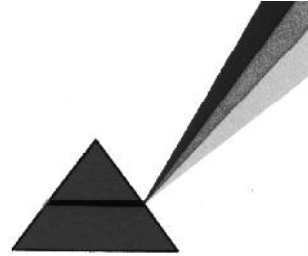


**PRISM FINANCE LIMITED**



**17<sup>TH</sup>  
ANNUAL REPORT 2010-2011**

**SEVENTEENTH ANNUAL REPORT 2010-11**

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

**BANKERS** : **HDFC Bank Limited**  
Ahmedabad

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

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

## ANNUAL REPORT 2010-2011

Dear Members,

As you know, the Ministry of Corporate Affairs has undertaken a 'Green Initiative in Corporate Governance' by allowing paperless compliances by companies through electronic mode, vide its Circular Nos. 17/2011 & 18/2011 dated 21<sup>st</sup> April, 2011 and 29<sup>th</sup> April, 2011, respectively.

Your Company proposes to deliver electronically various communication/documents such as Notice of General Meeting, Annual Reports, Postal Ballot documents and such other necessary communication/ documents from time to time to the Members, who have provided their email address to their Depository Participant (DP). Members holding shares in physical form and who are desirous of receiving the communication/documents in electronic form, are required to inform their email address to the Registrar and Transfer Agent of the Company.

Email addresses as registered in your respective DP accounts in the records of the Depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) which will be periodically downloaded, will be deemed to be your registered email address for serving the necessary communication/documents. Thus, the necessary communication would be sent in electronic form to the registered email address. Members, who wish to inform any updations/changes of their email address, are requested to promptly update the same with their DP/the Registrar and Transfer Agent of the Company, as the case may be, from time to time.

As a member of the Company, you will be furnished, free of cost, a printed copy of the Annual Report of the Company, upon receipt of the requisition from you.

We request you to support this initiative and opt for the electronic mode of communication by submitting your email address to your DP or to the Company, as the case may be, in the interest of the environment.



Save Environment Save U'r self

GO GREEN !

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## PRISM FINANCE LIMITED

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### NOTICE

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

Date : 29<sup>th</sup> September, 2011  
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 31<sup>st</sup> March, 2011 and the Balance Sheet as on that date along with Directors' Report thereon.
2. To appoint a Director in place of Ms. Anal R. Desai, who retires by rotation and, being eligible, offers herself 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.

**Registered Office:**  
301, Iscon Mall,  
Above Star Bazar,  
Satellite Road,  
Ahmedabad-380 015.  
Date : 27<sup>th</sup> July, 2011

By the Order of the Board,

**Kashyap R. Mehta**  
*Director*

#### 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 Wednesday, the 21<sup>st</sup> September, 2011 to Thursday, the 29<sup>th</sup> September, 2011 (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 : 27<sup>th</sup> July, 2011

By the Order of the Board,

**Kashyap R. Mehta**  
*Director*

---

**DIRECTORS' REPORT**

Dear Shareholders,

The Directors present the SEVENTEENTH ANNUAL REPORT together with the Audited Statement of Accounts for the Financial Year 2010-11 ended 31<sup>st</sup> March, 2011.

**1. FINANCIAL RESULTS:**

Particulars	(Rs.in Lacs)	
	2010-11	2009-10
Profit before Depreciation	33.21	9.01
Less: Depreciation	6.83	6.82
Profit before Taxation	26.38	2.19
Less: Provision for Taxation	4.30	-
Add : Deferred Tax (Asset)	-	(5.27)
Profit after Tax	22.08	7.46
Balance brought forward from previous year	146.88	139.42
Balance carried to Balance Sheet	168.96	146.88

**2. DIVIDEND:**

With a view to conserve the resources for the working capital requirement of the Company, the Board of Directors have not recommend any dividend on the Equity Shares for the year under review.

**3. OPERATIONS:**

The Company earned Profit before Depreciation of Rs. 33.21 lacs during the year under review compared to Profit of Rs. 9.01 lacs during 2009-10. After providing for Depreciation and for Deferred Tax, the Net Profit during the year under review was Rs. 22.08 lacs compared to Net Profit of Rs. 7.46 lacs during 2009-10.

**4. DIRECTORS:**

One of your Directors viz. Ms. Anal R. Desai retires by rotation in terms of the Articles of Association of the Company. She, however, being eligible offers herself 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 31<sup>st</sup> March, 2011 being end of the Financial Year 2010-11 and the Profit 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.

## PRISM FINANCE LIMITED

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### 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 2011-12.

### 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. The notes and remarks in the Auditors' Report and notes on accounts are self explanatory.

#### 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 M/s. Opel Securities Private Limited, together with the reports of the Directors' and Auditors' for the year ended on 31<sup>st</sup> March, 2011, 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 : 27<sup>th</sup> July, 2011

**Kashyap R. Mehta**      **Anal R. Desai**  
*Director*                      *Director*

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**REPORT ON CORPORATE GOVERNANCE**


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**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 22 <sup>nd</sup> September, 2010 (Y)/(N)
Naresh P. Raval	Independent Non-Executive	-	-	6	Y
Kashyap R. Mehta	Independent Non-executive	3	Gujarat Craft Ind. Ltd Typhoon Fin. Ser.Ltd Som Shiva (Impex) Ltd.	6	Y
Anal R. Desai	Independent Non-executive	-	-	6	Y

\* Private companies excluded.

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

Name of Director	Ms. Anal R. Desai
Date of Birth	03-02-1979
Date of Appointment	30-03-2009
Expertise in specific functional areas	Corporate Laws & Administration
List of Public Limited Companies in which Directorship held	-
Chairman/Member of the Committees of the Board of Directors of the Company	Audit Committee & Share holders' / Investors' Grievances Committee
Chairman/Member of the Committees of Directors of other companies.	-

**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 10-04-2010, 29-05-2010, 06-08-2010, 13-11-2010, 27-11-2010 and 14-02-2011.

## PRISM FINANCE LIMITED

### 3. AUDIT COMMITTEE:

The Audit Committee consists of the following Directors:

Name of the Directors	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: 29-05-2010, 06-08-2010, 13-11-2010 and 14-02-2011.
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 three complaints during the year. There was no valid request for transfer of shares pending as on 31<sup>st</sup> March 2011.

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
2007-08	13-09-2008	11.00 a.m.	301, Iscon Mall,
2008-09	24-09-2009	11.00 a.m.	Above Star Bazar, Satellite Road,
2009-10	22-09-2010	11.00 a.m.	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 31<sup>st</sup> March 2011, 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 : 29<sup>th</sup> September, 2011  
Time : 11.00 a. m.  
Venue : 301, Iscon Mall, Above Star Bazar, Satellite Road, Ahmedabad – 380 015.



