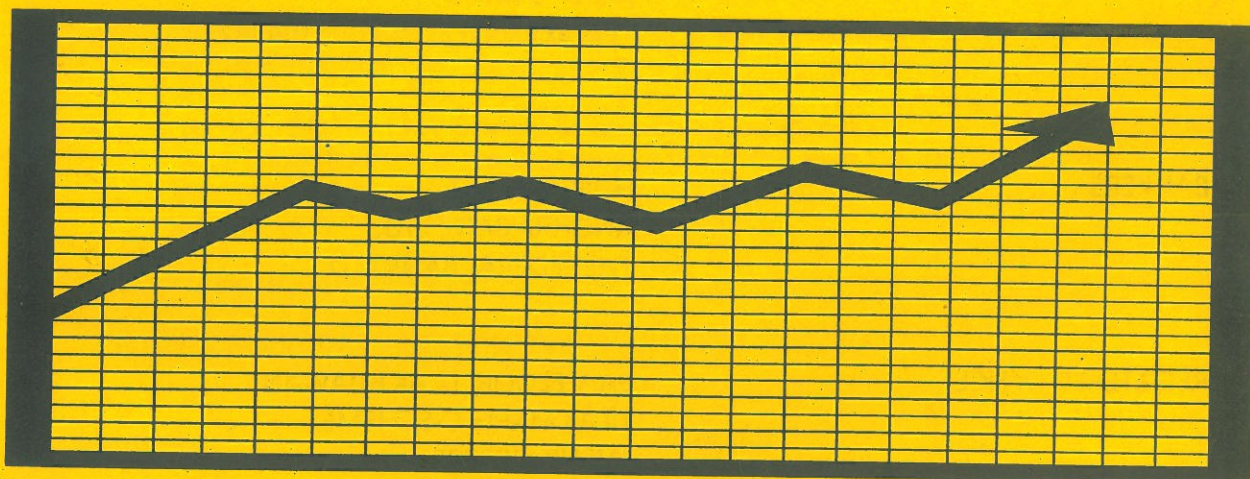


**PREM SOMANI**

**FINANCIAL SERVICES LIMITED**

## 23rd ANNUAL REPORT



**2013-2014**



# **PREM SOMANI**

## **FINANCIAL SERVICES LIMITED**

### **BOARD OF DIRECTORS**

SHRI NAWNEET SOMANI  
SHRI V. K. MUNDRA  
SHRI VIRENDRA KRISHNA  
SHRI VIKAS KHATOR  
SMT. PREM LATA SOMANI

### **AUDITORS**

S. MISRA & ASSOCIATES  
Chartered Accountants  
3C, III Floor,  
Tilak Bhawan, Tilak Marg,  
Jaipur -302005  
Telefax (0141) 5104381/5104382

### **BANKERS**

HDFC BANK LTD.  
ANDHRA BANK LTD.  
THE FEDERAL BANK LTD.

### **REGISTERED OFFICE**

5A, V FLOOR, TILAK BHAWAN,  
TILAK MARG, C-SCHEME,  
JAIPUR -302005



**NOTICE**

NOTICE is hereby given that the 23rd ANNUAL GENERAL MEETING of M/s PREM SOMANI FINANCIAL SERVICES LIMITED will be held on Thursday, September 25, 2014 at 10.00 A.M. at 42, Jai Jawan Colony, Scheme No.3, J.L.N. Marg, JAIPUR to transact, with or without modifications, as may be permissible, the following business:

**I. ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet of the company as on March 31, 2014, Statement of Profit & Loss for the financial year ended on that date together with the Reports of Directors and Auditors thereon.

2. To appoint a director in place of Shri. V.K. Mundra, he retires by rotation and being eligible offers himself for re-appointment.

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 256 and other applicable provisions, if any, of the Companies Act, 1956, Shri. V.K. Mundra, Director, who retires by rotation, be and is hereby re-appointed as a Director liable to retire by rotation."

3. To appoint a director in place of Shri Nawneet Somani, who retires by rotation and being eligible offers himself for re-appointment.

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 256 and other applicable provisions, if any, of the Companies Act, 1956, Shri Nawneet Somani, Director, who retires by rotation, be and is hereby re-appointed as a Director, liable to retire by rotation."

4. To re-appoint M/s S. Misra & Associates., Chartered Accountants, Jaipur as Auditors to hold office from the conclusion of this Meeting until the conclusion of the sixth Annual General Meeting and to authorise Board of Directors to fix their remuneration.

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

"RESOLVED THAT M/s S. Misra & Associates, Chartered Accountants 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 fourth Annual General Meeting at such remuneration as may be determined by the Board of Directors of the Company."

By order of the Board of Directors

FOR PREM SOMANI FINANCIAL SERVICES LIMITED

Nawneet Somani  
Director

Prem Lata Somani  
Director

Place: Jaipur  
Dated: August 26, 2014



**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 under the companies act, 1956. Proxies in order to be valid must be deposited at the registered office of the company not less than 48 hours before the commencement of the meeting.
2. The Register of member and share transfer books of the company will remain closed from Friday, September 19, 2014 to Thursday, September 25, 2014 (both days inclusive) for the purpose of annual closer of register of members and transfer books.
3. Members/proxies are requested to bring their copy of annual report and duly-filled Attendance slips sent herewith to attend the meeting.
4. The register of directors shareholding, maintained u/s 307 of the companies act, 1956, will be available for inspection by the members at the AGM.
5. Members desiring any information as regards to accounts are requested to write to the Company at an early Date so as to enable the management to keep the Information ready.
6. The Proxy form and Attendance Slip are given at the end of this Notice.

By order of the Board of Directors

**FOR PREM SOMANI FINANCIAL SERVICES LIMITED**

Nawneet Somani  
Director

Prem Lata Somani  
Director

Place: Jaipur

Dated: August 26, 2014



**DIRECTORS REPORT**

To,

The Members,

**PREM SOMANI FINANCIAL SERVICES LIMITED**  
JAIPUR.

Dear Shareholders,

Your directors are pleased to present their 23rd Annual Report on the Business and operations of your company and its working Results for the year ending March 31, 2014.

**1. OPERATIONS**

The Summarised financial highlights are as under:

Sr. No	Particular	As at 31.03.2014	As at 31.03.2013
1	Sales/ Income	5,77,071	6,48,469
2	Rent Received	1,17,000	74,000
3	Other Income/Excess Prov. W/ back	1505	-
	<b>Total Income</b>	<b>6,95,576</b>	<b>7,22,469</b>
4	Total Expenditure	5,49,847	5,25,271
5	Operating Profit/(Loss)	1,45,729	1,97,198
6	Depreciation	48,507	56,025
7	Profit /(Loss) before Tax	97,222	1,41,173
8	Provision for Taxation	28,860	45,024
9	Deferred Tax Assets Created/W/Back*	(9,229)	(10,579)
10	Profit/(Loss) after tax	<b>83,673</b>	<b>1,06,728</b>
11	Balance Carried Forward from last Year	(1,08,61,449)	(1,09,68,177)
12	Balance Carried to Balance Sheet	(1,07,94,511)	(1,08,61,449)

\*Deferred tax assets/liabilities has been created to comply with AS-22 issued by the Institute of Chartered Accountants of India

**1. DIVIDEND**

In view of the Carried forward losses and inadequate profit during the year, the directors are unable to declare any dividend for the year.

