

PREM SOMANI FINANCIAL SERVICES LIMITED

Registered Office: 5A, V Floor, Tilak Bhawan, Tilak Marg, C-Scheme, Jaipur-302005, Rajasthan

Contact No. 0141-5115886/87 Email Id: prem_somani_jaipur@yahoo.com

CIN: L67120RJ1991PLC 006220

Website: www.psfcs.co.in

To,

Date – 18/10/2016

Manager Listing Department,
The Bombay Stock Exchange Limited
25th Floor, Phiroze Jeejeebhoy Towers,
Dalal Street, Fort, Mumbai-400001, Maharashtra

BSE Code: 530669.

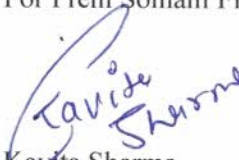
Dear Sir,

Subject:- Annual Report of 25th Annual General Meeting

Pursuant to Regulation 34 (1) of SEBI (listing obligation and Disclosure Requirements) Regulations, 2015, we enclose herewith Annual Report of 25th Annual general Meeting

Kindly take the above information on record and oblige.

Yours faithfully,
For Prem Somani Financial Services Limited.


Kavita Sharma
Company Secretary

Encl: a/a

PREM SOMANI
FINANCIAL SERVICES LIMITED



25th ANNUAL REPORT
2015-16

Symptom

- Chairman's Message
- Notice of AGM
- Board Report
- Annexure to Board's Report
- Independent Auditor's Report on Standalone Financial Statements
- Standalone Balance Sheet
- Standalone Statement of Profit & Loss
- Standalone Cash Flow Statement
- Notes to Standalone Financial Accounts
- Independent Auditor's Report on Consolidated Financial Statements
- Consolidated Balance Sheet
- Consolidated Statement of Profit & Loss
- Consolidated Cash Flow Statement
- Notes to Consolidated Financial Accounts

PREM SOMANI

FINANCIAL SERVICES LIMITED

❖ BOARD OF DIRECTORS

Mr. Nawneet Somani- Managing Director
Mrs. Prem Lata Somani- Non Executive
Non-independent Woman Director

Mr. Vishnu Kant Mundra - Independent Director
Mr. Vikas Kathor - Independent Director

Mr. Virendra Krishnia – Independent Director
(ceased as on 31.12.2015)

❖ SECRETARIAL AUDITOR

Arms & Associates LLP
Company Secretaries
24-Ka-1, Jyoti Nagar,
Jaipur-302004, Raj.

❖ REGISTRAR & SHARE TRANSFER AGENT :

In house

❖ MANAGEMENT EXECUTIVE

Company Secretary & Compliance Office
CS Nidhi Jain (From 17.11.2015 till 30.04.2016)
CS Kavita Sharma (From 01.07.2016)

Chief Financial Officer
Mr. Nawneet Somani

❖ STATUTORY AUDITOR

M/s S.Misra & Associates,
Chartered Accountants,
3C, III Floor, Tilak Bhawan, Tilak Marg,
C-Scheme, Jaipur-302005, Rajasthan

❖ BANKER

HDFC Bank Ltd.
The Federal Bank Ltd.

BOARD COMMITTEES

Audit Committee	Nomination and Remuneration Committee	Stakeholders Relationship Committee
Mr. Virendra Krishnia (Chairman till 30.12.2015)	Mr. Vikas Khathor (Chairman)	Mr. Nawneet Somani (Chairman till 30.06.2015, member w.e.f. 01.07.2015)
Mr. Vishnu Kant Mundhra (Chairman From 01.01.2016)	Mrs. Prem Lata Somani	Mr. Vikas Khathor (member till 30.06.2015, Chairman w.e.f. 01.07.2015)
Mr. Vikas Khator	Mr. Vishnu Kant Mundhra	Mr. Virendra Krishnia (ceased as on 31.12.2015)
Mr. Nawneet Somani		Vishnu Kant Mundra

CHAIRMAN'S MESSAGE

Non-banking finance companies (NBFCs) form an essential part of the Indian Economic system. They play a vital role in economic growth and financial inclusion by complementing the banking sector in reaching out credit to the unbanked segments of society, especially to the micro, small and medium enterprises (MSMEs), which form the cradle of entrepreneurship and innovation. NBFCs' ground-level understanding of their customers' profile and their credit needs gives them an edge, as does their ability to innovate and customise products as per their clients' needs. This makes them the perfect conduit for delivering credit to MSMEs.

However, NBFCs operate under certain regulatory authorities which create disadvantage for them vis-à-vis banks. While there has been a regulatory convergence between banks and NBFCs on the asset side, on the liability side, NBFCs still do not enjoy a level playing field. This needs to be addressed to help NBFCs realise their full potential and thereby perform their duties with greater efficiency.

Further, as the banking system clearly constrained in terms of expanding their lending activities, the role of NBFCs becomes even more important now, especially when the government has a strong focus on promoting entrepreneurship so that India can emerge as a country of job creators instead of being one of job seekers. Innovation and diversification are the important contributors to achieve the desired objectives

I am happy to note that PSFSL is doing good as according to present NBFC regulatory scenario and getting trust of stakeholders and policymakers year by year. I am hoping the same for upcoming time.

Thank You
Nawneet Somani
Chairman

NOTICE

Notice is hereby given that the 25th Annual General Meeting of members of Prem Somani Financial Services Limited will be held on Monday, 26.09.2016 at 10:00 A.M at 42, Jai Jawan Colony, Scheme-III, J.L.N. Marg, Jaipur-302018, Rajasthan to transact the following business:

ORDINARY BUSINESS:

To consider and, if thought fit, to pass with or without modification(s) the following resolutions as an Ordinary Resolution:

1. **“RESOLVED THAT** the Audited Financial Statements for the financial year ended 31.03.2016 and the Report of the Board of Directors and the Auditors thereon, be and are hereby approved and adopted”.
2. **“RESOLVED THAT** Mrs. Prem Lata Somani (DIN: 00287433) Director of the Company, who retires by rotation at this meeting pursuant to the provisions of Section 152 (6) (c) of the Companies Act 2013, being eligible herself for reappointment, be and is hereby appointed as a Director of the Company.”
3. To ratify the appointment of the Auditors and to fix their remuneration.

“RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification/s or re-enactment/s thereof for the time being in force) and subject to approval by members of the Company, in the 25th Annual General Meeting of the Company to be held on 26.09.2016, the appointment of M/s S. Misra & Associates, Chartered Accountants, Jaipur (Firm registration No. 004972C), be and is hereby ratified (for the financial year 2016-17) as the Statutory Auditors of the Company and that the board of directors be and is hereby authorised to fix the remuneration payable to them for the financial year 2016-17 as recommended by the Audit committee in consultation with the Auditors.”

SPECIAL BUSINESS:

4. To ratify the Appointment of Mr. Nawneet Somani (DIN - 00287532) as an Managing Director of the Company

To consider and if thought fit, to pass with or without modification(s), the following resolution as SPECIAL RESOLUTION:

“RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), on the re-commendation of Nomination and Remuneration Committee and board of Directors, Consent of the company be and is hereby accorded to the ratify and approve the appointment of Shri Nawneet Somani (DIN 00287532) as Managing Director of the Company, for a period of Consecutive 5 (Five) years with effect from 17.11.2015 to 16.11.2020 on the terms and conditions including remuneration as set out in the Statement annexed to the Notice convening this Meeting.”

By the order of the Board

For Prem Somani Financial Services Limited

Date: 12.08.2016
Place: Jaipur

Nawneet Somani
CFO Cum Managing Director
DIN: 00287532

Notes:

1. A member entitled to attend and vote at the annual general meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the company (a copy of proxy form is attached). The instrument appointing the proxy should, however, be deposited at the registered office of the company not less than 48 hours before the commencement of the meeting.

A person can act as a proxy on behalf of members not exceeding 50 and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
3. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote. Members holding shares in single name and in physical form are advised to make nomination in respect of their shareholding in the company.
4. The Register of Member & Share Transfer Book of the company will remain closed from 21/09/2016 to 26/09/2016 (both days inclusive).
5. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / Registrar.
6. Members are requested to bring their copies of Annual Report to the meeting. Members/ Proxies should bring the attendance slips duly filled-in for attending the meeting and deliver the same at the entrance of the meeting place.
7. Members seeking further information or clarifications on the Annual report or accounts are requested to send in their written queries to the company at least 7 days before the date of the meeting to enable the company compile the information and provide replies at the meeting.
8. The Ministry of Corporate Affairs has taken a "Green Initiative in Corporate" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including annual report can be sent by e-mail to its members. To Support this green initiative of the government in full measure, members are requested to register their e-mail addresses to the following:

prem_somani_jaipur@yahoo.com
&
prem_somani@yahoo.co.in

Members may also note that the aforesaid documents can be downloaded from the company website: www.psfs.co.in

9. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
10. Members are requested to inform the Company's Registrar and Share Transfer Agent i.e. (In house RTA) about the changes, if any, in their registered address along with the Pin Code, quoting their Folio Number. All correspondence relating to transfer of shares shall be sent to the aforesaid In-house Registrar and Share Transfer Agent.
11. Relevant documents referred to in accompanying Notice and Statements are open for inspection by the Members at the Registered Office of the company on all working days during business hours.

12. Voting through electronic means

- a. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide remote e-voting facility to the members of the Company to exercise their right to vote in respect of the resolutions to be passed at the 25th Annual General Meeting. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by Central Depository Services (India) Limited (CDSL).
- b. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- c. The process and manner for remote e-voting are as under:
- (i) The voting period begins on 23.09.2016 at 10.00 A.M. and ends on 25.09.2016 at 5.00 P.M. During this period shareholders' of the Company, holding shares, as on the cut-off date 20.09.2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
 - (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
 - (iv) Click on Shareholders.
 - (v) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
 - (vi) Next enter the Image Verification as displayed and Click on Login.
 - (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
 - (viii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha -numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company please enter the member id / folio number in the Bank details field as mentioned in instruction (iv).

- (ix) After entering these details appropriately, click on "SUBMIT" tab
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant Company Name i.e. "PREM SOMANI FINANCIAL SERVICES LIMITED" on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If a Demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xx) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
- d. Members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting and that the members who have cast their vote by

remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.

13. Notes for Non Individual Shareholders and Custodians:
- ◆ Non-individual shareholders (i.e. other than individuals, HUF, NRI etc.) and Custodian are required to log on to **www.evotingindia.com** and register themselves as corporate.
 - ◆ A scanned copy of the registration Form bearing the Stamp and sign of the entity should be mailed to **helpdesk.evoting@cdslindia.com**
 - ◆ After receiving the login details a compliance user should be created using the admin login and password. The compliance user would be able to link the account(s) for which they wish to vote on.
 - ◆ The list of accounts should be mailed to **helpdesk.evoting@cdslindia.com** and on approval of the accounts they would be able to cast their vote.
 - ◆ A scanned copy of the board Resolution and Power of Attorney (POA) which they have issued in favour of the custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
14. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 20/09/2016.
15. The notice of Annual General Meeting will be sent to the members, whose names appear in the register of members / depositories as at closing hours of business, on 24/08/2016.
16. The shareholders shall have one vote per equity share held by them as on the cut-off date of 20/09/2016. The facility of e-voting would be provided once for every folio / client id, irrespective of the number of joint holders.
17. Since the Company is required to provide members the facility to cast their vote by electronic means to the shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 20/09/2016 and the shareholders not casting their vote electronically, may only cast their vote at the Annual General Meeting.
18. Notice of the AGM along with attendance slip, proxy form along with the process, instructions and the manner of conducting e-voting is being sent electronically to all the members whose e-mail IDs are registered with the Company / Depository Participant(s). For members who request for a hard copy and for those who have not registered their email address, physical copies of the same are being sent through the permitted mode.
19. Investors who became members of the Company subsequent to the dispatch of the Notice / Email and holds the shares as on the cut-off date i.e. 24/08/2016 are requested to send the written / email communication to the Company at **prem_somani@yahoo.co.in** by mentioning their Folio No. / DP ID and Client ID to obtain the Login-ID and Password for e-voting.
20. Mr. Sandeep Jain of (Partner in M/s. ARMS and Associates LLP), Practicing Company Secretary (FCS 5398) has been appointed as the Scrutinizer to scrutinize the remote e-voting process and voting at the AGM in a fair and transparent manner. The Scrutinizer will submit, not later than 3 days of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman of the Company or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

21. The results declared along with the report of Scrutinizer shall be placed on the website of the Company www.psfs.co.in and on the website of CDSL immediately after the declaration of results by the Chairman or any other Key Managerial Personnel. The results shall also be forwarded to the Stock Exchange within 48 hours of the conclusion of Annual General Meeting.
22. Pursuant to Regulation 36 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, the brief profiles of Directors eligible for appointment /Re-appointment vide item no. 2 and 4 are as follows:

Particulars	Mrs. Prem Lata Somani	Mr. Nawneet Somani
DIN	00287433	00287532
Date of Birth	27/10/1959	05/12/1961
Date of Appointment	25/09/1991	17/11/2015
Qualifications	B.A.	M. Com
Experience in specific functional areas	Administration	Administration and Management
Directorship held in Other public company	Nil	1
Chairman/Member of the Audit Committee and Stakeholders' Grievance Committee in other public company	Nil	Nil
Number of shares held in the company	766100	25000

EXPLANATORY STATEMENT

(PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013)

Item No.4:

It was discussed by the Board of directors that Mr. Nawneet Somani has contributed a lot in boosting the growth and expanding the business of the Company by giving his valuable time, knowledge and business ideas Keeping in view, the performance of Mr. Nawneet Somani it was recommended by the Nomination and Remuneration Committee to appoint him on the post of Managing Director of the Company. The said proposal was also placed and discussed by the Board of Directors in their meeting held on 15th day of July, 2015. Mr. Nawneet Somani has also shown his interest for the said appointment and given consent in writing and confirmed about his non disqualification under Section 164, 196, 197 and 203 of the Companies Act, 2013.

