PREM SOMANI FINANCIAL SERVICES LIMITED

Registered Office: 42, Jai Jawan Colony, Scheme No. 3 Durgapura, Jaipur-302018, Rajasthan
Contact No. 9829051268, Email Id:limitedpsfs@gmail.com
CIN: L67120RJ1991PLC006220
Website: https://www.psfs.co.in

To,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort, Mumbai-400001, Maharashtra

Date – 01.09.2020

Ref: Prem Somani Financial Services Limited, Scrip Code: 530669

Sub: Disclosure under Securities and Exchange Board of India (listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")- Submission of Notice of Annual General Meeting and Annual Report of the company for the Financial Year 2019-20;

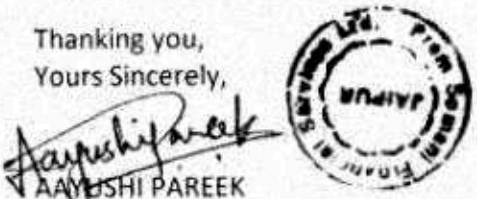
Dear Sir/Ma'am,

Pursuant to Regulation 34 and all other the applicable provisions of the Listing Regulations, we wish to inform your good office that the 29th Annual General Meeting of the company will be held on Saturday, 26th September, 2020 at 12:30 P.M via Video Conferencing (VC)/Other Video Audio Visual Means (OAVM).

We are enclosing herewith the annual report for the financial year 2019-20. The same has been made available on the Company website www.psfs.co.in and on the website of CDSL at www.evotingindia.com.

We request you to take the above on your records.

Thanking you,
Yours Sincerely,



AAYUSHI PAREEK
Company Secretary and Compliance Officer

Encl: A/a

PREM SOMANI FINANCIAL SERVICES LIMITED

ANNUAL REPORT

2019-20



PSFS

CORPORATE INFORMATION

✓ **BOARD OF DIRECTORS** • **MR. NAWAL KUMAR SOMANI** DIN: 08094850 MANAGING DIRECTOR • **MS. PREM LATA SOMANI** DIN: 00287433 NON EXECUTIVE DIRECTOR • **MR. VISHNU KANT MUNDRA** DIN: 00339710 INDEPENDENT DIRECTOR (Resigned w.e.f. 30.10.2019) • **MR. OM PRAKAH BANSAL** DIN: 00440540 INDEPENDENT DIRECTOR • **MR. VIMAL KUMAR GUPTA** DIN:08657469 ADDITIONAL DIRECTOR (INDEPENDENT) (w.e.f. 24.01.2020)	✓ **KEY MANAGERIAL PERSONNEL** • **MR. JITENDRA KHANDELWAL** CHIEF FINANCIAL OFFICER (w.e.f. 24.04.2019) • **CS SHUBHALI KHANDELWAL** COMPANY SECRETARY (w.e.f. 24.04.2019 till 27.05.2019) • **CS AAYUSHI PAREEK** COMPANY SECRETARY (w.e.f.02.08.2019)
✓ **AUDITORS** • **M/s SAPRA & Co.,** Chartered Accountants STATUTORY AUDITORS (till 05.08.2020) • **M/s V.M.& ASSOCIATES,** Company Secretaries SECRETARIAL AUDITORS • **M/s GHANSHYAM RATHI& CO.,**Chartered Accountants INTERNAL AUDITORS	✓ **REGISTRAR AND TRANSFER AGENT** **ALANKIT ASSIGNMENTS LIMITED** 205-208 Anarkali Complex Jhandewalan Extension New Delhi-110055
✓ **REGISTERED OFFICE** 42, Jai Jawan Colony,Scheme No. 3 Durgapura, Jaipur-302018, Rajasthan CIN:L67120RJ1991PLC006220 E-mail: limitedpsfs@gmail.com Website: www.psfs.co.in	✓ **BANKERS** **HDFC BANK**

BOARD COMMITTEES

Audit Committee
Vishnu Kant Mundhra (Chairman) (Till 30.10.2019)
Vimal Kumar Gupta (Chairman) (w.e.f 24.01.2020)
Om Prakash Bansal
Nawal Kumar Somani

Nomination and Remuneration Committee
Om Prakash Bansal (Chairman)
Vimal Kumar Gupta (w.e.f 24.01.2020)
Prem Lata Somani
Vishnu Kant Mundhra (Till 30.10.2019)

Stakeholders Relationship Committee
Om Prakash Bansal (Chairman)
Vimal Kumar Gupta (w.e.f 24.01.2020)
Vishnu Kant Mundhra (Till 30.10.2019)
Nawal Kumar Somani

INDEX

S.No	CONTENTS	PAGES
1.	Notice Of Annual General Meeting	1-14
2.	Board's Reports & Annexures to Boards Report	15-46
3.	Independent Auditor's Report On Standalone Financial Statements	47-54
4.	Standalone Balance Sheet	55
5.	Standalone Statement of Profit and Loss	56
6.	Standalone Cash Flow Statement	57
7.	Notes to Standalone Financial Accounts	58-78

NOTICE OF AGM

Notice is hereby given that the 29th Annual General Meeting ("AGM/Meeting") of the members of Prem Somani Financial Services Limited will be held on Saturday, 26th September, 2020 at 12:30 P.M through Video Conferencing ("VC")/ Other Audio-Visual Means ("OAVM") to transact the following business :

ORDINARY BUSINESS:

1. **Adoption of Audited Financial Statements together with the reports of the Board of Directors and the Auditors thereon:**

   To adopt the Audited Financial Statements of the Company for the financial year ended on 31st March, 2020 together with the reports of the Board of Directors and Auditors thereon.

2. **Appointment of Ms. Prem Lata Somani (DIN:00287433)as a director liable to retire by rotation:**

   To appoint a Director in place of **Ms. Prem Lata Somani (DIN:00287433)**who retires by rotation and, being eligible, seeks re-appointment.

3. **Appointment of M/s Rajvanshi & Associates, Chartered Accountants, (FRN: 005069C) as Statutory Auditors of the company**

   To consider and, if thought fit, to pass, the following resolution as an **Ordinary Resolution**:

   "**RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and provisions of the Securities and Exchange Board of India (Listing Obligations and Dislcosure Requirements) Regulations, 2015 (including any statutory re-enactment(s), modification(s) or amendment(s) thereof for the time being in force) and pursuant to the recommendation of Audit committee and approval Board of Directors thereof, M/s Rajvanshi & Associates, Chartered Accountants, (FRN: 005069C), be and are hereby appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of 34th Annual general Meeting of the company to be held in the year 2025 at a remuneration as may be fixed by the Board of Directors on the recommendation of the audit committee.

   RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters, things etc. and take all such steps as may be necessary, proper, expedient or incidental for the purpose of giving effect to this resolution."

SPECIAL BUSINESS

4. **Appointment of Mr.Vimal Kumar Gupta (DIN:08657469) as an Independent Director.**

   To consider and, if thought fit, to pass, the following resolution as an **Ordinary Resolution**:

   "**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (including any statutory modification(s) or re-enactment(s) thereof for the time

being in force), Mr. Vimal Kumar Gupta (DIN:08657469)who was appointed as an Additional (Independent) Director of the Company by the Board of Directors with effect from 24th January, 2020, and who holds office until the date of the Annual general meeting in terms of Section 161(1) of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director and who has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Act and Regulation 16(1) (b) of the Listing Regulations, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years upto 23rd January, 2024 and whose office shall not be liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters, things etc. and take all such steps as may be necessary, proper, expedient or incidental for the purpose of giving effect to this resolution."

5. To adopt new set of Regulations of Articles of Association of the Company

To consider, and if thought fit, to pass the following resolution as **Special Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) consent of members of the company be and is hereby accorded that the draft regulations contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company and that the new set of regulations be incorporated in the Articles of Association of the Company and shall be binding on the members of the Company and others and shall be effective from the date of passing this resolution.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters, things etc. and take all such steps as may be necessary, proper, expedient or incidental for the purpose of giving effect to this resolution."

Date:05.08.2020
Place: Jaipur

By Order Of TheBoard Of Director
For Prem Somani Financial Services Limited
SD/-
Nawal Kumar Somani
Managing Director
DIN: 08094850

Registered Office Address: 42,Jai Jawan Colony, Scheme No.3 Durgapura Jaipur-302018(Rajasthan)

Notes:

1. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 ("the Act"), which sets out details relating to Special Business at the meeting, is annexed hereto.

2. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020 (MCA Circulars) The forthcoming AGM will thus be held through through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.

   Since this AGM is being held through VC / OAVM pursuant to the MCA circulars, the registered office of the company shall be deemed to be the venue of the AGM.

3. In compliance with the MCA Circulars the facility for appointment of proxies by the members will not be available for the AGM and hence the proxy form and attendance slip are not annexed hereto**.**

4. The physical attendance of members has been dispensed with and members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013

5. Corporate members/HUFs intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company a certified copy of the Board Resolution or Power of Authority authorising their representative to attend and vote on their behalf at the Meeting.

6. 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.

7. The Register of Member & Share Transfer Book of the company will remain closed from Sunday, 20th September, 2020 to Saturday, 26th September, 2020 (both days inclusive) for the purpose of AGM.

8. The Register of Directors and Key Managerial Personnel (KMP) and their shareholding and Register of Contracts or Arrangements in which Directors are interested maintained under Sections 170 and 189 of the Companies Act, 2013 respectively will be available for inspection without any fee by members from the date of circulation of the notice till the date of AGM i.e. 26th September, 2020. Members seeking to inspect such documents can send an email to limitedpsfs@gmail.com

9. In compliance with the MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members are therefore requested to kindly update their email addresses with the Company/Depository/RTA.

   In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.psfs.co.in. The Notice can also be accessed from the websites of

the Stock Exchanges i.e. BSE Limited at www.bseindia.com. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM i.e. www.evotingindia.com.

10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market.

11. 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 to compile the information and provide replies at the meeting.

12. Members are requested to inform the Company about the changes, if any, to the RTA in their registered address along with the Pin Code, quoting their Folio Number.

13. As per Regulation 40 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact either the Company or the Company's RTA for any assistance in this regard.

14. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

15. The Members can join the 29th AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis

16. 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 i.e.19th September, 2020.

17. The facility for voting through online mode shall also be made available at the

AGM and the members who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting.

18. 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.

19. The instructions for shareholders for remote e-voting are as under:

(i) The remote e-voting period will commence on Tuesday, 22nd September, 2020 at 10:00 AM and conclude on Friday, 25th September, 2020 at 5:00 P.M. During this period, shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Saturday, 19th September, 2020 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" module.

(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. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

OR

Alternatively, if you are registered for CDSL's **EASI/EASIEST** e-services, you can log-in at https://www.cdslindia.com from **Login - Myeasi**using yourlogin credentials. Once you successfully log-in to CDSL's **EASI/EASIEST** e-services, click on **e-Voting**option and proceed directly to cast your vote electronically.

(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 e-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 Shareholders 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) • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
Dividend Bank Details **OR** Date of Birth (DOB)	Enter the Dividend 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. • If both the details are not recorded with the depository or company please enter the member id / folio number in the

	Dividend Bank details field as mentioned in instruction (v).

(ix) After entering these details appropriately, click on "SUBMIT" tab.

(x) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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 shareholders 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 Company, 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".** The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share

certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **Company at limitedpsfs@gmail.com RTA at info@gmail.com** .

2. For Demat shareholders please provide Demat account detials (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to **Company/RTA email id**.

INSTRUCTIONS FOR SHAREHOLDERSATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at https://www.evotingindia.com under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.

2. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.

3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast **7 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **7 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at limitedpsfs@gmail.com. These queries will be replied to by the company suitably by email.

6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THEAGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.

2. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.

3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders

have not participated in the meeting through VC/OAVM facility , then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

(xx) **Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- 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.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; limitedpsfs@gmail.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.
- You have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, 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 or contact Mr. Nitin Kunder (022-23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542). 1. Alternatively, Members may also write to Mr.Nawal Kumar Somani, Managing Director of the company at 9829051268 or at 42, Jai Jawan Colony Scheme No.3 Durgapura Jaipur-302018 (Rajasthan) or e-mail at limitedpsfs@gmail.com

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

20. The notice of Annual General Meeting will be sent to the members, whose names appear in the register of members as at Friday, 28th August, 2020 and who have registered their email addresses with the Company and/ or with the Depositories.

21. Investors who became members of the Company subsequent to the dispatch of the Notice / Email and hold the shares as on the cut-off date i.e. Saturday, 19th September, 2020 are requested to send the written / email communication to the

Company at limitedpsfs@gmail.com. by mentioning their Folio No. / DP ID and Client ID to obtain the Login-ID and Password for e-voting. However, if the person is already registered with CDSL for remote e-voting then the existing user ID & password can be used for casting vote.

22. **CS Manoj Maheshwari**, Practicing Company Secretary (FCS 3355) has been appointed as the Scrutinizer to scrutinize the remote e-voting process and Online voting at the AGM in a fair and transparent manner.

23. The final results including the remote E-voting and Online voting results of the AGM shall be declared within 48 hours from the conclusion of the AGM. The final results along with the scrutinizer's report shall be placed on the Company's website www.psfs.co.in immediately after the result is declared by the Chairman and also on the CDSL's website at www.evotingindia.com and shall be communicated simultaneously to the concerned stock exchange.

24. Details of Director retiring by rotation and seeking re-appointment and those proposed to be appointed at this AGM as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards-2 (SS-2) and details of auditors seeking appointment at this AGM under regulation 36(5) of SEBI regulations are provided under **Annexure-A** of Notice of AGM.

25. Members who have not registered their email ids so far, are requested to register their email ids for receiving all communications including Annual report ,Notices ,etc. from the Company electronically in order to promote " Green Initiative" in the Corporate Governance" by Ministry of Corporate Affairs.

