him/her		
2.	Name		Signature
	Address		
	Email ID		
	Or failing him/her		
3.	Name		Signature
	Address		
	Email ID		

As my/ our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 31<sup>st</sup> Annual General Meeting of the Company, to be held on Thursday, 29th September, 2016 at 3.00 P.M. at the Hotel 'The Cameron' Plot No. 92, Pocket-1, Kalindi Kunj, Noida Road, Jasola Vihar, New Delhi- 110025, and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions	For*	Against*
	<b>Ordinary Business</b>		
1.	To receive, consider and adopt the audited Balance Sheet of the Company as at 31st March, 2016 and the Statement of Profit & Loss for the year ended on that date together with the reports of the Board of Directors and Auditors thereon.		
2.	To appoint a Director in place of Mr. Sanjay Kumar Gupta (DIN:00027728), who retires by rotation and being eligible, offers himself for re-appointment.		
3.	To appoint a Director in place of Ms. Babita Gupta (DIN:07135430), who retires by rotation and being eligible, offers herself for re-appointment.		
4.	Ratification of appointment of statutory auditors		

Signed this ----- day of-----2016

Signature of Member-----

Signature of Proxy-----

Affix  
Revenue  
Stamp

**Note:**

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the company, not less than 48 hours before the commencement of the Meeting.
2. A person can act as a proxy on behalf of Members, not exceeding fifty, and holding in the aggregate not more than 10% of the total share Capital of the Company carrying voting rights. A Member holding more than 10% of the total share capital of the Company carrying voting Rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
3. \* It is optional to put an 'X' in the appropriate column against the resolution indicated in the box. If you leave the 'For' or 'Against' column blank against any or for all the resolutions, your Proxy will be entitled to vote in the manner as he/ she deems appropriate.

# 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

## ATTENDANCE SLIP

31st Annual General Meeting to be held on 29<sup>th</sup> September 2016 at 3.00 P.M

Name of the Attending Member (in Block Letters)	
Regd. Folio No./ *DP ID/* Client ID	
No. of Equity Shares held	
Name of the Shareholder(s)	
Joint Holder 1	
Joint Holder 2	

1. I/We hereby record my / our presence at the Annual General Meeting of the members of the Company held on Thursday , 29<sup>th</sup> Day of September, 2016 at 3.00 P.M. at the Hotel 'The Cameron' Plot No. 92, Pocket-1, Kalindi Kunj, Noida Road, Jasola Vihar, New Delhi- 110025

2. Signature of the Shareholder/Proxy Present

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3. Shareholder/Proxy holder wishing to attend the meeting must bring the Attendance Slip to the meeting and handover at the entrance duly signed.

4. Shareholder/Proxy holder desiring to attend the meeting may bring his/her copy of the Annual Report for reference at the meeting.

Note: PLEASE CUT HERE AND BRING THE ABOVE ATTENDANCE SLIP TO THE MEETING.

.....XXXXX.....XXXXXX.....XXXXX.....

## ELECTRONIC VOTING PARTICULARS

Remote E Voting Event Number  
(REVEN)

User ID

Password

105051

Note: Please read the instructions provided in Notice dated 22<sup>nd</sup> August, 2016 of the Annual General Meeting. The Voting period starts from 9.00 a.m. on Monday, September 26, 2016 and ends at 5.00 p.m. on Wednesday, September 28, 2016. The voting module shall be disabled by NSDL for voting thereafter.

# PREMIUM MERCHANTS LIMITED

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## CORPORATE INFORMATION

### BOARD OF DIRECTORS

Mr. Krishan Kumar Modi	Director
Mr. Sanjay Kumar Gupta	Director
Mr. Rajeev Kapoor	Director
Ms. Babita Gupta	Women Director
Mr. Balbir Singh	Independent Director
Mr. Anil Kumar Nautiyal	Independent Director

### KEY MANAGERIAL PERSONNEL

Mr. Pravin Kumar Vakil	Chief Executive Officer
Mr. Ramesh Chander	Chief Financial Officer
Mr. Manish Buttan	Company Secretary

### BOARD COMMITTEES

#### AUDIT COMMITTEE

Mr. Balbir Singh	Chairman
Mr. Anil Kumar Nautiyal	
Mr. Sanjay Kumar Gupta	

#### NOMINATION AND REMUNERATION COMMITTEE

Mr. Balbir Singh	Chairman
Mr. Anil Kumar Nautiyal	
Mr. Sanjay Kumar Gupta	

### STATUTORY AUDITORS

M/s R.C AGARWAL & CO.  
Chartered Accounts  
102, Laxman Palace, 19, Veer Savarkar Block, Madhuban Road  
Shakarpur, New Delhi-110092

### SECRETARIAL AUDITORS

M/s Kundan Agrawal & Associates  
H-23A, 204 Kamal Tower, Near Sai Mandir,  
Vikas Marg, Laxmi Nagar, Delhi-110092

### INTERNAL AUDITORS

M/s S K Shukla & Co.,  
Chartered Accountants  
184, 2<sup>nd</sup> Floor, Jeewan Nagar, Near Tikona Park, New Delhi-110014

### REGISTRAR AND SHARE TRANSFER AGENT

MAS Services Limited  
T-34, 2<sup>nd</sup> Floor, Okhla Industrial Area, Phase-II  
New Delhi-110020

### REGISTERED OFFICE

A-1, Maharani Bagh, New Delhi-110065

# 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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## PREMIUM MERCHANTS LIMITED

### DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the 31<sup>st</sup> Annual Report together with the Audited Financial Statements for the year ended March 31, 2016.

#### 1. Financial Highlights

The Company earned a profit of Rs. 53.87 lacs (before tax) during the year under report as against a profit of Rs. 57.32 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.31.35 lacs as against Rs. 38.56 lacs in the previous year. The interest income was Rs. 2.97 lacs as against Rs. 5.30 lacs in the previous year. The income by way of dividend was Rs. 21.13 lacs as against 16.73 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. Management 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. 31.35 lacs representing 52.19% of the total income.

## **5. RBI Guidelines**

Your Company has complied with all the applicable regulations prescribed by the Reserve Bank of India (RBI) 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 RBI 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 and the same is being complied with.

## **6. Transfer to Reserves**

During the year under review, an amount of Rs. 8,67,407 was transferred to Statutory Reserve in pursuance of applicable regulation as prescribed by the Reserve Bank of India. No amount was transferred to General Reserve.

## **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 Metropolitan Stock Exchange of India Limited (formerly Known as MCX Stock Exchange Limited). With reference to SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015, the compliance with the Corporate Governance provisions as specified in Regulations 17,18,19,20,21,22,23,24,25,26,27 and clause (b) to (i) of sub regulation (2) of regulation 46 and para C, D and E of Schedule V shall not apply to the Company under the criteria given in the said Regulation. Hence, no disclosure has been made on the items covered under Corporate Governance.



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

During the financial year 2015-16, Mr. Pravin Kumar Vakil was appointed as the Chief Executive Officer (CEO) of the Company with effect from 7<sup>th</sup> August, 2015.

Mr. Ramesh Chander was appointed as the Chief Financial Officer (CFO) of the Company w.e.f 7<sup>th</sup> August, 2015.