Brief resume of Mr. Nawneet Somani nature of his expertise in specific functional area and names of companies in which he hold directorships and memberships/ chairmanships of Board Committees is as - follows:

Particulars	Mr. Nawneet Somani
Din	00287532
Date of Birth	05.12.1961
Age	55 years
Date of Appointment	17.11.2015
Qualifications	M.Com
Experience in specific functional areas	Administration and Management
Directorship held in Other public company	1
Chairman/Member of the Audit Committee and Stakeholders' Grievance Committee in other public company	Nil
Remuneration (sought to be paid)	No remuneration will be paid
Number of shares held in the company	25000
Relationship with other directors, manager and KMP of the company	Related with Mrs. Prem Lata Somani, Director of the company.
Number of Board meeting attended during the year	Six meeting attended during year i.e. Board Meeting dated 30/04/2015, 30/06/2015, 31/07/2015, 30/10/2015, 16/11/2015, 10/02/2016
Terms and Conditions of Appointment	Appointed for a term of 5 Consecutive year
Date of first appointment on the board	17/11/2015

The aforesaid resolution set out in item No.4 of the Notice has been placed for the approval of the Shareholders in the ensuing Annual General Meeting of the Company.

Except the appointee and Mrs. Prem Lata Somani none of the Directors, promoters, KMP's and their relatives are concerned/interested in passing of the aforesaid resolution.

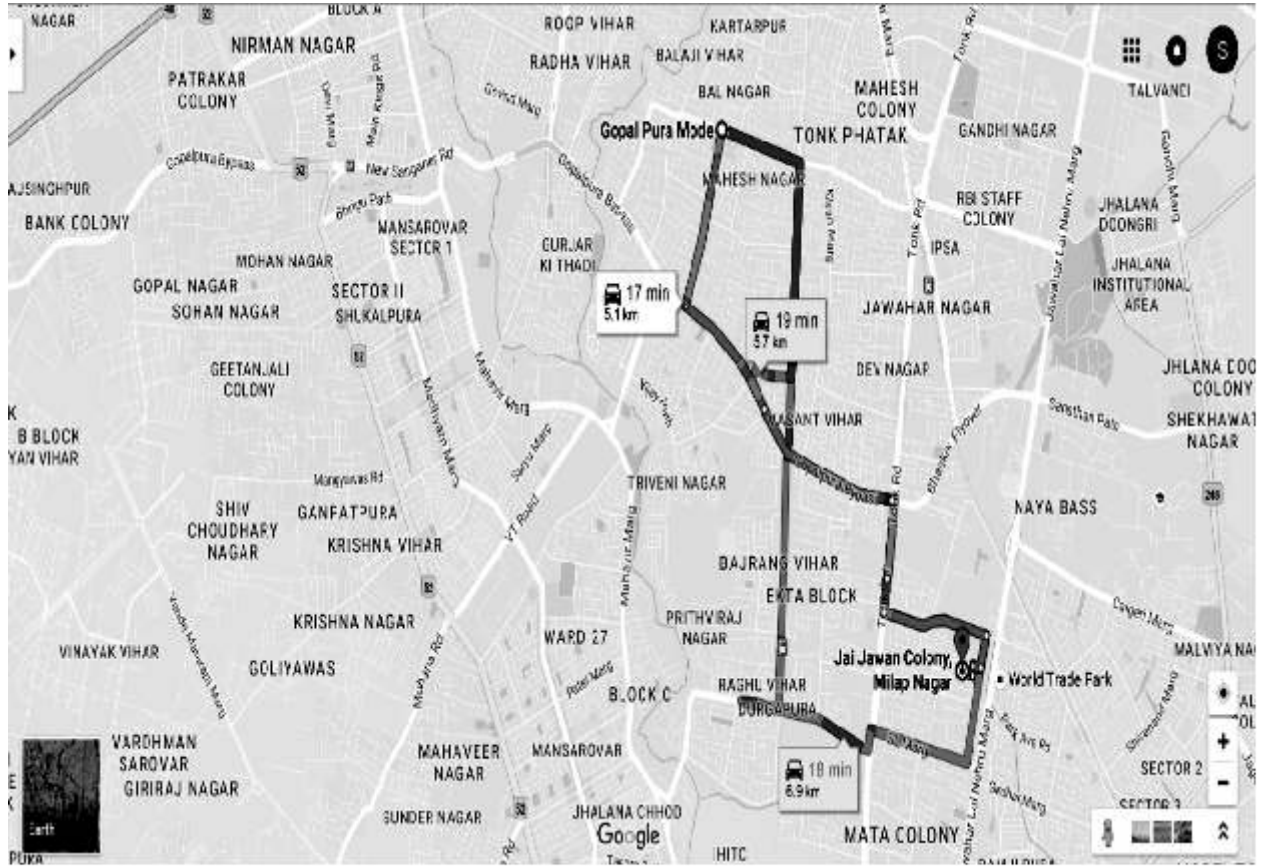
By order of the Board of Director

For Prem Somani Financial Services Limited

Date:12.08.2016
Place: Jaipur

Nawneet Somani
CFO Cum managing Director
DIN: 00287532

Route Map of AGM Venue



BOARD'S REPORT

To,
The Members of
Prem Somani Financial Services Limited

Your Directors have pleasure in presenting the 25th Board's Report together with the Audited Statement of Accounts and the Auditors' Report of your company for the financial year ended, 31st March, 2016.

FINANCIAL HIGHLIGHTS

(Amount in Rs.)

	2015-2016	2014-2015
Gross Income	1111068	1131092
Profit Before Interest and Depreciation	101310	362314
Interest Charges	-	-
Profit Before Depreciation	101309	362314
Depreciation	25845	25845
Net Profit Before Tax	75465	336469
Provision for Tax	(23962)	80431
Net Profit After Tax	99427	256038

STATE OF COMPANY'S AFFAIRS AND FUTURE OUTLOOK

During the Financial Year, there has been no major change in performance of the Company. The income from operation was marginally increased from Rs.9.39 Lacs to Rs.9.40 Lacs. Due to increase in listing fees and salary expenses the profit of the company was decreased from Rs.2.56 Lacs to Rs.0.99 Lacs. Board of Directors are taking necessary steps to improve the performance of the company.

LISTING STATUS

The Company is listed on Mumbai Stock Exchange, Code (530669). There was no trading of Company's Shares at the exchange during the financial year 2015-16.

CHANGE IN NATURE OF BUSINESS, IF ANY

There was no change in the business of the Company and its associated companies during the financial year 2015-16.

DIVIDEND

Due to the reason of inadequate profit during the year, the directors are unable to declare any dividend for the year. Further, your Company's management believe that it's better to put the business's profits to work making the business itself more valuable.

AMOUNTS TRANSFERRED TO RESERVES

The Board of the company has decided to transfer Rs 19,885 to its Special Reserves account (required to maintain under section 45IC of Reserve Bank of India Act, 1934) in the financial year 2015-16. No other amount has been transferred under the head of Reserve and Surplus during the said period.

CHANGES IN SHARE CAPITAL, IF ANY

During the financial year 2015-16, there has been no change in the structure of share capital of the Company.

EXTRACT OF ANNUAL RETURN

The Extract of Annual Return as required under section 92(3) of the Companies Act, 2013 and rule 12(1) of the

Companies (Management and Administration) Rules, 2014, in Form MGT-9 is annexed herewith for your kind perusal and information. **(Annexure: 1)**

INFORMATION ABOUT SUBSIDIARY/ JV/ ASSOCIATE COMPANY

Following are the Detail of the Associate Companies of your company

S. No	Name	Status Subsidiary/ JV/ Associate Company	Year of becoming Associate Company	Date of ceasing Associate Company
1.	Prem Somani Share Brokers Private Limited	Associate Company	1995-96	-
2.	Somani Jewellers Limited *	Associate Company	1995-96	28.03.2016
3.	First Choice Stock Brokers Private Limited *	Associate Company	1995-96	28.03.2016

* During the financial year 2015-16, Company has sold it's invested Shares of Somani Jewellers Limited and First Choice Stock Brokers Private Limited

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures is attached with this Annual report under the heading **Annexure-2**

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

There was no unclaimed / unpaid dividend, application money, debenture interest and interest on deposits as well as the principal amount of debentures and deposits, remaining unclaimed / unpaid in relation to the Company hence the company is not required to transfer any amount to Investor Education and Protection Fund (IEPF).

MATERIAL CHANGES AND COMMITMENTS

Miss Nidhi Jain, Company Secretary and internal auditor of the Company has resigned from this post as on 30.04.2016. Company has appointed Ms. Kavita Sharma as Company Secretary of the company under the purview of section 203 of Companies Act, 2013 who joined this post w.e.f. 01.07.2016.

DIRECTORS AND KMP

- Company has re-designated Mr. Nawneet Somani, director of the company as CFO and Managing Director with effect from 16.11.2015.
- Mr. Virendra Krishnia who was appointed as Independent Director of the company on August, 12th 2006 has resigned from the Board on December, 31st 2015. The Board of Directors records their appreciation for the services rendered by Mr. Virendra Krishnia during his tenure.
- During the year 2015-16, Miss Nidhi Jain, has been appointed as Company Secretary of the company. She has joined this post with effect from 17.11.2015.
- As per the provisions of the Companies Act, 2013, Mrs. Prem Lata Somani will retire by rotation at the ensuing AGM and being eligible offered herself for re-appointment. The Board recommends her re-appointment.
- None of the directors on the board hold directorships in more than ten public companies. Further, none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he is a director. Necessary disclosures regarding committee positions in other public companies as on March 31, 2016 have been made by the directors.
- The Independent Directors have confirmed and declared that they are not disqualified to act as an Independent Director in compliance with the provisions of Section 149 of the Companies Act, 2013 and the Board is also of the opinion that the Independent Directors fulfill all the conditions specified in the Companies Act, 2013 making them eligible to act as Independent Directors.

MEETINGS OF THE BOARD OF DIRECTORS

During the Financial Year 2015-16, the Company held 6 board meetings of the Board of Directors as per Section 173 of Companies Act, 2013 which is summarized below. The provisions of Companies Act, 2013 and listing agreement were adhered to while considering the time gap between two meetings.

S No.	Date of Meeting	Board Strength	No. of Directors Present
1.	30.04.2015	5	4
2.	30.06.2015	5	4
3.	31.07.2015	5	4
4.	30.10.2015	5	4
5.	16.11.2015	5	4
6.	10.02.2016	4	4

EVALUATION OF THE BOARD'S PERFORMANCE

In compliance with the Companies Act, 2013 and Regulation 17(10) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the performance evaluation of the Board was carried out during the year under review.