Date:05.08.2020
Place: Jaipur

By Order Of TheBoard Of Director
For Prem Somani Financial Services Limited

SD/-
Nawal Kumar Somani
Managing Director
DIN: 08094850

Registered Office Address: 42,Jai Jawan Colony, Scheme No.3 Durgapura Jaipur-302018(Rajasthan)

EXPLANATORY STATEMENT

Item No. 3

M/s. Sapra & Co., Chartered Accountants, Statutory Auditor have tendered their resignation from the position of Statutory Auditors due to pre occupation in other assignments w.e.f closure of business hours of 05vide its h August, 2020 letter dated 28th July, 2020, resulting into a casual vacancy in the office of Statutory Auditors of the company as envisaged by section 139(8) of the Companies Act, 2013.

Pursuant to the provisions of section 139 of the Companies Act, 2013, read with rules made thereunder and the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, such Casual vacancy caused by the resignation of auditors can be filled up by the Company in general meeting after approval in this respect has been accorded by the Board and suitable recommendations have been received by the Audit Committee.

The audit committee at its meeting to be held on 05th August, 2020 recommended the appointment of M/s Rajvanshi & Associates (FRN: 005069C) who have conveyed their consent to be appointed as the Statutory Auditors of the Company along with a confirmation that, their appointment, if made by the members, would be within the limits prescribed under the Companies Act, 2013. Such appointment was further approved by the Board in its meeting held on 05th August, 2020 subject to approval of Members at the ensuing Annual general Meeting. Brief resume and other details of M/s Rajvanshi & Associates (FRN: 005069C), as stipulated under Regulation 36(6) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 are provided in the Annexure A to the notice of the Annual general Meeting.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise in the resolution as set out at item No. 3 of the Notice.

The Board recommends the Ordinary Resolution as set out at item no. 3 in the Notice for approval by the members.

Item no. 4

Mr. Vimal Kumar Gupta (DIN: 08657469) was appointed as an Independent (Additional) director on the board of the company pursuant to the provisions of Section 161(1), 149 of the Companies Act, 2013 ("Act") read with rules made thereunder in the meeting of Board of Directors held on 24th January, .2020 to hold office upto the date of ensuing Annual general Meeting.

Considering his performance on the board and based on the recommendation of the Nomination and Remuneration Committee after taking into account his performance evaluation, the Board of Directors at their meeting held on 05th August, 2020 approved the appointment of Mr. Vimal Kumar Gupta (DIN:08657469)as Independent Directors of the Company, subject to the approval of members of the Company in general meeting, pursuant to the provisions of Section 149 read with Section 152 of the Act, to hold office for a term of 5 (five) consecutive years commencing from 24th January, 2020, not liable to retire by rotation.

The Company has received a notice in writing from a member under Section 160 of the Act proposing the candidature for Mr. Vimal Kumar Gupta (DIN: 08657469)as the Independent Director of the Company. Further, the company has also received declaration by Mr. Vimal Kumar Gupta (DIN:

08657469) to the effect that he meets the criteria of independence as provided under Section 149(6) of the Act and regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and also a declaration under Section 164 of the Act confirming that he is not disqualified to be appointed as Director. It is also confirmed herewith that Mr. Vimal Kumar Gupta, being appointed is not debarred from holding the office of director by virtue of any SEBI order or any other such authority.

In the opinion of the Board, Mr. Vimal Kumar Gupta (DIN: 08657469)is independent of the management and fulfills the conditions specified in the Act and rules made thereunder and possesses skills, experience and knowledge; inter alia, in the field of Finance. Brief resume and other details of Mr. Vimal Kumar Gupta (DIN: 08657469), as stipulated under Regulation 36(3) of the SEBI Regulations and as per the relevant provisions of SS-2 are provided in the Annexure A to the notice of the Annual general Meeting. Keeping in view his vast expertise and knowledge, it will be in the interest of the Company that Mr. Vimal Kumar Gupta (DIN: 08657469)is appointed as the Independent Directors. Copy of the draft letter for appointment Mr. Vimal Kumar Gupta (DIN: 08657469)as the Independent Director setting out the terms and conditions is available for inspection by members at the Registered Office of the Company.

Save and except Mr. Vimal Kumar Gupta(DIN: 08657469) being appointee, None of the Directors, Key Managerial Personnel of the Company and their relatives are in any way, concerned or interested, financially or otherwise in the resolution set out at item No. 4 of the Notice.

The Board recommends the Ordinary Resolutions as set out at item no. 4 in the Notice for approval by the members.

Item no. 5

The existing Articles of Association (AOA) of the Company are based on the applicable provisions of the Companies Act, 1956.

Upon enactment of the Companies Act, 2013, various provisions of the Companies Act, 1956 have been repealed and in view of the same the Articles of Association of the Company need to be re-aligned as per the provisions of the new Act. The Board of Directors at its meeting held on 05th August, 2020 decided to incorporate/substitute/alter certain provisions as per the Companies Act, 2013. As this would result in a number of changes in the existing Articles of Association of the Company, it was desirable to adopt a new set of Articles of Association in place of and in exclusion to the existing Articles of Association of the Company.

Pursuant to the provisions of section 14 of the Companies Act, 2013 approval of the members of the Company by Special Resolution is required for the adoption of new Articles of Association to replace the existing Articles of Association and accordingly, the approval of the shareholders is being sought for the adoption of the new Articles of Association in substitution and exclusion to the existing Articles of Association of the company.

A copy of the proposed new Articles of Association to be adopted are available for inspection by members at the registered office of the Company on the date of this AGM.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise in the resolution as set out at item No. 5 of the Notice.

The Board recommends the Special Resolution as set out at item no. 5 in the Notice for approval by the members.

Date:05.08.2020
Place: Jaipur

By Order Of TheBoard Of Director
For Prem Somani Financial Services Limited

SD/-
Nawal Kumar Somani
Managing Director
DIN: 08094850

Registered Office Address: 42,Jai Jawan Colony,
Scheme No.3 Durgapura Jaipur-302018(Rajasthan)

ANNEXURE A

1. DETAILS/ PROFILE OF DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT AT THE 29th ANNUAL GENERAL MEETING UNDER REGULATION 36(3) OF SEBI REGULATIONS AND SS-2 ARE AS FOLLOWS:

Name of the Director	**Ms. Prem lata Somani**	**Mr.Vimal Kumar Gupta**
DIN	**00287433**	**08657469**
Date of Birth	27.10.1959	21.11.1973
Age	61 years	46 years
Date of First Appointment on Board	25.09.1991	24.01.2020
Designation	Director (Non Executive)	Independent Director (Proposed)
Qualification (s)	Graduate	Company Secretary
Experience	More than 25 years	More than 16 years
Terms and conditions of reappointment	There shall be no change in the terms and conditions of appointment	He shall be appointed as an independent Director for a period of 5 years
Remuneration sought to be paid	NIL	NIL
Remuneration last drawn (including Sitting Fees, if any):	NIL	NIL
Relationships between the Directors inter-se	Spouse of Mr. Nawal Kumar Somani, Managing Director of the company	NA
Nature of expertise in specific functional areas	Having Expertise in Management Areas	Having Expertise in Financial, legal, Secretarial and Stock Exchange matters
Name of the Companies in which directorship held as on 31.03.2020	**NIL**	NIL
Member of the Committee of Board of other companies	NIL	NIL
Chairman of the Committee in other company	NIL	NIL
No of Shares held in the Company	766100	NA
No. of Board Meetings attended during the year	5	1
Brief Resume	Ms. Prem lata Somani a promoter non executive director of the company and is associated with the company since inception. She has an experience and expertise of over 16 years in Management areas.	Mr. Vimal Kumar Gupta is a practicing Company Secretary at Jaipur having an experience of over 16 years in the Legal and Secretarial Department. He is a person with high integrity having deep knowledge of Stock Exchange and law.

2. DETAILS OF AUDITORS SEEKING APPOINTMENT AT THE 29th ANNUAL GENERAL MEETING UNDER REGULATION 36(5) OF SEBI REGULATIONS ARE AS FOLLOWS:

Name of Auditor	**M/s Rajvanshi & Associates**
FRN	005069C
Proposed fees payable	Rs.40,000/- plus GST and reimbursement of actual out of pocket expenses
Terms of appointment	For a period of 5 years commencing from the conclusion of this AGM till the conclusion of 34th AGM to be held in the year 2025
Any material change in the fee payable to such auditor from that paid to the outgoing auditor along with the rationale for such change	NA
Basis of recommendation for appointment	Recommended by the audit Committee and further approved by the Board of Directors at their respective meetings held on 05.08.2020
credentials of the statutory auditor(s) proposed to be appointed	Type of Firm: Partnership Firm (Peer Reviewed) Name of Auditor: M/s Rajvanshi & Associates Experience: 30 years Address: H-15, Chitranjan Marg, C-Scheme, Jaipur-302001(Rajasthan) Validity of Peer Review Certificate: 23.08.2019 to 22.08.2022

Date:05.08.2020
Place: Jaipur

By Order Of TheBoard Of Director
For Prem Somani Financial Services Limited

SD/-
Nawal Kumar Somani
Managing Director
DIN: 08094850

Registered Office Address: 42,Jai Jawan Colony,
Scheme No.3 Durgapura Jaipur-302018(Rajasthan)

BOARD'S REPORT

To,
The Members,
Prem Somani Financial Services Limited

Your Directors have pleasure in presenting the 29th Annual Report on the business and operations of the company together with the Audited Statement and the Auditors' Report thereon for the financial year ended on 31st March, 2020.

1. HIGHLIGHTS OF FINANCIAL PERFORMANCE

The Company has recorded the following financial performance, for the year ended on 31st March, 2020.

(Amount in Rs)

Particulars	2019-20	2018-19
Total Revenue	3,94,840	6,33,968
Less: Total Expenditure	(32,48,288)	(74, 25,625)
Net Profit/ (Loss) Before Tax	(28,53,388)	(67,91,658)
Less: Provision for Tax	-	-
Net Profit/ Loss After Tax	(28,53,388)	(67,91,658)

2. STATE OF COMPANY'S AFFAIRS AND FUTURE OUTLOOK

During the year under review, your company's Total Income was decreased from Rs.6,33,968/- to Rs. 3,94,840/-. Due to increase in other expenses company has incurred a loss of Rs28,53,388/- during the reporting period. Your Directors and Management along with the entire team are taking all possible action to sustain our financial growth and business operational developments inspite of all adverse external conditions & competition. Your Company's management is trying their best to improve company's performance and generating profits in the coming years.

3. LISTING STATUS

The Company is listed on BSE Limited, (Scrip Code: 530669). The annual listing fee has been paid within time as required under Regulation 14 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

4. MATERIAL CHANGES AND COMMITMENTS

There were no material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which these financial statements relate and the date of this report except the inevitable impact on the business due to the Global Pandemic – Covid-19.

Outbreak ofCOVID-19 pandemic globally and in India is resulting in an economic slowdown all over. The pandemic is significantly impacting business operation of the Company in numerous ways. The lockdown, lots of restrictions and unexpected variables have adversely effected in to the operations and future growth plans of the Company. The company is still in the process to quantify the overall impact of such outbreak.

The company is In full compliance to the guidelines/instructions issued by Central/state Governments all over India to prevent spread of COVID-19, as responsible corporate citizen and in order to ensure the safety and well-being of employees, workers and all stakeholders, the Company had decided to temporarily close its offices and places of operations. The Company implemented Working from Home for all the employees working at the offices, wherever possible. The

employees were also requested to submit to management reports and status of their work from time to time.

Further, the company has resumed partial operations w.e.f 01st June, 2020 with 50% workforce and alternate working days with appropriate measures being taken to ensure social distancing and sanitization.

5. DIVIDEND

In view of the losses incurred by the company during the year, the directors regret their inability to recommend any dividend for the year under review.

6. AMOUNTS TRANSFERRED TO RESERVES

The Board of the company does not propose to transfer any amount to the General Reserves for the financial year under review.

7. CHANGES IN SHARE CAPITAL, IF ANY

During the financial year under review there has been no change in the structure of share capital of the Company. As on the last date of period under review the paid up share capital of the company stood at Rs. 3,30,34,000/- divided into 33,03,400 shares of Rs. 10/- each.

8. EXTRACT OF ANNUAL RETURN

Pursuant to section 134 (3) (a) and section 92 (3) of the Companies Act, 2013, read with Rule 12 of the Companies (Management and Administration) Rules, 2014 an extract of Annual Return in form MGT-9 as on 31st March, 2020 has been prepared and enclosed as **Annexure –1** to this report.

9. INFORMATION ABOUT SUBSIDIARY/ JV/ ASSOCIATE COMPANY

During the year under review, there was no associate, Joint Venture and subsidiary Company.

10. DIRECTORS AND KMP

➢ **Inductions**

- Mr. Jitendra Khandelwal was appointed as the Chief Financial Officer of the company w.e.f 24th April, 2019
- Ms. Shubhali Khandelwal was appointed as Company Secretary and Compliance Officer of the company w.e.f 24th April, 2020
- Ms. Aayushi Pareek was appointed as a Company Secretary and Compliance Officer w.e.f 02nd August, 2019
- Mr. Vimal Kumar Gupta (DIN:08657469) was appointed as an Additional Director (Independent) by the Board of Directors in their meeting held on 24th January, 2020 to hold office with immediate effect upto the date of ensuing AGM. Further, the Board of Directors in their meeting held on 05th August, 2020 has recommended to the Members appointment of Mr. Vimal Kumar Gupta (DIN:08657469) as Independent Director of the company for a period of 5 years upto 23.01.2025.

➢ **Reappointments**

- Mr. Vishnu Kant Mundra (DIN: 00339710) was reappointed as Independent Director on the Board of the Company by the shareholders in the 28th Annual General Meeting of the company held on 13th September, 2019 for a second term of 5 (five) consecutive years with effect from 01st April, 2019 to 31st March, 2024.
- Mr. Nawal Kumar Somani (DIN: 08094850), who retired by rotation in the Annual General meeting of the company held on 13th September, 2019 was reappointed by the members.

➢ **Retirements and resignations**

- Ms. Shubhali Khandelwal resigned from the office of Company Secretary w.e.f 27th May, 2020
- Mr. Vishnu Kant Mundra (DIN: 00339710) Independent Director resigned from the office of Directors w.e.f. 30th October, 2019. The Board places on record its appreciation for the valuable service provided by him during his tenure.
- As per the provisions of Companies Act, 2013 Ms. Prem Lata Somani, Non Executive Director (DIN: 00287433) in the current term, being the longest-serving member and who is liable to retire, being eligible, seeks reappointment. The Board recommends her reappointment.

