
NOTICE

NOTICE is hereby given that the **20TH ANNUAL GENERAL MEETING** of the members of **PRISM FINANCE LIMITED** will be held as scheduled below:

Date : 25th September, 2014
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, consider and adopt Audited Statement of Profit and Loss for the year ended 31st March, 2014 and the Balance Sheet as on that date along with Directors' Report and Auditors' Report thereon.
2. To appoint Statutory 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:

3. To consider and, if thought fit, to pass with or without modification, the following Resolution as an **Ordinary Resolution**:
"RESOLVED THAT pursuant to provisions of Sections 149, 150 and 152 read with Schedule IV of the Companies Act, 2013 and the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Udayan D. Velvan (DIN – 01876652), an Independent Director of the Company, who was appointed as an Additional Director pursuant to provisions of Section 260 of the Companies Act, 1956 as amended from time to time and in accordance with the Articles of Association of the Company and whose term of office expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of the Director, be and is hereby appointed as an Independent Director of the Company to hold office for a period of 5 (five) consecutive years for a term from the conclusion of this 20th Annual General Meeting up to the conclusion of the 25th Annual General Meeting to be held in the calendar year 2019."
4. To consider and, if thought fit, to pass with or without modification, the following Resolution as an **Ordinary Resolution**:
"RESOLVED THAT pursuant to provisions of Sections 149, 150 and 152 read with Schedule IV of the Companies Act, 2013 and the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Kashyap R. Mehta (DIN – 00005063), an Independent Director of the Company, who was appointed as a Director liable to retire by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of the Director, be and is hereby appointed as an Independent Director of the Company to hold office for a period of 5 (five) consecutive years for a term from the conclusion of this 20th Annual General Meeting up to the conclusion of the 25th Annual General Meeting to be held in the calendar year 2019."
5. To consider and, if thought fit, to pass with or without modification, the following Resolution as an **Ordinary Resolution**:
"RESOLVED THAT pursuant to provisions of Sections 149, 150 and 152 read with Schedule IV of the Companies Act, 2013 and the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Ms. Anal R. Desai (DIN – 02636329), an Independent Director of the Company, who was appointed as a Director liable to retire by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of the Director, be and is hereby appointed as an Independent Director of the Company to hold office for a period of 5 (five) consecutive years for a term from the conclusion of this 20th Annual General Meeting up to the conclusion of the 25th Annual General Meeting to be held in the calendar year 2019."
6. To consider and if thought fit, to pass with or without modification[s], the following resolution as a **Special Resolution**:
"RESOLVED THAT in supersession of the ordinary resolution passed at the 19th Annual General Meeting of the Company held on 19th September, 2013 and pursuant to provisions of section 180(1)(c) and other applicable

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provisions, if any, of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the Company be and is hereby accorded to the Board of Directors of the Company to borrow monies for the purpose of business of the Company from any Bank, Financial Institution or any person, such sum or sums of monies as they may deem necessary, notwithstanding the fact that the monies so borrowed and the monies borrowed from time to time apart from temporary loans obtained by the Company exceed the aggregate of the paid up capital of the Company and its free reserves i.e. reserves not set apart for any specific purpose, provided that the total outstanding amount of such borrowings shall not exceed Rs. 100 Crores (Rupees One Hundred Crores only) over and above the aggregate of the paid up capital of the Company and its free reserves at any time."

