

PRIME

Capital Market Limited

19th

Annual Report 2012-2013



Prime Capital Market Limited

19th Annual Report 2012 - 2013

BOARD OF DIRECTORS

Sushil Kumar Purohit	Chairman & Managing Director
Pawan Kr. Purohit	Executive Director
Pawan Kr. Borad	Independent Director
Chandresh N Shah	Independent Director

REGISTERED OFFICE

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

CORPORATE OFFICE

P-27, Princep Street, 3rd Floor
Kolkata-700 072

BANKERS

Axis Bank Ltd.
Kotak Mahindra Bank
Syndicate Bank

AUDITORS

M/s. B. S. Kedia & Co.
Chartered Accountants

REGISTRAR & SHARE TRANSFER AGENT

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

ANNUAL GENERAL MEETING

Date : 24th September 2013
Time : 3.30 P.M.
Venue : 18A, B.J.B. Nagar
Bhubaneswar-751014, Orissa

C O N T E N T S

- ❖ Notice
- ❖ Directors' Report
- ❖ Management Discussion & Analysis
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- ❖ Auditors' Certificate on Corporate Governance
- ❖ Secretarial Compliance Report
- ❖ Auditors' Report
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- ❖ Statement of Profit & Loss Account
- ❖ Statement of Cash Flow
- ❖ Notes on Financial Statements

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

NOTICE

Notice is hereby given that the 19th Annual General Meeting of the members of **Prime Capital Market Limited** will be held on Tuesday, the 24th day of September, 2013 at 3.30 P.M. at 18A, B. J. B. Nagar, Bhubaneswar-751014, Orissa to transact the following businesses as :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Directors' Report and Audited Statement of Accounts for the year ended 31st March 2013.
2. To appoint Director in place of Mr. Pawan Kr. Borad, who retires by rotation and being eligible offers himself for re-appointment.
3. To consider and thought fit, to pass, with or without modification(s), the following Resolution, as an Ordinary Resolution:

"RESOLVED THAT M/s. B. S. Kedia & Co., Chartered Accountants, Kolkata be and are hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting, to examine and audit the accounts of the Company for the financial year 2013-2014, at such remuneration as may be mutually agreed upon between the Board of Directors of the Company and the Auditors plus reimbursement of out of pocket expenses and applicable taxes."

SPECIAL BUSINESS :

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

"RESOLVED THAT Pursuant to the provisions of Section 260 and all other applicable provisions of the Companies Act, 1956 (the Act) and in terms of Article 87 of the Articles of Association of the Company, Mr. Pawan Kr. Purohit, who was appointed as an Additional Director (Executive) of the Company at the Board meeting held on 2nd August 2012 and who holds the office up to the date of this Annual General Meeting in terms of provision of section 260 of the Act, and in whose respect the Company has received a notice from a member under Section 257 of the Act, together with necessary deposit as mentioned in the said section, proposing the candidature of Mr. Pawan Kr. Purohit for the office of Director of the Company be and is hereby appointed as Executive Director of the Company."

Notes :

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company.

2. Proxies, in order to be effective, must be received at the Registered Office of the Company, not less than 48 hours before the commencement of the Annual General Meeting.
3. The Register of Member and the Share Transfer Books of the Company will remain closed from 17th September 2013 to 24th September 2013 (both days inclusive).
4. A detail of Director seeking re-appointment in this Annual General Meeting is attached separately to the notice.
5. Shareholders/Investors are advised to send their queries/complaints through the dedicated e-mail Id primecapital.kolkata@gmail.com for quick and prompt redressal of their grievances.
6. The Shares of the Company are mandated by the Securities & Exchange Board of India (SEBI) for trading in dematerialized form by all investors.
7. The identity/signature of Members holding shares in electronic/demat form is liable for verification with the specimen signatures furnished by NSDL/CDSL. Such Members are advised to bring the relevant identity card issued by the Depository Participant to the Annual General Meeting.
8. Members desirous of getting any information about the accounts of the Company, are requested to send their queries so as to reach at-least ten days before the meeting at the Registered Office of the Company, so that the information required can be made readily available at the meeting.
9. Members are requested to intimate change in their address immediately to M/s ABS Consultants Private Limited, the Company's Registrar and Share Transfer Agents, at their office at 99, Stephen House, 4, B.B.D. Bag (East), Kolkata-700 002.
10. Members holding shares in physical form in the same set of names under different folios are requested to apply for consolidation of such folios along with relevant Share Certificates to M/s ABS Consultants Private Limited, Registrar and Share Transfer Agents of the Company, at their address given above.
11. Pursuant to SEBI Circular, the Shareholders holding shares in physical form are requested to submit self attested copy of PAN at the time of sending their request for share transfer/transmission of name/transposition of name.
12. Members holding shares in physical form and wishing to avail of the nomination facility, are requested to send the duly filled in nomination in the prescribed form (form 2B) to M/s ABS Consultants Private Limited, Registrar and Share Transfer Agents of the Company, at their address given above or to the Compliance Officer at the Registered Office of the Company.
13. Members are requested to bring copies of Annual Report to the Annual General Meeting.

14. The Members/Proxies should bring the attendance slip duly filed in and signed for attending the meeting.
15. Members are requested to quote Folio Number/Client ID in their correspondence.
16. The Equity shares of the Company are listed on Bombay (BSE), Kolkata (CSE), Delhi (DSE) & Bhubaneshwar (BhSE) Stock Exchanges and Listing Fees for the financial year 2013-2014 have been paid to both BSE and CSE.

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

Item No. 5

The Board of Directors of your Company appointed Mr. Pawan Kr. Purohit as s Additional Director (Executive) of your Company at the Board meeting held on 2nd August 2012 to broad base the Board.

Mr. Pawan Kr. Purohit, Age 36, B.Com, has vast knowledge and rich experience in Financial & Income Tax related activities as well as expertise in Accounting, Taxation and secretarial Matters. It will be advantageous for the Company to avail his valuable services and rich experience. Your Company has received notices from members pursuant to section 257 of the Act, 1956 together with necessary deposit proposing the candidature of Mr. Pawan Kr. Purohit for the office of Director of the Company.

Mr. Pawan Kr. Purohit does not hold any shares in his own name or in the name of his relatives.

Mr. Pawan Kr. Purohit is not having Directorship and Committee Chairmanship in any of the Listed and Public Limited Cos.

Except Mr. Pawan Kr. Purohit in his respective appointment, no other Director is concerned or interested in his appointment as Directors of the Company.

Details of Director seeking appointment / re-appointment in the 19th Annual General Meeting on 24th September 2013 (in term of Clause 49 of the Listing Agreement)

Pawan Borad	
Fathers' Name	Nagraj Borad
Date of Birth	6th June 1976
Date of Appointment	4th April 2011
Expertise in specific functional areas	In depth knowledge of Secretarial, Company Law, Accounts, Audit & Taxation Matters
Years of Experience	9 Years
Qualifications	B.Com.
List of outside Directorship held	Not Any

Member of Committee on the Board	Member - Audit Committee Chairman - Investor Grievance Committee Member - Share Transfer Committee
Member/Chairman of Committee in other Companies	Not Any
No. of Shares held in own name or in the name of Relatives	Nil
<u>Pawan Kr. Purohit</u>	
Fathers' Name	Sushil Kr. Purohit
Date of Birth	11th September 1975
Date of Appointment	2nd August 2012
Expertise in specific functional areas	In depth knowledge of both Capital and Money Market and expertise in Accounting and Taxation matters
Years of Experience	10 Years
Qualifications	B.Com.
List of outside Directorship held	Not Any
Member of Committee on the Board	Not Any
Member/Chairman of Committee in other Companies	Not Any
No. of Shares held in own name or in the name of Relatives	Nil

Kolkata, May 30, 2013

By order of the Board
For **Prime Capital Market Limited****Registered Office :**18A, B.J.B. Nagar,
Bhubaneswar-751014, Orissa**Sushil Kumar Purohit**
Chairman & Managing Director

DIRECTORS' REPORT, MANAGEMENT DISCUSSIONS & ANALYSIS

To The Members,

Your Directors have pleasure in presenting the 19th Annual Report of your Company together with the Audited Statements of Accounts for the financial year ended March 31, 2013.

(₹ in Lacs)

Financial Results	Year Ended 31.03.2013	Year Ended 31.03.2012
Income	64.91	154.38
Profit before Tax & Extraordinary Items	53.19	101.24
Less : Provision for Taxation	10.19	15.23
Profit after Tax	43.00	86.01
Add / (Less) : Extra Ordinary Items	1.21	1.59
Profit available for appropriation	41.79	84.42
Add : Profit Carried Forward from Previous Year	187.23	119.70
Appropriated as under :		
Transfer to General Reserve	8.36	16.88
Balance carried forward to Next Year	220.66	187.23

OVERVIEW OF ECONOMY

According to the latest estimates, Indian Economy grew by 5% in FY 2013, reflecting lower than expected growth in both industry and services sectors. Inflation also was at elevated levels. However with commodity and crude oil prices on the decline from the peak and with various policy initiatives coming through, the Economy is estimated to grow by around 6% in FY2014 with lower Inflation.

OVERALL PERFORMANCE & OUTLOOK

The Business environment remains extremely challenging and the recessionary economic conditions leading to further slowdown in demand and inflation pushed scale up of input costs left its adverse imprint on overall performance for 2012-2013. In spite of unfavorable economic scenario, your Directors are pleased to inform you that your Company has done well for the year under review.

In spite of adverse market condition and high inflation, gross income from operations during the year was stood at ₹ 64.91 Lac in comparison to last years' figure of ₹ 154.38 Lac. In term of Net Profit, the same has been remained at ₹ 41.79 Lac in comparison to last years' Net Profit of ₹ 84.42 Lac, slide of almost of 50% in comparison to last years' figure.

The Company is in to the Business of Investment (Capital Market) and Financing activities.

Your Company is hopeful of doing well in coming years and continues to remain as one of healthy and profitable entrepreneur in coming years.

DIVIDEND

In order to conserve resources to meet the working capital requirements, your Directors do not propose any dividend for the year under review.

SUBSIDIARY COMPANY

The Company does not have any Subsidiary Company.

MANAGEMENT DISCUSSION & ANALYSIS

As required by Clause 49 of Listing Agreement, the Management Discussion and Analysis is annexed and forms part of the Directors' Report.

MANAGEMENT

There is no Change in Management of the Company during the year under review.

