

**32<sup>nd</sup> ANNUAL REPORT**  
**OF**  
**PREMIUM MERCHANTS**  
**LIMITED**

**2016-17**

**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.in](http://www.pmltd.in)

# CONTENTS

NOTICE OF ANNUAL GENERAL MEETING	I-IX
ATTENDANCE SLIP	X
PROXY FORM	XI-XII
DIRECTORS' REPORT	1-28
INDEPENDENT AUDITORS' REPORT	29-34
BALANCE SHEET	35
STATEMENT OF PROFIT AND LOSS ACCOUNT	36
CASH FLOW STATEMENT	37
NOTES TO FINANCIAL STATEMENTS	38-51
ROUTE MAP	52

<b>32<sup>ND</sup> ANNUAL GENERAL MEETING</b>	
Day:-	Thursday
Date:-	21 <sup>st</sup> September, 2017
Time:-	2.00 P.M
Venue:-	<b>At the Hotel 'The Cameron', Plot No. 92, Pocket - 1, Kalindi Kunj, Noida Road, Jasola Vihar, New Delhi-110025</b>

# 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.in](http://www.pmltd.in)

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## NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE is hereby given that the 32nd 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, 21<sup>st</sup> September, 2017 at 2.00 P.M to transact the following business:

### ORDINARY BUSINESS:

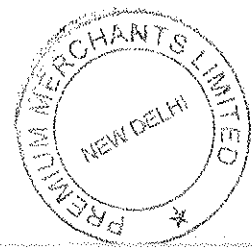
1. To receive, consider and adopt the Audited Financial Statement of the Company for the financial year ended 31<sup>st</sup> March, 2017, together with the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Krishan Kumar Modi (DIN:00029407) who retires by rotation and being eligible, offers himself for re-appointment.
3. To 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 as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors.”

### SPECIAL BUSINESS:

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 Sections 149,150,152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Rajeev Kapoor (DIN:03155896) who was appointed as an Additional Director on the Board of the Company w.e.f 1<sup>st</sup> July, 2017 in terms of Section 161(1) of the Companies Act, 2013 and whose term of office expires at the ensuing Annual General Meeting and who has submitted a declaration



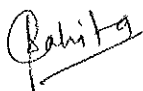
that he meets the criteria for independence as provided in section 149(6) of the Act and is eligible for appointment as a Director and also in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director be and is hereby appointed as an Independent Director on the Board of Directors of the Company to hold office up to 5 (five) consecutive years up to September, 2022, not liable to retire by rotation.”

“**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized severally to file the necessary returns/forms with the Registrar of Company, NCT of Delhi and Haryana and to do all such acts, deeds and things as may be necessary to give effect to the resolution.”

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

“**RESOLVED THAT** pursuant to the provisions of section 94(1) and other applicable provisions of the Companies Act, 2013, the Companies (Management and Administration) Rules, 2014 and any other applicable Rules framed thereunder (including any statutory modification or re-enactment thereof for the time being in force), consent of the Company be and is hereby accorded to the Board of Directors of the Company for keeping the Register of Members of the Company and other security holders, if any, maintained under section 88 of the Companies Act, 2013 together with the index of Members and/or other security holders at the office of Registrar and Share Transfer Agents of the Company , viz., M/s **MAS Services Limited** at T-34, 2nd Floor, Okhla Industrial Area, Phase II, New Delhi-110020 and at such places within Delhi where the Registrar and Share transfer Agent may shift its office from time to time, instead of keeping such Register of Members and other security holders, if any, at the Registered Office of the Company.”

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



**Babita Gupta**  
Director  
DIN: 07135430



Place: New Delhi  
Date : 10<sup>th</sup> August, 2017

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013**

**Item No. 4 :**

Mr. Rajeev Kapoor was appointed as an Additional Director in the Independent capacity on the Board of the Company with effect from 1<sup>st</sup> July, 2017, who holds office upto the date of ensuing Annual General Meeting. The Company has received a notice in writing along with the requisite deposit, from member proposing his candidature for appointment as an Independent Director of the Company.

Mr. Rajeev Kapoor is a finance professional with many years of work experience. Mr. Kapoor is a qualified Chartered Accountant. He possesses vast experience in the field of taxation, accounting, banking, finance and corporate law matters. In terms of Section 149 and other applicable provisions of the Companies Act 2013, Mr. Kapoor being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term upto September, 2022, not liable to retire by rotation. A notice has been received from a member along with a deposit of Rs. 1,00,000/- proposing Mr. Kapoor as a candidate for the office of Independent Director of the Company.

The Company has received a declaration from Mr. Kapoor that he meets the criteria for independence as provided in section 149(6) of the Companies Act, 2013 and also that he is not disqualified from being appointed as a Director under section 164 of the said Act and has given his consent to become an Independent Director of the Company.

**Brief profile of Mr. Rajeev Kapoor**

Name of the Director	Mr. Rajeev Kapoor
Director Identification Number	03155896
Date of joining the Board	01.07.2017
Qualification	Chartered Accountant
Profile of the Director	He has over 20 years of rich experience in the finance field with expertise in direct and indirect tax matters.
Directorship in other companies	1. Gopal Krishna Infrastructure & Real Estate Limited 2. Unique Space Developers Limited
Number of Shares held in Company	NIL
Age	51 years

**None of the Director or Key Managerial Personnel of the Company or their relatives other than Mr. Rajeev Kapoor is concerned or interested in the proposed resolution.**

The Board of Directors recommends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the Members.



**Item No. 5**

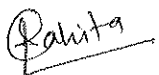
Section 94(1) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and any other Rules framed thereunder allow the Company to keep the Register of Members together with Index of Members at a place other than Registered Office of the Company, if approved by the Members by way of Special Resolution.

Presently more than one - tenth of the total number of members of the Company are residing in Delhi. Accordingly, the Board seeks approval of the Members to keep the Register of Members and all relevant documents/registers pertaining thereto, maintained by the Company either physically or electronically, at the office of the Registrar & Transfer Agents of the Company- M/s MAS Services Limited at T-34, 2nd Floor, Okhla Industrial Area, Phase II, New Delhi-110020.

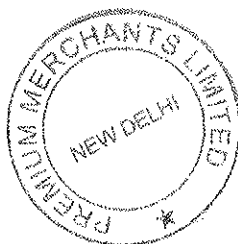
**None of the Director or Key Managerial Personnel of the Company or their relatives is interested in the said Resolution.**

The Board of Directors recommends the Special Resolution set out at Item No. 5 of the Notice for approval by the Members.