7. To consider and if thought fit, to pass with or without modification[s], the following resolution as a **Special Resolution**:

"RESOLVED THAT in supersession of the Ordinary Resolution passed at the 19th Annual General Meeting of the Company held on 19th September, 2013, the consent of the Company be and is hereby accorded under Section 179 and Section 180(1)(a) and other applicable provisions of the Companies Act, 2013, to the creation by the Board of Directors on behalf of the Company of such mortgages, charges, hypothecations and floating charges in such form and such manner as may be agreed to between the Board of Directors and the Company's lenders on all or any of the movable & immovable properties of the Company both present and future of every nature and kind whatsoever and the undertaking of the Company in certain events, to secure term loans/ working capital facilities/ External Commercial Borrowings/ Debentures/ any other form of finance etc. not exceeding Rs. 100 Crores (Rupees One Hundred Crores only) at any one point of time from Financial Institutions/Banks and other agencies/ parties/person with interest thereon, commitment charges, liquidated damages, charges, expenses and other monies, such mortgages and/or charges already created or to be created in future by the Company in such manner as may be thought expedient by the Board of Directors."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to finalize the documents for creating the aforesaid mortgages and/or charges and to do all such acts, things and matters as may be necessary for giving effect to the above resolution."

Registered Office:

301, Iscon Mall,
Above Star Bazar,
Satellite Road,
Ahmedabad-380 015.
Date : 29th July, 2014

By Order of the Board,

Kashyap R. Mehta
Director

NOTES :

1. The Explanatory Statement, pursuant to provisions of section 102 of the Companies Act, 2013 and rules made thereunder, in respect of the business under Item Nos. 3 to 7 of the Notice is annexed hereto.
2. The Register of Members and Share Transfer Books will remain closed from 12th September, 2014 to 25th September, 2014 (both days inclusive) for the purpose of Annual General Meeting.
3. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF, ON A POLL ONLY AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING 50 (FIFTY) AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PER CENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY.

The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxy form submitted on behalf of the Companies, Societies, etc. must be supported by an appropriate resolution / authority, as applicable.
4. Brief resume of Directors including those proposed to be appointed / re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report. The Directors have furnished the requisite declarations for their appointment / re-appointment.
5. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their DPs with whom they are maintaining their demat accounts and members holding shares in physical form to the Company / RTA.
6. The members are requested to intimate to the Company, queries, if any, at least 10 days before the date of the meeting to enable the management to keep the required information available at the meeting.

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7. Pursuant to Section 72 of the Companies Act, 2013, shareholders holding shares in physical form may file nomination in the prescribed Form SH-13 and for cancellation / variation in nomination in the prescribed Form SH-14 with the Company's Registrar and Transfer Agent. In respect of shares held in electronic / demat form, the nomination form may be filed with the respective Depository Participant.
8. The members are requested to bring duly filled attendance slip alongwith their copy of Annual Report at the Meeting.
9. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours on all working days between 11.00 A.M. and 1.00 P.M. except Sundays, up to and including the date of the Annual General Meeting of the Company.
10. Members may also note that this Notice and the Annual Report for 2013-14 will also be available on the Company's website www.prismfinance.in for their download. For any communication, the shareholders may also send requests to the Company's investor e-mail id: prismfinance@yahoo.com

11. VOTING THROUGH ELECTRONIC MEANS

- A. In accordance with provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 the business proposed for the ensuing Annual General Meeting, may be transacted through electronic voting system and the Company is providing facility for voting by electronic means ("e-voting") to its members.
- B. The Company has engaged the services of National Securities Depository Limited ("NSDL") to provide e-voting facilities and for security and enabling the members to cast their vote in a secure manner.
- C. It may be noted that this e-voting facility is optional. The e-voting facility will be available at the link <https://www.evoting.nsdl.com> during the following voting period.

Commencement of e-voting: From Thursday, the 18th September, 2014 at 10.00 a.m. (IST)

End of e-voting: Saturday, the 20th September, 2014 at 06.00 p.m. (IST)

E-voting shall not be allowed beyond 6.00 p.m. (IST) of 20th September, 2014. During the e-voting period, Shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut off date may cast their vote electronically. The cut off date for the limited purpose of e-voting is 8th August, 2014.

