

PRISM FINANCE LIMITED



CP
For, Prism Finance Ltd.
[Signature]
Director

**13TH
ANNUAL REPORT 2006-2007**

THIRTEENTH ANNUAL REPORT 2006-07

BOARD OF DIRECTORS : **Mr. Pranay A. Patel** *Chairman*
Mr. Naresh P. Rawal *Director*
Ms. Poonam P. Patel *Director*
Ms. Deval R. Patel *Director*
Mr. Kashyap R. Mehta *Director*

BANKERS : **Bank of Baroda**
Ambawadi
Ahmedabad.

HDFC Bank Limited
Ahmedabad.

State Bank of India
Cuffe Parade Branch
Mumbai

COMPANY SECRETARY : **Mr. Hitesh T. Mehta**
Company Secretary

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

**REGISTERED OFFICE
AND FACTORY** : 1-2, 2nd Floor, Fountain Place Complex,
Nr. Mithakhali Six Roads,
Navrangpura,
Ahmedabad - 380 009.

NOTICE

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

Date : 29th September 2007
 Day : Saturday
 Time : 11.00 a. m.
 Place : Registered Office of the Company at:
 1-2, 2nd Floor, Fountain Place Complex,
 Nr. Mithakhali Six Road,
 Navrangpura,
 Ahmedabad - 380 009.

to transact the following business :

ORDINARY BUSINESS :

1. To receive and adopt Audited Profit and Loss Account for the year ended 31st March, 2007 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.

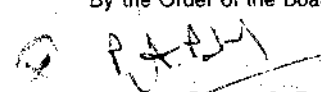
SPECIAL BUSINESS:

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

Registered Office:

1-2, 2nd Floor, Fountain Place Complex,
 Nr. Mithakhali Six Road,
 Navrangpura,
 Ahmedabad-380 009.
 Date : 10th August, 2007.

By the Order of the Board,


Pranay A. Patel
 Chairman

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 & 5 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 Monday, the 24th September, 2007 to Saturday, the 29th September, 2007 (both days inclusive).

PRISM FINANCE LIMITED

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.

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 & 5 of the accompanying notice dated 10th August, 2007 and should be taken as forming part of the notice.

In respect of Item No. 4:

The Board of Directors of the Company in their meeting held on 1st November, 2006 appointed Ms. Deval R. Patel as an Additional Director of the Company.

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

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

Ms. Deval R. Patel is concerned or interested in the said business, since it relates to her appointment as Director of the Company. Mr. Pranay A. Patel may also be deemed concerned or interested in the said business, since she is his relative. Except them, none of the Directors is in any way concerned or interested in the said business.

In respect of Item No. 5:

The Board of Directors of the Company in their meeting held on 6th June, 2007 appointed Mr. Kashyap R. Mehta as an Additional Director of the Company.

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

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

Mr. Kashyap R. Mehta is concerned or interested in the said business, since it relates to his appointment as Director of the Company. Except him, none of the Directors is in any way concerned or interested in the said business.

Registered Office:
1-2, 2nd Floor, Fountain Place Complex,
Nr. Mithakhali Six Road,
Navrangpura,
Ahmedabad-380 009.
Date : 10th August, 2007.

By the Order of the Board,

Pranay A. Patel
Chairman

DIRECTORS' REPORT

Dear Shareholders,

The Directors present the THIRTEENTH ANNUAL REPORT together with the Audited Statement of Accounts for the Financial Year 2006-07 ended 31st March, 2007.

1. FINANCIAL RESULTS:

Particulars	(Rs.in Lacs)	
	2006-07	2005-06
Profit before Depreciation & Provision	80.04	57.79
Less: Depreciation	0.55	0.54
Profit before Provision	79.49	57.25
Add: Excess Provision Written Back	-	0.01
Add: Provision for Diminution in value of Investment now written back	-	36.80
Profit before Taxation	79.49	94.06
Less: Provision for FBT	0.07	0.02
Less: Provision for Taxation	9.00	5.25
Profit after Tax	70.42	88.79
Balance brought forward from previous year	81.64	(7.15)
Balance carried to Balance Sheet	152.06	81.64

2. DIVIDEND:

With a view to conserve the resources for expansion of its activities, the Board of Directors have not recommended any dividend on the Equity Shares for the year under review.

3. OPERATIONS:

The Total Income of the Company during the year under review have been increased to Rs. 94.68 lacs compared to Rs. 71.71 lacs during 2005-06. Due to the bullish trend prevailing in the Primary and Secondary Share Market the operations of the Company was improved. The management is hopeful of better results in the year 2007-08.

The Company earned Profit before Depreciation and Provision of Rs. 80.04 lacs during the year under review compared to Rs. 57.79 lacs during 2005-06. The Net Profit during the year under review was Rs. 70.42 lacs compared to Net Profit of Rs. 88.79 lacs during 2005-06.

