

ANNUAL REPORT 2008-2009

15TH

PRISM FINANCE LIMITED



FIFTEENTH ANNUAL REPORT 2008-09

BOARD OF DIRECTORS : **Mr. Kashyap R. Mehta** *Director*
Mr. Naresh P. Rawal *Director*
Ms. Anal R. Desai *Director*

BANKERS : **Bank of Baroda**
Ambawadi
Ahmedabad

HDFC Bank Limited
Ahmedabad

State Bank of India
Cuffe Parade Branch
Mumbai

AUDITORS : **M/s. Shah & Shah Associates,**
Chartered Accountants,
Ahmedabad

REGISTERED OFFICE : 301, Iscon Mall,
Above Star Bazar,
Satellite Road,
Ahmedabad - 380 015

PRISM FINANCE LIMITED

NOTICE

NOTICE is hereby given that the **FIFTEENTH ANNUAL GENERAL MEETING** of the members of **PRISM FINANCE LIMITED** will be held as scheduled below:

Date : 24th September 2009
Day : Thursday
Time : 11.00 a. m.
Place : Registered Office of the Company at:
301, Iscon Mall, Above Star Bazar, Satellite Road,
Ahmedabad – 380 015.

to transact the following business :

ORDINARY BUSINESS :

1. To receive and adopt Audited Profit and Loss Account for the year ended 31st March, 2009 and the Balance Sheet as on that date along with Directors' Report thereon.
2. To appoint a Director in place of Mr. Kashyap R. Mehta, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

4. To consider and, if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution:
"RESOLVED THAT Ms. Anal R. Desai be and is hereby appointed as a Director of the Company, liable to retire by rotation."

Registered Office:
301, Iscon Mall,
Above Star Bazar,
Satellite Road,
Ahmedabad-380 015.
Date : 30th June, 2009.

By the Order of the Board,

Kashyap R. Mehta
Director

NOTES :

1. The relevant Explanatory Statement, pursuant to Section 173(2) of the Companies Act, 1956, in respect of the Special Business at Item Nos. 4 set out in the Notice is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND PROXY NEED NOT BE A MEMBER. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME OF MEETING.
3. Pursuant to section 154 of the Companies Act, 1956, Register of Members and Shares Transfer Books of the Company will remain closed from Tuesday, the 8th September, 2009 to Thursday, the 24th September, 2009 (both days inclusive).
4. Members intending to require information about accounts at the meeting are requested to write to the Company at least 10 days in advance of the Annual General Meeting.
5. Members are requested to:
 - a) Intimate, if Shares are held in the same name or in the same order and names, but in more than one account to enable the Company to club the said accounts into one account.
 - b) Notify immediately the Change if any, in the registered address, to the Company.

Registered Office:
301, Iscon Mall,
Above Star Bazar,
Satellite Road,
Ahmedabad-380 015.
Date : 30th June, 2009.

By the Order of the Board,

Kashyap R. Mehta
Director

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956.

In conformity with the provisions of Section 173(2) of the Companies Act, 1956, following Explanatory Statement sets out all material facts relating to the Special Business mentioned at Item No. 4 of the accompanying notice dated 30th June, 2009 and should be taken as forming part of the notice.

In respect of Item No. 4:

The Board of Directors of the Company in their meeting held on 30th March, 2009 appointed Ms. Anal R. Desai as an Additional Director of the Company.

As per the Articles of Association of the Company and section 260 of the Companies Act, 1956, she will hold the office upto the date of this General Meeting.

As required under the provisions of Section 257 of the Companies Act, 1956, notice has been received from some of the members signifying their intention to propose her as candidate for office of the Director.

Ms. Anal R. Desai is concerned or interested in the said business, since it relates to her appointment as Director of the Company. Except her, none of the Directors is in any way concerned or interested in the said business.

Registered Office:

301, Iscon Mall,
Above Star Bazar,
Satellite Road,
Ahmedabad-380 015.
Date : 30th June, 2009.

By the Order of the Board,

Kashyap R. Mehta
Director

DIRECTORS' REPORT

Dear Shareholders,

The Directors present the FIFTEENTH ANNUAL REPORT together with the Audited Statement of Accounts for the Financial Year 2008-09 ended 31st March, 2009.

1. **FINANCIAL RESULTS:**

Particulars	(Rs.in Lacs)	
	2008-09	2007-08
Profit/(Loss) before Depreciation	(37.95)	45.76
Less: Depreciation	6.84	1.95
Profit / (Loss) before Taxation	(44.79)	43.81
Less: Provision for FBT	0.66	0.43
Less: Provision for Taxation	-	5.32
Less: Provision for Deferred Taxation	1.53	3.74
Profit / (Loss) after Tax	(46.98)	34.32
Balance brought forward from previous year	186.39	152.07
Balance carried to Balance Sheet	139.42	186.39

2. **DIVIDEND:**

In view of losses suffered during the year under review and to conserve the resources for expansion of its activities, the Board of Directors have not recommended any dividend on the Equity Shares for the year under review.

3. **OPERATIONS:**

The Company suffered Loss before Depreciation of Rs. 37.95lacs during the year under review compared to Profit of Rs. 45.76 lacs during 2007-08. The Net Loss during the year under review was Rs. 46.98 lacs compared to Net Profit of Rs. 34.32 lacs during 2007-08.

4. **DIRECTORS:**

- 4.1 The Board of Directors have appointed Ms. Anal R. Desai as Director of the Company in the Board meeting held on 30th March, 2009. The Board is of the opinion that her rich professional experience will benefit the Company.
- 4.2 Three of your Directors viz. Mr. Pranay A. Patel, Ms. Poonam P. Patel and Ms. Deval R. Patel resigned as Directors of the Company w.e.f. 30th March, 2009. The Board of Directors placed on record its sincere sense of appreciation for the guidance, advice and services rendered by them during their tenure as Director.
- 4.3 One of your Directors viz. Mr. Kashyap R. Mehta retires by rotation in terms of the Articles of Association of the Company. He, however, being eligible offers himself for reappointment.

5. **DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to the requirement of Section 217 (2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- (i) that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) that 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 31st March, 2009 being end of the Financial Year 2008-09 and the Losses of the Company for the year;
- (iii) that the Directors had taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the Directors had prepared the annual accounts on a going concern basis.

6. DEMATERIALISATION OF EQUITY SHARES:

To facilitate holding of securities in dematerialised/electronic form, the Company is in the process of making arrangement with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

7. CORPORATE GOVERNANCE:

The Report on Corporate Governance as per Clause 49 of the Listing Agreement is annexed.

8. LISTING:

The Equity Shares of the Company are listed on Ahmedabad and Mumbai Stock Exchanges and the Company has paid Annual Listing Fees upto the year 2009-10.

9. GENERAL:

9.1 INSURANCE:

The movable and immovable properties of the Company to the extent required have been adequately insured.

9.2 AUDITORS:

The present Auditors of the Company M/s. Shah & Shah Associates, Chartered Accountants, Ahmedabad will retire at the ensuing Annual General Meeting. They have submitted certificate for their eligibility for re-appointment under Section 224(1-B) of the Companies Act, 1956.

9.3 PARTICULARS OF EMPLOYEES:

None of the employees of the Company is drawing remuneration-requiring disclosure of information under Section 217(2-A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

9.4 DEPOSITS:

The Company has not accepted during the year under review any deposit as defined under the Companies (Acceptance of Deposits) Rules, 1975.

10. SUBSIDIARY COMPANY:

The Audited Statement of Accounts of Opel Securities Private Limited, together with the reports of the Directors' and Auditors' for the year ended on 31st March, 2009, as required under Section 212 of the Companies Act, 1956 is annexed.

11. PARTICULARS AS REQUIRED UNDER COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988:

As the Company is engaged in Financial and Investment activities, the particulars of Conservation of Energy, Technology Absorption, Research and Development as required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are not applicable.

The Company has no Foreign Exchange earning and outgo during the year under review.

12. ACKNOWLEDGMENT:

Your Directors express their sincere thanks and appreciation to Promoters and Shareholders for their constant support and co-operation.

Your Directors also place on record their grateful appreciation and co-operation received from Bankers and employees of the Company.

For and on behalf of the Board,

Place : Ahmedabad
Date : 30th June, 2009

Kashyap R. Mehta **Anil R. Desai**
Director *Director*

REPORT ON CORPORATE GOVERNANCE

INTRODUCTION:

Corporate Governance is important to build confidence and trust which leads to strong and stable partnership with the Investors and all other Stakeholders. The detailed Report on implementation of Corporate Governance Code as incorporated in Clause 49 of the Listing Agreement with the Stock Exchange/s is set out below:

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

The Company's philosophy on Corporate Governance lays strong emphasis on transparency, accountability and ability. The Company has implemented the mandatory requirements of the 'Code of Governance' as mentioned in Clause 49 of the Listing Agreement. The Compliance Report of the Company vis-à-vis the Stock Exchange Listing Agreement is presented below.