Mr. Rajinder Kumar, Company Secretary resigned from the Company w.e.f 28.08.2015 and in order fill the vacancy of Company Secretary Mr. Manish Buttan, Member of Institute of Company Secretary of India (Membership No. A-42168) was appointed as the Company Secretary of the Company w.e.f 26<sup>th</sup> February, 2016.

In accordance with the provisions of the Act and the Articles of Association of the Company, Mr Sanjay Kumar Gupta. (DIN: 00027438) and Ms. Babita Gupta (07135430), Directors of the Company retire by rotation at the ensuing Annual General Meeting and being eligible have offered themselves for re-appointment.

## **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 2015-16 are as follows:



## 16. Related Party Transactions

All arrangements/ transactions entered by the Company during the year with related parties were in the ordinary course of business and on arm's length basis. There are no related party transactions made by the company with Promoters, Directors or Key Managerial Personnel. All related Party Transactions are placed before the Audit Committee for their approval. The related party transaction as prescribed under section 188(1) of the Companies Act, 2013 has been reported in note number 17(B) 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 available on the Company's website [www.pmltd.com](http://www.pmltd.com).

## 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 (Independent Director)
2.	Mr. Anil Kumar Nautiyal	Member (Independent Director)
3.	Mr. Sanjay Kumar Gupta	Member (NonExecutive Director)

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	29.05.2015	Mr. Balbir Singh, Mr. Anil Kumar Nautiyal and Mr. Sanjay Kumar Gupta
2	07.08.2015	Mr. Balbir Singh, Mr. Anil Kumar Nautiyal and Mr. Sanjay Kumar Gupta
3	05.11.2015	Mr. Balbir Singh, Mr. Anil Kumar Nautiyal and Mr. Sanjay Kumar Gupta
4	14.01.2016	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 (Independent Director)
2.	Mr. Anil Kumar Nautiyal	Member (Independent Director)
3.	Mr. Sanjay Kumar Gupta	Member (Non-Executive Director)

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	07.08.2015	Mr. Balbir Singh, Mr. Anil Kumar Nautiyal and Mr. Sanjay Kumar Gupta
2	26.02.2016	Mr. Balbir Singh, Mr. Anil Kumar Nautiyal and Mr. Sanjay Kumar Gupta

## 20. Remuneration and Nomination Policy

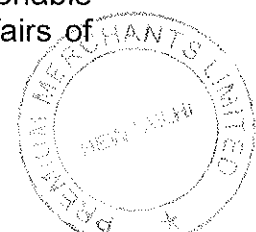
The Nomination and Remuneration Committee framed a Remuneration and Nomination Policy for selection and appointment of Directors, Senior Management and their remuneration.

The policy formulated by nomination and remuneration committee is available on the Company's website: [www.pmltd.com](http://www.pmltd.com).

## 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:

- a) that in the preparation of the Annual Accounts for the year ended March 31, 2016, the applicable accounting standards had been followed along with the proper explanation relating to material departures;
- b) 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, 2016 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 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. The Company has received a certificate from the Statutory Auditors to the effect that ratification of their appointment, if made, shall be in compliance with the provisions of section 139 and 141 of the Companies Act, 2013.

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

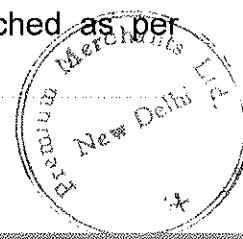
There is no audit qualification on the Financial Statements by the statutory auditors for the year under review. Hence, there are no comments on the Auditor's Report.

## **24. Consolidated Financial Statement**

The Company does not have any Subsidiary, Joint Venture and Associate Company. Hence, the preparation of Consolidated Financial statement is not applicable to the Company.

## **25. Secretarial Auditor**

The Board appointed 'M/s Kundan Agrawal & Associates', Practising Company Secretaries, to conduct Secretarial Audit for the financial year 2015-16 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 'C'** and forms part of this report.



The secretarial Audit report does not contain any qualification, reservation or adverse remark.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

## **27. Risk Management**

The Company has formally adopted a Risk Management Policy to identify and assess the Key risk areas, monitor and report compliance and effectiveness of the policy and procedure. The Board periodically reviews the risks and suggest steps to be taken to control and mitigate the same through a properly defined framework.

## **28. Business Responsibility Reporting**

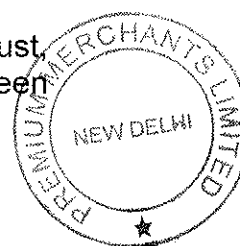
Pursuant to Regulation 34 of SEBI (Listing Obligation and disclosure Requirement) Regulation, 2015, Business Responsibility Reporting is applicable for top five hundred listed entities based on market capitalization calculated as on March 31<sup>st</sup> of every Financial Year. The above reporting is not applicable to the Company as it is not covered under the criteria given in the said Regulation. Therefore, no disclosure has been made on the items covered under Business Responsibility Reporting.

## **29. 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.

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

Mr. Pravin Kumar Vakil, Chief Executive Officer was appointed on 7<sup>th</sup> August, 2015 and remuneration of Rs. 117097/- (Rupees One lakh seventeen



thousand and ninety seven) was paid to him during the financial year 2015-16. Mr Ramesh Chander, was appointed as Chief Financial Officer of the Company on 7<sup>th</sup> August, 2015 and a remuneration of Rs. 117097/- (Rupees One lakh seventeen thousand and ninety seven) was paid to him for the Financial Year 2015-16. Further, Mr Rajinder Kumar who was Company Secretary of the Company till 28<sup>th</sup> August, 2015 was paid a remuneration of Rs.44129 (Rupees Forty Four thousand one hundred and twenty nine).

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

### **31. 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.

### **32. Equity Share Capital**

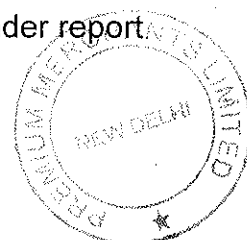
The Equity share capital of the Company as at 31<sup>st</sup> March, 2016 stood at Rs. 99.80 lacs. During the year under report, the Company has not issued shares with differential voting rights nor has granted any stock options or sweat equity. As on 31<sup>st</sup> March, 2016, none of the Directors of the Company hold instruments convertible into equity shares of the Company.