The Company has prepared an annual performance evaluation policy for performance evaluation of Independent Directors, Board and the Committees.

Separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders etc.

The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Secretarial Department.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(c) of the Companies Act, 2013 the Board of Directors of the Company confirms that-(a)

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) The directors had prepared the annual accounts on a going concern basis; and
- (e) The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

AUDITORS AND REPORT THEREON**STATUTORY AUDITOR**

Pursuant to the provisions of Section 139 of the Act and the rules framed there under, M/s S. Misra & Associates, Chartered Accountants, Jaipur (Firm registration No. 004972C) was appointed as statutory auditors of the Company from the conclusion of the 23rd annual general meeting (AGM) of the Company held on September 25, 2014 till the conclusion of the Twenty-Sixth annual general meeting to be held in the year 2017, subject to ratification of their appointment at every AGM. In terms of the first proviso to Section 139 of the Companies Act, 2013, the appointment of S. Misra & Associates, Chartered Accountants, as statutory auditor of the Company is placed for ratification by the shareholders.

Pursuant to Section 141 of the Companies Act, 2013 and relevant Rules prescribed there under, the Company has received certificate from the Auditors to the effect, inter-alia, that their re-appointment, would be within the limits laid down by the Act and that they are not disqualified for such re-appointment under the provisions of applicable laws

The observation of the Auditors in their report read with relevant notes on the accounts, as annexed are self-explanatory and need no elaboration.

SECRETARIAL AUDITOR AND REPORT

According to provision of the section 204 of the Companies Act 2013 read with rule 9 of the companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Secretarial Audit Report Submitted by **M/s Arms & Associates LLP, Practicing Company Secretaries**, for the financial year ended 31st March, 2016 is annexed herewith for your kind perusal and information. **(Annexure -3)**

In respect of qualification marked in the Secretarial Audit Report regarding non compliances of certain provisions of LODR (Listing obligation and Disclosure requirement) 2015, and Companies Act, 2013 board hereby states that non compliance occurred due to inadvertency and misinterpretation of the provisions of Companies Act, 2013 and modified listing Agreement. Board is taking necessary remedial steps to overcome them in coming year.

LOANS, GUARANTEES AND INVESTMENTS

Being a Non-Banking Financial Company, Section 186 of Companies Act, 2013 is not applicable on the company. Further, details of Inter-corporate Loan and investment is given under Note No. 7 of financial statements.

RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. Further, during the financial year 2015-16, company has not entered into any Related Party transactions under the purview of Section 188 of Companies Act, 2013. Further, details of transaction with related party is given under Note No. 3.12 of notes to accounts.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO:

(A) Conservation of energy and Technology absorption

As the Company is not engaged in the manufacturing activity, the prescribed information regarding compliance of rules relating to conservation of Energy and Technology absorption pursuant to Section 134(3) (m) of the Companies Act, 2013, read with Rule-8(3) of the Companies (Account)Rule, 2014 is not required to be disclosed by the company.

(B) Foreign exchange earnings and Outgo

There were no foreign exchange earnings and outgo during the year under review.

DEPOSITS

In terms of the provisions of Section 73, 74 of the Companies Act, 2013 read with the Companies (Acceptance of Deposit) Rules, 2014. The Company has not accepted any deposits from public during the year under review.

CORPORATE GOVERNANCE

As Per Regulation 15 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, Corporate Governance Report is not applicable on our Company.

CORPORATE SOCIAL RESPONSIBILITY

The company does not meet the criteria of Section 135 of Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 so there is no requirement to constitute Corporate Social Responsibility Committee.

DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT

As Company's none of the share is in D-mat Form So, there is not any requirement to disclose such

information under Clause (F) of Schedule V (Part D) of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015

INDEPENDENT DIRECTORS AND DECLARATION

The following are the Independent Directors on the Board of the Company.

S. No.	Name	Date of Appointment	Designation
1.	Mr. Vikas Khator	12/08/2006	Independent Director
2.	Mr. Vishnu Kant Mundra	16/01/1997	Independent Director
3.	Mr. Virendra Krishnia*	12/08/2006	Independent Director

***Mr. Virendra Krishnia has resigned from the board on 31.12.2015**

The Board of Directors of the Company hereby confirms that all the Independent directors have given the declaration that they meet the criteria of independence as provided under Section 149(6) of the Companies Act, 2013.

AUDIT COMMITTEE

- I. The audit committee of the Company is constituted in line with the provisions of Section 177 of the Companies Act, 2013 read with Companies (Meeting of Board and its Powers) Rules, 2014.
- II. The details of term of reference of the Audit Committee member, dates of meeting held and attendance of the Directors are given hereunder:
 - (a) To oversee the Company's financial information disclosure, review the adequacy of internal control systems.
 - (b) 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.
 - (c) To review the un-audited financial statements before submission to the Board.
 - (d) 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.
 - (e) To have full access to information contained in the records of the company.
 - (f) The recommendations of the Audit Committee on any matter relating to financial management including the audit report shall be binding on the Board.
 - (g) To make recommendations to the Board on any matter relating to the financial management of the Company including the Audit Report.
- III. The audit committee invites executives, as it considers appropriate (particularly the head of the finance function), representatives of the statutory auditors and representatives of the internal auditors to be present at its meetings. The Company Secretary acts as the secretary to the audit committee.
- IV. The Audit Committee constituted under section 177 of companies Act, 2013 comprises following directors.

Name of the Director	Position held in the Committee	Category of the Director	Number of Meetings during the Financial Year 2015-16	
			Held	Attended
Mr. Virendra Krishnia	Chairman (Till 31.12.2015)	Non Executive Independent Director	4	0
Mr. Vishnu Kant Mundhra	Chairman (From 01.01.2016)	Non Executive Independent Director	4	1
Mr. Vikas Khator	Member	Non Executive Independent Director	4	4
Mr. Nagneet Somani	Member	Executive Director	4	4

NOMINATION AND REMUNERATION COMMITTEE

I. Company has constituted this Committee in compliance of the provisions of Section 178(3) of the Companies Act, 2013 read with Companies (Meeting of Board and its Powers) Rules, 2014.

II. The broad terms of reference of the nomination and Remuneration Committee are as under:-

The Nomination and Remuneration Committee assist the Board in overseeing the method, criteria and quantum of compensation for directors and senior management based on their performance and defined assessment criteria. The Committee formulates the criteria for evaluation of the performance of Independent Directors & the Board of Directors; identifying the persons who are qualified to become directors, and who may be appointed in senior management and recommend to the Board their appointment and removal. The terms of the reference of Nomination and Remuneration Committee covers the areas mentioned under Part D of Schedule II of SEBI (Listing Obligation and Disclosure Requirement) Regulation 2015 as well as section 178 of the Companies Act, 2013.

III. The composition of the nomination and remuneration committee and the details of meetings attended by its members are given below:

Name	Position held in the Committee	Category	Number of Meetings during the Financial Year 2015-16	
			Held	Attended
Mr. Vikas Khathor	Chairman	Independent, Non-Executive Director – Chairman	1	1
Mrs. Prem Lata Somani	Member	Non-Independent Non-Executive Director - Member	1	1
Mr. Vishnu Kant Mundhra	Member	Independent Non-Executive Director - Member	1	1

The company in consultation with the nomination and remuneration committee has formulated the remuneration policy and same is given below.

REMUNERATION POLICY**Remuneration To Executive Directors:**

The company has not paid any remuneration to its Executive Directors apart from Sitting Fees and Commission for the Board Meetings attended by them.

Remuneration To Non Executive Directors:

The Non Executive Directors are not paid remuneration by way of Sitting Fees and Commission for the Board Meetings attended by them.

STAKEHOLDER RELATIONSHIP COMMITTEE

Company has constituted the Stakeholder Relationship Committee constituted under section 178 of companies Act, 2013 for looking into matter of shareholders' and investors' grievances. Constitution of this committee is given hereunder along with the details of meeting held during financial year 2015-16.

Sl. No.	Name of the Director	Position	Category	Number of Meetings during the Financial Year 2015-16	
				Held	Attended
1	Mr. Vikas Khathor*	Chairman	Non-Executive Independent Director	2	2
2	Mr. Nawneet Somani**	Member	Executive Director	2	2
3	Mr. Virendra Krishnia***	Member	Non-Executive Independent Director	2	0
4	Vishnu Kant Mundra****	Member	Non-Executive Independent Director	2	1

*Till 30.06.2015, Mr. Vikas Khator was member of the said committee, then after his position has been changed from member to chairman w.e.f. 01.07.2015

** Till 30.06.2015 Mr. Nawneet Somani was Chairman of this committee, then after his position has been changed from chairman to member 01.07.2015

***Till 31.12.2015

****From 01.01.2016

Further, Terms of reference for the Stakeholder Committee are as below :-

- (a) 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
- (b) 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.

VIGIL MECHANISM

The Company has formulated a vigil mechanism (whistle blower policy) for its directors and employees of the Company for reporting genuine concerns about unethical practices and suspected or actual fraud or violation of the code of conduct of the Company as prescribed under the Companies Act, 2013 and Regulation 22(1) of SEBI (Listing Obligations and Disclosure Requirements), Regulation 2015. This vigil mechanism shall provide a channel to the employees and Directors to report to the management concerns about unethical behavior, and also provide for adequate safeguards against victimization of persons who use the mechanism and also make provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases

PARTICULARS OF EMPLOYEES

There was no employee in the company drawing remuneration in excess of the limits set out in the Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Further, the disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in the Annual Report as Annexure-4.

RISK MANAGEMENT

The Company does not have any Risk Management Policy as the elements of risk threatening the Company's existence are very minimal.

ORDER OF COURT

There were no significant and material orders passed by the regulators or courts or Tribunals impacting the going concern status and company's operation in future.

PENALTY

During under review, No Penalty has imposed on company.

INTERNAL FINANCIAL CONTROLS AND THEIR ADEQUACY

The Companies Act, 2013 re-emphasizes the need for an effective Internal Financial Control system in the Company. The system should be designed and operated effectively. Rule 8(5)(viii) of Companies (Accounts) Rules, 2014 requires the information regarding adequacy of Internal Financial Controls with reference to the financial statements to be disclosed in the Board's report. To ensure effective Internal Financial Controls the Company has laid down the following measures:

- The internal financial control systems are commensurate with the size and nature of its operations.
- All legal and statutory compliances are ensured on a monthly basis. Non-compliance, if any, is seriously taken by the management and corrective actions are taken immediately. Any amendment is regularly updated by internal as well as external agencies in the system.
- Approval of all transactions is ensured through a preapproved Delegation of Authority Schedule which is reviewed periodically by the management.

- The Company follows a robust internal audit process. Transaction audits are conducted regularly to ensure accuracy of financial reporting, safeguard and protection of all the assets. Fixed Asset verification of assets is done on an annual basis. The audit reports for the above audits are compiled and submitted to Managing Director and Board of Directors for review and necessary action.

Further, company's internal control system is commensurate with the size, scale and complexity of its operations. The main thrust of internal audit is to test and review controls, appraisal of risks with best practices in the industry. The internal audit is entrusted to Miss Nidhi Jain (Company secretary) till 30.04.2016. The Internal Auditor of the company conducts the audit on a regular basis and the Audit Committee actively reviews the Internal Audit Report. The Management with the Audit Committee periodically reviews the Internal Control System and procedure for the efficient conduct of the business.

CODE OF CONDUCT

The Company has in place a comprehensive Code of Conduct (the Code) applicable to all the employees and Non-executive Directors including Independent Directors. The code is applicable to Non-executive Directors including Independent Directors to such extent as may be applicable to them depending on their roles and responsibilities. The Code gives guidance and support needed for ethical conduct of business and compliance of law. The Code of Conduct is available on the Company's website www.psfs.co.in.

Further, there is no need to give the declaration by the CFO & Managing Director in this regard as the same is not applicable on the company by virtue of Regulation 15 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

As required under Clause (B) of Schedule V (Part D) of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, a detailed Management Discussion and Analysis Report on the Financial Condition and Result of operations of the Company is included in this Annual Report under the heading "Annexure-5".

ACKNOWLEDGEMENT

Your Directors wish to express their grateful appreciation to the continued co-operation received from the Banks, Government Authorities, Customers, Vendors and Shareholders during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed service of the Executives, staff and Workers of the Company.