Except aforesaid changes, no other changes took place in the directors and KMP of the company during the year under review.

11. DECLARATION BY INDEPENDENT DIRECTORS

On the Board, eminent people having an independent standing in their respective field / profession and who can effectively contribute to the Company's business and policy decisions are considered by the Nomination and Remuneration Committee, for appointment, as an Independent Director on the Board. The Committee inter alia considers qualification, positive attributes, area of expertise and number of Directorship(s) and Membership(s) held in various committees of other companies by such persons in accordance with the Company's Policy for Selection of Directors and determining Directors' independence. The Board considers the Committee's recommendation and take appropriate decision. Every Independent Director, at the first meeting of the Board in which he participates as a Director and thereafter at the first meeting of the Board in every financial year, gives a declaration that he / she is independent of the management and meets the criteria of independence as provided under the Companies Act, 2013 read with rules made there under, Code of Conduct and Schedule IV. In the opinion of the Board, the Independent Directors fulfil the conditions specified making them eligible to act as Independent Directors.

12. MEETINGS OF THE BOARD OF DIRECTORS

During the year under review the Company held Five (5) meetings of the Board of Directors as per Section 173 of Companies Act, 2013 on 24th April, 2019, 27th May, 2019, 02nd August 2019, 30th October, 2019 and 24th January, 2020.

The frequency of board meetings and quorum at such meetings were in accordance with the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and compliances of Secretarial Standards-1 (SS-1) on Meeting of the Board of Directors issued by ICSI. The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013, the Listing Regulations and SS-1.

13. MEETINGS OF THE INDEPENDENT DIRECTORS

A meeting of Independent Directors was held on 02nd August, 2019 without the presence of the Non-Independent Directors and members of management. This Meeting was conducted to enable the Independent Directors to discuss matters pertaining to, inter alia, review of performance of Non-Independent Directors and the Board as a whole, review the performance of the Chairman of the Company (taking into account the views of the Executive and Non-Executive Directors), review the performance of the Company, assess the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary

for the Board to effectively and reasonably perform their duties.

The meeting was attended by all the Independent Directors.

14. BOARD COMMITTEES

- **AUDIT COMMITTEE**

➢ The Audit Committee's composition meets with the requirement of Section 177 of the Companies Act, 2013. Members of the Audit Committee possess financial / accounting expertise / exposure.

➢ The audit committee comprised of the following members during the year under the review:

S. No.	Name of the Director	Position	Category
1.	Mr. Vishnu Kant Mundra (till 30.10.2019)	Chairman	Independent Director
2.	Mr. Nawal Kumar Somani	Member	ExecutiveDirector
3.	Mr. Om Prakash Bansal	Member	Independent Director
4.	Mr. Vimal Kumar Gupta w.e.f. [24.01.2020]	Chairman	Additional (Independent) Director

➢ Five meetings of the Audit Committee were held during the financial year 2019-20 on 24th April, 2019, 27th May, 2019, 02nd August 2019, 30th October, 2019 and 24th January, 2020.The accounts and financial positions were perused by the Audit Committee and thereafter placed before the Board for their consideration. The details of meetings and attendance were duly minutised.

➢ All the recommendations made by the Audit Committee were duly accepted by the Board of Directors.

- **NOMINATION AND REMUNERATION COMMITTEE**

➢ The composition of the Nomination and Remuneration Committee meets with requirement of Section 178 of the Companies Act, 2013. Members of this Committee possess sound expertise / knowledge / exposure.

➢ 4 meetings of the Nomination and Remuneration Committee were held during the financial year 2019-20 on 24th April, 2019, 27th May, 2019, 02nd August 2019,and 24th January, 2020. The details of meetings and attendance were duly minutised.

➢ The Nomination and remuneration committee comprised of the following members during the year under the review

S. No.	Name of the Director	Position	Category
1.	Mr. Om Prakash Bansal	Chairman	Independent Director
2.	Ms. Prem Lata Somani	Member	Non-Executive Director
3.	Mr. Vishnu Kant Mundra (till 30.10.2019)	Member	Independent Director
4.	Mr. Vimal Kumar Gupta (w.e.f. 24.01.2020)	Member	Additional (Independent) Director

- **STAKEHOLDERS' RELATIONSHIP COMMITTEE**

- Company has Stakeholders' Relationship Committee that has been constituted under section 178 of the Companies Act, 2013 for looking into the grievances of shareholders' and investors of the company.

- Members of this Committee possess sound expertise / knowledge / exposure.

- 1 meeting of the Stakeholders' Relationship Committee was held during the year on 02nd August, 2019.

- The Stakeholders' Relationship Committee comprised of the following members during the year under the review:

S. No.	Name of the Director	Position	Category	
1.	Mr. Om Prakash Bansal	Chairman	Independent Director	
2.	Mr. Nawal Kumar Somani	Member	Managing Director	
3.	Mr.Vishnu KantMundra (till 31.10.2019)	Member	Independent Director	
4.	Mr. Vimal Kumar Gupta (w.e.f. 24.01.2020)	Member	Additional (Independent) Director	

15. REMUNERATION POLICY

The Nomination and Remuneration Committee has formulated criteria for Determining Qualifications, positive Attributes and independence of a directors as well as Nomination and Remuneration Policy of the company as mandated under Section 178 (3) (4) of the Companies Act, 2013. The above referred policy is available on the website of the company and can be accessed at http://www.psfs.co.in/nomination_remuneration.php

16. FORMAL ANNUAL EVALUATION

The Report of every listed company and other prescribed class of public companies shall include a statement indicating the manner in which formal annual evaluation of the performance of the Board, its Committees and of individual Directors has been made.

In this regard, the Company has a policy for performance evaluation of the Board, Committees and other individual Directors (including Independent Directors) which include criteria for performance evaluation of Non-Executive Directors and Executive Directors. The said criteria provide certain parameters like Attendance, Availability, Time spent, Preparedness, Active participation, Analysis, Objective discussions, Probing & testing assumptions, Industry & Business knowledge, Functional expertise, Corporate Governance, Development of Strategy & Long Term Plans, Inputs in strength area, Director's obligation and discharge of responsibilities, Quality and value of contributions and Relationship with other Board Members etc. which is incompliance with applicable laws, regulations and guidelines.

In accordance with the manner specified by the Nomination and Remuneration Committee, the Board carried out annual performance evaluation of the Board, its Committees and Individual Directors. 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 Independent Directors carried out annual

performance evaluation of the non-independent directors and the Board as a whole. The Chairman of the respective Committees shared their views on evaluation with the respective Committee members. The performance of each Committee was evaluated by the Board, based on such views on evaluation received from respective Committees.

17. AUDITORS AND REPORTS THEREON

- **STATUTORY AUDITOR**

M/s Sapra& Co., Chartered Accountants (Firm Registration Number: 003208C) the Statutory Auditor of the Company were appointed in the 27th Annual General Meeting of the company held on 29.09.2018 pursuant to the provisions of Section 139,142 and other applicable provisions if any, of the Companies Act, 2013 and the Companies (Audit & Auditors) Rules, 2014 to conduct the audit of company's accounts for a period of Five (5) years commencing from 1.04.2018 and completing on 31.03.2023.

The Auditors' Report does not contain any qualification, reservation or adverse remark. Further, The observation of the Auditors in their report read with relevant notes on the accounts, as annexed are self-explanatory and need no elaboration. The Auditors have not reported any incident of fraud in the Company for the year under review under section 143(12) of the Companies Act, 2013.

Further, M/s Sapra& Co., Chartered Accountants (FRN: 003208C) have resigned as Statutory Auditor of the company vide their letter dated 28.07.2020 w.e.f. closure of business hours of 05.08.2020 due to their pre-occupations in other audit assignments. In light with the SEBI Circular /CFD/CMD1/114/2019 dated 18th October, 2019 the auditors have also confirmed that except the reason as stated in their letter, there is no other reason or any case of concern with the management of the company such as non-availability of information, non-cooperation by the management etc. which may hamper the audit process. Relevant disclosures in this regard were made to the Stock Exchange from time to time. The board in its meeting held on 05.08.2020in which the unaudited financial Results and Limited Review Report of the Company for the quarter ended on 30th June, 2020 were approved and taken on record, took on record such resignation.

In the same meeting pursuant to Section 139 read with Section 177 of the Companies Act, 2013 and recommendation from the Audit Committee, the Board has proposed to appoint **M/s Rajvanshi& Associates (FRN: 005069C) as new Statutory Auditors of the company**for a period of Five (5) years commencing from the conclusion of this AGM till the conclusion of 34thAnnual general Meeting to be held in the calendar year 2025 at the remuneration as may be mutually decided by the board on recommendation of the Audit Committee.

Further, 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 appointment, if made, would be within the limits laid down by the Act and that they are not disqualified for such appointment under the provisions of applicable laws.

- **SECRETARIAL AUDITOR**

Pursuant 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 company had appointed **M/s V. M. & Associates, Company Secretaries (FRN: P1984RJ039200)** as Secretarial Auditor for the financial year ended on 31st March, 2020.

The Secretarial Audit Report issued by the Secretarial Auditor for the financial year 2019-20, in form MR-3, is annexed to this report as **"Annexure -2".** The Auditors have not reported any incident of fraud in the Company for the year under review under section 143(12) of the Companies Act, 2013. However, the report is issued with an observation that ***the hundred percent shareholding of promoter(s) and promoter group are not in dematerialized form as required under Regulation 31 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015*** to which your management's response is that *the company has been taking continuous efforts to ensure dematerialization of all the physical holdings. The company has made various communications to all the shareholders holding shares in physical format. You will be glad to know that the results of such efforts are that the company has managed to considerably increase it's demat holding in comparison to previous years. Moreover, many shareholders of the company that have been categorized under promoters and promoter group are beyond the control of the company*.

Further, the Board of Directors has approved the re-appointment of **M/s. V. M. & Associates**, Company Secretaries, (FRN.-P1984RJ039200) as "Secretarial Auditor" for conducting Secretarial Audit for the financial year 2020-21.

- **INTERNAL AUDITOR**

Pursuant to the provisions of Section 138 of the Companies Act, 2013 read with the rules made there under the Board of Directors appointed of M/s Ghanshyam Rathi & Co.,(FRN: 003873C) Chartered Accountants, as "Internal Auditor" of the company for conducting Internal Audit for the financial year 2019-20.

The Internal Audit Reports were received by the Company half yearly during the year under review and were placed before the Audit Committee and Board for their review from time to time. The Auditors have not reported any incident of fraud in the Company for the year under review under section 143(12) of the Companies Act, 2013.

Further, for the financial year 2020-21the board is still in the process of considering the auditors to be appointed as the Internal Auditors.

18. LOANS, GUARANTEES AND INVESTMENTS

The company has not given any guarantee or provided any security in connection with a loan during the year under review. Further, particulars of Loans given and investments made by the company are given under Note no. 5 and Note no. 4 respectively of the Financial Statements of the company forming part of this Annual Report.

19. RELATED PARTY TRANSACTIONS

All related party transactions that were entered into by the company during the financial year were on an arm's length basis and were in the ordinary course of business. All such contracts or arrangements, wherever required, have been approved by the Audit Committee and the Board. The company has not entered any transaction with the related parties, which are not at arm's length.

The details of the related party transactions as required are set out Note No. 21 of the financial Statements of the company forming part of this Annual Report.

During the Financial year 2019-20, the company has not entered into any contract or arrangement in the nature of Related Party Transaction under sub-section (1) of section 188 of the Companies Act, 2013 and thus

disclosure in Form AOC-2 is not required by the company.

20. NOTICES RECEIVED DURING THE PERIOD

During the Period under review, company has not received the any notices from any Authorities, Regulators or Courts.

21. 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 Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in the Annual Report as **"Annexure-3 ".**

Furthermore, the disclosures pertaining to remuneration of Top Ten Employees are provided in the Annual Report as **"Annexure-4".**

22. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

As required under Clause (B) of Schedule V of Listing Regulations, A detailed Management Discussion and Analysis Report on the Financial Conditions and Result of operations of the Company is provided in this Annual Report as"**Annexure-5".**

23. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO:

The information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo as required under section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts)Rules, 2014 is furnished in **"Annexure- 6"** and is attached to this Report.

24. ORDER OF COURT OR REGULATOR OR TRIBUNAL

There were no significant and material orders passed by the regulators or courts or Tribunals impacting the going concern status and company's operations during the year under review except that the Company had made applications for compounding under section 441 of the Companies Act, 2013 for compounding of offences under section 142 and 134(3)(n) of the Companies Act, 2013 and the same has been compounded by the Hon'ble Regional Director, North-Western Region, Ahmedabad on deposit of requisite amount of compounding fees under abovementioned sections.

25. DEPOSITS

In terms of the provisions of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014the Company has neither invited nor accepted or renewed any fixed deposits from public during the year under review.

26. THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013 :

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. All employees (permanent, contractual, temporary, trainees) are covered under this Policy. The Policy is gender neutral.

The following is a summary of sexual harassment complaints received and disposed off during the year 2019-20.

- Number of complaints received: NIL
- Number of complaints disposed off: NIL

27. CORPORATE GOVERNANCE

As per Regulation 15(2) of the Listing Regulations, the compliance with the Corporate Governance provisions shall not apply in respect of the following class of companies:

a. Listed Entity having paid up equity share capital not exceeding Rs. 10 crore and Net Worth not exceeding Rs.25 crore, as on the last day of the previous financial year;

b. Listed Entity which has listed its specified securities on the SME Exchange.

Since, our Company falls in the ambit of aforesaid exemption (a); hence compliance with the provisions of Corporate Governance shall not apply to the Company and it also does not form part of the Annual Report.

28. VIGIL MECHANISM/ WHISTLE BLOWER POLICY

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 pursuant to the provisions of Section 177 of the Companies Act, 2013 read with the rules made thereunder. This vigil mechanism provides a channel to the employees and Directors to report to the management, concerns about unethical behaviour, 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. The practice of the Vigil Mechanism /Whistle Blower Policy is overseen by the Audit Committee of the Board and no employee has been denied access to the Committee.