**2. CAPITAL**

During the Year the Authorised & Issued Subscribed and Paid- up Capital remain unchanged at Rs. 7,00,00,000/- and Rs. 3,30,34,000/- respectively.

**3. DEPOSITS**

In terms of the provisions of Section 58A of the Companies Act, 1956 read with the Companies (Acceptance of Deposit) Rules, 1975, The Company has not accepted any fixed deposit during the year under review.

**4. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND POLLUTION CONTROL AND FOREIGN EARNINGS AND OUTGO**

The Company has no activity relating to conservation of energy and technology absorption. There were no foreign exchange earnings and outgo during the year.



**5. AUDITORS**

M/s S. Misra and Associates, Chartered Accountants have been reappointed by the Board of Directors to hold office till the conclusion of ensuing Annual General Meeting.

**6. AUDIT COMMITTEE:-**

Audit Committee consists following directors,

**Mr. Virendra Krishna**

**Chairman**

**Mr. Vikas Khator**

**Member**

**Mr. Nawneet Somani**

**Member**

Meeting of the committee was held during the financial year in accordance with section 292A of the Companies Act, 1956.

**7. CORPORATE GOVERNANCE**

In pursuance of Clause 49 of the Listing Agreement entered into with the recognised Stock Exchanges, a separate section on Corporate Governance has been incorporated in the Annual Report for the information of Shareholders.

Certificate of the Auditors regarding compliance with the conditions of Corporate Governance as stipulated in clause 49 of the Listing agreement is also annexed with this annual report.

**8. AUDITOR'S REPORT**

The notes to the Accounts referred to in the Auditor's Report are self-explanatory and, therefore, do not call for any further explanation under Section 217(3) of the Companies Act, 1956.

**9. DIRECTOR'S RESPONSIBILITY STATEMENT**

In term of Section 217 (2AA) of the Companies Act, 1956, the directors would like to State that:

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed.
- ii) The directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affair of the Company as at the end of the financial year under review.
- iii) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) The directors have prepared the annual accounts on a going concern basis.

**10. MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

A Detailed Management Discussion & Analysis report as required under clause 49 (IV) (F) on the Financial Condition and Result of operations of the Company is included in this Annual Report.

**11. PERSONNEL**

There were no employees whose remuneration was in excess of the limits prescribed under Section



217 (2A) of the Companies Act, 1956 as per the latest amendment.

## 12. ACKNOWLEDGMENT

The Board takes this opportunity to express its sense of gratitude to all the Shareholders, Government Departments, Bankers and other Business Consultants of the Company.

BY ORDER OF THE BOARD  
FOR PREM SOMANI FINANCIAL SERVICES LIMITED

Nawneet Somani  
Director

Prem Lata Somani  
Director

Place: Jaipur  
Dated: August 26, 2014



**CORPORATE GOVERNANCE REPORT****1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

Corporate Governance is the combination of voluntary practice and compliance with laws and regulations leading to effective control and management of the organisation. Good Corporate Governance leads to long-term shareholder value and enhance interest of other stockholders. It brings into focus the fiduciary and the trusteeship role of the Board to align and direct the actions of the organisation keeping in mind the interest of the shareholders, stockholders and the society.

**2. BOARD OF DIRECTOS**

The constitution of the Board is given below :

Directors	Executive/ Non-Execuive Independent	No. of other Directorship in Public Co.	Membership in other Public Company
Smt. Prem Lata Somani	Non Executive	0	0
Shri Nawneet Somani	Non Executive	1	0
Shri V.K. Mundra	Non Executive	0	0
Shri Virendra Krishnia	Non Executive	0	0
Shri Vikas Khator	Non Executive	0	0

Attendance of Directors at Board Meeting and last Annual General Meeting :

The Board of Company met Eight times during the year 01.04.2013 to 31.03.2014 on the following dates : 27.04 2013, 30.07 2013, 05.09 2013, 25.09 2013, 07.10 2013, 30.10 2013, 30.01.14, 03.03.14

The company placed before the Board the annual operating plans, budgets, performance of the Company and various other information, including those specified in the Listing Agreement, from time to time.

The attendance at the Board Meetings and the last Annual General Meeting were as under :

**ATTENDANCE**

Name of Director	Board Meeting	AGM
Smt. Prem Lata Somani	08	Yes
Shri Nawneet Somani	08	Yes
Shri Vishnu K. Mundra	08	Yes
Shri Virendra Krishnia*	08	Yes
Shri Vikas Khator*	08	Yes

**3. AUDIT COMMITTEE**

The Audit Committee Is One Of The Mandatory Committee As Per Clause 49 Of The Listing Agreement With The Stock Exchanges. The Audit Committee Met Four Times On 27th April 2013, 30th July 2013, 30th Oct. 2013 and 30th Jan, 2014 during the financial year 2013-2014.

The Committee consists of following Directors and the attendance of each member of the Committee is given below



Name	Designation	Committee
Mr. Virendra Krishnia	Chairman	4
Mr. Vikas Khator	Member	3
Mr. Nawneet Somani	Member	4
Mr. Prem Lata Somani	Member	4
Mr. Vishnu Kant Mundra	Member	3

All the meetings of the Audit Committee were attended by the representatives of the statutory auditors of the Company.

**Terms of reference of the Audit Committee include the following :**

- To oversee the Company's financial information disclosure, review the adequacy of internal control systems.
- To hold periodic discussions with the Statutory Auditors of the Company concerning the accounts of the Company, internal control systems and observation of the auditors.
- To review the un-audited financial statements before submission to the Board.
- To investigate into any matter in relation to items specified in Section 292A of the Companies Act, 1956 or as may be referred to it by the Board and for this purpose to seek any relevant information contained in the records of the company and also seek external professional advice, if necessary.
- To have full access to information contained in the records of the company.
- The recommendations of the Audit Committee on any matter relating to financial management including the audit report shall be binding on the Board.
- To make recommendations to the Board on any matter relating to the financial management of the Company including the Audit Report.

**4. SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE**

The Board of the Company has constituted a Shareholders'/Investors' Grievance Committee. The Board of the Company has constituted a Shareholders'/Investors' Grievance Committee comprising of Shri Nawneet Somani, Chairman with Shri Virendra Krishnia and Shri Vikas Khator as member.

Terms of reference for the investor Grievance Committee are as below :-

- Investors relations and redressal of Shareholders' grievance in general and relating to non-receipt of dividend's, interest, non-receipt of balance sheet etc. and
- Such other matters as may be from time to time be required by and any statutory, Contractual or other regulatory requirements to be attended to by such committee.

**5. CODE OF CONDUCT**

The Board of Directors has adopted the code of conduct for Director & Senior Management. The said code has been confirmed.

**6. MANAGEMENT DISCUSSION AND ANALYSIS**

As required by clause 49 of the Listing Agreement, the Management Discussion and Analysis is provided elsewhere in the Annual Report.



**7. CEO/CFO CERTIFICATION**

As required by clause 49 of listing agreement, the CEO/CFO Certification is provided elsewhere in the Annual Report.

**8. AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

As required by clause 49 of the listing agreement, the auditor's certificate is obtained and provided in the Annual Report.