### **33. Code for Prevention of Insider-trading practices**

The Company has in place a Code of Conduct for Prevention of Insider Trading and a Code of Practices and Procedure for Fair Disclosure of Unpublished Price Sensitive Information in accordance with SEBI (Prohibition of Insider Trading) Regulations, 2015. The Code of Conduct for Prevention of Insider Trading lays down guidelines advising the management and other connected persons, on procedures to be followed and disclosures to be made by them in dealing with the shares of the Company. The said code of Practices is also available on company's website: [www.pmltd.com](http://www.pmltd.com)

### **34. 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.

### 35. 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: 30.05.2016

  
(Balbir Singh )  
Director  
(DIN-00027438)

  
(Rajeev Kapoor)  
Director  
(DIN-03155896)



# 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 31.03.2016

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

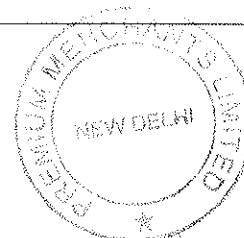
## I. REGISTRATION AND OTHER DETAILS:

1	CIN	L51909DL1985PLC021077
2	Registration	29.05.1985
3	Name of the Company	Premium Merchants Limited
4	Category/Sub-Category of the Company	Company Limited by shares (Indian Non- Government Company)
5	Address of the Registered office and contact details	A-1, Maharani Bagh, New Delhi-110065  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 Address: T-34, 2 <sup>nd</sup> Floor, Okhla Phase-II Delhi-110020 Email Id: info@masserv.com Tel: 011-26387281, 82, 83

## II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

S.No	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Brokerage Received	66190	52.19%
2	Dividend Income	66190	35.17%



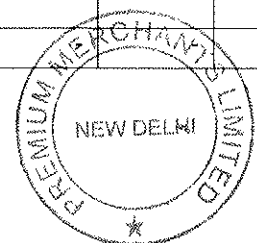
III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:-

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

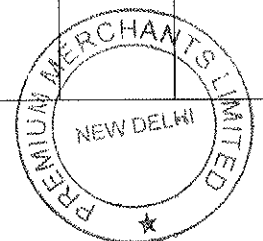
IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding as on 31.03.2016

Category of shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% of 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 Corp.	720000	-	720000	72.14	720000	-	720000	72.14	-
e) Banks/ FI	-	-	-	-	-	-	-	-	-
f) Any other (Trusts)	-	-	-	-	-	-	-	-	-
<b>Sub-total (A)(1)</b>	<b>720000</b>	<b>-</b>	<b>720000</b>	<b>72.14</b>	<b>720000</b>	<b>-</b>	<b>720000</b>	<b>72.14</b>	<b>-</b>
<b>(2) Foreign</b>									
a) NRI- Individuals	-	-	-	-	-	-	-	-	-
b) Other- Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-



d) Banks/ FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A)(2)</b>	-	-	-	-	-	-	-	-	-
<b>Total shareholding of Promoter (A) = (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(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1)</b>	-	-	-	-	-	-	-	-	-
<b>(2) Non- Institutions</b>	-	-	-	-	-	-	-	-	-
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	175385	175385	17.58	145385	30000	175385	17.58	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	102615	102615	10.28	-	102615	102615	10.28	-
ii) Individual shareholders holding nominal share capital in excess of	-	-	-	-	-	-	-	-	-



Rs. 1 lakh									
c) Others	-	-	-	-	-	-	-	-	-
Other Directors and relatives	-	-	-	-	-	-	-	-	-
Non-Resident Individuals	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2)</b>	-	132615	278000	27.86	145385	132615	278000	27.86	-
<b>Total Public Shareholding (B) = (B)(1)+ (B)(2)</b>	-	132615	278000	27.86	145385	132615	278000	27.86	-
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	-	132615	998000	100	865385	132615	998000	100	-

**(ii) Shareholding of Promoters as on 31.03.2016**

Sl. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% of change 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	% of Shares Pledge d / encumbered to total shares	
1.	K.K Modi Investment and Financial Services Private Limited	720000	72.14	-	720000	72.14	-	NIL
	<b>Total</b>	720000	72.14	-	720000	72.14	-	NIL

**(iii) Change in Promoters' Shareholding (Please specify if there is no change):**  
**There is no change\***



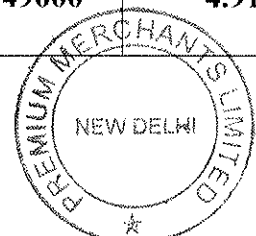


Sl. No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	<b>At the beginning of the year</b>	<b>720000</b>	<b>72.14</b>	<b>720000</b>	<b>72.14</b>
	Date wise Increase / (Decrease) in Shareholding during the year and reasons	-	-	-	-
	<b>At the End of the year</b>	<b>720000</b>	<b>72.14</b>	<b>720000</b>	<b>72.14</b>

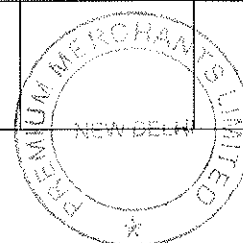
\* There is no change in the shareholding of promoters between April 1, 2015 to March 31, 2016.

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) as on 31.03.2016**

Sl. No	For each of the Top 10 shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>1</b>	<b>Trend Agencies Private Limited</b>	<b>49000</b>	<b>4.91</b>	<b>49000</b>	<b>4.91</b>
	Datewise Increase/Decrease in Shareholding during the year specifying the reasons for increase /decrease(e.g allotment/transfer/bonus/swe at equity etc):	<b>Nil movement during the year</b>			
	At the End of the year (or on date of separation, if separated during the year)	<b>49000</b>	<b>4.91</b>	<b>49000</b>	<b>4.91</b>
<b>2</b>	<b>Azure Products Private Limited</b>	<b>48985</b>	<b>4.91</b>	<b>48985</b>	<b>4.91</b>
	Datewise Increase/Decrease in Shareholding during the year specifying the reasons for increase /decrease(e.g allotment/transfer/bonus/swe at equity etc):	<b>Nil movement during the year</b>			
	At the End of the year (or on date of separation, if	<b>48985</b>	<b>4.91</b>	<b>49000</b>	<b>4.91</b>



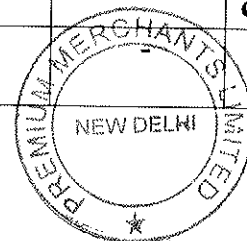
	separated during the year)				
<b>3</b>	<b>Narayan Sales Private Limited</b>	<b>47400</b>	<b>4.75</b>	<b>47400</b>	<b>4.75</b>
	Datewise Increase/Decrease in Shareholding during the year specifying the reasons for increase /decrease(e.g allotment/transfer/bonus/swe at equity etc)	<b>Nil movement during the year</b>			
	At the End of the year (or on date of separation, if separated during the year)	<b>47400</b>	<b>4.75</b>	<b>47400</b>	<b>4.75</b>
<b>4</b>	<b>Soni Associates Private Limited</b>	<b>30000</b>	<b>3.01</b>	<b>30000</b>	<b>3.01</b>
	Datewise Increase/Decrease in Shareholding during the year specifying the reasons for increase /decrease(e.g allotment/transfer/bonus/swe at equity etc):	<b>Nil movement during the year</b>			
	At the End of the year (or on date of separation, if separated during the year)	<b>30000</b>	<b>3.01</b>	<b>30000</b>	<b>3.01</b>
<b>5</b>	<b>Rajesh Kumar</b>	<b>2000</b>	<b>0.2</b>	<b>2000</b>	<b>0.2</b>
	Datewise Increase/Decrease in Shareholding during the year specifying the reasons for increase /decrease(e.g allotment/transfer/bonus/swe at equity etc):	<b>Nil movement during the year</b>			
	At the End of the year (or on date of separation, if separated during the year)	<b>2000</b>	<b>0.2</b>	<b>2000</b>	<b>0.2</b>
<b>6</b>	<b>Rajesh Kumar Gupta</b>	<b>2000</b>	<b>0.2</b>	<b>2000</b>	<b>0.2</b>
	Datewise Increase/Decrease in Shareholding during the year specifying the reasons for increase /decrease(e.g allotment/transfer/bonus/swe at equity etc):	<b>Nil movement during the year</b>			
	At the End of the year (or on date of separation, if separated during the year)	<b>2000</b>	<b>0.2</b>	<b>2000</b>	<b>0.2</b>
<b>7</b>	<b>Ram Dhari Gupta</b>	<b>2000</b>	<b>0.2</b>	<b>2000</b>	<b>0.2</b>
	Datewise Increase/Decrease in Shareholding during the year specifying the reasons	<b>Nil movement during the year</b>			