## ANNUAL REPORT 2010-2011

- c) Financial Calendar :
- 1st Quarter Results : 1<sup>st</sup> / 2<sup>nd</sup> week - August, 2011.
- Half-yearly Results : 1<sup>st</sup> / 2<sup>nd</sup> week - November, 2011.
- 3rd Quarter Results : 1<sup>st</sup> / 2<sup>nd</sup> week - February, 2012.
- Audited yearly Results : End - May, 2012.
- d) Book Closure Dates : From : Wednesday The 21<sup>st</sup> September, 2011  
To : Thursday The 29<sup>th</sup> September, 2010.  
(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 : 

<b>Stock Exchange</b>	<b>Code</b>
ASE	45565
BSE	531735
- h) Stock Price Data :  
The Shares of the Company have not been traded during the period from 1<sup>st</sup> April, 2010 to 31<sup>st</sup> March, 2011 hence no information is submitted.
- 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 31<sup>st</sup> March, 2011:

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

## PRISM FINANCE LIMITED

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l) Category of Shareholders as on 31<sup>st</sup> March, 2011:

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 : 27<sup>th</sup> July, 2011

**Kashyap R. Mehta**      **Anal R. Desai**  
*Director*                      *Director*

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**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 31<sup>st</sup> March, 2011 as stipulated in clause 49 of the listing agreement of the said Company with stock exchanges in India. We have conducted over review on the basis of relevant records and documents maintained by the Company for the year ended 31<sup>st</sup> March, 2011 and furnished to us for the purpose of the review and the information and explanation given to us by the Company during the course of review.

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 required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that no investor grievances is pending for period exceeding one month against the Company as per the records maintained by the Company.

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**  
**FRN: 113742W**  
Chartered Accountants

Date : 27<sup>th</sup> July, 2011  
Place : Ahmedabad

**Sunil K. Dave**  
Partner  
**Membership No. 047236**

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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. Segment wise 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 2010-11 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 : 27<sup>th</sup> July, 2011

**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 31<sup>st</sup> March, 2011 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 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 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 31<sup>st</sup> March, 2011, 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 31<sup>st</sup> March, 2011.
  - (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**  
**Firm Reg. No. 113742W**  
*Chartered Accountants*

Place : Ahmedabad  
Dated : 27<sup>th</sup> July, 2011

**(Sunil K. Dave)**  
*Partner*  
Membership No. 047236

## PRISM FINANCE LIMITED

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### 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. According to information and explanations given to us, the company has not granted or taken secured/unsecured loan to or from any parties covered in the register maintained under Section 301 of the Companies Act, 1956. Consequently, the provisions of paragraph 4(iii)(g) of the order are not applicable.
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.
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.

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- (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, 2011 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 31-03-2011. 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**  
**Firm Reg. No. 113742W**  
*Chartered Accountants*

Place : Ahmedabad  
Dated : 27<sup>th</sup> July, 2011

**(Sunil K. Dave)**  
*Partner*  
Membership No. 047236

**PRISM FINANCE LIMITED****BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2011**

PARTICULARS	SCHEDULE	(Amount in Rs.)	
		As at 31-03-2011	As at 31-03-2010
<b>SOURCES OF FUNDS :</b>			
<b>Shareholders' Funds</b>			
Share Capital	1	<u>65,003,000</u>	<u>65,003,000</u>
<b>Reserve &amp; Surplus</b>			
Profit & Loss Account		<u>16,896,249</u>	<u>14,687,858</u>
<b>Loan Funds</b>			
Deferred Tax Liability (Net)	2	<u>-</u>	<u>-</u>
Total Rs.		<u><u>90,317,749</u></u>	<u><u>86,059,358</u></u>
 <b>APPLICATION OF FUNDS :</b>			
<b>Fixed Assets</b>			
Gross Block	3	<u>9,207,262</u>	<u>9,174,162</u>
Less: Depreciation		<u>3,355,777</u>	<u>2,673,071</u>
Net Block		<u>5,851,485</u>	<u>6,501,091</u>
Investments	4	<u>55,148,600</u>	<u>49,459,757</u>
Current Assets, Loans & Advances	5	<u>29,587,651</u>	<u>30,436,577</u>
Less : Current Liabilities & Provision	6	<u>269,987</u>	<u>338,068</u>
Net Current Assets		<u>29,317,664</u>	<u>30,098,510</u>
Total		<u><u>90,317,749</u></u>	<u><u>86,059,358</u></u>
Notes forming part of accounts	10		

As per our Report of even date attached herewith  
For **Shah & Shah Associates**  
**Firm Reg. No. 113742W**  
*Chartered Accountants*

**Sunil K. Dave**  
*Partner*  
Membership No. 047236

Place : Ahmedabad  
Date : 27<sup>th</sup> July, 2011

For and on behalf of the Board

**Anal Desai**                      *Director*  
**Kashyap Mehta**                *Director*

Place : Ahmedabad  
Date : 27<sup>th</sup> July, 2011



**ANNUAL REPORT 2010-2011**

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2011**

PARTICULARS	SCHEDULE	(Amount in Rs.)	
		For the year ended on 31-03-2011	For the year ended on 31-03-2010
<b>A. INCOME</b>			
From Lease & Hire Purchase		-	8,869
Interest		<b>570,458</b>	110,538
Other Income	7	<b>3,539,512</b>	1,632,705
Total		<b><u>4,109,970</u></b>	<b><u>1,752,112</u></b>
<b>B. EXPENDITURE</b>			
Employment Cost	8	<b>167,500</b>	189,250
Operating & Administrative Expenses	9	<b>621,373</b>	662,343
Depreciation		<b>682,706</b>	681,758
		<b><u>1,471,579</u></b>	<b><u>1,533,351</u></b>
<b>Profit / (Loss) Before Provision</b>		<b>2,638,391</b>	218,761
(Add) / Less : Provision for Taxation			
(i) For Current Tax		<b>430,000</b>	-
(ii) For Deferred Tax		-	(527,397)
(iii) For Fringe Benefit Tax		-	-
Total		<b><u>430,000</u></b>	<b><u>(527,397)</u></b>
<b>Profit After Tax</b>		<b>2,208,391</b>	746,158
Add : Balance Brought Forward from Earlier Year		<b>14,687,858</b>	13,941,700
<b>Balance Carried to Balance Sheet</b>		<b><u>16,896,249</u></b>	<b><u>14,687,858</u></b>
Earning per Shares		<b>0.34</b>	0.11
Notes forming part of accounts	10		

As per our Report of even date attached herewith  
 For **Shah & Shah Associates**  
**Firm Reg. No. 113742W**  
 Chartered Accountants

**Sunil K. Dave**  
 Partner  
 Membership No. 047236

Place : Ahmedabad  
 Date : 27<sup>th</sup> July, 2011

For and on behalf of the Board

**Anal Desai**                      *Director*  
**Kashyap Mehta**                *Director*

Place : Ahmedabad  
 Date : 27<sup>th</sup> July, 2011

**PRISM FINANCE LIMITED**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011**

(Amount in Rs.)