2. BOARD OF DIRECTORS:

a) Composition and Category of Directors:

Name of Directors	Category of Directorship	No. of other Directorships *	Committee (1) Membership/ (2) Chairmanship in other companies	No. of Board Meetings attended	Attendance at the AGM held on 13 th September, 2008 (Y)/(N)
Naresh P. Raval	Independent Non-Executive	-	-	7	Y
Kashyap R. Mehta	Independent Non-executive	4	Gujarat Craft Ind. Ltd Typhoon Fin. Ser.Ltd Gopala Polyplast Ltd. Som Shiva (Impex) Ltd.	7	Y
Anal R. Desai @	Independent Non-executive	-	-	1	N

@ Appointed on 30-03-2009

* Private companies excluded.

b) Details of the Directors seeking Appointment/Reappointment in forthcoming Annual General Meeting:

Name of Director	Kashyap R. Mehta	Ms. Anal R. Desai
Date of Birth	07-03-1960	03-02-1979
Date of Appointment	06-06-2007	30-03-2009
Expertise in specific functional areas	Corporate Laws & Finance	Corporate Laws & Administration
List of Public Limited Companies in which Directorship held	Gujarat Craft Ind. Ltd Typhoon Fin. Ser.Ltd Gopala Polyplast Ltd. Som Shiva (Impex) Ltd.	-
Chairman/Member of the Committees of the Board of Directors of the Company	Audit Committee & Share holders'/Investors' Grievances Committee	Audit Committee & Share holders' / Investors' Grievances Committee
Chairman/Member of the Committees of Directors of other companies.	Gujarat Craft Ind. Ltd Typhoon Fin. Ser.Ltd Gopala Polyplast Ltd. Som Shiva (Impex) Ltd.	-

c) Board Procedures:

The Board of Directors meets once a quarter to review the performance and Financial Results. A detailed Agenda File is sent to all the Directors well in time of the Board Meetings. The Chairman/ Managing Director briefs the Directors at every Board Meeting, overall performance of the Company. All major decisions/ approvals are taken at the Meeting of the Board of Directors such as policy formation, business plans, budgets, and investment opportunities, Statutory Compliance etc. The meeting of the Board of Directors were held on 15-04-2008, 30-06-2008, 31-07-2008, 22-10-2008, 01-01-2009, 30-01-2009 and 30-03-2009.

3. AUDIT COMMITTEE:

The Audit Committee consists of the following Directors:

Name of the Director	Expertise	Functions of the Committee	Attendance
Mr. Kashyap R. Mehta	All members are non-executive. Chairman is independent Director and all are independent. One member has thorough financial and accounting knowledge.	The functions of the Audit Committee are as per Company Law and Listing Agreement with Stock Exchange(s) which include approving and implementing the audit procedures, review of financial reporting system, internal control procedures and risk management policies.	Majority members were present at the meeting held on: 15-04-2008, 31-07-2008, 22-10-2008 and 30-01-2009.
Mr. Naresh P. Rawal			
Ms. Anal R. Desai			

4. SHAREHOLDERS/INVESTORS' GRIEVANCES COMMITTEE:

The Board has constituted a Shareholders/Investors' Grievances Committee for the purpose of effective redressal of the complaints of the shareholders such as Share Transfer, Non-receipt of Balance Sheet, etc.

Mr. Kashyap R. Mehta and Ms. Anal R. Desai, Directors are the Members of the Committee.

The Company has received seven complaints during the year. There was no valid request for transfer of shares pending as on 31st March 2009.

Mr. Chirag J. Desai is the Compliance Officer for the above purpose.

5. GENERAL BODY MEETINGS:

Details of last three Annual General Meetings of the Company are given below:

Financial Year	Date	Time	Venue
2005-06	29-09-2006	11.00 a.m.	1-2, 2 nd Floor, Fountain Place Complex, Nr. Mithakhali Six Roads, Navrangpura, Ahmedabad – 380 009.
2006-07	29-09-2007	11.00 a.m.	
2007-08	13-09-2008	11.00 a.m.	301, Iscon Mall, Above Star Bazar, Satellite Road, Ahmedabad - 380 015.

Pursuant to the provisions of Section 192 A of the Companies Act, 1956, there was no matter required to be dealt by the Company to be passed through postal ballot.

6. DISCLOSURES:

- The Company has not entered into any transaction of material nature with the Promoters, the Directors or the Management that may have any potential conflict with the interest of the Company. The Company has one subsidiary Company.
- There has neither been any non-compliance of any legal provision of applicable law, nor any penalty, stricture imposed by the Stock Exchange/s or SEBI or any other authorities, on any matters related to Capital Market during the last three years.

7. MEANS OF COMMUNICATIONS:

- In compliance with the requirements of the Listing Agreement, the Company is generally intimating Unaudited/ Audited Financial Results to the Stock Exchange/s. Results are not displayed on Website and are not sent individually to the Shareholders.
- During the year ended on 31st March 2009, no presentation was made to Institutional Investors or analyst or any other enterprise.
- Management Discussion and Analysis form part of the Annual Report.

8. SHAREHOLDERS' INFORMATION:

- Registered Office : 301, Iscon Mall, Above Star Bazar, Satellite Road, Ahmedabad - 380 015.
- Annual General Meeting : Day : Thursday
Date : 24th September, 2008
Time : 11.00 a. m.
Venue : 301, Iscon Mall, Above Star Bazar, Satellite Road, Ahmedabad – 380 015.

PRISM FINANCE LIMITED

- c) Financial Calendar :
 1st Quarter Results : End-July, 2009.
 Half-yearly Results : End-October, 2009.
 3rd Quarter Results : End-January, 2010.
 Audited yearly Results : End-June, 2010.
- d) Book Closure Dates : From : Tuesday, The 8th September, 2009
 To : Thursday, The 24th September, 2009.
 (Both days inclusive).
- e) Dividend Payment Date : Not Applicable
- f) Listing of Shares on Stock Exchanges : 1. Ahmedabad Stock Exchange Limited,
 Kamdhenu Complex, 1st Floor,
 Opp. Sahajanand College,
 Panjara Pole, Ambawadi, Ahmedabad - 380 015.
 2. Bombay Stock Exchange Limited,
 Phiroze Jeejeebhoy Towers,
 Dalal Street, Fort,
 Mumbai - 400 001.
- g) Stock Exchange Code :

Stock Exchange	Code
ASE	45565
BSE	531735

h) Stock Price Data :

The shares of the Company have not been traded during the period from 1st April, 2008 to 31st March, 2009.

i) Registrar and Share Transfer Agents. :

The Company has initiated certain steps to meet the requirements of SEBI Circular No. D&CC/FITTC/CIR-15/2003 dated 27th December, 2002 read with Circular No. D&CC/FITTC/CIR-18/2003 dated 12th February, 2003, on appointment of common agency for share registry work. At present, the Company has its own in-house Share Department at:

301, Iscon Mall, Above Star Bazar,
 Satellite, Ahmedabad – 380 015.
 Tele. No. : 079-26401121
 Fax No. : 079-26421239
 E-mail : prismfinance@yahoo.com

j) Share Transfer System :

The transfer of shares in physical form is processed and completed by the Company's own in-house Share Department within a period of 25 days from the date of receipt thereof.

The Company is in the process of making arrangements with NSDL/CDSL to enable shareholders to hold their holding in electronic form.

k) Distribution of Shareholding as on 31st March, 2009:

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Upto 500	1202	73.65	92960	1.43
501 to 1000	303	18.57	283100	4.36
1001 to 2000	10	0.62	13600	0.21
2001 to 3000	27	1.65	65600	1.01
3001 to 4000	2	0.12	7400	0.11
4001 to 5000	18	1.10	88700	1.36
5001 to 10000	12	0.74	105300	1.63
10001 to above	58	3.55	5843640	89.89
Grand Total	1632	100.00	6500300	100.00

l) Category of Shareholders as on 31st March, 2009:

Category	No. of Shares held	% of Shareholding
Promoters	30,13,700	46.36
Financial Institutions/Banks	-	-
Mutual Fund	-	-
Bodies Corporate	5,37,000	8.26
NRIs	2,32,600	3.58
Public	27,17,000	41.80
Grand Total	65,00,300	100.00

m) Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, Conversion Date and likely impact on Equity:

The Company has not issued any GDRs/ADRs.

n) Dematerialisation of Shares :

The Company is in the process of making arrangements with NSDL/ CDSL for Dematerialisation of Shares.

9. ADDRESS FOR CORRESPONDENCE:

For any assistance regarding share transfers, transactions, change of address, or any other query relating to shares, shareholders may contact at Registered Office of the Company at:

301, Iscon Mall, Above Star Bazar, Satellite Road, Ahmedabad – 380 015.

Tele. No.

: 079-26401121

Fax No.

: 079-26421239

E-mail

: prismfinance@yahoo.com

Compliance Officer : Mr. Chirag J. Desai, Secretarial Executive

For and on behalf of the Board,

Place : Ahmedabad
Date : 30th June, 2009

Kashyap R. Mehta
Director

Anal R. Desai
Director

AUDITORS' CERTIFICATE

**To
The Members of
Prism Finance Limited,**

We have examined the compliance of conditions of corporate governance by M/s. Prism Finance Limited, for the year ended on 31st March, 2009 as stipulated in clause 49 of the listing agreement of the said Company with stock exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has generally complied with the conditions of corporate governance as stipulated in the above-mentioned listing agreement.

As per representation received from the Registrars of the Company, we state that as per records maintained by the Shareholders'/ Investors' Grievance Committee, no investor grievance remaining unattended/pending for more than 30 days.

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

For Sha'n & Shah Associates
Chartered Accountants

Date : 30th June, 2009
Place : Ahmedabad

Sunil K. Dave
Partner

MANAGEMENT DISCUSSION AND ANALYSIS**a. Industry Structure and Developments:**

The Non Banking Financial Companies (NBFC) industry in the private sector in India is represented by a mix of few large and national level Companies and a large number of small and medium sized, regional and local Companies. These NBFCs provide a variety of services including fund based and free based activities as well as cater to retail and non-retail markets and niche segments.

As a part of the economic reform, the Government is reducing the interest rate to lower the overall finance cost. In spite of this and other banking reforms, no major momentum is witnessed in credit obtained by the industrial sector including core industry.

The imposition of stricter registration and other regulatory compliance requirements over the years have led to better investor protection and improved overall industry environment.

b. Opportunities and Threats:

The Company faces normal market competition in its business. The working of the NBFCs continued to be adversely affected by defaults due to recession and absence of proper and speedier recovery loss and procedure, paucity of funds, over regulations, lack of level playing field, additive tax treatments and disallowance and encroachment by unprofessional and inexperienced fly-by-night operators in the industry.

