

17th Annual Report

2010 - 2011

PRIME

**Capital
Market
Limited**



Prime Capital Market Limited

17th Annual Report 2010 - 2011

BOARD OF DIRECTORS

Sushil Kumar Purohit	Chairman & Managing Director
Bimal Joshi	Executive Director
Dhruva Narayan Jha	Independent Director
Chandresh N Shah	Independent Director

REGISTERED OFFICE

18A, B.J.B. Nagar,
Bhubaneswar - 751 014, Orissa

CORPORATE OFFICE

P-27, Princep Street,
Kolkata - 700 072

BANKERS

Axis Bank Ltd.
Kotak Mahindra Bank
Syndicate Bank

AUDITORS

M/s. Manabendra Bhattacharyya & Co.
Chartered Accountants
4, Kiran Shankar Roy Road
Kolkata - 700 001

REGISTRAR & SHARE TRANSFER AGENT

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

ANNUAL GENERAL MEETING

Date : 29th September, 2011
Time : 3.30 P.M.
Venue : 18A, B.J.B. Nagar
Bhubaneswar-751014, Orissa

C O N T E N T S

- ❖ Notice
- ❖ Report on Corporate Governance
- ❖ Auditors' Certificate on Corporate Governance
- ❖ Directors' Report
- ❖ Secretarial Compliance Report
- ❖ Auditors' Report
- ❖ Balance Sheet
- ❖ Profit & Loss Account
- ❖ Schedules
- ❖ Cash Flow Statement
- ❖ Balance Sheet Abstracts

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

NOTICE

Notice is hereby given that the Seventeenth Annual General Meeting of the members of Prime Capital Market Limited will be held on Thursday, the 29th day of September, 2011 at 3.30 P.M. at 18A, B.J.B. Nagar, Bhubaneshwar-751014, Orissa to transact the following businesses as :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Directors' Report and Audited Statement of Accounts for the year ended 31st March 2011.
2. To declare dividend.
3. To appoint Director in place of Mr. Chandresh N Shah, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors to hold the office from the conclusion of this Annual General Meeting and to fix their remuneration.

Notes :

1. Proxies, in order to be effective, must be received at the Registered Office of the Company, not less than 48 hours before the commencement of the Annual General Meeting.
2. The Register of Member and the Share Transfer Books of the Company will remain closed from 22nd September 2011 to 29th September 2011 (both days inclusive).
3. The Shares of the Company are mandated by the Securities & Exchange Board of India (SEBI) for trading in dematerialized form by all investors.
4. 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.
5. 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.
6. 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.
7. 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.

8. 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.
9. 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.
10. Members are requested to bring copies of Annual Report to the Annual General Meeting.
11. The Members/Proxies should bring the attendance slip duly filed in and signed for attending the meeting.
12. Members are requested to quote Folio Number/Client ID in their correspondence.
13. The Equity shares of the Company are listed on Calcutta & Bhubaneshwar Stock Exchanges and Listing Fees for the financial year 2010-2011 have been paid to CSE.

Kolkata, June 30, 2011

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

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

Sushil Kumar Purohit
Chairman & Managing Director

DIRECTORS' REPORT, MANAGEMENT DISCUSSIONS & ANALYSIS

Your Directors have pleasure in presenting the Sixteenth Annual Report of your Company together with the Audited Statements of Accounts for the financial year ended March 31, 2011.

(Rs. in Lacs)

Financial Results	Year Ended 31.03.2011	Year Ended 31.03.2010
Income	76.61	51.54
Profit before Tax & Extraordinary Items	42.95	42.19
Less : Provision for Taxation	6.85	6.37
Profit after Tax	36.10	35.82
Add / (Less) : Extra Ordinary Items	0.89	-0.01
Profit available for appropriation	36.99	35.81
Add : Profit Carried Forward from Previous Year	89.89	119.74
Appropriated as under :		
Proposed Dividend	0.00	50.00
Corporate Tax on above Dividend	0.00	8.50
Transfer to General Reserve	7.18	7.16
Balance carried forward to Next Year	119.70	89.89

DIVIDEND

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

INDUSTRY STRUCTURE AND DEVELOPMENT

The Indian economy has emerged rapidly from the slowdown caused by the global financial crisis of 2007-09 and remains one of the fastest growing economies of the world. After dipping to 6.8% in 2008-09, GDP growth had recovered sharply to 8% and is projected to remain above this level in 2010-11. Economic and financial events over the year, however, have increased concerns about the sustainability of the growth momentum.

The global economic and financial situation is recovering slowly. The large fiscal deficits and high debt ratios coupled with slow economic growth have created unsettling conditions for business and have potential for causing great volatility in financial markets. It is hard to visualize strong economic growth in the advanced economies in 2010 and to a large extent in 2011. The implications of this, for India's strategy to return to the 9.0 per cent growth trajectory, are that public policy must promote business confidence and facilitate increased investment.

Apart from above, high current account deficit, particularly in the context of weakening capital inflows, was also a cause of concern, which has hitherto managed to compensate the rising trade deficit. The current account deficit was a manifestation of strong domestic demand and global weakness. This pressure has abated somewhat during the past few months, with rise in exports and slowing (non-oil) imports. However, a strong rebound in India's exports over the past couple of months has considerably reduced the pressure, but India's overall balance of payments remains weaker than expected, putting pressure on the Rupee.

OPPORTUNITIES & THREATS

Global Market is large and rapidly changing-from a mix of legacy client server to web / package-based services. Market openings are emerging across I.T. services, software products, I.T. enabled services and E-businesses, and creating a number of new opportunities for Indian companies. The corporate, government and consumer sector of the Indian domestic market offers a huge opportunity to software and services companies.