**9. GENERAL BODY MEETINGS**

The location and time of the Annual General Meeting held during the last 3 years are as follows :

Fin. Year	Date	Time	Venue
2010-2011	21.09.2011	11.30am	42, Jai Jawan Colony, JLN Marg, Jaipur
2011-2012	26.09.2012	11.30am	42, Jai Jawan Colony, JLN Marg, Jaipur
2012-2013	25.09.2013	10.00am	42, Jai Jawan Colony, JLN Marg, Jaipur

**10. DISCLOSURES**

Related party disclosures as required by AS-18 issued by the institute of Chartered Accountants of India are given in the notes of accounts forming part of this annual report.

**11. MEANS OF COMMUNICATION**

The annual, half-yearly and quarterly results are regularly submitted to the Stock Exchange and published in newspaper in accordance with the listing Agreement.

**12. GENERAL SHAREHOLDER INFORMATION****a) Annual General Meeting**

Day & Date : Thursday, 25th Sept. 2014

Venue : 42, Jai Jawan Colony, J.L.N. Marg, Jaipur

**b) Financial Calendar**

Financial reporting for ..... Following Months

Quarter ending June 30, 2014..... July, 2014

Half Year ending Sept. 30, 2014..... October, 2014

Quarter ending December 31, 2014 ..... January 2015

For the year ending March, 2015..... April 2015

Annual General Meeting for the year ending March, 2015..... Sept. 2015

**c) Date of Closure**

19.09.2014 to 25.09.2014 (both days inactive)

**d) Dividend Payment Date**

Not Applicable

**e) Registered Office**

5A, Tilak Bhawan, 5th Floor, Tilak Marg, C-Scheme, Jaipur-302 005



**f) Listing of Stock Exchange**

The Stock Exchange, Mumbai Code (530669)

**g) Stock Market Date**

There was no trading of Company's shares at the exchange during the year.

**h) Registrar and Transfer Agent**

In House transfer

**i) Distribution of Shareholding as on 31st march, 2014**

Slab of Shareholding	Shareholders	%	Amount in Rs.	%
0-5000	2075	70.510	5397000/-	16.338
5001-10000	482	16.396	3895000/-	11.791
10001-20000	206	7.007	3085000/-	9.339
20001-100000	156	5.305	6346000/-	19.210
above-100000	23	0.782	14311000/-	43.322
	<b>2942</b>	<b>100</b>	<b>33034000/-</b>	<b>100</b>

**Categories of shareholders as on 31st March 2014**

Categories	No. of Shares	Amount of Rs.	%
1. Promoter	996000	9960000/-	30.1508
2. Body Corporate	134800	1348000/-	4.0806
3. Mutual funds	150000	1500000/-	4.5408
4. Public-Indian	1999100	19991000/-	60.5164
5. Non Resident Indian	23500	235000/-	0.7114
	<b>3303400</b>	<b>33034000</b>	<b>100</b>

**j) Dematerialisation of Shares**

As per the notification issued by the Securities and Exchange Board of India (SEBI), Company's shares are under compulsory demat category. For this purpose the Company has started its efforts and will comply with shortly.

**k) Share Transfer System**

Company has an In-house share transfer system and all the Share Certificates lodged with the Company are duly treated in accordance with the provisions of the Companies Act, 1956

**l) Outstanding GDRs/ADRs/Warrants or any convertible Instruments :**

NIL

**m) Investor Correspondence**

Mr. Bajrang Sharma acts as the compliance officer of the company, address for investors correspondence is 5A, Tilak Bhawan, 5th Floor, Tilak Marg, C-Scheme, Jaipur-302 005.



**DECLARATION BY CEO**

As provided in clause 49 of the Listing Agreement with Stock Exchange the directors and Senior Management personnel have confirmed continuous compliance with code of conduct for the year ended 31.03.2014.

ON BEHALF OF THE BOARD

For PREM SOMANI FINANCIAL SERVICES LIMITED

PLACE : JAIPUR  
DATED : August 26, 2014

(NAWNEET SOMANI)  
Director

(PREM LATA SOMANI)  
Director

**CERTIFICATE UNDER CLAUSE 49(V)**

We, Nawneet Somani and Prem Lata Somani, Director of Prem Somani Financial Services Limited, to the best of our knowledge and belief, certify that :

- (a) We 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) We 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.
- (d) We further certify that :
  - (i) There was no significant change in internal control system during the year;
  - (ii) There was no significant change in accounting policies during the year; and
  - (iii) There was no instance of significant fraud during the year.

**For PREM SOMANI FINANCIAL SERVICES LIMITED**

**(Nawneet Somani)**  
Director

**(Prem Lata Somani)**  
Director

Place : Jaipur  
Dated : August, 26, 2014



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The management of Prem Somani Financial Services Limited is pleased to present its report analyzing the Company's operations. The report Contains expectations of the Company's business based on the current market trends.

### **BUSINESS ORGANIZATION**

The Company is into the field of Financial Services, Investments etc.

### **INDUSTRY STRUCTURE AND DEVELOPMENT IN THE INDUSTRY**

Although Financial Services Industry is amongst the oldest industries in India but it is not growing very rapidly. It is an industry, which has evolved into a highly competitive and innovative driven industry, characterized by the presence of various sizes of players varying from solo-operators to small-to-medium sized niche players as well as established big players operating in different spaces in the entire spectrum of services.

### **OPPORTUNITIES AND THREATS**

Revival of stock markets and bullish sentiments appears to be opportunity for the company. Tough competition, slow economic growth and depressed stock markets seems to be the biggest threats to the industry.

### **PERFORMANCE OF THE COMPANY**

During the year under review, Company's performance was not upto the mark, However, The Board of Directors of the Company is determined to show a better performance in the years to come.

### **OUTLOOK**

Looking at good market sentiments steep rise is expected in near future. As a result, stock market will boost up and the Company is expected to show a better performance in the years to come.

### **RISK & CONCERNS**

Tough competition, slow economic growth, rapid changing statues and regulatory framework, etc. are the major risk areas in the Company's business. By using our experience we hope to perform better in the year to come in spite of these risks.

### **INTERNAL CONTROL SYSTEM & THEIR ADEQUACY**

The Company had adequate internal control system commensurate with its size and nature of business.

### **FINANCIAL & OPERATIONAL PERFORMANCE**

During the Financial Year 2013-2014, Company earned net Profit of Rs. 83673.00 as compared to Net Profit of Rs. 106728.00 in the Previous financial year. However it should be noted that Profit for current year includes Rs. 9229.00 on account of Provision for Deferred Tax assets.

### **DEVELOPMENT IN HUMAN RESOURCES**

The company has formulated a personnel policy.

**AUDITORS' CERTIFICATE ON COMPLIANCE OF CORPORATE GOVERNANCE**

To,

The Members of

PREM SOMANI FINANCIAL SERVICES LIMITED  
JAIPUR

We have examined the records with respect to the compliance of Corporate Governance by PREM SOMANI FINANCIAL SERVICES LIMITED ("the Company"), for the financial year ended on March 31, 2014, as stipulated in Clause 49 of the Listing Agreement entered into by the Company with the stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementation thereof adopted by the company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement. As per the records of the Company, there were no pending Investor grievances remaining unattended for a period exceeding one month against the Company.