4. DIRECTORS:

- 4.1 The Board of Directors have appointed Ms. Deval R. Patel and Mr. Kashyap R. Mehta as Additional Directors of the Company in the Board meeting held on 1st November, 2006 and 6th June, 2007 respectively. The Board is of the opinion that their rich professional experience will benefit the Company.
- 4.2 One of your Directors viz. Mr. Prashun Amin resigned as Directors of the Company w.e.f. 6th June, 2007. The Board of Directors placed on record its sincere sense of appreciation for the guidance, advise and services rendered by him during his tenure as Director.
- 4.3 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 31st March, 2007 being end of the Financial Year 2006-07 and the Profits of the Company for the year;

- (iii) that the Directors had taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the Directors had prepared the annual accounts on a going concern basis.

6. DEMATERIALISATION OF EQUITY SHARES:

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

7. CORPORATE GOVERNANCE:

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

8. LISTING:

The Equity Shares of the Company are listed on Ahmedabad and Mumbai Stock Exchanges and the Company has paid Annual Listing Fees upto the year 2007-08.

9. GENERAL:

9.1 INSURANCE:

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

9.2 AUDITORS:

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

9.3 PARTICULARS OF EMPLOYEES:

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

9.4 DEPOSITS:

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

10. SUBSIDIARY COMPANY:

The Audited Statement of Accounts of Opel Securities Private Limited, together with the reports of the Directors' and Auditors' for the year ended on 31st March, 2007, as required under Section 212 of the Companies Act, 1956 is annexed.

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

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

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

12. ACKNOWLEDGMENT:

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

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

For and on behalf of the Board,

Place : Ahmedabad
Date : 10th August, 2007


Pranay A. Patel
Chairman

REPORT ON CORPORATE GOVERNANCE

INTRODUCTION:

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

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

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

2. BOARD OF DIRECTORS:

a) Composition and Category of Directors:

Name of Directors	Category of Directorship	No. of other Directorships *	Committee (1) Membership/ (2) Chairmanship in other companies	No. of Board Meetings attended	Attendance at the AGM held on 29 th September, 2006 (Y)/(N)
Pranay A. Patel Chairman	Non-Executive	2	-	6	Y
Poonam P. Patel	Non-executive	-	-	6	Y
Deval R. Patel +	Non-executive	-	-	2	-
Naresh P. Rawal	Independent Non-executive	-	-	6	Y
Kashyap R. Mehta #	Independent Non-executive	3	Bisleri Gujarat Ltd. Gujarat Craft Ind. Ltd Typhoon Fin. Ser.Ltd	N.A.	N.A.

+ Appointed since 01-11-2006

Appointed since 06-06-2007

* Private companies excluded.

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

Name of Director	Naresh P. Rawal	Deval R. Patel	Kashyap R. Mehta
Date of Birth	13-11-1941	24-12-1964	07-03-1960
Date of Appointment	27-03-1997	01-11-2006	06-06-2007
Expertise in specific functional areas	Administration	Management	Corporate Laws & Finance
List of Public Limited Companies in which Directorship held	-	-	Bisleri Gujarat Ltd. Gujarat Craft Ind. Ltd Typhoon Fin. Ser. Ltd
Chairman/Member of the Committees of the Board of Directors of the Company	Audit Committee & Shareholders Grievances Committee	-	Audit Committee
Chairman/Member of the Committees of Directors of other companies.	-	-	Bisleri Gujarat Ltd. Gujarat Craft Ind. Ltd Typhoon Fin. Ser. Ltd

c) Board Procedures:

The Board of Directors meets once a quarter to review the performance and Financial Results. A detailed Agenda File is sent to all the Directors well in time of the Board Meetings. The Chairman/ Managing Director briefs the Directors at every Board Meeting, overall performance of the Company. All major decisions/ approvals are taken at the Meeting of the Board of Directors such as policy formation, business plans, budgets, and investment opportunities, Statutory Compliance etc. The meeting of the Board of Directors were held on 29-04-2006, 29-07-2006, 12-08-2006, 30-10-2006, 01-11-2006 and 29-01-2007.

3. AUDIT COMMITTEE:

The Audit Committee consists of the following Directors:

Name of the Director	Expertise	Functions of the Committee	Attendance
Mr. Kashyap R. Mehta	All members are non-executive. Chairman is independent Director and majority are independent. One member has thorough financial and accounting knowledge.	The functions of the Audit Committee are as per Company Law and Listing Agreement with Stock Exchange(s) which include approving and implementing the audit procedures, review of financial reporting system, internal control procedures and risk management policies.	Majority members were present at the meeting held on: 29-04-2006, 29-07-2006, 30-10-2006 and 29-01-2007.
Mr. Naresh P. Rawal			
Ms. Poonam P. Patel			

4. SHAREHOLDERS/INVESTORS' GRIEVANCES COMMITTEE:

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

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

The Company has received four complaints during the year. There was no valid request for transfer of shares pending as on 31st March 2007.

