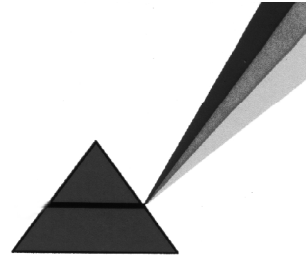


**PRISM FINANCE LIMITED**



**19<sup>TH</sup>  
ANNUAL REPORT 2012-2013**

## NINETEENTH ANNUAL REPORT 2012-13

**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

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**NOTICE**

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

Date : 19<sup>th</sup> September, 2013  
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 Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2013 and the Balance Sheet as on that date along with Directors' Report thereon.
2. To appoint a Director in place of Mr. Naresh P. Rawal, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

**SPECIAL BUSINESS:**

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

"RESOLVED THAT the consent of the Company be and is hereby accorded in terms of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956 to mortgage or charge by the Board of Directors of the Company of all the immovable and movable properties of the Company wheresoever situated, present and future, and/or conferring power to enter upon and to take possession of assets of the Company in certain events, to or in favour of any Bank, Financial Institution or any other lender to secure Financial Assistance up to Rs. 25 Crores that may be lent/advanced to the Company by such Bank, Financial Institution or such other lender together with interest thereon at the rate, compound interest, additional interest, liquidated damages, costs, charges, expenses and other monies payable by the Company to Bank, Financial Institution or any such lender under Financial Assistance Agreement to be entered into by the Company in respect of the such Financial Assistance."

"RESOLVED FURTHER THAT the Board of Director of the Company be and is hereby authorised to finalise with the Bank, Financial Institution or any such lender the documents for creating aforesaid mortgage and/or the charge and to do all such acts and things as may be necessary for giving effect to the above resolution."

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

"RESOLVED THAT in super session of all the earlier resolutions passed at the Board Meeting/General Meeting if any, pursuant to the provisions of Section 293(1)(d) and other applicable provisions, if any, of the Companies Act, 1956 and the Articles of Association of the Company consent of the Company be and is hereby accorded to the Board of Directors of the Company to borrow any sums of money, from time to time from any one or more of the Company's bankers and/or from any other persons, firms, bodies corporate or financial institutions whether by way of cash credit, advance or deposits, loans, debentures or bill discounting or otherwise whether unsecured or secured so that the moneys to be borrowed together with moneys already borrowed by the Company (apart from temporary loans obtained from Company's Bankers in the ordinary course of business) will or may exceed the aggregate of the paid-up capital of the Company and its free reserves, however that the total amount up to which the moneys may be borrowed by the Board of Directors and outstanding at any time shall not exceed the sum of Rs. 25 Crores (Rupees twenty five crores only)."

**Registered Office:**  
301, Iscon Mall,  
Above Star Bazar,  
Satellite Road,  
Ahmedabad-380 015.  
Date : 16<sup>th</sup> July, 2013

By Order of the Board,

**Kashyap R. Mehta**  
Director

## **PRISM FINANCE LIMITED**

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### **NOTES :**

1. The relevant Explanatory Statement, pursuant to Section 173(2) of the Companies Act, 1956, in respect of the Special Business at Item Nos. 4 and 5 as set out in the Notice is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND PROXY NEED NOT BE A MEMBER. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME OF MEETING.
3. Pursuant to section 154 of the Companies Act, 1956, Register of Members and Shares Transfer Books of the Company will remain closed from Saturday, the 7<sup>th</sup> September, 2013 to Thursday, the 19<sup>th</sup> September, 2013 (both days inclusive).
4. Members intending to require information about accounts at the meeting are requested to write to the Company at least 10 days in advance of the Annual General Meeting.
5. Members are requested to:
  - a) Intimate, if Shares are held in the same name or in the same order and names, but in more than one account to enable the Company to club the said accounts into one account.
  - b) Notify immediately the Change if any, in the registered address, to the Company.

**Registered Office:**  
301, Iscon Mall,  
Above Star Bazar,  
Satellite Road,  
Ahmedabad-380 015.  
Date : 16<sup>th</sup> July, 2013

By Order of the Board,

**Kashyap R. Mehta**  
*Director*

### **ANNEXURE TO THE NOTICE**

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

In conformity with the provisions of Section 173(2) of the Companies Act, 1956, following Explanatory Statement sets out all material facts relating to the Special Business mentioned at Item Nos. 4 and 5 of the accompanying notice dated 16<sup>th</sup> July, 2013 and should be taken as forming part of the notice.

#### **In respect of Item No. 4:**

The Company is planning to borrow funds from any Bank, Financial Institution or any other lender to meet its short term and long term financial requirements. Normally such Financial Assistance are to be secured by hypothecation / pledge of the Company's entire goods movables and other assets, present and future, including documents title to goods and other assets such as book-debts, outstanding moneys, receivables, claims, bills, invoices, documents, contracts, engagements, securities, investments and rights and all machinery, present and future, and are to be further secured by a deposit of all title deeds of the existing immovable properties of the Company with intent to create a security in favour of such Bank, Financial Institution or such other lender on such terms and conditions.

Section 293(1)(a) of the Companies Act, 1956 provides, inter alia, that the Board of Directors of a Public Company shall not, without the consent of such public in General Meeting sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole, of any such undertaking.

Since the mortgaging by the Company of its immovable and movable properties as aforesaid in favour of the Bank may be regarded as, disposal of the Company's properties/undertakings, it is necessary for the members to pass a resolution under Section 293(1)(a) of the Companies Act, 1956.

Copy of Draft Financial Assistance Agreement and correspondence of the Company with such Bank, Financial Institution or such other lender are open for inspection at the Registered Office of the Company between 11.00 A.M. to 1.00 P.M. on any working day prior to the date of the meeting.

None of the Directors is in any way concerned or interested in the aforesaid resolution.

Your Directors recommend the Resolutions.

**In respect of Item No. 5:**

The proposed increase in the borrowing power of the Board is required in view of certain borrowing proposed to be made by the Company from Financial Institution/Banks/other lender. The Board of Directors feel that the limit be raised to Rs. 25 crores. The Resolution at item No.5 is of an enabling nature and would authorise the Directors to borrow from time to time sums not exceeding Rs. 25 crores. The Resolution would be in the super session of the earlier resolution passed at the Board of Directors meeting of the Company, if any.

None of the Directors is in any way concerned or interested in the resolution.

**Registered Office:**  
301, Iscon Mall,  
Above Star Bazar,  
Satellite Road,  
Ahmedabad-380 015.  
Date : 16<sup>th</sup> July, 2013

By Order of the Board,

**Kashyap R. Mehta**  
*Director*

# PRISM FINANCE LIMITED

## DIRECTORS' REPORT

Dear Shareholders,

The Directors present the NINETEENTH ANNUAL REPORT together with the Audited Statement of Accounts for the Financial Year 2012-13 ended 31<sup>st</sup> March, 2013.

### 1. FINANCIAL RESULTS:

Particulars	(Rs.in Lacs)	
	2012-13	2011-12
Profit before Depreciation	13.24	19.64
Less: Depreciation	6.83	6.83
Profit before Taxation	6.41	12.81
Less: Provision for Taxation	-	4.80
Add : Deferred Tax (Asset)	-	-
Profit after Tax	6.41	8.01
Balance brought forward from previous year	176.97	168.96
Balance carried to Balance Sheet	183.39	176.97

### 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. 13.24 lacs during the year under review compared to Profit of Rs.19.64 lacs during 2011-12. After providing for Depreciation and for Deferred Tax, the Net Profit during the year under review was Rs. 6.41 lacs compared to Net Profit of Rs. 8.01 lacs during 2011-12.

### 4. DIRECTORS:

One of your Directors viz. Mr. Naresh P. Rawal retires by rotation in terms of the Articles of Association of the Company. He, however, being eligible offers himself for reappointment.

### 5. DIRECTORS' RESPONSIBILITY STATEMENT:

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

- (i) that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at 31<sup>st</sup> March, 2013 being end of the Financial Year 2012-13 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

## REPORT ON CORPORATE GOVERNANCE

### INTRODUCTION:

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

#### 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

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

#### 2. BOARD OF DIRECTORS:

##### a) Composition and Category of Directors:

Name of Directors	Category of Directorship	No. of other Directorships *	Committee (1) Membership/ (2) Chairmanship in other companies	No. of Board Meetings attended	Attendance at the AGM held on 26 <sup>th</sup> September, 2012 (Y)/(N)
Naresh P. Raval	Independent Non-Executive	-	-	5	Y
Kashyap R. Mehta	Independent Non-executive	3	Gujarat Craft Ind. Ltd Typhoon Fin. Ser.Ltd Som Shiva (Impex) Ltd.	5	Y
Anal R. Desai	Independent Non-executive	-	-	5	Y

\* Private companies excluded.