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



**Babita Gupta**  
**Director**  
**DIN: 07135430**



Place: New Delhi  
Date : 10<sup>th</sup> August, 2017

**Notes:**

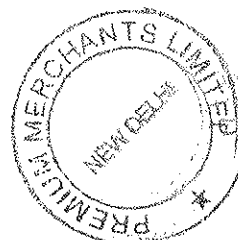
1. The Register of Members and Share Transfer Register of the Company shall remain closed from Friday, September 15, 2017 to Thursday, September 21, 2017 (both days inclusive) for the purpose of taking record of the shareholders at the Annual General Meeting.
2. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the company. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member. Proxy Form, in order to be effective, shall be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy form is annexed to this Notice. Proxy forms submitted on behalf of the limited companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable.
3. Corporate members intending to send their authorized representative to attend the meeting are requested to send the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
4. An Explanatory Statement pursuant to section 102 of the Companies Act, 2013 setting out material facts in respect of Items 4 &5 is annexed to the Notice of the Meeting.
5. In terms of Section 72 of the Companies Act, 2013, the shareholders of the Company may nominate a person on whom the shares held by him/them shall vest in the event of his/their death. Shareholders desirous of availing this facility may submit nomination in SH-13.
6. Members are requested to note that the Company's shares are under compulsory demat trading for all the investors. Members are, therefore, requested to dematerialize their shareholding to avoid any inconvenience.
7. 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).
8. 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**

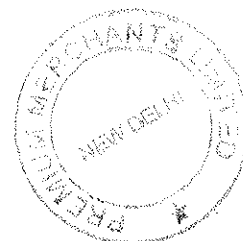
T-34, 2nd Floor, Okhla Industrial Area,  
Phase II, New Delhi-110020  
Tel. No. : 011-26387281, 82,83  
Fax No. : 011-26387384  
e-mail: info@masserv.com

9. In case of joint holders attending the Meeting first named joint holder will be entitled to vote.

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10. The Statement of Profit and Loss for the financial year ended 31<sup>st</sup> March, 2017, 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.in](http://www.pmltd.in) for viewing various financial information including the quarterly results and annual report of the Company.
11. As a part of its 'Green initiative' and pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with the relevant Rules issued thereunder, companies can serve annual report and other communications through electronic mode to those shareholders who have registered their e-mail address either with the company or with its depository participant. Therefore, electronic copy of the annual report along with the Notice is being sent to all those members whose e-mail addresses are registered with the Company/Depository Participant unless a member has requested for a physical copy of the same. For members who have not registered their e-mail address, physical copies of the above mentioned documents is being sent in the permitted mode.
12. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / RTA.
13. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
14. Members are requested to bring their attendance slip along with their copy of Annual Report to the meeting.
15. **Voting through electronic means**
  - A. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Clause 44 of the SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 the Company is pleased to provide members facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
  - B. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
  - C. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.





- D. The remote e-voting period commences on Monday, September 18<sup>th</sup>, 2017 (09:00 am) and ends on Wednesday, September 20<sup>th</sup>, 2017 (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 14<sup>th</sup>, 2017 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):**

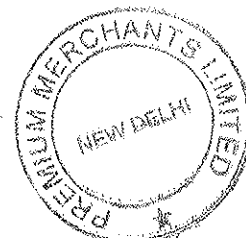
- a. Open e-mail and open PDF file viz; "Premium Merchants Limited" with your client ID or Folio No. as password containing your user ID and password for remote e-voting. Please note that the password is an initial password.
- b. Launch internet browser by typing the following URL: <https://www.evoting.nsd.com/>.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

**II. In case of Members receiving Physical copy of Notice of Annual General Meeting (for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy)**

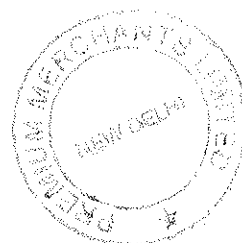
- a. Initial password is provided at the bottom of the Attendance Slip for the AGM
- b. Please follow all steps from Sl. No. (b) to Sl. No. (l) above, to cast vote.

**General Instructions:**

- i. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of [www.evoting.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 14<sup>th</sup>, 2017.
- 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 14<sup>th</sup>, 2017, 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, 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.



- xi. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company [www.pmltd.in](http://www.pmltd.in) 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.

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

  
**Babita Gupta**  
**Director**  
**DIN: 07135430**



Place: New Delhi  
Date : 10<sup>th</sup> August, 2017

# PREMIUM MERCHANTS LIMITED

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CIN: L51909DL1985PLC021077, Tel: +91 11 26830014

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

## ATTENDANCE SLIP

32<sup>nd</sup> Annual General Meeting to be held on 21<sup>st</sup> September 2017 at 2.00 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 , 21<sup>st</sup> Day of September, 2017 at 2.00 P.M. at 'The Cameron', Plot No. 92, Pocket-1, Kalindi Kunj, Noida Road, Jasola Vihar, New Delhi- 110025

2. Signature of the Shareholder/Proxy Present

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

106891

Note: Please read the instructions provided in Notice dated 10<sup>th</sup> August, 2017 of the Annual General Meeting. The Voting period starts from 9.00 a.m. on Monday, September 18<sup>th</sup>, 2017 and ends at 5.00 p.m. on Wednesday, September 20<sup>th</sup>, 2017. The voting module shall be disabled by NSDL for voting thereafter.

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

As my/ our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 32<sup>nd</sup> Annual General Meeting of the Company, to be held on Thursday, 21<sup>st</sup> September, 2017 at 2.00 P.M. at '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, 2017 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. Krishan Kumar Modi (DIN:00029407), who retires by rotation and being eligible, offers himself for re-appointment.		
3.	Ratification of appointment of M/s R C Agarwal & Co, Chartered Accountants (Firm's Registration No. 003175N) as Statutory Auditors of the		

	Company for the financial year 2017-18.		
	<b>Special Business</b>		
4	Appointment of Mr. Rajeev Kapoor as a Non -- Executive Independent Director of the Company		
5	Approval of Keeping Register of Members, Index etc at a place other than registered office of the Company.		

Affix Revenue Stamp

Signed this ----- day of-----2017

Signature of Member-----

Signature of Proxy-----

**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 a “√” in the appropriate column against the resolution indicated in the box. If you leave the ‘For’ or ‘Against’ column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/ she deems appropriate.

