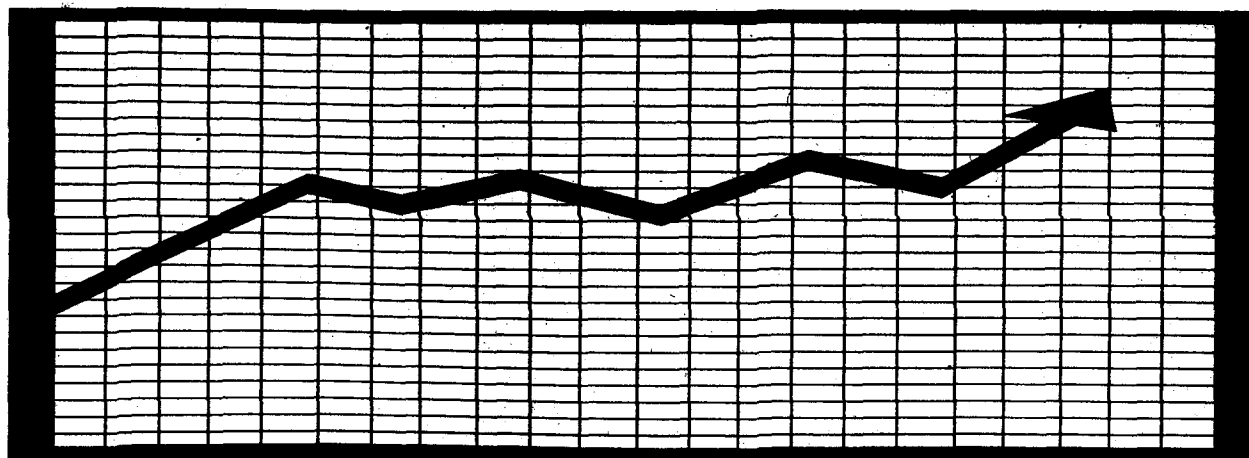


PREM SOMANI

FINANCIAL SERVICES LIMITED

18th ANNUAL REPORT



2008-2009

PREM SOMANI

FINANCIAL SERVICES LIMITED

Board of Directors : Mr. Nawneet Somani
Mr. V. K. Mundra
Mrs. Prem Lata Somani
— Mr. Virendra Krishnia —
Mr. Vikas Khator

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

Bankers : The Federal Bank Limited
Andhra Bank Limited
HDFC Bank Ltd.

Auditors : V. Bangar & Company
Chartered Accountants
Jaipur

NOTICE

NOTICE is hereby given that the **18th ANNUAL GENERAL MEETING** of **M/s PREM SOMANI FINANCIAL SERVICES LIMITED** will be held on Friday, 25th September, 2009 at 11.30 A.M. at **5A, TILAK BHAWAN, 5th FLOOR, TILAK MARG, C-SCHEME, JAIPUR** to transact, with or without modifications, as may be permissible, the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the company as on **31st March 2009**, Profit & Loss Account for the financial year ended on that date together with the Reports of Directors and Auditors thereon.

2. To re-appoint a director in place of Shri Virendra Krishna, 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 Virendra Krishna, Director, who retires by rotation, be and is hereby re-appointed as a Director, liable to retire by rotation."

3. To re-appoint a director in place of Shri Vikas Khator, 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 Vikas Khator, 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 V. Bangar & Co., Chartered Accountants, Jaipur as Auditors to hold office from the conclusion of this Meeting until the conclusion of the next 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 V. Bangar & Co., 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 next 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 19, 2009

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 Saturday the 19th September 2009 to Friday 25th September 2009 (both day inclusive)
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 19, 2009

DIRECTORS REPORT

To,
The Members,
PREM SOMANI FINANCIAL SERVICES LIMITED
JAIPUR.

Dear Shareholders,

Your directors are pleased to present their 18th Annual Report on the Business and operations of Your Company and its working Results for the year ending 31st March 2009.

1. **OPERATIONS**

The Summarised financial highlights are as under:

	As At 31.03.2009	As At 31.03.2008
Sales/Income from Operation	335693.11	523285.94
Rent Received	60000.00	110000.00
Other Income/Excess Prov. W/ back	209484.00	0.00
	605177.11	633285.94
Total Expenditure	1075649.93	546629.90
Operating Profit/(Loss)	(470472.82)	86656.04
Depreciation	63119.42	68753.65
Profit/(Loss) before Tax	(533592.24)	17902.39
Provision for Taxation	27918.00	0.00
Provision for FBT	869.00	531.00
Deferred Tax Assets Created/W/Back	205538.00	587373.00
Profit/(Loss) after tax	(767917.24)	570001.61
Balance Carried Forward from last Year	(11649740.65)	(11079739.04)
Balance Carried to Balance Sheet	(12417657.89)	(11649740.65)

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

2. **DIVIDEND**

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

3. **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.