The continuance of slow down in economy coupled with the reduction in the interest rate would continue to affect the income level of your Company in the current year. However, with the effective control over the expenses and prudent development of available resources, the Management is hopeful of maintaining satisfactory results.

c. Segmentwise Performance:

The Company is operating in single segment. Hence, there is no need of reporting segment wise performance.

d. Recent Trend and Future Outlook:

The Company is likely to continue to maintain its focus on capital market activities including trading in securities and emerging products in derivatives. The Company will also look for any attractive opportunities in other growth areas in the financial services sector.

e. Risks and Concerns:

The Company is exposed to the normal industry risk factors of interest rate volatility, credit risk, market risk and operational risk. It manages these risks by maintaining a conservative financial profile and by following prudent business and risk management practises.

With lower and lower interest regime, the Company's gross income may suffer a set back as being a finance Company its main income is return/yield on its deployable funds.

f. Internal Control Systems and their Adequacy:

The Company has adequate systems of Internal Controls commensurate with its size and operations to ensure orderly and efficient conduct of business. These controls ensure safeguarding of assets, reduction and detection of fraud and error, adequacy and completeness of the accounting records and timely preparation of reliable financial information.

g. Financial Performance with respect to Operational Performance:

The financial performance of the Company for the year 2008-09 is described in the Directors' Report.

h. Material Developments in Human Resources and Industrial Relations Front:

The Company is in process of employing and developing HRD department.

i. Cautionary Statement:

Statement in this Management Discussion and Analysis Report, describing the Company's objectives, estimates and expectations may constitute 'Forward Looking Statements' within the meaning of applicable laws or regulations. Actual results might differ materially from those either expressed or implied.

For and on behalf of the Board,

Place : Ahmedabad
Date : 30th June, 2009

Kashyap R. Mehta
Director

Anal R. Desai
Director

AUDITORS' REPORT

To,
The Members of
M/S. PRISM FINANCE LIMITED

1. We have audited the attached Balance Sheet of **M/S. PRISM FINANCE LIMITED**, as at 31st March, 2009 and the Profit & Loss Account for the year ended on that date annexed thereto and the Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statement based on our audit.
2. We have conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statement. We believe that our audit provides a reasonable basis for our opinion.
3. As required by Companies (Auditor's Report) order, 2003 issued by the Central Government of India in terms of section 227 (4A) of the Companies Act, 1956 and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we further report that :

We report that :

- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
- (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of these books.
- (iii) The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of account.
- (iv) In our opinion, these financial statements have been prepared in compliance with the applicable accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
- (v) According to the information and explanations given to us and on the basis of the written representations received from the Directors, none of the Directors of the company are, prima-facie, as at 31st March, 2009, disqualified from being appointed as directors of the Company in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the significant accounting policies and other notes thereon; give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
 - (a) in the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2009.
 - (b) In the case of Profit & Loss Account, of the Profit for the year ended on that date and
 - (c) In the case of Cash Flow Statement, of the Cash Flow for the year ended on that date.

For Shah & Shah Associates
Chartered Accountants

Place : Ahmedabad
Dated : 30th June, 2009

(Sunil K. Dave)
Partner
Membership No. 047236

ANNEXURE TO THE AUDITORS' REPORT
(Referred to in paragraph 3 of our report of event date)

1. **In respect of its fixed assets :**
 - (a) The Company has generally maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) As information to us, the fixed assets have been physically verified by the management during the year and according to information and explanations given to us no discrepancies were noticed on such verification.
 - (c) In our opinion and according to the information and explanations given to us, the company has not made any substantial disposal during the year.
2. **In respect of its inventories :**
 - (a) As explained to us, the inventory has been physically verified during the year by the management at reasonable interval. In our opinion, the frequency of verification is reasonable. In respect of materials lying with third parties, we relied upon the information/ data provided by the management.
 - (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - (c) The company is generally maintaining proper records of inventory. As explained to us, no discrepancies were noticed on such verifications between the physical stocks and the book records.
3.
 - (a) According to the information and explanations given to us, the company has granted unsecured interest free loan to a company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year is Rs. 31,75,000/- and the year end outstanding balance is Rs. 22,75,000/-.
 - (b) In our opinion and according to the information and explanations given to us, the other terms and conditions on which loan has been granted to a company listed in the register maintained under section 301 of The Companies Act, 1956 are not, prima facie prejudicial to the interest of the company.
 - (c) There is no stipulation as to repayment of loans.
 - (d) According to information and explanations given to us, the company has not obtained loan from any parties covered in the register maintained under section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to the sale of goods and services. During the course of audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
5.
 - (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
 - (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 have been made at prices which are reasonable having regard to the prevailing market price at the relevant time.
6. The Company has not accepted any deposits from the public during the year.
7. The company did not have any formal internal audit system during the year under review. In the opinion of the management, the existing internal control procedures are adequate and hence separate internal audit is not called for.
8. We are informed that the Central Government has not prescribed maintenance of cost records under clause (d) of sub section (1) of section 209 of the Companies Act, 1956.

PRISM FINANCE LIMITED

9. According to the information and explanations given to us in respect of statutory and other dues :
- (a) The company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and other material statutory dues applicable to it. We are informed by the company that Employees' State Insurance Act, 1948 is applicable only at Kadi plant of the company and contributions in respect of which have been regularly deposited during the year with appropriate authorities.
 - (b) According to the information and explanations given to us and based on records examined by us, no undisputed amounts payable in respect of Provident Fund, Employee State Insurance, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty and Service Tax were outstanding as at 31st March, 2009 for a period of more than six months from the date they became payable.
 - (c) According to the information and explanations given to us, there are no statutory dues, which have not been deposited on account of any dispute.
10. The company's accumulated losses are not more than 50% of its net worth as at 31-03-2009. Further, the company has incurred any cash losses during the financial year covered by our audit however there was no cash losses in the immediately preceding financial year.
11. Based on our audit procedures and on the basis of information and explanations given by the management, we are of the opinion that the company has not defaulted in the repayment of dues to banks.
12. According to information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of special statute applicable to chit fund are not applicable to this company.
14. In respect of dealing in shares and other investments, the company has generally maintained proper records of the transactions and contracts for purchase and sale thereof and timely entries for the same have been made therein. The company has held all the investment in shares and other investments in its own name.
15. The company has given guarantees for loans taken by others from banks. According to the information and explanations given to us, we are of the opinion that the terms and conditions thereof are not prima facie prejudicial to the interest of the company.
16. To the best of our knowledge and belief and according to the information and explanations given to us, the term loans have been applied for the purposes for which the loans were obtained.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short term basis have been used for long term investments.
18. During the year under review, the company has not made any preferential allotment of shares to any parties covered in the Register maintained under section 301 of the Companies Act, 1956.
19. The company has not issued any debentures during the year.
20. During the year under review, the company has not raised money by public issue.
21. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the company was noticed or reported during the year.

For Shah & Shah Associates
Chartered Accountants

Place : Ahmedabad
Dated : 30th June, 2009

(Sunil K. Dave)
Partner
Membership No. 047236

BALANCE SHEET AS AT 31ST MARCH, 2009

PARTICULARS	SCHEDULE	(Amount in Rs.)	
		As at 31-3-2009	As at 31-3-2008
SOURCES OF FUNDS :			
Shareholders' Funds			
Share Capital	1	<u>65,003,000</u>	65,003,000
Reserve & Surplus			
Profit & Loss Account		<u>13,941,700</u>	18,639,433
Loan Funds			
Deferred Tax Liability (Net)	2	<u>527,397</u>	374,237
Total Rs.		<u><u>84,440,597</u></u>	<u><u>91,485,170</u></u>
APPLICATION OF FUNDS :			
Fixed Assets			
Gross Block	3	<u>9,174,162</u>	9,174,162
Less: Depreciation		<u>1,991,313</u>	1,307,701
Net Block		<u>7,182,849</u>	7,866,461
Investments	4	<u>48,933,469</u>	58,727,606
Current Assets, Loans & Advances	5	<u>29,352,375</u>	27,979,972
Less : Current Liabilities & Provision	6	<u>1,028,096</u>	3,088,869
Net Current Assets		<u>28,324,279</u>	24,891,103
Total Rs.		<u><u>84,440,597</u></u>	<u><u>91,485,170</u></u>
Notes forming part of accounts	10		

As per our Report of even date attached herewith
For **Shah & Shah Associates**
Chartered Accountants

Sunil K. Dave
Partner

Place : Ahmedabad
Date : 30th June, 2009

For and on behalf of the Board

Anal Desai Director

Kashyap Mehta Director

Place : Ahmedabad
Date : 30th June, 2009

PRISM FINANCE LIMITED

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

PARTICULARS	SCHEDULE	(Amount in Rs.)	
		For the year ended on 31-03-2009	For the year ended on 31-03-2008
A. INCOME			
From Lease & Hire Purchase		92,381	206,008
Interest		65,447	12,104
Other Income	7	(3,038,311)	5,021,337
Total Rs.		<u>(2,880,483)</u>	<u>6,139,449</u>
B. EXPENDITURE			
Employment Cost	8	108,000	123,256
Operating & Administrative Expenses	9	806,478	1,439,661
Depreciation		683,612	195,237
		<u>1,598,090</u>	<u>1,758,154</u>
Profit / (Loss) Before Tax		(4,478,573)	4,381,295
Less : Provision for Taxation			
(i) Current Tax		-	531,755
(ii) For Deferred Tax		153,160	374,237
(iii) For Fringe Benefit Tax		66,000	43,000
Total		<u>219,160</u>	<u>948,992</u>
Profit After Tax		(4,697,733)	3,432,303
Add : Balance Brought Forward from Earlier Year		<u>18,639,433</u>	<u>15,207,130</u>
Balance Carried to Balance Sheet		<u>13,941,700</u>	<u>18,639,433</u>
Basic & Diluted earning per Shares		(0.72)	0.53
Notes forming part of accounts	10		

As per our Report of even date attached herewith
For **Shah & Shah Associates**
Chartered Accountants

Sunil K. Dave
Partner

Place : Ahmedabad
Date : 30th June, 2009

For and on behalf of the Board

Anal Desai Director

Kashyap Mehta Director

Place : Ahmedabad
Date : 30th June, 2009

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009

(Amount in Rs.)