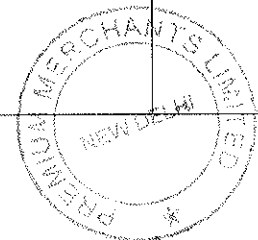
	for increase /decrease(e.g allotment/transfer/bonus/swe at equity etc):				
	At the End of the year (or on date of separation, if separated during the year)	2000	0.2	2000	0.2
8	<b>Sanjay Chaturvedi</b>	2000	0.2	2000	0.2
	Datewise Increase/Decrease in Shareholding during the year specifying the reasons for increase /decrease(e.g allotment/transfer/bonus/swe at equity etc):	Nil movement during the year			
	At the End of the year (or on date of separation, if separated during the year)	2000	0.2	2000	0.2
9	<b>Satya Devi</b>	2000	0.2	2000	0.2
	Datewise Increase/Decrease in Shareholding during the year specifying the reasons for increase /decrease(e.g allotment/transfer/bonus/swe at equity etc):	Nil movement during the year			
	At the End of the year (or on date of separation, if separated 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 Shareholding during the year specifying the reasons for increase /decrease(e.g allotment/transfer/bonus/swe at equity etc):	Nil movement during the year			
	At the End of the year (or on date of separation, if separated during the year)	2000	0.2	2000	0.2

(v) Shareholding of Directors and Key Managerial Personnel as on 31.03.016

Sl. No	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	<b>Mr. Balbir Singh</b> (DIN:00027438)	-	-	-	-



	Datewise Increase/Decrease in Shareholding during the year specifying the reasons for increase /decrease(e.g allotment/transfer/bonus/swe at equity etc):	-	-	-	-
	At the End of the year	-	-	-	-
<b>2</b>	<b>Mr. Krishan Kumar Modi (DIN:00029407)</b>	-	-	-	-
	Datewise Increase/Decrease in Shareholding during the year specifying the reasons for increase /decrease(e.g allotment/transfer/bonus/swe at equity etc):	-	-	-	-
	At the End of the year	-	-	-	-
<b>3</b>	<b>Mr. Sanjay Kumar Gupta (DIN:00027728)</b>	-	-	-	-
	Datewise Increase/Decrease in Shareholding during the year specifying the reasons for increase /decrease(e.g allotment/transfer/bonus/swe at equity etc):	-	-	-	-
	At the End of the year	-	-	-	-
<b>4</b>	<b>Mr. Anil Kumar Nautiyal (DIN:00061214)</b>	-	-	-	-
	Datewise Increase/Decrease in Shareholding during the year specifying the reasons for increase /decrease(e.g allotment/transfer/bonus/swe at equity etc):	-	-	-	-
	At the End of the year	-	-	-	-
<b>5</b>	<b>Mr. Rajeev Kapoor (DIN:03155896)</b>	-	-	-	-
	Datewise Increase/Decrease in Shareholding during the year specifying the reasons for increase /decrease(e.g allotment/transfer/bonus/swe at equity etc):	-	-	-	-
	At the End of the year	-	-	-	-
<b>6</b>	<b>Ms. Babita Gupta (DIN:07135430)</b>	<b>5</b>	<b>0</b>	<b>5</b>	<b>0</b>
	Datewise Increase/Decrease in Shareholding during the year specifying the reasons for increase /decrease(e.g		-	-	-

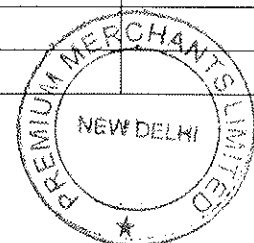


	allotment/transfer/bonus/swe at equity etc):				
	At the End of the year	1	0	1	0
<b>B</b>	<b>Key Managerial Personnel (KMP)</b>				
<b>1</b>	<b>Mr. Pravin Kumar Vakil (Chief Executive Officer)</b>	-	-	-	-
	Datewise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease(e.g allotment/transfer/bonus/swe at equity etc):	-	-	-	-
	At the End of the year	-	-	-	-
<b>2</b>	<b>Mr. Ramesh Chander (Chief Financial Officer)</b>	-	-	-	-
	Datewise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease(e.g allotment/transfer/bonus/swe at equity etc):	-	-	-	-
	At the End of the year	-	-	-	-
<b>3</b>	<b>Mr. Manish Buttan (Company Secretary)</b>	-	-	-	-
	Datewise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease(e.g allotment/transfer/bonus/swe at equity etc):	-	-	-	-
	At the End of the year	-	-	-	-

## V. INDEBTEDNESS

### Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the Financial year</b>			
i) Principal Amount	-	-	-
ii) Interest due but not paid			
iii) Interest accrued but not due			



<b>Total (i+ii+iii)</b>			
<b>Change in indebtedness during the Financial year</b>	-	-	-
• Addition			
• (Reduction)			
<b>Indebtedness at the end of the Financial year</b>	-	-	-
i) Principal Amount			
ii) Interest due but not paid			
iii) Interest accrued but not due			
<b>Total (i+ii+iii)</b>			

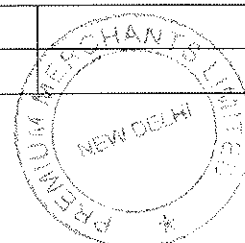
## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount
1.	Gross salary	NIL	
	(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	-	-
5.	Others- Provident Fund	-	-
	<b>Total (A)</b>	-	-
	Ceiling as per the Act	-	-

### B. Remuneration to other directors:

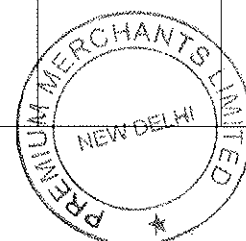
Sl. No	Particulars of Remuneration	Name of Directors	Total Amount
1.	Independent Directors	NIL	-
	• Fee for attending board /		



	committee meetings				
	• Commission				
	• Others				
	<b>Total (1)</b>				
2.	Other Non-Executive Directors	-			-
	• Fee for attending board / committee meetings				
	• Commission				
	• Others				
	<b>Total (2)</b>				
	<b>Total (B)= (1+2)</b>				
	Total Managerial Remuneration	-			-
	Ceiling as per the Act				

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD**

Sl. No.	Particulars of Remuneration of Key Managerial Personnel	Chief Executive Officer	Chief Financial Officer	Company Secretary		Total
		Mr. Pravin Kumar Vakil (appointed w.e.f 7 <sup>th</sup> Augst, 2015)	Mr. Ramesh Chander (appointed w.e.f 7 <sup>th</sup> Augst, 2015)	Mr. Rajinder Kumar (Company Secretay till 28 <sup>th</sup> August, 2015)	Mr. Manish Buttan (Company Secretary from 26 <sup>th</sup> February, 2016)	
1.	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	117097	117097	44129	11379	<b>289702</b>
	(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	-	-	-	-	-
5.	Others	-	-	-	-	-
	<b>TOTAL</b>	<b>117097</b>	<b>117097</b>	<b>44129</b>	<b>11379</b>	<b>289702</b>