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

Name of Director	Naresh P. Rawal
Date of Birth	13-11-1941
Date of Appointment	27-03-1997
Expertise in specific functional areas	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 & Shareholders 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 14-05-2012, 16-07-2012, 06-11-2012, 30-01-2013 and 13-02-2013.



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### 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: 14-05-2012, 16-07-2012, 06-11-2012 and 13-02-2013.
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 2013.

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
2009-10	22-09-2010	11.00 a.m.	301, Iscon Mall,
2010-11	29-09-2011	11.00 a.m.	Above Star Bazar, Satellite Road,
2011-12	26-09-2012	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 2013, 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 : 19<sup>th</sup> September, 2013  
Time : 11.00 a. m.  
Venue : 301, Iscon Mall, Above Star Bazar, Satellite Road, Ahmedabad – 380 015.

## PRISM FINANCE LIMITED

- c) Financial Calendar :
- 1st Quarter Results : 1<sup>st</sup> / 2<sup>nd</sup> week - August, 2013.
- Half-yearly Results : 1<sup>st</sup> / 2<sup>nd</sup> week - November, 2013.
- 3rd Quarter Results : 1<sup>st</sup> / 2<sup>nd</sup> week - February, 2014.
- Audited yearly Results : End - May, 2014.
- d) Book Closure Dates : From : Saturday, the 7<sup>th</sup> September, 2013  
To : Thursday, the 19<sup>th</sup> September, 2013.  
(Both days inclusive).
- e) Dividend Payment Date : Not Applicable
- f) Listing of Shares on Stock Exchanges : **1. Ahmedabad Stock Exchange Limited,**  
Kamdhenu Complex, 1st Floor,  
Opp. Sahajanand College,  
Panjara Pole, Ambawadi, Ahmedabad - 380 015.  
**2. Bombay Stock Exchange Limited,**  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort,  
Mumbai - 400 001.
- g) Stock Exchange Code : 

Stock Exchange	Code
ASE	45565
BSE	531735
- h) Stock Price Data :  
The Shares of the Company have not been traded during the period from 1<sup>st</sup> April, 2012 to 31<sup>st</sup> March, 2013 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 27<sup>th</sup> December, 2002 read with Circular No. D&CC/FITTC/CIR 18/2003 dated 12<sup>th</sup> 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, 2013:

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

## ANNUAL REPORT 2012-2013

l) Category of Shareholders as on 31<sup>st</sup> March, 2013:

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 : 16<sup>th</sup> July, 2013

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

## PRISM FINANCE LIMITED

### 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 2011-12 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 : 16<sup>th</sup> July, 2013

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

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**CERTIFICATE ON CORPORATE GOVERNANCE**

**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, 2013 as stipulated in clause 49 of the listing agreement of the said Company with stock exchanges.

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

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

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

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

**For PINAKIN SHAH & Co.  
Company Secretaries**

Place : Ahmedabad  
Date : 16<sup>th</sup> July, 2013

**PINAKIN SHAH  
Proprietor  
COP: 2932**

# PRISM FINANCE LIMITED

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## INDEPENDENT AUDITORS' REPORT

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

### Report on the Financial Statements

We have audited the accompanying financial statements of **PRISM FINANCE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the accounts read with and subject to notes thereon as per Note no: R i.e. " Significant Accounting Policies and Other Notes to Accounts"; more particularly, note no: 3 regarding pending balance confirmation, the Balance Sheet and Statement of Profit & Loss together with significant accounting policies and notes to Accounts give in the prescribed manner the information required by the Act and also give respectively, a true and fair view in conformity with the accounting principles generally accepted in India;

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- b) in the case of Statement of Profit and Loss, of the profit for year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - a) 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;
  - b) 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 those books;
  - c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the accounting standards referred to in sub-section (3C) of section 211 of the Act;

## ANNUAL REPORT 2012-2013

- e) On the basis of written representations received from the directors as on 31<sup>st</sup> March, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

**For SHAH & SHAH ASSOCIATES**  
*Chartered Accountants*  
**Firm Reg. No. 113742W**

Place : Ahmedabad  
Dated : 30<sup>th</sup> May, 2013

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

### ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 1 of our report of even date to the members of (PRISM FINANCE LIMIED)

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 informed 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. During the year under review, the company does not hold any inventories. Hence, paragraph 4(ii) of the Order, is not applicable.
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 our audit, we have not observed any continuing failure to correct major weakness 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, there have been no transactions made in pursuance of such contracts or arrangements and exceeding the value of rupees five lacs in respect of any party during the year.
6. The company has not accepted deposits from 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

## PRISM FINANCE LIMITED

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including provident fund, income tax, sales tax, Wealth Tax, Service Tax, Excise duty, custom duty and other material statutory dues applicable to it.

- b) According to the information and explanation 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 31<sup>st</sup> March, 2013 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 does not have any accumulated losses as at 31-03-2013. Further, the company has not incurred cash losses during the financial year covered by our audit as well as 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 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 generally held all the investment in shares and other investments in its own name.
  - 15. According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions.
  - 16. The company has not taken any term loans and therefore clause (xvi) of para 4 of the Order is not applicable.
  - 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 funds raised on short term basis have been used for long term investment. The Short term fund amounting to Rs. 448.45 lacs has been used for long term investments i.e. in Non-current investments in shares.
  - 18. During the year under review, the company has not made any preferential allotment of shares to any parties covered in the Register maintained under section 301 of the Companies Act, 1956.
  - 19. The company has not issued any debentures during the year.
  - 20. During the year under review, the company has not raised money by public issue.
  - 21. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the company was noticed or reported during the year.

**For SHAH & SHAH ASSOCIATES**  
*Chartered Accountants*  
**Firm Reg. No. 113742W**

Place : Ahmedabad  
Dated : 30<sup>th</sup> May, 2013

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



**ANNUAL REPORT 2012-2013**

**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2013**

Particulars	Refer Note No.	As At March 31,2013 Rupees	As At March 31,2012 Rupees
<b>I EQUITY AND LIABILITIES :</b>			
<b>1) Shareholders' Funds</b>			
a) Share capital	<b>A</b>	<b>65,003,000</b>	65,003,000
b) Reserves and Surplus	<b>B</b>	<b>18,338,816</b>	17,697,712
<b>2) Non-Current Liabilities</b>			
Other Long-term liabilities	<b>C</b>	<b>69,000</b>	69,000
<b>3) Current Liabilities</b>			
a) Short-term borrowings	<b>D</b>	<b>6,799,096</b>	6,168,500
b) Trade payables	<b>E</b>	<b>59,418,963</b>	62,573,435
c) Other current liabilities	<b>F</b>	<b>32,726</b>	28,918
d) Short-term provisions	<b>G</b>	<b>-</b>	138,830
<b>TOTAL</b>		<b><u>149,661,601</u></b>	<b><u>151,679,395</u></b>
<b>II ASSETS :</b>			
<b>1) Non-Current Assets</b>			
<b>a) Fixed Assets</b>			
Tangible assets	<b>H</b>	<b>4,486,313</b>	5,168,899
<b>b) Non-current investments</b>	<b>I</b>	<b>119,246,289</b>	118,631,223
<b>c) Long-term loans and advances</b>	<b>J</b>	<b>4,563,500</b>	4,563,500
<b>2) Current Assets</b>			
a) Trade receivables	<b>K</b>	<b>4,620,194</b>	2,830,898
b) Cash and cash equivalents	<b>L</b>	<b>832,705</b>	1,893,355
c) Short-term loans and advances	<b>M</b>	<b>15,912,600</b>	18,591,520
<b>TOTAL</b>		<b><u>149,661,601</u></b>	<b><u>151,679,395</u></b>
<b>Significant Accounting Policies &amp;</b>	<b>R</b>		
<b>Other Notes to Accounts</b>			