4. **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.

5. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND POLLUTION CONTROL AND FOREIGN 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.

6. AUDITORS

M/s V. Bangar & Co., Chartered Accountants Statutory Auditors, retire at the conclusion of the ensuing Annual General Meeting. The Company has received a letter from M/s V. Bangar & Co., to the effect that their appointment, if made, would be within the limits under Section 224 (1B) of the Companies Act, 1956. Accordingly, M/s V. Bangar & Co., Chartered Accountants will be appointed as auditors of the Company.

7. AUDIT COMMITTEE:-

Audit Committee consists following directors,

Mr. Virendra Krishna,

Mr. Vikas Khator,

Mr. Nawneet Somani

Chairman,

Member,

Member,

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

8. 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.

9. 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.

10. 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 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.

11. **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.

12. **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.

13. **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

PLACE: JAIPUR
DATED: August 19, 2009


(NAWNEET SOMANI)
Director


(PREM LATA SOMANI)
Director

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 Seven times during the year 01.04.2008 to 31.03.2009 on the following dates : 28.04.2008, 24.07.2008, 30.07.2008, 26.09.2008, 27.10.2008, 30.01.2009, 13.02.2009.

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	7	Yes
Shri Nawneet Somani	7	Yes
Shri Vishnu K. Mundra	7	Yes
Shri Virendra Krishnia*	7	Yes
Shri Vikas Khator*	7	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 28th April 2008, 30th July 2008, 27 Oct. 2008 and 30th Jan, 2009 during the financial year 2008-2009.

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	3
Mr. Vikas Khator	Member	3
Mr. Nawneet Somani	Member	5
Mr. Prem Lata Somani	Member	4
Mr. Vishnu Kant Mundra	Member	4

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 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
2005-2006	27.09.2006	11.30am	42, Jai Jawan Colony, JLN Marg, Jaipur
2006-2007	27.09.2007	11.30am	42, Jai Jawan Colony, JLN Marg, Jaipur
2007-2008	26.09.2008	11.30am	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 : Friday 25th Sep. 2009

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

b) Financial Calendar

Financial reporting for Following Months

Quarter ending June 30, 2009..... July, 2009

Half Year ending Sept. 30, 2009 October, 2009

Quarter ending December 31, 2009 January 2010

For the year ending March, 2010 April 2010

Annual General Meeting for the year ending March, 2010..... Sept. 2010

c) Date of Closure

19.09.2009 to 25.09.2009 (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, 2009

Slab of Shareholding	Shareholders	%	Amount in Rs.	%
0-5000	2078	70.417	5492000/-	16.625
5001-10000	484	16.401	3911000/-	11.834
10001-20000	210	7.116	3142000/-	9.511
20001-100000	157	5.320	6371000/-	19.286
above-100000	22	0.746	14120000/-	42.744
	2952	100	33034000/-	100

Categories of shareholders as on 31st March 2009

Categories	No. of Shares	Amount of Rs.	%
1. Promoter	996700	9967000/-	30.1719
2. Body Corporate	136300	1363000/-	4.1261
3. Mutual funds	150000	1500000/-	4.5408
4. Public-Indian	1996900	19969000/-	60.4498
5. Non Resident Indian	23500	235000/-	0.7114
	3303400	33034000	100

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 31.03.2009.

ON BEHALF OF THE BOARD

For PREM SOMANI FINANCIAL SERVICES LIMITED

PLACE : JAIPUR
DATED : August 19, 2009



(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 19, 2009

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 statutes 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 2008-2009, Company suffered net Loss of Rs. 767917.24 as compared to Net Profit of Rs. 570001.61 in the Previous financial year. However it should be noted that Loss for current year includes 205538.00 on account of Provision for Deferred Tax assets written back and provision for FBT Rs. 869.00

DEVELOPMENT IN HUMAN RESOURCES

The company has formulated a personnel policy.

AUDITORS' CERTIFICATE ON CLAUSE 49 COMPLIANCE

To,

The Members of

PREM SOMANI FINANCIAL SERVICES LIMITED
JAIPUR

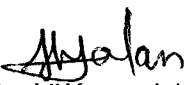
We have reviewed the records concerning the Company's compliance conditions of Corporate Governance as Stipulated in Clause 49 of the Listing Agreement entered into, by the Company, with the Stock Exchanges of India, for the financial year ended 31st March, 2009

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

We have conducted our review, in our opinion, the company has complied with the conditions of Corporate Governance, as stipulated in Clause 49 of the Listing Agreement.