**IV. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Brief Description	Authority [RD /NCLT/ COURT]	Appeal made, if any (give Details)
<b>A.COMPANY</b>					
Penalty	-	-	-	-	-
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

**Respectfully submitted on behalf of the Board**

**Place: New Delhi  
Dated: 30.05.2016**

*Balbir*  
**(Balbir Singh)  
Director  
(DIN-00027438)**

*Rajeev Kapoor*  
**(Rajeev Kapoor)  
Director  
(DIN-03155896)**





# 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)

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	Please refer Point No. 16 of the Directors Report and Note No. 17 (B) of the Financial Statement
(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	



# Kundan Agrawal & Associates

Company Secretaries  
Phone: 91-11-43093900  
Mobile: 09212467033, 09999415059  
E-mail: agrawal.kundan@gmail.com

Form No. MR-3

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2016

*{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, 2016 ('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, 2016 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;



H-23A, 204, Kamal Tower, (Near Sai Mandir), Vikas Marg, Laxmi Nagar, Delhi-110092(INDIA)

## Kundan Agrawal & Associates

Company Secretaries

Phone: 91-11-43093900

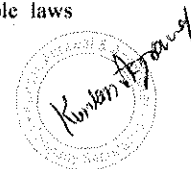
Mobile: 09212467033, 09999415059

E-mail: agrawal.kundan@gmail.com

### (Secretarial Audit Report for F.Y 2015-2016 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 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) Central Excise and Service Tax Act;
- (x) Central and State Sale Tax/Value Added Tax Laws;
- (xi) Applicable Labour Laws; and
- (xii) 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.



H-23A, 204, Kamal Tower, (Near Sai Mandir), Vikas Marg, Laxmi Nagar, Delhi-110092(INDIA)

# Kundan Agrawal & Associates

Company Secretaries  
Phone: 91-11-43093900  
Mobile: 09212467033, 099999415059  
E-mail: agrawal.kundan@gmail.com

(Secretarial Audit Report for F.Y 2015-2016 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.
- 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

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- 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: 13/05/2016

For Kundan Agrawal & Associates  
Company Secretaries

  
Kundan Agrawal  
Company Secretary  
Membership No. 7631  
C.P. No. 8325

H-23A, 204, Kamal Tower, (Near Sai Mandir), Vikas Marg, Laxmi Nagar, Delhi-110092(INDIA)

**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 2015-16

- (ii) **The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager in the financial year**

Name of Key Managerial Personnel	Remuneration paid during Financial Year 2015-16	% increase in remuneration in the Financial Year
Mr. Pravin Kumar Vakil (appointed w.e.f 7 <sup>th</sup> August, 2015)	Rs 117097	NIL
Mr. Ramesh Chander (appointed w.e.f 7 <sup>th</sup> August, 2015)	Rs. 117097	NIL
Mr. Manish Buttann	Rs. 11379	NIL

- (iii) **The percentage increase in the median remuneration of employees in the financial year**

During the year under review, there is no increase in the remuneration paid. Hence, this clause is not applicable.

- (iv) **The number of permanent employees on the rolls of Company**

The number of permanent employee on the roll of the Company is three (03)

- (v) **The explanation on the relationship between average increase in remuneration and Company performance**

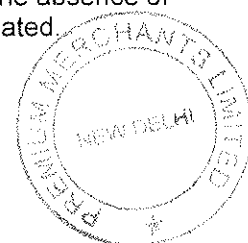
During the year under review, there is no increase in the remuneration paid. Hence, this clause is not applicable.

- (vi) **Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company.**

The Company's Profit after Tax (PAT) for the year under review declined by .77% and there is no change in the average remuneration of Key Managerial Personnel of the Company.

- (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 with Metropolitan Stock Exchange of India (MSEI) 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**

During the year under review, there is no increase in the remuneration paid. Hence, this clause is not applicable.

- (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

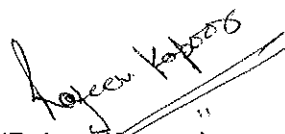
- (xii) **Affirmation that the remuneration is as per the remuneration policy of the company**

Yes

Respectfully submitted on behalf of the Board

Place: New Delhi  
Dated: 30.05.2016

  
(Balbir Singh )  
Director  
(DIN-00027438)

  
(Rajeev Kapoor)  
Director  
(DIN-03155896)



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 PREMIUM MERCHANTS LIMITED

Report on the Financial Statements

We have audited the accompanying standalone financial statements of PREMIUM MERCHANTS LIMITED ("the Company") which comprise the Balance Sheet as at 31 March 2016 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

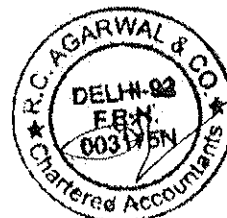
The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the fraud and other irregularities; selection and application of appropriate accounting policies; making judgment and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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 have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under section 143 (10) of the Act. 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 financial 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, 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 on the financial statements.



R. C. AGARWAL & CO.  
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### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 2016;
- 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.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), 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 sought and 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, the 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 aforesaid financial Statements comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Account) Rules, 2014.
  - e. On the basis of written representations received from the directors as on 31 March 2016, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016, from being appointed as a director in terms of sub-section (2) of Section 164 of the Companies Act, 2013.
  - f. In our opinion, the company has adequate Internal Financial Control System in place and such controls are operating effectively.



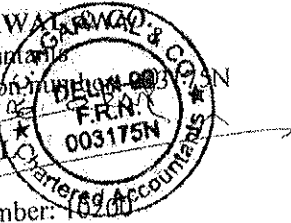


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Mob: 9810039548 E Mail-rcagg2003@yahoo.com

g. 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: 18900  
Place: Delhi  
Date: 30/05/2016



R. C. AGARWAL & CO.  
CHARTERED ACCOUNTANTS

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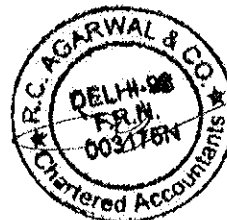
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Annexure to the Auditors' Report

The Annexure referred to in our report to the members of PREMIUM MERCHANTS LIMITED ("the Company") for the year ended 31 March 2016. We Report that:

1. i) Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.  
ii) The Fixed Assets of the company are physically verified by the Management. As per the information given by the Management, no material discrepancies were noticed during such verification.  
iii) The title deeds of immovable properties are held in the name of the company.
2. As explained to us, the company did not have any inventory, hence paragraph 3 (ii) of the company's Auditors Report order 2016 are not applicable to the company.
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. In respect of loans, investments, guarantees and security necessary provision of section 185 and 186 of the Companies act, 2013 have been complied with.
5. 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, 2016 for a period of more than six months from the date they became payable.  
(b) According to information and explanations given to us there was no outstanding due of income tax or sales tax or wealth tax or service tax or duty of customs or duty of excise or value added tax or cess on account of dispute.
8. 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 as the company has not taken any loans from financial institution, bank or debenture holders.
9. The company has not raised money by way of initial public offer or further public offer and term loan as such clause 9 of the order is not applicable.
10. 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.