	2008-2009	2007-2008
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax & Extra-ordinary Items	(4,478,573)	4,381,295
Adjustments for :-		
- Provision for Non-Performing Assets	-	-
- Provision for Diminuation of Investment	-	-
- Depreciation	683,612	195,237
- Interest	-	-
- Preliminary Expenses written off	-	-
- Public Issue Exp. W/off	-	-
- (Profit)/Loss on Sale of Shares	4,117,233	(5,398,035)
- (Profit)/Loss on Sale of Assets	-	-
	<u>4,300,845</u>	<u>(5,202,798)</u>
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	<u>322,272</u>	<u>(821,503)</u>
Adjustment for :-		
- Stock on Hire	535,493	(605,036)
- Debtors	(1,049,331)	381,097
- Loans & Advances	(1,928,989)	677,768
- Current Liabilities & Provisions	(1,815,990)	2,494,386
	<u>(4,258,817)</u>	<u>4,158,287</u>
CASH GENERATED FROM OPERATIONS	<u>(3,936,545)</u>	<u>3,336,784</u>
- Interest Paid	-	-
- Direct Tax Paid	310,782	1,144,838
	<u>310,782</u>	<u>1,144,838</u>
NET CASH FROM OPERATING ACTIVITIES (A)	<u>(4,247,327)</u>	<u>2,191,946</u>
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase/Sale of Fixed Assets (Net)	-	(6,758,548)
Advances for Capital Goods	-	-
Purchase/Sale of Investments (Net)	9,794,137	(5,822,863)
(Loss) / Profit on Sale of Shares	(4,117,233)	5,398,035
NET CASH FLOW FROM INVESTMENT ACTIVITIES (B)	<u>5,676,904</u>	<u>(7,183,376)</u>
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Share Capital	-	-
Application Money Received	-	-
Unsecured Loans	(2,500,000)	5,843,500
Increase in Bank Borrowing	-	-
NET CASH FLOW FROM FINANCING ACTIVITIES (C)	<u>(2,500,000)</u>	<u>5,843,500</u>
NET DECREASE IN CASH & CASH EQUIVALENTS (A+B+C)	<u>(1,070,423)</u>	<u>852,070</u>
Cash & Cash equivalents as at 1st April, 2008	<u>1,283,687</u>	<u>431,617</u>
Cash & Cash equivalents as at 31st March, 2009	<u>213,263</u>	<u>1,283,687</u>

For and on behalf of the Board

Place : Ahmedabad
Date : 30th June, 2009

Anal Desai	<i>Chairman</i>
Kashyap Mehta	<i>Director</i>

PRISM FINANCE LIMITED

SCHEDULES FORMING PART OF THE ACCOUNTS

Particulars	(Amount in Rs.)	
	As at 31-03-2009	As at 31-03-2008
SCHEDULE - 1 : SHARE CAPITAL		
AUTHORISED		
70,00,000 Equity Shares of Rs 10/- each	<u>70,000,000</u>	<u>70,000,000</u>
ISSUED, SUBSCRIBED & PAID UP :		
65,00,300 Equity Shares of Rs. 10/- each	<u>65,003,000</u>	<u>65,003,000</u>
Total Rs.	<u>65,003,000</u>	<u>65,003,000</u>

SCHEDULE - 2 : LOAN FUNDS

UNSECURED LOANS :

From a Company	<u>4,968,500</u>	<u>5,668,500</u>
From Shareholders	<u>-</u>	<u>1,800,000</u>
Total Rs.	<u>4,968,500</u>	<u>7,468,500</u>

SCHEDULE - 3 : FIXED ASSETS

(Rupees)

Particulars	GROSS BLOCK (At Cost)				DEPRECIATION				NET BLOCK	
	As on 1/4/2008	Addition during the year	Sales/ Adjustment	As on 31/3/2009	Upto 1/4/2008	For the year	Sales/ Adjust- ment	Upto 31-3-2009	As on 31-3-2009	As on 31-3-2008
Building	1112264	-	-	1112264	146061	18130	-	164191	948073	966203
Furniture & Fixture	247037	-	-	247037	167644	15637	-	183281	63756	79393
Data Processing Equipment	886269	-	-	886269	860911	-	-	860911	25358	25358
Office Equipments	176237	-	-	176237	103444	8371	-	111815	64422	72793
Vehicle	27355	-	-	27355	22643	2599	-	25242	2113	4712
Motor Car	6725000	-	-	6725000	6998	638875	-	645873	6079127	6718002
Total	9174162	-	-	9174162	1307701	683612	-	1991313	7182849	7866461
Previous Year	2415614	6758548	-	9174162	1112464	195237	-	1307761	7866461	

Particulars	As at 31-03-2009		As at 31-03-2008	
	No. of Shares	Rupees	No. of Shares	Rupees
SCHEDULE - 4 : INVESTMENT				
(I) UNQUOTED				
In Fully paid Equity Shares				
Textile Traders Co.op. Bank Ltd.	2500	62510	2500	62510
Shree Sainath Park Asso.	1	100	1	100
Total (I)		<u>62610</u>		<u>62610</u>
(II) (A) Quoted : (Trade)				
(i) In Fully paid Equity Shares				
Alexcon Extrusions Ltd.	200	3578	200	3578
Alps Infosys Ltd.	4500	180000	4500	180000
Ansal Buildwell	4500	622280	4500	622280
Anusha International Ltd.	2700	27000	2700	27000
Bharat Electricals Ltd.	-	-	460	274810
Bharat Heavy Ele. Ltd.	347	-	693	187495
Bharat Petroleum	-	-	611	245112
Bharat Petroleum	81	45018	-	-
Bisleri Gujarat	22000	31019	25000	35249
Blue Information Ltd.	3000	303945	3000	303945
Century Textiles	-	-	1510	1189865
Cairn India Ltd.	791	124619	-	-
Cese Ltd.	-	-	496	279050
Chemox Securities Ltd.	100	6519	100	6519
Container Corp.	-	-	116	184611
Datapro Infotech Ltd.	1000	15412	1000	15412
Deep Industries	10900	1691923	12600	1943621
Divis Lab Ltd.	405	281731	675	401213
Electra India Ltd.	200	5740	200	5740
Everest Kanto	2703	412358	-	-
Financial Techno	-	-	160	412405
Gammon India	-	-	472	258181
Global Tele-system Ltd.	450	282192	450	282192
GMR Infrastructure	2500	435563	2500	435563
Gujarat Containers Ltd.	1000	19000	1000	19000
Gujarat Narmada Fertilizer	772	116124	788	118503
Gujarat NRE	24500	341700	27500	341700
HDFC Bank Shares	324	456900	-	-
Hindustan Petroleum	-	-	906	260287
ICICI Bank Ltd.	1547	996337	1482	1384816
IDFC	2117	106853	722	116343
ITC Ltd.	782	128878	-	-
Infosys Tech	251	303245	-	-
Integrated Rubian Exports Ltd.	6000	11700	6000	11700
Larsen & Tubro	320	203262	-	-
Jagran Prakashan	-	-	12500	439488
Jayanti Business Machines Ltd.	2018	70630	2018	70630
JBF Industries	7882	985259	4919	765278
Jindal Online	58350	104999	58350	104999
JMD Alloys Ltd.	9500	95000	9500	95000
Kaashyap Technologies	116666	514070	100000	514077
Kalptaru Power Transformer	-	-	689	1072756
Kay Pulp & Paper Ltd.	12500	82131	12500	82131
Kedia Infotech	211209	278032	211209	278033
Kirlosker Ferrous	48000	695870	48000	2338005
Kirloskar Oil Ltd.	-	-	-	-
Krishna Plasto Chem Ltd.	35600	1148528	35600	1148529

PRISM FINANCE LIMITED

Particulars	As at 31-03-2009		As at 31-03-2008	
	No. of Shares	Rupees	No. of Shares	Rupees
Malvika Steels Ltd.	3500	25920	3500	25920
Manglam Cement	-	-	5355	1063111
Marico Ltd.	-	-	2288	142650
Max India Ltd.	-	-	1255	295430
Mcdowell Holding	240	-	240	-
Meghmani Organic	79000	791838	79000	1886203
Modi Alkalies & Chemicals Ltd.	150	3750	150	3750
Mundra Port	1800	596161	500	431617
Navin Bharat Venture	3059	555059	4339	788771
Network 18 Finance	1081	358263	845	329113
NIIT Ltd.	-	-	1631	221663
Octagon Technologies Ltd.	1000	39064	1000	39064
Opto Circuit	4099	-	5109	560247
Paramount Commu	10000	351111	10000	351102
Pentamedia Graphics	40000	266620	40000	266620
Pentasoft Techno	199999	630567	199999	630568
Polylink Polymer Ltd.	100	523	100	523
Radhe Developers	33614	2337010	59000	2858034
Ranbaxi Labs	54	26218	-	-
Rallies India Ltd.	328	136559	617	241606
Reliance Communication	-	-	2292	1344918
Reliance Capital	255	79543	-	-
Reliance Ind	472	387065	694	525005
Satelite Engineering Ltd.	24300	209296	24300	209296
Serene Industries Ltd.	10000	69535	10000	69535
Sesa Goa	97	7094	340	1024997
Shilp Gravus	7294	486645	2550	252639
Shanti Gears	7000	532966	-	-
Shryans Resources	-	-	1500	400395
Silver Animation	1000	-	1000	-
Silverline Technologies	2500	405000	2500	405000
Singh Alloys Ltd.	5000	73200	5000	73200
Softrak Technologies Ltd.	20000	15200	20000	15200
Square-D Biotech Ltd.	4250	590646	4250	590647
Srei Infrastructure	10000	589113	10000	589113
Standard Surfactant Ltd.	1900	89078	1900	89078
Sumeru Industries	5552	17131	5552	17131
Sterlite Industries	844	488364	-	-
State Bank of India	37	33697	-	-
Sun Pharma	314	352706	-	-
Sun TV	2337	373965	-	-
Suzlon Energy	6484	774523	-	-
Tala Power	39	23786	-	-
Tata Motors Ltd.	-	-	581	450003
Tata Tea	-	-	457	388151
Teesta Agro Industries Ltd.	2000	24500	2000	24500
Teledata Marine	2500	83745	2500	83745
Teledata Technology	2500	83745	2500	83745
Thermax Ltd.	-	-	1935	106737
TV 18 India Ltd.	-	-	469	225257
Uniliv Foods Ltd.	21500	283710	21500	283710
United Spirits	-	-	1200	66621
UP Hotels	598	102617	700	120120