	2010-2011	2009-2010
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax & Extra-ordinary Items	2,638,391	218,761
<b>Adjustments for :-</b>		
- Provision for Non-Performing Assets	-	-
- Provision for Diminuation of Investment	-	-
- Depreciation	682,706	681,758
- Interest	-	-
- Preliminary Expenses written off	-	-
- Public Issue Exp. W/off	-	-
- (Profit)/Loss on Sale of Shares	(2,652,996)	(249,115)
- (Profit)/Loss on Sale of Assets	-	-
	<u>(1,970,290)</u>	<u>432,643</u>
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>668,101</b>	<b>651,404</b>
<b>Adjustment for :-</b>		
- Stock on Hire	-	207,452
- Debtors	207,495	(2,323,041)
- Loans & Advances	1,213,286	998,399
- Current Liabilities & Provisions	(98,910)	(642,666)
	<u>1,321,871</u>	<u>(1,759,856)</u>
<b>CASH GENERATED FROM OPERATIONS</b>	<b>1,989,972</b>	<b>(1,108,452)</b>
- Income Tax Paid	399,170	47,362
	<u>399,170</u>	<u>47,362</u>
<b>NET CASH FROM OPERATING ACTIVITIES (A)</b>	<b>1,590,802</b>	<b>(1,155,814)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase/Sale of Fixed Assets (Net)	(33,100)	-
Advances for Capital Goods	-	-
Purchase/Sale of Investments (Net)	(5,688,843)	(526,288)
(Loss) / Profit on Sale of Shares	2,652,996	249,115
<b>NET CASH FLOW FROM INVESTMENT ACTIVITIES (B)</b>	<b>(3,068,947)</b>	<b>(277,173)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Share Capital	-	-
Application Money Received	-	-
Unsecured Loans	2,050,000	1,400,000
Increase in Bank Borrowing	-	-
<b>NET CASH FLOW FROM FINANCING ACTIVITIES (C)</b>	<b>2,050,000</b>	<b>1,400,000</b>
<b>NET DECREASE IN CASH &amp; CASH EQUIVALENTS (A+B+C)</b>	<b>571,856</b>	<b>(32,987)</b>
Cash & Cash equivalents as at 1st April, 2010	<u>180,275</u>	<u>213,264</u>
Cash & Cash equivalents as at 31st March, 2011	<u>752,130</u>	<u>180,275</u>

As per our Report of even date attached herewith

For **Shah & Shah Associates**

**Firm Reg. No. 113742W**

*Chartered Accountants*

**Sunil K. Dave**

*Partner*

Membership No. 047236

Place : Ahmedabad

Date : 27<sup>th</sup> July, 2011

For and on behalf of the Board

**Anal Desai**

*Director*

**Kashyap Mehta**

*Director*

Place : Ahmedabad

Date : 27<sup>th</sup> July, 2011

**ANNUAL REPORT 2010-2011**

**SCHEDULES FORMING PART OF THE ACCOUNTS**

Particulars	(Amount in Rs.)	
	As at 31-03-2011	As at 31-03-2010
<b>SCHEDULE - 1 : SHARE CAPITAL</b>		
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 Companies	<u>6,668,500</u>	5,968,500
From Members	<u>1,750,000</u>	400,000
Total Rs.	<u>8,418,500</u>	<u>6,368,500</u>

**SCHEDULE - 3 : FIXED ASSETS**

(Rupees)

Particulars	GROSS BLOCK (At Cost)			DEPRECIATION			NET BLOCK			
	As on 01-04-2010	Addition during the year	Sales/ Adjustment	As on 31-03-2011	Upto 131-03-2010	For the year	Sales/ Adjust- ment	Upto 31-03-2011	As on 31-03-2011	As on 31-03-2010
Building	1112264	-	-	1112264	182321	18130	-	200451	911813	929943
Furniture & Fixture	247037	-	-	247037	198918	15637	-	214555	32482	48119
Data Processing Equipment	886269	-	-	886269	860911	-	-	860911	25358	25358
Office Equipments	176237	33100	-	209337	120186	9319	-	129505	79,832	56051
Vehicle	27355	-	-	27355	25987	745	-	26732	623	1368
Motor Car	6725000	-	-	6725000	1284748	638875	-	1923623	4801377	5440252
Total	9174162	33100	-	9207262	2673071	682706	-	3355777	5851485	6501091
Previous Year	9174162	-	-	9174162	1991313	681758	-	2673071	6501091	

## PRISM FINANCE LIMITED

Particulars	As at 31-03-2011		As at 31-03-2010	
	No. of Shares	Rupees	No. of Shares	Rupees
<b>SCHEDULE - 4 : INVESTMENT</b>				
(I) UNQUOTED				
<b>In Fully paid Equity Shares</b>				
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)				
<b>(i) In Fully paid Equity Shares</b>				
Adani Power	3000	404675	-	-
Aditya Birla Nova	-	-	194	173277
Alexcon Extrusions Ltd.	200	3578	200	3578
Alps Infosys Ltd.	4500	180000	4500	180000
Anil Product	1000	203733	-	-
Ansal Buildwell	4500	622280	4500	622280
Anusha International Ltd.	2700	27000	2700	27000
Aptech Ltd.	1000	158121	-	-
Assam Company	4332	101691	-	-
Bajaj Auto	406	603381	-	-
Bharat Heavy Ele. Ltd.	295	-	347	-
Bharti Airtel	-	-	2636	1076600
Blue Information Ltd.	3000	303945	3000	303945
Cals Refinery	300000	187173	300000	187173
Cese Ltd.	-	-	455	149888
Chemox Securities Ltd.	100	6519	100	6519
Coal India	1853	581325	-	-
Coromandal Engineering	500	136704	-	-
Cosmo Films	12000	1781361	-	-
Datapro Infotech Ltd.	1000	15412	1000	15412
Deep Industries	-	-	10900	1691923
Divis Lab Ltd.	800	232100	1138	452451
DLF	-	-	888	329470
Electra India Ltd.	200	5740	200	5740
Escort	28	5345	528	58310
Essar Oil	-	-	1316	188049
Exide Industries	2710	397922	-	-
Global Tele-system Ltd.	-	-	450	282192
GMDC	-	-	863	87364
Godrej Industries	737	117666	737	117666
Govind Rubber	6500	132104	-	-
Gujarat Containers Ltd.	1000	19000	1000	19000
Gujarat Narmada Fertilizer	-	-	276	41157
Gujarat NRE	24500	341700	24500	341700
Gujarat NRE Coke Class B	2450	-	-	-
HDFC Bank Shares	371	675759	336	599902
Hindustan Vidyut	1300	552500	-	-
Housing Development Finance	1142	332403	281	406870
ICICI Bank Ltd.	-	-	32	25120
Indo Asian Fuse	51	4338	-	-
Infosys Tech	272	424588	229	276086
Integrated Rubian Exports Ltd.	6000	11700	6000	11700
IOC	-	-	500	145347
ITC Ltd.	4197	456991	1844	385202
Jayanti Business Machines Ltd.	2018	70630	2018	70630
JBF Industries	-	-	2298	170609
Jindal Online	58350	104999	58350	104999