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

**FOR S.MISRA & ASSOCIATES**

Chartered Accountants  
FRN 004972C

**CA. MANISH KUMAR**

Partner  
M. No. 413078

Place: Jaipur

Dated: August 26, 2014



**INDEPENDENT AUDITORS' REPORT**

To,  
The Members,  
Prem Somani Financial Services Limited

**1. Report on the Financial Statements**

We have audited the accompanying financial statements of M/s PREM SOMANI FINANCIAL SERVICES LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss, Cash Flow Statement and a summary of significant accounting policies and other explanatory information.

**2. Management's Responsibility for Financial Statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance in accordance with the accounting principles generally accepted in India including Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. 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.

**3. Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

**4. 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 March 31, 2014;
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) In case of Cash Flow Statement, of the cash flow for the year ended on that date.

**5. 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 annex hereto 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 purpose of our audit;
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
  - c) The Balance Sheet and the 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 and the Statement of Profit and Loss Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013, subject to our observation hereunder:-

During the year, the company has not made full provision for diminution in value of investments as required by AS-13 issued by the ICAI and the provision as standing in the books of accounts at the beginning of the year has been taken into consideration. In our opinion the provision in value of investment for the year under report should have been made for Rs. 30,50,450/- but the provision as standing in the books of accounts is Rs. 21,49,706/-. Had the full provision for diminution in value of investment been made, the profit would have been reduced by Rs. 9,00,743/- and consequently the negative balance of Reserves and Surplus carried in the balance sheet would have been increased to Rs. 1,16,95,254/-.

- e) On the basis of written representations received from the directors as on March 31, 2014, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

For and on behalf of

**S. MISRA & ASSOCIATES**

Chartered Accountants

FRN-004972C

**CA. MANISH KUMAR**

Partner

M. No. - 413078

Place: Jaipur

Date: August 26, 2014



**ANNEXURE REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014 OF M/s PREM SOMANI FINANCIAL SERVICES LIMITED**

As required by the Companies (Auditor's Report) Order, 2003 and the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of section 227 (4A) of the Companies Act, 1956, we further report that:

**i. Fixed Assets :-**

- a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. According to the information & explanations given to us, the management on a sample basis during the year has physically verified the major assets and in our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such verification.
- c. There has been no substantial disposal of fixed assets during the year, so as to affect the going concern status of the Company.

**ii. Inventories :-**

In our opinion and according to the information and explanations given to us, the company does not have any kind of inventory.

**iii. Loans to/from the parties covered in the register maintained under Section 301 of the Act:-**

- a. The Company has granted unsecured loans to one party covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount outstanding at any time during the year was Rs. 61,28,514/- (outstanding balance as at March 31, 2014 is 59,78,514/-). The Company has not charged interest on such loan. In our opinion and according to the information and explanations given to us, the terms and conditions of the unsecured loans so granted are not prima facie prejudicial to the interest of the company. There is no irregularity in the recovery of principal which is as per mutual stipulations.
- b. According to the information and explanations given to us, during the year company has not taken any loan/deposit from the parties covered in the register maintained under section 301 of the Companies Act, 1956.

**iv. Internal Control System :-**

In our opinion and according to the information and explanations given to us, we observed that there is an adequate internal control system commensurate with the scale of business and the size of the Company.

**v. Transactions with Related Parties as per Register of Contract u/s 301:-**

In our opinion and according to the information and explanations given to us, during the financial year there were no contracts or arrangements referred to in section 301 of the Act, which needs to be entered in the register maintained under that section.

**vi. Public Deposits:-**

According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of section 58A, 58AA or any other relevant provisions of

the Companies Act, 1956 and the rules framed there under. Therefore the provisions of clause (vi) of paragraph 4 of the Order are not applicable to the Company.

**vii. Internal Audit System:-**

In our opinion, the Company has an internal audit system commensurate with the size of the Company and nature of its business. However, in our opinion, the system needs to be strengthened further so as to match up with the growth of the Company.

**viii. Cost Record:-**

According to the information and explanations given to us, the maintenance of cost records has not been prescribed by the Central Government under section 209(1)(d) of the Companies Act, 1956, for any of the activities of the Company.

**ix. Statutory Dues :-**

a. Undisputed statutory dues:- According to the information and explanations given to us and as per the records of the Company, it has generally been regular in depositing undisputed statutory dues, including dues pertaining to Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other statutory dues with the appropriate authorities.

b. Disputed statutory dues:- According to the information and explanations given to us, there were no disputed dues which have remained outstanding as at the end of the financial year.

**x. Sick Industry :-**

The accumulated losses of the Company at the end of the financial year 2013-14 are less than 50% of the net worth of the Company. The Company has not incurred cash losses in the financial year 2013-14 as well as during the immediately preceding financial year.

**xi. Dues to Financial Institution or Bank or Debenture holders :-**

According to the information and explanations given to us and based on the documents and records produced before us, there are no dues to banks and financial institutions. Further, there are no dues to debenture holders as the company not issued debentures.

**xii. Loans and Advances granted on the basis of security:-**

According to the information and explanations given to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or other securities.

**xiii. Chit Fund, Nidhi or Mutual Benefit Company:-**

In our opinion and according to the information and explanations given to us, the nature of activities of the Company does not attract any special statute applicable to chit fund and nidhi / mutual benefit fund / societies.

**xiv. Company dealing or trading in shares, securities, debentures and other investments:-**

In respect of the shares, securities, debentures and other investments dealt or traded by the Company, proper records have been maintained in respect of the transactions and contracts and timely entries have been made therein. All the shares/securities held by the Company are in its own name.

**xv. Guarantees given for loans taken by others from bank or financial institution:-**

According to the information and explanations given to us, the company has not given any guarantee



for loans taken by others from banks or financial institutions.

**xvi. Application of Term loans:-**

According to the information and explanations given to us, the company had no loans outstanding at the beginning of the year and has not applied for any loan during the year, therefore this clause is not applicable to the company.

**xvii. Use of short term funds for long terms investments:-**

According to the information and explanations given to us and on an overall examination of the Balance Sheet and other records of the Company, we are of the opinion that, prima facie short-term funds have not been used for long-term investments.

**xviii. Preferential allotment of shares to parties covered in the register maintained under Section 301:-**

The Company has not made any preferential allotment of shares to the company covered in the register maintained under section 301 of the Companies Act, 1956.

**xix. Securities and Debentures:-**

The Company did not issue any share or debenture during the year.

**xx. End use of money raised by public issues:-**

The Company has not raised any money by a public issue, during the year.

**xxi. Fraud on or by the company-noticed or reported:-**

According to the information and explanations given to us, and to the best of our knowledge and belief, no fraud on or by the company has been noticed or reported during the year.