The Notes referred to above form an integral part of the Balance Sheet

As per our Report of even date attached

For **Shah & Shah Associates**

**Firm Reg. No. 113742W**

**Chartered Accountants**

**Sunil K. Dave**

*Partner*

Membership No. 047236

Place : Ahmedabad

Date : 30<sup>th</sup> May, 2013

For and on behalf of the Board

**Anal Desai**

*Director*

**Kashyap Mehta**

*Director*

Place : Ahmedabad

Date : 30<sup>th</sup> May, 2013

## PRISM FINANCE LIMITED

### STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED ON 31<sup>ST</sup> MARCH, 2013

Particulars	Refer Note No.	For the Year ended On March 31, 2013 Rupees	For the Year ended On March 31, 2012 Rupees
I Revenue from Operations	N	249,279	2,771,690
II Other Income	O	1,936,078	1,022,810
<b>III Total Revenue</b>		<b>2,185,357</b>	<b>3,794,500</b>
<b>IV Expenses :</b>			
a) Payments to and Provisions for Employees	P	215,740	183,000
b) Depreciation and Amortization Expense		682,586	682,586
c) Other expenses	Q	645,927	1,647,581
<b>Total Expenses</b>		<b>1,544,252</b>	<b>2,513,167</b>
<b>V Profit/(Loss) Before Exceptional and Extraordinary Items and Tax (III-IV)</b>		<b>641,104</b>	<b>1,281,333</b>
VI Exceptional Items		-	-
<b>VII Profit/(Loss) Before Extraordinary Items And Tax (V-VI)</b>		<b>641,104</b>	<b>1,281,333</b>
VIII Extraordinary Items		-	-
<b>IX Profit Before Tax (VII-VIII)</b>		<b>641,104</b>	<b>1,281,333</b>
<b>X Tax Expense</b>			
1) Current Tax		-	479,871
2) Wealth Tax		-	-
3) Deferred Tax		-	-
<b>XI Profit for The Year From Continuing Operations (IX-X)</b>		<b>641,104</b>	<b>801,462</b>
<b>XVI Earning Per Equity Share (annualised)</b>			
1) Basic		0.10	0.12
2) Diluted		0.10	0.12

Significant Accounting Policies &

R

Notes to Accounts

The Notes referred to above form an integral part of the  
Statement of Profit & Loss

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 : 30<sup>th</sup> May, 2013

For and on behalf of the Board

**Anal Desai**

*Director*

**Kashyap Mehta**

*Director*

Place : Ahmedabad

Date : 30<sup>th</sup> May, 2013

**ANNUAL REPORT 2012-2013****CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013**

	2012-13 Rupees	2011-12 Rupees
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit/(Loss) before Tax & Extra-ordinary items	641,104	1,281,333
<b>Adjustments for :-</b>		
- Provision for Diminuation of Investment	(1,062,064)	1,062,064
- Depreciation	682,586	682,586
- (Profit) / Loss on Sale of Shares	799,549	(1,596,616)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	420,071	148,034
	<u>1,061,175</u>	<u>1,429,367</u>
<b>Adjustments for :-</b>		
- Trade Receivables	(1,789,296)	697,563
- Long/Short term Loans & Advances	2,743,481	2,152,040
- Trade payables & Other Liabilities	(3,150,664)	62,505,872
	<u>(2,196,479)</u>	<u>65,355,475</u>
CASH GENERATED FROM OPERATIONS	(1,135,304)	66,784,842
Income tax paid	(203,391)	(445,546)
	<u>(203,391)</u>	<u>(445,546)</u>
<b>NET CASH FROM OPERATING ACTIVITIES (A)</b>	<u>(1,338,695)</u>	<u>66,339,296</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase/Sale of Fixed Assets (Net)	-	-
Purchase of /additions in investments	(17,353,292)	(86,348,966)
Sales/reduction in Investments	18,061,761	24,305,344
(Loss) / Profit on trading of shares/derivatives	(1,061,020)	(904,449)
<b>NET CASH FLOW FROM INVESTMENT ACTIVITIES (B)</b>	<u>(352,551)</u>	<u>(62,948,071)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Share Capital	-	-
Short Term Borrowing	630,596	(2,250,000)
<b>NET CASH FLOW FROM FINANCING ACTIVITIES (C)</b>	<u>630,596</u>	<u>(2,250,000)</u>
NET DECREASE IN CASH & CASH EQUIVALENTS (A+B+C)	(1,060,650)	1,141,225
CASH & CASH EQUIVALENTS AS AT 1ST APRIL 2012	1,893,355	752,130
<b>CASH &amp; CASH EQUIVALENTS AS AT 31ST MARCH 2013</b>	<u><u>832,705</u></u>	<u><u>1,893,355</u></u>

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

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

Place : Ahmedabad  
Date : 30<sup>th</sup> May, 2013

For and on behalf of the Board

**Anal Desai** Director

**Kashyap Mehta** Director

Place : Ahmedabad  
Date : 30<sup>th</sup> May, 2013

## PRISM FINANCE LIMITED

### NOTES FORMING PART OF THE ACCOUNTS

Particulars	As at March 31, 2013		As at March 31, 2012	
	Number	Rupees	Number	Rupees
<b>Note: A</b>				
<b>SHARE CAPITAL</b>				
<b>Authorise:</b>	<u>7,000,000</u>	<u>70,000,000</u>	<u>7,000,000</u>	<u>70,000,000</u>
Equity Shares of Rs.10/- each				
<b>Issued:</b>	<u>6,500,300</u>	<u>65,003,000</u>	<u>65,003,000</u>	<u>650,030,000</u>
Equity Shares of Rs.10/- each				
<b>Subscribed &amp; Fully Paid up:</b>	<u>6,500,300</u>	<u>65,003,000</u>	<u>6,500,300</u>	<u>65,003,000</u>
Equity Shares of Rs.10/- each				
<b>Total</b>		<u>65,003,000</u>		<u>65,003,000</u>

#### Reconciliation of the Shares outstanding at the beginning & at the end of the reporting period.

Particulars	Equity Shares	
	Number	Rupees
Shares Outstanding at the Beginning of the Year	6,500,300	6,500,300
Shares Issued During the Year	-	-
Shares Bought Back During the Year	-	-
Shares Outstanding at the end of the Year	6,500,300	6,500,300

#### Details of shareholding more than 5% shares in the Company

Particulars	As at March 31, 2013		As at March 31, 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Bar Magnet Investment Pvt.Ltd.	700,000	10.77%	700,000	10.77%
Mas Chemicals Industries Ltd.	<u>1,029,300</u>	<u>15.83%</u>	<u>1,029,300</u>	<u>15.83%</u>
<b>TOTAL</b>	<u>1,729,300</u>		<u>1,729,300</u>	

#### Disclosure Pursuant to Note no. 6(A)(i) of Part I of Schedule VI to the Companies Act, 1956

Particulars	Financial Year (Aggregate No. of Shares)	
	For the year ended On 31.03.2013	2007-08 to 2011-12
<b>Equity Shares :</b>		
Issued Fully paid up shares pursuant to contract(s) without payment being received in cash	Nil	Nil
Issued Fully paid up shares by way of bonus shares	Nil	Nil
Shares bought back	Nil	Nil

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Particulars	As at March 31, 2013 Rupees	As at March 31, 2012 Rupees
<b>Note: B</b>		
<b>RESERVES &amp; SURPLUS</b>		
<b>Statutory Reserve</b>		
Balance as per last balance sheet	1,436,263	-
Additions during the year	<u>128,221</u>	<u>1,436,263</u>
Closing balance	<u>1,564,484</u>	<u>1,436,263</u>
<b>Balance in Profit &amp; Loss Statement</b>		
Balance as per last balance sheet	16,261,449	16,896,250
Add: Net profit for the current year	641,104	801,462
Less: Amount transferred to Statutory Reserve for earlier years	-	1,275,971
Less: Amount transferred to Statutory Reserve for current year	<u>128,221</u>	<u>160,292</u>
Closing balance	<u>16,774,332</u>	<u>16,261,449</u>
<b>Total</b>	<u><u>18,338,816</u></u>	<u><u>17,697,712</u></u>
 <b>NOTE : C</b>		
<b>OTHER LONG TERM LIABILITIES</b>		
Security deposits	<u>69,000</u>	<u>69,000</u>
<b>Total</b>	<u><u>69,000</u></u>	<u><u>69,000</u></u>
 <b>NOTE : D</b>		
<b>SHORT TERM BORROWINGS</b>		
<b>Intercompany Deposits from</b>		
(i) Related party		
Samurai Holding Pvt Ltd	180,596	200,000
(ii) Others	<u>6,618,500</u>	<u>5,968,500</u>
<b>Total</b>	<u><u>6,799,096</u></u>	<u><u>6,168,500</u></u>
Note: There is no default in repayment of principal & interest thereon if any wherever applicable.		
 <b>NOTE : E</b>		
<b>TRADE PAYABLES</b>		
Creditors for Goods and Services	59,418,963	62,573,435
<b>Total</b>	<u><u>59,418,963</u></u>	<u><u>62,573,435</u></u>
 <b>NOTE : F</b>		
<b>OTHER CURRENT LIABILITIES</b>		
Expenses payable	21,700	18,480
Statutory liability	<u>11,026</u>	<u>10,438</u>
<b>Total</b>	<u><u>32,726</u></u>	<u><u>28,918</u></u>
 <b>NOTE : G</b>		
<b>SHORT TERM PROVISIONS</b>		
Provision for Taxation (net of advance tax & TDS)	-	138,830
<b>Total</b>	<u><u>-</u></u>	<u><u>138,830</u></u>

## PRISM FINANCE LIMITED

NOTE : H

FIXED ASSETS

(Rupees)