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

11. No managerial remuneration has been paid or provided in accordance with requisite approvals mandated by the provisions of the section 197 read with schedule V of the companies Act, 2013.
12. The company is not a Nidhi Company,
13. Detail of all the transactions with related parties in compliance with section 177 and 188 of Companies act, 2013 have been disclosed in the financial statements.
14. Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
15. The company has not entered into any non cash transactions with the directors or persons connected with him.
16. The company is registered under section 451A of the Reserve Bank of India Act, 1934 and registration certificate has been obtained from Reserve Bank of India.

For R.C. AGARWAL & CO.

Chartered Accountants

Firm's registration number: 003175N

  
R.C. AGARWAL

Partner

Membership number: 10200

Place: Delhi

Date: 30/05/2016

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**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 1(f) under Report on other Legal and Regulatory Requirements of our report of even date)

**Report on the Internal Financial Controls over Financial Reporting under clause (i) of sub section 3 of section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the standalone financial statements of the company as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of **PREMIUM MERCHANTS LIMITED** ("hereinafter referred to as the Company"), as of that date.

**Management's Responsibility for Internal Financial Controls**

The Board of Directors of company, are responsible for establishing and maintain internal financial controls based on (for example, "the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by Institute of Chartered Accountants of India ("ICAI"). These responsibilities include design, implementation and maintenance of adequate internal financial control, that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the company's policies, the safeguarding of the prevention and detection of frauds and errors, accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

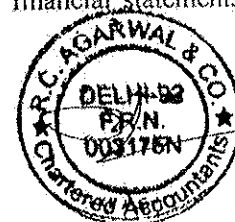
Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note of Audit of Internal Financial Controls Over Financial Reporting (the Guidance Note) issued by Institute of Chartered Accountants of India and the standards auditing, prescribed under section 143(10) of the Companies Act, 2013 to the extent applicable to an audit of internal financial controls. Those Standards and Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements whether due to fraud or error.

We believe that the audit evidence we have obtained in terms of their reports referred to in the other matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external



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purposes in accordance with the generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with the generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company, assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial controls over Financial Reporting

Because of inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to the future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in the conditions or that the degree or compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Company have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on ( for example, 'the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India").

### Other Matters

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financials reporting insofar as it relates to company.

For R.C. AGARWAL & CO.

Chartered Accountant

Firm's registration number: 003175N

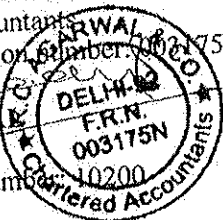
R.C. AGARWAL

Partner

Membership number: 10200

Place: Delhi

Date: 30/05/2016



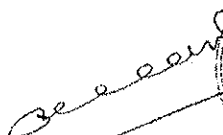
PREMIUM MERCHANTS LIMITED  
Balance Sheet as at 31st March 2016

(Amount in Rs.)

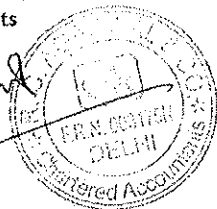
Particulars	Note	As at	
		31-03-2016	31-03-2015
<b>EQUITY AND LIABILITIES</b>			
Shareholders' funds			
Share capital	2	1,99,80,000	1,99,80,000
Reserves and surplus	3	4,84,13,939	4,40,76,904
Non-current liabilities			
Other Long term liabilities	4	1,50,000	1,50,000
Long-term provisions	5	7,632	8,027
Current liabilities			
Other current liabilities	6	52,695	4,57,272
<b>TOTAL</b>		<b>6,86,04,266</b>	<b>6,46,72,203</b>
<b>ASSETS</b>			
Non-current assets			
Fixed Assets - Tangible assets	7	1,87,58,900	1,88,17,133
Non-current investments	8	4,00,97,250	4,07,33,337
Other non current assets	9	11,900	11,900
Current assets			
Trade receivables	10	5,01,028	4,08,873
Cash and cash equivalents	11	48,53,682	5,28,092
Short term loans and advances	12	18,50,000	18,50,000
Other current assets	13	25,31,506	23,22,868
Accompanying notes 1 to 22 form part of the financial statements			
<b>TOTAL</b>		<b>6,86,04,266</b>	<b>6,46,72,203</b>

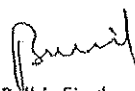
As per our report of even date  
For R.C.AGARWAL & Co.  
Chartered Accountants

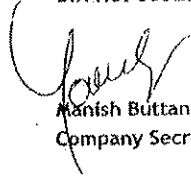
For and on behalf of the Board of Directors

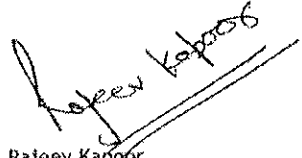
  
R. C. Agrawal  
Partner  
Membership No. 10200  
FRN NO. : 003175N

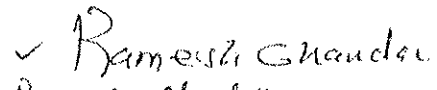
Place : New Delhi  
Dated : 30-05-2016



  
Balbir Singh  
Director  
DIN NO. 00027438

  
Manish Bhattan  
Company Secretary

  
Rajeev Kapoor  
Director  
DIN NO. 03155896

✓   
Ramesh Chandra  
Chief financial officer.

PREMIUM MERCHANTS LIMITED  
Statement of Profit and loss for the year ended 31st March 2016

(Amount in Rs.)

Particulars	Note	For the year ended 31st March 2016	For the year ended 31st March 2015
Revenue from operations	14	60,07,108	73,08,805
Total Revenue		60,07,108	73,08,805
Expenses:			
Employee benefit expenses	15	2,89,702	4,645
Depreciation & Amortisation	7	58,233	58,233
Other expenses	16	2,71,998	15,14,361
Total expenses		6,19,933	15,77,239
Profit before extraordinary items and tax		53,87,175	57,31,566
Extraordinary Items Provision against standard assets written back		395	1,099
Profit before tax		53,87,570	57,32,665
Tax expense: Current tax		10,50,535	13,62,000
Profit for the period		43,37,035	43,70,665
Earnings per equity share of Rs 10 each:			
(1) Basic		4.35	4.38
(2) Diluted		4.35	4.38
Accompanying notes 1 to 22 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 : 30-05-2016



For and on behalf of the Board of Directors

Balbir Singh  
Director  
DIN NO. 00027438

Rajeev Kapoor  
Director  
DIN NO. 03155896

Manish Buttan  
Company Secretary

Ramesh Chandra  
Ramesh Chandra  
Chief Financial Officer

PREMIUM MERCHANTS LIMITED

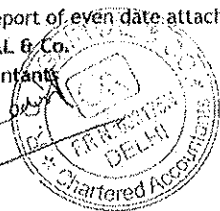
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