For and on behalf of

**S. MISRA & ASSOCIATES**

Chartered Accountants

FRN-004972C

**CA. MANISH KUMAR**

Partner

M. No. - 413078

Place: Jaipur

Date: August 26, 2014

**BALANCE SHEET AS ON MARCH 31, 2014**

Particulars	Note	As on March 31, 2014	As on March 31, 2013
<b>I EQUITY AND LIABILITIES</b>			
(1) <b>Shareholders' Funds</b>			
(a) Share Capital	1	33,034,000	33,034,000
(b) Reserves and Surplus	2	(9,543,206)	(9,626,878)
(c) Money received against share warrants		-	-
(2) <b>Non - Current Liabilities</b>			
(a) Deferred Tax Liabilities (Net)		60,662	69,891
(b) Long term provision	3	2,149,706	2,149,706
(3) <b>Current Liabilities</b>			
(a) Other current liabilities	4	34,531	34,531
(b) Short term provisions	5	28,860	45,024
<b>TOTAL</b>		<b>25,764,554</b>	<b>25,706,274</b>
<b>II ASSETS</b>			
(1) <b>Non - Current Assets</b>			
(a) Fixed Assets			
Tangible assets	6	359,107	407,614
(b) Non - current investments	7	12,061,351	12,061,351
(c) Long term loans and advances	8	11,541,640	12,451,752
(2) <b>Current Assets</b>			
(a) Cash and Cash Equivalents	9	1,703,070	673,922
(b) Other current assets	10	99,386	111,635
<b>TOTAL</b>		<b>25,764,554</b>	<b>25,706,274</b>

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS**

1 to 14

The notes attached form an integral part of the Balance Sheet

In Accordance with our Report attached

**FOR S. MISRA & ASSOCIATES**

Chartered Accountants

FRN 004972C

**FOR AND ON BEHALF OF BOARD OF DIRECTORS****CA. MANISH KUMAR**

Partner

M. No. 413078

**NAWNEET SOMANI**

Director

Place: Jaipur

Date: August 26, 2014

**PREMLATA SOMANI**

Director



**STATEMENT PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2014**

Particulars	Note	₹ For the Year ending March 31, 2014	₹ For the Year ending March 31, 2013
<b>Revenues:</b>			
I Revenue from Operations	11	577,071	640,968
II Other Income	12	118,505	81,501
<b>III Total revenue (I + II)</b>		<b>695,576</b>	<b>722,469</b>
<b>IV Expenses:</b>			
Employees Benefit Expenses		306,000	270,000
Depreciation		48,507	56,025
Other Expenses	13	243,847	255,271
<b>Total Expenses</b>		<b>598,354</b>	<b>581,296</b>
Profit/(Loss) before exceptional and extraordinary items and tax (III-IV)		97,222	141,173
Exceptional Items		-	-
Profit/(Loss) before extraordinary items and tax (V-VI)		97,222	141,173
Extraordinary Items		-	-
<b>V Profit before tax (III-IV)</b>		<b>97,222</b>	<b>141,173</b>
<b>VI Tax expenses:</b>			
(1) For Current tax		28,860	45,024
(2) For Deferred tax		(9,229)	(10,579)
(3) For Previous Years		(6,081)	-
<b>VII Profit/(Loss) for the period from continuing operations (V-VI)</b>		<b>83,673</b>	<b>106,728</b>
<b>VIII Profit/(loss) from discontinuing operations</b>		<b>-</b>	<b>-</b>
<b>IX Tax expense of discontinuing operations</b>		<b>-</b>	<b>-</b>
<b>X Profit/(loss) from discontinuing operations (after tax) (XII-XIII)</b>		<b>-</b>	<b>-</b>
<b>XI Profit/(Loss) for the period (VII-X)</b>		<b>83,673</b>	<b>106,728</b>
<b>XII Earning per equity share:</b>			
<b>XIII (1) Basic</b>		<b>0.025</b>	<b>0.032</b>
<b>XIV (2) Diluted</b>		<b>0.025</b>	<b>0.032</b>

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS**

1 to 14

The notes attached form an integral part of the Balance Sheet  
In Accordance with our Report attached

**FOR S. MISRA & ASSOCIATES**

Chartered Accountants  
FRN 004972C

**FOR AND ON BEHALF OF BOARD OF DIRECTORS****CA. MANISH KUMAR**

Partner  
M. No. 413078

**NAWNEET SOMANI**  
Director

Place: Jaipur  
Date: August 26, 2014

**PREMLATA SOMANI**  
Director

**CASH FLOW STATEMENT FOR THE PERIOD ENDED ON MARCH 31, 2014**

PARTICULARS	₹	₹	₹	₹
	For the Period 31.03.2014	For the Period 31.03.2014	For the Period 31.03.2013	For the Period 31.03.2013
<b>A. Cash Flow From Operating Activities</b>				
Net Profit before Tax & extra ordinary Items		97,222		141,173
Adjustments for				
(Profit)/Loss on Sale of Investments			7,371	
Depreciation	48,507		56,025	
<b>Operating Profit before Working Capital Charges</b>		<b>145,729</b>		<b>204,569</b>
(Increase)/Decrease in Other Current Assets		12,249		(15,180)
Increase/(Decrease) in Current Liabilities		0		7,250
Increase/(Decrease) in Short term Provisions				-
<b>Income Tax Paid</b>		<b>(38,943)</b>		<b>(34,931)</b>
<b>Net Cash From Operating Activities</b>		<b>119,036</b>		<b>161,708</b>
<b>B. Cash Flow from Investing Activities</b>				
Sale of Investments		-		825,506
(Purchase) of Investments		-		(817,877)
(Purchase)/Sale of Fixed Assets		-		-
(Increase) Decrease in Long Term Loans and Advances		910,112		(397,895)
<b>Net Cash from in Investing Activities</b>		<b>910,112</b>		<b>(390,266)</b>
<b>C. Cash Flow from Financing Activities</b>				
<b>Net Cash Flow from Financing Activities</b>		<b>-</b>		<b>-</b>
<b>D. Net Increase (Decrease) in</b>				
Cash & Cash Equivalents (A+B+C)		1,029,148		(228,557)
Cash & Cash Equivalents At the beginning of the Year		673,922		902,479
<b>Cash &amp; Cash Equivalents At the Closing of the Year</b>		<b>1,703,070</b>		<b>673,922</b>

**AUDITORS CERTIFICATE**

We have verified the above Cash Flow Statement of PREM SOMANI FINANCIAL SERVICES LIMITED, derived from the audited financial statements for the year ended March 31st, 2014 and found the same to be drawn in accordance therewith and also with the requirements of clause 32 of the listing agreement with the Stock Exchange.

As per our attached Report of even date  
**FOR S. MISRA & ASSOCIATES**  
Chartered Accountants  
FRN-004972C

**CA. Manish Kumar**  
Partner  
Membership No. 413078  
Place - Jaipur  
Date - August 26-2014



**NOTES TO BALANCE SHEET AS ON MARCH 31, 2014****NOTE 1**

Share Capital	₹	₹
	As on March 31, 2014	As on March 31, 2013
<b>Authorized:</b> 70,00,000 Equity shares of Rs. 10/- each	70,000,000	70,000,000
<b>Issued, subscribed and fully paid up:</b> 33,03,400 Equity shares of Rs. 10/- each	70,000,000	70,000,000
	33,034,000	33,034,000
<b>Total</b>	<b>33,034,000</b>	<b>33,034,000</b>

**NOTE 1A**

Reconciliation of Shares	As at March 31, 2014		As at March 31, 2013	
	Number	Amount (Rs.)	Number	Amount (Rs.)
Shares outstanding at the beginning of the year	3,303,400	33,034,000	3,303,400	33,034,000
Add: Shares issued during the year	-	-	-	-
Add: Bonus issue during the year	-	-	-	-
Less: Shares bought back during the year	-	-	-	-
<b>Shares outstanding at the end of the year</b>	<b>3,303,400</b>	<b>33,034,000</b>	<b>3,303,400</b>	<b>33,034,000</b>

**NOTE 1B**

Particulars of equity share holders holding more than 5% of the total number of equity share capital

Sr. No.	Name of Shareholder	As at March 31, 2014		As at March 31, 2013	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding
1	Prem Lata Somani	766,100	23.19%	766,100	23.19%

- 1) The company has only one class of equity shares having par value of Rs. 10 per share. Each share holder is entitled to one vote per share.
- 2) Company have not declared dividend during the year ended March 31, 2014
- 3) In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company. Company doesn't have any preferential amounts in the Balance Sheet.