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Particulars	As at 31-03-2009		As at 31-03-2008	
	No. of Shares	Rupees	No. of Shares	Rupees
Vadilal Dairy Industries Ltd.	6200	88015	6200	88015
Videsh Sanchar Nigam	-	-	755	356266
Vishal Retails	-	-	1254	753989
Voltamp	947	557009	947	557009
Total (i)		24067971		35785130
(ii) In Fully paid Mutual Fund				
Principal Cash Management	66709.418	1128887	61500.1	970833
Kotak Weekly Dividend	137096.767	1973502	9081.4	91043
Birla Cash Retails Growth	-	-	7177.47	117491
Total (ii)		3102389		1179366
Total (i) + (ii)		27170360		36964496
Total (A)		27170360		36964496
(B) Unquoted :				
In Fully paid Equity Shares of Rs. 10/- each				
(i) In Subsidiary Company				
Opel Securities Pvt. Ltd.	1150050	11500500	1150050	11500500
(ii) Others				
BVM Finance Limited	1000000	10000000	1000000	10000000
Khadayata Decor Ltd.	20000	200000	20000	200000
Total (B)		21700500		21700500
Total (II)		48870860		58664996
Total (I) & (II)		48933469		58727606

Notes :

	As at 31-3-09 Rs. in lacs	As at 31-3-08 Rs. in lacs
(a) Aggregate Cost of Quoted Investments	271.70	369.64
(b) Aggregate Market Value of Quoted Investments	150.57	391.60
(c) Aggregate Cost of Unquoted Investments	217.01	217.01

DURING THE YEAR THE FOLLOWING SHARES WERE PURCHASED AND SOLD

Name of the Company	2008-2009		2007-2008	
	Face Value	Quantity	Face Value	Quantity
Purchase of Shares				
Bharat Heavy Electronics	-	-	2	436
Bharat Petroleum	-	-	10	611
Bharati Airtel	10	396	-	-
Cairn India	10	791	-	-
Century Textile & Industries	-	-	10	1510
CESC Ltd.	10	90	10	496
Container Corp	10	116	10	116
Deep Industries	-	-	10	12600
Dish TV India	-	-	10	6000
Divi's Lab	2	116	-	-
Everest Kanto	2	2703	-	-
Financial Technologies	2	60	2	160
Gammon India	2	217	2	472
GMR Infrastructure	-	-	2	2500
Gujarat Narmada Fertilizer	-	-	10	788
Gujarat NER Cocke	2	7000	-	-
Himachal Futuristic	-	-	10	25000

PRISM FINANCE LIMITED

Name of the Company	2008-2009		2007-2008	
	Face Value	Quantity	Face Value	Quantity
HDFC Bank	10	324	-	-
Hindustan Construction	-	-	2	2500
Hindustan Petroleum	-	-	10	906
IDFC	10	2117	10	722
ICICI Bank	10	1033	10	402
IL & FS Investment	-	-	10	2000
Larsen & Tubro	2	320	-	-
Infosys Technologies Ltd.	5	349	-	-
ITC Ltd.	1	782	-	-
JBF Industries	10	2963	10	4919
Kashyap Technologies	10	16666	-	-
K Sera Production	-	-	10	10000
Kalpatru Power Transformers	10	156	10	689
Kirlosker Ferrous	5	48000	5	33000
Mahendra Gesco	-	-	10	1000
Marico Ltd.	-	-	1	12288
Max India Ltd.	2	89	2	1255
Mcdowell Holding	-	-	10	240
Meghmani Organic	10	79000	10	89000
Mundra Port	10	3100	10	1000
NB Venture	-	-	10	4339
Network 18 Fincap	5	236	5	845
Network 18 Media Preference	10	117	-	-
Network 18 Media Preference Warran	10	117	-	-
Network 18 PCCPS 5%	10	117	-	-
Network 18 PCCPS	10	169	-	-
NIIT	2	293	2	1631
Opto Circuit	10	2329	10	1703
Paramount Communication	-	-	2	15000
Penta Soft Technologies	-	-	2	199999
Pentamedia Graphics	-	-	10	10000
Radhe Developers	-	-	10	25000
Ranbaxi Labs	5	100	-	-
Rallis India Ltd.	-	-	10	617
Reliance Communication	-	-	5	2292
Reliance Capital	10	466	-	-
Satyam Computer	2	20000	-	-
Sesa Goa	1	97	5	563
Shanti Gears	1	7500	-	-
Sharyans Resources	10	25	-	-
State Bank of India	10	37	-	-
Shilp Gravus	10	5509	10	2550
Shriram AMC	-	-	10	15284
Silverline Animation	-	-	10	1000
Silverline Technologies	-	-	10	2500
Sterlite Industries	2	930	-	-
Sun Pharma	5	314	-	-
Sun TV	5	2337	-	-
Suzlon Energy	2	6484	-	-
Sumeru Industries	-	-	10	5552
Tata Motors	10	844	2	581
Tata Tea	-	-	10	457
Tata Television	-	-	10	5000
Teledata Info	-	-	10	5000
Teledata Marine	-	-	5	2500

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Name of the Company	2008-2009		2007-2008	
	Face Value	Quantity	Face Value	Quantity
Teledata Technologies Solutions	-	-	5	2500
Thirumalia Chemicals	-	-	10	2110
TV 18 India Ltd.	10	164	10	469
Tata Power	10	39	-	-
Varun Shipping	-	-	10	10000
Venkys India Ltd.	-	-	10	1000
Videsh Sanchar Nigam	-	-	10	755
Virinchi Technologies	-	-	2	8000
Vishal Retails	-	-	10	1254
Sale of Shares				
Aditya Birla	-	-	10	904
Bharti Airtel	10	315	-	-
Bharat Petroleum	10	611	-	-
Bharat Electronic	2	460	2	237
Bharat Heavy Elect.	2	346	2	255
Bislery Gujarat	10	3000	10	25000
Cese Ltd.	10	586	-	-
Century Textile	10	1510	10	1500
Contain Corp	10	232	-	-
Divi's Lab	10	386	-	-
Dish TV	-	-	10	6000
Divi's Lab	-	-	2	34
Deep Industries	10	1700	-	-
Financial Techno	2	220	-	-
Exide Industries	-	-	2	22000
Gemmon India	10	689	-	-
Geometric Software	-	-	10	7395
Gujarat NRE Coke	2	10000	2	37500
Gujarat Narmada Fertilizers	10	16	-	-
Henkel India	-	-	10	20000
Hindustan Petroleum	10	906	-	-
Himachal Futuristic	-	-	2	25000
Hindustan Construction	-	-	2	2500
IDFC	10	722	-	-
ICICI Bank	10	968	-	-
IL & FS Investment	-	-	10	2000
Indian Hotels	-	-	2	3294
Infosys Technologies	2	98	2	484
Jagran Prakashan	2	12500	2	6000
Jayprakash Hydro	-	-	10	50000
Jupiter Bioscience	-	-	10	3500
K Sera Production	-	-	10	10000
Kalptaru Power	10	845	-	-
Kirloskar Oil	-	-	2	4895
Kirloskar Ferro	5	48000	-	-
Mahindra Gesco	-	-	10	1000
Manglam Cement	10	5355	10	225
Marico Ltd.	10	2288	10	10000
Max India	2	1344	-	-
Meghmani Organic	10	79000	10	10000
Mundra Port	10	1800	10	500
Nagarjuna Fertilizers	-	-	10	10000
Network 18 Media & Preference	10	117	-	-
Network 18 Media & Warrant	10	117	-	-

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Name of the Company	2008-2009		2007-2008	
	Face Value	Quantity	Face Value	Quantity
Network 18 Media PCCPS 5%	10	117	-	-
Network 18 Media PCCPS	10	169	-	-
NIIT	2	1924	-	-
NB Venture	10	1280	-	-
Opto Circuit	10	3339	10	555
Paramount Communications	-	-	2	5000
Parsvnath Developers	-	-	10	2000
Prithvi Infotech	-	-	10	2233
Rajasthan S & W Mills	-	-	10	1045
Radhe Development	10	25386	-	-
Ranbaxy Labs	5	46	-	-
Reliance Communication	5	2292	-	-
Reliance Industries	5	222	5	165
Rallis India	10	289	-	-
Reliance Capital	10	211	-	-
Sagar Cements Ltd.	-	-	10	2500
Sesa Goa	10	340	10	223
Sharyans Resources	10	1525	10	500
Shiriram AMC	-	-	10	15284
Shiv Vani Oil	-	-	10	3075
Sterlite Industries	5	86	-	-
Satyam Computer	2	20000	-	-
Shanti Gears	1	500	-	-
Shilp Gravus	10	765	-	-
SREI Infrastructure	-	-	10	10000
Subhash Project & Mkt	-	-	2	3000
Surana Tele	-	-	5	5000
Synergy Logine	-	-	-	-
Tata Teleservices	-	-	10	5000
Tele Data Infotech	-	-	10	5000
Thermax Ltd.	2	1935	2	860
Thirumalai Chemicals	-	-	10	2110
Tata Motors	10	1425	-	-
Tata Tea	10	457	-	-
TV 18 India	5	633	-	-
United Spirits	10	1200	-	-
UP Hotels	10	102	10	300
Videsh Sanchar Nigam	10	755	-	-
Vishal Retails	10	1254	-	-
Varun Shipping	-	-	10	10000
Venkys India	-	-	10	1000
Virinchi Technologies	-	-	10	8000
Voltamp	-	-	10	377
Wyeth Lederle Ltd.	-	-	10	207
Zee TV	-	-	1	780
Purchase of Mutual Fund				
Principal Cash Magnum Fund	10	374261	10	634273
Kotak Weekly Dividend	10	542701	10	505562
Birlacash Plus Retail Growth	10	340	10	98812
Sale of Mutual Fund				
Principal Cash Magnum Fund	10	369051	10	615668
Kotak Weekly Dividend	10	414686	10	496480
Birlacash Plus Retail Growth	10	7517	10	91634