The Fundamental drives of India's medium term growth prospects remain intact. However, global developments, in conjunction with Indian Policy responses to the concerns noted above, are likely to make 2011-12 a challenging year.

Global economic and financial conditions can be expected to remain adverse for some time, particularly in the aftermath of Japan's natural disaster. Once the current financial year and commodity volatility subsides, deeper structural factors are likely to slow down economic growth, particularly in developed economics. Fiscal consolidation in Europe and an excess supply overhang in the US will probably moderate growth in the second half, together with increasing expectations of policy rate rise to quell rising inflation.

In India, inflationary pressure are likely to persist and hence result in a further, though moderate, monetary policy tightening the impact of which will be increasingly visible, through rising borrowing costs, in fiscal 2012. Increasing savings, high interest rates, an expected lower rise in currency driven by lower food prices, are likely to help deposits to grow stronger in fiscal 2012. However, in light of inflationary pressures and rising interest rates, there is a likelihood that the credit growth momentum might slow in 2011-12.

The expansion of the economy in the rural areas and particularly in the agricultural infrastructure sector continues to present opportunities of growth for NBFCs with a rural network. NBFCs here will have to rely on their partnership with banks and insurance companies and their own access to rural distribution networks to exploit such opportunities. Apart from the threat imposed by banks, the Reserve Bank of India has also advised NBFCs to reduce dependence on deposits in the next few years. This will have an adverse impact on NBFCs.

Dependence on purely fund-based business continues to be difficult for NBFCs unless they are able to reduce their cost of funds very substantially. The ability of the company to significantly expand its non-fund based activities would remain an area of concern.

The Company is also in a business of Investment in shares and securities as well as in various Mutual Fund schemes. Investment business activities need lot of experience, skills and passion

as well as timely exit decision. Gain from Investment business lies on the investment decision and wise person with timely and accurate decision can perform better than a person investment without vision.

On the other hand changes in regulatory frameworks, slowing down of capital market, increase in inflation and decrease in earning of common consumer can lead to the loss in investment business.

PERFORMANCE & CURRENT YEAR PROSPECTS

The Company has earned an income of Rs. 76.61 Lac during the year major portion of which is from Short term gain in Capital and Commodities Market. The Company is doing investments based on its own studies by help of some of expertise in Capital Market as well as data available on different web sites.

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

Inflation and high interest rates where another cause of concerns for the Company and due to uncertainty in this, the Company was unable to decide about short term funding.

BUSINESS SEGMENT

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

RISK & CONCERNS

The objective of risk management is to balance the trade-off between risk and returns and ensure optimum risk adjusted return on capital. It entails the identification, measurement and management of risks across the various businesses of the Company. Risk is managed through a framework of policies and principles approved by the Board of Directors and supported by an Independent risk function that ensures that the Company operates within its risk appetite. The risk management function attempts to anticipate vulnerabilities at the transaction level or at the portfolio level, as appropriate, through quantitative or qualitative examination of the embedded risks. The Company continues to focus on refining and improving its risk management systems. In addition to ensuring compliance with regulatory requirements, the Company had developed internal systems for assessing capital requirements keeping in view the business objectives.

The Company has identified following main risks for its business, which needs to be addressed at this point of time :-

- I. Credit Risk

2. Market Risk
3. Liquidity Risk
4. Operational Risk

The Company has framed the appropriate business policies to tackle the challenges of above risks and is continually reviewing and modifying these policies in order to face the challenges and come out with the help of Company's business policies.

OVERVIEW

The Company is planning to counter its challenges through focused marketing, tight control on liquidity and margins, cost effective sourcing of services etc. In term of Investment activities, the Company is investing after taking expert opinion from expertise in Capital Market and after studying Balance Sheets, trading pattern for last few years as well as liquidity in the scrip. Further, in term of NBFC activities, Company is disbursing its fund after details enquiry about its Clients, their repayment capacities and goodwill in the market. The Company is also trying to strengthen its presence in Software industry with improved quality of its products and smooth working.

INTERNAL CONTROL SYSTEMS AND ADEQUACY

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

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

MATERIAL DEVELOPMENT IN HUMAN RESOURCES

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

CAUTIONARY STATEMENT

Statements in the Management Discussions and Analysis describing the Company's objectives, projections, estimates, expectations may be forward looking statements. Actual results may differ materially from those expressed or implied. Important factors that could make a difference to the Company's performance include economic conditions affecting demand / supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government Regulations, tax laws, statues and other incidental factors.

DIRECTORS

There is no change in composition of Board during the year under review.

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

Except Mr. Chandresh N. Shah, no other Directors of the Company are interested in his re-appointment.

Further, non of the Directors of the Company are disqualified under section 274(1)g of the Companies Act 1956.

AUDITORS

Auditors M/s. Manabendra Bhattacharyya & 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.

COMMENTS ON AUDITOR'S REPORT:

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

PUBLIC DEPOSITS

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

CORPORATE GOVERNANCE

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

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

INFORMATION TECHNOLOGY

The Company aims to maintain a scalable computing infrastructure that delivers efficient and seamless services across multiple channels for customer convenience. In order to retain competitive edge, technology infrastructure has been implemented wherever necessary, in alignment with business requirements.

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.

HUMAN RESOURCES

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

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

STATUTORY INFORMATION

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

PARTICULARS OF EMPLOYEES

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

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

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

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

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

DIRECTORS RESPONSIBILITY STATEMENT

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

1. In the preparation of the Annuals Accounts, for the year ended 31st March 2011, all the applicable accounting standards prescribed by the Institute of Chartered Accountants of India have been followed;
2. The Directors had adopted such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period.
3. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. The Directors had prepared the annual accounts on a going concern basis.

