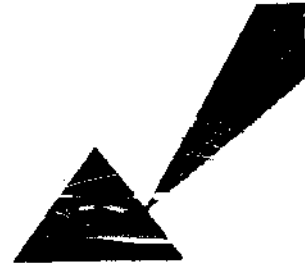


PRISM FINANCE LIMITED



CERTIFIED TRUE COPY

A handwritten signature in black ink, appearing to be a cursive name, positioned over a circular stamp.

DIRECTOR

**14TH
ANNUAL REPORT 2007-2008**

FOURTEENTH ANNUAL REPORT 2007-08

BOARD OF DIRECTORS

Mr. Pranay A. Patel	<i>Chairman</i>
Mr. Naresh P. Rawal	<i>Director</i>
Ms. Poonam P. Patel	<i>Director</i>
Ms. Deval R. Patel	<i>Director</i>
Mr. Kashyap R. Mehta	<i>Director</i>

BANKERS

Bank of Baroda
Ambawadi
Ahmedabad.

HDFC Bank Limited
Ahmedabad.

State Bank of India
Cuffe Parade Branch
Mumbai

COMPANY SECRETARY

Mr. Hitesh T. Mehta
Company Secretary

AUDITORS

M/s. Shah & Shah Associates,
Chartered Accountants,
Ahmedabad

**REGISTERED OFFICE
AND FACTORY**

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

NOTICE

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

Date : 13th September 2008
Day : Saturday
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, 2008 and the Balance Sheet as on that date along with Directors' Report thereon.
2. To appoint a Director in place of Mr. Pranay A. Patel, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Ms. Poonam P. Patel, who retires by rotation and, being eligible, offers herself for re-appointment.
4. 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.

Registered Office:

301, Iscon Mall,
Above Star Bazar,
Satellite Road,
Ahmedabad-380 015.
Date : 30th June, 2008.

By the Order of the Board,

Pranay A. Patel
Chairman

NOTES :

1. 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.
2. 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 2nd September, 2008 to Saturday, the 13th September, 2008 (both days inclusive).
3. 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.
4. 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, 2008.

By the Order of the Board,

Pranay A. Patel
Chairman

DIRECTORS' REPORT

Dear Shareholders,

The Directors present the FOURTEENTH ANNUAL REPORT together with the Audited Statement of Accounts for the Financial Year 2007-08 ended 31st March, 2008.

1. FINANCIAL RESULTS:

Particulars	(Rs.in Lacs)	
	2007-08	2006-07
Profit before Depreciation & Provision	45.88	80.04
Less: Depreciation	1.95	0.55
Profit after Depreciation	43.93	79.49
Less: Interest	0.12	-
Profit before Taxation	43.81	79.49
Less: Provision for FBT	0.43	0.07
Less: Provision for Taxation	5.32	9.00
Less: Provision for Deferred Taxation	3.74	-
Profit after Tax	34.32	70.42
Balance brought forward from previous year	152.07	81.65
Balance carried to Balance Sheet	186.39	152.07

2. DIVIDEND:

With a view 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 Total Income of the Company during the year under review was Rs. 61.39 lacs as compared to Rs. 94.68 lacs during 2006-07. The management is hopeful of better results in the year 2008-09.

The Company earned Profit before Depreciation and Interest of Rs. 45.88 lacs during the year under review compared to Rs. 80.04 lacs during 2006-07. The Net Profit during the year under review was Rs. 34.32 lacs compared to Net Profit of Rs. 70.42 lacs during 2006-07.

4. DIRECTORS:

Two of your Directors viz. Mr. Prany A. Patel and Ms. Poonam P. Patel retires by rotation in terms of the Articles of Association of the Company. They, however, being eligible offers themselves 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, 2008 being end of the Financial Year 2007-08 and the Profits 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. DEMATERIALIZATION 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).

PRISM FINANCE LIMITED

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 2008-09.

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, 2008, 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, 2008

Pranay A. Patel
Chairman

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 29 th September, 2007 (Y)/(N)
Pranay A. Patel Chairman	Non-Executive	1	-	8	Y
Poonam P. Patel	Non-executive	-	-	8	Y
Deval R. Patel	Non-executive	-	-	8	Y
Naresh P. Rawal	Independent Non-executive	-	-	8	Y
Kashyap R. Mehta	Independent Non-executive	5	Bisleri Gujarat Ltd. Gujarat Craft Ind. Ltd Typhoon Fin. Ser.Ltd Gopala Polyplast Ltd.	7	Y

* Private companies excluded.

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

Name of Director	Pranay A. Patel	Ms. Poonam P. Patel
Date of Birth	14-07-1964	06-11-1969
Date of Appointment	28-04-1994	03-01-2003
Expertise in specific functional areas	Management	-
List of Public Limited Companies in which Directorship held	Som Shive (Impex) Limited	-
Chairman/Member of the Committees of the Board of Directors of the Company	Share Transfer/ Investor Grievance Committee	Audit Committee, Share Transfer/Investor Grievance Committee
Chairman/Member of the Committees of Directors of other companies.	Nil	-

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 30-04-2007, 06-06-2007, 30-07-2007, 10-08-2007, 29-10-2007, 01-01-2008, 28-01-2008 and 25-02-2008.

PRISM FINANCE LIMITED

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 majority 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: 30-04-2007, 30-07-2007, 29-10-2007 and 28-01-2008.
Mr. Naresh P. Rawal			
Ms. Poonam P. Patel			

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. Pranay A. Patel, Chairman, Mr. Naresh P. Rawal and Ms. Poonam P. Patel, Directors are the Members of the Committee.

The Company has received Eight complaints during the year. There was no valid request for transfer of shares pending as on 31st March 2008.

Mr. Hitesh T. Mehta, Company Secretary 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
2004-05	29-09-2005	11.00 a.m.	1-2, 2 nd Floor, Fountain Place Complex, Nr. Mithakhali Six Roads, Navrangpura, Ahmedabad - 380 009.
2005-06	29-09-2006	11.00 a.m.	
2006-07	29-09-2007	11.00 a.m.	