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Particulars	As at 31-03-2011		As at 31-03-2010	
	No. of Shares	Rupees	No. of Shares	Rupees
JMD Alloys Ltd.	9500	95000	9500	95000
Kaashyap Technologies	116666	514070	116666	514070
Kay Pulp & Paper Ltd.	12500	82131	12500	82131
Kedia Infotech	211209	278032	211209	278032
Kirlosker Ferrous	-	-	48000	695872
Krishna Plasto Chem Ltd.	35600	1148527	35600	1148527
Larsen & Tubro	206	323705	252	220045
Malvika Steels Ltd.	3500	25920	3500	25920
Maruti Udyog	-	-	253	348907
Mcdowell Holding	240	-	240	-
Mercator Lines	-	-	3212	184625
Meghmani Organic	79000	791838	79000	791838
Modi Alkalies & Chemicals Ltd.	150	3750	150	3750
MOIL	17	6056	-	-
Mundra Port	-	-	1000	331199
Nagarjuna Construction	2500	393781	-	-
Navin Bharat Venture	-	-	1420	256431
Network 18 Finance	-	-	1831	435206
NTPC	-	-	1486	338712
Octagon Technologies Ltd.	1000	39064	1000	39064
ONGC	-	-	158	175838
Opto Circuit	3231	125553	3506	-
Original Agroster Ltd.	4250	590646	4250	590646
Pantaloon Retail	-	-	508	153450
Paramount Commu	10000	351102	10000	351102
Pentamedia Graphics	79999	897188	79999	897188
Polylink Polymer Ltd.	100	523	100	523
PTC India	-	-	1684	174237
Radhe Developers	549440	3475107	434440	3165819
Ranbaxi Labs	-	-	54	26218
RECL Ltd.	-	-	2846	591621
Reliance Ind	548	94192	914	375745
Satelite Engineering Ltd.	24300	209296	24300	209296
Serene Industries Ltd.	10000	69535	10000	69535
Shanti Gears	7000	532966	7000	532966
Shilp Gravus	7294	486645	7294	486645
Silver Animation	1000	-	1000	-
Silverline Technologies	2500	405000	2500	405000
Singh Alloys Ltd.	5000	73200	5000	73200
Softrak Technologies Ltd.	20000	15200	20000	15200
South Indian Corp	5000	501301	-	-
Srei Infrastructure	10000	589113	10000	589113
Standard Surfactant Ltd.	1900	89078	1900	89078
State Bank of India	197	337011	264	461073
Sterlite Industries	-	-	797	459035
Sumeru Industries	5552	17131	5552	17131
Sun Pharma	1807	451709	444	511693
Suzlon Energy	-	-	3340	212531
Tala Steel	883	585760	-	-
TCS	470	292696	510	317617
Teesta Agro Industries Ltd.	2000	24500	2000	24500
Teledata Marine	2500	83745	2500	83745
Teledata Technology	2500	83745	2500	83745

## PRISM FINANCE LIMITED

Particulars	As at 31-03-2011		As at 31-03-2010	
	No. of Shares	Rupees	No. of Shares	Rupees
The Orissa Mineral Development	50	1175000	-	-
Torrent Power	-	-	1992	639313
Triveni Engineering	-	-	1687	195475
Tube Investment	22800	2081687	-	-
Uniliv Foods Ltd.	21500	283710	21500	283710
United Spirits	-	-	108	94732
UP Hotels	598	102617	598	102617
Vadilal Dairy Industries Ltd.	6200	88015	6200	88015
Varun Shipping	56379	2282548	-	-
Windsor Machinery	9300	864764	-	-
Yes Bank	1371	413932	-	-
Total (i)	1808769	30578478	1638580	26893845
<b>(iii) In Fully paid Mutual Fund</b>				
Principal Cash Management	186509	2807012	3306	58210
Kotak Weekly Dividend	-	-	49607	744592
Total (ii)	186509	2807012	52913	802802
Total (i) & (ii)		<u>33385490</u>		<u>27696647</u>
<b>(B) Unquoted :</b>				
In Fully paid Equity Shares of Rs. 10/- each				
(i) In Subsidiary Company				
Opel Securities 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>55085990</u>		<u>49397147</u>
Total (I) & (II)		<u>55148600</u>		<u>49459756</u>
Notes :				
			<b>31-03-2011</b>	<b>31-03-2010</b>
			<b>Rs. in lacs</b>	<b>Rs. in lacs</b>
(a) Aggregate Cost of Quoted Investments			333.85	276.97
(b) Aggregate Market Value of Quoted Investments			291.93	268.94
(c) Aggregate Cost of Unquoted Investments			217.63	217.63

### DURING THE YEAR THE FOLLOWING SHARES WERE PURCHASED AND SOLD

Name of the Company	2010-2011		2009-2010	
	Face Value	Quantity	Face Value	Quantity
<b>Purchase of Shares &amp; Other Additions :</b>				
Adani Enterprise	1	721	-	-
Adani Power	10	3000	-	-
Aditya Birla Nova	-	-	10	194
ANG Industries	10	5000	-	-
Anil Product	10	1000	-	-
Aptech Ltd.	10	1000	-	-
Assam Company	1	4332	-	-
Bajaj Auto	10	406	-	-
Bharat Petroleum	10	715	-	-
Bharati Airtel	-	-	5	2636
Binani Cement	10	12808	-	-
Cairn India	-	-	10	11
Cals Reffinaries	-	-	5	300000
CESC Ltd.	-	-	10	455

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Name of the Company	2010-2011		2009-2010	
	Face Value	Quantity	Face Value	Quantity
Coal India	10	2352	-	-
Coromandal Engineering	10	500	-	-
Cosmo Films	10	12000	-	-
Divi's Lab	-	-	2	733
DLF	-	-	10	888
Edelweiss Capital	1	671	-	-
Escot	10	28	10	759
Essar Oil	-	-	10	1316
Exide Industries	1	2710	-	-
GAIL	-	-	10	91
Gayatri Project	10	2233	-	-
Godrej Industries	-	-	10	737
Govind Rubber	10	6500	-	-
Gujarat Mineral	-	-	10	1598
Gujarat NRE Coke Class B	10	2450	-	-
HDFC Bank	2	46	10	336
Housing Development Finance - Split	2	1405	-	-
Hero Honda	2	210	-	-
Hindalco	-	-	1	934
Hindustan Petroleum Corporation	10	272	-	-
Hindustan Vidyut Product	10	1300	-	-
IDFC	-	-	10	825
ICICI Bank	-	-	10	660
Indiabulls Real Estates	-	-	10	1129
Indo Asian Fuse	10	51	-	-
Infosys Technologies Ltd.	5	43	-	-
IOC	-	-	10	500
ITC Ltd.	1	2746	1	2627
Kirlosker Ferrous	5	10000	-	-
Larsen & Tubro	2	159	2	63
Madhucon Project	1	10400	-	-
Maruti Udyog	5	110	5	253
Mercator Lines	-	-	1	3212
MOIL	10	17	-	-
Nagarjuna Consturction	2	2500	-	-
Network 18 Fincap	-	-	10	750
NTPC	-	-	10	1486
ONGC	-	-	10	158
Opto Circuit	10	469	-	-
Orchid	-	-	10	1064
Pantaloon Retails	-	-	2	508
PTC India	-	-	10	1684
Radhe Developers	1	115000	-	-
RECL Ltd.	-	-	10	2846
Reliance Capital	-	-	10	103
Reliance Communication	5	5000	-	-
Reliance Industries	10	69	5	539
South Indian Corp	10	5000	-	-
Southern Petrochemicals	10	40000	-	-
SREI Infrastructure (Bonus)	10	8000	-	-
State Bank of India	-	-	10	315
Sun Pharma	1	200	5	130
Sun Pharma - Split	1	1820	-	-
Suzlon Energy	-	-	2	1098
Tata Consultancy Services	-	-	1	510