- D. The login ID and password for e-voting along with process, manner and instructions for e-voting is being sent to the members who have not registered their e-mail IDs with the Company along with physical copy of the notice.
- E. Those members who have registered their e-mail IDs with the Company / their respective Depository Participants are being forwarded the login ID and password for e-voting along with process, manner and instructions by e-mail.
- F. The Company has, in compliance with Rule 20 of the (Management and Administration) Rules, 2014, appointed Mr. Kashyap R. Mehta, Proprietor, M/s. Kashyap R. Mehta & Associates, Company Secretaries, Ahmedabad as Scrutinizer (as consented by them to be appointed as scrutinizer) for conducting the electronic Process in a fair and transparent manner.
- G. Electronic voting, processes, terms and conditions of Voting and general guidelines for shareholders participating through e-voting:

Shareholders may also refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads Section of www.evoting.nsdl.com in addition to the following information.

a. E-voting schedule for shareholders:

1.	Business may be transacted by electronic voting;	All Resolutions mentioned in the notice may be transacted by means of electronic voting within the time specified below.
2.	The date of completion of sending of notices	The notice dispatch will be completed 25 days prior to the date of annual general meeting.
3.	The date and time of commencement of voting through electronic means;	Thursday, the 18 th September, 2014 at 10.00 a.m. (IST)
4.	The date and time of end of voting through electronic means;	Saturday, the 20 th September, 2014 at 6.00 p.m. (IST)
5.	No voting after closing date & time of electronic voting	E-Voting shall not be allowed beyond 6.00 p.m. (IST) on 20 th September, 2014
6.	Website address on which the notice is displayed	www.prismfinance.in www.evoting.nsdl.com

- k. During the e-voting period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 8th August, 2014, may cast their vote electronically. Please note that the e-voting module shall be disabled by NSDL for voting after the closing time and date of e voting. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- l. The voting rights of Shareholders shall be in proportion to their shares of the paid up equity share capital of the Company.
- m. Shareholders of the Company, holding shares in any form viz. physical form or demat, as on the cut-off date and not casting their vote electronically, may only cast their vote at the Annual General Meeting.
- n. The Scrutinizer shall within a period of not exceeding three (3) working days from the conclusion of the e-Voting period unlock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- o. The results of the voting (e-voting and physical voting) will be announced within 48 hours of the conclusion of 20th Annual General Meeting to be held on 25th September, 2014 and shall also be posted on the website of the company www.prismfinance.in

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 IN RESPECT OF SPECIAL BUSINESSES MENTIONED IN THE NOTICE OF 20TH ANNUAL GENERAL MEETING DATED 29TH JULY, 2014.

In respect of Item No. 3:

Pursuant to provisions of section 161 of the Companies Act, 2013 (hereinafter referred to as the Act) and pursuant to the Articles of Association of the Company, the Board of Directors of the Company appointed Mr. Udayan D. Velvan as an Additional Director with effect from 10th February, 2014. Mr. Udayan D. Velvan is an Independent Director on the Board of the Company.

Pursuant to provisions of Section 260 of the Companies Act, 1956, Mr. Udayan D. Velvan holds office only upto the date of this Annual General Meeting of the Company. A notice has been received from a member along with deposit of requisite amount under Section 160 of the Act proposing Mr. Udayan D. Velvan as a candidate for the office of the Director of the Company.

Mr. Udayan D. Velvan is not disqualified from being appointed as Director in terms of section 164 of the Act and has given his consent to act as Director. Section 149 of the Act, inter alia, stipulates the criteria of independence should a Company propose to appoint an Independent Director on its Board. As per the provisions of the said section, an Independent Director can hold office for a term up to five consecutive years on the Board of a Company and he shall not be included in determining the total number of Directors liable to retire by rotation.

The Company has received a declaration from Mr. Udayan D. Velvan that he meets with criteria of independence as prescribed both under section 149(6) of the Act and clause 49 of the Listing Agreement. Mr. Udayan D. Velvan possesses appropriate skills, experience and knowledge in the field of Management and Administration. Brief resume of Mr. Udayan D. Velvan, nature of his expertise in specific functional areas and names of the Companies in which he holds directorships and memberships / chairperson of the Board/ Committees, shareholding and relationship between Directors inter se, as stipulated under clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.