Particulars	GROSS BLOCK (At Cost)			DEPRECIATION			NET BLOCK			
	As on 01/04/12	Addition during the year	Deduction during the year	As on 31/03/13	Upto 31/03/12	For the year	Deduction during the year	Upto 31/03/13	As on 31/03/13	As on 31/03/12
<b>Tangible Assets:</b>										
Building	1,112,264	-	-	<b>1,112,264</b>	218,581	18,130	-	236,711	875,553	893,683
Furniture & Fixture	247,037	-	-	<b>247,037</b>	230,192	15,637	-	245,830	1,207	16,845
Data Processing Equipments	886,269	-	-	<b>886,269</b>	860,911	-	-	860,911	25,358	25,358
Office Equipments	209,337	-	-	<b>209,337</b>	139,449	9,944	-	149,392	59,945	69,888
Vehicle	27,355	-	-	<b>27,355</b>	26,732	-	-	26,732	623	623
Motor Car	6,725,000	-	-	<b>6,725,000</b>	2,562,498	638,875	-	3,201,373	3,523,627	4,162,502
<b>TOTAL</b>	<b>9,207,262</b>	-	-	<b>9,207,262</b>	<b>4,038,363</b>	<b>682,586</b>	-	<b>4,720,949</b>	<b>4,486,313</b>	<b>5,168,899</b>
Pravious Year	9,207,262	-	-	9,207,262	3,355,777	682,586	-	4,038,363	5,168,899	-

PARTICULARS	AS AT 31/03/13		AS AT 31/03/12	
	NO. OF SHARES	RUPEES	NO. OF SHARES	RUPEES

NOTE: I

NON CURRENT INVESTMENTS (At Cost)

(A) UNQUOTED:

Trade:

In Subsidiary Company

In Fully paid Equity Shares of Rs. 10/- each

OPEL SECURITIES LTD

1150050 11,500,500 1150050 11,500,500

Others:

In Fully paid Equity Shares of Rs. 10/- each

BVM FINANCE LIMITED

7250000 72,500,000 7250000 72,500,000

KHADAYATA DÉCOR LTD.

20000 200,000 20,000 200,000

In Fully paid Equity Shares of Rs. 25/- each

TEXTILES TRADERS CO-OP.BANK LIMITED

2500 62,510 2500 62,510

In Fully paid Equity Shares of Rs. 100/- each

SHREE SAINATH PARK ASSOCIATION

1 100 1 100

**TOTAL (A)**

**84,263,110 84,263,110**

(B) QUOTED:

(i) In Fully paid Equity Shares:

ADANI POWER

3000 404,675 3000 404,675

ALEXCON EXTRUSIONS LTD.

- - 200 3,578

ALPS INFOSYS LTD

- - 4500 180,000

AMTL

51 2,062 - -

ANIL PRODUCT

1000 203,733 1000 203,733

ANSAL BUILDWELL

4500 622,280 4500 622,280

ANUSHA INTERNATIONAL LTD.

- - 2700 27,000

APTECH LTD

1000 158,121 1000 158,121

ASSAM COMPANY

4332 101,691 4332 101,691

ASIAN PAINTS

164 580,296 - -

BAJAJ AUTO

384 450,806 384 450,806

BOSCHL

87 620,850 87 620,850

BFL GANDHIMATI APPLIANCE

2729 873,832 - -

BLUE INFORMATION LTD.

- - 3,000 303,945

CALS REFINERY

300000 187,173 300000 187,173

CASTROL INDIA

2286 526,925 876 366,297

CIARIANT CHEMICALS (INDIA) LTD.

932 550,315 860 505,685

CRISIL

541 535,671 - -

DABUR INDA LTD.

6103 614,716 5187 516,388

CUMMINS INDIA LTD.

1162 506,021 1149 498,112

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	AS AT 31/03/13		AS AT 31/03/12	
	NO. OF SHARES	RUPEES	NO. OF SHARES	RUPEES
CHEMOX SECURITIES LTD.	-	-	100	6,519
COROMANDAL ENGINEERING	500	136,704	500	136,704
COSMO FILMS	12000	1,781,361	12000	1,781,361
DATAPRO INFOTECH LTD.	-	-	1000	15,412
DIVIS LAB LTD	864	283,242	800	232,100
ELECTRA INDIA LTD	-	-	200	5,740
ESCORT	28	5345	28	5,345
EXIDE INDUSTRIES	-	-	4312	635,714
GLOBAL TELE - SYSTEM LTD	42000	2,026,223	30000	1,645,372
GLAXO SMITH PHARMA LTD.	195	588,488	225	441,003
GODREJ INDUSTRIES	737	117,666	737	117,666
GRUH FINANCE	3566	715,970	-	-
GOVIND RUBBER	6500	132,104	6500	132,104
GUJARAT CONTAINERS LTD.	-	-	1000	19,000
GUJARAT NRE	24500	341,700	24500	341,700
GUJARAT NRE COKE CLASS B	2450	-	2450	-
HDFC BANK SHARES	1279	486,804	1279	486,804
HERO HONDA MOTOR LTD.	-	-	325	629,610
HINDUSTAN UNILEVER	981	452,860	-	-
HINDUSTAN VIDYUT	1300	552,500	1300	552,500
HOUSING DEVELOPMENT FINANCE	916	400,014	905	349,458
EON ELECTRICS	51	2,276	51	4,338
INDRAPRASTHA GAS LTD.	-	-	1660	553,923
INFOSYS TECH	-	-	236	581,974
INTEGRATED RUBIAN EXPORTS LTD	-	-	6000	11,700
ITC LTD	3207	252,781	3103	222,764
JAYANTI BUSINESS MACHINES LTD	-	-	2018	70,630
JINDAL ONLINE	58350	104,999	58350	104,999
JMD ALLOYS LTD	-	-	9500	95,000
KAASHYAP TECHNOLOGIES	116666	514,077	116666	514,077
KAY PULP & PAPER LTD	12500	82,131	12500	82,131
KEDIA INFOTECH	211209	278,032	211209	278,032
KRISHNA PLASTO CHEM LTD	-	-	35600	1,148,527
MALVIKA STEELS LTD	-	-	3500	25,920
MCDOWELL HOLDING	240	-	240	-
MEGHMANI ORGANIC	79000	791,838	79000	791,838
LORDS CHLORO ALKALIES LTD	-	-	150	3,750
MOIL	17	6,056	17	6,056
NAGARJUNA CONSTRUCTION	2500	393,781	2500	393,781
NESTLE INDA LTD.	152	656,194	88	363,533
PRITHVI SOFTECK	100	39,064	100	39,064
OPTO CIRCUIT	-	-	3360	125,553
ORIGINAL AGROSTER LTD	-	-	4250	590,646
PAGE INDUSTRIES	227	676,844	-	-
PARAMOUNT COMMU	10000	351,102	10000	351,102
PENTAMEDIA GRAPHICS	79999	897,188	79999	897,188
POLYLINK POLYMER LTD	100	523	100	523
RADHE DEVELOPERS	54944	3,475,107	54944	3,475,107
RALIS INDIA LTD.	-	-	250	32,668
SATELITE ENGINEERING LTD	24300	209,296	24300	209,296
SERENE INDUSTRIES LTD	-	-	10000	69,535
SHANTI GEARS	7000	532,966	7000	532,966
SHILP GRAVUS	7294	486,645	7294	486,645
SILVERLINE ANIMATION	1000	-	1000	-
SILVERLINE TECHNOLOGIES	2500	405,000	2500	405,000
SINGH ALLOYS LTD	-	-	5000	73,200
SOFTRAK TECHNOLOGIES LTD	-	-	20000	15,200
SOUTH INDIAN CORP	5000	501,301	5000	501,301