APPRECIATION

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

Kolkata, June 30, 2011

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 Code of Governance

Prime Capital Market Ltd (PRIME) is committed to implement sound corporate governance practices with a view to bring about transparency in its operations and maximize shareholders value. The Company's core philosophy on the code of Corporate Governance is to ensure -

- Fair and transparent business practices;
- Accountability for performance;
- Transparent and timely disclosure of financial and management information;
- Effective management control and monitoring of executive performance by the Board; and
- Adequate representation of promoter, executives and independent directors on the Board.

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

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

BOARD OF DIRECTORS

COMPOSITION OF DIRECTORS

The Constitution of Board of Directors of the Company is governed by the Company's Act 1956 and the Clause 49 of listing agreement. The Company's Board comprises a combination of executives and non-executive Directors. The Board presently consists of 4 Directors and its mix provides a combination of professionalism, knowledge and experience required in the line of Business of the Company. The Board is responsible to manage business of the Company. The functions, responsibilities, role and accountability of the Board are well defined.

The Board of Directors met 7 times on 7th April, 31st May, 24th June, 14th August and on 12th November in year 2010 & on 8th February and 17th March in year 2011 during the financial year 2010-2011.

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

Name	Designation	Board Meetings Attended	Whether Attended AGM	Committee Membership	Committee Chairmanship	No. of Directorship in other Public Ltd. Co.
Sushil Kr. Purohit	Chairman & Managing Director	7	Yes	3	Nil	1
Bimal Joshi	Whole time Director	7	Yes	2	1	Nil
Dhruva Narayan Jha	Independent Director	7	Yes	6	5	5
Chandresh N Shah	Independent Director	1	No	1	2	1

AUDIT COMMITTEE

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

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

AUTHORITY AND RESPONSIBILITIES

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

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

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

As required under Section 292A of the Companies Act, 1956 and Clause 49 of Listing Agreement, the new "Terms of Reference" of the Audit Committee were approved by the Board of Directors at its meeting held on 5th January 2010.

The members of Audit Committee met four times on - 31st May, 14th August and 12th November in year 2010 & on 8th February 2011 during the financial year ended on 31st March 2011.

Name	Number of Meetings Held	Meetings Attended
Sushil Kr. Purohit	4	4
Bimal Joshi	4	4
Dhruva Narayan Jha*	4	4

* Chairman of the Committee

REMUNERATION COMMITTEE

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

DETAILS OF REMUNERATION PAID TO DIRECTORS

The payment of salary to Directors was Nil during the financial year 2010-2011.

No Stock option has been allotted to any of the Directors during the financial year 2010-2011.

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. Bimal Joshi; whole time Director with two other Directors namely Mr. Dhruva Narayan Jha & Mr. Sushil Kr. Purohit.

The members of Share Transfer Committee met four times on 31st May, 14th August and 12th November in year 2010 & on 8th February 2011 during the financial year ended on 31st March 2011.

Name	Number of Meetings Held	Meetings Attended
Mr. Bimal Joshi*	4	4
Mr. Sushil Kr. Purohit	4	4
Mr. Dhruva Narayan Jha	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. Jitender Pratihast 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 3, May 3,

June 2, July 1, August 2, September 1, October 1, November 2, and December 1st in year 2010 and on January 3, February 1 and March 3 in year 2011.

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

Name	Position	Category	Meetings Attended
Mr. Bimal Joshi	Chairman	Executive Director	15
Mr. Dhruva Narayan Jha	Member	Independent, Non-Executive	15
Mr. Sushil Kr. Purohit*	Member	Promoter, Executive	15

*Chairman of Committee

DETAILS OF SHAREHOLDERS' COMPLAINTS

During the year the Company did not receive any complaint 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
16th Annual General Meeting	4th August 2010, 3.30 PM	18A, B.J.B. Nagar, Bhubaneswar-751014 Orissa
15th Annual General Meeting	18th September 2009, 4.00 PM	18A, B.J.B. Nagar, Bhubaneswar-751014 Orissa
14th Annual General Meeting	19th September 2008, 2.30 PM	18A, B.J.B. Nagar, Bhubaneswar-751014 Orissa

SPECIAL RESOLUTION PASSED AT LAST THREE ANNUAL GENERAL MEETINGS:

During the financial year 2008-09, Special Resolution was passed seeking appointment of Mr. Pravin Jain as Non-Executive, Independent Director, and during financial year 2009-10, Special Resolution was passed seeking appointment of Mr. Chandresh N. Shah as Non-Executive, Independent Director whereas in year 2007-08, Special Resolutions has been passed seeking shareholders approval for appointment of Mr. Sushil Kr. Purohit as an Executive Director.

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 2011.

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.

SUBSIDIARIES

The Company does not have any material non-listed Indian subsidiary whose turnover or net worth (i.e. paid-up capital and free reserves) exceeding 20% of the consolidated turnover or networth respectively, of the listed holding company and its subsidiaries in the immediately preceding accounting year.

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 Office has been appointed for monitoring adherence to the said Regulations.

DISCLOSURES

- (a) There are no transactions with related parties 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. However whistle blower policy has not been formed during the year under review. Further, we affirm that no personnel has been denied access to the Audit Committee.
- (d) Reconciliation of Share Capital Audit :- 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. "Reconciliation of Share Capital 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.

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) 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.
- d) The financial statements of the Company are unqualified.
- e) 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 Calcutta Stock Exchange Ltd. 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 will be posted to the shareholders of the Company.

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 17th Annual General Meeting for the financial year ended on 31st March 2011 is as follows :-

Date : 29th September 2011

Time : 3.30 P.M.