Particulars	(Amount in Rs.)	
	As at 31-03-2009	As at 31-03-2008
SCHEDULE - 5 : CURRENT ASSETS, LOANS & ADVANCES		
(a) CURRENT ASSETS :		
i. Stock on Hire	207,452	742,945
ii. Debtors (Unsecured, Considered good)		
Outstanding for a period exceeding six months	749,700	523,836
Others	1,108,239	284,772
	<u>1,857,939</u>	<u>808,608</u>
Less : Provision for NPA	445,024	445,024
	<u>1,412,915</u>	<u>363,584</u>
iii. Cash & Bank Balance		
Cash on hand	46,667	21,667
Balance with Banks :		
- In Current Accounts	166,596	1,262,020
	<u>213,263</u>	<u>1,283,687</u>
(b) LOANS & ADVANCES (Unsecured, considered good)		
i. Loan Given (including Inter Corporate Deposits & Interest receivable thereon)	26,441,485	24,128,983
ii. Advances recoverable in cash or kind or for value to be received	1,077,260	1,460,773
	<u>27,518,745</u>	<u>25,589,756</u>
	<u>29,352,375</u>	<u>27,979,972</u>
SCHEDULE - 6 : CURRENT LIABILITIES		
CURRENT LIABILITIES :		
Sundry Creditors	838,059	2,654,050
Security Deposit	69,000	69,000
Provision for Taxation (Net)	121,037	365,819
Total Rs.	<u>1,028,096</u>	<u>3,088,869</u>
	2009	2008
	(Amount in Rs.)	(Amount in Rs.)
SCHEDULE - 7 : OTHER INCOME		
Dividend Income	375,073	337,302
Profit on Sale of Shares / Mutual Fund	(3,669,207)	5,117,912
Profit in Trading of Share/Derivatives (Net)	(448,026)	280,123
Rent Income	210,415	186,000
Other Income	13,434	-
Car Charges	480,000	-
	<u>(3,038,311)</u>	<u>5,921,337</u>
SCHEDULE - 8 : EMPLOYMENT COST		
Salary & Wages	65,400	99,152
Medical Expenses	21,300	12,180
Books & Periodical	21,300	11,924
	<u>108,000</u>	<u>123,256</u>

PRISM FINANCE LIMITED

2009
(Amount in Rs.)

2008
(Amount in Rs.)

SCHEDULE - 9 : OPERATING & OTHER EXPENSES

Insurance Expenses	-	39,833
Telephone & Fax Expenses	471	7,195
Legal & Professional Expenses	110,324	203,805
Repairs & Maintenance	41,050	110,040
Filing Fees	5,500	3,000
Listing Fees	38,072	35,600
Vehicle Expenses	28,490	-
Interest Expenses	43,761	107,207
Portfolio Management Fees	402,722	616,420
Advertisement Expenses	9,180	3,519
Travelling Expenses	4,561	166,246
General Expenses	122,347	146,751
	<u>806,478</u>	<u>1,439,661</u>

SCHEDULE - 10 : NOTES FORMING PART OF ACCOUNTS

1. Significant Accounting Policies:

- a) The Company following the mercantile system of accounting and these account comply with the Accounting Standards referred to in section 211(3C) of the Companies Act, 1956.
- b) **Fixed Assets and Depreciation :-**
 - (i) Fixed Assets are stated at cost and include incidental and/or installation expenses incurred in putting the assets to use.
 - (ii) Depreciation is provided on straight line method at the rates prescribed under schedule XIV of the Companies Act, 1956. Depreciation on additions to assets during the year is provided on a proportionate basis.
- c) **Revenue Recognition:**
 - (i) In respect of lease rentals arising out of lease agreements and hire purchase charges arising out of hire purchase agreements. It is the company's general policy to accrue income/expenses as per the terms of the agreements entered into with the lessee, lessors and hirers from time to time. In respect of hire purchase business. The Company recognises income on a reducing balance basis.
 - (ii) Dividend income are accounted on receipt basis.
 - (iii) Interest on overdue bills has been recognised on cash basis.
- d) **Inventory :**

Stock on hire has been taken on face value of the hire purchase agreements as reduced by installments matured during the relevant period.
- e) Investment are valued at cost after providing permanent diminution in value thereof.
- f) The Company follows the prudential norms for income recognition and provides for/writes off of Non-performing Assets as per the prudential norms prescribed by the Reserve Bank of India.
- g) The benefits of leave encashment of leave to employees. Being at the option of the employees is accounted for as and when claimed.
- h) **Provision for Taxation :**
 - (i) Provision for current tax has been in accordance with the ordinary provisions of the Income Tax Act.
 - (ii) Deferred tax is recognized on timing difference between the accounting income and the taxable income for the year that originates in one period and capable of reversal in one or more subsequent periods. Such deferred tax is quantified using the tax rates as on the balance sheet date.
 - (iii) Fringe Benefit Tax is recognized in accordance with the relevant provisions of The Income Tax Act, 1961 and the Guidance Note on Fringe Benefit Tax issued by the Institute of Chartered Accountants of India.

2. Contingent Liability : NIL
3. The legal and Professional charges includes payment to Auditors as under :

	Year	Year
	2008-2009	2007-2008
Audit Fees	30771	20000
Other Services	-	-
Total	30771	20000

4. Balances under the head of unsecured loans, current assets, loans and advances, current liabilities and provisions and certain investments are subject to reconciliation and confirmation.
5. In the opinion of the management of the company, the Current Assets, Loans & Advances are approximately of the same value stated if realised in the ordinary course of business. The provision for the depreciation and for all known liabilities are adequate and not in excess of amount reasonably necessary.
6. Under the Micro, Small and Medium Enterprises Development Act, 2006, certain disclosures are required to be made relating to Micro, Small and Medium Enterprises. The company is in the process of compiling relevant information from its suppliers about their coverage under the Act. Since the relevant information is not presently available, no disclosures have been made in the Accounts.
7. The Company has adopted Accounting Standard - AS-22 "Accounting for Taxes on Income", issued by The Institute of Chartered Accountants of India. The Company has net deferred tax liability as under :-

The break up Net deferred tax liability as at 31.03.2009 arising on account of timing difference in respect of.

Particulars	As at 31-03-2009	As at 31-03-2008
Depreciation	527397	374237

8. In view of Accounting Standard AS-18 "Related Party Disclosure" issued by the Institute of Chartered Accountant of India and made mandatory in respect of accounting year commencing on or after April 2001, the disclosure in respect of the related party transactions for the year ended 31st March, 2009 are given below

A. Relationship

1. Subsidiaries

Opel Securities Ltd.

2. Associates of the Company

a) Akshar Construction

b) Akshar Estate Pvt. Ltd.

c) Som Shive (Impex) Ltd.

d) Spectratek Industries

e) Bar Megnet Investment Pvt. Ltd.

3. Key Management Personals/Relatives/Individuals

a) Shri Naresh P. Raval - Director

b) Smt. Anal Desai - Director

c) Shri Kashyap Mehta - Director

d) Shri Arunprasad P. Patel

e) Shri Pranay A. Patel

f) Shri Rahul A. Patel

B. The other particulars of the related parties transaction in the ordinary course of business is as under :-

Sr. Transactions No.	Subsidiary	Associates	Key Management
1. Loan Given	-	4144510	2250000
2. Loan Recovered	-	1550056	1450000
3. Loan Obtained	-	-	-
4. Loan Repaid	-	700000	1800000
5. Interest Income on H.P.	-	55768	-
6. Bill discounting Income	-	48182	-

Amount outstanding as at 31-3-2009

1. Outstanding Loans/Advances	4455000	7124000	800000
2. Bills Discounted	-	762925	-
3. Outstanding of Loan obtained	-	4968500	-

PRISM FINANCE LIMITED

9. The particulars of information pursuant to Part IV of Schedule VI of the Companies Act, 1956 is as per Annexure attached herewith.
10. There are no other particulars required to be given under part II of Schedule VI of the Companies Act, 1956.
11. **ADDITIONAL INFORMATION AS REQUIRED UNDER PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956.**

Balance Sheet Abstract and Company's General Business Profile

1. Registration Details

Registration No.	21915	State Code	04
Balance Sheet Date	31st March, 2009		

2. Capital Raised During the years (Rs. in Lacs)

Public Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

3. Position of Mobilisation & Development of Funds (Rs. in Lacs)

Total Liabilities	844.41	Total Assets	844.41
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Source of Funds

Paid-up Capital	650.03	Reserve & Surplus	139.42
Secured Loans	NIL	Unsecured Loans	49.68

Application of Funds

Net Fixed Assets	71.83	Investments	489.33
Net Current Assets	277.97	Misc. Expenditure	Nil
Accumulated Losses	Nil		

4. Performance of Company (Rs. in Lacs)

Turnover	(28.80)	Total Expenditure	15.98
Profit/(Loss) Before Tax	(44.79)	Profit After Tax	(46.98)
Earning per Share (Rs.)	(0.72)	Dividend Rate (%)	N.A.