In the opinion of the Board, Mr. Udayan D. Velvan fulfills the conditions specified in the Act and rules made thereunder for his appointment as an Independent Director of the Company.

Keeping in view of his vast experience and knowledge, the Board considers that his association would be of immense benefit to the Company and it is desirable to continue to avail the services of Mr. Udayan D. Velvan as an Independent Director.

Save and except Mr. Udayan D. Velvan, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at item No. 3.

This explanatory statement may also be regarded as a disclosure under clause 49 of the Listing Agreement with the Stock Exchanges.

In respect of Item No. 4:

Mr. Kashyap R. Mehta is an Independent Director on the Board of the Company. He was appointed on the Board at its meeting held on 6th June, 2007.

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Mr. Kashyap R. Mehta was appointed as a Director liable to retire by rotation. In terms of section 149 and other applicable provisions of the Companies Act, 2013 (hereinafter referred to as the Act), which are made applicable from April 1, 2014, Mr. Kashyap R. Mehta being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term up to the conclusion of the 25th Annual General Meeting in the calendar year 2019. A notice has been received from a member along with deposit of requisite amount under section 160 of the Act proposing Mr. Kashyap R. Mehta as a candidate for the office of Director of the Company.

Mr. Kashyap R. Mehta is not disqualified from being appointed as Director in terms of section 164 of the Act and has given his consent to act as Director. Section 149 of the Act, *inter alia*, stipulates the criteria of independence should a Company propose to appoint an Independent Director on its Board. As per the provisions of the said section, an Independent Director can hold office for a term up to five consecutive years on the Board of a Company and he shall not be included in determining the total number of Directors liable to retire by rotation.

The Company has received a declaration from Mr. Kashyap R. Mehta that he meets with criteria of independence as prescribed both under section 149(6) of the Act and clause 49 of the Listing Agreement. Mr. Kashyap R. Mehta possesses appropriate skills and experience in the field of Corporate Law & Finance. Brief resume of Mr. Kashyap R. Mehta, nature of his expertise in specific functional areas and names of the Companies in which he holds directorships and memberships / chairmanships of the Board/Committees, shareholding and relationship between Directors inter se, as stipulated under clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.

In the opinion of the Board, Mr. Kashyap R. Mehta fulfills the conditions specified in the Act and rules made thereunder for his appointment as an Independent Director of the Company.

Keeping in view of his vast experience and knowledge, the Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Kashyap R. Mehta as an Independent Director.

Save and except Mr. Kashyap R. Mehta, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at item No. 4.

This explanatory statement may also be regarded as a disclosure under clause 49 of the Listing Agreement with the Stock Exchanges.

In respect of Item No. 5:

Ms. Anal R. Desai is an Independent Director on the Board of the Company. She was appointed on the Board at its meeting held on 30th March, 2009.

Ms. Anal R. Desai was appointed as a Director liable to retire by rotation. In terms of section 149 and other applicable provisions of the Companies Act, 2013 (hereinafter referred to as the Act), which are made applicable from April 1, 2014, Ms. Anal R. Desai being eligible and offering herself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term up to the conclusion of the 25th Annual General Meeting in the calendar year 2019. A notice has been received from a member along with deposit of requisite amount under section 160 of the Act proposing Ms. Anal R. Desai as a candidate for the office of Director of the Company.

Ms. Anal R. Desai is not disqualified from being appointed as Director in terms of section 164 of the Act and has given her consent to act as Director. Section 149 of the Act, *inter alia*, stipulates the criteria of independence should a Company propose to appoint an Independent Director on its Board. As per the provisions of the said section, an Independent Director can hold office for a term up to five consecutive years on the Board of a Company and he shall not be included in determining the total number of Directors liable to retire by rotation.