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 2008, 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 : Saturday
Date : 13th September, 2008
Time : 11.00 a. m.
Venue : 301, Iscon Mall, Above Star Bazar,
Satellite Road, Ahmedabad - 380 015.

- c) Financial Calendar :
 1st Quarter Results : End-July, 2008.
 Half-yearly Results : End-October, 2008.
 3rd Quarter Results : End-January, 2009.
 Audited yearly Results : End-June, 2009.
- d) Book Closure Dates : From : Tuesday, The 2nd September, 2008
 To : Saturday, The 13th September, 2008.
 (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	45505
BSE	531735

- h) Stock Price Data :
 The shares of the Company have not been traded during the period from 1st April, 2007 to 31st March, 2008.

- 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, 2008:

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, 2008:

Category	No. of Shares held	% of Shareholding
Promoters	3013700	46.36
Financial Institutions/Banks	-	-
Mutual Fund	-	-
Bodies Corporate	537000	8.26
NRIs	232600	3.58
Public	2717000	41.80
Grand Total	6500300	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. Hitesh T. Mehta, Company Secretary

For and on behalf of the Board,

Place : Ahmedabad
Date : 30th June, 2008

Pranay A. Patel
Chairman

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, 2008 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 Shah & Shah Associates
Chartered Accountants

Date : 30th June, 2008
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 2007-08 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, 2008

Pranay A. Patel
Chairman

AUDITORS' REPORT

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

1. We have audited the attached Balance Sheet of M/s. M/S. PRISM FINANCE LIMITED, as at 31st March, 2008 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 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, 2007, 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, 2008.
 - (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, 2008

(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 is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) As per the explanation provided to us, the fixed assets have been physically verified by the management at the end of the year and no material discrepancies were noticed on such verification as compared to the above records has been found.
 - (c) During the year the company did not dispose off its substantial part of fixed assets.
2.
 - (a) According to the information and explanations given to us, the company has granted interest free unsecured loans to three companies and two other parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 2,77,00,483/- and the year-end balance of loans granted to such parties was Rs. 1,49,08,983/-.
 - (b) According to the information and explanations given to us, the company has taken interest free unsecured loan from a company and two other parties covered under section 301 of the Companies Act, 1956. The maximum amount involved during the year and year end balance was Rs. 86,43,500 and Rs. 74,68,500 respectively.
 - (c) According to the information and explanations given to us, the other terms and conditions of the interest free loans as stated in para (a) & (b) above are in our opinion, not prima facie prejudicial to the interest of the Company.
 - (d) The companies/party to whom the loans have been granted/taken as referred to in (a) & (b) above, the recovery/payment of principal amounts are regular as stipulated.
 - (e) There are no overdue amounts of more than rupees one lakh in respect of loans referred to in (a) above.
3. 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 for the purchase of fixed assets and sales of goods and services. During the course of audit, we have not observed any major weaknesses in the internal control system.
4.
 - (a) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements, that needed to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
 - (b) 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.
5. As explained to us, the Company has not accepted any deposits from the public during the year.
6. 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.
7. 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 Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other statutory dues have been regularly deposited with the appropriate authority.
 - (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, custom duty, excise duty and cess were in arrears, as at 31-03-2008 for a period of more than six months from the date they became payable is Nil.
8. The company's accumulated losses are not more than 50% of its net worth as at 31-03-2008. Further, the company has not incurred any cash losses during the financial year covered by our audit or in the immediately preceding financial year.

9. In our opinion and according to information and explanations given to us, the company has not defaulted in repayment of dues to banks.
10. 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.
11. In respect of dealing in shares and other investments, the company has 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.
12. According to information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions.
13. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that no funds raised on short term basis have been used for long term investments.
14. In our opinion and the information and explanation provided to us, no fraud on or by the company has been noticed or reported during the year.
15. Other clauses of the said order are not applicable to the company.

For Shah & Shah Associates
Chartered Accountants

Place : Ahmedabad
Dated : 30th June, 2008

(Sunil K. Dave)
Partner
Membership No. 047236

PRISM FINANCE LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2008

PARTICULARS	SCHEDULE	(Amount in Rs.)	
		As at 31-3-2008	As at 31-3-2007
SOURCES OF FUNDS :			
Shareholders' Funds			
Share Capital	1	65,003,000	65,003,000
Reserve & Surplus			
Profit & Loss Account		18,639,433	15,207,130
Loan Funds			
	2	7,468,500	1,625,000
Deferred Tax Liability (Net)		374,237	
Total Rs.		<u>91,485,170</u>	<u>81,835,130</u>
APPLICATION OF FUNDS :			
Fixed Assets			
Gross Block	3	9,174,162	2,415,614
Less: Depreciation		1,307,701	1,112,464
Net Block		7,866,461	1,303,150
Investments	4	58,727,606	52,904,743
Current Assets, Loans & Advances	5	27,979,972	28,791,801
Less : Current Liabilities & Provision	6	3,088,868	1,164,564
Net Current Assets		24,891,104	27,627,237
Total Rs.		<u>91,485,170</u>	<u>81,835,130</u>
Notes forming part of accounts	10		