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

For and on behalf of
V. Bangar & Co.,
Chartered Accountants


(Sushil Kumar Jalan)
Partner
Membership No. 73170



PLACE : JAIPUR
DATED : August 19, 2009

AUDITOR'S REPORT
TO THE MEMBERS OF PREM SOMANI FINANCIAL SERVICES LTD.

1. We have audited the attached Balance Sheet of **PREM SOMANI FINANCIAL SERVICES LTD.** as at **31st March 2009** and also the related Profit & Loss Account and the cash flow statement for the year ended on that date annexed thereto. 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.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require 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 includes 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.
3. As per the provisions of the Companies (Auditor's Report) order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 we enclose in the annexure a statement on the matters specified in paragraph 4 & 5 of the said order.

Further we report that:

- (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit:
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, Profit & Loss Account and cash flow statement dealt with by this report are in agreement with the books of account:
- (d) In our opinion, The Balance Sheet, Profit & Loss Account and cash flow statement dealt with by this report comply with the accounting standards referred to in Section 211 (3c) of the Companies act, 1956;
- (e) On the basis of written representations received from the directors, as on 31st March, 2009 and taken on record by the Board of Directors. We report that none of the Directors is disqualified as on 31st March 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
- (f) In our Opinion and to the best of our information and according to the explanations given to us, the said account give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with accounting principals generally accepted in India :
 - (i) In the case of Balance Sheet, of the state of affairs of the Company as at **31st March, 2009**;
 - (ii) In the case of Profit & Loss Account, of the Loss for the period ended on that date.
 - (iii) In the case of Cash flow statement, of the cash flows for the year ended on that date.

For V. BANGAR & CO.
Chartered Accountants



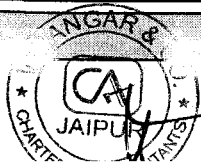
Sushil Kumar Jalan
(SUSHIL KUMAR JALAN)
Partner
Membership No. 73170

PLACE : JAIPUR
DATED: August 19, 2009

ANNEXURE

Referred to in paragraph 3 of the Auditors Report of **M/s. PREM SOMANI FINANCIAL SERVICES LIMITED, JAIPUR**, on the accounts for the year ended on 31st March 2009.

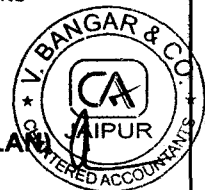
1. a. The Company has maintained proper records to show full particulars including quantitative details and situation of its fixed assets.
- b. The assets have been physically verified by the Management in accordance with a phased programmed of verification, which in our opinion, is reasonable, considering the size and the nature of the business. The frequency of verification is reasonable and no discrepancies were noticed on such physical verification.
- c. In our opinion the company has not disposed off a substantial part of its fixed assets during the year and the going concern assumption of the Company is not affected.
2. Since the company has no inventory there was no requirement for physical verification of inventory.
3. The company has neither taken nor granted any loans, secured or unsecured to or from companies, firms or other parties covered in the register maintained U/s 301 of the Act.
4. There are adequate Internal control systems commensurate with the size of the company and the nature of its business. Further during the course of our audit, we have not observed any major weaknesses in internal control.
5. The Transactions that needs to be entered into register in pursuance of section 301 of the Act have been so entered.
6. The Company has not accepted deposits from the public.
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. The Central Government has not prescribed maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956 for the company.
9. The company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, employees' State Insurance, Income-tax, Sales-tax, and any other statutory dues with the appropriate authorities. As on 31st March, 2009, there were no arrears of undisputed outstanding statutory dues for a period of the more than six months from the date they became payable.
10. Accumulated losses at the end of financial year are not more than 50% of net worth of the company. The company has incurred cash loss in the financial year as well as in the immediately preceding financial year.
11. The Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.
12. In our opinion, the Company is not a chit fund or a Nidhi/mutual benefit fund/society. Therefore, the provisions of clause (XIII) of paragraphs 4 of the aforesaid Order are not applicable to the Company.
13. Proper records have been maintained and timely entries have been made regarding dealing in a or trading in shares, securities, debentures and other investments. all the shares, securities, debentures and other investments are held in the name of the company itself or lying with NSE/BSE Broker or margin or otherwise.



14. The company has not given any guarantee for loans taken by others from bank of financial institutions.
15. There were no terms loans taken by the company during the financial year.
16. According to the information and explanations given to be us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long - term investments or vice-versa.
17. The company has not raised any money by issue of share during the year therefore; the provisions of clause (XVIII) of paragraph 4 of the aforesaid Order are not applicable to the company.
18. The company has not issued any debentures during the year under audit; accordingly, the provisions of clause (XIX) of paragraph 4 of the aforesaid Order are not applicable to the company.
19. The company has not raised any money by way of public issue during the year, Therefore, the provisions of clause (XX) of paragraph 4 of the aforesaid Order are not applicable to the company.
20. During the course of our examination of the books of account carried out in accordance with Generally Accepted Auditing Practices, we have neither come across any instance of fraud on or by the company, nor has the Management informed us of any such case.