The Policy can be accessed on the Company website at following link – http://www.psfs.co.in/whistleblower.php.

During the year, no whistle blower event was reported and mechanism is functioning well.

29. RISK MANAGEMENT

The Company operates in conditions where economic environment and social risk are inherent to its businesses. In managing risk, it is the Company's practice to take advantage of potential opportunities while managing potential adverse effects.

The various elements of risk which the Directors think, that may threaten the existence of the Company are:

a) Financial Risk: Financial risk generally arises due to instability and losses in the financial market caused by movements in stock prices, currencies, interest rates and more.

b) Liquidity Risk: It is the risk that the Company will be unable to meet its financial commitment to a Bank/Financial Institution in any location, any currency at any point in time. The risk stemming from the lack of marketability of an investment that cannot be bought or sold quickly enough to prevent or minimize a loss.

c) Credit Risk: The risk of loss of principal or loss of a financial reward stemming from a borrower's failure to repay a loan or otherwise meet a contractual obligation.

d) Time Risk: To compensate for non receipt of expected inflow of funds.

In line with Listing Regulations and as per the requirement of Section 134(3) (n) of the Companies Act, 2013 read with the rules made there under, as amended, Board has a

framework for Risk Management to oversee the mitigation o such risks.

30. 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 the 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 Management with Audit Committee periodically reviews the Internal Control System and procedure for the efficient conduct of the business.

31. CODE OF CONDUCT

The Company has in place a comprehensive Code of Conduct (the Code) applicable to all the employees and Non-executive Directors, Executive directors, SMPs and KMPs. 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**http://www.psfs.co.in/codeofconduct.php**

32. SECRETARIALSTANDARDS

The company complies with all applicable secretarial standards issued by the institute of Company Secretaries of India. The Directors have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards and that such systems are adequate and operating effectively.

33. OTHER DISCLOSURES

Other Disclosures with respect to Board's Report as required under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Companies Act, 2013, the Rules notified thereunder or any other applicable provisions are either NIL or NOT APPLICABLE.

34. DIRECTORS' RESPONSIBILITY STATEMENT

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

(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;
(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; and
(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.

35. ACKNOWLEDGEMENT

Your Directors wish to express their grateful appreciation to the continued co-operation received from the all the Stakeholders of the company who had maintained their faith in the management of the company 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.

Place: Jaipur
Date: 05.08.2020

For and on Behalf of the Board of Directors
For Prem Somani Financial Services Limited

SD/-	**SD/-**
Nawal Kumar Somani	**Prem Lata Somani**
Managing Director	**Director**
DIN: 08094850	**DIN: 00287433**

Registered Office Address: 42,Jai Jawan Colony, Scheme No.3 Durgapura Jaipur-302018(Rajasthan)

Annexure-1

EXTRACT OF ANNUAL RETURN
AS ON THE FINANCIAL YEAR ENDED ON 31.03.2020

[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	Company Limited by shares/Non-Govt.
v.Address of the Registered office	42, Jai Jawan Colony Scheme-3, Durgapura, Jaipur-302018, Rajasthan
vi.Telephone	9829051268
vii.Email	limitedpsfs@gmail.com
viii.Website	www.psfs.co.in
ix.Whether listed company	Listed
x.Name, Address and Contact details of Registrar and TransferAgent, if any	Alankit Assignments Limited 205-208 Anarkali Complex Jhandewalan,Extension New Delhi-110055 E-mail: info@alankit.com

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:

S. 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 : NIL

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 (01.04.2019)				No. of Shares held at the end of the year (31.03.2020)			% Change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	878800	89900	968700	29.31	878800	89900	968700	29.31	-
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):-	**878800**	**179600**	**1022300**	**30.95**	**878800**	**179600**	**1022300**	**30.95**	**-**
(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)	**878800**	**179600**	**1022300**	**30.95**	**878800**	**179600**	**1022300**	**30.95**	**-**
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) FIIs	-	-	-	-	-	-	-	-	-
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	22695	66900	89595	2.71	22695	66900	89595	2.71	
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital uptoRs. 1 lakh	83310	1720400	1803710	54.60	83310	1720400	1803710	54.60	
ii) Individual shareholders	45100	186500	231600	7.01	45100	186500	231600	7.01	

holding nominal share capital in excess of Rs 1lakh									
c) Others	3100	3095	6195	-	3100	3095	6195	-	
Sub-total (B)(2):-	**154205**	**1976895**	**2131100**	**64.51**	**154205**	**1976895**	**2131100**	**64.51**	
Total Public Shareholding (B)=(B)(1)+(B)(2)	**154205**	**2126895**	**2281100**	**69.05**	**154205**	**2126895**	**2281100**	**69.05**	
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**1036100**	**2267300**	**3303400**	**100**	**1036100**	**2267300**	**3303400**	**100**	**-**

ii.Shareholding of Promoter and Promoter Group

S. No.	**Shareholder's Name**	**Shareholding at the beginning of the year**			**Share holding at the end of 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 / encumb**	**% change in share holding during the year**
1.	Prem Lata Somani	766100	23.19	-	766100	23.19	-	NIL
2.	Naresh Somani	100	0.00	-	100	0.00	-	NIL
3.	Nawal Somani	58000	1.73	-	58000	1.73	-	NIL
4.	Navneet Somani	25000	0.76	-	25000	0.76	-	NIL
5.	Somani Securities Limited	53600	1.62	-	53600	1.62	-	NIL
6.	NiveshSomani	22100	0.66	-	22100	0.66	-	NIL
7.	RamasawamiRoiAmbedkar	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.	DariyaBaiSumermall	2500	0.08	-	2500	0.08	-	NIL
11.	NarayanaSettyvenkataB	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.	ManjuNath	2500	0.07	-	2500	0.07	-	NIL
16.	Ganpati M. Hedge	2500	0.08	-	2500	0.08	-	NIL
17.	GontlaSubbarayadu	2500	0.08	-	2500	0.08	-	NIL
18.	SumanAgarwal	2500	0.08	-	2500	0.08	-	NIL
19.	VirendraMahlotra	2500	0.08	-	2500	0.08	-	NIL
20.	S PannalalTatia	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	20000	0.61	-	20000	0.61	-	NIL
25.	HemlataMaheshwari	10000	0.30	-	10000	0.30	-	NIL
26.	Mukesh Kumar Jain	2500	0.07	-	2500	0.07	-	NIL
27.	Deepak Patwari	2500	0.07		2500	0.07	-	NIL
	TOTAL	**1022300**	**30.95**		**1022300**	**30.95**	**-**	**Nil**

iii.Change in Promoters' Shareholding: NIL

S. No	**Shareholder's Name**	**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.	**At the beginning of the year**				
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer /bonus/sweat equity etc)				
	At the End of the year				

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

S. No.	**For each top ten shareholders**	**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**
At the Beginning of the Year					
1	CRB Trustee Limited A/C CRB Mutual Fund	150000	4.5	150000	4.5
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment /transfer /bonus / sweat equity etc)				
At the end of the year					
	CRB Trustee Limited A/C CRB Mutual Fund	150000	4.5	150000	4.5
At the Beginning of the Year					
2	Noble Corporate Services Private Limited	66900	2.05	66900	2.05
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment /transfer /bonus / sweat				

	equity etc)				
At the end of the year					
	Noble Corporate Services Private Limited	66900	2.05	66900	2.05
At the Beginning of the Year					
3	Madhav Prasad Agarwal	42800	1.30	42800	1.30
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment /transfer /bonus / sweat equity etc)				
At the end of the year					
	Madhav Prasad Agarwal	42800	1.30	42800	1.30
At the Beginning of the Year					
4	Annapurna Morolia	32200	0.97	32200	0.97
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment /transfer /bonus / sweat equity etc)				
At the end of the year					
	Annapurna Morolia	32200	0.97	32200	0.97
At the Beginning of the Year					
5	Navita	27300	0.83	27300	0.83
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment /transfer /bonus / sweat equity etc)				
At the end of the year					
	Navita	27300	0.83	27300	0.83
At the Beginning of the Year					
6	Manju Sharma	20000	0.60	20000	0.60
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment /transfer /bonus / sweat equity etc)				
At the End of the Year					
	Manju Sharma	20000	0.60	20000	0.60
At the Beginning of the Year					
7	Rajasthan Securities Services Private Limited	18400	0.56	18400	0.56
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment /transfer /bonus / sweat equity etc)				
At the End of the Year					
	Rajasthan Securities Services Private Limited	18400	0.56	18400	0.56

At the Beginning of the Year					
8	Dhoot Industrial Finance Limited	18200	0.55	18200	0.55
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment /transfer /bonus / sweat equity etc)				
At the End of the Year					
	Dhoot Industrial Finance Limited	18200	0.55	18200	0.55
At the Beginning of the Year					
9	GautamNemani	16000	0.48	16000	0.48
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment /transfer /bonus / sweat equity etc)				
At the End of the Year					
	GautamNemani	16000	0.48	16000	0.48
At the Beginning of the Year					
10	Sunil Jalan	15200	0.46	15200	0.46
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment /transfer /bonus / sweat equity etc)				
At the End of the Year					
	Sunil Jalan	15200	0.46	15200	0.46

v.Shareholding of Directors and Key Managerial Personnel:

S. No	**Name**	**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**
	For each of the Directors and KMP				
At the Beginning Of the Year					
1.	Prem Lata Somani	766100	23.19	766100	23.19
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment /transfer /bonus / sweat equity etc)				
At the End of the Year					
	Prem Lata Somani	766100	23.19	766100	23.19
At the Beginning Of the Year					
2.	Om Prakash Bansal	-	-	-	-
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g.				

	allotment /transfer /bonus / sweat equity etc)				
At the End Of the Year					
	Om Prakash Bansal	-	-	-	-
At the Beginning Of the Year					
3.	Vishnu Kant Mundra	11300	0.34	11300	0.34
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment /transfer /bonus / sweat equity etc)				
At the End Of the Year					
	Vishnu Kant Mundra (ceased to be director of the company w.e.f 30.10.2019)	-	-	-	-
At the Beginning Of the Year					
4.	Nawal Kumar Somani	58000	1.76	58000	1.76
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/decrease(e.g. allotment /transfer /bonus/ Sweat equity etc)				
At the End Of the Year					
	Nawal Kumar Somani	58000	1.76	58000	1.76
At the Beginning Of the Year					
5.	Jitendra Khandelwal	-	-	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/decrease(e.g. allotment /transfer /bonus/ Sweat equity etc)				
At the End Of the Year		-	-	-	-
	Jitendra Khandelwal	-	-	-	-
At the Beginning Of the Year					
6.	Aayushi Pareek	-	-	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/decrease(e.g. allotment /transfer /bonus/ Sweat equity etc)				
At the End Of the Year					
	Aayushi Pareek	-	-	-	-
At the Beginning Of the Year					
7.	Vimal Kumar Gupta	-	-	-	
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/decrease(e.g. allotment /transfer /bonus/ Sweat equity etc)				
At the End Of the Year					
	Vimal Kumar Gupta	-	-	-	

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

S. No.	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount
		NAWAL KUMAR SOMANI	
1.	Gross salary (a) Salary as per provisions contained in section17(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 section17(3)Income-tax Act 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission • As %of profit • Others,specify…	-	-
5.	Others, please specify	-	-
	Total (A)		
	Overall Ceiling as per the Act	-	-

B. Remuneration to other directors: NIL

S. No.	Particulars of Remuneration	Name of Directors				Total Amount
		-----	----	----	---	
	1. Independent Directors • Fee for attending board committee meeting • Commission	-	-	-	-	-
	Total(1)					
	2. Other Non-Executive Directors • Fee for attending board committee meetings • Commission • Others, please specify	- -	- -	- -	- -	- -
	Total(2)					
	Total (B)=(1+2)					
	Total Managerial Remuneration					
	Overall Ceiling as per the Act					

C. Remuneration to key managerial personnel other than MD/Manager/WTD:

S No.	Particulars of Remuneration	Key Managerial Personnel				
		CEO	Company Secretary		CFO (w.e.f 24.04.2019)	Total
			Shubhali Khandelwal (24.04.2019-27.05.2019	Aayushi Pareek (w.e.f 02.08.2019)	Jitendra Khandelwal	
1.	Gross salary (d) Salary as per provisions contained in section17(1)of the Income-tax Act,1961 (e) Value of perquisites u/s 17(2)Income-tax Act,1961	-		128000	134400	262400
2.	Stock Option	-		-	-	-
3.	Sweat Equity	-		-	-	-
4.	Commission • As % of profit • Others specify…	-		-	-	-
5.	Others, please specify	-		-	-	-
	Total	-		**128000**	**134400**	**262400**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed (Amt. in Rs.)	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	N.A.	NIL	NIL	N.A.	N.A.
Punishment	N.A.	NIL	NIL	N.A.	N.A.
Compounding	142	25000	The company had fixed remuneration of Statutory Auditors before ratification of their appointment at the AGM for the year 2014-15	R.D (NWR)	NA
	142	25000	The company had fixed remuneration of Statutory Auditors before ratification of their appointment at the AGM for the year 2015-16		
	142	25000	The company had fixed remuneration of Statutory Auditors before ratification of their appointment at the AGM for the year 2016-17		
	134(3)(n)	50000	The Board's Report for the FY 2014-15 of the company did not include a statement indicating development and implementation of Risk Management policy for the company including identification therein of the element of risk, if any, which in the opinion of the Board may threaten the existence of the company in compliance with Section 134(3)(n) of the Companies Act, 2013		
B. DIRECTORS					
Penalty	N.A.	NIL	NIL	N.A.	N.A.
Punishment	N.A.	NIL	NIL	N.A.	N.A.
Compounding	142	10000	The company had fixed remuneration of Statutory Auditors before ratification of their appointment at the AGM for the year 2014-15	R.D (NWR)	NA
	142	10000	The company had fixed		

			remuneration of Statutory Auditors before ratification of their appointment at the AGM for the year 2015-16		
	142	10000	The company had fixed remuneration of Statutory Auditors before ratification of their appointment at the AGM for the year 2016-17		
C. OTHER OFFICERS IN DEFAULT					
Penalty	N.A.	NIL	NIL	N.A.	N.A.
Punishment	N.A.	NIL	NIL	N.A.	N.A.
Compounding	N.A.	NIL	NIL	N.A.	N.A.