5. Generic Name of Principal Product of Company

Item Code No.	: 809
Products Description	: Finance, Share Trading and Investments

Signature to Schedules 1 to 10

As per our Report of even date attached herewith
For **Shah & Shah Associates**
Chartered Accountants

Sunil K. Dave
Partner

Place : Ahmedabad
Date : 30th June, 2009

For and on behalf of the Board

Anal Desai *Director*

Kashyap Mehta *Director*

Place : Ahmedabad
Date : 30th June, 2009

OPEL SECURITIES PRIVATE LIMITED

ANNUAL REPORT 2008-2009

BOARD OF DIRECTORS	:	Mr. Amit D. Patel Mr. Rahul A. Patel
REGISTERED OFFICE	:	"Mangalam" B/h. Apang Manav Mandal, Dr. V. S. Road, Ahmedabad - 380 015.
ADMINISTRATIVE OFFICE	:	S/2, Navrang Building, Swastik Char Rasta, Navrangpura, Ahmedabad - 380 009.
AUDITORS	:	M/s. Shah & Shah Associates, Chartered Accountants, Ahmedabad.
BANKERS	:	Vijya Bank

OPEL SECURITIES PRIVATE LIMITED

NOTICE

NOTICE is hereby given that the **FOURTEENTH ANNUAL GENERAL MEETING** of the members of the company will be held on Wednesday, the 30th September, 2009 at 10.00 A.M. at the Registered Office of the company at "Mangalam", B/h. Apang Manav Mandal, Dr. V. S. Road, Ahmedabad - 380 015, to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2009 and the Profit and Loss Account for the year ended on that date and reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Rahul A. Patel, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors to hold the office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

Registered Office:
"Mangalam"
B/h. Apang Manav Mandal,
Dr. V. S. Road,
Ahmedabad-380 015.
Date : 23rd May, 2009.

By Order of the Board,

Chairman

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND PROXY NEED NOT BE A MEMBER.
2. The instrument appointing a Proxy should however be deposited at the Registered Office of the Company not less than fortyeight hours before the commencement of the meeting.

DIRECTORS' REPORT

To,
The Members,

Your Directors hereby present the FOURTEENTH ANNUAL REPORT together with the Audited Statement of Accounts for the financial year 2008-2009 ended on 31st March, 2009.

FINANCIAL RESULTS

During the year the Company has earned gross income from dividend to the tune of Rs. 29.98 Lacs and after charging all the expenses there comes a Loss of Rs. 23.90 Crores. The Directors have recommended to transfer the same to the Balance-Sheet.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- (i) that in the preparation of the annual accounts for the financial year ended 31st March, 2009, the applicable accounting standards had been followed along with proper explanation relating to materia. departures;
- (ii) that 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 or Loss of the Company for the year under review;
- (iii) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the Directors had prepared the annual accounts for the financial year ended 31st March, 2009 on a 'going concern' basis.

AUDITORS :

The retiring Auditors M/s. Shah & Shah Associates, being eligible for re-appointment, you are requested to appoint them as Auditors of the Company and fix their remuneration for the year 2009-2010.

PARTICULARS OF EMPLOYEES :

There is no employee coming under the provisions of section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules 1975 as amended from time to time.

On behalf of the Board of Directors,

Place: Ahmedabad
Date : 23rd May, 2009

Chairman

OPEL SECURITIES PRIVATE LIMITED

AUDITORS' REPORT

To,
The Members of
M/S. OPEL SECURITIES PRIVATE LIMITED

We have audited the attached Balance Sheet of M/S. OPEL SECURITIES PRIVATE LIMITED, as at 31st March, 2009 and the related Profit & Loss Account for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statement based on our audit.

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

As required by the Companies (Auditors' Report) Order, 2003 as amended by the Companies' (Auditor's Report) (Amendment) Order 2004, issued by the Central Government of India in terms of sub section (4A) of section 227 of the Companies Act, 1956 and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that :

1. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
2. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of these books.
3. The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of account.
4. In our opinion, these financial statements have been prepared in compliance with the applicable accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
5. Based on the written representations received from the Directors as on 31st March, 2009 and taken on record by the Board of Directors, we report that none of the Directors of the company is disqualified as on 31st March, 2009 from being appointed as directors of the Company in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
6. In our opinion and to the best of our information and according to the explanations given to us, the Balance Sheet and Profit & Loss Account read with and subject to notes thereon of Schedule 7, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
 - (a) in the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2009; and
 - (b) In the case of Profit & Loss Account, of the loss for the year ended on that date.

For Shah & Shah Associates
Chartered Accountants

Place : Ahmedabad
Dated : 23rd May, 2009

(Nimish B. Shah)
Partner
Membership No. 30102

Annexure to the Auditors' Report
(Referred to in paragraph (3) of our report of even date)

To,
The Members of
M/S. OPEL SECURITIES PRIVATE LIMITED

- (i) The company does not own any fixed assets. Hence, provisions of clause 4 (i) of the Order are not applicable to the Company.
- (ii) The nature of the Company's business/activities during the year is such that none of the matters under clause 4(ii)(a) to clause 4 (ii)(c) are not applicable or call for a statement for the period under audit.
- (iii) The Company has granted interest free unsecured loans to four companies listed in the register maintained under section 301 of the Companies Act, 1956 and the maximum amount involved was Rs. 15,755,000/- and the year end balance of such loans was Rs. 15,755,000/-. According to the information and explanation provided to us, other terms and condition of such loans are not prima facie prejudicial to the interest of the company. No stipulations have been made for repayment of such loans granted.

The Company has obtained interest free unsecured loans from three companies listed in the register maintained under Section 301 of the Companies Act, 1956 and the maximum amount involved is Rs. 87,81,12,000/- and the year end balance of such loan was Rs. 86,81,12,000/-. According to the information and explanation provided to us, other terms and conditions of such loans are not prima facie prejudicial to the interest of the company. No stipulations have been made for repayment of such loans granted.

- (iv) In our opinion and explanation given to us, there is an adequate internal control procedure commensurate with the size of the company and the nature of its business for the purchase of equipments and other assets. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal controls.
- (v) According to the information and explanations given to us, there were no contracts or arrangements that were required to be entered into the register maintained under section 301 of the Companies Act, 1956 and aggregating during the year to Rs. 5,00,000 or more in respect to each such party.
- (vi) As explained to us, the Company has not accepted any deposits from the public.
- (vii) The company did not have any formal internal audit system during the year under review. In the opinion of the management, the existing internal control procedures are adequate and hence separate internal audit is not called for.
- (viii) The nature of the Company's business/activities during the period under audit is such that clause 4(iii) regarding maintenance of cost records is not applicable to the company.
- (ix) Based on our audit procedure and according to information and explanation provided to us, the company is regular in depositing undisputed statutory dues with the appropriate authority. According to the information and explanation provided to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2009 for a period of more than six months from the date of becoming payable.

There is no disputed amount payable of the aforesaid statutory dues with the appropriate authority.

- (x) Accumulated Losses of the company as at March 31, 2009 exceeds the net worth of the company as at that date. The company has incurred cash losses in the financial year ended on that date but it had not incurred any Losses in the immediately preceding financial year.
- (xi) The Company has not borrowed from financial institution or bank or issued debentures till the end of the year.
- (xii) In our opinion and according to information and explanations given to us, the company has not granted any loan or advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The provisions of special statute applicable to chit fund, Nidhi/Mutual Benefit fund/societies are not applicable to the company.
- (xiv) The company is not a dealer or trader in securities. However, with respect to its investments, the company has maintained proper records of transactions and contracts and timely entries for the same have been made. As informed to us, the Company has held all the investment in shares in its own name.

OPEL SECURITIES PRIVATE LIMITED

- (xv) The company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) The company has not taken any term loan during the year under review.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no fund raised on short term basis have been used to finance long term investment.
- (xviii) As per information and explanations given to us, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained u/s 301 of the Companies Act, 1956.
- (xix) During the year under review the company has not issued any debentures.
- (xx) The company has not raised money by any public issued during the year under audit and hence the question of disclosure and verification of end use of such money does not arise.
- (xxi) As per the information and explanations given to us and on the basis of examination of records, no material fraud on or by the company was noticed or reported during the year.

For Shah & Shah Associates
Chartered Accountants

Place : Ahmedabad
Dated : 23rd May, 2009

(Nimish B.Shah)
Partner
Membership No. 30102

BALANCE SHEET AS AT 31ST MARCH, 2009

PARTICULARS	SCHEDULE	(Amount in Rs.)	
		As at 31-3-2009	As at 31-3-2008
SOURCES OF FUNDS :			
Share Capital	1	17,502,000	17,502,000
Share Application (Pending Allotment)		675,000	675,000
Reserve & Surplus	2	7,500,000	13,808,093
Unsecured Loans	3	868,112,000	878,112,000
Total		<u>893,789,000</u>	<u>910,097,093</u>
APPLICATION OF FUNDS :			
Investments	4	645,272,321	884,262,641
Current Assets, Loans & Advances	5	18,813,392	25,842,954
Less : Current Liabilities & Provisions	6	10,059	8,502
Net Current Assets		18,803,333	25,834,452
Profit and Loss Account	7	229,713,347	-
Total		<u>893,789,000</u>	<u>910,097,093</u>
Notes on Accounts	8		

As per our Report of even date
For **Shah & Shah Associates**
Chartered Accountants

Nimish B. Shah
Partner
Mem. No. 30102

Place : Ahmedabad
Date : 23rd May, 2009

For and on behalf of the Board

Amit D. Patel Director
Rahul A. Patel Director

Place : Ahmedabad
Date : 23rd May, 2009

OPEL SECURITIES PRIVATE LIMITED**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009**