CERTIFIED TRUE COPY


DIRECTOR

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

Sunil K. Dave
Partner

H. T. Mehta
Company Secretary

For and on behalf of the Board

Pranay A. Patel *Chairman*

Naresh P. Rawal *Director*

Place : Ahmedabad
Date : 30th June, 2008

Place : Ahmedabad
Date : 30th June, 2008

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2008

PARTICULARS	SCHEDULE	(Amount in Rs.)	
		For the year ended on 31-03-2008	For the year ended on 31-03-2007
A. INCOME			
From Lease & Hire Purchase		206,000	215,053
Interest		12,104	-
Other Income	7	5,921,337	9,253,176
Total Rs.		<u>6,139,440</u>	<u>9,468,229</u>
B. EXPENDITURE			
Employment Cost	8	124,256	137,550
Operating & Administrative Expenses	9	1,439,661	1,326,148
Depreciation		195,237	55,421
		<u>1,758,154</u>	<u>1,519,119</u>
Profit / (Loss) Before Tax		4,381,295	7,949,110
Less : Provision for Taxation			
(i) Current Tax		531,755	900,000
(ii) For Deferred Tax		374,237	-
(iii) For Fringe Benefit Tax		43,000	6,679
		<u>948,992</u>	<u>906,679</u>
Profit After Tax		3,432,303	7,042,431
Add : Balance Brought Forward from Earlier Year		15,207,130	8,164,699
Balance Carried to Balance Sheet		<u>18,639,433</u>	<u>15,207,130</u>

Notes forming part of accounts

10

CERTIFIED TRUE COPY

DIRECTOR

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

Sunil K. Dave
Partner

H. T. Mehta
Company Secretary

For and on behalf of the Board

Pranay A. Patel Chairman

Naresh P. Rawal Director

Place : Ahmedabad
Date : 30th June, 2008

Place : Ahmedabad
Date : 30th June, 2008

SCHEDULES FORMING PART OF THE ACCOUNTS

Particulars	(Amount in Rs.)	
	As at 31-03-2008	As at 31-03-2007
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>5,668,500</u>	1,625,000
From Shareholders	<u>1,800,000</u>	-
Total Rs.	<u>7,468,500</u>	<u>1,625,000</u>

SCHEDULE - 3 : FIXED ASSETS

(Rupees)

Particulars	GROSS BLOCK (At Cost)				DEPRECIATION			NET BLOCK		
	As on 1/4/2007	Addition during the year	Sales/ Adjustment	As on 31/3/2008	Upto 1/4/2007	For the year	Sales/ Adjust- ment	Upto 31-3-2008	As on 31-3-2008	As on 31-3-2007
Building	1078716	33548	-	1112264	128093	17968	-	146061	966203	950623
Furniture & Fixture	247037	-	-	247037	152007	15637	-	167644	79393	95030
Data Processing Equipment	886269	-	-	886269	717247	143664	-	860911	25358	169022
Office Equipments	176237	-	-	176237	95073	8371	-	103444	72793	81164
Vehicle	27355	-	-	27355	20044	2599	-	22643	4712	7311
Motor Car	-	6725000	-	6725000	-	6998	-	6998	6718002	-
Total	2415615	6758548	-	9174162	1112464	195237	-	1307701	7866461	1303150
Previous Year	5282464	209871	3076721	2415614	1194622	55421	137579	1112464	1303150	

Particulars	As at 31-03-2008		As at 31-03-2007	
	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				
Aditya Birla	-	-	904	904426
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	697	397228
Bharat Heavy Ele. Ltd.	693	187495	512	360055
Bharat Petroleum	611	245112	-	-
Bisleri Gujarat	25000	35249	50000	70500
Blue Information Ltd.	3000	303945	3000	303945
Century Textiles	1510	1189865	1500	993060
Case Ltd.	496	279050	-	-
Chemox Securities Ltd.	100	6519	100	6519
Container Corp.	116	184611	-	-
Datapro Infotech Ltd.	1000	15412	1000	15412
Deep Industries	12600	1943621	-	-
Divis Lab Ltd.	675	401213	169	502256
Electra India Ltd.	200	5740	200	5740
Exide Industries	-	-	22000	976550
Financial Techno	160	412405	-	-
Gammon India	472	258181	-	-
Geometric Software Ltd.	-	-	7395	545559
Global Tele-system Ltd.	450	282192	450	282192
GMR Infrastructure	2500	435563	-	-
Gujarat Containers Ltd.	1000	19000	1000	19000
Gujarat Narmada Fertilizer	788	118503	-	-
Gujarat NRE	27500	341700	65000	3581605
Henkel India	-	-	20000	618601
Hindustan Petroleum	906	260287	-	-
ICICI Bank Ltd.	1482	1384816	1080	965448
IDFC	722	116343	-	-
Indian Hotels Co.	-	-	3294	385383
Infosys Tech	-	-	484	707244
Integrated Rubian Exports Ltd.	6000	11700	6000	11701
Jagran Prakashan	12500	439488	6000	1464982
Jaiprakash Hydro	-	-	50000	1507700
Jayanti Business Machines Ltd.	2018	70630	2018	70630
JBF Industries	4919	765278	-	-
Jindal Online	58350	104999	58350	104999
JMD Alloys Ltd.	9500	95000	9500	95000
Jupiter Biotech	-	-	3500	420490
Kaashyap Technologies	100000	514077	-	-
Kalptaru Power Transformer	689	1072756	-	-
Kay Pulp & Paper Ltd.	12500	82131	12500	82131
Kedia Infotech	211209	278033	211209	278032
Kirlosker Ferrous	48000	2338005	15000	584350