## PRISM FINANCE LIMITED

	AS AT 31/03/13		AS AT 31/03/12	
	NO. OF SHARES	RUPEES	NO. OF SHARES	RUPEES
SREI INFRASTRUCTURE	18000	241,565	18000	589,113
STANDARD SURFACTANT LTD	-	-	1900	89,078
SUMERU INDUSTRIES	5552	17,131	5552	17,131
SUN PHARMA	1201	320,543	1201	320,543
SUN PHARMA ADV LTD	17398	1,453,921	15000	1,293,255
TCS	477	613,655	596	465,415
TEESTA AGRO INDUSTRIES LTD	-	-	2000	24,500
TELEDATA MARINE	2500	83,745	2500	83,745
TELEDATA TECHNOLOGY	2500	83,745	2500	83,745
TITAN INDUSTRIES	3235	663,637	2686	505,318
THE ORISSA MINERAL DEVELOPMENT	500	1,175,000	50	1,175,000
TUBE INVESTMENT	800	80,277	800	80,277
UNILIV FOODS LTD	-	-	21500	283,710
UP HOTELS	598	102,617	598	102,617
VADILAL DAIRY INDUSTRIES LTD	-	-	6200	88,015
VARUN SHIPPING	136215	3,598,108	56379	2,282,548
WINDSOR MACHINERY	18600	864,764	18600	864,764
YES BANK	-	-	1622	485,669
<b>TOTAL (i)</b>		<b>34,916,056</b>		<b>34,576,856</b>
<b>(ii) In Fully paid Mutual Funds</b>				
PRINCIPAL CASH MGMT. FUND INST.PREMIUM-G	37	67,123	518	853,321
<b>TOTAL (ii)</b>		<b>67,123</b>		<b>853,321</b>
<b>TOTAL [ (i) + (ii) ]</b>		<b>34,983,179</b>		<b>35,430,177</b>
Less: Provision for diminuation in value of Investments		-		1,062,064
<b>TOTAL B i.e. [ (i) + (ii) ]</b>		<b>34,983,179</b>		<b>34,368,113</b>
<b>TOTAL (A+B)</b>		<b>119,246,289</b>		<b>118,631,223</b>
<b>NOTES:-</b>				
		<b>As At 31/03/13</b>		<b>As At 31/03/12</b>
		<b>Rupees in lacs</b>		<b>Rupees in lacs</b>
(a) Aggregate Cost of Quoted investments		350		344
(b) Aggregate Market Value of Quoted investments		259		261
(c) Aggregate Cost of Unquoted investments		843		843

Particulars	As at March 31, 2013 Rupees	As at March 31, 2012 Rupees
<b>NOTE : J</b>		
<b>LONG TERM LOANS AND ADVANCES</b>		
<b>Long Term Loans and Advances</b>		
<b>(Unsecured, considered good)</b>		
Intercorporate Loan given to related party		
Opel Securities Ltd.	4,455,000	4,455,000
Deposit	108,500	108,500
<b>Total</b>	<b>4,563,500</b>	<b>4,563,500</b>
<b>Other Disclosures:</b>		
<b>These include amount due from following either severally or jointly:</b>		
Directors	Nil	Nil
Other Officers of the Company	Nil	Nil
Firm in Which Director is a Partner	Nil	Nil
Private Company in which Director is a Director or Member	Nil	Nil



## ANNUAL REPORT 2012-2013

Particulars	As at March 31, 2013 Rupees	As at March 31, 2012 Rupees
<b>NOTE :K</b>		
<b>TRADE RECEIVABLES</b>		
<b>Unsecured, considered good:</b>		
Outstanding for a period of 6 months	-	-
Others		
M/s. Som Shiva (Impex) Ltd	4,620,194	2,830,898
<b>Total</b>	<b>4,620,194</b>	<b>2,830,898</b>
<b>These include amount due from following either severally or jointly:</b>		
Directors	Nil	Nil
Other Officers of the Company	Nil	Nil
Firm in Which Director is a Partner	Nil	Nil
Private Company in which Director is a Director or Member	Nil	Nil
<b>NOTE : L</b>		
<b>CASH AND CASH EQUIVALENTS</b>		
<b>Balances with Banks</b>		
In Current Accounts	143,832	1,554,482
<b>Cash on Hand</b>	<b>688,873</b>	<b>338,873</b>
<b>Total</b>	<b>832,705</b>	<b>1,893,355</b>
<b>NOTE : M</b>		
<b>SHORT TERM LOANS AND ADVANCES</b>		
<b>Unsecured, considered good</b>		
<b>a) Intercorporate loans given to</b>		
<b>(i) Related Parties:-</b>		
- M/s. Somshiva (Impex) Ltd.	243,602	2,135,756
- M/s. Spectrateck Industries.	692,000	692,000
<b>(ii) Others</b>	<b>10,762,616</b>	<b>13,348,723</b>
<b>b) Others Loans</b>	<b>2,914,000</b>	<b>1,660,740</b>
<b>c) Advances recoverable in cash or in kind or for value to be received</b>	<b>1,235,821</b>	<b>754,301</b>
<b>d) Provision of tax (net of advance tax &amp; TDS)</b>	<b>64,561</b>	<b>-</b>
<b>Total</b>	<b>15,912,600</b>	<b>18,591,520</b>
<b>Other Disclosures:</b>		
<b>These include amount due from following either severally or jointly:</b>		
Directors	Nil	Nil
Other Officers of the co	Nil	Nil
Firm in Which Director is a Partner	Nil	Nil
Private Company in which Director is a Director or Member	Nil	Nil
Particulars	For the Year ended On March 31, 2013 Rupees	For the Year Ended On March 31, 2012 Rupees
<b>NOTE : N</b>		
<b>REVENUE FROM OPERATIONS</b>		
Discounting charges	733,602	618,937
Dividend income	315,226	441,849
Profit/(Loss) in Trading of Share/Derevatives (Net)	(1,061,020)	(904,449)
Profit on Sale of Shares / Mutual Fund	261,471	2,501,065
Interest income	-	114,288
<b>Total</b>	<b>249,279</b>	<b>2,771,690</b>

## PRISM FINANCE LIMITED

Particulars	For the Year ended On March 31, 2013 Rupees	For the Year Ended On March 31, 2012 Rupees
<b>NOTE : O</b>		
<b>OTHER INCOME</b>		
Car higher charges	480,000	480,000
Rent income	386,524	367,810
Excess provision written back	1,062,064	-
Others	7,490	175,000
<b>Total</b>	<b>1,936,078</b>	<b>1,022,810</b>
<b>NOTE : P</b>		
<b>PAYMENTS TO AND PROVISIONS FOR EMPLOYEES</b>		
Salaries and Wages	215,740	183,000
<b>Total</b>	<b>215,740</b>	<b>183,000</b>
<b>NOTE : Q</b>		
<b>OTHER EXPENSES:</b>		
Advertisement Expenses	-	1,683
Demate Charges	8,732	7,581
Filing fees	-	500
Insurance expenses	34,931	54,203
Legal & professional expenses	114,548	120,549
Listing fees	20,000	20,000
Portfolio management fees	396,691	350,847
Provision for diminution in value of investments	-	1,062,064
General expenses	71,024	30,154
<b>Total</b>	<b>645,927</b>	<b>1,647,581</b>

### NOTE- R : SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES TO 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 accrued income/ expenses as per the terms of the agreement entered into with the lessee. lessors and hirers from time to time. In respect of hire purchase business. The company recognizes 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) Investments are valued at cost after providing permanent diminution in value thereof.
- f) The Company follows the prudential norms for income recognition and provides for / write's off of Non-performing Assets as per the prudential norms prescribed by the Reserve Bank of India.

## ANNUAL REPORT 2012-2013

- 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 made 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.

### B) Other Notes to Accounts

- Contingent Liability : NIL
- The legal and professional expenses includes payment to Auditors as under :

	Year 2012-2013	Year 2011-2012
Audit Fees	<b>45,000</b>	40,000

- Balances under the head of current & non-current liabilities, long term loans & advances and current assets including few bank balances and certain investments are subject to confirmation and reconciliation.
- In the opinion of the management of the company, the current & non-current assets are approximately of the same value stated if realized 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.
- 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.
- The Company has adopted Accounting Standard - AS- 22 " Accounting for Taxes on Income", issued by The Institute of Chartered Accountants of India. The Company has net deferred tax liability as under:-

The breakup of Net deferred tax liability as At 31.03.2013 arising on account of timing difference in respect of:

	Amount in Rupees	
Particulars	As at 31-03-2013	As at 31-03-2012
<b>Deffered Tax Liability</b>		
Depreciation	<b>995,702</b>	1,164,149
<b>Deffered Tax Assets</b>		
Unabsorbed Business Loss & depreciation to the extent of Deffered tax liabilities	<b>995,702</b>	1,164,149
<b>Deffered Tax Liability (Net)</b>	<b>NIL</b>	NIL

- All the non-current investments are held by the company in its own name in demat/physical form. Regarding certain investments held in the physical form, the company is in the process to dematerialize the same.
- In the opinion of the management, the company has no tax liability computed under the ordinary provisions as well as under the provisions of Minimum Alternate Tax u/s 115JB of Income Tax Act, 1961 and therefore no provision for income tax is required to be made.
- 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 April2001,the disclosure in respect of the related party transactions for the year ended 31st March.2013 are given below:

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

#### A. Relationship

##### 1. Subsidiaries

Opel Securities Ltd.