For **V. BANGAR & CO.**
Chartered Accountants


(**SUSHIL KUMAR JALANDHAR**)
Partner
Membership No. 73170



PLACE : JAIPUR
DATED : August 19, 2009

BALANCE SHEET AS AT 31ST MARCH, 2009

PARTICULARS	SCH.		AS AT 31.03.2009	AS AT 31.03.2008
<u>SOURCES OF FUNDS</u>				
<u>Shareholder's Funds</u>				
(a) Share Capital	I	33034000.00		33034000.00
(b) Reserves & Surplus	II	871997.82		871997.82
			33905997.82	33905997.82
<u>Loan Funds</u>				
(a) Secured Loans		0.00		0.00
(b) Unsecured Loans		0.00	0.00	0.00
Total Funds Employed			33905997.82	33905997.82
<u>APPLICATION OF FUNDS</u>				
<u>Fixed Assets</u>	III			
Gross Block		1315148.80		1315148.80
Less: Depreciation		820506.63		757387.21
Net Block			494642.17	557761.59
Investments	IV		14168388.55	14168388.55
Deferred Tax Assets Created			5339.00	210877.00
<u>Current Assets, Loans & Advances</u>				
(a) Current Assets	V	478295.46		584739.40
(b) Loans & Advances	VI	11664727.74		11557842.63
		12143023.20		12142582.03
<u>Less: Current Liabilities and Provisions</u>				
Current Liabilities	VII	33300.00		16650.00
Provisions	VIII	5289752.99		4806702.00
		5323052.99		4823352.00
Net Current Assets			6819970.21	7319230.03
Miscellaneous Expenditure (to the extent not written off or adjusted)			0.00	0.00
Profit & Loss Account			12417657.89	11649740.65
Significant Accounting Policies & Notes on Accounts	XI		33905997.82	33905997.82

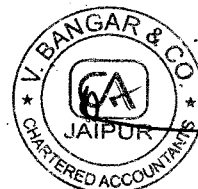
For and on behalf of the Board of Directors
For PREM SOMANI FINANCIAL SERVICES LIMITED

As per our attached Report of even date
For V. BANGAR & CO.
Chartered Accountants

(Nawneet Somani)
Director

(Prem Lata Somani)
Director

(Sushil Kumar Jalan)
Partner
Membership No. 73170




Place : Jaipur
Dated : August 19, 2009

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

PARTICULARS	SCH.		AS AT 31.03.2009	AS AT 31.03.2008
INCOME				
Income from Operation	IX	335693.11		523285.94
Rent Received		60000.00		110000.00
Prov. For Sub-Stand. Assets & Loss Assets W/back		209484.00	605177.11	0.00
Total			605177.11	633285.94
EXPENDITURE				
Administrative and Other Expenses	X	383110.94		379093.00
Prov. For Sub-Stand. Assets & Loss Assets		0.00		5087.00
Prov. For Diminution in Investment		692538.99		162449.90
Depreciation		63119.42		68753.65
			1138769.35	615383.55
Profit/(Loss) before Tax			-533592.24	17902.39
Income Tax Paid			27918.00	0.00
Provision for FBT			869.00	531.00
Deferred Tax Assets W/Back			205538.00	587373.00
Profit/Loss after Tax			-767917.24	-570001.61
Balance Brought forward from last year			-11649740.65	-11079739.04
Profit available for Appropriation			-12417657.89	-11649740.65
Appropriation			0.00	0.00
Balance Carried to the Balance Sheet			-12417657.89	-11649740.65
Basic/ Diluted Earning Per Share			-0.23	-0.17
Significant Accounting Policies & Notes on Accounts	XI			

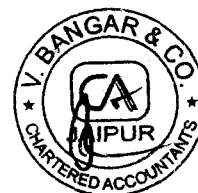
For and on behalf of the Board of Directors
For PREM SOMANI FINANCIAL SERVICES LIMITED

As per our attached Report of even date
For V. BANGAR & CO.
Chartered Accountants