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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	Woman Director
Mr. Balbir Singh	Independent Director
Mr. Anil Kumar Nautiyal	Independent Director

### KEY MANAGERIAL PERSONNEL

Mrs. Shikha Mittal	Chief Executive Officer
Mr. Ramesh Chander	Chief Financial Officer
Mr. Manish Buttan	Company Secretary (appointed w.e.f 26 <sup>th</sup> May, 2017)

### 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

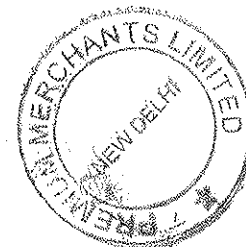
M/s S K Shukla & Co.,  
Chartered Accountants  
184, 2<sup>nd</sup> Floor, Jeewan Nagar, Near Tikona Park, New Delhi-110014

### REGISTRAR AND SHARE TRANSFER AGENT

MAS Services Limited  
T-34, 2nd 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.in](http://www.pmltd.in)

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## PREMIUM MERCHANTS LIMITED

### DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the 32<sup>nd</sup> Annual Report together with the Audited Financial Statements for the year ended March 31, 2017.

#### 1. Financial Highlights

The Company earned a profit of Rs. 49.42 lacs (before tax) during the year under report as against a profit of Rs. 53.87 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 22.05 lacs as against Rs. 31.35 lacs in the previous year. The interest income was Rs. 4.46 lacs as against Rs. 2.97 lacs in the previous year. The income by way of dividend was Rs. 25.93 lacs as against 21.13 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 one of the main source of income of the Company was from mobilisation of mutual funds against which brokerage income of the Company was Rs. 22.05 lacs representing 38.72 % 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 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.7,22,354 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). In view of clause 15(2) of 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 are not applicable 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 2016-17, the company was informed about the sudden demise of Mr. Pravin Kumar Vakil, Chief Executive Officer (CEO) on 16<sup>th</sup> July, 2016. In order to fill the vacancy of Chief Executive Officer Mrs. Shikha Mittal was appointed as Chief Executive Officer w.e.f 16<sup>th</sup> December, 2016.

Further, Mr. Manish Buttan, Company Secretary of the Company resigned from the office w.e.f 15th December, 2016. Mr. Manish Buttan rejoined the Company as Company Secretary w.e.f 26<sup>th</sup> May, 2017.

In accordance with the provisions of the Act and the Articles of Association of the Company, Mr. Krishan Kumar Modi (DIN: 00029407), Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible has offered himself 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.

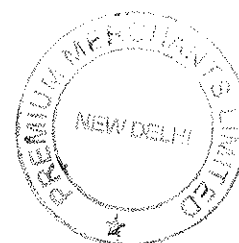
## **12. Annual Performance Evaluation**

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 2016-17 are as follows:



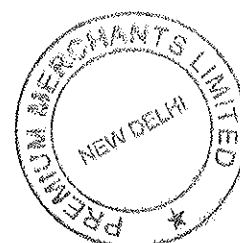
S.No.	Date of Meeting	Name of Directors who attended the meeting
1	29.04.2016	Mr. Krishan Kumar Modi, Mr. Balbir Singh, Mr. Sanjay Kumar Gupta, Mr. Anil Kumar Nautiyal, Mr. Rajeev Kapoor and Ms. Babita Gupta
2	30.05.2016	Mr. Krishan Kumar Modi, Mr. Balbir Singh, Mr. Sanjay Kumar Gupta, Mr. Anil Kumar Nautiyal, Mr. Rajeev Kapoor and Ms. Babita Gupta
3	04.08.2016	Mr. Krishan Kumar Modi, Mr. Balbir Singh, Mr. Sanjay Kumar Gupta, Mr. Anil Kumar Nautiyal, and Ms. Babita Gupta
4	22.08.2016	Mr. Krishan Kumar Modi, Mr. Balbir Singh, Mr. Sanjay Kumar Gupta, Mr. Anil Kumar Nautiyal, and Ms. Babita Gupta
5	08.11.2016	Mr. Krishan Kumar Modi, Mr. Balbir Singh, Mr. Sanjay Kumar Gupta, Mr. Anil Kumar Nautiyal, Mr. Rajeev Kapoor and Ms. Babita Gupta
6	16.02.2016	Mr. Krishan Kumar Modi, Mr. Balbir Singh, Mr. Sanjay Kumar Gupta, Mr. Anil Kumar Nautiyal, Mr. Rajeev Kapoor and Ms. Babita Gupta
7	31.01.2017	Mr. Krishan Kumar Modi, Mr. Balbir Singh, Mr. Sanjay Kumar Gupta, Mr. Anil Kumar Nautiyal, Mr. Rajeev Kapoor and Ms. Babita Gupta

#### 14. Deposits

The Company does not accept any public deposits.

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

The details of Investments and loan covered under the provisions of section 186 of the Companies Act, 2013 are given in the notes to Financial Statements. (Please refer Note 8 & 12 of the Financial Statement). No guarantee was given or taken by the company during the Financial Year 2016-17.



## 16. Related Party Transactions

All related Party Transactions are placed before the Audit Committee for their approval. The transactions with the related parties are done at arm's length basis in the ordinary course of business. There are no related party transactions during the year under review. The outstanding balances of the transactions with the related party at the year ended 31<sup>st</sup> March, 2017 as covered under section 188(1) of the Companies Act, 2013 have 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.in](http://www.pmltd.in).

## 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 (Non-Executive 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	30.05.2016	Mr. Balbir Singh, Mr. Anil Kumar Nautiyal and Mr. Sanjay Kumar Gupta
2	04.08.2016	Mr. Balbir Singh, Mr. Anil Kumar Nautiyal and Mr. Sanjay Kumar Gupta
3	08.11.2016	Mr. Balbir Singh, Mr. Anil Kumar Nautiyal and Mr. Sanjay Kumar Gupta
4	31.01.2017	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 detail regarding number of meetings held by Nomination and Remuneration Committee during the year are as follows:

S.No.	Date of Meeting	Name of Directors who attended the meeting
1	16.12.2016	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.in](http://www.pmltd.in).

## 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, 2017, 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, 2017 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. 003175N) 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.