Venue : 18A, B.J.B. Nagar, Bhubaneshwar-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 2011	12th August, 2011
Financial Reporting of 2nd Quarter ended on 30th September 2011	15th November, 2011
Financial Reporting of 3rd Quarter ended on 31st December 2011	15th February 2012
Financial Reporting of 4th Quarter ended on 31st March 2012	30th May 2012
Date of Annual General Meeting	During August 2012

d. Date of Book Closure : 22nd Sept. 2011 to 29th Sept. 2011. (Both days inclusive)

e. Dividend Payment : Nil

f. Listing of Shares : Kolkata & Bhubaneshwar Stock Exchanges

- g. **Custody Charges & Listing Fees** : Annual Custody Charges to NSDL & CDSL and Annual Listing Fees for Financial year 2010-2011 have been paid.
- h. **Stock Code & ISIN Code** : 10026180 on CSE
: 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

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 21 days from the date of lodgment.

l. **Distribution of Shareholding as on 31st March 2011**

No. of Equity Shares	No. of Share Holders	% of Share Holders	Total No. of Shares Held	% of Share Holding
1-500	37	5.09	15850	0.16
501-1000	114	15.68	91450	0.91
1001-2000	130	17.88	218554	2.19
2001-3000	75	10.32	202900	2.03
3001-4000	50	6.88	189050	1.89
4001-5000	45	6.19	208964	2.09
5001-10000	131	18.02	990538	9.91
10001-50000	94	12.93	2070224	20.70
50001-100000	29	3.99	2301745	23.02
100001 & above	22	3.03	3710825	37.11
Total....	727	100.00	10000100	100.00

m. Shareholding Pattern as on 31st March 2011

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	2583864	25.84
Indian Public	6925885	69.26
Total	10000100	100.00

n. Categories of Shareholders as on 31st March 2011.

Category	No. of Share holders	% of Share holders	No. of Shares Held	% of Share Holding
Individuals	656	90.23	6925885	69.26
Non-Resident Indians	0	0.00	0	0.00
Body Corporate	68	9.35	2583864	25.84
Local Mutual Funds	0	0.00	0	0.00
Promoters	3	0.42	490351	4.90
Total ...	727	100.00	10000100	100.00

o. 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 one month from the date of issue of Shares.

The Shares of Company are traded on Calcutta Stock Exchange Ltd. 95.10% of the Company's Equity Share Capital held under Public category has been dematerialized up to 31st March 2011.

p. 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.

q. 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.

r. 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).

s. Brief Resume of the Directors Seeking Re-Appointment

Mr. Chandresh N Shah, Age 51, B.Sc. has vast knowledge and rich experience in Capital Market related activities. It will be advantageous for the Company to avail his valuable services and rich experience.

Mr. Chandresh N Shah does not hold any shares in his own name or in the name of his relatives.

As on 31st March 2011, he is on the Board of Directors of the following Companies:-

Sr. No.	Name of the Company
I.	Blue Circle Services Limited

Further, he is having 2 Committee Chairmanship and 1 Committee Membership in the above listed co. where he is holding position as Director.

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

No Fund has been raised during last three financial years.

u. Investors Correspondence

Shareholders can contact the following Officials for secretarial matters of the Company:-
Mr. Jitender Pratihast - Tel : 033-2234 6715

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

Not Applicable.

w. 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.

x. Registered Office

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

y. Address for Correspondence

P-27, Princep Street Kolkata-700 072

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) They have reviewed financial statements and the cash flow statement for the year and that to the best of their 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 their 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) They accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and they have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- (d) They 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 they 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.**

Sushil Kr. Purohit
Chairman & Managing Director

SECRETARIAL COMPLIANCE REPORT FOR THE YEAR ENDED 31ST MARCH 2010

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 2011.

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 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 duly filed the forms and return 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 complied with the provisions of section 154 of the Act during the year.
9. The Company has delivered all the certificates on lodgments thereof for transfer or any other purpose in accordance with the provisions of the Act during the year.
10. The Company has not declared any dividend during the year.
11. The Company has not paid remuneration to the Managing Director during the year in terms of section 198, 269, 309 read with Schedule XIII of the Act.
12. The Company has not appointed any sole selling agent in terms of section 294 of the Act during the year.
13. The Company has not given any loan in terms of section 295 of the Act during the year.

14. The Company has not entered into any transactions, which falls under section 297 of the Act during the year.
15. The Directors have disclosed their interest in terms of section 299 of the Act.
16. The Company has not appointed any person as a place of profit in terms of section 314 of the Act during the year.
17. The Company has complied with the provisions of section 372A of the Act.
18. The Company has complied with the applicable provisions of SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 1997, SEBI (Issue of Capital and Disclosure Requirements) Regulations 2009, SEBI (Prohibition of Insider Trading) Regulations, 1992, as and when applicable, during the year.
19. The Company has not issued any Equity Share on Preferential basis and has not raised fund during the financial year 2010-11.
20. The Company has not altered its Memorandum of Association and Articles of Association during financial year 2010-11.
21. There was no prosecution initiated against the Company, or Show Cause Notices received by the Company, for offences under the Act.