##### 2. Associates of the Company

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

## PRISM FINANCE LIMITED

### 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 :-

<b>Sr. Transactions No.</b>	<b>Subsidiary</b>	<b>Associates of the Company</b>	<b>Key Management Person/Relative</b>
1. Loan Granted	-	- (26,043,395)	<b>NIL</b>
2. Loan Recovered	-	<b>1,892,154</b> (26,947,130)	<b>NIL</b>
3. Loan Obtained	-	-	-
4. Loan Repaid	-	<b>19,904</b> (500,000)	-
<b>5. Income</b>			
i) Bill discounting Income	-	<b>733,602</b> (618,937)	-
<b>6. Expenses:</b>			
i) Professional Charges	-	-	<b>63,000</b> (64,365)
<b>Amount outstanding as at 31-03-2013</b>			
1. Outstanding Loans/Advances	<b>4,455,000</b> (4,455,000)	<b>935,602</b> (2,827,756)	<b>Nil</b> (4,866)
2. Trade receivables	-	<b>4,620,194</b> (2,830,898)	-
3. Outstanding of Loan obtained	-	<b>180,096</b> (200,000)	- Nil
4. Investment	<b>11,500,500</b> (11,500,500)	-	-
5. Creditors for Exps.	-	-	- (5,515)

Signature to Notes A to R

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 : 30<sup>th</sup> May, 2013

For and on behalf of the Board

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

Place : Ahmedabad  
Date : 30<sup>th</sup> May, 2013

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**OPEL SECURITIES PRIVATE LIMITED**

**18<sup>TH</sup> ANNUAL REPORT 2012-13**

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

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

**COMPANY LAW CONSULTANTS** : M/s. Kashyap R. Mehta & Associates,  
Company Secretaries,  
Ahmedabad

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

## OPEL SECURITIES PRIVATE LIMITED

### DIRECTORS' REPORT

To,  
The Members,  
OPEL SECURITIES PRIVATE LIMITED,

Your Directors have pleasure in presenting their 18<sup>th</sup> Annual report together with audited Balance Sheet as on 31<sup>st</sup> March, 2013 and Statement of Profit & Loss for the year ended on that date.

#### 1. FINANCIAL RESULTS

Particulars	2012-13	(Rs. in lacs) 2011-12
Total Income	106.48	49.47
Profit Before Tax	51.51	48.94
Less: Provision for Tax	0.16	-
Profit after Tax	51.35	48.94
Surplus brought forward from previous year	(2181.48)	(2230.42)
Balance carried to balance sheet	(2130.13)	(2181.48)

#### 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 2012-13.

#### 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:

During the year, there was no change in any Directors of the Company. As per the provisions of the Articles of Association read with the Companies Act, 1956, none of the Directors of your Company is liable to retire by rotation.

#### 6. 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. The remarks of the Auditors are self - explanatory.

#### 7. 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. Kashyap R. Mehta & Associates, Company Secretaries, Ahmedabad. The said Certificate is attached with this Report.

#### 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;

## ANNUAL REPORT 2012-2013

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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, 2013 being end of the Financial Year 2012-13 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. 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.

### 10. HOLDING SUBSIDIARY RELATIONSHIP:

The Company is a Subsidiary of M/s. Prism Finance Limited pursuant to Section 4(1)(b) of the Companies Act, 1956.

### 11. 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.

For and on behalf of the Board of Directors,

Place: Ahmedabad  
Date : 16<sup>th</sup> July, 2013

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

## **OPEL SECURITIES PRIVATE LIMITED**

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**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, 2013. 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 five times on 30<sup>th</sup> June, 2012; 16<sup>th</sup> July, 2012; 20<sup>th</sup> October, 2012; 17<sup>th</sup> November, 2012 and 30<sup>th</sup> March, 2013 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, 2012 was held on 25<sup>th</sup> September, 2012 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 generally 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 certificates for the shares lodged for transfer and no allotment was made/ no securities were lodged for transmission 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.



## ANNUAL REPORT 2012-2013

14. The Board of Directors of the Company is duly constituted. There was no appointment of any Directors, Additional Director, 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, 2013 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, **KASHYAP R. MEHTA & ASSOCIATES**  
*Company Secretaries*

**Kashyap R. Mehta**  
Proprietor  
COP No.: 2052  
FCS No. : 1821

Place : Ahmedabad  
Date : 16<sup>th</sup> July, 2013

## **OPEL SECURITIES PRIVATE LIMITED**

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### **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, 2013.

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, 2012	04-10-2012	Yes
2.	20B	159	Annual Return made up to 25 <sup>th</sup> September, 2012	04-10-2012	Yes
3.	23AC & 23ACA	220	Balance Sheet and Profit & Loss Account as on 31 <sup>st</sup> March, 2012 with the all annexure and attachments.	04-10-2012	Yes

B. Regional Director, Central Government or other Authorities

Nil
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**For, KASHYAP R. MEHTA & ASSOCIATES**  
*Company Secretaries*

**Kashyap R. Mehta**  
Proprietor  
COP No.: 2052  
FCS No. : 1821

Place : Ahmedabad  
Date : 16<sup>th</sup> July, 2013

INDEPENDENT AUDITORS' REPORT

To,  
The Members of  
M/s. OPEL SECURITIES PVT LTD

**Report on the Financial Statements**

We have audited the accompanying financial statements of **M/s. OPEL SECURITIES PVT LTD** ("the Company"), which comprise the Balance Sheet as at 31st March, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements read with and subject to significant accounting policies and accompanying notes thereon give, the information required by the Act, in the manner so required and give, a true and fair view in conformity with the accounting principles generally accepted in India;

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- b) in the case of Statement of Profit and Loss, of the Profit for year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - a) 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;
  - b) 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 those books;
  - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement comply with the accounting standards referred to in sub-section (3C) of section 211 of the Act;
  - e) On the basis of written representations received from the directors as on 31<sup>st</sup> March, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

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

Place : Ahmedabad  
Dated : 16<sup>th</sup> July, 2013

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

## **OPEL SECURITIES PRIVATE LIMITED**

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### **Annexure to the Auditors' Report**

(Referred to in paragraph 1 under the heading 'Report on other, Legal and Regulatory Requirements' of our Report of even date to the members of **M/s. OPEL SECURITIES PVT. LTD.**)

1. 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.
2.
  - a) The inventory has been physically verified by the management at reasonable intervals during the year.
  - b) In our opinion and on the basis of the information and explanations given to us, the procedures for physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - c) On the basis of our examination of the inventory records, in our opinion, the Company has maintained proper records of inventory. We are informed that , no discrepancies were noticed on physical verification of inventory as compared to the book records.
3. The company has not granted loan to any party listed in register maintained under section 301 of the Companies Act,1956.  
The company has not obtained loan from any parties listed in the register maintained under section 301 of the Companies Act, 1956,
4. 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 and for sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal controls.
5. 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.
6. As explained to us, the company has not accepted any deposits from the public.
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. The nature of the Company's business/activities during the period under audit is such that clause 4(viii) regarding maintenance of cost records is not applicable to the company.
9. 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, except TDS amounting to Rs.1,213/-, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2013 for a period of more than six months from the date of becoming payable.  
  
According to the information and explanation given to us, there are no dues of sales tax, income tax, custom duty, wealth tax, service tax, excise duty and cess which have not been deposited on account of any dispute.
10. Accumulated losses of the company as at March 31, 2013 exceeds the net worth of the company as at that date. The company has neither incurred cash losses during the financial year under review nor had it incurred any cash losses in the immediately preceding financial year.
11. The company has not borrowed from financial institution or bank or issued debentures till the end of the year.
12. In our opinion and according to information and explanation 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.
13. The provisions of special statute applicable to chit fund, Nidhi/Mutual Benefit fund/societies are not applicable to the company.
14. 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.

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15. The company has not given any guarantee for loans taken by others from bank or financial institutions.
16. The company has not taken any term loan during the year under review.
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 fund raised on short term basis amounting to Rs.2970 lacs have been used to finance long term investment i.e. towards financing of accumulated loss and for non-current assets.
18. 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.
19. During the year under review the company has not issued any debentures.
20. The company has not raised money by any public issues during the year under audit and hence the question of disclosure and verification of end use of such money does not arise.
21. 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 : 16<sup>th</sup> July, 2013

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

## PRISM FINANCE LIMITED

### BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2013

Particulars	Refer Note No.	As At March 31,2013		As At March 31,2012	
		Rupees	Rupees	Rupees	Rupees
<b>EQUITY AND LIABILITIES :</b>					
<b><u>Shareholders' Funds</u></b>					
Share capital	A	17,502,000		17,502,000	
Reserves and Surplus	B	(205,513,176)		(210,647,834)	
			(188,011,176)		(193,145,834)
<b><u>Non-Current Liabilities</u></b>					
Long-term borrowings	C	1,497,862,000		897,062,000	
Other Non Current Liabilities	D	1,213		1,213	
			1,497,863,213		897,063,213
<b><u>Current Liabilities</u></b>					
Trade Payables	E	5,475,509		28,024	
Other current liabilities	F	301,991,000		301,975,000	
			307,466,509		302,003,024
<b>TOTAL</b>			<b>1,617,318,546</b>		<b>1,005,920,403</b>
<b>ASSETS :</b>					
<b><u>Non-Current Assets</u></b>					
Non-current investments	G	1,591,347,081		975,547,082	
Long-term loans and advances	H	15,505,000		15,505,000	
			1,606,852,081		991,052,082
<b><u>Current Assets</u></b>					
Trade Receivables	I	5,502,990		-	
Cash and cash equivalents	J	213,475		118,321	
Short-term loans and advances	K	4,750,000		14,750,000	
			10,466,465		14,868,321
<b>TOTAL</b>			<b>1,617,318,546</b>		<b>1,005,920,403</b>
<b>Significant Accounting Policies and Other Notes to Accounts</b>	P				