DIRECTORS

During the year, Mr. Pawan Kr. Purohit has been appointed as Additional Director (Executive) of the Company w.e.f. 2nd August 2012 to broad-base the Board.

Further, in accordance with the provisions of Act and Articles of Association of your Company, Mr. Pawan Borad, Director of your Company, retires by rotation and are due for election at the ensuing Annual General Meeting. Mr. Pawan Borad, being eligible, offers himself for re-appointment.

Except Mr. Sushil Kr. Purohit, relatives of Mr. Pawan Kr. Purohit, no other Directors are concerned or interested in the appointment of both Mr. Pawan Kr. Puorhit and re-appointment of Mr. Pawan Kr. Borad.

The Board recommends the appointment of both Mr. Pawan Kr. Purohit and Mr. Pawan Borad pursuant to the applicable provisions of the Act. The resolutions seeking your approval on this item along with the requisite disclosures/explanatory statement are included in the Notice for convening the Annual General Meeting.

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

DIRECTORS RESPONSIBILITY STATEMENT

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

1. In the preparation of the annual accounts, for the year ended 31st March 2013, all the applicable accounting standards prescribed by the Institute of Chartered Accountants of India have been followed.
2. The Directors had adopted such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and

fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period.

3. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. The Directors had prepared the annual accounts on a going concern basis.

INFORMATION TECHNOLOGY

Your Company believes that in addition to progressive thought, it is imperative to invest in information and technology to ascertain future exposure and prepare for challenges. In its endeavor to obtain and deliver the best, your Company has entered into alliances/tie-ups with an IT solution Company to harness and tap the latest and the best of technology in the world and deploy/absorb technology wherever feasible, relevant and appropriate.

RESEARCH & DEVELOPMENT

The Company believes that technological obsolescence is a reality. Only progressive research and development will help us to measure up to future challenges and opportunities. We invest in and encourage continuous innovation. During the year under review, expenditure on research and development is not significant in relation to the nature size of operations of your Company.

AUDITORS

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

The shareholders are requested to appoint the Auditors and fix their remuneration for accounting year 2013-2014.

COMMENTS ON AUDITOR'S REPORT:

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

PARTICULARS OF EMPLOYEES

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

The information as required by provisions of section 217(2A) of the Companies Act, 1956 read with the companies (Particular of employees) amendments rules, 1975 is reported to be NIL.

PARTICULARS UNDER SECTION 217 (1) (E) OF THE COMPANIES ACT, 1956

The Company is having no business other than the business of Investing in Securities Market

as well as into the financing activities of lending money to Corporate and HNIs during the year under review and hence the information regarding conservation of energy, Technology Absorption, Adoption and innovation, the information required under section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules 1988, is reported to be NIL.

FOREIGN EXCHANGE EARNINGS AND OUTGO

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

PUBLIC DEPOSITS

During the year under review, your Company has not accepted any deposits from the public within the meaning of section 58A of the Companies Act 1956 and the rules there under.

REPORT ON CORPORATE GOVERNANCE

The Company conforms to the norms of Corporate Governance as envisaged in the Companies Act, 1956 and the Listing Agreement with the BSE, CSE, DSE and BhSE. Pursuant to Clause 49 of the Listing Agreement, a Report on the Corporate Governance and the Auditors Certificate on Corporate Governance are annexed to this report.

APPRECIATION

Your Directors wish to place on record their appreciation towards the contribution of all the employees of the Company and their gratitude to the Company's valued customers, bankers, vendors and members for their continued support and confidence in the Company.

Kolkata, May 30, 2013

By order of the Board
For **Prime Capital Market Limited**

Registered Office :

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

Sushil Kumar Purohit
Chairman & Managing Director

MANAGEMENT DISCUSSION & ANALYSIS

MACRO ECONOMIC ENVIRONMENT

The year 2012 had been a year of slow growth world over and as per IMF forecast Global Economy is likely to show a growth of 3.3% during 2013 as compared to growth of 3.2% during 2012. The Global Economies witnessed a subdued growth with diverging growth paths across major economies. US economy which has registered a modest recovery is again subject to the adverse impact of the budget sequestration which will gradually gain pace during 2013. Japan's economy has shown signs of improvement on account of monetary and fiscal stimulus undertaken. The sovereign debt crises and the danger of a banking system meltdown in peripheral euro zone countries coupled with contraction in its major economies like Germany has resulted in negative growth in Euro zone.

The growth in the Emerging Market Economies which are viewed as growth engines of the world economy world over; have also slowed down with Brazil and South Africa registering accelerated growth where as Russia, China and India recorded a lower growth.

According to the Central Statistics Office's advance estimate of GDP growth, Indian Economy is expected to grow at 5% during the year 2012-13 as compared to a growth of 6.21% registered during 2011-12. This has been mainly on account of weak industrial activity compounded by domestic supply bottlenecks and slackening of external demand. This has also slowdown the growth in the service sector which has been the main driver of the growth.

The Reserve Bank of India in order to strike a balance in growth- inflation dynamics have initiated various measures during 2012-2013 to provide greater liquidity to financial system. This has resulted in moderating the headline inflation within its acceptable level. The food inflation as measured by new combined (rural and urban) consumer price index (CPI) remains in double digit is a cause of concern. The measures initiated are expected to result in moderate growth in GDP in the second half of 2013-2014.

REVIEW OF OPERATIONS

The Company earned a gross income of ₹ 64.91 Lac as compared to ₹ 154.38 Lac in previous financial year. PBT Margin during the year remains ₹ 53.19 Lac in comparison to last years' figure of ₹ 101.24 Lac whereas Net Profit after Tax remains at ₹ 41.79 Lac in comparison to last years' figure of ₹ 84.42 Lac.

BUSINESS SEGMENT

The Company is one of the Non-Banking Finance Company (NBFC) and is registered with Reserve Bank of India (RBI) who is the sole regulatory body for monitoring activities of Registered NBFCs. The Company is into the business of Money Market and is also doing investment activities in Capital and Securities Market. Apart from these, the Company is into the business of wealth management and Financial Consultancy services; in accordance with the Accounting Standard 17 notified by Companies (Accounting Standards) Rules 2006.

OPPORTUNITIES

The Indian money market is "a market for short-term and Long term funds with maturity ranging from overnight to one year and includes financial instruments that are deemed to be close substitutes of money. It is diversified and has evolved through many stages, from the conventional platform of treasury bills and call money to commercial paper, certificates of deposit, repos, FRAs and IRS more recently.

The Indian money market consists of diverse sub-markets, each dealing in a particular type of short-term credit. The money market fulfills the borrowing and investment requirements of providers and users of short-term funds, and balances the demand for and supply of short-term funds by providing an equilibrium mechanism.

In Stock Market or Capital Market, the first and foremost thing of strength is its ability to provide high return. SEBI is a regulatory body of Indian stock market which protects the interest of the investors which is an added benefit of Stock Market. Large number of securities which provides medium for investment and thus people can make money by way of investing wisely in Stock Market. Large numbers of Brokers are there in Market who plays a role of facilitator for investment.

THREATS & CONCERNS

The Indian economy is caught between low growth and stubbornly high inflation. Last month, the International Monetary Fund (IMF) revised the year-over-year GDP growth forecast of India to 5.7 percent for 2013, down from its January estimate of 5.9 percent. The IMF attributed structural factors as the primary reasons for the poor performance, rather than the cyclical factors cited by the government last month. Additionally, the IMF expects consumer-price inflation to remain at around 10 percent in 2013 due to a rise in food and fuel prices. Lately, there have been signs of easing inflationary pressures. The wholesale-price inflation has steadily decreased since late 2012, while consumer-price inflation went below 10 percent this May, as the economy operates below capacity. However, the government's attempt to reduce the fuel subsidy bill by raising administered fuel prices will likely reverse the fall in inflation in the remaining part of the year.

The situation for India is unique because both fiscal and monetary policies have had limited flexibility to bail out the economy. High fiscal and current-account deficits restrict the government's ability to undertake proactive stimulus programs to boost the economy. The level of domestic inflation remains higher than the Reserve Bank of India's (RBI's) comfort level, which limits the RBI's ability to ease monetary policy further. Despite such pressures, the RBI is expected to reduce the policy rates, though marginally, in order to boost economic activity in the country.

Fiscal deficit is expected to be 5.3 percent of GDP in 2012-2013, while the current account recorded the largest-ever deficit of 6.7 percent of GDP in the third quarter of 2012-2013. The government's strategy of fiscal consolidation has repeatedly gone off course since 2008 due to a series of unfavorable developments. Since last September, the government has taken bold measures to cut down fuel subsidies to prop up public finance, helping the government

to restrict the fiscal deficit within the revised target of 5.1 percent of GDP. However, with general elections being just a year away, progress in this direction will be limited and even likely reverse.

RISK MANAGEMENT

The Company has aligned its policy on risk assessment in line with global approach and risk assessment reports are reviewed on regular intervals. The Company has adopted a focused approach towards risk management.

The Company's business critical software is operated on a server with regular maintenance and back-up of data. The system's parallel architecture overcomes failures and breakdowns. Reliable and permanently updated tools guard against virus attacks. Updated tools are regularly loaded to ensure a virus free environment.

INTERNAL CONTROL SYSTEMS AND ADEQUACY

The Company has implemented a comprehensive system of internal controls and risk management systems for achieving operational efficiency, optimal utilisation of resources, credible financial reporting and compliance with local laws. These controls are regularly reviewed by both internal and external agencies for its efficiency and effectiveness. Management information and reporting system for key operational activities form part of overall control mechanism.

The Company has retained the services of independent firms of professionals to function as internal auditors and provide reports on various activities covering observations on adequacy of internal controls and their recommendations. Findings of internal audit reports and effectiveness of internal control measures are reviewed by top management and audit committee of the Board. During the year, internal audit team of Company performed audits of major operational areas of the Company and carried out elaborate checks and verification and shared their findings with top management for remediation of minor gaps wherever required.

HUMAN RESOURCES

The Company recognizes that its success is deeply embedded in the success of its human capital. During 2012-2013, the Company continued to strengthen its HR processes in line with its objective of creating an inspired workforce. The employee engagement initiatives included placing greater emphasis on learning and development, launching leadership development programme, introducing internal communication, providing opportunities to staff to seek inspirational roles through internal job postings, streamlining the Performance Management System, making the compensation structure more competitive and streamlining the performance-link rewards and incentives.

The Company believes that learning is an ongoing process. Towards this end, the Company has built a training infrastructure which seeks to upgrade skill levels across grades and functions through a combination of in-house and external programme.