	For the year ended 31.3.2016 (Rs.)	For the year ended 31.3.2015 (Rs.)
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net profit before tax	5387570	5732665
adjustments for :		
Depreciation	58233	58233
Interest income	(297447)	(529643)
Dividend Income	(2112813)	(1673136)
Provision against standard assets written back	(395)	(1099)
Profit on sale of long term investment	(2352421)	(800000)
Operating profit before working capital changes	3035149	2787020
Ajustments for :		
Trade and other receivables	(92155)	1012976
Trade and other payables	(404577)	403069
Cash generated from operations	2538417	4203066
Direct taxes refund/(paid)	(1100997)	(2178363)
Cash flow from operating activities	1437420	2024703
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest Income	139272	492848
Dividend Income	2112813	1673136
Purchase of investments	-	(11758251)
Proceeds from sale of investments	636087	9,20,000
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
	4325591	(6647565)
Cash and cash equivalents at the beginning of the year	528092	7175658
Cash and cash equivalents at the end of the year	4853683	528092
Components of cash and cash equivalents:	4853682	528092

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

Place : New Delhi  
Dated : 30-05-2016



*Balbir Singh*  
Balbir Singh  
Director  
DIN NO. 00027438

*Manish Bhattan*  
Manish Bhattan  
Company Secretary

*Rajeev Kapoor*  
Rajeev Kapoor  
Director  
DIN NO. 03155896

*Ramesh Chandra*  
Ramesh Chandra  
Chief Financial Officer



## PREMIUM MERCHANT LIMITED

Notes forming part of the financial statements for the year ended March 31, 2016

### 1 (A) Significant Accounting Policies

#### 1.1 Basis of Preparation

The accompanying financial statements have been prepared under the historical cost convention on accrual basis of accounting, in accordance with Indian Generally Accepted Accounting Principles (GAAP) and comply with the Accounting Standards prescribed under section 133 of the Companies Act 2013, read with rule 7 of the Companies Act, 2013 read with Rule 7 of the Companies Accounting Rules, 2014 and the relevant provisions of the Companies Act ("the 2013 Act")/Companies Act 1956 as applicable .

Accounting policies not specifically referred to otherwise are consistent with generally accepted accounting principles followed by the company.

#### 1.2 Use of Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of financial statements and reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

#### 1.3 Income and expenditure

Income and expenditure are accounted for on accrual basis.

#### 1.4 Provision for Income Tax

Income taxes are accounted for in accordance with Accounting Standard 22 on Accounting for taxes on income. Taxes comprise both current and deferred tax.

#### 1.5 Earnings per Share

Earning per equity share (basic / diluted) is arrived at based on Net Profit after taxation available to equity shareholders to the basic / weighted average number of equity shares.

#### 1.6 Borrowing Cost

Borrowing cost attributable to the acquisition or construction of qualifying / eligible assets are capitalized as part of the cost of such assets. A qualifying / eligible asset is an asset is an asset that necessarily takes a substantial period of time to get ready for intended use. All other borrowing costs are recognized as an expense and are charged to revenue in the year in which they are incurred.

#### 1.7 Revenue Recognition

All Income and Expenditure items having a material bearing on the financial statements are recognized on accrual basis.

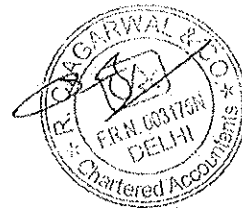
Revenue is recognized when it is earned and no significant uncertainty exists to its realization or collection.

#### 1.8 Claims By/Against the Company

Claims by/ against the Company arising on any account is provided in the accounts on receipts/acceptances.

#### 1.9 Investments

Investments are classified into current and non-current investments. Current Investments are stated at lower of cost or market value. Non-Current Investments are stated at cost and provision for diminution in value is made only if such decline is other than temporary in the opinion of management.



2. Share capital

(Amount in Rs.)

Particulars	As at 31st March 2016		As at 31st March 2015	
	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 2016		As at 31 March 2015	
	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	7,20,000	72.14

B. Preference Shareholders

Name of Shareholder	As at 31 March 2016		As at 31 March 2015	
	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	10,00,000	100.00



PREMIUM MERCHANTS LIMITED  
Notes forming part of financial statement

3 Reserves and surplus

(Amount in Rs.)

Particulars	As at 31 March 2016	As at 31 March 2015
Special Reserve		
Opening Balance	6,43,250	6,43,250
(+) Current year transfer	-	-
Closing Balance	6,43,250	6,43,250
Statutory Reserve *		
Opening Balance	51,31,162	34,89,257
(+) Current Year Transfer	8,67,407	16,41,905
Closing Balance	59,98,569	51,31,162
Surplus		
Opening balance	3,83,02,492	3,17,34,871
(+) Net Profit/(Net Loss) For the current year	43,37,035	43,70,665
(+) Transferred from Tangible Assets - Building	-	38,38,861
(-) Transfer to Statutory Reserve	8,67,407	16,41,905
Closing Balance	4,17,72,120	3,83,02,492
<b>Total</b>	<b>4,84,13,939</b>	<b>4,40,76,904</b>

\* Statutory reserve created under section 45-1C 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 2016	As at 31 March 2015
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 2016	As at 31 March 2015
Contingent provision against standard assets	7,632	8,027
<b>Total</b>	<b>7,632</b>	<b>8,027</b>

6. Other current liabilities

(Amount in Rs.)

Particulars	As at 31 March 2016	As at 31 March 2015
Audit fee payable	37,808	8,427
TDS Payable	-	75,000
Expenses payable	14,887	3,73,845
<b>Total</b>	<b>52,695</b>	<b>4,57,272</b>



PREMIUM MERCHANTS LIMITED  
Notes forming part of financial statement

7. Fixed assets

Fixed Assets	Gross Block			Accumulated Depreciation			Net Block	
	Balance as at 1 April 2015	Additions during the year	Sale/Adjustment during the year	Balance as at 31 March 2016	Balance as at 1 April 2015	Depreciation in charge for the year	Adjustments during the year	Balance as at 31 March 2016
Tangible Assets								
Land	1,62,25,100	-	-	1,62,25,100	-	-	-	1,62,25,100
Building	36,77,900	-	-	36,77,900	10,85,867	58,233	-	25,92,033
Total	1,99,03,000	-	-	1,99,03,000	10,85,867	58,233	-	1,88,17,133
Previous year	1,99,03,000	-	-	1,99,03,000	48,66,495	58,233	(38,38,861)	1,50,36,505
								1,88,17,133



8. Non-current investments

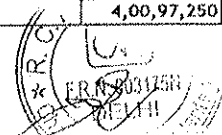
(Amount in Rs.)