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

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

Place : Ahmedabad  
Date : 16<sup>th</sup> July, 2013

For and on behalf of the Board

**Dhiren B. Parikh** Director

**Rahul A. Patel** Director

Place : Ahmedabad  
Date : 16<sup>th</sup> July, 2013

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2013

Particulars	Refer Note No.	For the Year ended On March 31, 2013 Rupees	For the Year Ended On March 31, 2012 Rupees
I (i) Revenue from Operations	L	5,502,990	-
(ii) Other income	M	5,145,065	4,946,533
<b>II Total Revenue</b>		<b>10,648,055</b>	4,946,533
<b>III Expenses :</b>			
Purchase of stock-in-Trade	N	5,451,610	-
Other expenses:	O	45,787	52,090
<b>Total Expenses</b>		<b>5,497,397</b>	52,090
<b>IV Profit Before Tax (II-III)</b>		<b>5,150,658</b>	4,894,443
<b>VI Tax Expense</b>			
Current Tax		16,000	-
<b>VII Profit for the year</b>		<b>5,134,658</b>	4,894,443
<b>VIII Earning Per Equity Share</b>			
Basic & Diluted		2.93	2.80

## Significant Accounting Policies and Notes to Accounts P

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

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

Place : Ahmedabad  
Date : 16<sup>th</sup> July, 2013

For and on behalf of the Board

**Dhiren B. Parikh** Director

**Rahul A. Patel** Director

Place : Ahmedabad  
Date : 16<sup>th</sup> July, 2013

**PRISM FINANCE LIMITED****CASH FLOW STATEMENT PREPARED FOR THE PERIOD ENDED 31<sup>ST</sup> MARCH, 2013**

<b>PARTICULARS</b>	<b>FOR THE YEAR ENDED ON 31/03/2013</b>	<b>FOR THE YEAR ENDED ON 31/03/2012</b>
<b>A) Cash flows from operating activities</b>		
Net profit before taxes and extraordinary items	5,150,658	4,894,443
Add: Loss on sale of Investments	4,785	-
Operating Profit before Working capital changes	5,155,443	4,894,443
<u>Add:</u>		
Increase/(Decrease) in Unsecured Loans	600,800,000	49,750,000
(Increase)/Decrease in Loans and Advances	10,000,000	(14,500,000)
Increase/(Decrease) in Current Liabilities	5,447,485	3,316
Increase/(Decrease) in Trade receivable	(5,502,990)	-
Cash generated from operations	615,899,938	40,147,759
Direct taxes paid (Net of Refund received)	-	-
<b>Net cash flow from operating activities</b>	<b>615,899,938</b>	<b>40,147,759</b>
<b>B) Cash flows from investing activities</b>		
(Purchase)/Sales of Investment(Net)	(615,804,784)	(40,650,000)
<b>Net Cash flow from investing activities</b>	<b>(615,804,784)</b>	<b>(40,650,000)</b>
<b>C) Cash flows from financing activities</b>		
<b>Net Cash flow from financing activities</b>	<b>-</b>	<b>-</b>
<b>Increase/(Decrease) in Cash &amp; Cash equivalents</b>	<b>95,154</b>	<b>(502,241)</b>
<b>Cash &amp; Cash equivalents at the beginning of the year</b>	<b>118,321</b>	<b>620,562</b>
<b>Cash &amp; Cash equivalents as at the end of the year</b>	<b>213,475</b>	<b>118,321</b>

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

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

Place : Ahmedabad  
Date : 16<sup>th</sup> July, 2013

For and on behalf of the Board

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

Place : Ahmedabad  
Date : 16<sup>th</sup> July, 2013



**NOTES FORMING PART OF THE ACCOUNTS**

Particulars	As at March 31, 2013		As at March 31, 2012	
	Number	Rupees	Number	Rupees
<b>Note: A</b>				
<b>SHARE CAPITAL</b>				
<b>Authorise:</b>	<u>2,000,000</u>	<u>20,000,000</u>	<u>2,000,000</u>	<u>20,000,000</u>
Equity Shares of Rs.10/- each				
<b>Issued:</b>				
Equity Shares of Rs.10/- each	<u>1,750,200</u>	<u>17,502,000</u>	<u>1,750,200</u>	<u>17,502,000</u>
<b>Subscribed &amp; Fully Paid up:</b>				
Equity Shares of Rs.10/- each	<u>1,750,200</u>	<u>17,502,000</u>	<u>1,750,200</u>	<u>17,502,000</u>
<b>Total</b>	<u>1,750,200</u>	<u>17,502,000</u>	<u>1,750,200</u>	<u>17,502,000</u>

**Disclosure Pursuant to Note no. 6(A)(d) of Part I of Schedule VI to the Companies Act, 1956**

Particulars	Equity Shares	
	Number	Rupees
Shares Outstanding at the Beginning of the Year	1,750,200	17,502,000
Shares Issued During the Year	-	-
Shares Bought Back During the Year	-	-
Shares Outstanding at the end of the Year	1,750,200	17,502,000

**Disclosure Pursuant to Note no. 6(A)(g) of Part I of Schedule VI to the Companies Act, 1956**

(As submitted by the amnagement and accepted by the auditors as such)

Particulars	As at March 31, 2013		As at March 31, 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Prism Finance Ltd.	1,150,000	65.71%	1,150,000	65.71%
B.V.M Finance Ltd.	350,000	20.00%	350,000	20.00%
Buddishchandra C. Shah(HUF)	107,500	6.14%	107,500	6.14%
Shantilal Motibhai Shah	92,500	5.29%	92,500	5.29%

**Disclosure Pursuant to Note no. 6(A)(i) of Part I of Schedule VI to the Companies Act, 1956**

Particulars	Financial Year (Aggregate No. of Shares)	
	For the year ended On 31.03.2013	2007-08 to 2011-12
<b>Equity Shares :</b>		
Issued Fully paid up shares pursuant to contract(s) without payment being received in cash	Nil	Nil
Issued Fully paid up shares by way of bonus shares	Nil	Nil
Shares bought back	Nil	Nil

## PRISM FINANCE LIMITED

Particulars	As at March 31, 2013 Rupees	As at March 31, 2012 Rupees
<b>Note: B</b>		
<b>RESERVES &amp; SURPLUS</b>		
<b>Securities premium</b>		
Balance as per last balance sheet	7,500,000	7,500,000
<b>Statement of Profit &amp; Loss</b>		
Balance as per last balance sheet	(218,147,834)	(223,042,277)
Add: Net profit for the current period	5,134,658	4,894,443
Closing balance	<u>(213,013,176)</u>	<u>(218,147,834)</u>
<b>Total</b>	<u>(205,513,176)</u>	<u>(210,647,834)</u>
<b>NOTE : C</b>		
<b>LONG TERM BORROWINGS</b>		
<b>Unsecured :</b>		
Intercompany Loans from related parties:		
BVM Finance Pvt. Ltd.	842,602,000	842,602,000
Prism Finance Ltd.	4,455,000	4,455,000
Som Shiva Impex Ltd.	39,750,000	49,750,000
Other Inter Corporate Deposits	611,055,000	255,000
<b>Total</b>	<u>1,497,862,000</u>	<u>897,062,000</u>
There is no default in repayment of principal amount and deposits are interest free.		
<b>NOTE : D</b>		
<b>OTHER NON CURRENT LIABILITIES</b>		
Other Liabilities	1,213	1,213
<b>Total</b>	<u>1,213</u>	<u>1,213</u>
<b>NOTE : E</b>		
<b>TRADE PAYABLES</b>		
Trade Payables	5,475,509	28,024
<b>Total</b>	<u>5,475,509</u>	<u>28,024</u>
<b>NOTE : F</b>		
<b>OTHER CURRENT LIABILITIES</b>		
Share application money pending allotment-refundable	301,975,000	301,975,000
Provision for taxation (net)	16,000	-
<b>Total</b>	<u>301,991,000</u>	<u>301,975,000</u>
<b>NOTE : G</b>		
<b>NON-CURRENT INVESTMENTS</b>		
<b>Other Investments : (At Cost)</b>		
<b>(A) Quoted</b>		
<b>Investment in Equity instruments:</b>		
14410050(P.Y.76,10,050) Equity Shares of Sintex Industries Limited of Rs.1/- each fully paid up	1,404,165,081	934,897,082
<b>B: Un-Quoted:</b>		
<b>i) Investment in Equity instruments</b>		
81,300 Equity Shares of Samurai Holdings Pvt Ltd of Rs.10 each	40,650,000	40,650,000
<b>ii) Investment in Mutual Funds</b>		
Birla Dynamic Bond Fund (Unit 218952.53)	2,500,000	-
Kotak Bond Scheme Plan - A (Unit 233030.70)	2,500,000	-
<b>iii) Warrants</b>		
82,00,000 nos. of warrants for face value of Rs.69.01 per warrant (paid-up up to Rs.17.26 per warrant ) of Sintex Industries Limited (refer para no: B-3 of Note P)	141,532,000	-
<b>Total</b>	<u>1,591,347,081</u>	<u>975,547,082</u>
Aggregate amount of Unquoted investments	187,182,000	40,650,000
Aggregate amount of quoted investments	1,404,165,081	934,897,082
Aggregate market value of quoted investments	664,303,305	655,590,563