CORPORATE SUSTAINABILITY AND SOCIAL RESPONSIBILITY

The Company constantly strives to meet and exceed expectations in terms of the quality of its business and services. The Company commits itself to ethical and sustainable operation and development of all business activities according to responsible care and its own code of conduct. Corporate Social Responsibility is an integral part of the Company's philosophy and participates in activities in the area of education and health.

CAUTIONARY STATEMENT

Certain statements under "Management Discussion & Analysis" describing the Company's objectives, projections, estimates, expectations or predictions may be forward looking statement within the meaning of applicable securities laws and regulations. Although the expectations are based on reasonable assumptions, the actual results could materially differ from those expressed or implied, since the Company's operations are influenced by many external and internal factors beyond the control of the Company. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.

COMPLIANCE

The Compliance function of the Company is responsible for independently ensuring that operating and business units comply with regulatory and internal guidelines. The Compliance Department of the Company is continued to play a pivotal role in ensuring implementation of compliance functions in accordance with the directives issued by regulators, the Company's Board of Directors and the Company's Compliance Policy. The Audit Committee of the Board reviews the performance of the Compliance Department and the status of compliance with regulatory/internal guidelines on a periodic basis.

New Instructions/Guidelines issued by the regulatory authorities were disseminated across the Company to ensure that the business and functional units operate within the boundaries set by regulators and that compliance risks are suitably monitored and mitigated in course of their activities and processes. New products and process launched during the year were subjected to scrutiny from the Compliance Standpoint and proposals of financial services were screened from risk control prospective.

The Company has complied with all requirements of regulatory authorities. No penalties/strictures were imposed on the Company by stock exchanges or SEBI or any statutory authority on any matter related to capital market during the last three years.

Kolkata, May 30, 2013

By order of the Board
For **Prime Capital Market Limited**

Registered Office :

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

Sushil Kumar Purohit
Chairman & Managing Director

ANNEXURE TO THE DIRECTORS' REPORT

Corporate Governance

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchange, Compliance with the requirements of Corporate Governance is set out below :-

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance for the Company means achieving high level of accountability, efficiency, responsibility and fairness in all areas of operation. Our Employees are committed towards the protection of the interest of the Stakeholders viz. Shareholders, creditors, investors, clients etc. Our policies consistently undergo improvements keeping in mind our goal i.e. maximization of value of all the stakeholders.

The goal is achieved through -

- ✓ Infusion of best expertise in the Board;
- ✓ Consistent monitoring and improvement of the human and physical resources;
- ✓ Board/Committee meetings at regular intervals to keep the Board informed of the recent happenings.

BOARD OF DIRECTORS

COMPOSITION OF DIRECTORS

The Board has four members with an Executive Chairman. The Independent Directors on the Board are competent and highly respected professionals from their respective fields and have vast experience in general corporate management, finance, banking and other allied fields which enable them to contribute effectively to the Company in their capacity as members of the Board. The day to day management of the Company is conducted by Managing Director subject to supervisions and control of the Board.

All the Directors are liable to retire by rotation as per Article 128 of the Article of Association and eligible for re-election.

None of the non-executive directors has any material pecuniary relationships or transactions with the company, its promoters, directors and associates which in their judgment would affect their independence. None of the directors are inter-se related to each other apart from the relationship between Mr. Sushil Kr. Purohit and Mr. Pawan Kr. Purohit, who are family members.

The Board of Directors met 7 times on 17th April, 14th May, 30th June, 2nd August, 13th August and 12th November in year 2012 and on 12th February in the year 2013 during the financial year 2012-2013.

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

Name	Designation	Board Meetings Attended	Whether Attended AGM	Committee Membership in other Listed Co.	Committee Chairmanship in other Listed Co.	No. of Directorship in other Public Ltd. Co.
Sushil Kr. Purohit	Chairman & Managing Director	7	Yes	1	Nil	1
Chandresh N Shah	Independent Director	7	Yes	2	1	1
Pawan Kr. Purohit@	Executive Director	4	Yes	Nil	Nil	Nil
Pawan Kr. Borad	Independent Director	7	No	Nil	Nil	1

*Chairman of the Board

@Appointed w.e.f. 2nd August 2012

AUDIT COMMITTEE

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

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

Terms of Reference

The Audit Committee inter alia performs the functions of approving Annual Internal Audit Plan, review of financial reporting System, internal control system, discussion on quarterly, half-yearly and annual financial results, interaction with Statutory & Internal Auditors, one-on-one meeting with Statutory and Internal Auditors, recommendation for the appointment of Statutory and fixing their remuneration, appointment and remuneration of Internal Auditors, Review of Business Risk Management Plan, Management Discussions & Analysis, Review of Internal Audit Reports, significant related party transactions. The Company has framed the Audit Committee Charter for the purpose of effective compliance of Clause 49 of the Listing Agreement. In fulfilling the above role, the Audit Committee has powers to investigate any activity within its terms of reference, to seek information from employees and to obtain outside legal and professional advice.

Additionally, the following terms of reference were issued to the Audit Committee by the Board of Directors:

- a) to consider and recommend to the Board the investment guidelines for Capital and Money Market operations;
- b) to review the Annual Budget;
- c) to take note of the significant decisions taken or important developments considered at the Management
- d) Committee/Working Board Meetings; and
- e) to carry out any other duties that may be delegated to the Audit Committee by the Board of Directors from time-to-time.

Authority and Responsibilities

The Audit Committee has power to investigate any activity within its terms of reference, call upon any of the Employees of the Company, to obtain outside legal or other professional advice as and when the same is being required and to secure attendance of outsiders with relevant expertise, if it considers necessary.

Following are the Role of Audit Committee -

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956;
 - b. Changes, if any, in accounting policies and practices and reasons for the same;
 - c. Major accounting entries involving estimates based on the exercise of judgment by management;
 - d. Significant adjustments made in the financial statements arising out of audit findings;
 - e. Compliance with listing and other legal requirements relating to financial statements;
 - f. Disclosure of any related party transactions;
 - g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval
6. Reviewing, with the management, the statement of uses / application of funds raised

through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.

7. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
8. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
9. Discussion with internal auditors any significant findings and follow up there on.
10. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
11. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
12. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
13. To review the functioning of the Whistle Blower mechanism.
14. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
15. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

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

- i Management discussion and analysis of financial condition and results of operations;
- ii Statement of significant related party transactions submitted by management;
- iii Management letters / letters of internal control weaknesses issued by the statutory auditors and qualification in draft audit report;
- iv Internal audit reports relating to internal control weaknesses;
- v To review the annual financial statements and to recommend their adoption to the Board, with particular reference to disclosure of any related party transaction;
- vi To review the Quarterly financial statements and recommend their adoption to the Board; and
- vii The appointment, removal and terms of remuneration of the Chief internal auditor.

The members of Audit Committee met four times on - 30th June, 13th August and 12th November in year 2012 and on 12th February 2013 during the financial year ended on 31st March 2013.

Name	Number of Meetings Held	Meetings Attended
Sushil Kr. Purohit	4	4
Chandresh N. Shah	4	4
Pawan Kr. Borad*	4	4

* Chairman of the Committee

REMUNERATION COMMITTEE

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

Details of Remuneration paid to Directors

The payment of salary to Directors was Nil during the financial year 2012-2013.

No Stock option has been allotted to any of the Directors during the financial year 2012-2013.

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

SHARE TRANSFER COMMITTEE

The Board of Directors has constituted Share Transfer Committee under the Chairmanship of Mr. Chandresh N. Shah; Independent Director with two other Directors namely Mr. Pawan Kr. Borad & Mr. Sushil Kr. Purohit.

The members of Share Transfer Committee met four times on 30th June, 13th August and 12th November in year 2012 and on 12th February 2013 during the financial year ended on 31st March 2013.

Name	Number of Meetings Held	Meetings Attended
Mr. Pawan Kr. Borad	4	4
Mr. Sushil Kr. Purohit	4	4
Mr. Chandresh N. Shah*	4	4

*Chairman of Committee

INVESTOR GRIEVANCE COMMITTEE

The Board of Primer Capital Market Limited has constituted a Committee of Directors, which inter-alia also functions as "Shareholders/Investors" Grievance Committee, consisting of three members, chaired by a Non-Executive, Independent Director. The Committee meets once a month and inter-alia, deals with various matter relating to:

- ✓ Transfer/transmission/transposition of shares;
- ✓ Consolidation/splitting of shares/folios;
- ✓ Issue of Share Certificates for lost, sub-divided, consolidated, rematerialize, defaced etc;
- ✓ Review of Shares dematerialized and all other related matters; and
- ✓ Investors' grievances and redressal mechanism and recommend measures to improve the level of Investor Services.

The Share Department of the Company and the Registrar and Share Transfer Agent, M/s. ABS Consultants Ltd. attend to all grievances of the shareholders and investors received directly or through SEBI, Stock Exchanges and Registrar of Companies etc.

The Minutes of Shareholders'/Grievances Committee are noted by the Board of Directors at the Board Meetings.

Continuous efforts are made to ensure that grievances are more expeditiously redressed to the complete satisfaction of the investors. Shareholders are requested to furnish their telephone numbers and email addresses to facilitate prompt action.

Compliance Officer

The Company has appointed Mr. Sunny Sharma as a Compliance Officer within the meaning of Listing Agreement.

Composition of Committee and Meetings attended

During the year, twelve meetings of the Committee of Directors were held on April 2, May 2, June 4, July 2, August 1, September 3, October 1, November 1 and December 3 in year 2012 and on January 2, February 1 and March 1 in year 2013.

Brief Details of Names, Position, Category and meeting attended by Members of Committee is as follows:

Name	Position	Category	Meetings Attended
Mr. Pawan Kr. Borad*	Chairman	Independent, Non-Executive	12
Mr. Chandresh N. Shah	Member	Independent, Non-Executive	12
Mr. Sushil Kr. Purohit	Member	Promoter, Executive	12

*Chairman of Committee

DETAILS OF SHAREHOLDERS' COMPLAINTS

During the year the Company did not receive any compliant from any of the share holder and there was no pending complaint at the close of the financial year. Further, as required under Clause 47C of the Listing Agreement, a Certificate on half-yearly basis confirming due compliance of share transfer formalities by the Company from Practicing Company Secretary has been submitted to the Stock Exchanges within stipulated time.