## NOTE 2

	₹	₹
Reserves & Surplus	As at March 31, 2014	As at March 31, 2013
<b>(a) Share Premium Account</b>		
Opening Balance	750,000	750,000
Add: Premium received during the year	-	-
Less: Utilised during the year	-	-
<b>Closing Balance</b>	<b>750,000</b>	<b>750,000</b>
<b>(b) Special Reserves</b>		
Opening Balance	484,570	484,570
Add: Transfer during Current Year	16,735	-
Less: Written Back during Current Year	-	-
<b>Closing Balance</b>	<b>501,305</b>	<b>484,570</b>
<b>(c) Surplus</b>		
Opening balance	(10,861,449)	(10,968,177)
Add: Net Profit/(Loss) for the year	83,673	106,728
Add: Transfer from Reserves	-	-
Less: Proposed Dividends	-	-
Less: Interim Dividends	-	-
Less: Transfer to Special Reserves	16,735	-
<b>Closing Balance</b>	<b>(10,794,511)</b>	<b>(10,861,449)</b>
<b>Total (a+b+c)</b>	<b>(9,543,206)</b>	<b>(9,626,878)</b>

## NOTE 3

	₹	₹
Long term Provisions	As on March 31, 2014	As on March 31, 2013
Others		
-Provision For Diminution in Investments	2,149,706	2,149,706
-Provision For Sub. Std. Assets	-	-
<b>Total</b>	<b>2,149,706</b>	<b>2,149,706</b>

## NOTE 4

	₹	₹
Other current liabilities	As on March 31, 2014	As on March 31, 2013
i) Advance Rent Received	9,250	9,250
ii) Other Payables- Audit Fees Payable	25,281	25,281
<b>Total</b>	<b>34,531</b>	<b>34,531</b>

## NOTE 5

	₹	₹
Short Term Provisions	As on March 31, 2014	As on March 31, 2013
Provision of Tax	28,860	45,025
<b>Total</b>	<b>28,860</b>	<b>45,025</b>



## NOTE 8

	₹	₹
Long term loans and advances	As on March 31, 2014	As on March 31, 2013
(Unsecured Considered Good)		
i) Security Deposits	7,500	7,500
ii) Loans and advances to related parties		
Prem Somani Share Brokers Private Limited	5,978,514	6,128,514
iii) Other Loans and advances	5,555,627	6,315,739
<b>Total</b>	<b>11,541,640</b>	<b>12,451,752</b>

## NOTE 8A

Above loans and advances to related parties are given to a company in which director is a director

## NOTE 9

	₹	₹
Cash and Cash Equivalents	As on March 31, 2014	As on March 31, 2013
i) Balances with banks		
-Andhra Bank	11,062	13,212
-Federal Bank	20,882	56,382
-HDFC Bank	1,613,995	537,471
ii) Cash in hand	57,130	66,857
<b>Total</b>	<b>1,703,070</b>	<b>673,922</b>

## NOTE 10

	₹	₹
Other Current Assets	As on March 31, 2014	As on March 31, 2013
Interest Receivables		
TDS Receivable (A.Y. 2014-15)	64,000	64,000
TDS Receivable (A.Y. 2012-13)	28,626	-
TDS Receivable (A.Y. 2013-14)	-	21,525
Income Tax Refundable (A.Y. 2013-14)	6,760	26,110
<b>Total</b>	<b>99,386</b>	<b>111,635</b>

### NOTES TO STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON MARCH 31, 2014

**NOTE 11**

	₹	₹
Revenue from Operation	For the Year ending March 31, 2014	For the Year ending March 31, 2013
Interest Income	577,071	640,968
<b>Total</b>	<b>577,071</b>	<b>640,968</b>

**NOTE 12**

	₹	₹
Other Income	For the Year ending March 31, 2014	For the Year ending March 31, 2013
Rent Received	117,000	74,000
Interest Received on Refund	1,505	-
Long Term Capital Gain	-	7,501
<b>Total</b>	<b>118,505</b>	<b>81,501</b>

**NOTE 13**

	₹	₹
Other Expenses	For the Period ending March 31, 2014	For the Period ending March 31, 2013
Auditor's Remuneration		
- For Company Law Matters	15,730	15,730
- For Taxation Matters	3,933	3,933
Advertisement Expenses	1,324	1,996
AGM Expenses	16,330	18,639
Conveyance Expenses	9,600	9,600
Demat Charges	-	300
Electricity Expenses	5,562	6,256
Internal Audit Fees	5,618	5,618
Interest on Income Tax	1,407	-
Legal & Professional Expenses	5,500	3,500
Loss on sale Shares/Securities	-	14,872
Listing Fees	16,854	17,004
Miscellaneous Expenses	2,635	2,569
Office Expenses	10,727	9,752
Courier & Postage Expenses	24,627	25,002
Printing and Stationary	60,500	52,500
Rent	60,000	60,000
Repair & Maintenance	3,500	8,000
<b>Total</b>	<b>243,847</b>	<b>255,271</b>



## PREM SOMANI FINANCIAL SERVICES LIMITED

**SCHEDULE OF FIXED ASSETS AS AT MARCH 31, 2014 AND DEPRECIATION FOR THE YEAR ENDED  
ON MARCH 31, 2014 AS PER SCHEDULE XIV OF THE COMPANIES ACT, 1956**

Note-6

PARTICULARS	Rate of Dep. (%)	GROSS BLOCK			DEPRECIATION			NET BLOCK		
		As On 01.04.13	Addition	Deduction	As On 01.04.13	For the year	As at 31.03.14	As On 31.03.14	As On 31.03.13	As On 31.03.13
<b>Tangible Assets</b>										
Air Conditioner	13.91	158,554	-	-	99,213	8,254	107,467	51,087	59,341	59,341
Building	10.00	900,000	-	-	617,574	28,243	645,817	254,183	282,426	282,426
Computer	40.00	115,010	-	-	112,242	1,107	113,349	1,661	2,768	2,768
Fax Machine	13.91	48,460	-	-	45,670	388	46,058	2,402	2,790	2,790
Furniture & Fixtures	18.10	203,923	-	-	153,123	9,195	162,318	41,605	50,800	50,800
Mobile Phone	13.91	11,500	-	-	2,011	1,320	3,331	8,169	9,489	9,489
<b>TOTAL</b>		<b>1,437,447</b>	<b>-</b>	<b>-</b>	<b>1,029,833</b>	<b>48,507</b>	<b>1,078,340</b>	<b>359,107</b>	<b>407,614</b>	<b>407,614</b>