For & on behalf of the Board of Director

Date: 12.08.2016
Place: Jaipur

Nawneet Somani
DIN: 00287532
CFO Cum Managing Director

Prem Lata Somani
DIN : 00287433
Director

ANNEXURE-1**Form No. MGT-9****EXTRACT OF ANNUAL RETURN**

As on the financial year ended on 31.03.2016

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]**I. REGISTRATION AND OTHER DETAILS:**

- i. CIN : L67120RJ1991PLC 006220
- ii. Registration Date : 25th September, 1991
- iii. Name of the Company : Prem Somani Financial Services Limited
- iv. Category / Sub-Category of the Company : Public Company/Limited by Shares
- v. Address of the Registered office : 5A, Tilak Bhawan, 5th Floor, Tilak Marg,
C – SCHEME, Jaipur-302005, Rajasthan
- vi. Telephone : 0141-5115886/87
- vii. Email : prem_somani_jaipur@yahoo.com
- viii. Website : www.psfs.co.in
- ix. Whether listed company : Listed
- x. Name, Address and Contact : In House transfer

Details of Registrar and Transfer

Agent, if any

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Other Credit Granting (Interest Income)	6492	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

SN	Name And Address Of The Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Not Applicable	-	Holding	-	-
2	Not Applicable	-	Subsidiary	-	-
3	Prem Somani Share Brokers Private Limited	U67120RJ1995PTC010 205	Associate	42.10	2 (6)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**i. Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	-	942400	942400	28.53	-	942400	942400	28.53	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	53600	53600	1.62	-	53600	53600	1.62	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other...	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	-	996000	996000	30.15	-	996000	996000	30.15	-
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other...	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	-	996000	996000	30.15	-	996000	996000	30.15	-

B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	150000	150000	4.54	-	150000	150000	4.54	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	150000	150000	4.54	-	150000	150000	4.54	-

2. Non-Institutions									
a) Bodies Corp.									
i) Indian	-	134900	134900	4.08	-	134900	134900	4.08	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	1763200	1763200	53.38	-	1763200	1763200	53.38	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	235800	235800	7.14	-	235800	235800	7.14	-
Others	-	23500	23500	0.71	-	23500	23500	0.71	-
Sub-total (B)(2):-	-	2157400	2157400	65.31	-	2157400	2157400	65.31	-
Total Public Shareholding (B)=(B)(1)+(B)(2)	-	2307400	2307400	69.85	-	2307400	2307400	69.85	-
C. Shares held by Custodian for GDRs & ADRs	-	0	0	0	-	0	0	0	-
Grand Total (A+B+C)	-	3303400	3303400	100	-	3303400	3303400	100	-

ii. Shareholding of Promoters

SN	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Prem Lata Somani	766100	23.19	-	766100	23.19	-	NIL
2.	Naresh Somani	100	0.00	-	100	0.00	-	NIL
3.	Naval Somani	36700	1.11	-	36700	1.11	-	NIL
4.	Navneet Somani	25000	0.76	-	25000	0.76	-	NIL
5.	Somani Jewellers Limited	53600	1.62	-	53600	1.62	-	NIL
6.	Nivesh Somani	17100	0.52	-	17100	0.52	-	NIL
7.	Ramasawami Roi Ambedkar	2500	0.07	-	2500	0.07	-	NIL
8.	S. Lalith Kumar Roongta	2500	0.07	-	2500	0.07	-	NIL
9.	Ravi Prakash Roongta	2500	0.07	-	2500	0.07	-	NIL
10.	Dariya Bai Sumermall	2500	0.08	-	2500	0.08	-	NIL
11.	Narayana Settyvenkata Bha.	2500	0.08	-	2500	0.08	-	NIL
12.	Meera Devi Jalan	200	0.01	-	200	0.01	-	NIL
13.	Rama Krishna G. Bhatt	2500	0.08	-	2500	0.08	-	NIL
14.	G. Dhanlaxmi	2500	0.07	-	2500	0.07	-	NIL
15.	Manju Nath	2500	0.07	-	2500	0.07	-	NIL

16.	Ganpati M. Hedge	2500	0.08	-	2500	0.08	-	NIL
17.	Gontla Subbarayadu	2500	0.08	-	2500	0.08	-	NIL
18.	Suman Agarwal	2500	0.08	-	2500	0.08	-	NIL
19.	Virendra Mahlotra	2500	0.08	-	2500	0.08	-	NIL
20.	S Pannalal Tatia	2500	0.08	-	2500	0.08	-	NIL
21.	Sunil Kumar Jalan	4700	0.14	-	4700	0.14	-	NIL
22.	Sarita Somani	22500	0.68	-	22500	0.68	-	NIL
23.	Nagpati Hedge	2500	0.08	-	2500	0.08	-	NIL
24.	Ramesh Chandra Maheshwari	20000	0.61	-	20000	0.61	-	NIL
25.	Hemlata Maheshwari	10000	0.30	-	10000	0.30	-	NIL
26.	Mukesh Kumar Jain	2500	0.07	-	2500	0.07	-	NIL
27.	Deepak Tiwari	2500	0.07	-	2500	0.07	-	NIL

iii. Change in Promoters' Shareholding: No change during the year

iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

SN	Name	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	CRB Trustee Limited A/C CRB Mutual Fund	-	150000	4.5	150000	4.5
2	Noble Corporate Services Private Limited	-	67600	2.05	67600	2.05
3	Madhav Prasad Agarwal	-	42800	1.30	42800	1.30
4	Annapurna Morolia	-	32200	0.97	32200	0.97
5	Navita	-	27300	0.83	27300	0.83
6	Nawal Kumar Somani	-	21300	0.70	21300	0.70
7	Manju Sharma	-	20000	0.60	20000	0.60
8	Rajasthan Securities Services Private Limited	-	18500	0.56	18500	0.56
9	Dhoot Industrial Finance Limited	-	18200	0.55	18200	0.55
10	Gautam Nemani	-	16000	0.48	16000	0.48

v. Shareholding of Directors and Key Managerial Personnel:

SN	Name	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	Prem Lata Somani	-	766100	23.19	766100	23.19
2	Nawneet Somani	-	25000	0.76	25000	0.76
3	Virendra Krishnia	-	0	0	0	0
4	Vikas Khator	-	0	0	0	0
5	Vishnu Kant Mundra	-	500	0.02	500	0.02

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	Nil	Nil	Nil	Nil
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	Nil	Nil	Nil	Nil
Change in Indebtedness during the financial year				
Addition	Nil	Nil	Nil	Nil
Reduction	Nil	Nil	Nil	Nil
Net Change	Nil	Nil	Nil	Nil
Indebtedness at the end of the financial year				
i) Principal Amount	Nil	Nil	Nil	Nil
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	Nil	Nil	Nil	Nil

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director, Whole-time Directors and/or Manager: NIL**

Sl. no	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
.		-----	-----	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961			
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission			
	<input type="checkbox"/> As % of profit			
	<input type="checkbox"/> Others, specify...	-	-	-
5.	Others, please specify	-	-	-
6.	Overall Ceiling as per the Act	-	-	-
	Total	-	-	-

B. Remuneration to other directors Not Applicable

Sl. no.	Particulars of Remuneration	Name of Directors				Total Amount
		----	----	----	----	
	1. Independent Directors					
	<input type="checkbox"/> Fee for attending board committee meeting	-	-	-	-	-
	<input type="checkbox"/> Commission					
	<input type="checkbox"/> Others, please specify	-	-	-	-	-
	Total(1)					

	2. Other Non-Executive Directors					
	<input type="checkbox"/> Fee for attending board committee meetings	-	-	-	-	-
	<input type="checkbox"/> Commission	-	-	-	-	-
	<input type="checkbox"/> Others, please specify	-	-	-	-	-
	Total(2)					
	Total Managerial Remuneration					NIL
	Overall Ceiling as per the Act					

C. Remuneration to key managerial personnel other than MD/Manager/WTD: Not Applicable

0	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission <input type="checkbox"/> As % of profit <input type="checkbox"/> Others specify...	-	-	-	-
5.	Others, please specify	-	-	-	-
	Total	-	-	-	-

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment /Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal made, if any (give details)
A. COMPANY					
Penalty	No Penalties, Punishments or Compounding of Offences.				
Punishment					
Compounding					
B. DIRECTORS					

Penalty	No Penalties, Punishments or Compounding of Offences.
Punishment	
Compounding	
C. OTHER OFFICERS IN DEFAULT	
Penalty	No Penalties, Punishments or Compounding of Offences.
Punishment	
Compounding	

For & on Behalf of the Board of Directors

Date: 12.08.2016

Place: Jaipur

**Nawneet Somani
CFO cum Managing Director
DIN: 00287532**

**Prem Lata Somani
Director
DIN: 00287433**

“Annexure-2”**Form AOC-1**

Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part “A”: Subsidiaries: Not Applicable

(Information in respect of each subsidiary to be presented with amounts in Rs.)

Sl. No.	Particulars	Details
1.	Name of the subsidiary	N.A
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	
4.	Share capital	
5.	Reserves & surplus	
6.	Total assets	
7.	Total Liabilities	
8.	Investments	
9.	Turnover	
10.	Profit before taxation	
11.	Provision for taxation	
12.	Profit after taxation	
13.	Proposed Dividend	
14.	% of shareholding	

Notes: The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations
- Names of subsidiaries which have been liquidated or sold during the year.

Part “B”: Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of associates/Joint Ventures	Prem Somani Share Brokers Private Limited
1. Latest audited Balance Sheet Date	31.03.2016
2. Shares of Associate/Joint Ventures held by the company on the year end	Equity Shares
No.	509,000
Amount of Investment in Associates/Joint Venture	509,000
Extend of Holding%	42.10%
3. Description of how there is significant influence	Company is holding 42.10% shares in the associate company.
4. Reason why the associate/joint venture is not consolidated	NA
5. Net worth attributable to shareholding as per latest audited Balance Sheet	Rs.15648839/-
6. Profit/(Loss) for the year	Rs. 544,735/-
i. Considered in Consolidation	NA
ii. Not Considered in Consolidation	NA

- Names of associates or joint ventures which are yet to commence operations. N.A
- Names of associates or joint ventures which have been liquidated or sold during the year. N.A

Place: Jaipur
Date: 12.08.2016

Nawneet Somani
CFO Cum Managing Director
DIN:00287532

For & On Behalf of the Board of Directors
Premlata Somani
Director
DIN: 00287433

Annexure-3**Form MR-3**

[Pursuant to section 204(1) of the Companies Act, 2013 and
Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

SECRETARIAL AUDIT REPORT**FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016**

To,
The Members
Prem Somani Financial Services Limited
5A, V Floor, Tilak Bhawan, Tilak Marg,
C-Scheme, Jaipur, Rajasthan-302005

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s Prem Somani Financial Services Limited (CIN:L67120RJ1991PLC006220)** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the Corporate Conducts/ Statutory Compliances and expressing our opinion thereon.

Based on our verification of the **Prem Somani Financial Services Limited** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company, has during the audit period covering the financial year ended on **31st March, 2016**, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter :

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **Prem Somani Financial Services Limited** ("The Company") for the financial year ended on 31st March, 2016, according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder – **Not Applicable to the Company during the Audit Period.**
- iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment (FDI) and Overseas Direct Investment and External Commercial Borrowings –
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') -
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **Not Applicable to the Company during the Audit Period.**
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **Not Applicable to the Company during the Audit Period.**
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **Not Applicable to the Company during the Audit Period.**
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents)

- Regulations, 1993, regarding the Companies Act and dealing with client; **Not Applicable to the Company during the Audit Period.**
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **Not Applicable to the Company during the Audit Period.**
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **Not Applicable to the Company during the Audit Period.**
- vi. Other specific laws applicable to the Company are
- a. **The Reserve Bank of India Act, 1934, and the rules made and notifications issued thereunder;**

We have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii. The Listing Agreements entered into by the Company with Bombay Stock Exchange.
- iii. The SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above subject to the following observations:

- a. *Company has not conducted e-voting for the Annual General Meeting held on 29.09.2015 as required under Section 108 of Companies Act, 2013 Read with Rule 20 of the Companies (Management and Administration) Rules, 2014,*
- b. *Non fulfillment of certain listing compliances as per the Listing Agreement and SEBI (Listing Obligations and Disclosure Requirements), 2015.*

This report is to be read with our letter of even date which is annexed as '**Annexure –A**' and form an integral part of this report.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operation of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period there were no specific events / actions having a major bearing on the company's affairs.