GENERAL BODY MEETINGS

Location & time for the last three Annual General Meetings :

Annual General Meeting	Date & Time	Venue
18th Annual General Meeting	21st September 2012, 3.30 PM	18A, B.J.B. Nagar, Bhubaneswar-751014 Orissa
17th Annual General Meeting	29th September 2011, 3.30 PM	18A, B.J.B. Nagar, Bhubaneswar-751014 Orissa
16th Annual General Meeting	4th August 2010, 3.30 PM	18A, B.J.B. Nagar, Bhubaneswar-751014 Orissa

Special Resolution passed at last three Annual General Meetings:

No Special Resolution passed in any of Annual General Meetings during last three financial years.

Passing of Resolution by Postal Ballot:

No Special Resolution has passed through Postal Ballot Rules during last three years.

At the forthcoming Annual General Meeting, there is no item on the agenda that needs approval by Postal Ballot.

Extra-Ordinary General Meeting

No Extra-Ordinary General Meeting was held by the Company during the financial year ended 31st March 2013.

BOARD DISCLOSURES

Risk Management

The Company has a Risk Management Policy which has been adopted by the Board of Directors, currently, the Company's risk management approach comprises of the following :-

- Governance of Risk
- Identification of Risk
- Assessment of Control of Risk

The risks have been prioritized through a companywide exercise. Members of Senior Management have undertaken the ownership and are working on mitigating the same through co-ordination among the various departments, insurance coverage, security policy and personal accident coverage for lives of all employees.

The Company has appointed a Risk Officer and also put in place the risk management framework, which helps to identify various risks cutting across its business lines. The risks are identified and are discussed by the representatives from various functions.

Risk Officer will make a presentation periodically on risk management to the Board of Directors and the Audit Committee. The Board and the Audit Committee provide oversight and review the risk management policy periodically.

LISTING OF SHARES ON BSE LIMITED (BSE)

During the year, the Company has applied to BSE for admission of its Securities on BSE under direct listing norms. BSE has approved the Listing of Shares of the Company on its Exchange. Now Equity Shares of Company are available for trading on BSE also. The Scrip Code on BSE is 535514.

DISCLOSURE OF ACCOUNTING TREATMENT

In the preparation of financial statements, the Company has followed the Accounting Standards referred to in Section 211(3)(c) of the Companies Act, 1956. The Significant Accounting Policies which are consistently applied are set out in the Notes to the Financial Statements.

INSIDER TRADING

The Securities and Exchange Board of India (SEBI) has over the years introduced various amendments to the Insider Trading Regulations of 1992 which ordain new action steps by corporate and other market intermediaries for the purposes of prevention of Insider Trading.

Pursuant to the above requirements of SEBI (Prohibition of Insider Trading) Regulations, 1992 as amended, the Company has adopted a 'Code of Conduct' for Prevention of Insider Trading (The Code) with effect from October 1, 2002. The Code is applicable to all Directors and such Designated Employees who are expected to have access to unpublished price sensitive information relating to the Company. The Compliance Officer has been appointed for monitoring adherence to the said Regulations.

DISCLOSURES

- (a) There are no transactions with related party i.e. with Promoters, Directors, Management, Subsidiaries or Relatives that may have potential conflict of interest with the Company at large.
- (b) There has been no instance of non-compliance by the Company on any matter related to Capital Markets and hence the question of penalties or strictures being imposed on the Company by the Stock Exchange or SEBI or any Statutory Authority does not arise.
- (c) In Compliance with the Securities & Exchange Board of India (Prohibition of Insider Trading Regulations, 1992) as amended till date, on Prohibition of Insider Trading, the Company has a comprehensive Code of Conduct and the same is being strictly adhered to by its management, staff and relevant business associates. The code expressly lays down the guidelines and the procedure to be followed and disclosures to be made, while dealing with shares of the Company and cautioning them on the consequences of non-compliance thereof. Further, we affirm that no personnel has been denied access to the Audit Committee.

- (d) Reconciliation of Share Capital:- A qualified Practicing Company Secretary carried out Secretarial Audit on quarterly basis to reconcile the total admitted capital with Central Depository Services (India) Ltd. (CDSL) and National Securities Depository Ltd. (NSDL) and the total issued and listed capital. The secretarial audit report confirms that the total issued / paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

CODE OF BUSINESS CONDUCT & ETHICS

The Company has adopted Code of Business Conduct and Ethics ("the Code") which is applicable to the Board of Directors and Senior Management Team (one level below the Board of Directors) of the Company. The Board of Directors and the members of Senior Management Team are required to affirm semi-annual compliance of this Code. The Code requires Directors and Employees to act honestly, fairly, ethically and with integrity, conduct themselves in professional, courteous and respectful manner. The Code is displayed on the Company website.

CONFLICT OF INTEREST

Each Director informs the Company on an annual basis about the Board and the Committee positions he occupies in other companies including Chairmanships and notifies changes during the year. Members of Board while discharging their duties, avoid conflict of interest in the decision making process. The members of Board restrict themselves from any discussions and voting in transactions that they have concern or interest.

DISCLOSURES ON NON-MANDATORY REQUIREMENTS

The Company has adopted/complied with the following non-mandatory requirements as prescribed in Annexure I D to Clause 49 of Listing Agreement with the Stock Exchange :-

- a) None of the Independent Directors on the Board of the Company have served for the tenure of exceeding nine years. The Company has ensured that the person who is being appointed as an Independent Director has the requisite qualifications and experience which would be of use to the Company and which in the opinion of the Company would enable him to contribute effectively to the Company in his capacity as an Independent Director.
- b) The Company has not setup Compensation and Remuneration Committee.
- c) There was no case of Non-Compliance during financial year 2012-2013 in term of provisions of Listing Agreement entered into with CSE, DSE & BhSE by the Company. Further, no penalties have been levied or actions have been taken by CSE, DSE & BhSE or SEBI during last three years.
- d) We publish our quarterly results and half yearly results in widely circulated newspapers whereas we did not send half yearly results to any of shareholders.
- e) The financial statements of the Company are unqualified.

- f) The Board of Directors of the Company at its meeting held on 5th January 2010 have adopted the Whistle Blower Policy and appointed an ombudsperson. Employees can report to the Management concerned unethical behavior, act or suspected fraud or violation of the Company's Code of Conduct Policy. No Employee has been denied access to the Audit Committee.

MEANS OF COMMUNICATIONS

- The Company regularly provides information to the Stock Exchanges as per the requirements of the listing Agreement.
- The Quarterly/Half Yearly/Nine Months & Annual Results have been submitted to CSE, DSE & BhSE and published in the leading English Newspapers i.e. Bengal Leader and in vernacular language Newspaper i.e. Dainiklipi.
- Company posts its Quarterly Results/Half Yearly/Nine Months & Annual Results on its website www.primecapitalmarket.com.
- Official News releases have been posted on its web portal www.primecapitalmarket.com.
- No formal representations were made to Institutional Investors or Analysts during the year under review.
- Management Discussion and Analysis forms part of the Annual Report is available on its website www.primecapitalmarket.com and also on BSE website www.bseindia.com. Further, if Investor is desirous of getting physical copy of Annual Report, Investor can send their request to M/s. ABS Consultants Pvt. Ltd., Registrar & Share Transfer Agent, by sending request letter or by sending email to them.

GENERAL SHAREHOLDER INFORMATION

Detailed information in this regard is provided in section "Shareholders Information" which forms part of this Annual Report.

SHAREHOLDERS' INFORMATION

a. Next Annual General Meeting

The information regarding 19th Annual General Meeting for the financial year ended on 31st March 2013 is as follows :-

- | | | |
|-------|---|------------------------------------------------|
| Date | : | 24th September 2013 |
| Time | : | 3.30 P.M. |
| Venue | : | 18A, B.J.B. Nagar, Bhubaneswar-751014, Orissa. |
- b. Financial Calendar** : 1st April to 31st March.

c. **Future Calendar** :

Subject Matter	Date
Financial Reporting of 1st Quarter ended on 30th June 2013	Mid of August, 2013
Financial Reporting of 2nd Quarter ended on 30th September 2013	Mid of November, 2013
Financial Reporting of 3rd Quarter ended on 31st December 2013	Mid of February 2014
Financial Reporting of 4th Quarter ended on 31st March 2014	Mid of May 2014
Date of Annual General Meeting	During September 2014

d. **Date of Book Closure** : 17th Sept. 2013 to 24th Sept. 2013. (Both days inclusive)

e. **Dividend Payment** : Nil

f. **Listing of Shares** : Mumbai, Kolkata, Delhi & Bhubaneswar Stock Exchanges

g. **Custody Charges & Listing Fees** : Annual Custody Charges to NSDL & CDSL and Annual Listing Fees for Financial year 2013-2014 to both BSE and CSE have been paid.

h. **Stock Code & ISIN Code** : 535514 on BSE (Listed w.e.f. 15th May 2013), 26180 on CSE
ISIN Code : INE748D01010 on CDSL & NSDL

i. **Market Price Data** : Due to thin volume as well as non-availability of Market Price Data of the Scrip on CSE, we are unable to produce the same for the Scrip vs. CSE Sensex.

j. **Registrar & Share Transfer Agent.**

M/s. ABS Consultants Private Limited has been appointed as Registrar & Share Transfer Agent for all work relating to share registry in terms of both physical and electronic mode. All transfer, transmission, request related to correspondence/queries, intimation of change of address etc. should be addressed to our RTA directly at the following Address:

M/s. ABS Consultants Private Limited

99, Stephen House, 4, B.B.D. Bag (East), Kolkata-700 002
Phone - 033-22430153 / 033-22201043, Fax 033-22430153, E-Mail:
absconsultant@vsnl.net

k. **Share Transfer Systems**

The Share transfer is processed by the Registrar & Share Transfer Agent, ABS Consultants Private Limited and approved by Share Transfer Committee, if the documents are complete in all respects, within 15 days from the date of lodgment.

l. I. Distribution of Shareholding as on 31st March 2013

No. of Equity Shares	No. of Share Holders	% of Share Holders	Total No. of Shares Held	% of Share Holding
1-500	38	5.58	16350	0.16
501-1000	112	16.45	90150	0.90
1001-2000	123	18.06	204854	2.05
2001-3000	70	10.28	190500	1.90
3001-4000	43	6.31	161050	1.61
4001-5000	40	5.87	185614	1.86
5001-10000	115	16.89	888428	8.88
10001 & above	140	20.56	8263154	82.63
Total....	681	100.00	10000100	100.00

m. Shareholding Pattern as on 31st March 2013

Categories	No. of Shares	% of Shareholding
Promoters, Directors & Relatives & Person acting in concert	490351	4.90
Indian Bank / Mutual Funds	0	0
NRI/OCBS	0	0
Private Corporate Bodies	3073069	30.73
Indian Public	6436680	64.37
Total	10000100	100.00

n. Dematerialization of Shares & Liquidity

The Company's Equity Shares are in Demat trading segment and the Company had established connectivity with both NSDL & CDSL by signing the necessary agreements.