PRISM FINANCE LIMITED

Particulars	As at 31-03-2008		As at 31-03-2007	
	No. of Shares	Rupees	No. of Shares	Rupees
Kirloskar Oil Ltd.	-	-	4895	214848
Krishna Plasto Chem Ltd.	35600	1148529	35600	1148527
Malvika Steels Ltd.	3500	25920	3500	25920
Manglam Cement	5355	1063111	5580	1115187
Marico Ltd.	2288	142650	-	-
Max India Ltd.	1255	295430	-	-
Mcdowell Holding	240	-	-	-
Meghmani Organic	79000	1886203	-	-
Modi Alkalies & Chemicals Ltd.	150	3750	150	3750
Mundra Port	500	431617	-	-
Nagarjuna Fertilizers	-	-	10000	126500
Navin Bharat Venture	4339	788771	-	-
Network 18 Finance	845	329113	-	-
NIIT Ltd.	1631	221663	-	-
Octagon Technologies Ltd.	1000	39064	1000	39064
Opto Circuit	5109	560247	3961	867140
Paramount Commu	10000	351102	-	-
Parsvnath Developers	-	-	2000	555060
Pentamedia Graphics	40000	266620	30000	206200
Pentasoft Techno	199999	630568	-	-
Polylink Polymer Ltd.	100	523	100	523
Prithvi Infotech	-	-	2233	874266
Radhe Developers	59000	2858034	34000	695630
Rajasthan Spinning & West Mills	-	-	1045	137538
Rallies India Ltd.	617	241606	-	-
Reliance Communication	2292	1344918	-	-
Reliance Ind	694	525005	859	601860
Sagar Cement	-	-	2500	403475
Satelite Engineering Ltd.	24300	209296	24300	209296
Serene Industries Ltd.	10000	69535	10000	69535
Sesa Goa	340	1024997	-	-
Shilp Gravus	2550	252639	-	-
Shiv Vani Oil	-	-	3075	604793
Shryans Resources	1500	400395	2000	533860
Silver Animation	1000	-	-	-
Silverline Technologies	2500	405000	25000	405000
Singh Alloys Ltd.	5000	73200	5000	73200
Softrak Technologies Ltd.	20000	15200	20000	15200
Square-D Biotech Ltd.	4250	590647	4250	590646
Srei Infrastructure	10000	589113	20000	1241799
Standard Surfactant Ltd.	1900	89078	1900	89078
Subhash Projects	-	-	3000	585393
Sumeru Industries	5552	17131	-	-
Surana Tele	-	-	5000	161659
Tata Motors Ltd.	581	450003	-	-
Tata Tea	457	388151	-	-
Teesta Agro Industries Ltd.	2000	24500	2000	24500
Teledata Marine	2500	83745	-	-
Teledata Technology	2500	83745	-	-
Thermax Ltd.	1935	106737	2795	151578
TV 18 India Ltd.	469	225257	-	-
Uniliv Foods Ltd.	21500	283710	21500	283710
United Spirits	1200	66621	1200	66622
UP Hotels	700	120120	1000	171600

ANNUAL REPORT 2007-2008

Particulars	As at 31-03-2008		As at 31-03-2007	
	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	1324	727662
Wyeth Lederle Ltd.	-	-	207	138214
Zee TV	-	-	780	173168
Total (i)		<u>35785130</u>		<u>30513610</u>
(ii) In Fully paid Mutual Fund				
Principal Cash Management	61500.063	970833	42895.231	628023
Kotak Weekly Dividend	9081.400	91043	-	-
Birla Cash Retails Growth	7177.466	117491	-	-
Total (ii)		<u>1179366</u>		<u>628023</u>
Total (i) + (ii)		<u>36964496</u>		<u>31141633</u>
Total (A)		<u>36964496</u>		<u>31141633</u>
(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)		<u>21700500</u>		<u>21700500</u>
Total (II)		<u>58664996</u>		<u>52842133</u>
Total (I) & (II)		<u>58727606</u>		<u>52904743</u>

Notes :

	As at 31-3-08	As at 31-3-07
	Rs. in lacs	Rs. in lacs
(a) Aggregate Cost of Quoted Investments	369.64	311.42
(b) Aggregate Market Value of Quoted Investments	331.60	315.87
(c) Aggregate Cost of Unquoted Investments	217.63	217.63

DURING THE YEAR THE FOLLOWING SHARES WERE PURCHASED AND SOLD

Name of the Company	2007-2008		2006-2007	
	Face Value	Quantity	Face Value	Quantity
Purchase of Shares				
Adani Enterprise	-	-	10	3000
Aditya Birla	-	-	10	904
Amar Remedies	-	-	10	10000
Ansal Buildwell	-	-	10	4500
Arvind Mills	-	-	10	6400
Arvind Products	-	-	10	17020
Banco Products	-	-	10	849
Bharat Heavy Electronics	2	436	-	-
Bharat Petroleum	10	611	-	-
Bil Power	-	-	10	2000
Bisleri Gujarat	-	-	1	50000
Century Textile & Industries	10	1510	10	1500
CESC Ltd.	10	496	-	-
Container Corp	10	116	10	36
Deep Industries	10	12600	-	-
Dish TV India	10	6000	-	-

PRISM FINANCE LIMITED

Name of the Company	2007-2008		2006-2007	
	Face Value	Quantity	Face Value	Quantity
Divi's Lab	-	-	2	169
Exide Industries	-	-	2	22000
Financial Technologies	2	160	-	-
Gammon India	2	472	-	-
Geojet Finance	-	-	10	3000
Geometric Softwares Ltd.	-	-	10	5000
GMR Infrastructure	2	2500	-	-
Gujarat Alkalies & Chem	-	-	10	10000
Gujarat Narmada Fertilizer	10	788	-	-
Gujarat NER Cooke	-	-	10	52500
Henkel India	-	-	10	20000
Hero Honda	-	-	10	379
Himachal Futuristic	10	25000	-	-
Hindalco India	-	-	10	2000
Hindustan Construction	2	2500	-	-
Hindustan Petroleum	10	906	-	-
IDFC	10	722	-	-
ICICI Bank	10	402	10	1080
IL & FS Investment	10	2000	-	-
Infosys Technologies Ltd.	-	-	2	318
IPCL	-	-	10	1399
ITC Ltd.	-	-	10	500
Jagran Prakashan Ltd.	-	-	10	1000
Jaiprakash Hydro	-	-	10	50000
JBF Industries	10	4919	-	-
Jindal Online	-	-	10	58350
Jupiter Bioscience Ltd.	-	-	10	5000
K Sera Production	10	10000	-	-
Kalpatru Power Transformers	10	689	-	-
Kedia Infotech Ltd.	-	-	10	192000
Kirlosker Ferrous	5	33000	10	15000
Lanxess ABS	-	-	10	2500
Mahendra Gesco	10	1000	-	-
Manglam Cement	-	-	10	5580
Marico Ltd.	1	12288	-	-
Markshan Pharma	-	-	10	6160
Max India Ltd.	2	1255	-	-
Modowell Holding	10	240	-	-
Meghmani Organic	10	89000	-	-
MTNL	-	-	10	5908
Mundra Port	10	1000	-	-
Nagarjuna Fertilizers	-	-	10	25000
Narmada Chematur	-	-	10	15000
National Aluminium	-	-	10	5000
NB Venture	10	4339	-	-
Network 18 Fincap	5	845	-	-
NIIT	2	1631	-	-
Opto Circuit	10	1703	10	4230
Paper Products	-	-	10	490
Paramount Communication	2	15000	-	-
Parsvnath Developers	-	-	10	2000
Penta Soft Technologies	2	199999	-	-
Pentamedia Graphics	10	10000	10	30000
Prithvi Infotech	-	-	10	2233
Radhe Developers	10	25000	10	34000