(Nawneet Somani)
Director


(Prem Lata Somani)
Director


(Sushil Kumar Jalan)
Partner
Membership No. 73170



Place : Jaipur
Dated : August 19, 2009

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31st MARCH, 2009

	PARTICULARS	As at	As at	As at	As at
		31.03.2009 (Rs. in 000)	31.03.2009 (Rs. in 000)	31.03.2008 (Rs. in 000)	31.03.2009 (Rs. in 000)
		Sub Items	Main Items	Sub Items	Main Items
A. Cash Flow From Operating Activities					
Net Profit (Loss) before Tax & extra ordinary Items			-454853.25		17902.39
Adjustments for					
Depreciation	63119.42			68753.65	
Loss on Sales of Assets	-			-	
Misc. Expenses / W/off	-			-	
Prov. For Diminution of Investments	613800.00			162449.90	
Prov. For Substandard Assets, loss Assets Created/ Wback	-209484.00			5087.00	
FBT Paid	0.00			(404.00)	
Operating Profit before Working Capital Charges			12582.17		253788.94
(Increase) Decrease in Loans and Advances			(106885.11)		169502.06
(Increase) Decrease in Other Current Assets			(29947.00)		(105114.00)
Increase (Decrease) in Current Liabilities			(12141.00)		(20000.00)
Net Cash From Operating Activities			(136390.54)		298177.00
B. Cash Flow from Investing Activities					
Purchase/ Sale of Investments			-		-
Purchase/ Sale of Fixed Assets					(34500.00)
Net Cash used in Investing Activities			0.00		(34500.00)
C. Cash Flow from Financing Activities					
Net Cash Flow from Financing Activities			0.00		0.00
D. Net Increase (Decrease) In					
Cash & Cash Equivalents (A+B+C)			(136390.54)		263677.00
Cash & Cash Equi. At the beginning of the Year			307673.00		43996.00
Cash & Cash Equi. At the Closing of the Year			171282.46		307673.00

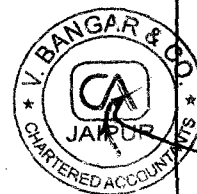
AUDITORS CERTIFICATE

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, 2009 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.

For **V. BANGAR & CO.**
Chartered Accountant

Sushil Kumar Jalan
(Sushil Kumar Jalan)
Partner

Membership No. 73170

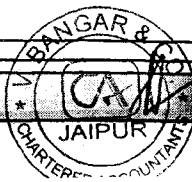


Place : JAIPUR

Dated : August 19, 2009

SCHEDULES ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 09

	As At 31.03.2009 Amount in Rs	As At 31.03.2008 Amount in Rs
<u>SCHEDULE- I</u>		
<u>SHARE CAPITAL</u>		
<u>AUTORISED</u>		
7000000 Eq. Shares of Rs. 10/- each	70000000.00	70000000.00
<u>Issued Subscribed and Paid-Up</u>		
3303400 Equity Shares of Rs. 10/- each fully paid up	33034000.00	33034000.00
	33034000.00	33034000.00
<u>SCHEDULE- II</u>		
<u>RESERVE & SURPLUS</u>		
Security Premium	750000.00	750000.00
Special Reserve	121997.82	121997.82
	871997.82	871997.82
<u>SCHEDULE- V</u>		
<u>CURRENT ASSETS</u>		
Cash Balance in Hand	44764.16	103181.16
Balance with Scheduled Bank in current a/c	126518.30	204492.24
Security Deposit	7500.00	7500.00
TDS Receivable	299513.00	269566.00
	478295.46	584739.40
<u>SCHEDULE-VI</u>		
<u>LOANS & ADVANCES</u>		
Advances recoverable in cash or in kind or for value to be received		
A.L. Lalporiya	700626.00	824180.00
Arihant Vehicles Pvt. Ltd.	669472.00	624928.00
Arvind Tanwar	0.00	113677.00
Kailash Chand Yadav	1146781.00	1086781.00
Meena Yadav	104692.00	104692.00
Marudhar Hospital	200000.00	100000.00
Nitin	247168.00	272168.00
Om Shanker Dhamani	50792.00	50792.00
OTCI	450000.00	450000.00
Pramod Somani	173379.00	351789.00
Prem Somani Share Brokers Pvt. Ltd.	5636740.74	5847026.63
Radha Govind	234710.00	210710.00
Krishna Gupta	84411.00	0.00
Ranjana Somani	289004.00	457742.00
Shreeji Distributors	550000.00	0.00
Uma Laxmi International	1022369.00	958774.00
Vinod Yadav	104583.00	104583.00
	11664727.74	11557842.63
<u>SCHEDULE- VII</u>		
<u>CURRENT LIABILITIES</u>		
Audit Fees Payable	26650.00	10000.00
Corp. Governance Certification Fees Payable	1650.00	1650.00
Other liabilities	5000.00	5000.00
	33300.00	16650.00