## PRISM FINANCE LIMITED

Name of the Company	2010-2011		2009-2010	
	Face Value	Quantity	Face Value	Quantity
Tata Motors	10	278	-	-
Tata Motors DVR	10	377	-	-
Tata Steels	10	883	-	-
The Orissa Minerals Development	10	50	-	-
Torrent Power	-	-	10	1992
Triveni enggi	-	-	1	1687
Tube Investment	2	22800	-	-
United Spirit	-	-	10	170
Varun Shipping	10	56379	-	-
Windsor Machinery	10	9300	-	-
Yes Bank	10	1371	-	-
<b>Total</b>		<b>354681</b>		<b>334997</b>
<b>Sales of Shares &amp; Other Deductions :</b>				
Bisleri Guj Ltd.	-	-	1	22000
Adani Enterprise	1	721	-	-
Aditya Birla	10	194	-	-
Ang Industries	10	5000	-	-
Bharat Heavy Elect.	10	52	-	-
Bharat Petroleum	10	715	-	-
Bharti Airtel	5	2636	5	81
Binani Cement	10	12808	-	-
Cairn India	-	-	10	802
Cese Ltd.	10	455	-	-
Coal India	10	499	-	-
Deep Industries	10	10900	10	-
Divi's Lab	2	338	-	-
DLF	2	888	-	-
Edelweiss Capital	1	671	-	-
EKC	-	-	2	2703
Escort	10	528	10	231
Essar Oil	10	1316	-	-
GAIL	-	-	10	91
Gayatri Project	10	2233	-	-
Global Tele	10	450	-	-
GMDC	2	863	2	735
GMR Infra	-	-	1	2500
Gujarat Narmada Fertilizers	10	276	10	496
HDFC	2	11	10	43
Hero Hondal	2	210	-	-
Hindalco	-	-	1	934
Hindustan Petroleum Cor	10	272	-	-
Housing Development Finance	2	263	-	-
Housing Development Finance - Split	10	281	-	-
ICICI Bank	10	32	10	2175
IDFC	-	-	10	2942
India Bulls Real Estate	-	-	2	1129
Indian Oil Corporation	10	500	-	-
Infosys Technologies	-	-	2	22
ITC	1	393	1	1565
JBF Industries	10	2298	10	5584
Kirloskar Ferro	2	58000	-	-
L&T	2	205	2	131
Madhucon Project	1	10400	-	-
Maruti Udyog	5	363	-	-



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Name of the Company	2010-2011		2009-2010	
	Face Value	Quantity	Face Value	Quantity
Mercator Lines	1	3212	-	-
Mundra Port	2	1000	2	800
NB Venture	2	1420	10	1639
Network 18 Media & Investment	5	1831	-	-
NTPC	10	1486	-	-
ONGC	5	158	-	-
Opto Circuit	10	744	10	593
Orchid	-	-	10	1064
Pentaloon Retails	2	508	-	-
PTC India	10	1684	-	-
Radhe Development	-	-	-	-
Rallis India	-	-	10	328
Ranbaxy Labs	5	54	-	-
REC Ltd	10	2846	-	-
Reliance Capital	-	-	10	358
Reliance Communication	5	5000	-	-
Reliance Industries	10	435	10	97
Sesa Goa	-	-	10	97
Southern Petro Chemicals	10	40000	-	-
State Bank of India	10	67	10	88
Sterlite Industries	1	797	1	47
Sun Pharma	1	293	-	-
Sun Pharma - Split	5	364	-	-
Sun TV	-	-	5	2337
Suzlon Energy	2	3340	2	4242
Tata Motors	10	278	-	-
Tata Motors DVR	10	377	-	-
Tata Power	-	-	10	39
TCS	1	40	-	-
Torrent Power	10	1992	-	-
Triveni Engineering	1	1687	-	-
United Spirits	10	108	10	62
Voltamp	-	-	10	947
Total		<u>184492</u>		<u>56902</u>
<b>Purchase of Mutual Fund</b>				
Principal Cash Magnum Fund	10	508502	10	160571
Kotak Weekly Dividend	10	265	10	212971
Birlacash Plus Retail Growth	-	-	-	-
Total		<u>508767</u>		<u>373542</u>
<b>Sale of Mutual Fund</b>				
Principal Cash Magnum Fund	10	325300	10	223974
Kotak Weekly Dividend	10	49871	10	300461
TOTAL		<u>375171</u>		<u>524435</u>

## PRISM FINANCE LIMITED

Particulars	(Amount in Rs.)	
	As at 31-03-2011	As at 31-03-2010
<b>SCHEDULE - 5 : CURRENT ASSETS, LOANS &amp; ADVANCES</b>		
(a) CURRENT ASSETS :		
i. Debtors (Unsecured, Considered good)	-	-
Outstanding for a period exceeding six months	-	-
Others	<u>3,528,461</u>	<u>3,735,956</u>
	<u>3,528,461</u>	<u>3,735,956</u>
Less : Provision for NPA	<u>-</u>	<u>-</u>
	<u>3,528,461</u>	<u>3,735,956</u>
ii. Cash & Bank Balance		
Cash on hand	<u>405,167</u>	<u>37,167</u>
Balance with Banks :		
- In Current Accounts	<u>346,963</u>	<u>143,108</u>
	<u>752,130</u>	<u>180,275</u>
(b) LOANS & ADVANCES (Unsecured, considered good)		
i. Loan Given (including Inter Corporate Deposits)	<u>23,862,090</u>	<u>26,162,090</u>
ii. Advances recoverable in cash or kind or for value to be received	<u>1,444,971</u>	<u>358,257</u>
	<u>25,307,060</u>	<u>26,520,346</u>
	<u>29,587,651</u>	<u>30,436,577</u>
<b>SCHEDULE - 6 : CURRENT LIABILITIES</b>		
CURRENT LIABILITIES :		
Sundry Creditors	<u>96,482</u>	<u>195,393</u>
Security Deposit	<u>69,000</u>	<u>69,000</u>
Provision for Taxation (Net)	<u>104,405</u>	<u>73,675</u>
Total Rs.	<u>269,987</u>	<u>338,068</u>
	2011	2010
	(Amount in Rs.)	(Amount in Rs.)
<b>SCHEDULE - 7 : OTHER INCOME</b>		
Dividend Income	<u>336,928</u>	<u>304,188</u>
Profit on Sale of Shares / Mutual Fund	<u>2652996</u>	<u>249,115</u>
Profit in Trading of Share/Derivatives (Net)	<u>(183,560)</u>	<u>-</u>
Rent Income (Gross)	<u>332,948</u>	<u>234,178</u>
Other Income	<u>-</u>	<u>-</u>
Excess Provision for NPA written back	<u>-</u>	<u>445,024</u>
Car Charges	<u>400,200</u>	<u>400,200</u>
	<u>3,539,512</u>	<u>1,632,705</u>
<b>SCHEDULE - 8 : EMPLOYMENT COST</b>		
Salary & Wages	<u>141,650</u>	<u>157,650</u>
Medical Expenses	<u>12,925</u>	<u>15,800</u>
Books & Periodical	<u>12,925</u>	<u>15,800</u>
	<u>167500</u>	<u>189,250</u>
<b>SCHEDULE - 9 : OPERATING &amp; OTHER EXPENSES</b>		
Advertisement Expenses	<u>1,530</u>	<u>1,530</u>
Demate Charges	<u>16,544</u>	<u>18,369</u>
Filing Fees	<u>1,000</u>	<u>5,500</u>
Insurance Expenses	<u>46,976</u>	<u>87,321</u>
Interest Expenses	<u>19,777</u>	<u>-</u>
Legal & Professional Expenses	<u>106,000</u>	<u>114,353</u>
Listing Fees	<u>35,000</u>	<u>40,380</u>
Portfolio Management Fees	<u>366,050</u>	<u>325,701</u>
Repairs & Maintenance	<u>3,309</u>	<u>42,870</u>
Telephone & Fax Expenses	<u>1,657</u>	<u>5,725</u>
General Expenses	<u>23,530</u>	<u>20,594</u>
	<u>621,373</u>	<u>662,343</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.