**PREM SOMANI FINANCIAL SERVICES LIMITED**  
**NOTES TO BALANCE SHEET AS ON MARCH 31, 2014**

NOTE 7

Non Current Investments												
A. Details of Trade Investments												
Sr. No.	Name of the Body Corporate	Subsidiary / Associate / JV/ Controlled Entity / Others	No. of Shares / Units		Quoted / Unquoted	Partly Paid / Fully paid	Extent of Holding (%)		Amount (Rs.)		Whether stated at Cost Yes / No	If Answer is 'No' - Basis of Valuation
			As at March 31, 2014	As at March 31, 2013			As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013		
	Investment in Equity Instruments											
1	Bhuvan Tripura Ltd.	Others	117,000	117,000	Quoted	Fully Paid	Less Than 1%	Less Than 1%	162,394	162,394	Yes	-
2	BMB Music & Magnetics Ltd.	Others	31,000	31,000	Quoted	Fully Paid	Less Than 1%	Less Than 1%	1,206,019	1,206,019	Yes	-
3	Dabur India Ltd.	Others	1,000	1,000	Quoted	Fully Paid	Less Than 1%	Less Than 1%	54,161	54,161	Yes	-
4	Enkay Aromatics Ltd.	Others	16,400	16,400	Quoted	Fully Paid	Less Than 1%	Less Than 1%	164,000	164,000	Yes	-
5	Fischer Inorganic Ltd.	Others	26,400	26,400	Quoted	Fully Paid	Less Than 1%	Less Than 1%	132,000	132,000	Yes	-
6	Indergiri Finance Ltd.	Others	95,500	95,500	Quoted	Fully Paid	Less Than 2%	Less Than 1%	953,830	953,830	Yes	-
7	Information Tech Ltd.	Others	1,495	1,495	Quoted	Fully Paid	Less Than 1%	Less Than 1%	14,242	14,242	Yes	-
8	Mafatlal Finance Ltd.	Others	2,500	2,500	Quoted	Fully Paid	Less Than 1%	Less Than 1%	163,087	163,087	Yes	-
9	Malvika Steel Ltd.	Others	14,500	14,500	Unquoted	Fully Paid	Less Than 1%	Less Than 1%	145,000	145,000	Yes	-
10	NEPC Agro Food Ltd.	Others	2,023	2,023	Quoted	Fully Paid	Less Than 1%	Less Than 1%	3,957	3,957	Yes	-
11	NEPC Textiles Ltd.	Others	4,880	4,880	Quoted	Fully Paid	Less Than 1%	Less Than 1%	13,803	13,803	Yes	-
12	Padmini Tech. Ltd.	Others	5,000	5,000	Quoted	Fully Paid	Less Than 1%	Less Than 1%	20,250	20,250	Yes	-
13	Prakash Solvents Ltd.	Others	12,000	12,000	Quoted	Fully Paid	Less Than 1%	Less Than 1%	80,040	80,040	Yes	-
14	Pretto Leather Ltd.	Others	5,000	5,000	Quoted	Fully Paid	Less Than 1%	Less Than 1%	50,000	50,000	Yes	-
15	Solarsons Industries Ltd.	Others	1,500	1,500	Quoted	Fully Paid	Less Than 1%	Less Than 1%	33,662	33,662	Yes	-
16	Supreme Conductors Ltd.	Others	42,400	42,400	Quoted	Fully Paid	Less Than 1%	Less Than 1%	598,324	598,324	Yes	-
17	High Street Filatex Ltd.(UNILEG)	Others	5,920	5,920	Quoted	Fully Paid	Less Than 1%	Less Than 1%	329,332	329,332	Yes	-
18	Union Bearing Ltd.	Others	89,500	89,500	Quoted	Fully Paid	Less Than 2%	Less Than 2%	447,500	447,500	Yes	-
	Total (A)		474,018	474,018					4,571,601	4,571,601		

B. Details of Other Investments		No. of Shares / Units		Quoted / Unquoted	Partly Paid / Fully paid	Extent of Holding (%)		Amount (Rs.)		Whether stated at Cost Yes / No	If Answer is 'No' - Basis of Valuation
Sr. No.	Name of the Body Corporate	As at March 31, 2014	As at March 31, 2013			As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013		
1	KBC International Pvt. Ltd.	50,000	50,000	Unquoted	Fully paid	11.76%	11.76%	500,000	500,000	Yes	-
2	Prem Somani Share Brokers Pvt. Ltd.	509,000	509,000	Unquoted	Fully paid	42.10%	42.10%	5,090,000	5,090,000	Yes	-
3	First Choice Stock Brokers Pvt. Ltd.*	50,000	50,000	Unquoted	Fully paid	25.56%	25.56%	500,000	500,000	Yes	-
4	Somani Securities Ltd.	139,975	139,975	Unquoted	Fully paid	30.61%	30.61%	1,399,750	1,399,750	Yes	-
	<b>Total (B)</b>	<b>748,975</b>	<b>748,975</b>					<b>7,489,750</b>	<b>7,489,750</b>		
	<b>Total (A+B)</b>	<b>1,222,993</b>	<b>1,222,993</b>					<b>12,061,351</b>	<b>12,061,351</b>		

\* Formerly known as Rajasthan Buildtech Services Pvt. Ltd.



**BACKGROUND**

1. Prem Somani Financial Services Limited (the Company) was incorporated as the Public limited company on September 25, 1991. The company is registered as a Non-Banking Finance Company with the Reserve Bank of India.

**2. SIGNIFICANT ACCOUNTING POLICIES****2.1 Basis of Preparation of Financial Statements:**

The Financial Statements are consistently prepared under the historical cost convention, on the accrual basis of accounting and comply with the accounting standard issued by the Institute of Chartered Accountants of India (to the extent applicable) and in accordance with the generally accepted accounting principles, the accounting standard specified in the Companies (Accounting Standards) Rules, 2006 notified by the Central Government and other provision of the Companies Act, 1956.

**2.2 Use of Estimates:**

The preparation of financial statements in conformity with the generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent assets and liabilities. The estimates and assumptions used in accompanying financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of the financial statements. Actual results may differ from the estimates and assumptions used in preparing the accompanying financial statements. Any differences of actual results to such estimates are recognized in the period in which the results are known/ materialized.

**2.3 Revenue recognition:**

- a) Interest income is recognized on accrual basis before the assets becomes NPA. However, during the year under review no loan/advance has been classified as NPA.
- b) Dividend income is recognized when the right to receive the payment is established.

**2.4 Fixed assets and Depreciation:**

Fixed Assets are stated at cost less accumulated depreciation thereon. The cost of fixed assets comprises cost of acquisition and any attributable cost of bringing the asset to its working condition for its intended use. The company provides pro-rata depreciation from the date on which assets is acquired / put to use. In respect of assets sold, pro-rata depreciation is provided upto the date on which assets is sold.

On all assets except below depreciation has been provided on Written down value Method as prescribed in Schedule XIV to the Companies Act, 1956.

- a) Assets costing Rs. 5000/- or less are fully depreciated in the year of purchase
- b) Improvements to leased assets are depreciated over the period of lease.

**2.5 Investments:**

The investments are made to enhance the company business interest. All investments held by the Company are classified as current or non-current, based on management intention at the time of purchase. Long-term investments are carried on the cost.

**2.6 Impairment of Assets:**

Management periodically assesses using, external, and internal sources, whether there is an indication that an asset may be impaired. Impairment occurs where the carrying value exceeds the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. The impairment loss to be expensed is determined as the excess of the carrying amount over the higher of the asset's net sales price or present value as determined above. During the year under consideration, there was no indication, either internal or external as to the impairment of any of the assets.