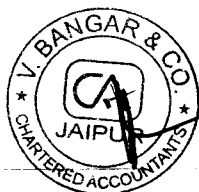


**SCHEDULES ANNEXED TO AND FORMING PART OF
BALANCE SHEET AS AT 31ST MARCH, 09**

	As At 31.03.2009 Amount in Rs	As At 31.03.2008 Amount in Rs
<u>SCHEDULE- VIII</u>		
<u>PROVISION</u>		
Provision for Diminution in Investment	4904492.99	4211954.00
Provision for Sub- Standard, Doubtful & Loss Assets	384733.00	594217.00
Provision for FBT	527.00	531.00
	5289752.99	4806702.00
<u>SCHEDULE- IX</u>		
<u>INCOME FROM OPERATIONS</u>		
Interest (Including TDS Rs. 57865/- P.Y. Rs. 97986/-)	532185.00	742126.00
Profit/(Loss) in dealing in Shares & Securities	(196491.89)	(218840.06)
	335693.11	523285.94
<u>SCHEDULE- X</u>		
<u>ADMINISTRATION AND OTHER EXPENSES</u>		
Advertisement Exp.	3565.00	1500.00
AGM Exp.	10740.00	8700.00
Audit Fees	10000.00	10000.00
Bank Charges	118.00	492.00
Courier & Postage Exp.	27156.00	28407.00
Demat Charges	4085.94	800.00
Electricity Exp.	6040.00	5568.00
Internal Audit Fees	5000.00	5000.00
Legal & Professional Expenses	3650.00	1650.00
Listing Fees	10000.00	10000.00
Office Exp.	9956.00	12776.00
Payments and Provision for employees	231600.00	221500.00
Printing and Stationery	36000.00	47500.00
Rent	18000.00	18000.00
Traveling & Conveyance	7200.00	7200.00
	383110.94	379093.00
<u>BANK ACCOUNT</u>		
Andhra Bank	7078.24	7166.24
Federal Bank	16202.37	91626.31
Hdfc Bank	103237.69	105699.69
	126518.30	204492.24



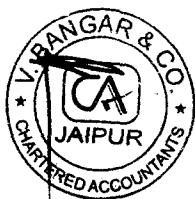
PARTICULARS	As At	As At
	31.03.2009 Amount in Rs	31.03.2008 Amount in Rs
TDS Receivable (A.Y.2005-06)	56453.00	56453.00
TDS (A.Y. 2008-09)	77650.00	97986.00
TDS (A.Y. 2009-10)	57865.00	0.00
TDS Receivable (A.Y.2007-08)	107449.00	107449.00
FBT Refundable (A.Y.2007-08)	96.00	96.00
Securities Transaction Tax Paid	0.00	7582.00
TOTAL	299513.00	269566.00



**SCHEDULE OF FIXED ASSETS AS AT 31.03.09 AND DEPRECIATION
FOR THE YEAR 31.03.09 AS PER SCHEDULE XIV OF THE COMPANIES ACT, 1956**

SCHEDULE - III

PARTICULARS	Rate of Dep.	GROSS BLOCK			DEPRECIATION				NET BLOCK		
		As On '01.04.08	Addition	Deduction	As On 31.03.09	As on 31.03.08	during the year	Adjustment	As at 31.03.09	As On 31.03.09	As On 31.03.08
A.C.	13.91	115054.00	0.00	0.00	115054.00	68728.76	6443.84	0.00	75172.60	39881.40	46325.24
Building	10.00	900000.00	0.00	0.00	900000.00	421704.72	47829.53	0.00	469534.25	430465.75	478295.28
Computer	40.00	108810.00	0.00	0.00	108810.00	94678.20	5652.72	0.00	100330.92	8479.08	14131.80
Fax Machine	13.91	48460.00	0.00	0.00	48460.00	42556.73	821.14	0.00	43377.87	5082.13	5903.27
Furniture & Fixtures	18.10	142824.80	0.00	0.00	142824.80	129718.80	2372.19	0.00	132090.99	10733.81	13106.00
TOTAL		1315148.80	0.00	0.00	1315148.80	757387.21	63119.42	0.00	820506.63	494642.17	557761.59
PREVIOUS YEAR FIGURES		1280648.80	34500.00	0.00	1315148.80	688633.56	68753.65	0.00	757387.21	557761.59	592015.24