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

Place : Kolkata
Date : June 30, 2011

Subrat Kumar Acharya
Proprietor
C.P. No. 5903

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 2011 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, 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 **Manabendra Bhattacharyya & Co.**
Chartered Accountants

Place : Kolkata
Date : June 30, 2011

Amit Bhattacharjee
Proprietor

AUDIT REPORT

We have audited the attached Balance Sheet of Prime Capital Market Limited as at 31st March 2011 and also the Profit & Loss Account for the year ended on that day annexed hereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with auditing standards generally accepted in India. Those standards required that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also included assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

- a. As required by the Companies (Auditors' Report) Order, 2003 issued by the Department of Company Affairs in terms of Section 227 (4A) of the Companies Act 1956, we enclose in the Annexure, a statement on the matter specified in the said Order to the extent applicable;
- b. Further to our comments in the annexure referred to in paragraph I above -
 - i. 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;
 - ii. In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books;
 - iii. The Balance Sheet, Profit & Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of accounts'
 - iv. In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement together with notes of accounts dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act 1956.
 - v. On the basis of written representations received from the Directors, as on 31st March 2011, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2011 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act 1956;
 - vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts, give the information required by the Companies Act 1956, and give a true and fair view in conformity with the accounting principles generally accepted in India :-
 1. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2011;
 2. in the case of the Profit and Loss Account, of the Profit for the year ended on that date;
 3. in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For **Manabendra Bhattacharyya & Co.**
Chartered Accountants

Place : Kolkata

Date : June 30, 2011

Amit Bhattacharjee
Proprietor

ANNEXURE TO THE AUDITORS' REPORT

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

1.
 - (a) The Company has maintained proper books of records showing full particulars including quantitative details and situations of fixed assets.
 - (b) As per the information and explanations given to us, the Company has carried out physical verification of fixed assets during the year. In our opinion, the frequency of such verification is reasonable.
 - (c) In our opinion and according to the information and explanation given to us, the Company has not made any substantial disposal during the year.
 - (d) The procedure of physical verification of stock & securities followed by management are reasonable and adequate in relation to the size of the Company nature of its business.
 - (e) The Company has maintained proper record of Inventories. No discrepancies noticed on physical verification of Investments as compared to the books & records.
2. The Company does not have any inventories. Accordingly the Clause 4(ii) of the Companies, (Auditors' Report) Order 2003 is not applicable.
3.
 - (a) According to the information and explanation given to us and on the basis of records furnished before us, the Company has not granted any loans, secured or unsecured to Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
 - (b) In view of above, Clause 4(iii)(a),(b),(c) and (d) of Companies (Auditors' Report) Order, 2003 are not applicable.
 - (c) According to the information and explanation given to us and on the basis of records furnished before us for the verification, the Company has not taken any loans, secured or unsecured from Companies, firms or other parties covered in the register maintained under section 301 of the Act.
 - (d) In view of above, clause 4(iii)(e), (f) and (g) of Companies (Auditors' Report) Order, 2003 are not applicable.
4. In our opinion and according the information & explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of business with regard to purchase and sales. During the course of our Audit, we have not observed any continuing failure to correct major weakness of internal audit.
5.
 - (a) In our opinion and according the information & explanations given to us, the particulars of contract or arrangements that were required to be entered in the register maintained under Section 301 of the Companies Act 1956 have been so

entered in the said register.

- (b) In respect of transactions entered exceeding the value of five lacs in the register maintained in pursuance of Section 301 of the Companies Act 1956, according to information and explanation given to us, the transactions made pursuant of such contracts or arrangements have been made at prices which are prima-facie reasonable having regard to prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from the public hence Clause 4(vi) of Companies (Auditors' Report) Order 2003 is not applicable.
7. The Company has appointed a firm of Chartered Accountants, to carry out internal audit functions, on broadly reviewing the Audit Reports furnished before us and information and explanation given to us by the management, we are of the opinion that the Internal Audit is commensurate with the size of the Company and the nature of business.
8. We are informed that the Central Government has not prescribed maintenance of cost records under section 209(1)(d) of the Companies Act 1956 in respect of products dealt with by the Company.
9. (a) In our opinion and according to the information and explanations given to us, undisputed statutory dues including Provident Fund, Investors' Education & Protection Fund, Employees State Insurance Scheme, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, CESS and any other statutory dues have been regularly deposited in time during the year with appropriate authorities and there are no undisputed statutory dues payable for a period of six months from the date they became payable as at 31st March 2011.
- (b) According to the information and explanation given to us there are no disputes pending before the authorities in respect of Sales Tax, Income Tax, Custom Duty and CESS.
10. The Company does not have accumulated losses as at the end of financial year and has not incurred cash losses in the current financial year and in the immediate preceding financial year.
11. According to the records made available to us and information and explanation given to us by the management, the Company has not defaulted in repayment of any dues to financial institutions or banks.
12. According to the information and explanations given to us, the Company has not granted any loans & advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not chit fund, nidhi, mutual fund and societies and accordingly clause 4(xiii) of Companies (Auditors' Report) Order, 2003 is not applicable.
14. In our opinion and according to the information and explanations given to us, the Company has kept adequate records of its transactions and contracts in shares, securities,

debentures and other investments and timely entries have been made therein. The Shares, Securities, Debentures and Other Investments are held in the name of the Company.

15. In our opinion and according to the information and explanations given to us, the Company has not given guarantees for loans taken by others from Banks & Financial Institutions. Accordingly Clause 4(xv) of Companies (Auditors' Report) Order, 2003 is not applicable.
16. In our opinion and according to the information and explanations given to us, the Company has not obtained any Term Loan. Accordingly Clause 4(xvi) of Companies (Auditors' Report) Order, 2003 is not applicable.
17. According to the information and explanations given to us and on the basis of and overall examination of the Balance Sheet of the Company, no funds raised on short term basis have been utilized for long term investment and vice versa.
18. The Company has not issued any Equity Shares and debentures during the year.
19. During the period, the Company has not issued any debentures. Accordingly Clause 4(xix) of Companies (Auditors' Report) Order, 2003 is not applicable.
20. The Company has not raised any money through a Public Issue during the year under Audit. Accordingly Clause 4(xx) of Companies (Auditors' Report) Order, 2003 is not applicable.
21. During the course of examination of the books and records of the Company, carried out in accordance with generally accepted auditing practices in India, and according to the information and explanation given to us, we have neither come across any instance of fraud on or by the Company noticed or reported during the period nor we have been informed of such instances by the management.