ANNUAL REPORT 2007-2008

Name of the Company	2007-2008		2006-2007	
	Face Value	Quantity	Face Value	Quantity
Rallis India Ltd.	10	617	-	-
Reliance Communication	5	2292	-	7065
Reliance Ind.	-	-	-	2398
Ruchi Infrastructure	-	-	-	712
Sagar Cement	-	-	10	2500
Sesa Goa	5	563	-	-
Sharys Resources	-	-	10	2000
Shilp Gravus	10	2550	-	-
Shiv Vani Oil	-	-	10	4000
Shriram AMC	10	15284	-	-
Silverline Animation	10	1000	-	-
Silverline Technologies	10	2500	10	25000
Srei Infrastructure	-	-	10	5000
Subhash Projects	-	-	10	3000
Sumeru Industries	10	5552	-	-
Tata Motors	2	581	-	-
Tata Tea	10	457	-	-
Tata Television	10	5000	-	-
Teledata Info	10	5000	-	-
Teledata Marine	5	2500	-	-
Teledata Technologies Solutions	5	2500	-	-
Thirumalia Chemicals	10	2110	-	-
Tube Investment	-	-	5	2000
TV 18 India Ltd.	10	469	-	-
UP Hotels	-	-	10	1000
Varun Shipping	10	10000	10	10000
Venkys India Ltd.	10	1000	-	-
Videsh Sanchar Nigam	10	755	-	-
Virinchi Communication	2	8000	-	-
Vishal Retails	10	1254	-	-
Voltamp	-	-	10	1821
Zee TV	-	-	10	780
Sale of Shares				
Adani Enterprise	-	-	10	3000
Aditya Birla	10	904	-	-
Amar Remedies	-	-	10	59500
Arvind Mills Ltd.	-	-	10	6400
Banco Products Ltd.	-	-	10	3849
Bharat Electronic	2	237	10	200
Bharat Forge	-	-	2	2555
Bharat Heavy Elect.	2	255	10	319
Bilpower	-	-	10	12000
Bislery Gujarat	10	25000	-	-
Cadilla Healthcare	-	-	10	1000
Century Textiles	10	1500	-	-
Contain Corp	-	-	10	36
Dish TV	10	6000	-	-
Divi's Lab	2	34	10	134
Eveready Ind	-	-	10	2500
Exide Industries	2	22000	-	-
Geojit Finance	-	-	10	3000
Geometric Software	10	7395	10	5000
GTL Infrastructure	-	-	10	450
Gujarat Alkalies	-	-	10	13000
Gujarat NRE Coke	2	37500	-	-

PRISM FINANCE LIMITED

Name of the Company	2007-2008		2006-2007	
	Face Value	Quantity	Face Value	Quantity
Gujarat State Petro	-	-	10	20000
Henkel India	10	20000	-	-
Hero Honda	-	-	10	379
Himachal Futuristic	2	25000	-	-
Hindustan Const.	-	-	2	11740
Hindalco Industries	-	-	10	2000
Hindustan Const.	2	2500	-	-
I Flex Solution Ltd.	-	-	10	552
ICICI Bank	-	-	10	951
IL & FS Investment	10	2000	-	-
Indian Hotels	2	3294	2	286
Infosys Technologies	2	484	-	-
IPCL	-	-	10	1470
ITC Ltd.	-	-	10	500
Jagran Prakashan	2	6000	-	-
Jayprakash Hydro	10	50000	-	-
Jupiter Bioscience	10	3500	10	1500
K Sera Production	10	10000	-	-
Kerala Ayurvade	-	-	10	1268
Kirloskar Oil	2	4895	-	-
Lanxes ABS	-	-	10	2500
Larsen & Tubro	-	-	10	170
Mahavir Spinning	-	-	10	5000
Mahindra Gesco	10	1000	-	-
Manglam Cement	10	225	-	-
Marico Ltd.	10	10000	-	-
Markshan Pharma	-	-	10	6160
Mcdowell	-	-	10	300
Mcleod Russel	-	-	10	2500
Meghmani Organic	10	10000	-	-
MTNL	-	-	10	10676
Mundra Port	10	500	-	-
Nagarjuna Fertilizers	10	10000	10	15000
Narmada Chematur	-	-	10	15000
National Aluminium	-	-	10	5000
Opto Circuit	10	555	10	269
Paper Products	-	-	10	490
Paramount Communications	2	5000	2	40000
Parsvnath Developers	10	2000	-	-
Prithvi Infotech	10	2233	-	-
Rajasthan S & W Mills	10	1045	10	1080
Reliance Communication	-	-	10	7427
Reliance Industries	5	165	5	2136
Rico Auto	-	-	10	2870
Riga Sugars	-	-	10	20000
Ruchi Infrastructure	-	-	10	712
Ruchi Soya	-	-	10	3132
Sagar Cements Ltd.	10	2500	-	-
Sesa Goa	10	223	-	-
Sharyans Resources	10	500	-	-
Shriram AMC	10	15284	-	-
Shiv Vani Oil	10	3075	10	5925
Southern Petrochem	-	-	10	10000
SREI Infrastructure	10	10000	-	-
Subhash Project & Mkt	2	3000	-	-