2. Contingent Liability : NIL

3. The legal and Professional charges includes payment to Auditors as under :

	Year	Year
	<u>2010-2011</u>	<u>2009-2010</u>
Audit Fees	40000	37550
Other Services	-	-
Total	<u>40000</u>	<u>37550</u>

4. Balances under the head of unsecured loans, current assets, loans and advances, current liabilities, few bank balances 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 :-

## PRISM FINANCE LIMITED

The break up Net deferred tax liability as at 31.03.2011 arising on account of timing difference in respect of.

Particulars	As at 31-03-2011	As at 31-03-2010
<b>Deferred Tax Liability</b>		
Depreciation	1,166,096	975,376
<b>Deferred Tax Assets</b>		
Unabsorbed Business Loss & depreciation to the extent of Deferred tax liabilities	1,166,096	975,376
Deferred Tax Liability (Net)	NIL	NIL

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, 2011 are given below

(Note : Related party relationship and transactions thereof are as certified by the company and called up on by the auditors as such.)

A. Relationship

1. Subsidiaries
  - Opel Securities Ltd.
2. Associates of the Company
  - a) Samurai Holding Pvt. Ltd.
  - b) Som Shive (Impex) Ltd.
  - c) Spectratek Industries
3. Key Management Personals/Relatives/Individuals
  - a) Shri Naresh P. Raval - Director
  - b) Smt. Anal Desai - Director
  - c) Shri Kashyap Mehta - Director

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	-	13744844 (11485800)	- (5604866)
2. Loan Recovered	-	14752183 (3622856)	- (6800000)
3. Loan Obtained	-	700000 (1500000)	- -
4. Loan Repaid	-	- (500000)	- -
5. Interest Income on H.P.	-	- (8869)	- -
6. Bill discounting Income	-	570458 (110538)	- -
7. Professional Charges	-	-	62545 (61,477)
<b>Amount outstanding as at 31-03-2011</b>			
1. Outstanding Loans/Advances	4455000 (4455000)	6562389 (22098994)	- (4866)
2. Outstanding of Loan obtained	-	700000 (5968500)	- (400000)
3. Investment	11500500 (11500500)	- -	- -
4. Creditors for Exps.	-	-	4964 (4872)

**ANNUAL REPORT 2010-2011**

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**

CIN	L63910GJ1994PLC021915	State Code	04
Balance Sheet Date	31st March, 2011		

**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	90317749	Total Assets	90317749
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**Source of Funds**

Paid-up Capital	65003000	Reserve & Surplus	16896249
Secured Loans	NIL	Unsecured Loans	8418500
Share Application Money	NIL		

**Application of Funds**

Net Fixed Assets	5851485	Investments	55148600
Net Current Assets & Others	28790267	Misc. Expenditure	Nil
Accumulated Losses / Profit & Loss Account	Nil		

**4. Performance of Company (Rs. in Lacs)**

Turnover	4109970	Total Expenditure	1471579
Profit /(Loss) Before Tax	2638391	Profit After Tax	2208391
Earning per Share (Rs.)	0.34	Dividend Rate (%)	N.A.

**5. Generic Name of Principal Product of Company / Services 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**  
**Firm Reg. No. 113742W**  
 Chartered Accountants

**Sunil K. Dave**  
 Partner  
 Membership No. 047236

Place : Ahmedabad  
 Date : 27<sup>th</sup> July, 2011

For and on behalf of the Board

**Anal Desai** Director  
**Kashyap Mehta** Director

Place : Ahmedabad  
 Date : 27<sup>th</sup> July, 2011

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**OPEL SECURITIES PRIVATE LIMITED**

**ANNUAL REPORT 2010-2011**

**BOARD OF DIRECTORS** : **Mr. Rahul A. Patel** Director  
**Mr. Vidyut A. Sheth** Director  
**Mr. Dhiren B. Parikh** Director

**REGISTERED OFFICE** : "Mangalam"  
B/h. Apang Manav Mandal,  
Dr. V. S. Road,  
Ahmedabad - 380 015.

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

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**DIRECTORS' REPORT**

To,  
The Members,  
OPEL SECURITIES PRIVATE LIMITED,

Your Directors have pleasure in presenting their 16<sup>th</sup> Annual report together with audited Balance Sheet as on 31<sup>st</sup> March, 2011 and Profit & Loss Account for the year ended on that date.

**1. FINANCIAL RESULTS**

<u>Particulars</u>	<u>2010-11</u>	(Rs. in lacs) <u>2009-10</u>
Total Income	35.97	32.97
Profit Before Tax	34.03	32.68
Less: Provision for Tax	-	-
Profit after Tax	34.03	32.68
Surplus brought forward from previous year	(2264.45)	(2297.13)
Balance carried to balance sheet	(2230.42)	(2264.45)

**2. DIVIDEND:**

Due to inadequate profit and past accumulated loss your Directors are unable to declare any dividend on Equity Shares of the Company for the year 2010-11.

**3. PUBLIC DEPOSIT:**

The Company has not invited any deposit from the public during the period under report.

**4. PARTICULARS OF EMPLOYEES:**

There was no employee drawing remuneration requiring disclosure under the Companies (Particulars of Employees) Rules, 1975. The employee-employer relation remained cordial during the year.

**5. DIRECTORS:**

Mr. Vidyut A. Sheth was appointed as Director by the Board of Directors in their meeting held on 29<sup>th</sup> October, 2010 and Mr. Dhiren B. Parikh was appointed as Director by the Board of Directors in their meeting held on 31<sup>st</sup> January, 2011. One of your Directors viz. Mr. Amit D. Patel ceased to be Director upon resignation with effect from 3<sup>rd</sup> February, 2011.

**6. COMPANY LAW COMPLIANCE CERTIFICATE:**

Your Company has obtained Compliance Certificate as required under the proviso to Section 383A of the Companies Act, 1956 from M/s. Mehta Hurkat & Associates, Company Secretaries, Ahmedabad. The said Certificate is attached with this Report.

**7. AUDITORS:**

M/s. Shah & Shah Associates, Chartered Accountants, Ahmedabad, the Auditors of the Company retire at the forthcoming Annual General Meeting and being eligible for re-appointment have expressed their willingness for the same.

**8. 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 have been followed along with proper explanation relating to material departures;

## **OPEL SECURITIES PRIVATE LIMITED**

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- (ii) that the Directors have 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 31<sup>st</sup> March, 2011 being end of the Financial Year 2010-11 and of the Profit of the Company for the period;
- (iii) that the Directors have 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 have prepared the annual accounts on a going concern basis.

### **9. ACKNOWLEDGEMENT:**

Your Directors express their gratitude for the continued support, co-operation, and assistance received by the Company from bankers and shareholders of the Company.

On behalf of the Board of Directors,

Place: Ahmedabad  
Date : 20<sup>th</sup> July, 2011

**Dhiren B. Parikh**      **Rahul A. Patel**  
Director                      Director



FORM  
[SEE RULE 3]

Compliance Certificate

Authorised Capital: Rs. 200 Lacs

CIN: U65910GJ1995PTC028055

To,  
The Members,  
**OPEL SECURITIES PRIVATE LIMITED,**  
"Mangalam", B/h. Apang Manav Mandal,  
Dr. V. S. Road,  
Ahmedabad – 380015.