Place: Jaipur
Date: 05.08.2020

For and on Behalf of the Board of Directors
For Prem Somani Financial Services Limited

SD/-
Nawal Kumar Somani
Managing Director
DIN: 08094850

SD/-
Prem Lata Somani
Director
DIN: 00287433

Registered Office Address: 42,Jai Jawan Colony, Scheme No.3 Durgapura Jaipur-302018(Rajasthan)

ANNEXURE-2

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020
[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Prem Somani Financial Services Limited
42, Jai Jawan Colony Scheme No.3,Durgapura
Jaipur - 302018 (Rajasthan)

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Prem Somani Financial Services Limited** (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 Company's 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, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on March 31, 2020 **('Audit Period')** 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 the Company for the Financial Year ended on March 31, 2020 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;
(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings **(Not applicable to the Company during the Audit Period);**
(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, 2015;
  (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 **(Not applicable to the Company during the Audit Period);**

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 **(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;

(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, 2018 **(Not applicable to the Company during the Audit Period);**

(i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

(vi) As confirmed by the management, there are no sector specific laws that are applicable specifically to the company.

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 BSE Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above ***except that the hundred percent shareholding of promoter(s) and promoter group are not in dematerialized form as required under Regulation 31 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.***

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. Further, independent director(s) were present at Board Meetings which were called at shorter notice to transact business which were considered urgent by the management in compliance of Section 173(3) of the Act. 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, if any, 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 operations of the company to monitor and ensure

compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company has made applications for compounding under section 441 of the Companies Act, 2013 for compounding of offences under section 142 and 134(3)(n) of the Companies Act, 2013 and the same has been compounded by the Hon'ble Regional Director, North-Western Region, Ahmedabad on deposit of requisite amount of compounding fees under abovementioned sections of the Act.

Place: Jaipur
Date: August 5, 2020
UDIN: F003355B000553951

For V. M. & Associates
Company Secretaries
(ICSI Unique Code P1984RJ039200)
SD/-
CS Manoj Maheshwari
Partner
Membership No.: FCS3355
C P No.: 1971

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

Annexure A

To,
The Members,
Prem Somani Financial Services Limited
42, Jai Jawan Colony Scheme No.3 Durgapura
Jaipur - 302018 (Rajasthan)

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

1. Maintenance of secretarial record 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 verification was 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. Wherever 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 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 efficacy or effectiveness with which the management has conducted the affairs of the company

Place: Jaipur
Date: August 5, 2020
UDIN: F003355B000553951

For V. M. & Associates
Company Secretaries
(ICSI Unique Code P1984RJ039200)
SD/-
CS Manoj Maheshwari
Partner
Membership No.: FCS3355
C P No.: 1971

ANNEXURE – 3

PARTICULARS OF EMPLOYEES

PURSUANT TO SECTION 197 (12) OF THE COMPANIESACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIALPERSONNEL) RULES, 2014 FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2020

S. No	Requirement of Rule 5(1)	Details
.	The ratio of the remuneration of each Director to the median employees of the company for the financial year.	NA (No remuneration paid to directors)
2.	The percentage increase in remuneration of:	
	Chief Financial Officer,	Remuneration for the FY 2019-20: 144000 Percentage increase in remuneration: -
	Company Secretary	Remuneration for the FY 2019-20: 192000 Percentage increase in remuneration: 18.05%
3.	The percentage increase in the median remuneration of the employees in the Financial Year	NA
4.	The number of the permanent employee on the roll of the company	2
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;	Average salary increase of non-managerial employees is: NA Average salary increase of managerial employees is : NA The average increase in remuneration of all employees are decided based on the company's policy, individual's performance, inflation and prevailing industry trend.
6	Affirmation that the remuneration is as per the remuneration policy of the Company.	Yes

Place: Jaipur
Date: 05.08.2020

For and on Behalf of the Board of Directors
For Prem Somani Financial Services Limited

SD/-
Nawal Kumar Somani
Managing Director
DIN: 08094850

SD/-
Prem Lata Somani
Director
DIN: 00287433

Registered Office Address: 42,Jai Jawan Colony, Scheme No.3 Durgapura Jaipur-302018(Rajasthan)

ANNEXURE – 4

DETAILS OF TOP 10 EMPLOYEES

PURSUANT TO SECTION 197 (12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIALPERSONNEL) RULES, 2014 FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2020

Name	**Jitendra Khandelwal**	**Aayushi Pareek**
Designation	**Chief Financial officer**	**Company Secretary**
Remuneration received	134400	128000
Nature of Employment (contractual or otherwise)	Contractual	Contractual
Qualification	Professional	Professional
Experience	1 years	1 years
Age	41 years	24 years
Last Employment before joining the company	Other Services	NA
Relation to any director (if any)	NA	NA
Date of commencement of employment	24.04.2019	02.08.2019

Place: Jaipur
Date: 05.08.2020

For and on Behalf of the Board of Directors
For Prem Somani Financial Services Limited

SD/-
Nawal Kumar Somani
Managing Director
DIN: 08094850

SD/-
Prem Lata Somani
Director
DIN: 00287433

Registered Office Address: 42,Jai Jawan Colony, Scheme No.3 Durgapura Jaipur-302018(Rajasthan)

ANNEXURE – 5

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

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 seem to be the biggest threats to the industry.

SEGMENT WISE AND PRODUCT WISE PERFORMANCE

The NBFC license of the company was cancelled by RBI on 18.10.2018 since the company couldn't reach the net worth of Rs. 200 lakhs. Thereafter, the Company has not been engaged in anybusiness activity. The Company's income pertains to the interest earnings on previous investments. Due to discontinuation of activities company has incurred a loss of Rs. 28,53,388/- during the year 2019-20as compared to Net loss of Rs. 67,91,658/- in the previous financial year.

OUTLOOK

Outbreak of COVID-19 pandemic globally and in India is resulting in an economic slowdown all over. The pandemic is significantly impacting business operation of the Company in numerous ways. The lockdown, lots of restrictions and unexpected variables have adversely effected in to the operations and future growth plans of the Company. The company is still in the process to quantify the overall impact of such outbreak..

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.

Also, the recent pandemic of COVID-19 and its continuing repercussions in all areas and especially economy of the country are a matter of risk and concern of the company.

INTERNAL CONTROL SYSTEM & THEIR ADEQUACY

The Company had adequate internal control system commensurate with its size and nature of business.
Your company's internal control procedures are adequate to ensure compliance with various policies, practices and statutes. Your Company maintains a system of internal controls designed to provide reasonable assurance regarding the following:

- Effectiveness and efficiency of operations
- Adequacy of safeguards for assets
- Prevention and detection of frauds and errors

- Accuracy and completeness of the accounting records
- Timely and accurate preparation of reliable financial information

The Company's Internal Auditors have conducted periodic audits to evaluate the adequacy & effectiveness of financial and operating internal controls, to report significant findings to the Audit Committee of the Board and to provide reasonable assurance that the Company's established systems, policies and procedures have been followed.
The Audit Committee takes due cognizance of the observations made by the auditors and gives their suggestions for improvement. The suggestions of the Audit Committee further ensure the quality and adequacy of the control systems.

FINANCIAL & OPERATIONAL PERFORMANCE

Due to increase in other expenses company has incurred a loss of Rs28,53,388/- during the year 2019-20as compared to Net loss of Rs. 67,91,658/- in the previous financial year. Management periodically reviews the financial and operational performance of your Company against the approved plans across various parameters and takes necessary actions, wherever necessary.

MATERIAL DEVELOPMENT IN HUMAN RESOURCES AND INDUSTRIAL RELATIONS

The company has formulated a personnel policy.The Company recognizes the importance of Human Resource as a key asset instrumental in its growth. The Company believes in acquisition, retention and betterment of talented team players. HRD activities are taken in the Company involving positive approach to develop employees to take care of productivity, quality and customer needs. The Company has well developed management information system giving daily, monthly and periodical information to the different levels of management. Such reports are being analysed and effective steps are taken to control the efficiency, utilization, productivity and quality in the Company.

OTHER DISCLOSURES

Other Disclosures with respect to Management Discussion and Analysis Report as required under Regulation 34(3) read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, are either NIL or NOT APPLICABLE.

Place: Jaipur
Date: 05.08.2020

For and on Behalf of the Board of Directors
For Prem Somani Financial Services Limited

SD/-	**SD/-**
Nawal Kumar Somani	**Prem Lata Somani**
Managing Director	**Director**
DIN: 08094850	**DIN: 00287433**

Registered Office Address: 42,Jai Jawan Colony, Scheme No.3 Durgapura Jaipur-302018(Rajasthan)

ANNEXURE – 6

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO:

Section 134(3) (m) of the Companies Act, 2013 read with Rule 8(3) of the companies (Accounts) Rules, 2014 is forming part of the board´s report for the financial year 2019-20.

A. Conservation of energy:

I.	The steps taken or impact on conservation of energy	• The NBFC license of the company was cancelled by RBI on 18.10.2018 since the company couldn't reach the net worth of Rs. 200 lakhs. Thereafter, the Company has not been engaged in anybusiness activity. Further, the company requires normal conservation of energy consumption of electricity. However the company is making necessary efforts to reduce the consumption of energy. • The office of the Company has been using LED bulbs that consume less electricity as compared to CFL and incandescent bulbs. The Company has increased the usage of low electricity consuming monitors in place of conventional monitors. The Company has started buying the new energy efficient computers that automatically goes into low power 'sleep'mode or off- mode when not in use. As a part of Green Initiative, a lot of paper work at branches and Registered Office has been reduced by increased usage of technology.
II.	The steps taken by the companyfor utilising alternate sources of energy	NIL
III.	The capital investment on energy conservation equipment	NIL

B. Technology absorption:

I.	The efforts made towards technology absorption	The Company has been in the forefront in Implementing latest information technologies &

		tools towards enhancing our customer convenience and continues to adopt and use the latest technologies to improve the productivity and quality of Its services. The Company's operations do not require significant Import of Technology.
II.	The benefits derived like product improvement cost reduction, product development or import substitution	N.A.
III.	Technology Imported during the last three years • The details of technology imported • The year of import • Whether the technology been fully absorbed • If not fully absorbed, areas where absorption has not taken place, and the reasons thereof	N.A. N.A. N.A. N.A.
IV.	The expenditure incurred Research and Development	Company has not incurred any expenditure on research and development during the year under review.

C. Foreign exchange earnings and Outgo

Foreign exchange earnings and outgo is reported to be NIL during the financial year under review.

Place: Jaipur **For and on Behalf of the Board of Directors**

Date: 05.08.2020 **For Prem Somani Financial Services Limited**

SD/-
Nawal Kumar Somani
Managing Director
DIN: 08094850

SD/-
Prem Lata Somani
Director
DIN: 00287433

Registered Office Address: 42,Jai Jawan Colony, Scheme No.3 Durgapura Jaipur 302018(Rajasthan)

Independent Auditor's Report
UDIN: 20072372AAAAAL8320

To
The Members of
M/s. **PremSomani Financial Services Limited**
Jaipur.

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of **M/s. PremSomani Financial Services Limited** ('the Company'), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the statement of Changes in Equity for the year then ended and a summary of significant accounting policies & other explanatory information(hereinafter referred to as "Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion
We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Going Concern
We draw attention to the Statement of Profit & Loss, attached herewith which indicates that the Company incurred a net loss of Rs. 28,53,387/-, consequently, the equity (including the other equity) has reduced to Rs. 88,89,947/- as on 31st March, 2020 as against Rs. 1,17,43,334/- as on 31st March 2019. Further, the NBFC License of the Company was cancelled by RBI on 18th October, 2018, due to which the Company is not able to continue the NBFC related business activities. Both these matters indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of these matters.

Key Audit Matters
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in the material uncertainty related to going concern para referred above, we have not determined any other matter to be described

as key audit matter to be communicated in our report.

Other Information

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assured conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Other Matters

We have considered it necessary to communicate the following mattersin addition to that are presented or disclosed in the auditors' report on the financial statements, which, in our judgment, is relevant to users' understanding of the audit, the auditor's responsibilities or the auditor's report:-

The Company has not provided for deferred taxes with respect to differences between income for financial reporting purpose and tax purpose since there is no certainty of reversal of such deferred taxes in view of the indication that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

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 including Other Comprehensive Income, cash flows and the Statement of Changes in Equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian (Ind AS) notified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of

assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

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.

As required by section 143(3) of the Act, we report that:

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;

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;

The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.

In our opinion the aforesaid standalone financial statements comply with the IND AS specified under Section 133 of the Act, read with Rule 7 of Companies (Indian Accounting Standards) Rules, 2014.

On the basis of the written representations received from the directors as on March 31, 2020 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of section 164(2) of the Companies Act, 2013.

With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B'; and

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:

The Company has disclosed the impact of pending litigations, if any, on its financial position in its financial statements.

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.

There were no amounts which were required to be transferred to the Investor Education and Protection Fund.

FOR SAPRA & COMPANY
Chartered Accountants
FRN 003208C
SD/-
CA. OM PRAKASH SAPRA
(Proprietor)
M.No. 072372

Place: Jaipur
Date: June 11,2020

Annexure A to the Auditor's Report

The Annexure referred to in Independent Auditor's Report to the members of the **M/s. PremSomani Financial Services Limited** on the financial statements for the year ended March 31, 2020, we report that:

Fixed Assets:

The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

The management 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.

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.

Inventories:

The company is holding securities in the form of Investments, therefore it does not hold any physical inventories. Thus, paragraph 3(ii) of the order is not applicable to the company.

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

The Company has not grantedunsecured loans to a party covered in the register maintained under section 189 of the Companies Act, 2013.

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

Loan to directors (Sec.185): - No loan to directors has been given during the year under review.