Name of the Company	2007-2008		2006-2007	
	Face Value	Quantity	Face Value	Quantity
Surana Tele	5	5000	-	-
Synergy Logine	-	-	10	400
Tata Teleservices	10	5000	-	-
Tele Data Infotech	10	5000	-	-
Thermax Ltd.	2	860	-	-
Thirumalai Chemicals	10	2110	-	-
Trident Alco	-	-	10	8000
Tube Investment	-	-	2	2000
Union Bank of India	-	-	10	3865
UP Hotels	10	300	-	-
Varun Shipping	10	10000	10	10000
Venkys India	10	1000	-	-
Videocon Communication	-	-	10	1000
Virinchi Technologies	10	8000	-	-
Voltamp	10	377	10	497
Wyeth Lederle Ltd.	10	207	10	740
Zee TV	1	780	-	-
Purchase of Mutual Fund				
Principal Cash Magnum Fund	10	634273	10	469194
Kotak Weekly Dividend	10	505562	-	-
Birlacash Plus Retail Growth	10	98812	10	129971
Sale of Mutual Fund				
Principal Cash Magnum Fund	10	615668	10	495574
Kotak Weekly Dividend	10	496480	-	-
Birlacash Plus Retail Growth	10	91634	10	129971

(Amount in Rs.)

Particulars	As at	
	31-03-2008	31-03-2007
SCHEDULE - 5 : CURRENT ASSETS, LOANS & ADVANCES		
(a) CURRENT ASSETS :		
i. Stock on Hire	742,945	1,347,981
ii. Debtors (Unsecured, Considered good)		
Outstanding for a period exceeding six months	523,836	374,437
Others	284,772	815,266
	808,608	1,189,703
Less : Provision for NPA	445,024	445,024
	363,584	744,679
iii. Cash & Bank Balance		
Cash on hand	21,667	325,717
Balance with Banks :		
In Current Accounts	1,262,020	105,900
	1,283,687	431,617
(b) LOANS & ADVANCES (Unsecured, considered good)		
i. Loan Given (including Inter Corporate Deposits & Interest receivable thereon)	24,128,983	25,922,983
ii. Advances recoverable in cash or kind or for value to be received	1,460,773	344,541
	25,589,756	26,267,524
	27,979,972	28,791,801

PRISM FINANCE LIMITED

Particulars	(Amount in Rs.)	
	As at 31-03-2008	As at 31-03-2007
SCHEDULE - 6 : CURRENT LIABILITIES		
CURRENT LIABILITIES :		
Sundry Creditors	2,654,049	159,663
Security Deposit	69,000	69,000
Provision for Taxation (Net)	365,819	935,901
Total Rs.	<u>3,088,868</u>	<u>1,164,564</u>
	2008	2007
	(Amount in Rs.)	(Amount in Rs.)
SCHEDULE - 7 : OTHER INCOME		
Dividend Income	337,302	376,110
Profit on Sale of Shares / Mutual Fund	5,117,912	8,516,264
Profit in Trading of Share/Derivatives (Net)	280,123	-
Rent Income	186,000	180,358
Profit on Sale of Assets	-	150,858
Brokerage Commission	-	29,586
	<u>5,921,337</u>	<u>9,253,176</u>
SCHEDULE - 8 : EMPLOYMENT COST		
Salary & Wages	99,152	116,030
Medical Expenses	12,180	10,760
Books & Periodical	11,924	10,760
	<u>123,256</u>	<u>137,550</u>
SCHEDULE - 9 : OPERATING & OTHER EXPENSES		
Insurance Expenses	39,833	-
Electricity Expenses	-	1,420
Telephone & Fax Expenses	7,195	4,601
Office Expenses	-	4,500
Legal & Professional Expenses	203,805	21,756
Repairs & Maintenance	110,040	77,525
Filing Fees	3,000	14,500
Listing Fees	35,600	35,600
Municipal Tax	-	13,224
Vehicle Expenses	-	1,895
Interest Expenses	107,207	29,820
Portfolio Management Fees	616,420	360,976
Advertisement Expenses	3,519	17,874
Previous Year Expenses	-	90,724
Travelling Expenses	166,246	65,659
General Expenses	146,751	219,986
Loss on Trading of Shares (Net)	-	366,088
	<u>1,439,661</u>	<u>1,326,148</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 instalments 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. 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 31.03.2008 arising on account of timing difference in respect of.

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

3. 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, 2008 are given below

A. Relationship

1. Subsidiaries

Opel Securities Ltd.

2. Associates of the Company

a) Akshar Construction

b) Akshar Developer

c) Akshar Estate Pvt. Ltd.

d) Mas Chemical Industries Pvt. Ltd.

- e) Som Shive (Impex) Ltd.
- f) Spectratek Industries
- g) Samurai Holding Pvt. Ltd.

3. Key Management Personals/Relatives .

- a) Shri Pranay A. Patel - Director
- b) Shri Prashun P. Amin - Director
- c) Shri Naresh P. Raval - Director
- d) Shri Rahul A. Patel
- e) Shri Arunprasad P. 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 Recovered	11000000	-	-
2. Loan Given	10000000	-	-
3. Loan Taken	-	4760000	2100000
4. Loan Repaid	-	9547500	300000
5. Interest Income on H.P.	-	137272	-
Amount outstanding as at 31-3-08			
1. Outstanding receivables	4455000	5179500	-
2. Outstanding Loans/Advances	-	-	18000000
3. Bills Discounted	-	-19029	-

4. Contingent Liability : NIL

5. The legal and Professional charges includes payment to auditors as under :

	<u>2007-2008</u>	<u>2006-2007</u>
Audit Fees	20000	10000
Other Services	-	5000
Total	20000	15000

6. There is no current indebtedness to small scale industrial undertaking, therefore the question of disclosure of information relating to such undertakings as require under Schedule-VI part of the Companies Act, 1956 does not arise.