**For ARMS and Associates LLP
Company Secretaries**

**Place: Jaipur
Date: 09/08/2016**

**(Sandeep Kumar Jain)
FCS: 5398
C.P. No.: 4151**

Sub-Annexure of Annexure-3

To,
The Members
Prem Somani Financial Services Limited
5A, V Floor, Tilak Bhawan, Tilak Marg,
C-Scheme, Jaipur, Rajasthan-302005

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial records is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these Secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verifications were done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of Laws, Rules and Regulations and happening of events etc.
5. The compliance of the Provisions of Corporate and other applicable Laws, Rules, Regulations, standards is the responsibility of the Management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report 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 affairs of the Company.

**For ARMS and Associates LLP
Company Secretaries**

**Place: Jaipur
Date: 09/08/2016**

**(Sandeep Kumar Jain)
FCS 5398 C.P.No.4151**

ANNEXURE – 4**PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 134(3)(q) AND SECTION 197 (12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

S.NO.	Requirement of Rule 5(1)	Details
1.	The ratio of the remuneration of each Director to the median employees of the company for the financial year.	NA
2.	The percentage increase in remuneration of each Director Chief Financial Officer, Company Secretary ,Chief Executive Officer or Manager, if any, in the Financial Year	NA
3.	The percentage increase in the median remuneration of the employees in the Financial Year	100%
4.	The number of the permanent employee on the roll of the company	5
5.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the % increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	<p>Average salary increase of non - managerial employees is: 28.33%</p> <p>Average salary increase of managerial employees is : NA</p> <p>The average increase in remuneration of all employees are decided based on the company's policy, individual's performance, inflation and prevailing industry trend.</p>
6	Affirmation that the remuneration is as per the remuneration policy of the Company.	Yes

Details of Top Ten Employees

Name	Nidhi Jain	Ranjana Sharma	Alka Sharma	Suresh Kumar Bochiwal	Nandkishore Gupta
Designation	Company Secretary	Office Executive	Office Executive	Office Executive	Office Executive
Remuneration received	54000 (for 4.5 Months)	156000	144000	84000	24000
Nature of Employment (contractual or otherwise)	Contractual	Otherwise	Otherwise	Otherwise	Otherwise
Qualification	Company Secretary	BA	BA	BCOM	11 th
Experience		10	10	8	15
Age	25 yrs.	38 yrs.	35 yrs.	50 yrs.	50 yrs.
Last Employment before joining the company	NA	NA	NA	NA	NA
Relation to any director (if any)	NO	NO	NO	NO	NO

ANNEXURE – 5**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 2015-2016, Company earned net Profit of Rs. 99426/ as compared to Net Profit of Rs. 256038/- in the previous financial year.

DEVELOPMENT IN HUMAN RESOURCES

The company has formulated a personnel policy.

INDEPENDENT AUDITORS' REPORT

To
The Members of
M/s. Prem Somani Financial Services Limited
Jaipur

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, 2016, the Statement of Profit and Loss, Cash Flow Statement for the year then ended and a summary of significant accounting policies & other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Accounting Standards notified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and the matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Management as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidences we have obtained are sufficient and appropriate to provide a basis for our audit opinion on standalone financial statements.

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, 2016;
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016(the Order) issued by Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure A, a statement of the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of accounts;
 - d. In our opinion the aforesaid standalone financial statements comply with the accounting standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014; 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. 37,43,026/- 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. 15,93,319/- and consequently the negative balance of Reserves and Surplus carried in the balance sheet would have been increased to Rs. 1,08,45,345/-.

- e. On the basis of the written representations received from the directors as on March 31, 2016 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of section 164(2) of the Companies Act, 2013;
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refers to our separate report in 'Annexure B'; and
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations, if any, on its financial position in its financial statements.
 - ii. The Company has made provisions, as required under the applicable law or accounting standards, for material foreseeable losses, if any, and as required on long-term contracts including derivative contracts if any.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund. Therefore, issue of delay in transferring such sums does not arise.

For S. Misra & Associates
Chartered Accountants
FRN 004972C

CA. MANISH KUMAR
Partner
Membership No. 413078
Place: Jaipur
Date: May 27, 2016

Annexure A to the Auditor's Report

The Annexure referred to in Independent Auditor's Report to the members of the M/s. Prem Somani Financial Services Limited on the financial statements for the year ended March 31, 2016, we report that:

i. Fixed Assets:

- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) 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) According to the information and explanations given to us and on the basis of our examination of the record of the company, we report that, the title deeds, comprising all immovable properties of land & buildings which are freehold, are held in the name of the Company, except the following:

Particulars	Carrying Amount as on March 31, 2016 (in Rs)	Remarks
Flat situated at 404, Durga Apartments, Durga Marg, Bani Park, Jaipur	2,30,941	The registered deed thereof is yet to be executed in favour of company.

ii. Inventories:

Since the Company is a Service concern, therefore, it does not hold any physical inventories. Thus, paragraph 3(ii) of the order is not applicable to the company.

iii. Loans to the parties covered in the register maintained under Section 189 of the Act:-

The Company has granted unsecured loans to one party covered in the register maintained under section 189 of the Companies Act, 2013. The maximum amount outstanding at any time during the year was Rs. 59,78,514/- (outstanding balance as at March 31, 2016 is Rs. 57,78,514/-). The Company has 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.

iv. Compliance of provisions of section 185 and 186 of the Companies Act, 2013:-

In our opinion and according to the information and explanation given to us, the company is Non Banking Financial Company therefore, the advances has been given in the normal course of business, therefore, the provisions of section 185 and 186 does not apply to the company. Thus, paragraph 3(iv) of the order is not applicable.

v. Public Deposits:-

The Company has not accepted deposits from the public. Therefore, the provisions of clause (v) of paragraph 3 of the order are not applicable to the Company.

vi. Cost Records:-

According to the information and explanations given to us, the maintenance of cost records has not been prescribed by the Central Government under section 148(1) of the Companies Act, for any of the services rendered by the Company. Therefore, the provisions of clause (vi) of paragraph 3 of the order are not applicable to the Company.

vii. Statutory Dues:-

- a) Undisputed Statutory Dues: According to the information and explanations given to us and on the basis of our examination of the record of the company, undisputed statutory dues including provident fund, ESI, Income Tax, Value added tax, service tax, cess and other material statutory dues have been generally regularly deposited during the year by the company with the appropriate authorities.

b) Disputed statutory dues: According to the information and explanations given to us, there are no disputed dues which have remained outstanding as at the end of the financial year, for a period of more than six months from the date they became payable.

viii. 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, the company does not have any outstanding dues from Financial Institution or Bank or Debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.

ix. Application of IPO, FPO and Term loans:-

According to the information and explanations given to us, the company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the order is not applicable.

x. 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 by the Company or on the company by its officers or employees, has been noticed or reported during the course of our audit.

xi. Managerial Remuneration :-

According to the information and explanations given to us, and to the best of our knowledge, the Company has not paid any managerial remuneration during the year. Therefore the provision of clause XI of paragraph 3 of the order is not applicable.

xii. Nidhi Company :-

Since the company is not a Nidhi Company, therefore, paragraph 3(xii) of the order is not applicable.

xiii. Related Party Transaction :-

According to the information and explanations given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with sections 177 and 188 of the Act wherever applicable and details of such transaction have been disclosed in the financial statements as required by the applicable accounting standards.

xiv. Preferential allotment and Private placement:-

According to the information and explanations given to us and based on our examination of the records of the company, the company has not made any preferential allotment or private placement of share or fully or partly convertible debenture during the year.

xv. Non-Cash Transaction: -

According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into non-cash transactions with the directors or persons connected with him. Accordingly, paragraph 3(xv) of the order is not applicable.

xvi. Registration under RBI Act:-

The Company is a Non-Banking Financial company and is required to be registered under section 45-IA of the Reserve Bank of India. The company has obtained the registration.

For S. Misra & Associates

Chartered Accountants
FRN 004972C

CA. MANISH KUMAR

Partner
Membership No. 413078
Place: Jaipur
Date: May 27, 2016

Annexure B to the Auditor's Report

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of M/s. Prem Somani Financial Services Limited ('the Company') as on March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of the Management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial

reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as on March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

FOR S. MISRA & ASSOCIATES

Chartered Accountants

FRN 004972C

CA. MANISH KUMAR

Partner

Membership No. 413078

Place: Jaipur

Date: May 27, 2016

PREM SOMANI FINANCIAL SERVICES LIMITED

(CIN: L67120RJ1991PLC006220)

BALANCE SHEET AS ON MARCH 31, 2016

Particulars	Note	As on March 31, 2016	As on March 31, 2015
I EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	1	33,034,000	33,034,000
(b) Reserves and Surplus	2	(9,252,026)	(9,351,453)
(2) Non - Current Liabilities			
(a) Deferred Tax Liabilities (Net)		33,139	57,651
(b) Long Term Provisions	3	2,183,613	2,178,734
(3) Current Liabilities			
(a) Other Current Liabilities	4	25,850	40,149
(b) Short term provisions	5	337,630	195,802
TOTAL		26,362,207	26,154,884
II ASSETS			
(1) Non - Current Assets			
(a) Fixed Assets			
Tangible assets	6	305,791	334,719
(b) Non - current investments	7	13,151,916	12,677,025
(c) Long term loans and advances	8	11,309,831	11,618,447
(2) Current Assets			
(a) Cash and Bank Balances	9	1,517,798	1,439,912
(b) Other current assets	10	76,870	84,781
TOTAL		26,362,207	26,154,884

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO 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
CFO Cum Managing Director
DIN: 00287532

Place: Jaipur
Date: May 27, 2016

PREM LATA SOMANI
Director
DIN: 00287433

PREM SOMANI FINANCIAL SERVICES LIMITED
(CIN: L67120RJ1991PLC006220)
STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDING MARCH 31, 2016

Particulars	Note	For the Year ending March 31, 2016	For the Year ending March 31, 2015
Revenues:			
I Revenue from Operations	11	940,348	939,020
II Other Income	12	170,720	192,072
III Total revenue (I + II)		1,111,068	1,131,092
Expenses:			
IV Direct Expense (Provision for Standard assets)		4,880	29,027
Employees Benefit Expenses		492,000	390,000
Depreciation	6	25,845	25,845
Other Expenses	13	512,879	349,744
Total Expenses		1,035,603	794,616
Profit/(Loss) before exceptional and extraordinary items and tax (III-IV)		75,465	336,475
Exceptional Items		-	-
Profit/(Loss) before extraordinary items and tax (V-VI)		75,465	336,475
Extraordinary Items		-	-
V Profit before tax (III-IV)		75,465	336,475
VI Tax expenses:			
(1) For Current tax		550	83,442
(2) For Deferred tax		(24,512)	(3,011)
(3) For Previous Years		-	6
VII Profit/(Loss) for the period from continuing operations (V-VI)		99,427	256,038
VIII Profit/(loss) from discontinuing operations		-	-
IX Tax expense of discontinuing operations		-	-
X Profit/(loss) from discontinuing operations (after tax) (XII-XIII)		-	-
XI Profit/(Loss) for the period (VII-X)		99,427	256,038
XII Earning per equity share:			
XIII (1) Basic		0.030	0.078
XIV (2) Diluted		0.030	0.078

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
CFO Cum Managing Director
DIN: 00287532