**2.7 Taxation:**

Income Tax expenses comprises current tax (i.e. amount of tax for the period determined in accordance with the income-tax law), deferred tax charge or credit (reflecting the tax effect of timing differences between accounting income and taxable income for the period).

**Current Tax:**

Provision for current tax is made on the basis of estimated taxable income for the accounting year in accordance with the Income Tax Act, 1961.

**Deferred Tax:**

Deferred Tax, as required in AS-22 issued by ICAI is recognized subject to consideration of prudence in respect of deferred tax assets, on timing differences being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

**2.8 Provision for Contingencies:**

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent assets are not recognized in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an economic benefit will arise, the asset, and related income are recognized in the period in which the change occurs.

**2.9 Earning per share:**



The company reports earning per share in accordance with Accounting Standard AS-20 issued by The Institute of Chartered Accountants of India (ICAI). It has been computed by dividing net profit after tax by the weighted average number of equity shares outstanding during the year.

## 2.10 Cash Flow Statement:

Cash flow are reported using the indirect method, thereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating financing and investing activities of the company are segregated.

## 2. NOTES TO ACCOUNTS:

### 3.1 Auditor's Remuneration:-

Particulars	2013-14	2012-13
For Company Law Matters	15,730/-	15,730/-
For Taxation Matters	3,933/-	3,933/-
<b>Total</b>	<b>19,663/-</b>	<b>19,663/-</b>

### 3.2 Earning Per Share:-

Particulars	31.03.2014	31.03.2013
Net Profit/( Loss) attributable to equity Shareholders (A) Rs.	83,673/-	1,06,728/-
No. of Equity Shares	33,03,400	33,03,400
Basic earning per share	<b>0.025</b>	<b>0.032</b>

3.3 Previous year figures have been regrouped and rearranged wherever necessary.

3.4 There were no employee whose remuneration was in excess of the limits prescribed under section 217 (2A) of the Companies Act, 1956

3.5 The Balance of Trade receivables, Loans & Advances, Current Liabilities and secured loans are subject to confirmation and reconciliation from such parties, The classification of Trade Receivables in terms of realization has been done on the basis of information and explanations provided by the management.

3.6 The classification of assets and liabilities into long term or short term as required under revised schedule VI of companies act, 1956 has been done on the basis of information, explanations and the estimates given by the management.

3.7 In opinion of the Board of Directors, the aggregate value of current assets, loans & advances on

realization in ordinary course of business shall not be less than the amount at which these are stated in the Balance Sheet.

3.8 Segment Reporting as defined in AS-17, is not applicable to the company as the company has determined only one business segment i.e. Financial Services and only one geographic segment i.e. India. However, for the current year the Company had Rental Income from Building.

3.9 Keeping in view the provision of Rs. 21,49,706/- already made in previous year the company has not made any further provision for diminution in value of investments considering the provision already made to be sufficient.

3.10 **Deferred Tax Assets/ (Liability) for the year comprise timing differences on account of:**

S. No.	PARTICULARS	AMOUNT
1	<b>Deferred Tax Liabilities as on 01.04.2013</b>	69,891/-
	Due to difference in rate of Depreciation	
	<b>Total (A)</b>	<b>69,891/-</b>
2	<b>Deferred Tax Assets during the year</b>	
	i) Due to difference between Depreciation as per Companies Act, 1956 and the Income Tax Act, 1961	9,229/-
	<b>Total (B)</b>	<b>9,229/-</b>
3	<b>Net Deferred Tax Liability/ (Asset) as on 31.03.2014</b>	<b>60,662/-</b>
	<b>[(A) – (B)]</b>	

3.11 **Related Party Disclosures as required by AS-18 are as under:**

(A) List of Related Parties :

- |    |                                     |                            |
|----|-------------------------------------|----------------------------|
| 1. | Prem Somani & Associates            | Director's Proprietor Firm |
| 2. | Prem Somani Share Brokers Pvt. Ltd. | Associate Company          |
| 3. | Somani Securities Ltd.              | Associate Company          |



**(B) Transaction with related parties:**

Name of the Related Party	Name of Transaction during the year/year end Balance	Volume of Transaction	O/s as on 31.03.2014
Prem Somani & Associates	Rent Paid	60,000/-	Nil
Prem Somani Share Brokers Pvt. Ltd.	Unsecured Loan Given	4,00,000/-	59,78,514/-
Prem Somani Share Brokers Pvt. Ltd.	Unsecured Loan Recovered	5,50,000/-	59,78,514/-

3.12 On the basis of information available, there are no outstanding dues to SSI undertakings.

3.13 There was no employee of the company during the year drawing remuneration at the rate of Rs. 24,00,000/- p. a. or more if employed for whole of the year of Rs. 2,00,000 p.m. or more if employed for part of the year.

3.14	Foreign Exchange Earning	:	Nil
	Foreign Exchange Outgo (incurred for Foreign Travel)	:	Nil

**FOR PREM SOMANI FINANCIAL SERVICES LIMITED****NAWNEET SOMANI**

Director

**PREM LATA SOMANI**

Director

Place: Jaipur

Date : August 26-2014

In terms of our audit Report of even date

**FOR S. MISRA & ASSOCIATES**

Chartered Accountants,

FRN 004972C

**CA. MANISH KUMAR**

Partner

M. No. 413078

## Prem Somani Financial Services Limited

Registered Office : 5A, Tilak Bhawan, 5th Floor, Tilak marg, C-Scheme, Jaipur-302 005

Regd. Folio No.

No. of Shares Held

### FORM OF PROXY

I/We.....  
of ..... a member/members of the above named  
Company here by appoint.....  
of ..... or, failing him/her.....  
of ..... as my/our Proxy to attend and vote for me/us and on my/our  
behalf to the 23rd Annual General Meeting of the Company to be held on Thursday the 25 th Sep. 2014. at  
10:00 a.m. and at any adjournment thereof.

signed this ..... day of ..... 2014

(Please  
affix revenue  
stamp)

Signature

Notes : The form in order to be effective, should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company, not less than 48 hours before the meeting.

----- (tear here) -----

## Prem Somani Financial Services Limited

Registered Office : 5A, Tilak Bhawan, 5th Floor, Tilak marg, C-Scheme, Jaipur-302 005

Regd. Folio No.

No. of Shares Held

### ATTENDANCE SLIP

I Certify that I am registered shareholder / proxy for the registered shareholder of the Company.  
I hereby record my presence at the 23rd Annual General Meeting of the Company at 42,  
Jai Jawan Colony, Scheme No. 3, J.L.N. Marg, Jaipur, on Thursday 25th Sep. 2014 at 10:00 a.m.

Members / Proxy name in BLOCK Letters

Signature of the Proxy

Notes : 1. Please fill up this attendance slip and hand this over at the entrance of the meeting hall.  
2. Members are requested to bring their copies of the Annual Report to the meeting.



## **BOOK -POST**

If Undelivered Please Return to :  
**PREM SOMANI FINANCIAL SERVICES LTD.**  
5A, Tilak Bhawan, 5th Floor, Tilak Marg, C-Scheme.  
Jaipur - 302005  
Tel.: -0141-5115886  
E-mail: prem\_somani\_jaipur@yahoo.com