Procedures for dematerialization / rematerialization of Equity Shares:-

Shareholders seeking demat / remat of their shares need to approach their Depository Participants (DP) with whom they maintain a demat account. The DP will generate an electronic request and will send the physical share certificates to Registrar and Share Transfer Agents of the Company. Upon receipt of the request and share certificates, the Registrar will verify the same. Upon verification, the Registrar will request NSDL/CDSL to confirm the demat request. The demat account of the respective share holder will be credited with equivalent number of shares. In case of rejection of the request, the same shall be communicated to the shareholder.

In case of remat, upon receipt of the request from the shareholder, the DP generates a request and verification of the same is done by the Registrar. The Registrar then requests NSDL or CDSL to confirm the same. Approval of the Company is being sought and equivalent numbers of shares are issued in physical form to the shareholder. The share certificates are dispatched within 15 days from the date of issue of Shares.

The Shares of Company are traded on Calcutta Stock Exchange Ltd. 88.90% of the Company's Equity Share Capital held under Public category has been dematerialized up to 31st March 2013.

o. Nomination

Individual Shareholders holding shares singly or jointly in physical form can nominate a person in whose name the shares shall be transferable in case of death of the registered shareholder(s). Nomination facility in respect of shares held in electronic form is also available with the depository participants as per the bye-laws and business rules applicable to NSDL and CDSL. Nomination forms can be obtained from the Company's Registrar and Share Transfer Agent.

p. Requirement of PAN Card in case of Transfer of Shares in Physical Form

Pursuant to SEBI Circular, the shareholders holding shares in physical form are requested to submit self certified copy of PAN at the time of sending their request for share transfer/transmission of name/transposition of name.

q. For the Attention of Shareholders holding shares in electronic form

Shareholders holding shares in electronic mode should address all their correspondence to their respective Depository Participants (DPs).

r. Electronic Clearing Service

The Securities and Exchange Board of India (SEBI) has made it mandatory for all companies to use the bank account details furnished by the Depositories for depositing dividends. Dividend will be credited to the Members' bank account through NECS wherever complete core banking details are available with the Company. In case where the core banking details are not available, dividend warrants will be issued to the Members with bank details printed thereon as available in the Company's records. This ensures that the dividend warrants, even if lost or stolen, cannot be used for any purpose other than for depositing the money in the accounts specified on the dividend warrants and ensures safety for the investors. The Company complies with the SEBI requirement.

s. Service of Documents through Electronic Mode

As a part of Green Initiatives, the members who wish to receive the notice/documents through e-mail, may kindly intimate their e-mail address to the Company's Registrar and Share Transfer Agent, ABS Consultants Pvt. Ltd. to their dedicated e-mail id i.e., "absconsultant@vsnl.net."

t. Green initiatives in Corporate Governance to receive documents through email by registering your email address :

The Ministry of Corporate Affairs (MCA) has taken a "Green initiative in the Corporate Governance" by providing an opportunity to the shareholders to register their email address with Company and changes therein from time to time.

The Company will send notices/documents such as Annual Reports and notices by email to the shareholders registering their email address. To support this laudable move of the Government, the members who have not registered their email address, so far, are requested to do so at the earliest, in respect of demat holding through the respective

Depository Participant (DP) and in respect of physical holding through the Registrar and Share Transfer Agent (RTA) M/s. ABS Consultants Private Limited.

While every notice/document will be sent through email address registered with the Company, in case you desire to receive any notice/document in physical form, please intimate by email and the same shall be sent to your address registered with the Company/DP.

We solicit your patronage and support in joining hands with the Company to implement the e-governance initiative.

u. Details on use of Public Funds Obtained in the last three years :

No Fund has been raised during last three financial years.

v. Investors Correspondence

Shareholders can contact the following Officials for secretarial matters of the Company :-

Mr. Sunny Sharma - Tel : 033-2234 6715, Email : primecapital.kolkata@gmail.com

w. Outstanding GDRs./ADRs/Warrants or any convertible instruments, conversion data likely impact on Equity :

Not Any

x. Code of Conduct

The Board of Directors of the Company has laid down Code of Conduct for Directors and for Senior Management & Employees. All Board Members and Senior Management have affirmed compliance with the Code of Conduct for the year under review. Declaration to this effect signed by the Managing Director & Chief Executive Officer is annexed to this report.

y. Registered Office

18A, B.J.B. Nagar

Bhubaneshwar-751014, Orissa

z. Address for Correspondence

P-27, Princep Street, 3rd Floor, Kolkata-700 072

Tel : 033-2234 6715 / 033-2234 6937

Fax : 033-22349915, Email : primecapital.kolkata@gmail.com

Website : www.primecapitalmarket.com

CHAIRMAN & MANAGING DIRECTOR'S DECLARATION ON CODE OF CONDUCT

As required by Clause 49 of Listing Agreement, the Managing Director and CEO's Declaration for Code of Conduct is given below:

The Members of

Prime Capital Market Limited

- (a) We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
- (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit committee
- (i) significant changes in internal control over financial reporting during the year;
 - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

For Prime Capital Market Ltd.

S/d-

Sushil Kr. Purohit

Chairman & Managing Director

ANNUAL CERTIFICATE UNDER CLAUSE 49(I)(D) OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGES

I, Sushil Kr. Purohit, Chairman & Managing Director of the Company declare that all Board Members and Senior Management of the Company have affirmed compliance with the Code of Conduct during the year ended 31st March 2013.

For Prime Capital Market Ltd.

S/d-

Sushil Kr. Purohit

Chairman & Managing Director

SECRETARIAL COMPLIANCE REPORT FOR THE YEAR ENDED 31ST MARCH 2013

The Board of Directors, Prime Capital Market Limited

We have examined the registers, records and papers of M/s. Prime Capital Market Limited as required to be maintained under the Companies Act, 1956, (hereinafter referred to as "The Act"), the rules made thereunder and also the provisions contained in the Memorandum of Association and Articles of Association of the Company for the year ended 31st March 2013.

On the basis of our examination as well as information and explanations furnished by the Company and the records made available to us, we report that:

1. The Company has kept and maintained all registers and records as per Annexure "A" to this certificate, as per the provisions of the Companies Act 1956 (the Act) and the rules made there under and all entries therein have been duly recorded during the year.
2. The Company has filed the forms and return as stated in Annexure "B" to this certificate, with the Registrar of Companies or other authorities within the time prescribed under the Act and the rules made there under.
3. The Company has given proper notice along with the agenda for convening of Board Meeting, Committee Meetings and Annual General Meetings during the year.
4. The proceedings of the Meetings were properly recorded in the Minutes Books during the year.
5. The Board of Directors of the Company is duly constituted during the year.
6. The Company has obtained all the necessary approvals from the Board and Shareholders as required by the Act during the year.
7. The Company has not accepted any Deposit in terms of Section 58A of the Act read with Companies (Acceptance of Deposit) Rules, 1975 during the year.
8. The Company has not declared dividend and thus compliance with the provisions of section 205 of the Act is not applicable to the Company for the year.
9. The Company has not paid any remuneration to the Managing Director of the Company during the year in terms of section 198, 269, 309 read with Schedule XIII of the Act.
10. The Company has not appointed any sole selling agent in terms of section 294 of the Act during the year.
11. The Company has not advanced any loans to its Directors or persons or firms or Companies referred to under section 295 of the Act during the year.
12. The Company has not entered into any transactions, which falls under section 297 of the Act during the year.
13. The Directors have disclosed their interest in other firms / Companies to the Board of Directors pursuant to the provisions section 299 of the Act.

14. The Company has not appointed any person as a place of profit in terms of section 314 of the Act during the year.
15. The Company has not issued any duplicate share certificate during the financial year.
16. The Company has complied with the provisions of section 372A of the Act.
17. The Company :
 - a) has delivered all the Share Certificates on lodgment thereof for transfer/transmission or any other purpose in accordance with the provisions of the Act;
 - b) has deposited amount in a separate Bank Account as against declaration of Dividend during the year.
 - c) has posted warrants to members of the Company within the required time frame as against payment of Dividend to Members.
 - d) Was not required to transfer any amount to Investor Education and Protection Fund.
 - e) Has duly complied with the requirement of section 217.
18. The Board of Directors of the Company is duly constituted and there was no appointment of Additional Director/s alternate Director/s and Directors to fill the casual vacancy during the financial year.
19. The Company was not required to obtain approvals of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as prescribed under the various provisions of the Act.
20. The Company has not issued any Shares, Debentures or other Securities during the financial year.
21. The Company has not bought back any share during the financial year.
22. There was no redemption of preference shares or debentures during the financial year.
23. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
24. As per the information and explanation given, the Company has not invited / accepted any deposits including any unsecured loans falling within the purview of Section 15A during the financial year.
25. The Company has not borrowed fund from its Directors, members, public, financial institutions, banks and others during the financial year ending on 31st March 2013.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's Registered Office from one state to another during the year under scrutiny
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.

28. The Company has not altered the provisions of the Memorandum with respect to the name of the Company during the year under scrutiny.
29. The Company has not altered its Memorandum of Association and Articles of Association with respect to the Share Capital of the Company.
30. There was no prosecution initiated against the Company, or Show Cause Notices received by the Company, for offences under the Act.
31. The Company has not received any money as security from its employees during the financial year 2012-2013.

For **Acharya S. K. & Associates**
Company Secretaries

Place : Kolkata
Date : May 30, 2013

Subrat Kumar Acharya
Proprietor
C.P. No. 5903

Annexure "A"

Registers as maintained by the Company :-

Statutory Registers :

1. Register of Members u/s 150
2. Register of Directors, Managing Director, Manager and Secretary u/s 303
3. Register of Disclosures of Interest by Directors u/s 301(3)
4. Minutes Book u/s 301
5. Register of Directors Shareholding u/s 307

Annexure "B"

Forms and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other Authorities during the financial year ending on 31st March 2013.

Sr. No.	Form N. / Return	Filed u/s	For	Whether filed within prescribed time Yes / No	If delay in filing whether requisite additional Fees paid Yes/No
1.	Form 23AC and ACA for the Financial Year ended on 31st March 2012	220	Annual Requirement	Yes	N. A.
2.	Form 20B for the Financial Year ended 31st March 2012	159	Annual Requirement	Yes	N. A.
3.	Form 32	303(2) and 264(2)	Appointment of Director	Yes	N.A.