Place: Jaipur
Date: May 27, 2016

PREM LATA SOMANI
Director
DIN: 00287433

CASH FLOW STATEMENT
FOR THE YEAR ENDED ON MARCH 31, 2016

PARTICULARS	Amount (In Rs.)			
	For the Year Ended on March 31, 2016	For the Year Ended on March 31, 2016	For the Year Ended on March 31, 2015	For the Year Ended on March 31, 2015
A. <u>Cash Flow From Operating Activities</u>				
Net Profit before Tax & extra ordinary Items		75,465		336,475
<u>Adjustments for</u>				
(Profit)/Loss on Sale of Investments	(147,720)		-	
Loss on sale of Fixed Asset	582			
Depreciation	25,845		25,845	
Provision for Standard asset	4,880		29,027	
Depreciation written back	-		(65,742)	
Operating Profit before Working Capital Changes		(40,949)		325,605
(Increase)/Decrease in Other Current Assets		7,911		14,605
Increase/(Decrease) in Current Liabilities		(14,299)		5,618
Increase/(Decrease) in Short term Provisions		224,720		112,360
Income Tax Paid		(83,442)		(28,866)
Net Cash From Operating Activities		93,941		429,324
B. <u>Cash Flow from Investing Activities</u>				
Sale of Investments		836,715		-
(Purchase) of Investments		(1,163,886)		(615,674)
(Purchase)/Sale of Fixed Assets		2,500		-
(Increase) Decrease in Long Term Loans and Advances		308,617		(76,807)
Net Cash from in Investing Activities		(16,054)		(692,481)
C. <u>Cash Flow from Financing Activities</u>				
Net Cash Flow from Financing Activities		-		-
D. <u>Net Increase (Decrease) in</u>				
Cash & Cash Equivalents (A+B+C)		77,887		(263,157)
Cash & Cash Equivalents At the beginning of the Year		1,439,912		1,703,070
Cash & Cash Equivalents At the Closing of the Year		1,517,798		1,439,912

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 31, 2016 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

FOR AND ON BEHALF OF BOARD OF DIRECTORS

CA. MANISH KUMAR
Partner
M. No. 413078

NAWNEET SOMANI
Managing Director
DIN: 00287532

Place: Jaipur
Date: May 27, 2016

PREMLATA SOMANI
Director
DIN: 00287433

PREM SOMANI FINANCIAL SERVICES LIMITED
NOTES TO BALANCE SHEET AS ON MARCH 31, 2016

NOTE 1	₹	₹
Share Capital	As on March 31, 2016	As on March 31, 2015
Authorized: 70,00,000 Equity shares of Rs. 10/- each	70,000,000	70,000,000
	70,000,000	70,000,000
Issued, subscribed and fully paid up: 33,03,400 Equity shares of Rs. 10/- each	33,034,000	33,034,000
Total	33,034,000	33,034,000

NOTE 1A

Reconciliation of Shares	As on March 31, 2016		As on March 31, 2015	
	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	-	-	-	-
Shares outstanding at the end of the year	3,303,400	33,034,000	3,303,400	33,034,000

NOTE 1B

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

Sr. No.	Particulars	As on March 31, 2016		As on March 31, 2015	
		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) The company has not declared dividend during the year ended March 31, 2016

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	₹	₹
Reserves & Surplus	As On March 31, 2016	As On March 31, 2015
(a) Share Premium Account		
Opening Balance	750,000	750,000
Add: Premium received during the year	-	-
Less: Utilised during the year	-	-
Closing Balance	750,000	750,000
(b) Special Reserves		
Opening Balance	573,858	501,305
Add: Transfer during Current Year	19,885	72,553
Less: Written Back during Current Year	-	-
Closing Balance	593,743	573,858
(c) Surplus		
Opening balance	(10,675,311)	(10,794,511)
Add: Net Profit/(Loss) for the year	99,427	256,038
Add: Transfer from Reserves	-	-
Less: Proposed Dividends	-	-
Less: Interim Dividends	-	-
Less: Transfer to Special Reserves	19,885	72,553
Less: Assets written off	-	64,285
Closing Balance	(10,595,770)	(10,675,311)
Total (a+b+c)	(9,252,026)	(9,351,453)

NOTE 3

	₹	₹
Long term Provisions	As on March 31, 2016	As on March 31, 2015
Others		
-Provision For Diminution in Investments	2,149,706	2,149,706
-Provision For Standard Assets	33,907	29,027
Total	2,183,613	2,178,734

NOTE 4

Other Current Liabilities	As on March 31, 2016	As on March 31, 2015
(a) Advance Rent Received	-	9,250
(b) Other Payables- Audit Fees Payable	25,850	30,899
Total	25,850	40,149

NOTE 5

Short Term Provisions	As on March 31, 2016	As on March 31, 2015
Provision for Tax	550	83,442
Provision for Listing Fees	337,080	112,360
Total	337,630	195,802

NOTE 8

Long term loans and advances	As on March 31, 2016	As on March 31, 2015
Unsecured, Considered Good		
(a) Security Deposits	7,500	7,500
(b) Loans and advances to related parties Prem Somani Share Brokers Private Limited	5,778,513	5,778,514
(c) Other Loans and advances	5,523,818	5,832,434
Total	11,309,831	11,618,447

NOTE 8A

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

NOTE 9

Cash and Bank Balances	As on March 31, 2016	As on March 31, 2015
(a) Cash and Cash Equivalents		
(i) Balances with Banks:		
-Andhra Bank	-	17,944
-Federal Bank	5,381	61,882
-HDFC Bank	1,065,164	1,353,818
(ii) Cash in hand	117,693	6,267
Total (a)	1,188,238	1,439,912
(a) Other Bank Balances		
(i) FDR's with Bank having maturity more than 3 months	329,560	-
Total (b)	329,560	-
Total (a+b)	1,517,798	1,439,912

NOTE 10

Other Current Assets	As on March 31, 2016	As on March 31, 2015
TDS Receivable	76,870	84,781
Total	76,870	84,781

PREM SOMANI FINANCIAL SERVICES LIMITED
NOTES TO STATEMENT OF PROFIT AND LOSS

NOTE 11

	₹	₹
Revenue from Operation	For the Year ending March 31, 2016	For the Year ending March 31, 2015
Interest Income	940,348	939,020
Total	940,348	939,020

NOTE 12

	₹	₹
Other Income	For the Year ending March 31, 2016	For the Year ending March 31, 2015
Rent Received	21,000	120,000
Interest Received on Refund	-	330
Depreciation Written Back	-	65,742
Miscellaneous Income	2,000	6,000
Profit on sale of investments	147,720	-
Total	170,720	192,072

NOTE 13

	₹	₹
Other Expenses	For the Period ending March 31, 2016	For the Period ending March 31, 2015
Auditor's Remuneration		
- For Company Law Matters	16,330	15,730
- For Taxation Matters	4,082	3,933
Advertisement Expenses	4,288	1,630
AGM Expenses	16,135	15,740
Conveyance Expenses	9,600	9,600
Demat Charges	-	2,815
Electricity Expenses	10,694	8,381
Internal Audit Fees	5,725	5,618
Legal & Professional Expenses	24,200	4,200
Loss on sale of fixed assets	582	-
Listing Fees	224,720	112,360
Miscellaneous Expenses	31,435	7,356
Office Expenses	12,397	10,387
Courier & Postage Expenses	24,903	24,522
Printing and Stationary	55,788	67,472
Rent	60,000	60,000
Repair & Maintenance	12,000	-
Total	512,879	349,744

PREM SOMANI FINANCIAL SERVICES LIMITED
FIXED ASSETS FOR THE YEAR ENDED ON MARCH 31, 2016 AS PER SCHEDULE II OF THE COMPANIES ACT, 2013

NOTE 6

FIXED ASSETS	DEPRECIATION										NET BLOCK	
	GROSS BLOCK			DEPRECIATION			DEPRECIATION				As On	As On
	As On April 1, 2015	Addition	Deduction	As On March 31, 2016	As On April 1, 2016	For the year	Adjustment	As On March 31, 2016	As On March 31, 2016	As On April 1, 2015	As On April 1, 2015	
Tangible Assets												
Air Conditioner	157,618	-	-	157,618	115,818	8,350	-	124,168	33,450	41,800	41,800	
Building	900,000	-	-	900,000	657,438	11,621	-	669,059	230,941	242,562	242,562	
Computer	114,029	-	114,029	-	113,349	-	113,349	-	-	680	680	
Fax Machine	48,460	-	48,460	-	46,058	-	46,058	-	-	2,402	2,402	
Furniture & Fixtures	141,555	-	-	141,555	101,817	5,241	-	107,058	34,497	39,738	39,738	
Mobile Phone	11,500	-	-	11,500	3,964	633	-	4,597	6,903	7,536	7,536	
TOTAL	1,373,162	-	162,489	1,210,673	1,038,443	25,845	159,407	904,882	305,791	334,719	334,719	

PREM SOMANI FINANCIAL SERVICES LIMITED
NOTES TO BALANCE SHEET AS ON MARCH 31, 2016

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, 2016	As at March 31, 2015			As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015		
	Investment in Equity Instruments											
1	Bhavani 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	Emkay 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	Hudco	Others	1,600	590	Quoted	Fully Paid	Less Than 1%	Less Than 1%	1,709,560	615,674	Yes	-
7	Indergiri Finance Ltd.	Others	95,500	95,500	Quoted	Fully Paid	Less Than 2%	Less Than 2%	953,830	953,830	Yes	-
8	Information Tech Ltd.	Others	1,495	1,495	Quoted	Fully Paid	Less Than 1%	Less Than 1%	14,242	14,242	Yes	-
9	Mafatal Finance Ltd.	Others	2,500	2,500	Quoted	Fully Paid	Less Than 1%	Less Than 1%	163,087	163,087	Yes	-
10	Malvika Steel Ltd.	Others	14,500	14,500	Unquoted	Fully Paid	Less Than 1%	Less Than 1%	145,000	145,000	Yes	-
11	NEPC Agro Food Ltd.	Others	2,023	2,023	Quoted	Fully Paid	Less Than 1%	Less Than 1%	3,957	3,957	Yes	-
12	NEPC Textiles Ltd.	Others	4,880	4,880	Quoted	Fully Paid	Less Than 1%	Less Than 1%	13,803	13,803	Yes	-
13	Padmini Tech. Ltd.	Others	5,000	5,000	Quoted	Fully Paid	Less Than 1%	Less Than 1%	20,250	20,250	Yes	-
14	Prakash Solvents Ltd.	Others	12,000	12,000	Quoted	Fully Paid	Less Than 1%	Less Than 1%	80,040	80,040	Yes	-
15	Pretto Leather Ltd.	Others	5,000	5,000	Quoted	Fully Paid	Less Than 1%	Less Than 1%	50,000	50,000	Yes	-
16	Solarsons Industries Ltd.	Others	1,500	1,500	Quoted	Fully Paid	Less Than 1%	Less Than 1%	33,662	33,662	Yes	-
17	Supreme Conductors Ltd.	Others	42,400	42,400	Quoted	Fully Paid	Less Than 1%	Less Than 1%	598,324	598,324	Yes	-
18	High Street Filatex Ltd.(UNILLEG)	Others	4,500	5,920	Quoted	Fully Paid	Less Than 1%	Less Than 1%	250,337	329,332	Yes	-
19	Union Bearing Ltd.	Others	89,500	89,500	Quoted	Fully Paid	Less Than 2%	Less Than 2%	447,500	447,500	Yes	-
	Total (A)		474,198	474,608					6,202,166	5,187,275		

B. Details of Other 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, 2016	As at March 31, 2015			As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015		
1	KBC International Pvt. Ltd.	Others	50,000	50,000	Unquoted	Fully paid	11.76%	11.76%	500,000	500,000	Yes	-
2	Prem Somani Share Brokers Pvt. Ltd.	Associate	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.*	Others	38,000	50,000	Unquoted	Fully paid	19.43%	25.56%	380,000	500,000	Yes	-
4	Nawneer Somani Securities Pvt. Ltd.	Others	5,600	-	Unquoted	Fully paid	5.08%	-	70,000	-	Yes	-
5	Somani Jewellers Ltd.**	Others	90,975	139,975	Unquoted	Fully paid	19.89%	30.61%	909,750	1,399,750	Yes	-
	Total (B)		693,575	748,975					6,949,750	7,489,750		
	Total (A+B)		1,167,773	1,223,583					13,151,916	12,677,025		

* Formerly known as Rajasthan Buildtech Services Pvt. Ltd.
** Formerly known as Somani Securities Limited

Notes to Accounts & Significant Accounting Policies
PREM SOMANI FINANCIAL SERVICES LIMITED

Registered Office: 5A, TILAK BHAWAN, 5th FLOOR, TILAK MARG, C-SCHEME, JAIPUR

BACKGROUND

1. Prem Somani Financial Services Limited (the Company) is incorporated as the Public limited company since 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 standards issued by the Institute of Chartered Accountants of India and other provision of the Companies Act, 2013.