We have examined the registers, records, books and papers of **OPEL SECURITIES PRIVATE LIMITED** ("the Company") as required to be maintained under the Companies Act, 1956 (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the Financial Year ended on 31<sup>st</sup> March, 2011. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this Certificate, as per the provisions and the rules made there under and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this Certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made there under.
3. The Company being a Private limited company has the minimum prescribed paid-up capital and its maximum number of members during the said Financial Year was 22 (treating joint holders as one member) excluding its present and past employees and the Company during the year under scrutiny:
  - (i) has not invited public to subscribe for its shares or debentures; and
  - (ii) has not invited or accepted any deposits from persons other than its members, directors or their relatives.
4. The Board of Directors duly met nine times on 20<sup>th</sup> May, 2010; 20<sup>th</sup> August, 2010; 5<sup>th</sup> October, 2010; 29<sup>th</sup> October, 2010; 27<sup>th</sup> November, 2010; 15<sup>th</sup> December, 2010; 20<sup>th</sup> December, 2010; 31<sup>st</sup> January, 2011 and 3<sup>rd</sup> February, 2011 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed, in the Minutes Book maintained for the purpose. The Company has not passed any circular resolution during the year.
5. The Company was not required to close its Register of Members.
6. The Annual General Meeting for the Financial Year ended on 31<sup>st</sup> March, 2010 was held on 30<sup>th</sup> September, 2010 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
7. The Company has not held Extraordinary General Meeting of the Company during the financial year.
8. The Company being a Private Company, the provisions of Section 295 of the Act were not applicable to the company.
9. The Company has duly complied with the provisions of Section 297 of the Act to the extent applicable in respect of contracts specified in that Section.
10. The Company has made necessary entries in the register maintained under Section 301 of the Act.
11. As there were no instances falling within the purview of section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, members or the Central Government as the case may be.
12. The Company has not issued any duplicate share certificates during the financial year.
13. The Company has:
  - (i) not delivered any certificate as there was no allotment of any securities and no securities were lodged for transfer or any other purpose during the year under scrutiny;
  - (ii) not deposited any amount in a separate Bank Account as no dividend was declared during the financial year;
  - (iii) not posted warrants to any member of the company as no dividend was declared during the financial year;
  - (iv) not transferred the amounts in Unpaid Dividend Account, application money due for refund, matured deposits, matured debentures, and the interest accrued thereon which have remained unclaimed or unpaid for a period of 7 (seven) years to Investor Education and Protection Fund as there is no such amount;
  - (v) duly complied with the requirements of Section 217 of the Act.

## **OPEL SECURITIES PRIVATE LIMITED**

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14. The Board of Directors of the Company is duly constituted. The Company has complied necessary formalities relating to appointment of two Directors and cessation of one Director during the financial year under review. There was no appointment of any alternate director or director to fill casual vacancy during the financial year.
15. The Company has not made any appointment of Managing Director/Whole time Director/Manager during the year. The Company being Private Company, the question of approval of Central Government does not arise.
16. The Company has not appointed any sole-selling agents during the Financial Year.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as may be prescribed under the various provisions of the Act.
18. The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has not issued any shares, debentures or other securities during the Financial Year.
20. The Company has not bought back any shares during the Financial Year.
21. The Company has not issued any preference shares/debentures and hence there is no question of redemption of the same.
22. There were no transactions necessitating the company to keep in abeyance rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not accepted or invited any deposit including unsecured loans falling within the purview of Section 58A of the Companies Act, 1956 during the year and hence no comments are offered for the same.
24. The amount borrowed by the Company from Directors, members, public, financial institutions, banks and others, as the case may be, during the Financial Year ending on 31<sup>st</sup> March, 2011 is within the borrowing limits of the Company. The Company being a private company, no resolution under section 293(1)(d) was required to be passed.
25. The Company has not made any loans and investments, or given any guarantees or provided securities to other bodies corporate. The Company being a Private Company, provisions of Section 372A were not applicable during the year.  
The Company was not required to keep any register for the purpose of loans, investments, guarantee and security.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's Registered Office from one state to another during the year under scrutiny.
27. The Company has not altered the provisions of Memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of Memorandum with respect to the name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of Memorandum with respect to Share Capital of the Company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the year under scrutiny.
31. There has not been any prosecution initiated against or show cause notices received by the Company for alleged offences under the Act and there has not been any fines and penalties or any other punishment imposed on the Company in such cases.
32. The Company has not received any amount as security from its employees during the year under certification and hence the question of deposit of the same as per provisions of Section 417(1) of the Act does not arise.
33. The Company has not constituted any Provident Fund pursuant to section 418 of the Companies Act, 1956 and hence no comments are offered.

For, **MEHTA HURKAT & ASSOCIATES**  
*Company Secretaries*

**MANOJ R. HURKAT**  
*Partner*

C.O.P. No. : 2574

Place : Ahmedabad  
Date : 20<sup>th</sup> July, 2011

**Annexure – A**

List of Registers as maintained by the Company:

1. Register of members under Section 150
2. Minutes book of Board meeting under Section 193
3. Minutes book of General Meeting under Section 193
4. Books of Accounts under Section 209
5. Register of Directors etc. under Section 303
6. Register of Directors' shareholding under Section 307
7. Register of general notice of directors under Section 301(3)
8. Register of Contracts under Section 301
9. Register of Charges under Section 143

**Annexure – B**

Forms and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other authorities during/relating the financial year ending on 31<sup>st</sup> March, 2011.

A. Registrar of Companies, Gujarat.

Sr. No.	Form No.	Under Section	Purpose	Date of Filing	Whether filed Within time?
1.	66	383(A)	Compliance Certificate for the financial year ended 31 <sup>st</sup> March, 2010	23-10-2010	Yes
2.	23AC & 23ACA	220	Balance Sheet and Profit & Loss Account as on 31 <sup>st</sup> March, 2010 with the all annexure and attachments.	25-10-2010	Yes
3.	20B	159	Annual Return made up to 30 <sup>th</sup> September, 2010	03-11-2010	Yes
4.	32	303(2)	Particulars of Appointment of Director	27-11-2010	Yes
5.	32	303(2)	Particulars of Appointment and cessation of Directors	11-02-2011	Yes

B. Regional Director, Central Government or other Authorities

Nil
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For, **MEHTA HURKAT & ASSOCIATES**  
Company Secretaries

**MANOJ R. HURKAT**  
Partner

C.O.P. No. : 2574

Place : Ahmedabad  
Date : 20<sup>th</sup> July, 2011

## **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 31<sup>st</sup> March, 2011 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' (Auditors' 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 31<sup>st</sup> March, 2011 and taken on record by the Board of Directors, we report that none of the Directors of the company is disqualified as on 31<sup>st</sup> March, 2011 from being appointed as director 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 8, 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 31<sup>st</sup> March, 2011; and
  - (b) In the case of Profit & Loss Account, of the Profit for the year ended on that date.

**For Shah & Shah Associates**  
*Chartered Accountants*  
Firm Registration No. 113742W

Place : Ahmedabad  
Dated : 20<sup>th</sup> July, 2011

**(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)(a) to clause 4(i)(c) 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 year end balance of such loans was Rs. 15,755,000/-.