**OPEL SECURITIES PRIVATE LIMITED**
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Particulars	As at March 31, 2013 Rupees	As at March 31, 2012 Rupees
<b>Note :H</b>		
<b>LONG TERM LOANS AND ADVANCES</b>		
<b>Unsecured, considered good</b>		
<b>(i) Loans and Advances to related party:</b>		
Bar magnate Inv. Pvt. Ltd.	2,050,000	2,050,000
Mass Chemical Ind. Ltd.	13,455,000	13,455,000
<b>Total</b>	<b>15,505,000</b>	<b>15,505,000</b>
<b>Note :I</b>		
<b>TRADE RECEIVABLES</b>		
<b>Unsecured, considered good unless otherwise stated</b>		
Amount due for period exceeding six months	-	-
Others	5,502,990	-
<b>TOTAL</b>	<b>5,502,990</b>	<b>-</b>
<b>NOTE : J</b>		
<b>CASH AND CASH EQUIVALENTS</b>		
Balance with Bank In Current Accounts	213,475	118,321
<b>Total</b>	<b>213,475</b>	<b>118,321</b>
<b>NOTE : K</b>		
<b>SHORT TERM LOANS AND ADVANCES</b>		
<b>Unsecured, considered good unless otherwise stated</b>		
Loans and Advances to Related Parties		
Samurai Holdings Private Limited	4,350,000	14,350,000
Others	400,000	400,000
<b>Total</b>	<b>4,750,000</b>	<b>14,750,000</b>
<b>Particulars</b>		
	<b>For the Year ended On March 31, 2013 Rupees</b>	<b>For the Year Ended On March 31, 2012 Rupees</b>
<b>NOTE : L</b>		
<b>REVENUE FROM OPERATIONS</b>		
Sales of Fabrics	5,502,990	-
<b>Total</b>	<b>5,502,990</b>	<b>-</b>
<b>NOTE : M</b>		
<b>OTHER INCOME</b>		
Dividend	5,145,065	4,946,533
<b>Total</b>	<b>5,145,065</b>	<b>4,946,533</b>
<b>NOTE : N</b>		
<b>PURCHASE OF STOCK-IN-TRADE</b>		
Purchase of Fabric	5,451,610	-
<b>Total</b>	<b>5,451,610</b>	<b>-</b>
<b>NOTE :O</b>		
<b>OTHER EXPENSES</b>		
Audit fees	16,854	16,854
Short term loss on mutual funds	4,785	-
General expenses	24,148	35,236
<b>Total</b>	<b>45,787</b>	<b>52,090</b>

## PRISM FINANCE LIMITED

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### NOTE:P

#### Significant Accounting Policies and Other Notes to Accounts:-

##### A) 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) Income & expenditure are accounted for on accrual basis: except Dividend. Dividend Income is recognized in the statement of profit & loss when the right to receive payment is established.
- c) **Investments:**  
Investments have been reflected at cost. Provision is made where there is a permanent fall in the value of Investments.
- d) **Provision for Taxation:**  
Provision for current tax has been made in accordance with the ordinary provisions of the Income Tax Act.

##### B) Other Notes to Accounts

- 1) Contingent Liability: Rs.42,43,50,000/- in respect of balance amount payable on conversion of 82,00,000 number of warrants having face value Rs.69.01 and paid- up value of Rs. 17.26 per warrant in to equal number of equity shares of issuer company of Rs.1/- i.e. M/s. SintexIndustries Limited at the option of the company to convert the same on or before 21<sup>st</sup> May,2014.
- 2) During the year under review, pursuant to a resolution passed by the Board of Directors of the company, the company has decided to commence the business of trading in goods and merchandise and accordingly accounts have been prepared after considering the said trading business activities.
- 3) During the year under review, 150,00,000number of warrants of M/s.Sintex Industries Limited have been allotted to the company @69.01 per warrant (paid-up up to Rs. 17.26 per warrant) on a preferential allotment basis, pursuant to Section 81(1A) of the Companies Act,1956 and in accordance with SEBI Guidelines in this regard.As per the terms of issues, the said warrants may be converted in to equivalent number of equity shares of M/s. Sintex Industries Limited of face value of Rs.1/- each on payment of the balance amount at any time on or before 21<sup>st</sup>May,2014. In the event the warrants are not converted in to shares within the predefined period, the issuer company is eligible to forfeit the amounts received towards warrants.

During the year under review, the company has exercised the option in respect of 68,00,000 number of warrants after paying balance amount due thereon and obtained equal no of equity shares of M/s. Sintex Industries Limited and balance 82,00,000 number of warrants are pending for conversion as at 31.03.2013 are shown as non-current investments.

- 4) The legal and professional expenses includes payment to Auditors as under :

<b>Particulars</b>	<b>Year 2012-13</b>	<b>Year 2011-12</b>
Audit Fees	16,854	16,854

- 5) Balances under the head of non-current & current liabilities, non-current& current assets are subject to confirmation and reconciliation.
  - 6) In the opinion of the management of the company, the current & non-current assets are approximately of the same value stated if realized 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.
  - 7) There are no Micro, Small and Medium Enterprises, to whom the company owes, which are outstanding for more than 45 days as at 31<sup>st</sup> March,2013. This information is required to be disclosed under 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.
  - 8) All the non-current investments are held by the company in its own name.
  - 9) Accounts are prepared on going concern basis notwithstanding the fact that accumulated losses have significantly eroded the net worth of the company. The management is in the process to improve the financing and future process of the business of the company.
  - 10) In the opinion of the management, the tax liability computed under the ordinary provisions of the Income Tax Act,1961 is higher than the tax liability computed under provisions of Minimum Alternate Tax u/s 115JB of Income Tax Act, 1961 and therefore provision for income tax has been made based on normal provisions of the Income Tax Act,1961.
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## ANNUAL REPORT 2012-2013

- 11) 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, 2013 are given below: (Note: Related party relationship and transactions thereof are as certified by the company and relied upon by the auditors as such.)

### A. Relationship

#### 1. Holding company

Prism finance Ltd.

#### 2. Associates of the Company

Samurai Holding Pvt. Ltd.,

Som Shiva (Impex) Ltd.,

BVM Finance Ltd.,

BAR Megnet Inv. Pvt. Ltd.,

Mass Chemical Pvt. Ltd.

#### 3. Key Management Personals/Relatives/Individuals

Directors:

Shri Rahul A. Patel &

Shri Dhiren B. Parikh

Relatives :

Shri Pranay A. Patel

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

Sr.No.	Transactions	Holding Company	Associates of the Company	Key Management Personals/ Relatives/Individuals
1.	Income	-	-	-
2.	Expenses	-	-	-
3.	Loan obtained	-	-	-
4.	Loan repaid	-	100,00,000	-
5.	Loans granted	-	-	-
4.	Loan recovered	-	100,00,000	-
<b>Amount outstanding as on 31-03-2013</b>				
1.	Outstanding of loan obtained	44,55,000 (44,55,000)	88,23,52,000 (89,23,52,000)	-
2.	Outstanding Loans/ Advances	-	1,98,55,000 (2,98,55,000)	4,00,000 (4,00,000)

### Signatures to Notes A to P

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

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

Place : Ahmedabad  
Date : 16<sup>th</sup> July, 2013

For and on behalf of the Board

**Dhiren B. Parikh**      *Director*

**Rahul A. Patel**      *Director*

Place : Ahmedabad  
Date : 16<sup>th</sup> July, 2013

**PRISM FINANCE LIMITED**

**PRISM FINANCE LIMITED**

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

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

Thursday, the 19<sup>th</sup> September, 2013 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 19<sup>th</sup> Annual General Meeting of the Company, to be held on Thursday, the 19<sup>th</sup> September, 2013 and at any adjournment thereof.

Signed the \_\_\_\_\_ day of \_\_\_\_\_ 2013.

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  
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**PRISM FINANCE LIMITED**

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

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