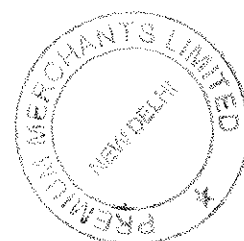
## **24. Consolidated Financial Statement**

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', Practicing Company Secretaries, to conduct Secretarial Audit for the financial year 2016-17 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**

During the year under review Mr. Ramesh Chander, Chief Financial Officer of the Company was paid a remuneration of Rupees 1,80,000/-. Mr. Pravin Kumar Vakil, Chief Executive Officer of the Company who expired on 16<sup>th</sup> July, 2016 was in receipt of a remuneration of Rs.52,500/- during the year. In order to fill the



vacancy, Mrs. Shikha Mittal was appointed as the Chief Executive Officer w.e.f 16<sup>th</sup> December, 2016 and a remuneration of Rs. 52500/- was paid to her. Mr. Manish Buttan, Company Secretary was paid a remuneration of Rs. 85,000/- during the year under review.

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, 2017 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, 2017, 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 placed 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.in](http://www.pmltd.in)

### **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.

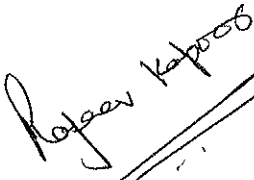
### 35. Appreciation

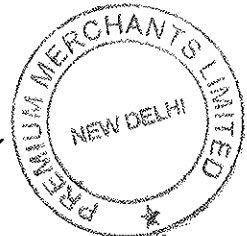
Your directors wish to thank and express their sincere appreciation to the valued shareholders, bankers and clients for their continued support and faith reposed in the Company

Respectfully submitted on behalf of the Board

Place: New Delhi  
Dated: 30.05.2017

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

  
**(Rajeew 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.in](http://www.pmltd.in)

## Annual Return Extracts in MGT-9

Form No. MGT-9

### EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31.03.2017

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

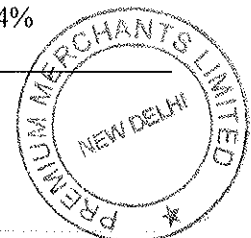
#### I. REGISTRATION AND OTHER DETAILS:

1	CIN	L51909DL1985PLC021077
2	Registration Date	29.05.1985
3	Name of the Company	Premium Merchants Limited
4	Category/Sub-Category of the Company	Company Limited by shares (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	38.72%.
2	Dividend Income	66190	45.54%



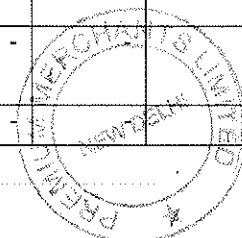
### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:-

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

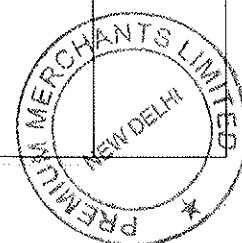
### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

#### i) Category-wise Share Holding as on 31.03.2017

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) FII's	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1)</b>	-	-	-	-	-	-	-	-	-
<b>(2) Non-Institutions</b>									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	145385	30000	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>	<b>145385</b>	<b>132615</b>	<b>278000</b>	<b>27.86</b>	<b>145385</b>	<b>132615</b>	<b>278000</b>	<b>27.86</b>	<b>-</b>
<b>Total Public Shareholding (B) = (B)(1)+ (B)(2)</b>	<b>145385</b>	<b>132615</b>	<b>278000</b>	<b>27.86</b>	<b>145385</b>	<b>132615</b>	<b>278000</b>	<b>27.86</b>	<b>-</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Total (A+B+C)</b>	<b>865385</b>	<b>132615</b>	<b>998000</b>	<b>100</b>	<b>865385</b>	<b>132615</b>	<b>998000</b>	<b>100</b>	<b>-</b>

(ii) Shareholding of Promoters as on 31.03.2017

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>	<b>720000</b>	<b>72.14</b>	<b>-</b>	<b>720000</b>	<b>72.14</b>	<b>-</b>	<b>NIL</b>

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

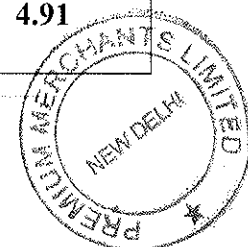


Sl. No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	720000	72.14	720000	72.14
	Date wise Increase / (Decrease) in Shareholding during the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

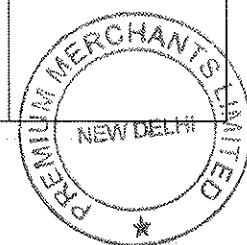
\* There is no change in the shareholding of promoters between April 1, 2016 to March 31, 2017.

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) as on 31.03.2017**

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
1	<b>Trend Agencies Private Limited</b>	49000	4.91	49000	4.91
	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)	49000	4.91	49000	4.91
2	<b>Azure Products Private Limited</b>	48985	4.91	48985	4.91
	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	48985	4.91	48985	4.91



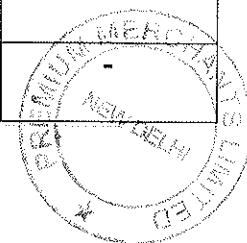
	separated during the year)				
<b>3</b>	<b>Narayan Sales Private Limited</b>	<b>47400</b>	<b>4.75</b>	<b>47400</b>	<b>4.75</b>
	Datewise Increase/Decrease in Shareholding during the year specifying the reasons for increase /decrease(e.g allotment/transfer/bonus/swe at equity etc)	<b>Nil movement during 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
<b>8</b>	<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
<b>9</b>	<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
<b>10</b>	<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 31.03.017

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
<b>A</b>	<b>At the beginning of the Year</b>				
<b>1</b>	<b>Mr. Balbir Singh (DIN:00027438)</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>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>1</b>	<b>0</b>	<b>1</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):		-	-	-

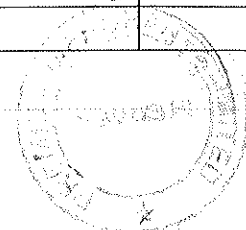


	At the End of the year	1	0	1	0
<b>B</b>	<b>Key Managerial Personnel (KMP)</b>				
<b>1</b>	<b>Mrs. Shikha Mittal (Chief Executive Officer)</b>	-	-	-	-
	Datewise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease(e.g allotment/transfer/bonus/swe at 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>			