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of **Prime Capital Market Limited**

We have examined the compliance of the conditions of Corporate Governance by Prime Capital Market Ltd. (The Company) for the year ended 31st March 2013 as stipulated in Clause 49 of the Listing Agreement of the said Company with all stock exchanges where the Shares of Company are listed.

The compliance of the conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of an opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

We state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Shareholders/Investors Grievances Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with the management has conducted the affairs of the Company.

For B. S. Kedia & Co.

Chartered Accountants
ICAI Registration No. 317159E

Place : Kolkata
Date : May 30, 2013

Vikash Kedia
Partner
Membership No. 066852

AUDIT REPORT

To the Members of Prime Capital Market Limited

Report on the Financial Statements

We have audited the accompanying financial statements of M/s. Prime Capital Market Limited, which comprise the Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the 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 Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the 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 the 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 the internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date, and

- c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. **As required by Section 227(3) of the Act, we report that:**
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2013 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

For B. S. Kedia & Co.
Chartered Accountants
ICAI Registration No. 317159E

Place : Kolkata
Date : May 30, 2013

Vikash Kedia
Partner
Membership No. 066852

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in Paragraph I of our report of even date)

- (i) The company has no fixed assets, so item (i) of paragraph 4 of the order is not applicable to the Company.
- (ii) The Current Investments / Stock-in-trade have been physically verified by the management at reasonable intervals during the year. The procedure of physical verification of stock of shares followed by the management is reasonable and adequate in relation to the size of the company and nature of business. The Company is maintaining proper records of inventory. No discrepancies were noticed on physical verification of stock of shares as compared to book records.
- (iii) According to information and explanations given to us, the company has not taken or granted any secured or unsecured loans from/to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (iv) In our opinion and according to information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business with regard to the purchase of inventory and fixed assets and for the sale. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal controls.
- (v)
 - (a) According to information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
 - (b) According to information and explanations given to us, no transactions have been made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of each party.
- (vi) In our opinion, and according to information and explanations given to us, the Company has not accepted any deposits from the public. Under section 58A and 58AA of the Companies Act, 1956, and the Companies (Acceptance of Deposits) Rules, 1975, during the year.
- (vii) In our opinion, the Company's internal audit system is commensurate with the size and the nature of its business.
- (viii) Maintenance of cost records has not been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956.

- (ix) (a) The company is regular in depositing with appropriate authorities undisputed statutory dues including Income-tax, Wealth Tax, sale-tax, custom duty and any other statutory due applicable to it;
- (b) According to information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sale-tax, custom duty and excise duty etc. were outstanding as at 31st March 2013, for a period of more than six months from the date they became payable;
- (c) According to the records of the company, there are no dues of income tax, wealth tax, sale-tax, custom duty and excise duty, which have been deposited on account of any dispute.
- (x) The accumulated losses of the company are not more than fifty per cent of its net worth. The Company does not have any accumulated losses during the financial year covered by our audit but having accumulated losses in immediately preceding financial year.
- (xi) In our opinion and according to information and explanations given to us, the company not defaulted in repayment of dues to financial institution, bank or debenture holders.
- (xii) The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The company is not a Chit Fund, Nidhi or Mutual Benefit Society. Hence requirement of item (xiii) of paragraph 4 of the order is not applicable to the Company.
- (xiv) The company is dealing or trading in shares, securities, debenture and other investments. Based on our examination of documents and records, we are of the opinion that proper records have been maintained by the company and timely entries have been made therein. The shares, securities and other investments have been held by the company in its own name.
- (xv) As informed to us, the company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) As per information and explanations given to us, the company has not taken any fresh term loan during the year.
- (xvii) According to information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short term basis have been used for long-term investment. Similarly, no funds raised on long term basis have been used for short-term investment.

- (xviii) According to information and explanations given to us, the company has not made any preferential allotment of shares to parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) The company has not issued any debenture. Hence requirement of item (xix) of paragraph 4 of the order is not applicable to the Company.
- (xx) The company has not raised any money through public issue. Hence requirement of item (xx) of paragraph 4 of the order is not applicable to the Company.
- (xxi) According to the information and explanations provided to us, a fraud on or by the company has not been noticed or reported during the year.

For B. S. Kedia & Co.
Chartered Accountants
ICAI Registration No. 317159E

Place : Kolkata
Date : May 30, 2013

Vikash Kedia
Partner
Membership No. 066852

BALANCE SHEET AS AT 31ST MARCH, 2013

PARTICULARS	Note	31.3.2013	31.3.2012
		₹	₹
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share Capital	2.1	100,001,000	100,001,000
Reserves and Surplus	2.2	26,024,442	21,845,548
		126,025,442	121,846,548
NON-CURRENT LIABILITIES			
Long Term Borrowing	2.3	5,186,404	5,186,404
CURRENT LIABILITIES			
Trade Payables	2.4	1,745,047	649,279
Other Current Liabilities	2.5	79,486,787	131,132,747
Short-Term Provision	2.6	1,018,609	1,522,860
		82,250,443	133,304,886
TOTAL		213,462,289	260,337,838
ASSETS			
NON- CURRENT ASSETS			
Non-Current Investments	2.7	143,822,225	167,791,170
Other Non- Current Assets	2.8	1,400,958	1,400,958
		145,223,183	169,192,128
CURRENT ASSETS			
Trade Receivable	2.9	3,723,747	12,336,972
Cash and Bank Balances	2.10	2,014,737	2,698,354
Short-term loans and advances	2.11	62,500,622	76,110,384
		68,239,106	91,145,710
TOTAL		213,462,289	260,337,838
Significant Accounting Policies and Notes to accounts	2.17		

As per our report of even date

For **B. S. Kedia & Co.**

Chartered Accountants

ICAI Registration No. 317159E

For & on behalf of Board

Vikash Kedia

Partner

Membership No : 066852

Sushil Kr. Purohit

Director

Pawan Kr. Purohit

Director

Place : Kolkata

Date : 30th May 2013

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

PARTICULARS	Note	31.3.2013	31.3.2012
		₹	₹
INCOME			
Revenue from Operations	2.12	6,490,907	15,437,873
TOTAL INCOME		6,490,907	15,437,873
EXPENSES			
Employee Cost	2.13	462,000	456,000
Finance Cost	2.14	-	3,358,562
Other Expenses	2.15	709,931	1,499,590
TOTAL EXPENSES		1,171,931	5,314,152
PROFIT BEFORE TAXATION		5,318,976	10,123,721
Extraordinary item		-	-
		5,318,976	10,123,721
Tax Expense	2.16		
Current tax		1,018,609	1,522,860
Earlier year Income Tax		121,473	159,174
NET PROFIT FOR THE YEAR		4,178,894	8,441,687
Earnings per Equity Share:			
Basic and Diluted (Face Value of ₹ 10/- each, Previous Year ₹ 10/- each)		0.42	0.84

As per our report of even date

For **B. S. Kedia & Co.**

Chartered Accountants

ICAI Registration No. 317159E

For & on behalf of Board**Vikash Kedia**

Partner

Membership No : 066852

Sushil Kr. Purohit

Director

Pawan Kr. Purohit

Director

Place : Kolkata

Date : 30th May 2013

Statement of Cash Flow Annexed to the Balance Sheet as at 31st March, 2013

	31.03.2013	31.03.2012
A. Cash Flow from Operating Activities		
Net Profit before tax and extraordinary Items	5,318,976	4,295,467
Adjustments for		
Interest Received	-	32,000
Dividend	618,804	1,345,306
Depreciation	-	-
Operating profit before working capital changes	5,937,780	5,672,773
Adjustments for Capital Changes		
Inventories	-	-
Decrease (Increase) in Trade and other Receivables	8,613,225	2,427,249
Decrease (Increase) Loan & Advances	13,609,762	(54,438,064)
Trade Payable and Provisions	(51,054,443)	(25,544,341)
Cash Generated from operations	(28,831,456)	(77,555,156)
Income Tax Liability For The Year	(1,018,609)	(685,524)
Extraordinary Items	(121,473)	88,752
	(1,140,082)	(596,772)
Net Cash From Operating Activities	(24,033,758)	(72,479,155)
B. Cash Flow From Investing Activities		
Decrease / (Increase) in Fixed Assets	-	-
Decrease / (Increase) in Investments	23,968,945	22,703,340
Interest Received	-	(32,000)
Dividend Received	(618,804)	(1,345,306)
Adjustments for Depreciation	-	-
Net Cash from Investing Activities	23,350,141	21,326,034
C. Cash Flow From Financing Activities		
Unsecured Loan	-	52,163,699
Net Cash used	(683,617)	1,010,578
Net Decrease / (Increase) in Cash & Cash Equivalents	683,617	(1,010,578)
Opening Balance of Cash & Cash Equivalents	2,698,354	1,935,844
Closing Balance of Cash & Cash Equivalents	2,014,737	2,698,354

For and on behalf of the Board

Kolkata, May 30, 2013

Sushil Kr. Purohit
Chairman & Managing Director

We have verified the attached Cash Flow Statement of M/s. Prime Capital Market Limited, derived from Audited Financial Statements and the books and records maintained by the Company for the year ended on 31st March 2013 and found the same in agreement therewith.

For **B. S. Kedia & Co**
Chartered Accountants

Kolkata, May 30, 2013

Vikash Kedia
Partner
Membership No. 066852

NOTE "I" : ACCOUNTING POLICIES & NOTES FORMING PART OF THE ACCOUNTS

Significant Accounting Policies General

1. Accounting Policies not specifically referred to otherwise are in consonance with generally accepted accounting principles.
2. Accounts of the Company have been prepared on historical cost basis and on accrual basis of Accounting as going concern.
3. Expenses and Income considered payable and receivable respectively are accounted for on accrual basis.
4. In the opinion of the Board, the Current Assets, Loans and Advances are approximately of the value stated if realized in the ordinary course of business. The provisions of all known liabilities are adequate and not in excess of the amount reasonably necessary.