Particulars	As at 31 March 2016	As at 31 March 2015
	Rs.	Rs.
Investments - Other Investment in Equity Instruments	4,00,97,250	4,07,33,337
Total	4,00,97,250	4,07,33,337

Particulars	As at 31 March 2016	As at 31 March 2015
	Aggregate amount of quoted investments	4,15,156
Aggregate amount of unquoted investments	3,96,82,094	4,03,18,181
Total	4,00,97,250	4,07,33,337
Market value of quoted investments	11,22,415	3,66,940

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 2016	As at 31 March 2015	As at 31 March 2016	As at 31 March 2015
(a)	Investment in Equity Instruments - Quoted, fully paid up.					
	Modi Naturals Ltd.	10	4,200	4,200	88,000	88,000
	Surbose Limited	2	4,900	4,900	3,27,156	3,27,156
	Total (a)				4,15,156	4,15,156
(b)	Investment in Equity Instruments - Unquoted, fully paid up					
	Bharat Hotels	10	400	400	58,145	58,145
	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	-	6,36,087
	Total (b)				2,83,97,144	2,90,33,231
(c)	Investment in Equity Instruments - Unquoted, partly paid up					
	Indofil Industries Limited	3	46,476	46,476	37,18,080	37,18,080
	Total (c)				37,18,080	37,18,080
(d)	Investment in Preference Instruments - Unquoted, fully paid up					
	Colorbar Cosmetics Pvt. Ltd.	10	6,54,800	6,54,800	65,64,370	65,64,370
	Premium Tradelinks Pvt. Limited	10	1,00,000	1,00,000	10,02,500	10,02,500
	Total (d)				75,66,870	75,66,870
	Total (a + b + c + d)				4,00,97,250	4,07,33,337



PREMIUM MERCHANTS LIMITED  
Notes forming part of financial statement

9. Other non current assets

Particulars	(Amount in Rs.)	
	As at 31 March 2016	As at 31 March 2015
Security deposit	11,900	11,900
	11,900	11,900

10. Trade receivables

Particulars	(Amount in Rs.)	
	As at 31 March 2016	As at 31 March 2015
Trade receivables outstanding for a period less than six months Unsecured, considered good	5,01,028	4,08,873
	5,01,028	4,08,873

11. Cash and cash equivalents

Particulars	(Amount in Rs.)	
	As at 31 March 2016	As at 31 March 2015
Cash on hand	1,849	1,849
Balances with banks:		
In current account	61,857	5,25,794
In fixed deposit	47,89,527	-
Stamp in hand	449	449
	48,53,682	5,28,092

12. Short term loans and advances

Particulars	(Amount in Rs.)	
	As at 31 March 2016	As at 31 March 2015
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 2016	As at 31 March 2015
Interest receivable	15,18,798	13,60,623
Tax Refundable (net of provision)	10,12,708	9,62,245
	25,31,506	23,22,868





PREMIUM MERCHANTS LIMITED  
Notes forming part of financial statement

14. Revenue from operations

(Amount in Rs.)

Particulars	For the year ended 31st March 2016	For the year ended 31st March 2015
Brokerage received	31,34,935	38,56,026
Interest income	2,97,447	5,29,643
Dividend income	21,12,813	16,73,136
Rent received	4,50,000	4,50,000
Profit on sale of long term investment	11,913	8,00,000
<b>Total</b>	<b>60,07,108</b>	<b>73,08,805</b>

15. Employee benefit expenses

(Amount in Rs.)

Particulars	For the year ended 31st March 2016	For the year ended 31st March 2015
Salary	2,89,702	4,645
<b>Total</b>	<b>2,89,702</b>	<b>4,645</b>

16. Other expenses

(Amount in Rs.)

Particulars	For the year ended 31st March 2016	For the year ended 31st March 2015
Advertisement expenses	39,330	38,914
Audit fees	21,706	20,927
Bank charges	2,219	1,508
Listing fees	-	4,38,204
Demat charges	-	1,906
Depository charges	-	67,416
Insurance charges	35,899	35,899
Filing fees & Subscription	17,409	24,109
Rate & Taxes	67,113	67,113
Postage expenses	1,260	2,058
Professional charges	66,822	8,07,632
General expenses	9,240	8,675
Edp charges	11,000	-
<b>Total</b>	<b>2,71,998</b>	<b>15,14,361</b>



PREMIUM MERCHANTS LIMITED

17. 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. Sanjay Kumar Gupta, Director

Miss. Babita Gupta, Additional Director

Mr. Manish Buttan, 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:

	2015-16	2014-15
(i) Transaction during the year:		
- Sale of Investment in shares to K.K Modi Investment & financial Services Pvt ltd, Holding companies.	6,48,000.00	-
(ii) Outstanding balances at the year end:		
- Investment in fellow subsidiaries	8,93,228.00	8,93,228.00
(iii) Purchase of shares from Aar Shyam India Investment Co. Ltd.		
- Fellow subsidiary*	-	3,84,340.00
(iv) Purchase of shares from Shashank Traders Ltd.		
- Fellow subsidiary*		87,780.00

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



- 18. 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.
- 19. 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.
- 20. 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'.

21. Earnings per share (EPS)	2015-16	2014-15
Net Profit/(Loss) as per Profit Loss Account	4337035	4370665
No. of Equity Shares	998000	998000
Earnings per share (Rs.) (Basic & Diluted)	4.35	4.38

22. 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**

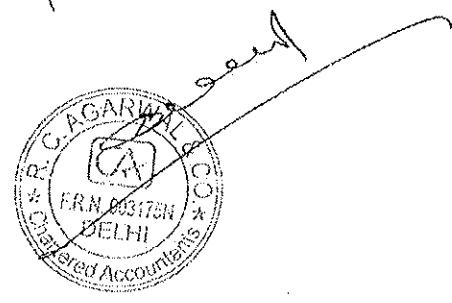
*Balbir Singh*  
**Balbir Singh**  
 Director  
 DIN No. 00027438

*Rajeev Kapoor*  
**Rajeev Kapoor**  
 Director  
 DIN NO. 03155896

*Manish Buttan*  
**Manish Buttan**  
 Company Secretary

*Ramesh Chandra*  
**Ramesh Chandra**  
 Chief Financial Officer

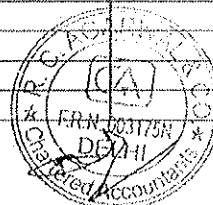
Place: New Delhi  
 Date: 30-05-2016



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

Schedule to the Balance Sheet as on 31<sup>st</sup> March 2016 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)	Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:			Amount out-standing	Amount overdue
	a)	Debentures : Secured		--	--
		: Unsecured		--	--
		(other than falling within the meaning of public deposits*)			
	b)	Deferred 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>					
				Amount outstanding	
(2)	Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :				
	a)	Secured		Nil	
	b)	Unsecured		38.69	
(3)	Break up of Leased Assets and stock on hire and other assets counting towards AFC activities				
	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>			38.69	
(4)	Break-up of Investments :				
<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	4.15
			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	321.15
			b)	Preference	75.67
	ii)	Debentures and Bonds			Nil
	iii)	Units of mutual funds			Nil
	iv)	Government Securities			Nil
	v)	Others (please specify)			Nil
				<b>Total</b>	<b>396.82</b>
(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	38.69	38.69
		<b>Total</b>	<b>Nil</b>	<b>38.69</b>	<b>38.69</b>
(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)	204.01		8.93
	c)	Other related parties	1253.44		387.31
	2. Other than related parties		11.81		4.73
		<b>Total</b>	<b>1469.26</b>		<b>400.97</b>
(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



The Venue of the 31<sup>st</sup> Annual General Meeting of Premium Merchants Limited to be held on 29<sup>th</sup> September, 2016 at 3.00 P.M is Hotel 'The Cameron', Plot No. 92, Pocket-1, Kalindi Kunj, Noida Road, Jasola Vihar, New Delhi-110025