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

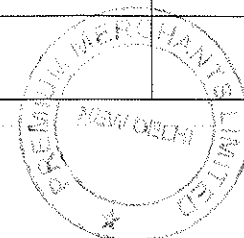
## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### 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 Executive Officer	Chief Financial Officer	Company Secretary	Total
		Mr. Pravin Kumar Vakil (expired on 16 <sup>th</sup> July, 2016)	Mrs. Shikha Mittal (appointed w.e.f 16 <sup>th</sup> December, 2016)	Mr. Ramesh Chander	Mr. Manish Buttan (resigned w.e.f 15 <sup>th</sup> December, 2016)	
1.	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	52,500	52,500	1,80,000	85,000	<b>3,70,000</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>52,500</b>	<b>52,500</b>	<b>1,80,000</b>	<b>85,000</b>	<b>3,70,000</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	-	-	-	-	-

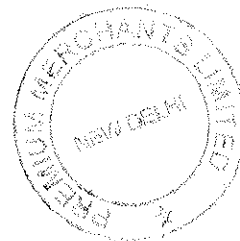
Respectfully submitted on behalf of the Board

Place: New Delhi

Dated: 30.05.2017

*Balbir Singh*  
**(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.in](http://www.pmltd.in)

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	There are no transaction with the related parties during the year under review. 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	

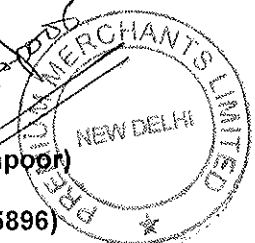
Respectfully submitted on behalf of the Board

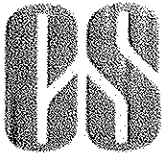
Place: New Delhi

Dated: 30.05.2017

  
(Balbir Singh)  
Director  
(DIN-00027438)

  
(Rajeev Kapoor)  
Director  
(DIN-03155896)



**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, 2017

[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<sup>st</sup> March, 2017 ('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<sup>st</sup> March, 2017 according to the provisions of:

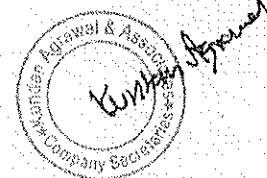
- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;



(Secretarial Audit Report for F.Y 2016-2017 for M/s Premium Merchants Limited)

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





(Secretarial Audit Report for F.Y 2016-2017 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 key managerial personnel 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. Further improvements will be appreciated.
- 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: 30/05/2017

For Kundan Agrawal & Associates  
Company Secretaries



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

# 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.in](http://www.pmltd.in)

Annexure 'D'

## 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 2016-17

- (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 (expired on 16 <sup>th</sup> July, 2016)	Rs 52500	NIL
Mrs. Shikha Mittal, CEO (appointed w.e.f 16 <sup>th</sup> December, 2016)	Rs. 52500	NIL
Mr. Ramesh Chander, CFO	Rs.180000	NIL
Mr. Manish Buttan, CS	Rs. 85000	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) **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.

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

Not applicable as no remuneration was paid to the Directors.

- (vii) **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: 30.05.2017



  
(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 2017 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.**  
**CHARTERED ACCOUNTANTS**

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

Ph.: Off: 42445220 Tele fax: 22450737

Mob: 9810039548 E Mail: reagg2003@yahoo.com

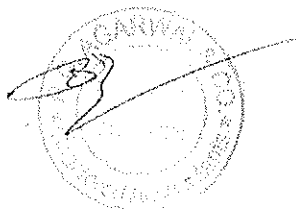
### Opinion

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 2017;
- 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 2017, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017, 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.



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

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g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies ( Audit and Auditors) Rules,2014 in our opinion and to the best of our information and according to the explanations given to us:

i. the company has disclosed the impact of pending litigations, if any, on its financial position in its standalone financial statements:

ii. the company has made provision, as required , if any, under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts:

iii. there is no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company; and

iv. The company has provided requisite disclosures in its standalone financial statements as to holdings as well as dealings in specified bank notes during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016 and these are in accordance with the books of accounts maintained by the company

- Refer Note 17 C to the standalone financial statements.

For **R.C. AGARWAL & CO.**

Chartered Accountants

Firm's registration number: 003175N

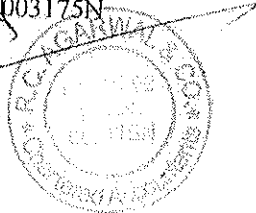
**R.C AGARWAL**

Partner

Membership number: 10200

Place: Delhi

Date: 30/05/2017



R. C. AGARWAL & CO.  
CHARTERED ACCOUNTANTS

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

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### Annexure to the Auditors' Report

The Annexure referred to in our report to the members of **PREMIUM MERCHANTS LIMITED** ("the Company") for the year ended 31 March 2017. 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, 2017 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**

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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: 30/05/2017



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

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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 Accountants  
Firm's registration number: 003175N

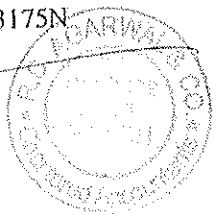
**R.C. AGARWAL**

Partner

Membership number: 10200

Place: Delhi

Date: 30/05/2016





**PREMIUM MERCHANTS LIMITED**  
Balance Sheet as at 31th March 2017

(Amount in Rs.)

Particulars	Note	As at		As at	
		31-03-2017		31-03-2016	
<b>EQUITY AND LIABILITIES</b>					
Shareholders' funds					
Share capital	2	19,980,000		19,980,000	
Reserves and surplus	3	52,025,709	72,005,709	48,413,939	68,393,939
Non-current liabilities					
Other Long term liabilities	4	150,000		150,000	
Long-term provisions	5	7,632	157,632	7,632	157,632
Current liabilities					
Other current liabilities	6		70,900		52,695
<b>TOTAL</b>			<b>72,234,241</b>		<b>68,604,266</b>
<b>ASSETS</b>					
Non-current assets					
Fixed Assets - Tangible assets	7	18,700,667		18,758,900	
Non-current investments	8	44,597,250		40,097,250	
Other non current assets	9	11,900	63,309,817	11,900	58,868,050
Current assets					
Trade receivables	10	413,577		501,028	
Cash and cash equivalents	11	7,898,523		4,853,682	
Short term loans and advances	12			1,850,000	
Other current assets	13	612,324	8,924,424	2,531,506	9,736,216
Accompanying notes 1 to 22 form part of the financial statements					
<b>TOTAL</b>			<b>72,234,241</b>		<b>68,604,266</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 : 30-05-2017



*Balbir Singh*  
Balbir Singh  
Director  
DIN NO. 00027438

*Manish Buttan*  
Manish Buttan  
Company Secretary

*Rajeev Kapoor*  
Rajeev Kapoor  
Director  
DIN NO. 03155896

*Ramesh chander*  
Ramesh chander  
Chief Financial Officer

PREMIUM MERCHANTS LIMITED  
Statement of Profit and loss for the year ended 31st March 2017

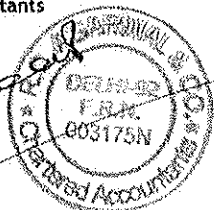
(Amount in Rs.)