Details of Investments - Shares & Debentures 2008-09

SCHEDULE - IV

A. QUOTED, EQUITY, LONG TERM, TRADE

S. No.	Name of Script	Face Value	Market Price 31.03.2009	QTY 31.03.2009	Amount 31.03.2009	QTY 31.03.2008	Amount 31.03.2008
1	Bhuvan Tripura Ltd.	1.00	0.15	117000.00	162393.75	117000.00	162393.75
2	BMB Music & Magnetics Ltd.	10.00	12.00	31000.00	1206019.23	31000.00	1206019.23
3	Dabur India Ltd.	1.00	99.20	1000.00	54161.01	1000.00	54161.01
4	Electroflame Ltd.	10.00	3.00	4500.00	18750.00	4500.00	18750.00
5	Emkay Aromatics Ltd.	10.00	7.60	16400.00	164000.00	16400.00	164000.00
6	Fisherman Inorganic Ltd.	10.00	6.00	33700.00	168500.00	33700.00	168500.00
7	Gateway Fin. Corp. Ltd.	10.00	1.00	5600.00	50400.00	5600.00	50400.00
8	Global Finance Ltd.	10.00	0.00	67811.00	1432168.32	67811.00	1432168.32
9	Indergiri Finance Ltd.	10.00	4.40	121000.00	1208518.00	121000.00	1208518.00
10	Information Tech Ltd.	10.00	4.05	1495.00	14242.19	1495.00	14242.19
11	KJ International Ltd.	10.00	1.00	15400.00	192500.00	15400.00	192500.00
12	Mafatlal Finance Ltd.	10.00	0.95	2500.00	163087.02	2500.00	163087.02
13	Malvika Steel Ltd.	10.00	1.25	14500.00	145000.00	14500.00	145000.00
14	NEPC Agro Food Ltd.	10.00	1.15	2023.00	3956.70	2023.00	3956.70
15	NEPC Textiles Ltd.	10.00	1.00	4880.00	13802.82	4880.00	13802.82
16	Padmini Tech. Ltd.	10.00	4.05	5000.00	20250.00	5000.00	20250.00
17	Prakash Solvents Ltd.	10.00	4.00	12000.00	80040.00	12000.00	80040.00
18	Pretto Leather Ltd.	10.00	10.00	5000.00	50000.00	5000.00	50000.00
19	Solarsons Industries Ltd.	10.00	2.30	1500.00	33661.83	1500.00	33661.83
20	Supreme Conductors Ltd.	10.00	2.00	42400.00	598323.53	42400.00	598323.53
21	Tai Chang Bang Textiles Ltd.	10.00	1.54	10000.00	86749.74	10000.00	86749.74
22	UNI Legwear Ltd.	10.00	1.20	58800.00	329332.41	58800.00	329332.41
23	Union Bearing Ltd.	10.00	2.00	89500.00	447500.00	89500.00	447500.00
24	Vita Biotech Ltd.	10.00	1.00	7000.00	35282.00	7000.00	35282.00
				670009.00	6678638.55	670009.00	6678638.55

B. LONG TERM INVESTMENTS (OTHER THAN TRADE)

1	KBC International Pvt. Ltd.	10.00	10.00	50000.00	500000.00	50000.00	500000.00
2	Prem Somani Share Brokers Pvt. Ltd.	10.00	10.00	509000.00	5090000.00	509000.00	5090000.00
3	Rajasthan Buildtech Services Pvt. Ltd.	10.00	10.00	50000.00	500000.00	50000.00	500000.00
4	Somani Securities Ltd.	10.00	10.00	139975.00	1399750.00	139975.00	1399750.00
				748975.00	7489750.00	748975.00	7489750.00
	Total A+B			1418984.00	14168388.55	1418984.00	14168388.55



PREM SOMANI FINANCIAL SERVICES LIMITED

REGD. OFFICE : 5A, TILAK BHAWAN, 5TH FLOOR, TILAK MARG, C-SCHEME, JAIPUR-302 005

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS**BACKGROUND**

1. Prem Somani Financial Services Limited (the Company) was incorporated as the Public limited company on 25 September 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 statement:**

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
- 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 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 short term or long term, based on management intention at the time of purchase.



Long-term investments are carried on the cost and provision is made in the case of permanent diminution in the market value of Investments.

Current investments are valued at cost or market/fair value, whichever is lower.

2.6 Income in respect of Non Performing Assets:

Income is not recognized in respect of non-performing Assets as per the guidelines on prudential norms prescribed by the RBI. The Company has made provision against NPA as per the guidelines on prudential norms prescribed by RBI.

2.7 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.

2.8 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) and fringe benefit tax.

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 Taxation:

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.

Fringe Benefit Tax:

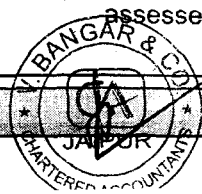
Provision for fringe benefit tax is made on the basis of applicable FBT on the taxable value of chargeable expenditure of the company as prescribed under the Income Tax Act, 1961.

2.9 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.

2.10 Preliminary Expenses:

Preliminary Expenses have been amortized in accordance with Sec 35D of the Income Tax Act, 1961.

2.11 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.

2.12 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.