- 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.

Depreciation is provided taking the useful life of the assets as per schedule II of the Companies Act, 2013 on average pro-rata basis from the date on which assets come in to operation or put to use.

- 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 comprise 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.

3. NOTES TO ACCOUNTS:**3.1 Auditor's Remuneration:-**

Particulars	F.Y. 2015-16	F.Y. 2014-15
For Company Law Matters	16,330/-	15,730/-
For Taxation Matters	4,082/-	3,933/-
Total	20,412/-	19,663/-

3.2 Earning Per Share:-

Particulars	31.03.2016	31.03.2015
Net Profit/(Loss) attributable to equity Shareholders (A) Rs.	99,426/-	322,927/-
No. of Equity Shares	33,03,400	33,03,400
Basic earning per share	0.03	0.10

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 schedule III of companies act, 2013 has been done on the basis of information, explanations and the estimates given by the management.

3.7 The Building shown under the head "Tangible Assets" in Note no 6 of Balance Sheet of the company represents the Flat situated at 404, Durga apartments, Durga Marg, Bani Park, Jaipu and the registered deed thereof is yet to be executed in favour of company. The company recives rent from the building

3.8 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.

3.9 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.

3.10 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.

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

Deferred Tax Liabilities:	As at 31.03.2016	As at 31.03.2015
Opening balance	57,651/-	60,662/-
Adjustment of Deferred Tax Charged to Statement of Profit & Loss	(24,512)	(3,011)
Net Deferred Tax Liabilities/(Assets)	Rs. 33,139	Rs. 57,651

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

(A) List of Related Parties :

1.	Prem Somani & Associates	-	Proprietor Firm of one of the director
2.	Prem Somani Share Brokers Pvt. Ltd.	-	Associate Company
3.	Somani Securities Ltd.	-	Sister Concern
4.	Nawneet Somani Securities Pvt. Ltd.	-	Sister Concern

(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 31.03.2015
Prem Somani & Associates	Rent Paid	60,000/-	Nil
Prem Somani Share Brokers Pvt. Ltd.	Interest received	4,00,000/-	57,78,514/-
Sarita Somani	Sale of Investments	6,88,000/-	Nil
Sarita Somani	Purchase of Investments	70,000/-	Nil

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

3.14 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.

3.15 Foreign Exchange Earning : Nil
Foreign Exchange Outgo : Nil
(Incurred for Foreign Travel)

FOR PREM SOMANI FINANCIAL SERVICES LIMITED

In terms of our audit Report of even date
FOR S. MISRA & ASSOCIATES
Chartered Accountants,
FRN 004972

NAWNEET SOMANI
Director
DIN: 00287532

CA. MANISH KUMAR
Partner
M. No. 413078

PREMLATA SOMANI
Director
DIN: 00287433

Place: Jaipur
Dated: May 27, 2016

INDEPENDENT AUDITOR'S REPORT

To
The members of
M/s. Prem Somani Financial Services Limited
Jaipur

Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated Financial Statements of Prem Somani Financial Services Limited ('the Holding Company') and its Associate company; namely Prem Somani Share Brokers Private Limited (collectively referred to as 'the Company' or 'the Group'), comprising the Consolidated Balance Sheet as at March 31, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended and a summary of the Significant Accounting Policies and other explanatory information (hereinafter referred to as 'The Consolidated Financial Statements').

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of the Consolidated Financial Statements in terms of the requirements of the Companies Act, 2013 ('the Act') that give a true and fair view of the Consolidated Financial Position, Consolidated Financial Performance and Consolidated Cash Flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Companies Act, 2013 (hereinafter referred to as 'the Act') read with Rule 7 of the Companies(Accounts) Rules, 2014. The Board of Directors of the Company is responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Financial Statements are free from material misstatement.

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

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the

aforsaidConsolidated 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, of the Consolidated State of Affairs of the Company, as at March 31, 2016, and their Consolidated Profit and their Consolidated Cash Flows for the year ended on that date.

Report on other legal and regulatory requirements

1. As required by sub-section 3 of Section 143 of the Act, we report, to the extent applicable, that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforsaid consolidated financial statements.
 - b. In our opinion, proper books of account as required by law relating to preparation of the aforsaid consolidated financial statements have been kept so far as it appears from our examination of those books.
 - c. The consolidated balance sheet, the consolidated statement of profit and loss, and the consolidated cash flow statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.
 - d. In our opinion, the aforsaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014; 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. 37,43,026/- 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. 15,93,319/- and consequently the negative balance of Reserves and Surplus carried in the Consolidated balance sheet would have been increased to Rs. 95,74,410/-.
 - e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2016 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its associate companies, none of the Directors of is disqualified as on March 31, 2016 from being appointed as a Director of that company in terms of sub-section 2 of Section 164 of the Act.
 - f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
 - i. The Company has disclosed the impact of pending litigations, if any, on its financial position in its financial statements.
 - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund. Therefore, issue of delay in transferring such sums does not arise.

FOR S. MISRA&ASSOCIATES

Chartered Accountants
FRN-004972C

CA. MANISH KUMAR

Partner
M. No. 413078

Place: Jaipur
Date: May 27, 2016

(CIN: L67120RJ1991PLC006220)

CONSOLIDATED BALANCE SHEET AS ON MARCH 31, 2016

₹

₹

Particulars	Note	As on March 31, 2016	As on March 31, 2015
I EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	1	33,034,000	33,034,000
(b) Reserves and Surplus	2	(7,981,091)	(8,309,851)
(2) Non - Current Liabilities			
(a) Deferred Tax Liabilities (Net)		33,139	57,651
(b) Long Term Provisions	3	2,183,613	2,178,734
(3) Current Liabilities			
(a) Other Current Liabilities	4	25,850	40,149
(b) Short term provisions	5	337,630	195,802
TOTAL		27,633,142	27,196,485
II ASSETS			
(1) Non - Current Assets			
(a) Fixed Assets			
Tangible assets	6	305,791	334,719
(b) Non - current investments	7	14,422,851	13,718,627
(c) Long term loans and advances	8	11,309,831	11,618,447
(2) Current Assets			
(a) Cash and Bank Balances	9	1,517,798	1,439,912
(b) Other current assets	10	76,870	84,781
TOTAL		27,633,142	27,196,485

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO 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
CFO Cum Managing Director
DIN: 00287532

Place: Jaipur
Date: May 27, 2016

PREM LATA SOMANI
Director
DIN: 00287433

(CIN: L67120RJ1991PLC006220)

**STATEMENT PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2016
CONSOLIDATED**

Particulars	Note	₹	
		For the Year ending March 31, 2016	For the Year ending March 31, 2015
Revenues:			
I Revenue from Operations	11	940,348	939,020
II Other Income	12	170,720	192,072
III Total revenue (I + II)		1,111,068	1,131,092
Expenses:			
IV Direct Expense (Provision for Standard assets)		4,880	29,027
Employees Benefit Expenses		492,000	390,000
Depreciation	6	25,845	25,845
Other Expenses	13	512,879	349,744
Total Expenses		1,035,603	794,616
Profit/(Loss) before exceptional and extraordinary items and tax (III-IV)		75,465	336,475
Exceptional Items		-	-
Profit/(Loss) before extraordinary items and tax (V-VI)		75,465	336,475
Extraordinary Items		-	-
V Profit before tax (III-IV)		75,465	336,475
VI Tax expenses:			
(1) For Current tax		550	83,442
(2) For Deferred tax		(24,512)	(3,011)
(3) For Previous Years		-	6
VII Profit/(Loss) for the period from continuing operations (V-VI)		99,427	256,038
VIII Profit/(loss) from discontinuing operations		-	-
IX Tax expense of discontinuing operations		-	-
X Profit/(loss) from discontinuing operations (after tax) (XII-XIII)		-	-
XI Profit/(Loss) for the period (VII-X)		99,427	256,038
XII Earning per equity share:			
XIII (1) Basic		0.030	0.078
XIV (2) Diluted		0.030	0.078

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
CFO Cum Managing Director
DIN: 00287532

Place: Jaipur
Date: May 27, 2016

PREM LATA SOMANI
Director
DIN: 00287433

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED ON MARCH 31, 2016**

PARTICULARS	Amount (In Rs.)			
	For the Year Ended on March 31, 2016	For the Year Ended on March 31, 2016	For the Year Ended on March 31, 2015	For the Year Ended on March 31, 2015
A. <u>Cash Flow From Operating Activities</u>				
Net Profit before Tax & extra ordinary Items		75,465		336,475
<u>Adjustments for</u>				
(Profit)/Loss on Sale of Investments	(147,720)		-	
Loss on sale of Fixed Asset	582			
Depreciation	25,845		25,845	
Provision for Standard asset	4,880		29,027	
Depreciation written back	-		(65,742)	
Operating Profit before Working Capital Changes		(40,949)		325,605
(Increase)/Decrease in Other Current Assets		7,911		14,605
Increase/(Decrease) in Current Liabilities		(14,299)		5,618
Increase/(Decrease) in Short term Provisions		224,720		112,360
Income Tax Paid		(83,442)		(28,866)
Net Cash From Operating Activities		93,941		429,324
B. <u>Cash Flow from Investing Activities</u>				
Sale of Investments		836,715		-
(Purchase) of Investments		(1,163,886)		(615,674)
(Purchase)/Sale of Fixed Assets		2,500		-
(Increase) Decrease in Long Term Loans and Advances		308,617		(76,807)
Net Cash from in Investing Activities		(16,054)		(692,481)
C. <u>Cash Flow from Financing Activities</u>				
Net Cash Flow from Financing Activities		-		-
D. <u>Net Increase (Decrease) in</u>				
Cash & Cash Equivalents (A+B+C)		77,887		(263,157)
Cash & Cash Equivalents At the beginning of the Year		1,439,912		1,703,070
Cash & Cash Equivalents At the Closing of the Year		1,517,798		1,439,912

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 31, 2016 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

FOR AND ON BEHALF OF BOARD OF DIRECTORS

CA. MANISH KUMAR
Partner
M. No. 413078

NAWNEET SOMANI
Managing Director
DIN: 00287532

Place: Jaipur
Date: May 27, 2016

PREMLATA SOMANI
Director
DIN: 00287433

NOTES TO CONSOLIDATED BALANCE SHEET AS ON MARCH 31, 2016

NOTE 1

Share Capital	₹	₹
	As on March 31, 2016	As on March 31, 2015
Authorized: 70,00,000 Equity shares of Rs. 10/- each	70,000,000	70,000,000
	70,000,000	70,000,000
Issued, subscribed and fully paid up: 33,03,400 Equity shares of Rs. 10/- each	33,034,000	33,034,000
Total	33,034,000	33,034,000

NOTE 1A

Reconciliation of Shares	As on March 31, 2016		As on March 31, 2015	
	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	-	-	-	-
Shares outstanding at the end of the year	3,303,400	33,034,000	3,303,400	33,034,000

NOTE 1B

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

Sr. No.	Particulars	As on March 31, 2016		As on March 31, 2015	
		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) The company has not declared dividend during the year ended March 31, 2016

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 On March 31, 2016	As On March 31, 2015
(a) Share Premium Account		
Opening Balance	750,000	750,000
Add: Premium received during the year	-	-
Less: Utilised during the year	-	-
Closing Balance	750,000	750,000
(b) Special Reserves		
Opening Balance	573,858	501,305
Add: Transfer during Current Year	19,885	72,553
Less: Written Back during Current Year	-	-
Closing Balance	593,743	573,858
(c) Surplus		
Opening balance	(9,633,709)	(10,794,511)
Add: Net Profit/(Loss) for the year	99,427	256,038
Add: Transfer from Reserves	-	-
Less: Proposed Dividends	-	-
Less: Interim Dividends	-	-
Less: Transfer to Special Reserves	19,885	72,553
Less: Assets written off	-	64,285
Add: Profit Share from Associate	229,333	1,041,602
Closing Balance	(9,324,835)	(9,633,709)
Total (a+b+c)	(7,981,091)	(8,309,851)

NOTE 3

	₹	₹
Long term Provisions	As on March 31, 2016	As on March 31, 2015
Others		
-Provision For Diminution in Investments	2,149,706	2,149,706
-Provision For Standard Assets	33,907	29,027
Total	2,183,613	2,178,734