Loan and investment by Company (Sec. 186) – No loan and investment has been made in violation of the provisions of section 186 by the company during the year under review.

Public Deposits:-

According to the information and explanations given to us, 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.

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.

Statutory Dues:-

UndisputedStatutory 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 and other material statutory dues have been generally regularly deposited during the year by the company with the appropriate authorities.

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.

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.

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.

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.

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.

Nidhi Company :-

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

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.

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.

Non-Cash Transaction: -

According to the information and explanations given to us and based on our examination of the record 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.

Registration under RBI Act:-

The Company was registered under Section 45-IA of the Reserve Bank of India Act 1934. However, the Reserve Bank of India cancelled the NBFC License of the Company on 18th October, 2018.

FOR SAPRA & COMPANY
Chartered Accountants
FRN 003208C
SD/-
CA. OMPRAKASH SAPRA
(Proprietor)
M.No. 072372

Place: Jaipur
Date: June 11,2020

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. PremSomani Financial Services Limited** ('the Company') as on March 31, 2020 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. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud and error. 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

Subject to our observations in our Independent Auditors' Report dated 11th June, 2020 under the head "Material Uncertainty related to Going Concern" and under the head other matters regarding non provision for deferred taxes, in our opinion, considering the fact that there were few transaction during the year under review for which, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as on March 31, 2020, 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 SAPRA & COMPANY
Chartered Accountants
FRN 003208C
SD/-
CA. OMPRAKASH SAPRA
(Proprietor)
M.No. 072372

Place: Jaipur
Date: June 11,2020

Prem Somani Financial Services Limited

(CIN: L67120RJ1991PLC006220)

Standalone balance sheet as at March 31, 2020

UDIN: 20072372AAAAAL8320

(All amounts in INR)

Particulars	Note	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-current assets			
Property, plant and equipment	2	35,220	47,547
Capital work-in-progress		-	-
Investment properties	3	289,447	304,974
Goodwill		-	-
Other intangible assets		-	-
Financial assets			
i. Investments	4	5,919,349	6,227,720
ii. Loans	5	2,446,970	3,259,210
iii. Other financial assets	6	7,500	1,994,289
Income tax assets		-	-
Deferred tax assets		-	-
Other non-current assets		-	-
Total non-current assets		**8,698,486**	**11,833,740**
Current assets			
Inventories		-	-
Financial assets			
i. Investments		-	-
ii. Trade receivables		-	-
iii. Cash and cash equivalents	7	269,165	(7,058)
iv. Bank balances other than (iii) above		-	-
v. Loans		-	-
vi. Other financial assets	8	6,532	14,517
Income tax assets	9	58,518	35,455
Other current assets		-	-
Total current assets		**334,215**	**42,914**
Total assets		**9,032,701**	**11,876,654**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	10(a)	33,034,000	33,034,000
Other equity	10(b)	(24,144,053)	(21,290,666)
Total equity		**8,889,947**	**11,743,334**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
i. Borrowings		-	-
ii. Other financial liabilities		-	-
Provisions		-	-
Deferred tax liabilities		-	-
Other non-current liabilities		-	-
Total non-current liabilities		**-**	**-**
Current liabilities			
Financial liabilities			
i. Borrowings		-	-
ii. Trade payables	11	12,520	-
iii. Other financial liabilities	12	110,234	129,320
Other current liabilities	13	20,000	4,000
Current tax liabilities		-	-
Total current liabilities		**142,754**	**133,320**
Total liabilities		**142,754**	**133,320**
Total equity and liabilities		**9,032,701**	**11,876,654**
See accompanying notes to financial statements.	1		

As per our report of even date.

For Sapra & Company
Chartered Accountants
FRN 003208C

CA OM PRAKASH SAPRA
(Proprietor)
Membership No.: 072372

Place: Jaipur
Date: June 11, 2020

For & on behalf of the Board of Directors
Prem Somani Financial Services Limited

Nawal Kumar Somani Director DIN: 08094850

Prem Lata Somani Director DIN: 00287433

Jitendra Khandelwal CFO

Aayushi Pareek Company Secretary

Prem Somani Financial Services Limited

Standalone Profit and Loss statement 2019-20

UDIN: 20072372AAAAAL8320

(All amounts in INR)

Particulars	Note	Year ended March 31, 2020	Year ended March 31, 2019
Income			
Revenue from operations	14	302,623	366,551
Other income	15	92,217	267,417
Total income		**394,840**	**633,968**
Expenses			
Construction costs		-	-
Changes in inventories of finished goods, work- in-progress and products for sale		-	-
Employee benefit expense	16	264,800	108,000
Depreciation and amortisation expense	17	27,854	26,939
Other expenses	18	2,955,574	7,290,686
Finance costs		-	-
Total expenses		**3,248,228**	**7,425,626**
Profit before exceptional items, share of net profits of investments accounted for using the equity method and tax		**(2,853,388)**	**(6,791,658)**
Share of net profits of associates and joint ventures accounted for using the equity method		-	-
Profit before exceptional items and tax		**(2,853,388)**	**(6,791,658)**
Exceptional items			
Profit before tax		**(2,853,388)**	**(6,791,658)**
Income tax expense			
- Current tax		-	-
- Deferred tax		-	-
Total tax expense		**-**	**-**
Profit for the year		**(2,853,387)**	**(6,791,658)**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
- Remeasurements of post-employment benefit obligations		-	-
- Share of other comprehensive income of associates and joint ventures accounted for using equity method		-	-
- Income tax relating to these items		-	-
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		**(2,853,387)**	**(6,791,658)**
Earnings per equity share attributable to owners of parent			
Basic earnings per share (in INR)		(0.86)	(2.06)
Diluted earnings per share (in INR)		(0.86)	(2.06)

See accompanying notes to financial statements.

As per our report of even date.

For Sapra & Company
Chartered Accountants
FRN 003208C

CA OM PRAKASH SAPRA
(Proprietor)
Membership No.: 072372

Place: Jaipur
Date: June 11, 2020

For & on behalf of the Board of Directors of
Prem Somani Financial Services Limited

Nawal Kumar Somani	**Prem Lata Somani**
Director	Director
DIN: 08094850	DIN: 00287433

Jitendra Khandelwal	**Aayushi Pareek**
CFO	Company Secretary

Prem Somani Financial Services Limited

Standalone statement of cash flows for the year ended March 31, 2020

UDIN: 20072372AAAAAL8320

(All amounts in INR)

Particulars	Notes	Year ended March 31, 2020	Year ended March 31, 2019
A. Cash flows from operating activities			
Profit before tax		(2,853,388)	(6,791,658)
Add : Loss pursuant to scheme of amalgamation			
Adjustments for :			
Share of (profit)/ loss of associates and joint ventures		-	-
Depreciation and amortisation		27,854	26,939
Interest and other finance costs			
Provision for doubtful debts		-	-
Provision for foreseeable loss			
Loss on disposal of joint operation		-	-
Interest and dividend income reclassified as investing cash flows		-	-
Sundry balances written off		1,986,789	-
Provision written back		-	(37,338)
Net gain on disposal of property, plant and equipment		-	-
Gain on sale of investment		(52,920)	-
Gain on fair valuation of investment in joint ventures			-
Changes in fair value of financial assets at fair value through profit and loss		92,723	(100,187)
Other non cash expenses			
Operating profit before working capital changes		**(798,942)**	**(6,902,244)**
(Decrease) in other long-term liabilities			-
Changes in working capital:			
Increase in other non current financial liabilities			-
Increase in provisions			-
Increase / (decrease) in trade payables			-
(Decrease) in other current financial and non financial liabilities		9,434	(28,711)
(Increase)/ decrease in other financial and non-financial assets		(15,078)	96,458
(Increase)/ decrease in inventories		-	
(Increase) in trade receivables		-	
Cash generated from operations		**(804,586)**	**(6,834,497)**
Taxes paid (net of refunds)			
Net cash inflow from operating activities		**(804,586)**	**(6,834,497)**
B. Cash flows from investing activities			
Loan recovered during the year		812,240	6,075,342
Loan given during the year		-	-
Payments for property, plant and equipment and intangible assets		-	(8,500)
Proceeds from disposal of property, plant and equipment			
Payments for purchase of investments			-
Payments for purchase of additional stake in subsidiary			
Proceeds on disposal of joint operation			
Proceeds from sale of investments		268,567	-
Bank deposits matured (having original maturity of more than 3 months)			-
Bank deposits placed (having original maturity of more than 3 months)			
Net increase in other current bank balances (other than bank deposits)			
Interest received			
Security deposit given			
Dividend received			
Net cash inflow/(outflow) from investing activities		**1,080,807**	**6,066,842**
C. Cash flows from financing activities			
Transaction with non controlling interests			
Proceeds from borrowings			
Repayment of borrowings			
Interest and other finance costs paid			
Net cash (outflow) from financing activities		**-**	**-**
Net increase / (decrease) in cash and cash equivalents (A+B+C)		**276,221**	**(767,655)**
Cash and cash equivalents at the beginning of the year		(7,058)	760,597
			-
Cash and cash equivalents at the end of the year		**269,164**	**(7,058)**

Prem Somani Financial Services Limited

Standalone statement of cash flows for the year ended March 31, 2020

UDIN: 20072372AAAAAL8320

(All amounts in INR)

Particulars	Notes	Year ended March 31, 2020	Year ended March 31, 2019
Reconciliation of cash and cash equivalents as per the statement of cash flows			
Cash and cash equivalents as per above comprise of the following (refer note 7) :			
Cash on hand		53,069	141,907
Cheques on hand		-	-
Balances with banks			
In current accounts		216,095	(148,965)
Bank Overdraft		-	-
Deposits with maturity of less than 3 months		-	-
Cash and cash equivalents at the end of the year		**269,165**	**(7,058)**

Notes:

1 The Statement of cash flows has been prepared under the Indirect method as set out in Ind AS 7 on Statement of cash flows notified under Section 133 of The Companies Act 2013, read together with Paragraph 7 of the Companies (Indian Accounting Standard) Rules 2015 (as amended).

See accompanying notes to financial statements.

As per our report of even date.

For Sapra & Company
Chartered Accountants
FRN 003208C

CA OM PRAKASH SAPRA
(Proprietor)
Membership No.: 072372

Place: Jaipur
Date: June 11,2020

For & on behalf of the Board of Directors of
Prem Somani Financial Services Limited

Nawal Kumar Somani
Director
DIN: 08094850

Prem Lata Somani
Director
DIN: 00287433

Jitendra Khandelwal
CFO

Aayushi Pareek
Company Secretary

PREM SOMANI FINANCIAL SERVICES LIMITED

Standalone statement of changes in equity for the year ended March 31, 2020

UDIN: 20072372AAAAAL8320

(All amounts in INR)

A. Equity share capital

Particulars	Amount
As at March 31, 2019	**33,034,000**
Changes in equity share capital	-
As at March 31, 2020	**33,034,000**

B. Other equity

Particulars	Attributable to owners of the Company					Total
	Instruments entirely equity in nature	Reserves and surplus			Total other equity	
		Securities premium reserve	Retained earnings	Other Reserve		
As at March 31, 2019	**-**	**750,000**	**(22,634,409)**	**593,743**	**(21,290,666)**	**(21,290,666)**
						-
Profit for the year	-	-	(2,853,387)	-	**(2,853,387)**	**(2,853,387)**
Other comprehensive income	-	-	-	-	**-**	**-**
Total comprehensive income for the year	-	-	**(2,853,387)**	-	**(2,853,387)**	**(2,853,387)**
	-	-	-	-	**-**	**-**
As at March 31, 2020	**-**	**750,000**	**(25,487,796)**	**593,743**	**(24,144,053)**	**(24,144,053)**

Notes:

1. The above standalone statement of changes in equity should be read in conjunction with accompanying notes.
2. This is the standalone statement of changes in equity referred to in our report of even date.

For Sapra & Co.
Chartered Accountants
FRN 003208C

CA OM PRAKASH SAPRA
(Proprietor)
Membership No.: 072372

Date: June 11, 2020
Place: Jaipur

For & on behalf of the Board of Directors of
Prem Somani Financial Services Limited

Nawal Kumar Somani
Director
DIN: 08094850

Prem Lata Soamni
Director
DIN: 00287433

Jitendra Khandelwal
CFO

Aayushi Pareek
Company Secretary

Note 1 - Corporate Information and Significant Accounting Policies

1. Corporate Information

Prem Somani Financial Services Limited ("the Company") is a listed company incorporated under the provisions of the Companies Act, 1956 (now Companies Act, 2013). The registered office of the Company is situated at 42, Jai Jawan Colony, Scheme No.3, Durgapura, Jaipur-302018, Rajasthan.

The nature of business of the Company is NBFC related activities, however, the NBFC License of the Company was cancelled by RBI on 18th October, 2018.

2. Significant Accounting Policies, Assumptions and Notes

2.1 Basis of preparation and presentation

a) Basis of Measurement:

The financial statements have been prepared on accrual basis and under the historical cost convention except the Investments, which have been measured at fair value in terms of provisions of Ind AS.

b) Current versus non-current classification

The Company presents assets and liabilities in statement of financial position based on current/non-current classification.

The Company has presented non-current assets and current assets before equity, non-current liabilities and current liabilities in accordance with Schedule III, Division II of Companies Act, 2013 notified by MCA.

- **An asset is classified as current when it is:**
  - **(i)** Expected to be realised or intended to be sold or consumed in normal operating cycle,
  - **(ii)** Held primarily for the purpose of trading,
  - **(iii)** Expected to be realised within twelve months after the reporting period, or
  - **(iv)** Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.
  - **(v)** All other assets are classified as non-current.
- **A liability is classified as current when it is:**
  - **(i)** Expected to be settled in normal operating cycle,
  - **(ii)** Held primarily for the purpose of trading,
  - **(iii)** Due to be settled within twelve months after the reporting period, or
  - **(iv)** There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. All other liabilities are classified as non-current.
  - **(v)** The operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

c) Use of estimates, assumption and judgment

The preparation of the financial statements in conformity with recognition and measurement principles of Ind AS requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year.

Estimates and underlying assumptions are reviewed on an ongoing basis.