3. NOTES TO ACCOUNTS

3.1 Auditor's Remuneration :-

PARTICULARS	2008-09	2007-08
Audit Fees	10000.00	10000.00
For other Services	1650.00	1650.00
Total	11650.00	11650.00

3.2 Earning Per Share

Particulars	31.03.2009	31.03.2008
Net Profit/(Loss) attributable to equity Shareholders (A) Rs.	(767917.24)	(570001.61)
No. of Equity Shares	3303400.00	3303400.00
Basic earning per share	(0.23)	(0.17)

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 Balances of Sundry debtors, creditors and loans & advance are subject to confirmation.

3.6 In opinion of the Board of Directors, the aggregate value of current assets, loans & advances on realisation in ordinary course of business shall not be less than the amount at which these are stated in the Balance Sheet.

3.7 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 on Building.



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

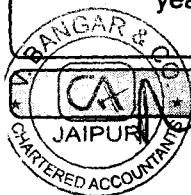
S.No.	PARTICULARS	AMOUNT
1	Deferred Tax Liabilities	123382.00
	Due to difference in rate of Depreciation	
	Total (A)	123382.00
2	Deferred Tax Assets	
	i) Due to carried forwarded of losses as per the Income Tax Act, 1961	38696.00
	ii) Due to unabsorbed Depreciation as per the Income Tax Act, 1961	90025.00
	Total (B)	128721.00
3	Net Deferred Tax Liability/ (Asset) [(A) – (B)]	5339.00
4	Opening Deferred Tax Liability/ (Asset)	(210877.00)
	Less: Amount of Deferred Tax Assets W/back	205538.00
	Net Deferred Tax Assets as on 31.03.2009 (as per Balance Sheet)	5339.00

3.9 Related Party Disclosures as required by AS-18 are as under:**(A) List of Related Parties :**

1.	Prem Somani & Associates	-	Director's Prop. Firm
2.	Prem Somani Share Brokers Pvt. Ltd.	-	Associate Company
3.	Somani Securities Ltd.	-	Associate Company
4.	Rajasthan Sec. Ser. Pvt. 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 31.03.2007
Prem Somani & Associates	Rent Paid	18000.00	00.00
Prem Somani Share Brokers Pvt. Ltd.	Unsecured Loan Recoverable	00.00	5636740.74
Prem Somani Share Brokers Pvt. Ltd.	Intt. Recd.	45600.00	00.00

3.10 On the basis of information available, there are no outstanding dues to SSI undertakings.**3.11 There was no employee of the company during the year drawing remuneration @ Rs. 2400000/- P.A. or more if employed for whole of the year of Rs. 200000/- P.M. more if employed for part of the year.**

3.12 Foreign Exchange Earning
Foreign Exchange Outgo
(incurred for Foreign Travel)

: Nil
: Nil

In terms of our audit
Report of even date attached.

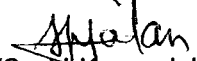
For PREM SOMANI FINANCIAL
SERVICES LIMITED

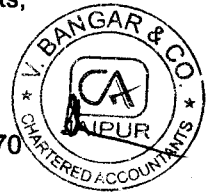

(Nawneet Somani)
Director


(Prem Lata Somani)
Director

Place: Jaipur
Dated: August 19, 2009

For V. BANGAR & CO.,
Chartered Accountants,


(Sushil Kumar Jalan)
Partner
Membership No. 73170



BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

i. Registration Details
 State Code 17
 Registration No. : 006220
 Balance Sheet Date : 31 03 2009
 Date Month year

ii Capital raised during the year (Amount in Rs. Thousands)
 Private Placement (Promoters Contribution)

iii Position of Mobilisation and Deployment of funds
 (Amount in Rs. Thousand)

Total Liabilities

39229.050

Total Assets

39229.050

Sources of funds

Paid up Capital
 33034.000

Reserve & Surplus
 871.998

Secured Loans
 Nil

Unsecured Loans
 Nil

Application of Funds

Net Fixed Assets
 494.642

Investment
 14168.389

Net Current Assets
 6819.970

Misc. Expenditure
 Nil

Accumulated Losses
 12417.657

iv Performance of Company (Amount in Rs. Thousands)

Turnover/ Other Income
 605.177

Total Expenditure
 1138.769

Profit before tax
 (533.592)

Profit after tax
 (767.917)


Earning per share in Rs.
 (0.23)

Dividend rate %

v Generic Names of three Principal Products/ Services of Company (As Per monetary terms)
 ITC Code No.:

On behalf of the Board
 For PREM SOMANI FINANCIAL SERVICES LTD.

Place : Jaipur
 Dated : August 19, 2009


 (Nawneet Somani)
 Director


 (Prem Lata Somani)
 Director