NOTE 4

	₹	₹
Other Current Liabilities	As on March 31, 2016	As on March 31, 2015
(a) Advance Rent Received	-	9,250
(b) Other Payables- Audit Fees Payable	25,850	30,899
Total	25,850	40,149

NOTE 5

	₹	₹
Short Term Provisions	As on March 31, 2016	As on March 31, 2015
Provision for Tax	550	83,442
Provision for Listing Fees	337,080	112,360
Total	337,630	195,802

NOTE 8

	₹	₹
Long term loans and advances	As on March 31, 2016	As on March 31, 2015
Unsecured, Considered Good		
(a) Security Deposits	7,500	7,500
(b) Loans and advances to related parties Prem Somani Share Brokers Private Limited	5,778,513	5,778,514
(c) Other Loans and advances	5,523,818	5,832,434
Total	11,309,831	11,618,447

NOTE 8A

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

NOTE 9

	₹	₹
Cash and Bank Balances	As on March 31, 2016	As on March 31, 2015
(a) Cash and Cash Equivalents		
(i) Balances with Banks:		
-Andhra Bank	-	17,944
-Federal Bank	5,381	61,882
-HDFC Bank	1,065,164	1,353,818
(ii) Cash in hand	117,693	6,267
Total (a)	1,188,238	1,439,912
(a) Other Bank Balances		
(i) FDR's with Bank having maturity more than 3 months	329,560	-
Total (b)	329,560	-
Total (a+b)	1,517,798	1,439,912

NOTE 10

Other Current Assets	As on March 31, 2016	As on March 31, 2015
TDS Receivable	76,870	84,781
Total	76,870	84,781

PREM SOMANI FINANCIAL SERVICES LIMITED
NOTES TO CONSOLIDATED BALANCE SHEET AS ON MARCH 31, 2016

NOTE 7

NON CURRENT INVESTMENTS

Sl. 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, 2016	As at March 31, 2015			As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015		
A. Details of Trade Investments												
	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	Emkay 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	Hudco	Others	1,600	590	Quoted	Fully Paid	Less Than 1%	Less Than 1%	1,709,560	615,674	Yes	-
7	Indergiri Finance Ltd.	Others	95,500	95,500	Quoted	Fully Paid	Less Than 2%	Less Than 2%	953,830	953,830	Yes	-
8	Information Tech Ltd.	Others	1,495	1,495	Quoted	Fully Paid	Less Than 1%	Less Than 1%	14,242	14,242	Yes	-
9	Maifatal Finance Ltd.	Others	2,500	2,500	Quoted	Fully Paid	Less Than 1%	Less Than 1%	163,087	163,087	Yes	-
10	Malvika Steel Ltd.	Others	14,500	14,500	Unquoted	Fully Paid	Less Than 1%	Less Than 1%	145,000	145,000	Yes	-
11	NEPC Agro Food Ltd.	Others	2,023	2,023	Quoted	Fully Paid	Less Than 1%	Less Than 1%	3,957	3,957	Yes	-
12	NEPC Textiles Ltd.	Others	4,880	4,880	Quoted	Fully Paid	Less Than 1%	Less Than 1%	13,803	13,803	Yes	-
13	Padmini Tech. Ltd.	Others	5,000	5,000	Quoted	Fully Paid	Less Than 1%	Less Than 1%	20,250	20,250	Yes	-
14	Prakash Solvents Ltd.	Others	12,000	12,000	Quoted	Fully Paid	Less Than 1%	Less Than 1%	80,040	80,040	Yes	-
15	Pretto Leather Ltd.	Others	5,000	5,000	Quoted	Fully Paid	Less Than 1%	Less Than 1%	50,000	50,000	Yes	-
16	Solarsons Industries Ltd.	Others	1,500	1,500	Quoted	Fully Paid	Less Than 1%	Less Than 1%	33,662	33,662	Yes	-
17	Supreme Conductors Ltd.	Others	42,400	42,400	Quoted	Fully Paid	Less Than 1%	Less Than 1%	598,324	598,324	Yes	-
18	High Street Filatex Ltd.(UNILEG)	Others	4,500	5,920	Quoted	Fully Paid	Less Than 1%	Less Than 1%	250,337	329,332	Yes	-
19	Union Bearing Ltd.	Others	89,500	89,500	Quoted	Fully Paid	Less Than 2%	Less Than 2%	447,500	447,500	Yes	-
	Total (A)		474,198	474,608					6,202,166	5,187,275		

Sl. 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, 2016	As at March 31, 2015			As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015		
B. Details of Other Investments												
1	KBC International Pvt. Ltd.	Others	50,000	50,000	Unquoted	Fully paid	11.76%	11.76%	500,000	500,000	Yes	-
2	Prem Somani Share Brokers Pvt. Ltd.	Associate	509,000	509,000	Unquoted	Fully paid	42.10%	42.10%	6,360,935	6,131,602	No	As per AS 23
3	First Choice Stock Brokers Pvt. Ltd.**	Others	38,000	50,000	Unquoted	Fully paid	19.43%	25.56%	380,000	500,000	Yes	-
4	Nawneer Somani Securities Pvt. Ltd.	Others	5,600	-	Unquoted	Fully paid	5.08%	-	70,000	-	Yes	-
5	Somanis Jewellers Ltd.**	Others	90,975	139,975	Unquoted	Fully paid	19.89%	30.61%	909,750	1,399,750	Yes	-
	Total (B)		693,575	748,975					8,220,685	8,531,352		
	Total (A+B)		1,167,773	1,223,583					14,422,851	13,718,627		

* Formerly known as Rajasthan Buildtech Services Pvt. Ltd.

** Formerly known as Somani Securities Ltd.

Notes:-

- Investment in Prem Somani Share Brokers Private Limited has a Capital reserve of Rs. 2,54,796/- as calculated as per AS 23.
- The exact dates of acquiring the investment in Prem Somani Share Brokers are not available, the same has been taken as March 31 in all acquisitions.

NOTES TO CONSOLIDATED STATEMENT OF PROFIT AND LOSS

NOTE 11	₹	₹
Revenue from Operation	For the Year ending March 31, 2016	For the Year ending March 31, 2015
Interest Income	940,348	939,020
Total	940,348	939,020

NOTE 12	₹	₹
Other Income	For the Year ending March 31, 2016	For the Year ending March 31, 2015
Rent Received	21,000	120,000
Interest Received on Refund	-	330
Depreciation Written Back	-	65,742
Miscellaneous Income	2,000	6,000
Profit on sale of investments	147,720	-
Total	170,720	192,072

NOTE 13	₹	₹
Other Expenses	For the Period ending March 31, 2016	For the Period ending March 31, 2015
Auditor's Remuneration		
- For Company Law Matters	16,330	15,730
- For Taxation Matters	4,082	3,933
Advertisement Expenses	4,288	1,630
AGM Expenses	16,135	15,740
Conveyance Expenses	9,600	9,600
Demat Charges	-	2,815
Electricity Expenses	10,694	8,381
Internal Audit Fees	5,725	5,618
Legal & Professional Expenses	24,200	4,200
Loss on sale of fixed assets	582	-
Listing Fees	224,720	112,360
Miscellaneous Expenses	31,435	7,356
Office Expenses	12,397	10,387
Courier & Postage Expenses	24,903	24,522
Printing and Stationary	55,788	67,472
Rent	60,000	60,000
Repair & Maintenance	12,000	-
Total	512,879	349,744

Note-14**Notes to the Consolidated Financial Statements**

1. The Financial Statements prepared by consolidating the Financial Statements of Prem Somani Financial Services Limited with its associate company; namely Prem Somani Share Brokers Private Limited are presented as additional information in terms of the requirements of Accounting Standard-23 "Accounting for Investment in Associate in Consolidated Financial statements" notified by the Companies (Accounts) Rules, 2014. These are not intended to substitute the separate financial statements of the Company issued as primary statements. The notes on consolidated financial statements should be read in conjunction with the notes on the separate financial statements of the holding Parent Company and associate Prem Somani Share Brokers Private Limited which form part of the financial statements of the respective entities.

2. **Controlling interest of Parent in Associate company :-**

Name of Subsidiary/Associate Company	2015-16	2014-15
Prem Somani Share Brokers Private Limited	42.10%	42.10%

3. The Audited Financial Statements of Prem Somani Share Brokers Private Limited, are also annexed hereinafter this report.

4. **Principles of consolidation:-**

Consolidated Financial Statements presents result of operations and financial position on the basis of group as an single entity. The consolidation of the accounts is done for Prem Somani Financial Services Limited, the parent company, with its associate company namely Prem Somani Share Brokers Private Limited, in accordance with requirement of Accounting Standard-23 "Accounting for Investment in Associate in Consolidated Financial statements" notified by the Companies (Accounts) Rules, 2014 and generally accepted accounting principles. These are consolidated assuming same set of accounting principles and policies as followed by the company in preparation of its separate set of accounts. Accounting period of the associate and holding company are same.

5. Previous year's figures have been regrouped and /rearranged, wherever found necessary.

For S. Misra & Associates

Chartered Accountants
FRN-004972C

CA. Manish Kumar

Partner
M. No. 413078

For and on Behalf of Board of Directors

Nawneet Somani

Director
DIN: 00287532

Place: Jaipur

Date: May 27, 2016

Prem Lata Somani

Director
DIN: 00287433

ATTENDANCE SLIP

I/We.....R/o hereby record my/our presence at the 25th Annual General Meeting of the Company on 42, Jai Jawan Colony, Scheme-III, J.L.N. Marg, Jaipur-302018,Rajasthan

DPID * :	Folio No. :
Client Id * :	No. of Shares :

* Applicable for investors holding shares in electronic form.

Signature of shareholder(s)/ proxy

Note:

1. Please fill this attendance slip and hand it over at the entrance of the hall.
2. Please complete the Folio / DP ID-Client ID No. and name, sign this Attendance Slip and hand it over at the Attendance Verification Counter at the ENTRANCE OF THE MEETING HALL.
3. Electronic copy of the Annual Report for 2016 and Notice of the Annual General Meeting (AGM) along with Attendance Slip and Proxy Form is being sent to all the members whose email address is registered with the Company/ Depository Participant unless any member has requested for a hard copy of the same. Members receiving electronic copy and attending the AGM can print copy of this Attendance Slip.
4. Physical copy of the Annual Report for 2016 and Notice of the Annual General Meeting along with Attendance Slip and Proxy Form is sent in the permitted mode(s) to all members whose email is not registered or have requested for a hard copy.

FORM NO. MGT-11**PROXY FORM**

(Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014

CIN : L67120RJ1991PLC 006220
 Name of the Company : Prem Somani Financial Services Limited
 Registered Office : 5A, Tilak Bhawan, 5th Floor, Tilak Marg,
 C – SCHEME, Jaipur-302005, Rajasthan

Name of the member : _____
 Registered Address : _____
 Email ID : _____
 Folio No/Client No : _____
 DP ID : _____

I/We being the member(s) of ----- Shares of the above Company hereby appoint:

S.No.	Name	Address	Email address	
1				or failing him
2				or failing him
3				

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 25th Annual General Meeting of the Company on Monday, 26th day of September, 2016 at 10.00 A.M. at 42, Jai Jawan Colony, Scheme-III, J.L.N. Marg, Jaipur-302018, Rajasthan and at any adjournment thereof in respect of such resolutions as are indicated below:

** I wish my above Proxy to vote in the manner as indicated in the box below:

S.No.	Resolution	For	Against
1.	Adoption of Audited Financial Statement of the company for the year ended 31.03.2016 together with the report of the Board of Directors and Auditors.		
2.	Re-appointment of Mrs. Prem Lata Somani, who retires by rotation.		
3.	Ratification of appointment of S. Misra & Associates Chartered Accountant as auditors of the company		
4.	To ratify the Appointment of Mr. Nawneet Somani (DIN - 00287532) as an Managing Director of the Company		

** It is optional to put a 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

Signed this day of..... 2016

Signature of shareholder.....

Signature of Proxy holder(s) (1).....

Signature of Proxy holder(s) (2).....

Signature of Proxy holder(s) (3).....

Affix Revenue
Stamp of Re.1

Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. A Proxy need not be a member of the company.
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
4. In case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.
5. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 25th Annual General Meeting.
6. Please complete all details including details of member