Revisions to accounting estimates are recognized in the period in which estimates are revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the key assumptions concerning the future, and other sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in future are:

(i) Useful lives and residual value of property, plant and equipment, intangible assets and investment properties

Useful life and residual value are determined by the management based on a technical evaluation considering nature of asset, past experience, estimated usage of the asset, vendor's advice etc. and same is reviewed at each financial year end.

(ii) Deferred tax assets:

The Company has not provided for deferred taxes with respect to differences between income for financial reporting purpose and tax purpose since, in view of the fact that NBFC license of the company was cancelled on 18th October, 2018, there is no certainty of reversal of such deferred taxes in view of the indication that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

2.2 Statement of Compliance

The financial statements comprising of the Balance Sheet, Statement of Profit and Loss, Statement of changes in equity, Statement of Cash Flow together with notes comprising a summary of Significant Accounting Policies and Other Explanatory Information for the year ended 31st March 2020 and comparative information in respect of the preceding period and Balance Sheet as on previous date, i.e. 31st March 2019 have been prepared in all material aspects in accordance with IND AS as notified and duly approved by the Board of Directors, along with proper explanation for material departures.

2.3 Rounding Off

Company's Financial Statements are presented in Indian Rupees (Rs.), which is also its functional currency and all values are rounded to the nearest hundred, except otherwise indicated.

2.4 Summary of Significant Accounting Policies

a) Inventories

Not Applicable as no inventories are held by the Company during the year or at the reporting date.

b) Statement of cash flows

Cash flows are reported using the method as prescribed in IND AS 7 'Statement of Cash flows', where by net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expense associated with investing or financial cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

c) Revenue recognition

Revenue is recognized to the extent that it probable that the economic benefits will flow to the Company, the revenue can be reliably measured and there exists reasonable certainty of its recovery.

(i) <u>Revenue from Operations</u>

Interest is recognised on accrual basis.

(ii) <u>Income from investment</u>

Dividend income is recognised when the Company's right to receive dividend is established by the Balance Sheet date. Interest on securities is accounted for on accrual basis except where the ultimate collection is not assured with reasonable certainty.

(iii) **Other income**

Other income from a financial asset is recognised when it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably.

d) Property, Plant and Equipment

(i) Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and impairment, if any. For this purpose, cost includes the carrying value of property, plant and equipment. Cost is inclusive of inward freight, non-refundable duties and taxes and incidental expenses related to acquisition or construction.

(ii) Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

(iii) Depreciation / amortization: Property, Plant and Equipments has been depreciated on Straight Line method, over the useful life in the manner prescribed in Schedule II of the Companies Act, 2013.

e) Borrowing costs

Borrowing costs are recognized in the profit or loss account in the period in which they are incurred.

f) Earnings Per Share

(i) **Basic earnings per share**

Basic earnings per share Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares if any.

(ii) **Diluted earnings per share**

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

g) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

h) Tax Expenses

(i) Current Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses**.**

(ii) Deferred Tax

The Company has not provided for deferred taxes with respect to differences between income for financial reporting purpose and tax purpose since there is no certainty of reversal of such deferred taxes in view of the indication that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

i) Cash and Cash Equivalents

Cash and cash equivalents include cash in hand and at bank, deposits held at call with banks. For the purpose of the Statement of Cash Flows, cash and cash equivalents consists of cash and short term deposits, having maturity less than 12 months.

j) Financial Instruments

(i) Initial recognition

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of financial asset or financial liabilities, as appropriate, on initial recognition.

(ii) Subsequent measurement

a) Financial assets carried at fair value through profit or loss (FVTPL):

The financial assets are measured at fair value through profit or loss.

(iii) De-recognition of financial Asset

A financial asset is primarily derecognized (i.e. removed from the balance sheet) when:

a) The rights to receive cash flows from the asset have expired, or

b) The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset. When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership.

k) Impairment

(i) Financial assets

In accordance with Ind AS 109, the Company has used 'Expected Credit Loss' (ECL) model, for evaluating impairment of Financial Assets other than those measured at Fair Value through Profit and Loss (FVTPL).

Expected credit losses have been measured through a loss allowance at an amount equal to:

- The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

(ii) Non - financial assets

Tangible and Intangible assets

Property, plant and equipment and intangible assets are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). The Company review/assess at each reporting date if there is any indication that an asset may be impaired.

l) Operating Cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Company determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

m) Investments in Equity Instruments

Investments in Equity Instruments have been valued at their fair values through Profit and Loss, as on the closing date. The fair value has been valued as per the net assets value of shares & market value provided on recognized stock exchange of the company in which our company has invested.

2.5 Critical Accounting Assumptions

The estimates and judgments used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectation of future events) that the Company believes to be reasonable under the existing circumstances. Differences between actual results and estimates are recognized in the period in which the results are known/materialized.

The said estimates are based on the facts and events that existed as at the reporting date, or that which occurred after the date but provide additional evidence about the conditions existing at the reporting date.

a) Property, plant and equipment

Management assesses the remaining useful lives and residual value of property, plant and equipment. Management believes that the assigned useful lives and residual value are reasonable.

b) Income taxes

Management judgment is required for the calculation of provision for income taxes and deferred tax assets and liabilities.

The Company reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the financial statements.

c) Contingencies

Management judgment is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

3. **Bad-debts:-**

The Bad-debts of Rs. 19,86,789/- represent the amount of claim to be received from the share broker on account of trading of share purchased/sold. After, the closing of business of share trading by the share broker, the company filed its claim to National Stock Exchange, which was rejected on 21st January, 2020. Consequently, the amount was written off as bad-debts.

Prem Somani Financial Services Limited

Notes to the standalone financial statements as at and for the year endec

(All amounts in INR)

Note 2 - Property, plant and equipment

Particulars	Furniture and fixtures	Office equipments	Computers	Total	Capital work-in-progress
Year ended March 31, 2019					
Gross carrying amount					
Deemed cost as at April 01, 2018	**141,555**	**169,118**	**-**	310,673	
Additions	-	-	8,500	8,500	
Disposals	-	-	-	-	
Transfers	-	-	-	-	
Closing gross carrying amount	**141,555**	**169,118**	**8,500**	**319,173**	**-**
Accumulated depreciation	117,540	142,674	-	260,214	
Depreciation charge during the year	4,709	4,926	1,777	11,412	
Disposals	-	-	-	-	
Exchange differences	-	-	-	-	
Other movements	-	-	-	-	
Closing accumulated depreciation	**122,249**	**147,600**	**1,777**	271,626	**-**
Net carrying amount	**19,306**	**21,518**	**6,723**	**47,547**	**-**
Year ended March 31, 2020					
Gross carrying amount					
Opening gross carrying amount	141,555	169,118	8,500	319,173	
Additions	-	-		-	
Others	-	-	-	-	
Disposals	-	-	-	-	
Closing gross carrying amount	**141,555**	**169,118**	**8,500**	**319,173**	**-**
Accumulated depreciation					
Opening accumulated depreciation	122,249	147,600	1,777	271,626	
Depreciation charge during the year	4,709	4,926	2,692	12,327	
Other movement	-	-	-	-	
Closing accumulated depreciation	**126,958**	**152,526**	**4,469**	**283,953**	**-**
Net carrying amount	**14,597**	**16,592**	**4,031**	**35,220**	**-**

Prem Somani Financial Services Limited

Notes to the standalone financial statements as at and for the year ended March 31, 2020

(All amounts in INR)

Note 3 - Investment properties		
Particulars	**As at March 31, 2020**	**As at March 31, 2019**
Gross carrying amount		
Opening gross carrying amount/ deemed cost	**1,023,350**	**1,023,350**
Acquired pursuant to business combination	-	-
Additions	-	-
Closing gross carrying amount	**1,023,350**	**1,023,350**
Accumulated depreciation		
Opening accumulated depreciation	718,376	702,849
Depreciation charge	15,527	15,527
Closing accumulated depreciation	**733,903**	**718,376**
Net carrying amount	**289,447**	**304,974**

(i) Amounts recognized in the statement of profit and loss for investment properties

Particulars	**As at March 31, 2020**	**As at March 31, 2019**
Rental income	-	-
Direct operating expenses	-	-
Profit from investment properties before depreciation	-	-
Depreciation	(15,527)	(15,527)
Profit from investment properties	**(15,527)**	**(15,527)**

Estimation of fair value

The Company carries out internal valuation for its investment properties at least annually. The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available, the Company considers information from a variety of sources including:

(a) current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences

(b) discounted cash flow projections based on reliable estimates of future cash flows

(c) capitalized income projections based upon a property's estimated net market income, and a capitalization rate derived from an analysis of market evidence.

All resulting fair value estimates for investment properties are included in level 3.

Prem Somani Financial Services Limited

Notes to the standalone financial statements as at and for the year ended March 31, 2020

(All amounts in INR)

Note 4 - Non-current investments

Particulars	As at March 31, 2020	As at March 31, 2019
(a) Investments in Equity Instruments(fully paid-up)		
Quoted		
BMB Music & Magnetics Ltd.	86,490	65,100
Dabur India Ltd.	405,225	368,145
Diamond Power Infra	2,400	7,600
Emkay Aromatics Ltd.	149,404	149,404
Fischer Inorganic Ltd.		77,418
Indergiri Finance Ltd.	477,500	477,500
Hybrid Financial Services Ltd.	5,725	5,725
NEPC Textiles Ltd.	22,546	22,546
Prakash Solvents Ltd.	-	112,680
Shree Renuka Sugars	-	25,550
High Street Filatex Ltd.(UNILEG)	53,550	53,550
Unquoted		
KBC International Pvt. Ltd.	1,280,753	1,276,006
First Choice Stock Brokers Pvt. Ltd.	1,107,379	1,238,779
Somanis Jewellers Ltd.	560,473	579,813
Total (Equity Instruments)	**4,151,445**	**4,459,816**
(b) Investment in Preference Shares (Unquoted) (at amortised cost)	-	-
(c) Investment in Debentures (quoted) (at amortised cost)		
HUDCO bond 8.20%	1,767,904	1,767,904
Total	**5,919,349**	**6,227,720**
Aggregate amount of unquoted investment	2,948,605	3,094,598
Aggregate amount of quoted investment and market value thereof	2,970,744	3,133,122
Aggregate amount of impairment in value of investments	-	-

Note 5 - Non-current loans

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured and considered good		
Loans		
Anandi Lal Lalpuria	225,776	791,010
Braham Dutt Sharma	53,075	112,000
Marudhar Hospital	1,643,200	1,643,200
Radha Govind Bricks Udhyog	-	270,638
Uma Laxmi International	524,919	713,000
Prem Somani Share Brokers Private Limited	-	5,789,000
Less: Expected Credit Losses		
Radha Govind Bricks Udhyog	-	(270,638)
Prem Somani Share Brokers Private Limited	-	(5,789,000)
Total	**2,446,970**	**3,259,210**

Note 6 - Other non-current financial assets

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured and considered good		
Security Deposits	7,500	7,500
Prem Somani Shares Broker Pvt. Ltd. Trading A/c	-	1,986,789
Total	**7,500**	**1,994,289**

Note 7 - Cash and cash equivalents

Particulars	As at March 31, 2020	As at March 31, 2019
Cash on hand	53,069	141,907
Cheques on hand	-	-
Balances with banks		
In current accounts	216,095	(148,965)
Deposits with maturity of less than 3 months	-	-
Total	**269,165**	**(7,058)**

Note 8 - Other current financial assets

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured and considered good		
Receivable from CDSL	-	1,365
Receivable from BSE Ltd.	4,000	10,620
Interest receivable	2,532	2,532
Total	**6,532**	**14,517**

Note 9 - Income tax assets

Particulars	As at March 31, 2020	As at March 31, 2019
TDS Receivable 18-19	35,455	35,455
TDS Receivable 19-20	23,063	-
Total	**58,518**	**35,455**

Prem Somani Financial Services Limited

Notes to the standalone financial statements as at and for the year ended March 31, 2020

(All amounts in INR)

Note 10 - Share capital and other equity

Note 10(a) - Equity share capital and instruments entirely equity in nature

(i) Authorised share capital

Particulars	As at March 31, 2020	As at March 31, 2019
Equity share capital	70,000,000	70,000,000
7000000 Equity shares of Rs. 10 each.		
	70,000,000	**70,000,000**

(ii) Issued, subscribed and paid up

Particulars	As at March 31, 2020	As at March 31, 2019
Equity share capital	33,034,000	33,034,000
3303400 Equity shares of Rs. 10 each.		
	33,034,000	**33,034,000**

(iii) Movement in equity share capital

	Year ended March 31, 2020		Year ended March 31, 2019	
	Number of shares	Amount	Number of shares	Amount
Equity Shares				
Balance as 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 : Equity shares allotted to 0% Class B redeemable preference shareholders	-	-	-	-
Balance as at the end of the year	**3,303,400**	**33,034,000**	**3,303,400**	**33,034,000**

(iv) Details of shareholders holding more than 5% shares in the Company

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number of shares	% Holding	Number of shares	% Holding
Equity shares				
Prem Lata Somani	766,100	23.19%	766,100	23.19%

10(b) - Reserves and surplus

Particulars	As at March 31, 2020	As at March 31, 2019
Securities premium reserve	750,000	750,000
Retained earnings	(25,487,796)	(22,634,409)
Debenture redemption reserve	-	-
Capital reserve	-	-
General reserves	-	-
Other reserve	593,743	593,743
Total	**(24,144,053)**	**(21,290,666)**

(i) Securities premium reserve

Particulars	As at March 31, 2020	As at March 31, 2019
Opening balance	**750,000**	**750,000**
Movement during	-	-
Closing balance	**750,000**	**750,000**

(ii) Retained earnings

Particulars	As at March 31, 2020	As at March 31, 2019
Opening balance(As per IND AS)	**(22,634,409)**	**(15,842,751)**
Profit for the year	(2,853,387)	(6,791,658)
Closing balance	**(25,487,796)**	**(22,634,409)**

(All amounts in INR)

(iii) Other reserve

Particulars	As at March 31, 2020	As at March 31, 2019
Opening balance	**593,743**	**593,743**
Add: amount transferred from general reserve	-	-
Less: amount transferred to general reserve	-	-
Closing balance	**593,743**	**593,743**

Nature and purpose of other reserves:

Securities premium reserve
Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provision of the Companies Act, 2013.