For **Manabendra Bhattacharyya & Co.**
Chartered Accountants

Place : Kolkata
Date : June 30, 2011

Amit Bhattacharjee
Proprietor

BALANCE SHEET AS AT MARCH 31, 2011

	Schedule	31.3.2011	31.3.2010
	Rupees	Rupees	
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	100,001,000	100,001,000
Reserves and Surplus	2	13,403,861	9,705,166
		113,404,861	109,706,166
Loans Funds			
Unsecured Loan	3	52,163,699	-
TOTAL		165,568,560	109,706,166
APPLICATION OF FUNDS			
Investments	4	123,810,198	146,513,538
Current Assets, Loans & Advances			
Sundry Debtors	5	4,587,263	7,014,512
Cash & Bank Balance	6	2,946,421	1,935,844
Deposits & Advances	7	117,775,933	63,337,869
		125,309,618	72,288,225
Less : Current Liabilities & Provisions	8		
Sundry Creditors		649,279	649,279
Liabilities & Provisions		84,302,935	109,847,276
		84,952,214	110,496,555
Net Current Assets		40,357,404	(38,208,330)
Miscellaneous Expenditure	9		
(To the Extent not written off & Adjusted)		1,141,436	1,141,436
Deffered Tax Adjustments		259,522	259,522
TOTAL		165,568,560	109,706,166
Notes forming part of the accounts & Significant Accounting Policies	12		

As per our report of even date

For **Manabendra Bhattacharyya & Co.**

Chartered Accountants

Amit Bhattacharjee

Proprietor

Membership No. 50714

Place : Kolkata

Date : 30th June 2011

Sushil Kr. Purohit
Chairman & Managing Director**Bimal Joshi**

Director

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

	Schedule	31.3.2011 Rupees	31.3.2010 Rupees
INCOME			
Dividend Recd		330,994	1,056,678
Short-Term Capital Gain (Equities)		4,461,204	4,087,987
Income From Mutual Fund		254,973	-
Short-Term Capital Gain (Commodities)		2,581,500	-
Interest Recd		32,000	9,000
		7,660,671	5,153,665
EXPENDITURE			
Payment & Provision to Employees	10	420,000	165,000
Administrative Expenses	11	541,094	770,057
Interest Paid		2,404,110	-
		3,365,204	935,057
Profit before Tax		4,295,467	4,218,608
Provision for Taxation		685,524	637,100
Profit After Tax		3,609,943	3,581,508
Profit brought forward from previous year		8,988,866	11,974,260
Profit available for Appropriation		12,598,809	15,555,768
Less : Dividend Payment		-	5,000,050
Less : Tax on Dividend distribution		-	850,009
Profit After Tax & Dividend		12,598,809	9,705,709
Less: Transfer to General Reserve		718,000	716,300
Add : Prior Period Adjustments		88,752	(543)
Profit carried to Balance Sheet		11,969,561	8,988,866
Earnings Per Share (Basic & Diluted) (Face Value Rs.10/- per share)		0.36	0.36
Notes forming part of the accounts & Significant Accounting Policies	12		

As per our report of even date

For **Manabendra Bhattacharyya & Co.**

Chartered Accountants

Amit Bhattacharjee

Proprietor

Membership No. 50714

Place : Kolkata

Date : 30th June 2011

Sushil Kr. Purohit
Chairman & Managing Director**Bimal Joshi**

Director

SCHEDULES TO ACCOUNTS	31.03.2011 Rupees	31.03.2010 Rupees
SCHEDULE 1		
SHARE CAPITAL		
Authorised		
11,000,000 Equity Shares of Rs. 10/- each	110,000,000	110,000,000
Issued, Subscribed & Paid-up		
10,000,100 Equity Shares of Rs. 10/- each fully paid-up	100,001,000	100,001,000
	100,001,000	100,001,000
SCHEDULE 2		
RESERVES & SURPLUS		
General Reserve	1,434,300	716,300
Profit & Loss Account Balance	11,969,561	8,988,866
	13,403,861	9,705,166
SCHEDULE 3		
UNSECURED LOAN		
From Body Corporate	52,163,699	-
	52,163,699	-

SCHEDULE 4

INVESTMENTS (Quoted, Valued at Cost)

Particulars	As on 31.03.2011		As on 31.03.2010	
	Quantity	Value	Quantity	Value
Bhushan Steel Limited	-	-	14,498	21,891,984
Blue Circle Services Ltd	200,000	9,000,000	150,000	1,500,000
Cals Refineries Limited	100,000	70,000	100,000	70,000
DB International Stock Brokers Ltd.	56,705	3,390,451	-	-
GHCL Limited	-	-	225,125	9,677,092
Golden Tobacco Ltd	164,437	21,996,846	173,508	23,210,279
Gujrat Fluro Chemicals Ltd	-	-	-	-
Hindustan Tin Works Limited	10,000	1,373,696	45,000	6,181,631
IDBI Bank Ltd	1,000	131,978	1,000	131,978
Idea Cellular Ltd	-	-	500	31,930
India Glycols Ltd	2,000	119,746	2,000	119,746
Ispat Industries Ltd	2,000	23,759	2,000	23,759
IKF Technology	3,000	7,500	3,000	7,500
JMD Telefilm Industries Ltd	500,000	7,652,124	-	-
Jai Prakash Hydro Limited	3,000	101,264	3,000	101,264
Jayaswal Neco Industries Limited	10,000	79,990	10,000	79,990
Kolte-Patil Developers Ltd	2,000	63,064	10,000	567,576
MOIL Limited	1,000	507,162	-	-
NIIT Limited	1,000	63,021	1,000	63,021
Nouveau Multimedia Ltd	35,394	3,015,830	-	-
Orrisa Sponge Iron & Steel Ltd	-	-	65,000	22,629,694
Reliance Industries Ltd	139	152,061	37	82,653
Ranbaxy India Limited	500	220,797	-	-
RPP Infra Projects Ltd.	90,283	5,173,964	-	-
Splash Media Net Limited	50,000	3,068,662	-	-
Shipping Corporation of India Ltd	1,000	91,541	1,000	91,541
Spice Mobile	365,196	44,358,267	-	-
Sre Infra	2,000	231,884	-	-
Tulsi Technology	3,000	30,000	3,000	30,000
Warner Multimedia Ltd	3,000	9,900	3,000	9,900
Total (a)		100,933,507		86,501,538
In Mutual Funds				
Axis Bank Port Folio		5,000,000		-
Aditya Birla Sunlife Mutual Fund		500,000		-
Birla Sunlife Mutual Fund		-		1,000,000
Birla Sunlife Mutual Fund		1,000,000		-
Birla Realstar Mutual Fund		500,000		-
DSP Black Rock Material		720,000		1,000,000
Franklin Templet Mutual Fund		500,000		-
Fidelity Mutual Fund		1,200,000		-
HDFC Top 2000 Fund		1,400,000		2,500,000
HDFC Inicap Mutual Fund		800,000		-