7. There are no other particulars required to be given under part II of Schedule VI of the Companies Act, 1956.

8. 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, 2008		

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	914.85	Total Assets	914.85
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Source of Funds

Paid-up Capital	650.03	Reserve & Surplus	186.39
Secured Loans	-	Unsecured Loans	74.68

Application of Funds

Net Fixed Assets	78.66	Investments	587.28
Net Current Assets	248.91	Misc. Expenditure	Nil
Accumulated Losses	Nil		

4. Performance of Company (Rs. in Lacs)

Turnover	61.39	Total Expenditure	17.58
Profit Before Tax	43.81	Profit After Tax	34.32
Earning per Share (Rs.)	0.53	Dividend Rate (%)	N.A.

5. Generic Name of Principal Product of Company

Item Code No.	: N.A.
Products Description	: Finance, Share Trading, 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

H. T. Mehta
Company Secretary

For and on behalf of the Board

Pranay A. Patel *Chairman*

Naresh P. Rawal *Director*

Place : Ahmedabad
Date : 30th June, 2008

Place : Ahmedabad
Date : 30th June, 2008

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2008

(Amount in Rs.)

	2007-2008	2006-2007
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax & Extra-ordinary Items	4381295	7949110
Adjustments for :-		
- Provision for Non-Performing Assets	-	-
- Provision for Diminuation of Investment	-	-
- Depreciation	195237	55421
- Interest	-	-
- Preliminary Expenses written off	-	-
- Public Issue Exp. W/off	-	-
- (Profit)/Loss on Sale of Shares	(5398035)	(8516264)
- (Profit)/Loss on Sale of Assets	-	(150858)
	(5202798)	(8611701)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	(821503)	(662591)
Adjustment for :-		
- Stock on Hire	(605036)	(968761)
- Debtors	381097	(71899)
- Loans & Advances	677768	(6221346)
- Current Liabilities & Provisions	2494386	(875542)
	4158287	(8137548)
CASH GENERATED FROM OPERATIONS	3336784	(8800139)
- Interest Paid	-	-
- Direct Tax Paid	1144838	(255657)
	1144838	(255657)
NET CASH FROM OPERATING ACTIVITIES (A)	2191946	(9055796)
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase/sale of Fixed Assets (Net)	(6758548)	2880129
Advances for Capital Goods	-	-
Purchase/Sale of Investments (Net)	(5822863)	(2530223)
(Loss) / Profit on Sale of Shares	5398035	8516264
NET CASH FLOW FROM INVESTMENT ACTIVITIES (B)	(7183376)	8866170
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Share Capital	-	-
Application Money Received	-	-
Unsecured Loans	5843500	(175000)
Increase in Bank Borrowing	-	-
NET CASH FLOW FROM FINANCING ACTIVITIES (C)	5843500	(175000)
NET DECREASE IN CASH & CASH EQUIVALENTS (A+B+C)	852070	(364626)
Cash & Cash equivalents as at 1st April, 2007	431617	796243
Cash & Cash equivalents as at 31st March, 2008	1283687	431617

For and on behalf of the Board

Place : Ahmedabad
Date : 30th June, 2008H. T. Mehta
Company SecretaryPranay A. Patel
ChairmanNaresh P. Rawal
Director

OPEL SECURITIES PRIVATE LIMITED

ANNUAL REPORT 2007-08

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, 501, "Aniket", Nr. Municipal Market, C. G. Road, Ahmedabad - 380 009.
BANKERS	:	Vijya Bank

NOTICE

NOTICE is hereby given that the **THIRTEENTH ANNUAL GENERAL MEETING** of the members of the company will be held on Tuesday, the 30th September, 2008 at 11.30 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, 2008 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 Amit D. 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 and to fix their remuneration.

Registered Office:
"Mangalam"
B/h. Apang Manav Mandal,
Dr. V. S. Road,
Ahmedabad-380 015.
Date : 5th August, 2008.

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 THIRTEENTH ANNUAL REPORT together with the Audited Statement of Accounts for the year ended 31st March, 2008.

FINANCIAL RESULTS

During the year the Company has earned gross income from dividend to the tune of Rs. 15.87 Lacs and after charging all the expenses there comes a profit of Rs. 15.46 Lacs. 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, 2008, 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 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, 2008 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 2008-2009.

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 : 5th August, 2008

Chairman

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, 2008 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 standandards 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 suppoting 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 cqmments 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, 2008 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, 2008 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, 2008; and
 - (b) In the case of Profit & Loss Account, of the Profit for the ear ended on that date.

For Shah & Shah Associates
Chartered Accountants

Place : Ahmedabad
Dated : 5th August, 2008

(Sunil K. Dave)
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. 87,91,12,000/- and the year end balance of such loan was Rs. 87,81,12,000/-. 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, 2008 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) The Company has no accumulated losses and has not incurred any cash loss during the financial year covered by our audit or in the immediately 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 has maintained proper records for the purchase of shares 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.
- (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 : 5th August, 2008

(Sunil K. Dave)
Partner
Membership No. 30102

BALANCE SHEET AS AT 31ST MARCH, 2008

PARTICULARS	SCHEDULE	(Amount in Rs.)	
		As at 31-3-2008	As at 31-3-2007
SOURCES OF FUNDS :			
Share Capital	1	17,502,000	17,502,000
Share Application (Pending Allotment)		675,000	675,000
Reserve & Surplus	2	13,808,093	12,262,210
Unsecured Loans	3	878,112,000	20,510,000
Total		<u>910,097,093</u>	<u>50,949,210</u>
APPLICATION OF FUNDS :			
Investments	4	884,262,641	34,101,761
Current Assets, Loans & Advances	5	25,842,954	16,856,429
Less : Current Liabilities & Provisions	6	8,502	8,979
Net Current Assets		<u>25,834,452</u>	<u>16,847,450</u>
Total		<u>910,097,093</u>	<u>50,949,210</u>
Notes on Accounts	7		