Fixed Assets

5. The Company is not having any of the Fixed Assets during the year under review.

Investments

6. Investments are valued at cost.

Revenue Recognition

7. Income is accounted on accrual basis except Dividend.

Gratuity

8. None of the Employee has completed the service period to become eligible for payment of gratuity.

Contingent Liabilities

9. No provision has been made in the books of Accounts as against income tax demand.

Others

10. None of the Raw Materials, Stores, Spares and Components consumed or purchased during the year have been imported.
11. None of the Earnings / Expenditures is in Foreign Currency.
12. Balance of Debtors, Creditors, Deposits, Loans and Advances are subject to confirmation.
13. In the opinion of the Board, the Current Assets, Loans & Advances are approximately of the value stated if realized in the ordinary course of business. The provision for depreciation and all known liabilities are adequate and not in excess of the amounts reasonably necessary.
14. Investments of the Company have been considered by the management to be of a long term nature and hence they are long term investments and are valued at cost of acquisitions.
15. There was no employee receiving remuneration to the extent as laid on under section 217 (2A) of the Companies Act, 1956.

Segment Report

16. Segment reporting as defined in Accounting Standard 17 is not applicable as the Company is primarily engaged in NBFC Activities. As informed to us, there are not separate segment within the Company as defined as 17 (Segment Report).

17. Auditors Remuneration :

Audit Fees (In ₹)	31.03.2013	31.03.2012
	15,000	15,000

Related Party Transactions

18. Key Management Personnel -

- a. Mr. Sushil Kr. Purohit - Managing Director
- b. Mr. Pawan Kr. Purohit - Executive Director

Related Party Transactions

19. Sum of Rs. Nil has been paid to related party during the financial year under review.

Differed Tax on Income

20. Differed Income Tax reflects the impact of reversed of timing difference of earlier year. Deferred Tax is measured on the Tax rates and Tax Laws enacted or substantively enacted at the Balance Sheet date. Differed tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such differed tax assets can be realized.

Earning per Equity Share

21.		Unit	31.03.2013	31.03.2012
	Net Profit after Tax available for Share holders	₹	41,78,894	84,41,687
	No. of Equity Shares	No.	100,00,100	100,00,100
	Basis & Diluted Earning Per Share (Rs.)	₹	0.42	0.84

22. Information pursuant to paragraph 98B of Non Banking Financial Companies Prudential Norms (Reserve Bank) direction, 1998 has been given in separate Annexure.

23. Previous years' figures have been regrouped, rearranged wherever necessary to make them comparable with those of current year.

As per our report of even date

For **B. S. Kedia & Co.**

Chartered Accountants

ICAI Registration No. 317159E

For & on behalf of Board

Vikash Kedia

Partner

Membership No : 066852

Sushil Kr. Purohit

Director

Pawan Kr. Purohit

Director

Place : Kolkata

Date : 30th May 2013

Notes forming part of the Financial Statements for the year ended March 31, 2013

2.1 SHARE CAPITAL

Particulars	31.03.2013		31.03.2012	
	Number	₹	Number	₹
Authorised Equity Shares of ₹ 10/- each (Previous Year ₹ 10/-)	11,000,000	11,000,000	11,000,000	11,000,000
Issued, Subscribed & Paid Up: Equity Shares of ₹ 10/- each (Previous Year ₹ 10/-)	10,000,100	100,001,000	10,000,100	100,001,000
Total	10,000,100	100,001,000	10,000,100	100,001,000

Reconciliation of number of shares

Particulars	31.03.2013		31.03.2012	
	Number	₹	Number	₹
Shares outstanding at the beginning of the year	10,000,100	100,001,000	10,000,100	100,001,000
Add : Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	10,000,100	100,001,000	10,000,100	100,001,000

Rights, preference and restrictions attached to Equity Shares

The Company has one class of Equity shares having a par value of ₹ 10/- each. Each shareholder is eligible to one vote per share held.

Details of Share held by shareholders holding more than 5% of the aggregate shares in the company

Name of Shareholder	31.03.2013		31.03.2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
N. A.	-	-	-	-

Notes forming part of the Financial Statements for the year ended March 31, 2013

2.2 RESERVES AND SURPLUS

Particulars	31.03.2013	31.03.2012
	₹	₹
General Reserve- Openig Balance	3,122,700	1,434,300
Add : Transfer from statement of Profit & Loss A/c	835,779	1,688,400
	3,958,479	3,122,700
Surplus in Profit & Loss Statement		
Opening Balance	18,722,848	11,969,561
Add : Net Profit for the year	4,178,894	8,441,687
	22,901,742	20,411,248
Less: Appropriation		
Transfer to General Reserve	835,779	1,688,400
Amount available for Appropriations	22,065,963	18,722,848
Total	26,024,442	21,845,548

2.3 LONG TERM BORROWINGS

Particulars	31.03.2013	31.03.2012
	₹	₹
Unsecured Loan from Bodies Corporate	5,186,404	5,186,404
Total	5,186,404	5,186,404

2.4 TRADE PAYABLES

Particulars	31.03.2013	31.03.2013
	₹	₹
Total outstanding dues of Creditors	1,745,047	649,279
Total	1,745,047	649,279

2.5 OTHER CURRENT LIABILITIES

Particulars	31.03.2013	31.03.2012
	₹	₹
Other Payables		
Provision for Expenses	91,891	76,891
Trade Advances	79,394,896	130,720,000
TDS Payable	-	335,856
Total	79,486,787	131,132,747

Notes forming part of the Financial Statements for the year ended March 31, 2013

2.6 SHORT TERM PROVISIONS

Particulars	31.03.2013	31.03.2012
	₹	₹
Provision for Income Tax	1,018,609	1,522,860
Total	1,018,609	1,522,860

2.7 NON CURRENT INVESTMENTS

Particulars	Numbers	Face Value	31.03.2013	31.03.2012
			₹	₹
Long Term Investments (Trade)				
(I) IN FULLY PAID-UP EQUITY SHARES (QUOTED)				
Blue Circle Services Limited	637,500	10.00	8,591,500	8,826,923
Cals Refinery Limited	100,000	10.00	70,000	70,000
D. B. International (Brokers) Limited	295	10.00	34,834	-
Golden Tobacco Limited	148,319	10.00	4,039,022	-
Hindtin Limited	10,000	10.00	-	1,373,696
IDBI Limited	1,000	10.00	131,978	131,978
Ispat India Limited	2,000	10.00	-	23,759
India Glycol Limited	2,000	10.00	119,746	119,746
Jayaswal Limited	10,000	10.00	79,990	79,990
J. P. Hydro Limited	3,000	10.00	-	101,264
Koltepati Limited	2,000	10.00	63,064	63,064
NIIT Tech Limited	1,000	10.00	63,021	63,021
Nouveau Global Limited	35,394	10.00	3,015,830	3,015,830
Reliance Industries Limited	1,839	10.00	122,296	1,617,996
Ranbaxy Limited	500	10.00	220,797	220,797
Shipping Corporation India Limited	1,000	10.00	91,541	91,541
Spice Mobile Limited	329,317	10.00	1,185,288	39,997,536
Srei Infra Limited	2,000	10.00	-	231,884
RPP Infra Limited	249,643	10.00	16,920,013	16,920,013
MOIL Limited	1,000	10.00	253,582	507,162
JMD Telefilms Industries Ltd.	500,000	10.00	7,652,124	7,652,124
V. B. Industries Ltd	2,480,000	10.00	4,960,000	-
Warner Multimedia Limited	3,000	10.00	2,509,900	9,900
Tulsi Tech Limited	3,000	10.00	30,000	30,000

Notes forming part of the Financial Statements for the year ended March 31, 2013

Particulars	Numbers	Face Value	31.03.2013 ₹	31.03.2012 ₹
IKG Technology Limited	3,000	10.00	7,500	7,500
UCO Bank Limited	7,500	10.00	491,730	491,730
Bhushan Steel Limited	3,000	10.00	-	956,335
Kothari Petro Limited	5,000	10.00	67,564	67,564
Smobility Limited	2,000	10.00	192,563	192,563
Sujana Tower Limited	1,000,000	10.00	7,111,877	7,111,877
Spicejet Limited	5,000	10.00	-	120,682
Ashok Leyland Limited	7,000	10.00	200,041	200,041
Larsen & Toubro Limited	100	10.00	-	99,264
NHPC Limited	10,000	10.00	514,781	219,050
TTML Limited	5,000	10.00	80,001	80,001
Santowin Limited	1,000,000	10.00	26,547,769	26,547,769
J. P. Power Limited	2,000	10.00	-	79,819
NTPC Limited	500	10.00	-	88,232
Action Financial Services India Ltd	830,000	10.00	31,540,000	-
Clarus Limited	202,000	10.00	11,279,528	6,140,925
	4,147,293		128,187,880	123,551,576
(2) IN FULLY PAID-UP EQUITY SHARES (UN-QUOTED)				
Dhenkanal Private Limited	20,000	10.00	-	5,000,000
KBN Infrastructure Private Limited	20,000	10.00	-	5,000,000
Chopra Strips Limited	97,968	10.00	-	14,500,000
Divivive Propeties Private Limited	10,000	10.00	-	10,000,000
	147,968		-	34,500,000
(3) OTHER INVESTMENT				
Gold Eternity	-	-	13,534,345	3,639,594
			13,534,345	3,639,594
(4) INVESTMENT IN MUTUAL FUNDS				
Axis Bank Mutual Fund	600	100.00	-	600,000
Birla Sunlife front life Mutual Fund	6,472	10.00	-	100,000
Reliance Smal Cap fund	80,000	10.00	-	800,000
Aditya Birla Sunlife Mutual Fund	500	100.00	-	500,000

Notes forming part of the Financial Statements for the year ended March 31, 2013

Particulars	Numbers	Face Value	31.03.2013 ₹	31.03.2012 ₹
Kotak Mahindra Mutual Fund	4,140	10.00	-	100,000
SBI Dynamic Mutual Fund	76,313	10.00	-	1,000,000
Kotak Mahindra Midcap Mutual Fund	41,016	10.00	-	1,000,000
Idfe SSIF Mutual Fund	22,806	10.00	-	500,000
Reliance Equity opportunity Fund	14,046	10.00	-	500,000
HDFC Midcap mutual Fund	31,170	10.00	-	500,000
ICICI Prudential Short term Fund	22,963	10.00	-	500,000
Aditya Birla Real estate Mutual Fund	500	100.00	1,000,000	-
			2,100,000	6,100,000
Total			143,822,225	167,791,170
Aggregate Market Value of Quoted Investments			118,547,814	133,935,383

2.8 OTHER NON- CURRENT ASSETS

Particulars	31.03.2013 ₹	31.03.2012 ₹
(Unsecured Considerd Goods)		
Deferred Revenue Expenditure	224,000	224,000
Share Issue Expenses	900,761	900,761
Preliminary Expenses	16,675	16,675
Deferred Tax Assets	259,522	259,522
Total	1,400,958	1,400,958