HDFC Mutual Fund		1,000,000		-
IDFC Mutual Fund		-		1,000,000
ICICI Prudential Mutual Fund		-		5,000,000
ICICI Prudential Focused Mutual Fund		1,000,000		-
ICICI Prudential Dynamic Mutual Fund		1,000,000		-
ICICI Prudential Mutual Fund		600,000		-
Kotak Mahindra Mutual Fund		600,000		-
Kotak Mahindra Mutual Fund		110,000		-
Reliance Mutual Fund		1,400,000		-
UTI Opportunity Fund		-		2,000,000
Total (b)		17,330,000		12,500,000
In Equity Shares (Un-Quoted) (Un-Quoted, valued at cost)				
Loha Ispat Limited	-	-	62,000	31,000,000
Bhushan Steel Limited	-	-	15,000	15,000,000
JMD Sound Limited	-	-	151,200	1,512,000
Gold Eternity	2,106	5,546,691	-	-
Total (c)		5,546,691		47,512,000
Total (a+b+c)		123,810,198		146,513,538

SCHEDULES TO ACCOUNTS	31.03.2011 Rupees	31.03.2010 Rupees
SCHEDULE 5		
CURRENT ASSETS, LOANS & ADVANCES		
Sundry Debtors		
(Unsecured, Considered good)		
Outstanding for more than six months	-	-
Other Debts	4,587,263	7,014,512
	4,587,263	7,014,512
SCHEDULE 6		
Cash & Bank Balances		
Cash Balance	532,245	518,359
Balance with Scheduled Bank	2,414,176	1,417,485
	2,946,421	1,935,844
SCHEDULE 7		
Loans And Advances		
(Unsecured, Considered good)		
Advances for Business Purpose	58,937,500	61,552,500
Advance against Propertis	55,780,000	-
Loans	1,771,000	309,787
TDS	37,433	775,582
Advance Tax	1,250,000	700,000
	117,775,933	63,337,869
SCHEDULE 8		
CURRENT LIABILITIES & PROVISIONS		
Sundry Creditors	649,279	949,279
Liabilities & Provisions		
Advance Recd against Shares	83,350,000	103,232,068
For Expenses	27,000	27,000
For Taxation	685,524	738,149
Tds Payable	240,411	-
Proposed Dividend	-	5,000,050
Tax on Proposed Dividend	-	850,009
	84,302,935	109,847,276
Total	84,952,214	110,796,555

SCHEDULES TO ACCOUNTS	31.03.2011	31.03.2010
	Rupees	Rupees
SCHEDULE 9		
MISCELLANEOUS EXPENSES		
(To the extent not written off or adjusted)		
Public Issue Expenses	900,761	900,761
Differed Revenue Expenditure	224,000	224,000
Preliminary Expenses	16,675	16,675
	<u>1,141,436</u>	<u>1,141,436</u>
SCHEDULE 10		
PERSONNEL EXPENSES		
Salary to Staff	360,000	150,000
Staff Welfare Expenses	60,000	15,000
	<u>420,000</u>	<u>165,000</u>
SCHEDULE 11		
ADMINISTRATION EXPENSES		
Accounting Expenses	20,000	20,000
Advertisement	25,187	89,842
Audit Fees	15,000	15,000
Bank Charges	46,435	26,886
Books & Periodicals	3,798	2,651
Conveyance & Travelling	75,396	25,871
Insurance Expenses	-	75,000
Legal & Professional Charges	15,100	241,045
Listing & Depository Fees	71,695	66,180
Miscellaneous Expenses	76,834	16,782
Mutual Fund Processing Charges	-	66,180
Office Expenses	42,596	27,022
Office Rent	36,000	36,000
Postage & Telephone	14,720	10,683
Printing & Stationery	43,130	29,115
ROC Filing Fees	28,500	1,500
Share Holders' Meeting Fees	6,430	8,300
Fees to RTA	20,273	12,000
	<u>541,094</u>	<u>770,057</u>

SCHEDULE 12**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 :

	31.03.2011	31.03.2010
Audit Fees	15000	11236

Related Party Transactions

18. Key Management Personnel -
- | | | | |
|----|------------------------|---|------------------------|
| a. | Mr. Bimal Joshi | - | Executive Director |
| b. | Mr. Sushil Kr. Purohit | - | Managing Director |
| c. | Mr. Dhruva Narayan Jha | - | Non-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.