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

Sunil K. Dave
Partner
Mem. No. 30102

Place : Ahmedabad
Date : 5th August, 2008

For and on behalf of the Board

Amit D. Patel *Director*
Rahul A. Patel *Director*

Place : Ahmedabad
Date : 5th August, 2008

OPEL SECURITIES PRIVATE LIMITED**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2008**

PARTICULARS	(Amount in Rs.)	
	Year ended on 31-03-2008	Year ended on 31-03-2007
INCOME		
Dividend Income	1,587,384	1,197,240
Total	<u>1,587,384</u>	<u>1,197,240</u>
EXPENDITURE		
Legal & Professional Charges	37,416	20,861
General Charges	4,085	3,080
Total	<u>41,501</u>	<u>23,941</u>
Profit before Tax	1,545,883	1,173,299
Provision for Taxation	-	-
Profit After Tax	<u>1,545,883</u>	<u>1,173,299</u>
Balance Brought Forward from Previous Year	4,762,210	3,588,911
Balance transferred to Balance Sheet	<u>6,308,093</u>	<u>4,762,210</u>

Notes on accounts - Schedule - 7

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

Sunil K. Dave
Partner
Mem. No. 30102

Place : Ahmedabad
Date : 5th August, 2008

For and on behalf of the Board

Arnit D. Patel Director
Rahul A. Patel Director

Place : Ahmedabad
Date : 5th August, 2008

SCHEDULES FORMING PART OF THE ACCOUNTS

Particulars	(Amount in Rs.)	
	As at 31-03-2008	As at 31-03-2007
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	4,762,210
Total	<u>13,808,093</u>	<u>12,262,210</u>
SCHEDULE - 3 : UNSECURED LOANS		
From Companies	878,112,000	20,510,000
Total	<u>878,112,000</u>	<u>20,510,000</u>
SCHEDULE - 4 : LONG TERM INVESTMENTS		
(1) QUOTED (AT COST)		
2997525 Equity Shares (Last Year 1653525 Shares) of Sintex Industries Ltd. of Rs. 2/- each fully paid up	645,272,321	34,101,761
(2) UNQUOTED INVESTMENT (AT COST)		
Advance towards 39,12,000 warrants of Sintex Industries Limited (See Note 10)	238,990,320	-
Total	<u>884,262,641</u>	<u>34,101,761</u>
Aggregate Value of Quoted Investments At Cost Price	645,272,321	34,101,761
At market price	1,063,222,118	347,488,279
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	10,086,954	1,100,429
Total (a)	<u>10,087,954</u>	<u>1,101,429</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>25,842,954</u>	<u>16,856,429</u>

OPEL SECURITIES PRIVATE LIMITED

Particulars	(Amount in Rs.)	
	As at 31-03-2008	As at 31-03-2007
SCHEDULE - 6 : CURRENT LIABILITIES & PROVISIONS		
CURRENT LIABILITIES :		
Unpaid Expenses	8,502	8,979
Total	<u>8,502</u>	<u>8,979</u>

SCHEDULE FORMING PART OF ACCOUNTS

SCHEDULE - 7 : NOTES OF ACCOUNTS

(1) Significant Accounting Policies:

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

	2007-2008	2006-2007
a) For Audit Fees	8,989	8,979
b) For Taxation Matters	28,427	6,734
c) Out of Pocket Expenses	-	-
d) Service Tax	-	-
e) Others	-	714
	<u>37,416</u>	<u>16,427</u>

4. AS-18 Related Party Disclosures

A. 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

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	10,000,000
			Deposit Given Back	11,000,000
2.	Sintex Ind. Ltd.	Associates	Deposit Taken	-
3.	Som Shiva Impex Ltd.	Associates	Deposit Given	-
4.	Mas Chemical Ind. P. Ltd.	Associates	Deposit Given	-
5.	BVM Finance P. Ltd.	Associates	Deposit Taken	850,102,000
			Deposit Given Back	1,500,000
6.	Star Line Leasings Ltd.	Associates	Deposit Taken	10,000,000

5. There are no creditors in respect of Small Scale Industrial as at the end of the year.
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. There are no other particulars required to be shown as per requirements of part II of Schedule VI of the Companies Act, 1956.
10. The Company has made advanced payments @10% to Sintex Industries Limited towards 52,56,000 Preferential warrants of Rs. 2/- each at a premium of Rs. 452.74/- which was issued on 18th January, 2008 with an option to convert each warrants into an equity share of at any time within 18 month from the date of allotment. Out of which Company has exercise the option to convert 13,44,000 warrants into equivalent equity share of Sintex Industries Ltd.

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, 2008		

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	910097	Total Assets	910097
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Source of Funds

Paid-up Capital	17502	Share Application Money	675
Reserve and Surplus	13808		
Secured Loans	NIL	Unsecured Loans	878112

Application of Funds

Net Fixed Assets	NIL	Investments	884263
Net Current Assets	25834	Misc. Expenditure	NIL
Accumulated Losses	NIL		

4. Performance of Company (Rs. in Thousand)

Turnover	1587	Total Expenditure	42
Profit/Loss Before Tax	1546	Profit/Loss After Tax	1546
Earning per Share in Rs.	0.88	Dividend Rate (%)	N.A.

5. Generic Name of Principal Product of Company

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

CERTIFIED TRUE COPY


DIRECTOR

Signature to Schedules 1 to 7

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

Sunil K. Dave
Partner
Mem. No. 30102

Place : Ahmedabad
Date : 5th August, 2008

For and on behalf of the Board

Amit D. Patel Director
Rahul A. Patel Director

Place : Ahmedabad
Date : 5th August, 2008

PRISM FINANCE LIMITED

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

14th Annual General Meeting

Saturday, the 13th September, 2008 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 14th Annual General Meeting of the Company, to be held on Saturday, the 13th September, 2008 and at any adjournment thereof.

Signed the _____ day of _____ 2008.

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.

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