PARTICULARS	(Amount in Rs.)	
	Year ended on 31-03-2009	Year ended on 31-03-2008
INCOME		
Dividend Income	2,997,525	1,587,384
Total	<u>2,997,525</u>	<u>1,587,384</u>
EXPENDITURE		
Legal & Professional Charges	23,535	37,416
General Charges	5,110	4,085
Advance for Warrants written off	238,990,320	-
Total	<u>239,018,965</u>	<u>41,501</u>
Profit / (Loss) before Tax	(236,021,440)	1,545,883
Provision for Taxation	-	-
Profit / (Loss) After Tax	(236,021,440)	1,545,883
Balance Brought Forward from Previous Year	6,308,093	4,762,210
Balance transferred to Balance Sheet	<u>(229,713,347)</u>	<u>6,308,093</u>

Notes on accounts - Schedule - 8

As per our Report of even date
For **Shah & Shah Associates**
Chartered Accountants

Nimish B. Shah
Partner
Mem. No. 30102

Place : Ahmedabad
Date : 23rd May, 2009

For and on behalf of the Board

Amit D. Patel Director
Rahul A. Patel Director

Place : Ahmedabad
Date : 23rd May, 2009

SCHEDULES FORMING PART OF THE ACCOUNTS

Particulars	(Amount in Rs.)	
	As at 31-03-2009	As at 31-03-2008
SCHEDULE - 1 : SHARE CAPITAL		
AUTHORISED		
20,00,000 Equity Shares of Rs 10/- each	20,000,000	20,000,000
Total	<u>20,000,000</u>	<u>20,000,000</u>
ISSUED, SUBSCRIBED & PAID UP :		
17,50,200 Equity Shares of Rs. 10/- each fully paid up (Out of above 11,50,000 Shares are held by holding Company Prism Finance Ltd.)	17,502,000	17,502,000
Total	<u>17,502,000</u>	<u>17,502,000</u>
SCHEDULE - 2 : RESERVES & SURPLUS		
Share Premium	7,500,000	7,500,000
Profit & Loss Account		
Balance as per annexed Account	-	6,308,093
Total	<u>7,500,000</u>	<u>13,808,093</u>
SCHEDULE - 3 : UNSECURED LOANS		
Intercompany Deposits	868,112,000	878,112,000
Total	<u>868,112,000</u>	<u>878,112,000</u>
SCHEDULE - 4 : LONG TERM INVESTMENTS		
(1) QUOTED INVESTMENTS (AT COST)		
2997525 Equity Shares of Sintex Industries Ltd. of Rs. 2/- each fully paid up	645,272,321	645,272,321
(2) UNQUOTED INVESTMENT (AT COST)		
Advance towards 52,56,000 warrants of Sintex Industries Limited	-	238,990,320
Total	<u>645,272,321</u>	<u>884,262,641</u>
Aggregate Value of Unquoted Investments	-	238,990,320
Aggregate Value of Quoted Investments	645,272,321	645,272,321
At Cost Price	294,356,955	1,063,222,118
At market price	-	-
SCHEDULE - 5 : CURRENT ASSETS, LOANS & ADVANCES		
(a) CURRENT ASSETS : (Unsecured, considered good)		
Cash and Bank Balances		
Cash on hand	1,000	1,000
Balance with a Schedule Bank in Current Account	3,057,392	10,086,954
Total (a)	<u>3,058,392</u>	<u>10,087,954</u>
(b) LOANS & ADVANCES (Unsecured, considered good)		
Intercompany Deposit	15,755,000	15,755,000
Total (b)	<u>15,755,000</u>	<u>15,755,000</u>
Total (a+b)	<u>18,813,392</u>	<u>25,842,954</u>

OPEL SECURITIES PRIVATE LIMITED

(Amount in Rs.)

Particulars	As at 31-03-2008	As at 31-03-2007
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SCHEDULE - 6 : CURRENT LIABILITIES & PROVISIONS

CURRENT LIABILITIES :

Unpaid Expenses	9,023	8,502
TDS Payable	1,036	-
Total	<u>10,059</u>	<u>8,502</u>

SCHEDULE - 7 : PROFIT AND LOSS ACCOUNT

Balance as per annexed Account	229,713,347	-
Total	<u>229,713,347</u>	<u>-</u>

SCHEDULE FORMING PART OF ACCOUNTS

SCHEDULE - 8 : NOTES OF ACCOUNTS

(1) Significant Accounting Policies:

- The accounts are prepared on the basis of historical cost.
 - Income & Expenses are accounted for on accrual basis except dividend income which is recorded on cash basis.
 - Investments have been reflected at cost. Provision is made where there is a permanent fall in the value of Investments.
- Balances under the head of Unsecured Loans and Loans & Advances given are subject to confirmation.
 - Legal & Professional Charges includes payment to auditors.

	<u>2008-2009</u>	<u>2007-2008</u>
a) For Audit Fees	8,272	8,989
b) For Taxation Matters	10,711	28,427
c) Out of Pocket Expenses	552	-
	<u>19,535</u>	<u>37,416</u>

4. AS-18 Related Party Disclosures

- Name of related party and nature of relationship :

Sr.	Name related party	relationship
1.	Prism Finace Ltd.	Holding Co.
2.	Sintex Ind. Ltd.	Associates
3.	Som Shiva Impex Ltd.	Associates
4.	Mas Chemical Ind. P. Ltd.	Associates
5.	BVM Financ.P. Ltd.	Associates
6.	Star Line Leasings Ltd.	Associates

B. Transaction with related parties :-

Sr. No.	Name of the related party	Relationship	Amount (Rs.)	Outstanding (Rs.)
1.	Prism Finance Ltd.	Holding Co.	Deposit Taken	-
				4,455,000
2.	Sintex Ind. Ltd.	Associates	Deposit Taken	-
			Deposit Repaid	14,800,000
3.	Som Shiva Impex Ltd.	Associates	Deposit Given	-
				250,000
4.	Mas Chemical Ind. P. Ltd.	Associates	Deposit Given	-
				13,455,000
5.	BVM Finance P. Ltd.	Associates	Deposit Taken	-
				848,602,000
6.	Star Line Leasings Ltd.	Associates	Deposit Taken	14,800,000
			Deposit Repaid	24,800,000
				-

5. There are no Micro, Small and Medium Enterprises, to whom the company owes, which are outstanding for more than 45 days as at 31st March, 2009. This information as required to be disclosed under the Micro, Small and Medium enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company.
6. The figures of the previous year have been regrouped / rearranged wherever necessary to make them comparable with the figures of the current year.
7. Deferred Tax effects have not been recognised in view of the company fact that the company having only dividend income which is exempt from tax.
8. No provision has been made for income-tax, as the company has dividend income only, which is exempt from tax.
9. No provision has been made for diminution in market value of quoted investment, as the management is of the opinion that the diminution is of temporary nature.
10. During the year under consideration, the management has decided not to convert unexercised 52,56,000 warrants of Sintex Industries Limited and hence balance of advance for warrants amounting to Rs. 23,89,90,320/- has been written off to the Profit and Loss Account.
11. There are no other particular required to be shown as per requirements of part II of Schedule VI of the Companies Act, 1956.

PRISM FINANCE LIMITED

ADDITIONAL INFORMATION AS REQUIRED UNDER PART IV TO THE COMPANIES ACT,1956.

Balance Sheet Abstract and Company's General Business Profile

1. Registration Details

Registration No.	28055	State Code	04
Balance Sheet Date	31st March, 2009		

2. Capital Raised During the years (Rs. in Thousand)

Public Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

3. Position of Mobilisation & Development of Funds (Rs. in Thousand)

Total Liabilities	893,789	Total Assets	893,789
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Source of Funds

Paid-up Capital	17502	Share Application Money	675
Reserve and Surplus	7,500		
Secured Loans	NIL	Unsecured Loans	868,112

Application of Funds

Net Fixed Assets	NIL	Investments	645,273
Net Current Assets	18,803	Misc. Expenditure	NIL
Accumulated Losses	229,713		

4. Performance of Company (Rs. in Thousand)

Turnover	2,997	Total Expenditure	239,018
Profit/(Loss) Before Tax	(236,021)	Profit/(Loss) After Tax	(236,021)
Earning per Share in Rs.	(134.9)	Dividend Rate (%)	N.A.

5. Generic Name of Principal Product of Company

Item Code No. : N.A.
Products Description : N.A.

Signature to Schedules 1 to 8

As per our Report of even date
For **Shah & Shah Associates**
Chartered Accountants

Nimish B. Shah
Partner
Mem. No. 30102

Place : Ahmedabad
Date : 23rd May, 2009

For and on behalf of the Board

Amit D. Patel Director

Rahul A. Patel Director

Place : Ahmedabad
Date : 23rd May, 2009

PRISM FINANCE LIMITED

Regd. Office : 301, Iscon Mall, Above Star Bazar,
Satellite Road, Ahmedabad - 380 015.

15th Annual General Meeting

Thursday, the 24th September, 2009 at 11.00 a.m.

ATTENDANCE SLIP

Place : Registered Office of the Company at :
301, Iscon Mall, Above Star Bazar,
Satellite Road,
Ahmedabad - 380 015.

Signature of Member/ Proxy attending the meeting _____

Notes:

1. This meeting is only for members. Please, therefore, do not bring person in the meeting who is not a member.
2. Please bring this attendance slip duly signed and hand it over to the representative of the Company at the entrance of the meeting place.

PRISM FINANCE LIMITED

Regd. Office : 301, Iscon Mall, Above Star Bazar,
Satellite Road, Ahmedabad - 380 015.

FORM OF PROXY

I/We _____

of _____ in the district of _____

being member/s of the above named Company hereby appoint _____

of _____ in the district of _____

or failing him _____

of _____ in the district of _____

as my/our Proxy to attend and vote for me/us on my/our behalf at the 15th Annual General Meeting of the Company, to be held on Thursday, the 24th September, 2009 and at any adjournment thereof.

Signed the _____ day of _____ 2009.

Signature _____

Affix
Revenue
Stamp

N.B.: This Proxy must be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for holding the meeting.

**BOOK-POST
PRINTED MATTER**

To,

If undelivered, please return to :

PRISM FINANCE LIMITED

Regd. Office : 301, Iscon Mall,
Above Star Bazar,
Satellite Road, Ahmedabad - 380 015.