## ANNUAL REPORT 2010-2011

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 taken interest free unsecured loans from four companies listed in the register maintained under Section 301 of the Companies Act, 1956, and the year-end balance of such loan was Rs. 1,133,812,000/- . 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 31<sup>st</sup> March, 2011 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, 2011 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.
- (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*  
Firm Registration No. 113742W

Place : Ahmedabad  
Dated : 20<sup>th</sup> July, 2011

**(Nimish B. Shah)**  
*Partner*  
Membership No. 30102

**OPEL SECURITIES PRIVATE LIMITED****BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2011**

PARTICULARS	SCHEDULE	(Amount in Rs.)	
		As at 31-03-2011	As at 31-03-2010
<b>SOURCES OF FUNDS :</b>			
Share Capital	1	17,502,000	17,502,000
Share Application Money (Pending Allotment)		15,475,000	15,475,000
Reserve & Surplus	2	7,500,000	7,500,000
Unsecured Loans	3	1,133,812,000	847,312,000
Total		<u>1,174,289,000</u>	<u>887,789,000</u>
<b>APPLICATION OF FUNDS :</b>			
Investments	4	934,897,082	645,272,321
Current Assets, Loans & Advances	5	16,375,562	16,083,409
Less : Current Liabilities & Provisions	6	25,921	12,133
Net Current Assets		<u>16,349,641</u>	<u>16,071,276</u>
Profit and Loss Account	7	223,042,277	226,445,404
Total		<u>1,174,289,000</u>	<u>887,789,000</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 : 20<sup>th</sup> July, 2011

For and on behalf of the Board

**Dhiren B. Parikh** *Director*

**Rahul A. Patel** *Director*

Place : Ahmedabad  
Date : 20<sup>th</sup> July, 2011

**ANNUAL REPORT 2010-2011**

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2011**

PARTICULARS	(Amount in Rs.)	
	Year ended on 31-03-2011	Year ended on 31-03-2010
<b>INCOME</b>		
Dividend Income	<b>3,597,030</b>	3,297,278
Total	<b><u>3,597,030</u></b>	<u>3,297,278</u>
<b>EXPENDITURE</b>		
Legal & Professional Charges	<b>187,860</b>	25,322
General Charges	<b>6,043</b>	4,012
Total	<b><u>193,903</u></b>	<u>29,334</u>
Profit / (Loss) before Tax	<b><u>3,403,127</u></b>	<u>3,267,943</u>
Provision for Taxation	-	-
Profit / (Loss) After Tax	<b>3,403,127</b>	3,267,943
Balance Brought Forward from Previous Year	<b>(226,445,404)</b>	(229,713,347)
Balance transferred to Balance Sheet	<b><u>(223,042,277)</u></b>	<u>(226,445,404)</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 : 20<sup>th</sup> July, 2011

For and on behalf of the Board

**Dhiren B. Parikh**      *Director*

**Rahul A. Patel**      *Director*

Place : Ahmedabad  
Date : 20<sup>th</sup> July, 2011

# OPEL SECURITIES PRIVATE LIMITED

## SCHEDULES FORMING PART OF THE ACCOUNTS

Particulars	(Amount in Rs.)	
	As at 31-03-2011	As at 31-03-2010
<b>SCHEDULE - 1 : SHARE CAPITAL</b>		
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>
<b>SCHEDULE - 2 : RESERVES &amp; SURPLUS</b>		
Securities Premium	7,500,000	7,500,000
Total	<u>7,500,000</u>	<u>7,500,000</u>
<b>SCHEDULE - 3 : UNSECURED LOANS</b>		
Intercompany Deposits	1,133,812,000	847,312,000
Total	<u>1,133,812,000</u>	<u>847,312,000</u>
<b>SCHEDULE - 4 : LONG TERM INVESTMENTS</b>		
(1) QUOTED INVESTMENTS (AT COST)		
76,01,050 (P.Y. 29,97,525) Equity Shares of Sintex Industries Ltd. of Rs. 1/- (P.Y. Rs. 2/-) each fully paid up	934,897,082	645,272,321
Total	<u>934,897,082</u>	<u>645,272,321</u>
Aggregate Value of Quoted Investments		
At Cost Price	934,897,082	645,272,321
At market price	1,152,913,180	885,768,638
<b>SCHEDULE - 5 : CURRENT ASSETS, LOANS &amp; ADVANCES</b>		
(a) CURRENT ASSETS :		
Cash and Bank Balances		
Cash on hand	1,000	1,000
Balance with a Schedule Bank in Current Account	619,562	77,408
Total (a)	<u>620,562</u>	<u>78,408</u>
(b) LOANS & ADVANCES (Unsecured, considered good)		
Intercompany Deposit	15,755,000	16,005,000
Total (b)	<u>15,755,000</u>	<u>16,005,000</u>
Total (a+b)	<u>16,375,562</u>	<u>16,083,408</u>



**ANNUAL REPORT 2010-2011**

(Amount in Rs.)

Particulars	As at 31-03-2011	As at 31-03-2010
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**SCHEDULE - 6 : CURRENT LIABILITIES & PROVISIONS**

**CURRENT LIABILITIES :**

Unpaid Expenses	24,708	10,920
TDS Payable	1,213	1,213
<b>Total</b>	<b>25,921</b>	<b>12,133</b>

**SCHEDULE - 7 : PROFIT AND LOSS ACCOUNT**

Balance as per annexed Account	223,042,277	226,445,404
<b>Total</b>	<b>223,042,277</b>	<b>226,445,404</b>

**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 as under:

	2010-2011	2009-2010
a) For Audit Fees	13,788	14,339
b) For Taxation Matters	8,880	8,880
c) Out of Pocket Expenses	1,103	1,103
	<b>23,771</b>	<b>24,322</b>

**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.	BVM Finance P. Ltd.	Associate
3.	Khadayata Decor Ltd.	Associate

**B. Transaction with related parties :-**

Related Party Transaction	Holding Co.	Associates
Loan Taken	4,455,000	1,129,102,000

Note : Related party relationship is as identified by the company and relied upon by te auditors.

- 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, 2011. 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.
- 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.
- No provision has been made for income-tax, as the company has dividend income only, which is exempt from tax.
- There are no other particular required to be shown as per requirements of part II of Schedule VI of the Companies Act, 1956.

## OPEL SECURITIES PRIVATE LIMITED

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

CIN U65910GJ1995PTC028055 State Code No. 04  
Balance Sheet Date 31st March, 2011

#### 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 1,174,289 Total Assets 1,174,289

##### Source of Funds

Paid-up Capital 17,502 Share Application Money 15,475  
Reserve and Surplus 7,500 Unsecured Loans 1,133,812  
Secured Loans NIL

##### Application of Funds

Net Fixed Assets NIL Investments 934,897  
Net Current Assets 16,350 Misc. Expenditure NIL  
Accumulated Losses 223,042

#### 4. Performance of Company (Rs. in Thousand)

Turnover 3,596 Total Expenditure 194  
Profit/(Loss) Before Tax 3,403 Profit/(Loss) After Tax 3,403  
Earning per Share in Rs. 1.9 Dividend Rate (%) NIL

#### 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 : 20<sup>th</sup> July, 2011

For and on behalf of the Board

**Dhiren B. Parikh** Director

**Rahul A. Patel** Director

Place : Ahmedabad  
Date : 20<sup>th</sup> July, 2011

**PRISM FINANCE LIMITED**

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

**17<sup>th</sup> Annual General Meeting**

Thursday, the 29<sup>th</sup> September, 2011 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 17<sup>th</sup> Annual General Meeting of the Company, to be held on Thursday, the 29<sup>th</sup> September, 2011 and at any adjournment thereof.

Signed the \_\_\_\_\_ day of \_\_\_\_\_ 2011.

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.

Pratiksha Printers, A'bad. 6307307,6308812