Particulars	Note	For the year ended 31st March 2017	For the year ended 31st March 2016
Revenue from operations	14	5,694,336	6,007,108
<b>Total Revenue</b>		<b>5,694,336</b>	<b>6,007,108</b>
<b>Expenses:</b>			
Employee benefit expenses	15	370,000	289,702
Depreciation & Amortisation	7	58,233	58,233
Other expenses	16	323,667	271,998
<b>Total expenses</b>		<b>751,900</b>	<b>619,933</b>
<b>Profit before extraordinary items and tax</b>		<b>4,942,436</b>	<b>5,387,175</b>
Extraordinary Items Provision against standard assets written back		-	395
<b>Profit before tax</b>		<b>4,942,436</b>	<b>5,387,570</b>
Tax expense: Current tax		777,298	1,050,535
Less: Provision for tax relating to prior years provided		553,369	-
<b>Profit for the period</b>		<b>3,611,769</b>	<b>4,337,035</b>
Earnings per equity share of Rs 10 each:			
(1) Basic		3.62	4.35
(2) Diluted		3.62	4.35
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 : 30-05-2017



For and on behalf of the Board of Directors

*Balbir Singh*  
Balbir Singh  
Director  
DIN NO. 00027438

*Manish Buttan*  
Manish Buttan  
Company Secretary

*Rajeev Kapoor*  
Rajeev Kapoor  
Director  
DIN NO. 03155896

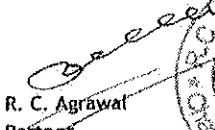
*Ramesh chander*  
Ramesh chander  
Chief Financial Officer


PREMIUM MERCHANTS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

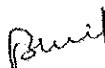
	For the year ended 31.3.2017 (Rs.)	For the year ended 31.3.2016 (Rs.)
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net profit before tax	4942436	5387570
adjustments for :		
Depreciation	58233	58233
Interest Income	(446243)	(297447)
Dividend Income	(2593361)	(2112813)
Provision against standard assets written back		(395)
Profit on sale of long term investment	(2981370)	0
	<u>1961065</u>	<u>3035148</u>
Operating profit before working capital changes		
Ajustments for :		
Trade and other receivables	1936727	(92155)
Trade and other payables	18205	(404577)
	<u>3915997</u>	<u>2538417</u>
Cash generated from operations		
Direct taxes refund/(paid)	(929557)	(1100997)
Cash flow from operating activities	<u>2986440</u>	<u>1437420</u>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest Income	1965041	139272
Dividend Income	2593361	2112813
Purchase of Investments	(4,500,000)	0
Proceeds from sale of investments	0	636,087
	<u>3044842</u>	<u>4325591</u>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Cash and cash equivalents at the beginning of the year	4853682	528092
Cash and cash equivalents at the end of the year	7898523	4853682
Components of cash and cash equivalents:	7898523	4853682

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

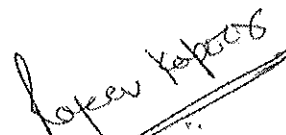
  
R. C. Agrawal  
Partner  
Membership No. 10200  
FRN NO. : 003175N




Place : New Delhi  
Dated : 30-05-2017

  
Balbir Singh  
Director  
DIN NO, 00027438

  
Manish Buttan  
Company Secretary

  
Rajeev Kapoor  
Director  
DIN NO. 03155896

  
Ramesh chander  
Chief Financial Officer

## PREMIUM MERCHANT LIMITED

Notes forming part of the financial statements for the year ended March 31, 2017

### 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 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 2017		As at 31st March 2016	
	Number	Amount	Number	Amount
<b>Authorised Capital</b>				
Equity Shares of Rs. 10/- each	1,000,000	10,000,000	1,000,000	10,000,000
Preference Shares of Rs. 10/- each	1,000,000	10,000,000	1,000,000	10,000,000
	2,000,000	20,000,000	2,000,000	20,000,000
<b>Issued, Subscribed &amp; Paid up Capital</b>				
Equity Shares of Rs.10/- each	998,000	9,980,000	998,000	9,980,000
9% Redeemable, Non- Cumulative Preference	400,000	4,000,000	400,000	4,000,000
6% Redeemable, Non- Cumulative Preference	600,000	6,000,000	600,000	6,000,000
<b>Total</b>	<b>1,998,000</b>	<b>19,980,000</b>	<b>1,998,000</b>	<b>19,980,000</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	998,000	9,980,000	1,000,000	10,000,000
Shares outstanding at the end of the year	998,000	9,980,000	1,000,000	10,000,000

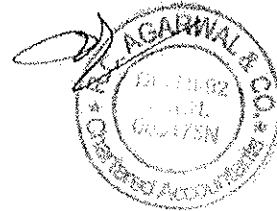
(ii) Disclosure pursuant to Note no. 6(A)(g) and 6(A)(f) of Part I of Schedule III to the Companies Act, 2013

A. Equity Shareholders

Name of Shareholder	As at 31st March 2017		As at 31st March 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
K. K. Modi Investment & Fin Ser Pvt Ltd	720,000	72.14	720,000	72.14

B. Preference Shareholders

Name of Shareholder	As at 31st March 2017		As at 31st March 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
K. K. Modi Investment & Fin Ser Pvt Ltd	1,000,000	100.00	1,000,000	100.00



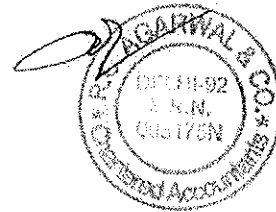
PREMIUM MERCHANTS LIMITED  
Notes forming part of financial statement

3 Reserves and surplus

(Amount in Rs.)

Particulars	As at 31 March 2017	As at 31 March 2016
<b>Special Reserve</b>		
Opening Balance	643,250	643,250
(+) Current year transfer	-	-
Closing Balance	643,250	643,250
<b>Statutory Reserve *</b>		
Opening Balance	5,998,569	5,131,162
(+) Current Year Transfer	722,355	867,407
Closing Balance	6,720,924	5,998,569
<b>Surplus</b>		
Opening balance	41,772,120	38,302,492
(+) Net Profit/(Net Loss) For the current year	3,611,769	4,337,035
(-) Transfer to Statutory Reserve	722,354	867,407
Closing Balance	44,661,535	41,772,120
<b>Total</b>	<b>52,025,709</b>	<b>48,413,939</b>

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



PREMIUM MERCHANTS LIMITED  
Notes forming part of financial statement

4. Other Long term liabilities

(Amount in Rs.)