2.9 TRADE RECEIVABLE

Particulars	31.03.2013 ₹	31.03.2012 ₹
(Unsecured Considerd Goods)		
Outstanding for a period of exceeding 6 months	-	-
Other Debts	3,723,747	12,336,972
Total	3,723,747	12,336,972

Notes forming part of the Financial Statements for the year ended March 31, 2013

2.10 CASH AND BANK BALANCES

Particulars	31.03.2013	31.03.2012
	₹	₹
Cash and Cash Equivalents		
Balances with banks in Current Accounts	1,198,382	1,652,571
Cash in hand	816,355	1,045,783
Total	2,014,737	2,698,354

2.11 SHORT-TERM LOANS & ADVANCES (Unsecured)

Particulars	31.03.2013	31.03.2012
	₹	₹
Advance Tax	1,700,000	2,050,000
Tax deducted at source	208,670	437,323
TDS Refund	102,747	-
Loans to Others	60,489,205	73,623,061
Total	62,500,622	76,110,384

2.12 REVENUE FORM OPERATION

Particulars	31.03.2013	31.03.2012
	₹	₹
Interest Income on		
Current investment	-	288,000
Income from Mutual fund	-	236,734
Dividend		
From Current Investment	618,804	1,345,306
Net Gain on sale of Investment		
From Current Investment	4,279,603	9,153,135
F & O Profit	-	83,748
Other Business Activities	-	310,650
Other non Operating Revenue		
Professional Fees	1,592,500	4,020,300
Total	6,490,907	15,437,873

2.13 EMPLOYEE COST

Particulars	31.03.2013	31.03.2012
	₹	₹
Salaries	420,000	420,000
Staff Welfare Expenses	42,000	36,000
Total	462,000	456,000

Notes forming part of the Financial Statements for the year ended March 31, 2013

2.14 FINANCE COST

Particulars	31.03.2013	31.03.2012
	₹	₹
Interest	-	3,358,562
Total	-	3,358,562

2.15 OTHER EXPENSES

Particulars	31.03.2013	31.03.2012
	₹	₹
Paymant to Auditor	15,000	15,000
RTA Fees	-	29,891
Conveyance & Travelling Exp.	49,400	36,410
Listing & Depository Fees	378,036	505,595
Service Tax	-	420,300
Postage & Telephone Exp.	16,860	8,470
Data Processing Charges	20,000	20,000
Bank Charges	2,560	5,108
Professional Fees	10,900	10,000
Printing & stationery	29,148	40,725
Advertisements	27,361	24,293
Rent Expenses	48,000	36,000
Mutual Fund Proceeing Fees	14,666	-
Donation	-	250,000
De-mat charges	-	428
Filling fee	2,000	12,600
Office Maintanance Charges	73,400	67,920
Board Meeting & AGM Expenses	22,600	16,850
Total	709,931	1,499,590

2.16 TAX EXPENSES

Particulars	31.03.2013	31.03.2012
	₹	₹
Income Tax	1,018,609	1,522,860
Income Tax for Previous Years	121,473	159,174
Total	1,140,082	1,682,034

**Schedule to the Balance Sheet as at 31st March 2013 of
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)**

Amount in ₹		
Particulars	Amount Outstanding	Amount Overdue
Liabilities Side :		
1) Loans and advances availed by the NBFC inclusive of interest accrued thereon but not paid :		
(a) Debentures : Secured	NIL	NIL
Unsecured	NIL	NIL
(other than falling within the meaning of Public Deposit)		
(b) Deferred credits	NIL	NIL
(c) Terms Loans NIL	NIL	
(d) Inter-Corporate Loans & Borrowings	NIL	NIL
(e) Public Deposits*	NIL	NIL
(f) Other Loans	NIL	NIL
* Please see Note I at the end of format.		
2) Break-up of (1) (f) above (out-standing public deposits inclusive of interest accrued there on but not paid)		
(a) In the form of Unsecured Debentures	NIL	NIL
(b) In the form of partly Secured Debentures i.e.debentures there is a shortfall in the value of security	NIL	NIL
(c) Other public Deposits	NIL	NIL
* Please see Note I at the end of format.		
		Amount Outstanding
Assets Side :		
3) Break-up of Loans and advances including bills receivables [other than those included in (4) below] :		
(a) Secured		NIL
(b) Un-Secured		66,224,369

	Amount Outstanding
<p>4) Break-up of Leased Assets and stock on hire and hypothecation loans counting towards FL/HP activities :</p> <p>(i) Lease assets including lease rentals under Sundry Debtors</p> <p style="padding-left: 20px;">(a) Financial Lease</p> <p style="padding-left: 20px;">(b) Operating Lease</p> <p>(ii) Stock on hire including hire charges under Sundry Debtors</p> <p style="padding-left: 20px;">(a) Assets on hire</p> <p style="padding-left: 20px;">(b) Repossessed Assets</p> <p>(iii) Hypothecation loans counting towards EL/HP activities</p> <p style="padding-left: 20px;">(a) Loans where assets have been repossessed</p> <p style="padding-left: 20px;">(b) Loans other than (a) above</p>	<p>NIL</p> <p>NIL</p> <p>NIL</p> <p>NIL</p> <p>NIL</p> <p>NIL</p> <p>NIL</p>
<p>5) Break-up of Investments :</p> <p>Current Investment : (Taken as stock in trade)</p> <p>I. Quoted</p> <p style="padding-left: 20px;">(i) Shares : (a) Equity</p> <p style="padding-left: 40px;">(b) Preference</p> <p style="padding-left: 20px;">(ii) Debentures & Bonds</p> <p style="padding-left: 20px;">(iii) Units of Mutual Funds</p> <p style="padding-left: 20px;">(iv) Government Securities</p> <p style="padding-left: 20px;">(v) Others (Please Specify)</p> <p>2. Unquoted</p> <p style="padding-left: 20px;">(i) Shares : (a) Equity</p> <p style="padding-left: 40px;">(b) Preference</p> <p style="padding-left: 20px;">(ii) Debentures & Bonds</p> <p style="padding-left: 20px;">(iii) Units of Mutual Funds</p> <p style="padding-left: 20px;">(iv) Government Securities</p> <p style="padding-left: 20px;">(v) Others (Please Specify)</p>	<p>NIL</p> <p>NIL</p> <p>NIL</p> <p>NIL</p> <p>NIL</p> <p>NIL</p> <p>NIL</p> <p>NIL</p> <p>NIL</p> <p>NIL</p> <p>NIL</p> <p>NIL</p>

	Amount Outstanding
Long Term Investment	
1. Quoted	
(i) Shares : (a) Equity	128,187,880
(b) Preference	NIL
(ii) Debentures & Bonds	NIL
(iii) Units of Mutual Funds	2,100,000
(iv) Government Securities	NIL
(v) Others (Please Specify)	13,534,345
2. Unquoted	
(i) Shares : (a) Equity	34,500,000
(b) Preference	NIL
(ii) Debentures & Bonds	NIL
(iii) Units of Mutual Funds	NIL
(iv) Government Securities	NIL
(v) Others (Please Specify)	NIL

6. Borrow group-wise classification of all leased assets, stock-on-hire and loans and advances

Category	Secured	Unsecured
1) Related Parties **		
(a) Subsidiaries	NIL	NIL
(b) Companies in the same group	NIL	NIL
(c) Other than related parties	NIL	NIL
2) Other than related parties	NIL	NIL
Total	NIL	NIL

- 7) Investor group wise classification of all investments (Current and long term) in shares and securities
(both quoted and unquoted)
Please see note 3 at the end of Format.

Category	Market Value/ Breakup or Fair Value or NAV	Book Value (Net of Provision)
1) Related Parties ** (a) Subsidiaries (b) Companies in the same group (c) Other than related parties	NIL	NIL
2) Other than related parties#	143,822,225	143,822,225
	143,822,225	143,822,225

** As per Accounting Standard of ICAI (please see note 3 at the end of format)

Unquoted Investments are considered at cost.

- 8) Other information

Particulars	Amount
(i) Gross Performing Assets	
(a) Related Parties	NIL
(b) Other than related parties	NIL
(ii) Gross Non-Performing Assets	
(a) Related Parties	NIL
(b) Other than related parties	NIL
(iii) Assets acquired in satisfaction debt	NIL

- Notes:
- As defined in paragraph 2(1) (xii) of the Non-Banking Financial Companies of acceptance of Public Deposits (Reserve Bank) Directons 1998.
 - Provisioning norms shall be applicable as prescribed in the Non-Banking (Non-Deposit Accepting or Holding) Financial Companies Prudential Norms (Reserve Bank) Directors 2007.
 - All Accounting Standards and Guidance Notes issued by the ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However market value in respect of quoted investments and break-up / fair value/ NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term current in column (5) above.

Prime Capital Market Ltd.

8A, B.J.B. Nagar, Bhubaneshwar - 751014, Orissa.

PROXY FORM

I/We _____ resident of _____ in the district of _____ being member/members of the above named Company, hereby appoint _____ resident of _____ in the district of _____ or failing him _____ resident of _____ in the district of _____ as my/our proxy to attend and vote for me/us on my/our behalf at the 19th Annual General Meeting of the Company to be held on Tuesday, the 24th day of September 2013 at 3.30 P.M., at Registered Office of the Company at 8A, B. J. B. Nagar, Bhubaneshwar, Orissa and any adjournment thereof.

Registered Folio No./DP-Client ID _____ No. of Shares held _____

Signed on this _____ day of _____ 2013.

Signed by the said _____

Signature of Proxy _____

Attested by Shareholder _____

Affix Revenue Stamp



Prime Capital Market Ltd.

8A, B.J.B. Nagar, Bhubaneshwar - 751014, Orissa.

ATTENDANCE SLIP

I hereby record my presence at the 19th Annual General Meeting of the Company held on Tuesday, the 24th day of September 2013 at 3.30 P.M, at Registered Office of the Company at 8A, B. J. B. Nagar, Bhubaneshwar, Orissa.

Name of Shareholder/s _____

Father/Husband's Name _____

Name of Proxy or Company Representative _____

Registered Folio No. / DP-Client ID _____ No. of Shares held _____

Signature of the Shareholder(s) or Proxy or Company Representative _____

BOOK-POST

If undelivered, please return to :

Prime Capital Market Limited
18A, B.J.B. Nagar, Bhubaneswar-751014, Orissa