Capital Reserve
Capital reserve is created out of profits or gains of a capital nature. The capital reserve is available for utilisation against capital purpose and are not available for distribution of dividend.

Note 11 - Trade Payables

Particulars	As at March 31, 2020	As at March 31, 2019
NSDL	7,520	-
Sapra & Company	5,000	-
Total	**12,520**	**-**

Note 12 - Other current financial liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Audit fees payable	41,900	66,000
Demat Charges Payable	171	-
Accrued Expenses		
CDSL	9,255	-
ROC Fees	-	-
Electricity Expense	100	-
Interest on Listing Fees	-	-
Alankit Assignments	7,288	11,800
V.M Associates	28,320	28,320
Web expenses payable	5,500	5,500
CIBIL	17,700	17,700
Total	**110,234**	**129,320**

Note 13 - Other current liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Aayushi Pareek	16,000	-
TDS Payable	4000	4,000
Total	**20,000**	**4,000**

Note 14 - Revenue from operations

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Interest Income	302,623	366,551
Total	**302,623**	**366,551**

Note 15 - Other income

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Interest accretion on financial assets at amortised cost		
On Bonds(Tax Free)	132,020	124,786
On Income Tax	-	5,106
Reversal of provision on standard assets	-	37,338
Profit on sale of investment	52,920	-
Fair value gain on investment	(92,723)	100,187
Total	**92,217**	**267,417**

Note 16 - Employee benefit expenses

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Salaries and bonus	264,800	108,000
Total	**264,800**	**108,000**

Note 17 - Depreciation and amortisation expense

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Depreciation on tangible assets	12,327	11,412
Depreciation on investment property	15,527	15,527
Total	**27,854**	**26,939**

Prem Somani Financial Services Limited

Notes to the standalone financial statements as at and for the year ended March 31, 2020

(All amounts in INR)

Note 18 - Other expenses		
Particulars	**Year ended March 31, 2020**	**Year ended March 31, 2019**
Advertisement and publicity	87,529	85,925
AGM Expenses	50,260	46,275
Statutory Audit Fees	40,000	32,800
Internal Audit Fees	5,900	10,000
Data Entry Fees	-	5,000
IND AS conversion fees	-	15,000
Secretarial Audit Fees	28,320	28,320
Bank Charges	236	71
Connectivity, Maintainence & Processing Charges	43,564	-
CDSL E-Voting Expenses	5,900	5,900
Travel & Conveyance	-	4,000
Courier Expenses	34,840	1,300
Demat Charges	9,778	27,145
Electricity Expenses	1,534	1,858
Interest Paid	-	203
Legal & Professional Expenses	12,000	124,250
Listing Fees	354,000	295,000
Office Expenses	100	1,300
Postage & Registry	1,337	52,538
Printing & Stationary	1,670	38,679
Processing Fees(CDSL)	-	24,485
Rent	-	12,000
Repair & Maintenance	13,500	12,000
ROC Fees	14,000	369,200
RTA Expenses	-	11,800
Website Design Expenses	5,939	11,000
Expected Credit losses	-	6,059,638
Miscellaneous Expenses	3,880	15,000
ROC Compounding Fees	125,000	-
Professional Fees	108,258	-
Bad-debts (See Point 3 of Note 1- Corporate Information and Significant Accounting Policies)	1,986,789	-
Annual Custody Fees	21,240	-
Total	**2,955,574**	**7,290,686**

PREM SOMANI FINANCIAL SERVICES LIMITED
DEPRECIATION AS PER INCOME TAX ACT, 1961

Annexure-I

Name of Assets	Opening Balance as on 01/04/2019	Addition during the year		Deletion during the Year	Total	Rates (%)	Deduction	Total Depreciation for the year	Closing Balance as on 31/03/2020
		Before 03/10/2019	On or After 03/10/2019						
BLOCK- I (10%)									
Furniture & Fixtures including electric fittings	40,290	-	-	-	40,290	10%	-	4,029.01	36,261
BLOCK- II (15%)									
Plant and Machinery	25,895	-	-	-	25,895	15%	-	3,884.28	22,011
BLOCK- III (40%)									
Computers	5,100	-	-	-	5,100	40%	-	2,040.00	3,060
BLOCK- III (10%)									
Building	221413.5	-	-	-	221,414	10%	-	22,141	199,272
	292,699	**-**	**-**	**-**	**71,285**		**-**	**32,095**	**260,604**

Prem Somani Financial Services Limited

Notes to the standalone financial statements as at and for the year ended March 31, 2020

(All amounts in INR)

	Investement in Equity Instruments	Type of Investment	As on 31.03.2019				As on 31.03.2020			
			Units	F.V. on 31.3.19	Amount	Fair value Gain/Loss	Units	F.V. on 31.3.20	Amount	Fair value Gain/Loss
	Quoted Shares									
1	BMB Music & Magnetics Ltd.	Quoted	31,000	2.10	65,100	9,300	31,000	2.79	86,490	21,390
2	Dabur India Ltd.	Quoted	900	409.05	368,145	73,845	900	450.25	405,225	37,080
3	Diamond Power Infra	Quoted	5,000	1.52	7,600	-30,050	5,000	0.48	2,400	-5,200
4	Emkay Aromatics Ltd.	Quoted	16,400	9.11	149,404	-	16,400	9.11	149,404	-
5	Fischer Inorganic Ltd.	Quoted	1,320	58.65	77,418	59,242	-	-	-	-
6	Indergiri Finance Ltd.	Quoted	95,500	5.00	477,500	2,865	95,500	5.00	477,500	-
7	Information Tech Ltd.	Quoted	1,495	-	-	-	1,495	-	-	-
8	hybrid Financial services	Quoted	2,500	2.29	5,725	-	2,500	2.29	5,725	-
9	NEPC Agro Food Ltd.	Quoted	2,023	-	-	-	2,023	-	-	-
10	NEPC Textiles Ltd.	Quoted	4,880	4.62	22,546	-	4,880	4.62	22,546	-
11	Padmini Tech. Ltd.	Quoted	5,000	-	-	-	5,000	-	-	-
12	Prakash Solvents Ltd.	Quoted	12,000	9.39	112,680	-11,280	-	-	-	-
13	Pretto Leather Ltd.	Quoted	5,000	-	-	-	5,000	-	-	-
14	Shree Renuka Sugars	Quoted	2,500	10.22	25,550	-12,825	-	-	-	-
15	Solarsons Industries Ltd.	Quoted	1,500	-	-	-	1,500	-	-	-
16	Supreme Conductors Ltd.	Quoted	42,400	-	-	-	42,400	-	-	-
17	High Street Filatex Ltd.(UNILEG)	Quoted	4,500	11.90	53,550	9,090	4,500	11.90	53,550	-
18	Union Bearing Ltd.	Quoted	89,500	-	-	-	89,500	-	-	-
					1,365,218	**100,187**			**1,202,840**	**53,270**
	Unquoted Shares									
1	Malvika Steel Ltd.	Unquoted	14,500	-	-	-	14,500	-	-	-
2	Bhuvan Tripura Ltd.	Unquoted	117,000		-	-	117,000		-	-
3	KBC International Pvt. Ltd.	Unquoted	50000	25.52	1,276,006	-	50000	25.62	1,280,753	4,747
4	PSSB Pvt ltd	Unquoted	209000	0	-	-	209000	-	-	-
5	First Choice Stock Brokers Pvt. Ltd.	Unquoted	38000	32.599	1,238,779	-	38000	29.14	1,107,379	-131,400
6	Somanis Jewellers Ltd.	Unquoted	90975	6.37	579,813	-	90975	6.16	560,473	-19,340
					3,094,598	-			**2,948,605**	**-145,993**
	Debt Oriented investments	To be valued as								
1	Hudco	Quoted	1,610	NA	1,767,904	NA	1,610	NA	1,767,904	-
	Total	**-97,523**			**6,227,720**	**100,187**			**5,919,349**	**-92,723**

PREM SOMANI FINANCIAL SERVICES LIMITED

FIXED ASSETS FOR THE YEAR ENDED ON MARCH 31, 2020 AS PER SCHEDULE II OF THE COMPANIES ACT, 2013

FIXED ASSETS

PARTICULARS	Rate of Dep. (%)	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As On 01/04/2019	Addition	Deduction	As On 31/03/2020	As On 01/04/2019	For the year	Adjustment	As On 31/03/2020	As On 31/03/2020	As On 31/03/2019
Tangible Assets											
Air Conditioner	13.91	157,618	-	-	157,618	141,104	4,293	-	145,397	12,221	16,514
Building	10.00	1,023,350	-	-	1,023,350	718,376	15,527	-	733,904	289,446	304,974
Furniture & Fixtures	18.10	141,555	-	-	141,555	122,249	4,709	-	126,958	14,597	19,306
Mobile Phone	13.91	11,500	-	-	11,500	6,496	633	-	7,129	4,371	5,004
Computer Hardware	31.67	8,500	-	-	8,500	1,777	2,692	-	4,469	4,030	6,722
TOTAL		**1,342,523**	**-**	**-**	**1,342,523**	**990,003**	**27,854**	**-**	**1,017,857**	**324,665**	**352,520**

Note- 19 Financial Instruments **(All amounts in Rs.)**

This section gives an overview of the significance of financial instruments for the Company and provides additional information on the balance sheet. Details of significant accounting policies including the criteria for recognition the basis of measurement and the basis on
which income and expenses are recognized.

Particulars	Fair value through profit & loss	Amortized Cost	Total Carrying value
As at March 31, 2020			
Financial Assets			
Cash & cash equivalents	-	269,164.94	269,164.94
Other current financial assets & loans	-	6,532.10	6,532.10
Other non-current financial assets & loans	5,919,349.02	2,454,470.00	8,373,819.02
Total	**5,919,349.02**	**2,730,167.04**	**8,649,516.06**
Financial liabilities			
Other current financial liabilities	-	110,234.49	110,234.49
Total	**-**	**110,234.49**	**110,234.49**
As at March 31, 2019			
Financial Assets			
Cash & cash equivalents	-	(7,058.00)	(7,058.00)
Other current financial assets & loans	-	14,517.00	14,517.00
Other non-current financial assets & loans	6,227,720.29	5,253,499.00	11,481,219.29
Total	**6,227,720.29**	**5,260,958.00**	**11,488,678.29**
Financial liabilities			
Other current financial liabilities		129,320.00	129,320.00
Total	**-**	**129,320.00**	**129,320.00**

RISK MANAGEMENT POLICY

BACKGROUND & LEGAL FRAMEWORK:

Risk Management is a key aspect of the "Corporate Governance Principles and Code of Ethics" which aims to improvise the governance practices across the Company's activities. The management of Company have to base their business decisions on a dynamic and integrated risk management system and process, driven by corporate strategy. Companies are exposed to several major risks in the course of their business- credit risk, interest rate risk, equity price risk, liquidity risk and operational risk. It is therefore important that companies should introduce effective risk management policy that addresses the issues relating to various business risks Risk management policy and processes will enable the Company to proactively manage uncertainty and changes in the internal and external environment to limit negative impacts and capitalize on opportunities.

OBJECTIVE & PURPOSE OF POLICY:

The main objective of this policy is to ensure sustainable business growth with stability and to promote a pro-active approach in reporting, evaluating and resolving risks associated with the business. In order to achieve the key objective, the policy establishes a structured and disciplined approach to Risk Management, in order to guide decisions on risk related issues.

The specific objectives of the Risk Management Policy are:

1. To ensure that all the current and future material risk exposures of the company are identified, assessed, quantified, appropriately mitigated, minimized and managed i.e to ensure adequate systems for risk management.
2. To establish a framework for the company's risk management process and to ensure its implementation.
3. To enable compliance with appropriate regulations, wherever applicable, through the adoption of best practices.
4. To assure business growth with financial stability.

Note- 20 Income Tax Expenses

(All amounts in Rs.)

The major components of income tax expense for the year ended March 31, 2020 are indicated below

Particulars		For Year ended March 31, 2020	For Year ended March 31, 2019
Profit before tax		**(2,853,387.00)**	**(6,791,658.00)**
Less: Fair Valuation of Investments through FVTPL as per ind as 109		92,722.58	(100,186.60)
Less: Depreciation under income tax		32,094.65	37,048.00
Add: Disallowed Expenses (Compounding Fees)		125,000.00	340,000.00
Add: Depreciation as per companies act		27,854.00	26,939.00
Add: Expected credit losses as per ind as 109		-	6,059,638.00
	Tax holidays and similar exemptions	-	-
	Adjustment disallowable	-	-
	Adjustment in respect of prior years	-	-
Less: Interest on tax free bonds		(132,020.00)	(124,786.00)
Total		**(2,707,735.78)**	**(553,005.60)**
Tax		-	-

Notes

(i) No Tax liability will arise during FY 2019-20 since there is a loss.

(ii) Company has not created deffered tax on temporary difference as the company does not expect flow of profits in the near future in order to offset the deffered tax Moreover a significant doubt has been cast in the audit report about the going concern of the company by the statutory auditors.

Note - 21 Related Party Transaction

(All amounts in Rs.)

In accordance with the requirements of IND AS 24, name of the related party, related party relationship, transactions and outstanding balances including commitments where control exits and with whom transactions have taken place during reported periods, are reported as under:

(a) Related party name and relationship

Related party	Designation/Relation
Nawal Kumar Somani	Director
Prem Lata Somani	Director
Khusboo Jain	Company Secretary
Ayushi Pareek	Company Secretary
Jitendra Khandelwal	Chief Financial Officer

(b) Related party transaction

Related Party	Nature of transaction	2019-20	2018-19
Nawal Kumar Somani	Current borrowings	-	250,100.00
Khusboo Jain	Salary	-	108,000.00
Ayushi Pareek	Salary	128,000.00	-
Jitendra khandelwal	Salary	134,800.00	-
Prem Lata Somani	Rent (expenses)	-	12,000.00
		-	-
Total		**262,800.00**	**370,100.00**