Particulars	As at 31 March 2017	As at 31 March 2016
Security deposit	150,000	150,000
<b>Total</b>	<b>150,000</b>	<b>150,000</b>

5. Long term provisions

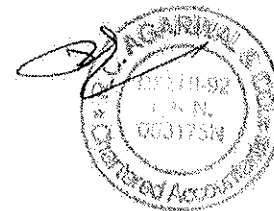
(Amount in Rs.)

Particulars	As at 31 March 2017	As at 31 March 2016
Contingent provision against standard assets	7,632	7,632
<b>Total</b>	<b>7,632</b>	<b>7,632</b>

6. Other current liabilities

(Amount in Rs.)

Particulars	As at 31 March 2017	As at 31 March 2016
Audit fee payable	35,720	37,808
TDS Payable	-	-
Expenses payable	7,580	14,887
Sundry creditors	27,600	-
<b>Total</b>	<b>70,900</b>	<b>52,695</b>



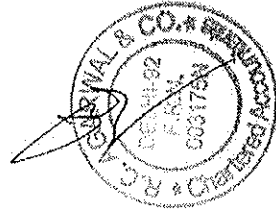


PREMIUM MERCHANTS LIMITED  
Notes forming part of financial statement

7. Fixed assets

(Amount in Rs.)

Fixed Assets	Gross Block			Accumulated Depreciation			Net Block		
	Balance as at 1 April 2016	Additions during the year	Sale/Adjustment during the year	Balance as at 31 March 2017	Balance as at 1 April 2016	Depreciation charge for the year	Adjustments during the year	Balance as at April 2016	Balance as at 31 March 2017
Tangible Assets									
Land	16,225,100	-	-	16,225,100	-	-	-	16,225,100	16,225,100
Building	2,533,800	-	-	2,533,800	58,233	58,233	-	2,533,800	2,475,567
Total	18,758,900	-	-	18,758,900	-	58,233	-	18,758,900	18,700,667
Previous year	19,903,000	-	-	19,903,000	1,085,867	58,233	-	18,817,133	18,758,900



PREMIUM MERCHANTS LIMITED  
Notes forming part of financial statement

8. Non-current investments

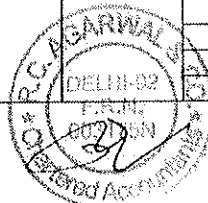
(Amount in Rs.)

Particulars	As at 31 March 2017	As at 31 March 2016
	Rs.	Rs.
Investments - Other Investment in Equity Instruments	44,597,250	40,097,250
<b>Total</b>	<b>44,597,250</b>	<b>40,097,250</b>

Particulars	As at 31 March 2017	As at 31 March 2016
	Aggregate amount of quoted investments	415,156
Aggregate amount of unquoted investments	44,182,094	39,682,094
<b>Total</b>	<b>44,597,250</b>	<b>40,097,250</b>
Market value of quoted investments	16,48,535	1,122,415

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 2017	As at 31 March 2016	As at 31 March 2017	As at 31 March 2016
(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	327,156	327,156
	<b>Total (a)</b>				<b>415,156</b>	<b>415,156</b>
(b)	Investment in Equity Instruments - Unquoted, fully paid up					
	Bharat Hotels	10	400	400	58,145	58,145
	Vandana Dealers Private Limited	10	330,000	330,000	893,228	893,228
	Indofil Industries Limited	10	418,284	418,284	27,445,771	27,445,771
	<b>Total (b)</b>				<b>28,397,144</b>	<b>28,397,144</b>
(c)	Investment in Equity Instruments - Unquoted, partly paid up					
	Indofil Industries Limited	3	46,476	46,476	3,718,080	3,718,080
	<b>Total (c)</b>				<b>3,718,080</b>	<b>3,718,080</b>
(d)	Investment in Preference Instruments - Unquoted, fully paid up					
	Colorbar Cosmetics Pvt. Ltd.	10	654,800	654,800	6,564,370	6,564,370
	Rajputana Developers Ltd	10	450,000		4,500,000	-
	Premium Tradelinks Pvt. Limited	10	100,000	100,000	1,002,500	1,002,500
	<b>Total (d)</b>				<b>12,066,870</b>	<b>7,566,870</b>
	<b>Total (a + b + c + d)</b>				<b>44,597,250</b>	<b>40,097,250</b>



PREMIUM MERCHANTS LIMITED  
Notes forming part of financial statement

9. Other non current assets

(Amount in Rs.)

Particulars	As at 31 March 2017	As at 31 March 2016
Security deposit	11,900	11,900
	11,900	11,900

10. Trade receivables

(Amount in Rs.)

Particulars	As at 31 March 2017	As at 31 March 2016
Trade receivables outstanding for a period less than six months Unsecured, considered good	413,577	501,028
	413,577	501,028

11. Cash and cash equivalents

(Amount in Rs.)

Particulars	As at 31 March 2017	As at 31 March 2016
Cash on hand	1,850	1,849
Balances with banks:		
In current account	42,977	61,857
In fixed deposit	7,853,247	4,789,527
Stamp in hand	449	449
	7,898,523	4,853,682

12. Short term loans and advances

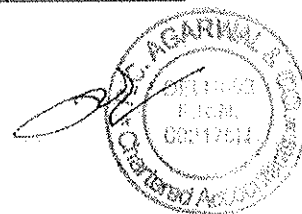
(Amount in Rs.)

Particulars	As at 31 March 2017	As at 31 March 2016
Rajputana Fertilizers Ltd	-	1,850,000
	-	1,850,000

13. Other current assets

(Amount in Rs.)

Particulars	As at 31 March 2017	As at 31 March 2016
Interest receivable from bank	725	-
Interest receivable	-	1,518,798
Tax Refundable (net of provision)	611,599	1,012,708
	612,324	2,531,506



PREMIUM MERCHANTS LIMITED  
Notes forming part of financial statement

14. Revenue from operations

(Amount in Rs.)