The Company has received a declaration from Ms. Anal R. Desai that she meets with criteria of independence as prescribed both under section 149(6) of the Act and clause 49 of the Listing Agreement. Ms. Anal R. Desai possesses appropriate skills and experience in the field of Corporate Laws & Administration. Brief resume of Ms. Anal R. Desai, nature of her expertise in specific functional areas and names of the Companies in which she holds directorships and memberships / chairmanships of the Board/Committees, shareholding and relationship between Directors inter se, as stipulated under clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report..

In the opinion of the Board, Ms. Anal R. Desai fulfills the conditions specified in the Act and rules made thereunder for her appointment as an Independent Director of the Company.

Keeping in view of her vast experience and knowledge, the Board considers that her continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Ms. Anal R. Desai as an Independent Director.

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Save and except Ms. Anal R. Desai, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at item No. 5.

This explanatory statement may also be regarded as a disclosure under clause 49 of the Listing Agreement with the Stock Exchanges.

In respect of Item No. 6:

The members of the Company at 19th Annual General Meeting held on 19th September, 2013 approved by way of an Ordinary Resolution under section 293(1)(d) of the Companies Act, 1956 for borrowing over and above the aggregate of the paid-up share capital and free reserves of the Company provided that the total amount of such borrowings together with the amount already borrowed and outstanding at any point of time shall not be in excess of Rs. 25 Crores (Rupees Twenty Five Crores only), of aggregate of the paid-up share capital and free reserves of the Company.

Section 180(1)(c) of the Companies Act, 2013 effective from 12th September, 2013 requires that the Board of Directors shall not borrow money in excess of the Company's paid-up share capital and free reserves, apart from temporary loans obtained from the Company's Bankers, etc. in the ordinary course of business, except with the approval of the Company accorded by a Special Resolution.

The Company borrows funds from the Banks and Financial Institutions for its business and considering the growth of the business, the Board is of the opinion that the Company may require to borrow additional funds for both organic and inorganic growth. In view of the requirements of the increased borrowings and to comply with the requirements of section 180(1)(c) or other applicable provisions of the Companies Act, 2013, the members of the Company shall pass a Special Resolution as set out at item No. 6 of the Notice, to enable the Board of Directors to borrow in excess of the aggregate of the paid-up share capital and free reserves of the Company. Approval of the members is being sought to borrow the money up to Rs.100 Crores (Rupees One Hundred Crores only) in excess of the aggregate of the paid-up share capital and free reserves of the Company.

None of the Directors or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out in the item No. 6.

In respect of Item No. 7:

Section 180(1)(a) of the Companies Act, 2013 effective from 12th September, 2013 requires that the Board of Directors shall not sell, lease or otherwise dispose of the whole or substantially whole of the undertaking of the company. In view of the resolution relating to borrowing powers stated in Item No. 7, the Company may have to create further charges/ mortgages in favour of the lenders. Therefore, a resolution enabling the Directors to create charges/mortgages on the movable/immovable properties of the Company to the extent of Rs.100 Crores (Rupees One Hundred Crores only) at any point of time is proposed.

Since the invocation of security / mortgage by the lender may be regarded as a disposal of the undertaking by the Company in favour of the Institutions / Banks, it is necessary for the members to pass a special resolution under Section 180(1)(a) of the Companies Act, 2013 before creation of the said charges / mortgages.

It is, therefore, necessary for the members to pass a Special Resolution under Section 180(1)(a) and other applicable provisions of the Companies Act, 2013, as set out at Item No.7 of this Notice, to enable the Board of Directors to create charges/mortgages to secure the borrowings as mentioned in Item No. 7.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 7.

The above proposals are in the interest of the Company and the Directors recommend the Resolution Nos. 3 to 7 (both inclusive) of this Notice for consent and approval by the Members.

Registered Office:
301, Iscon Mall,
Above Star Bazar,
Satellite Road,
Ahmedabad-380 015.
Date : 29th July, 2014

By Order of the Board,

Kashyap R. Mehta
Director