Carried Forward Losses on account of Differed Tax Provision

21. During the year the Company has for the first time adopted Accounting Standard 22 as "Accounting for Taxes on Income " issued by the institute of Chartered Accountants of India, consequently net differed Tax credit till 31st March 2003 of Rs. 2,59,522/- has been recorded by transferring the said amount to Profit and Loss A/c. as at 31st March, 2011 Carry forward Loss - Rs. 2,59,522/-.

Earning per Equity Share

	Unit	31.03.2011	31.03.2010
Net Profit after Tax available for Share holders	Rs.	36,09,943	35,81,508
No. of Equity Shares	No.	100,00,100	100,00,100
Basis & Diluted Earning Per Share (Rs.)	Rs.	0.36	0.36

23. Information pursuant to paragraph 98B of Non Banking Financial Companies Prudential Norms (Reserve Bank) direction, 1998 has been given in separate Annexure.
24. 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 **Manabendra Bhattacharyya & Co.**
Chartered Accountants

Amit Bhattacharjee
Proprietor
Membership No. 50714

Sushil Kr. Purohit
Chairman & Managing Director

Place : Kolkata
Date : June 30, 2011

Bimal Joshi
Director

Statement of Cash Flow Annexed to the Balance Sheet as at 31st March, 2011

	Rs. in Lacs	
	31.03.2011	31.03.2010
A. Cash Flow from Operating Activities		
Net Profit before tax and extraordinary Items	4,295,467	4,218,608
Adjustments for		
Depreciation	-	-
Preliminary/ Share issue exp. Written off	-	-
Dividend Received	(330,994)	(1,056,678)
Interest Received	(32,000)	(9,000)
Operating profit before working capital changes	3,932,473	3,152,930
Adjustments for Capital Changes		
Decrease (Increase) in Trade and other Receivables	2,427,249	(6,444,862)
Inventories	-	-
Unsecured Loan	52,163,699	-
Loans & Advances	(54,438,064)	(20,370,798)
Increase (Decrease) in Trade Payable & Provisions	(25,544,341)	109,432,947
Cash Generated from operations	(25,391,457)	82,617,287
Un secured loan		
Income Tax Paid For The Year	(685,524)	(637,100)
Proposed Dividend	-	(5,000,050)
Tax on Proposed Dividend	-	(850,009)
Prior Period Adjustments	88,752	(543)
Net Cash From Operating Activities	(22,055,756)	79,282,515
B. Cash Flow From Investing Activities		
Purchase of Fixed Assets	-	-
Sale of Investments	22,703,340	(78,289,860)
Interest Received	32,000	9,000
Dividend Received	330,994	1,056,678
Net Cash from Investing Activities	23,066,334	(78,280,860)
C. Cash Flow From Financing Activities		
Financial Expenses Paid	-	-
Net Cash used in Financing Activities		
Net Increase in Cash & Cash Equivalents	1,010,578	1,001,655
Opening Balance of Cash & Cash Equivalents	1,935,843	934,189
Closing Balance of Cash & Cash Equivalents	2,946,421	1,935,843

For and on behalf of the Board

Kolkata, June 30, 2011

Sushil Kr. Purohit
Chairman & Managing Director

We have verified the attached Cash Flow Statement of Prime Capital Market Limited derived from Audited Financial Statements and the books and records maintained by the Company for the year ended 31st March, 2011 and found the same in agreeeme

For **Manabendra Bhattacharyya & Co.**
Chartered Accountants

Kolkata, June 30, 2011

Amit Bhattacharjee
Partner

**STATEMENT PURSUANT TO PART IV OF SCHEDULE VI
TO THE COMPANIES ACT, 1956**

Balance Sheet Abstract and Company's General Business Profile

I Registration Details

Registration No.	:	3649
State Code No.	:	15
Balance Sheet Date	:	31.03.2011

II Capital raised during the year

Public Issue	:	Nil
Right Issue	:	Nil
Bonus Issue	:	Nil
Private Placement	:	Nil

III Position of Mobilisation and Deployment of Funds (Amount in Rs. in Thousands)

Total Liabilities	:	165569
Total Assets	:	165569

Sources of funds

Paid-up Capital	:	100001
Reserves & Surplus	:	13404
Secured Loans	:	Nil
Unsecured Loans	:	Nil

Application of funds

Net Fixed Assets	:	Nil
Investments	:	123810
Net Current Assets	:	40357
Misc. Expenditure	:	1401
Accumulated losses	:	Nil

IV Performance of Company (Amount in Rs. in Thousands)

Turnover	:	7661
Total Expenditure	:	3365
Profit before taxes	:	4295
Profit after taxes	:	3610
Earning Per Share	:	0.36
Dividend rate	:	Nil

V Generic Names of Three Principal Products/Services of the Company

Product Description	Item Code No.
NBFC	N.A.
CAPITAL MARKET ACTIVITIES	N.A.

Prime Capital Market Ltd.

8A, B.J.B. Nagar, Bhubaneswar - 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 Annual General Meeting of the Company to be held on Thursday, the 29th day of September
2011 at 3.30 P.M., at Registered Office of the Company at 8A, B.J.B. Nagar, Bhubaneswar, Orissa and any
adjournment thereof.

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

Signed on this _____ day of _____ 2011.

Signed by the said _____

Signature of Proxy _____

Attested by Shareholder _____

Affix
Revenue
Stamp



Prime Capital Market Ltd.

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

ATTENDANCE SLIP

I hereby record my presence at the Annual General Meeting of the Company held on Thursday, the 29th
day of September 2011 at 3.30 P.M., at Registered Office of the Company at 8A, B.J.B. Nagar,
Bhubaneswar, 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 _____

No gift of any nature will be distributed at the Annual General Meeting

BOOK-POST

If undelivered, please return to :

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