Particulars	For the year ended 31st March-2017	For the year ended 31st March 2016
Brokerage received	2,204,732	3,134,935
Interest income	446,243	297,447
Dividend income	2,593,361	2,112,813
Rent received	450,000	450,000
Profit on sale of long term investment	-	11,913
<b>Total</b>	<b>5,694,336</b>	<b>6,007,108</b>

15. Employee benefit expenses

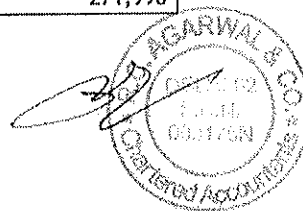
(Amount in Rs.)

Particulars	For the year ended 31st March-2017	For the year ended 31st March 2016
Salary	370,000	289,702
<b>Total</b>	<b>370,000</b>	<b>289,702</b>

16. Other expenses

(Amount in Rs.)

Particulars	For the year ended 31st March-2017	For the year ended 31st March 2016
Advertisement expenses	18,780	39,330
Audit fees	22,250	21,706
Bank charges	1,503	2,219
Listing fees	28,625	-
Depository charges	10,305	-
Insurance charges	35,552	35,899
Filing fees & Subscription	64,313	17,409
Rate & Taxes	67,148	67,113
Postage expenses	-	1,260
Professional charges	59,103	66,822
Misc. expenses	16,088	9,240
Edp charges	-	11,000
<b>Total</b>	<b>323,667</b>	<b>271,998</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, Director

Mr. Manish Buttan, Company Secretary

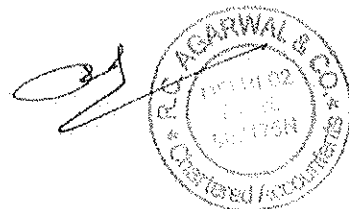
*Ms. Shikha Mittal, Chief Executive Officer*

*Mr. Ramash Chandra, Chief Financial Officer*

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

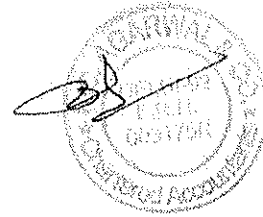
(B) Disclosure of transactions between the Company and related parties and status of outstanding balances as at the year-end:

(i)	Transaction during the year:	2016-17	2015-16
-	Sale of Investment of shares to K.K Modi Investment & financial Services Pvt Ltd, Holding company.	-----	6,48,000.00
(ii)	Outstanding balances at the year end:		
-	Investment in fellow subsidiaries	8,93,228.00	8,93,228.00



**C. Details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30<sup>th</sup> December, 2016.**

Particular	SBNs (Rs)	Other denomination notes (Rs)	Total (Rs)
Closing cash in hand as on 08.11.2016	-	1850.00	1850.00
(+) Permitted receipts	-	-	-
(-) Permitted payments	-	-	-
(-) Amount deposit in Banks	-	-	-
Closing Cash in hand as on 30.12.2016	-	1850.00	1850.00





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 – 1'.

21. Earnings per share (EPS)	2016-17	2015-16
Net Profit/(Loss) as per Profit Loss Account	3611769	4337035
No. of Equity Shares	998000	998000
Earnings per share (Rs.) (Basic & Diluted)	3.62	4.35

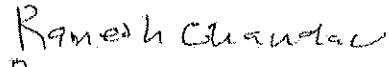
22. The previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

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

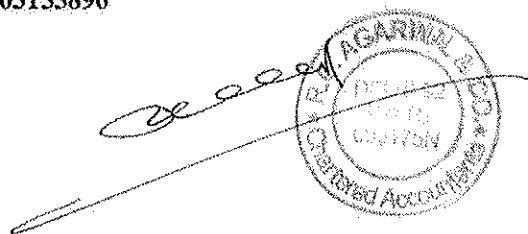
  
**Balbir Singh**  
 Director  
 DIN No. 00027438

  
**Rajeev Kapoor**  
 Director  
 DIN NO. 03155896

  
**Manish Buttan**  
 Company Secretary

  
**Ramesh Chandra**  
 Ramesh Chander  
 Chief Finance Officer

**Place: New Delhi**  
**Date: 30-05-2017**

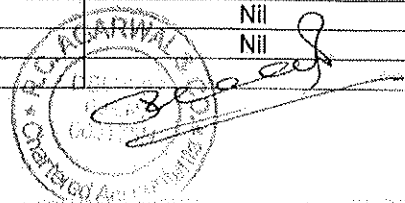


**PREMIUM MERCHANTS LIMITED**

**ANNEXURE '1'**

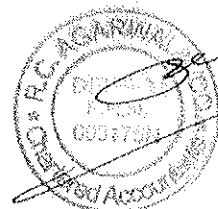
Schedule to the Balance Sheet as on 31<sup>st</sup> March 2017 of a non-deposit taking Non-Banking Financial Company  
(as required in terms of paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding)  
Companies Prudential Norms (Reserve Bank) Directions, 2007)

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)	Defered Credits	--	--
c)	Term Loans	--	--
d)	Inter-corporate loans and borrowing	--	--
e)	Commercial Paper	--	--
f)	Other Loans (specify nature)	--	--
* Please see Note 1 below			
Total		--	--
<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		4.14
(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
Total			4.14
(4)	<b>Break-up of Investments :</b>		
<b>Current Investments :</b>			
1.	<b>Quoted :</b>		
i)	Shares :	a) Equity	Nil
		b) Preference	Nil
ii)	Debentures and Bonds		Nil
iii)	Units of Mutual Funds		Nil
iv)	Government Securities		Nil
v)	Others (please specify)		Nil
2.	<b>Unquoted :</b>		
i)	Shares :	a) Equity	Nil
		b) Preference	Nil
ii)	Debentures and Bonds		Nil
iii)	Units of mutual funds		Nil
iv)	Government Securities		Nil
v)	Others (please specify)		Nil





Long Term Investments :				
1.	Quoted :			
	i)	Shares :	a) Equity	4.15
			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	120.67
	ii)	Debentures and Bonds		Nil
	iii)	Units of mutual funds		Nil
	iv)	Government Securities		Nil
	v)	Others (please specify)		Nil
			Total	441.82
(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
	b)	Companies in the same group	Nil	Nil
	c)	Other related parties	Nil	Nil
	2.	Other than related parties	Nil	4.14
		Total	Nil	4.14
(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)	209.19	8.93
	c)	Other related parties	1597.63	432.31
	2.	Other than related parties	16.60	4.73
		Total	1823.42	445.97
(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



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