Mr. Hitesh T. Mehta, Company Secretary is the Compliance Officer for the above purpose.

5. GENERAL BODY MEETINGS:

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

Financial Year	Date	Time	Venue
2003-04	29-09-2004	11.00 a.m.	1-2, 2 nd Floor, Fountain Place Complex, Nr. Mithakhali Six Roads, Navrangpura, Ahmedabad - 380 009.
2004-05	29-09-2005	11.00 a.m.	
2005-06	29-09-2006	11.00 a.m.	

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

6. DISCLOSURES:

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

7. MEANS OF COMMUNICATIONS:

- In compliance with the requirements of the Listing Agreement, the Company is generally intimating Unaudited/ Audited Financial Results to the Stock Exchange/s. Results are not displayed on Website and are not sent individually to the Shareholders.
- During the year ended on 31st March 2007, 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:

- a) Registered Office : 1-2, 2nd Floor, Fountain Place Complex, Nr. Mithakhali Six Road, Navrangpura, Ahmedabad - 380 009.
- b) Annual General Meeting : Day : Saturday
Date : 29th September, 2007
Time : 11.00 a. m.
Venue : 1-2, 2nd Floor, Fountain Place Complex, Nr. Mithakhali Six Road, Navrangpura, Ahmedabad - 380 009.
- c) Financial Calendar :
1st Quarter Results : End-July, 2007.
Half-yearly Results : End-October, 2007.
3rd Quarter Results : End-January, 2008.
Audited yearly Results : End-June, 2008.
- d) Bank Closure Dates : From : Monday, The 24th September, 2007
To : Saturday, The 29th September, 2007.
(Both days inclusive).
- e) Dividend Payment Date : Not Applicable
- f) Listing of Shares on Stock Exchanges : 1. Ahmedabad Stock Exchange Limited, Kamdhenu Complex, 1st Floor, Opp. Sahajanand College, Panjara Pole, Ambawadi, Ahmedabad - 380 015.
2. Bombay Stock Exchange Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400 001.
- g) Stock Exchange Code :

Stock Exchange	Code
ASE	45565
BSE	531735

h) Stock Price Data :

The shares of the Company have not been traded during the period from 1st April 2006 to 31st March 2007, hence no information is submitted.

i) Registrar and Share Transfer Agents. :

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

1-2, 2nd Floor, Fountain Place Complex,
Nr. Mithakhali Six Road, Navrangpura,
Ahmedabad - 380 009.
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.

PRISM FINANCE LIMITED

k) Distribution of Shareholding as on 31st March, 2007:

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

l) Category of Shareholders as on 31st March, 2007:

Category	No. of Shares held	% of Shareholding
Promoters	3013700	46.36
Financial Institutions/Banks	-	-
Mutual Fund	-	-
Bodies Corporate	537000	8.26
NRIs	232600	3.58
Public	2717000	41.80
Grand Total	6500300	100.00

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

The Company has not issued any GDRs/ADRs.

n) Dematerialisation of Shares :

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

9. ADDRESS FOR CORRESPONDENCE:

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

1-2, 2nd Floor, Fountain Place Complex, Nr. Mithakhali Six Road, Navrangpura, Ahmedabad – 380 009.

Tele. No. : 079-26401121

Fax No. : 079-26421239

E-mail : prismfinance@yahoo.com

Compliance Officer : Mr. Hitesh T. Mehta, Company Secretary

For and on behalf of the Board,

Place : Ahmedabad
Date : 10th August, 2007

Pranay A. Patel
Chairman

AUDITORS' CERTIFICATE

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

We have examined the compliance of conditions of corporate governance by M/s. Prism Finance Limited, for the year ended on 31st March, 2007 as stipulated in clause 49 of the listing agreement of the said Company with stock exchanges.

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

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

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

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

For Shah & Shah Associates
Chartered Accountants

Date : 10th August, 2007
Place : Ahmedabad

Nimish B. Shah
Partner

MANAGEMENT DISCUSSION AND ANALYSIS

a. Industry Structure and Developments:

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

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

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

b. Opportunities and Threats:

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

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

c. Segmentwise Performance:

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

d. Recent Trend and Future Outlook:

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

e. Risks and Concerns:

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

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

f. Internal Control Systems and their Adequacy:

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

g. Financial Performance with respect to Operational Performance:

The financial performance of the Company for the year 2006-07 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.

AUDITORS' REPORT

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

1. We have audited the attached Balance Sheet of M/s. M/S. PRISM FINANCE LIMITED, as at 31st March, 2007 and the Profit & Loss Account for the year ended on that date annexed thereto and the Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statement based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statement. We believe that our audit provides a reasonable basis for our opinion.
3. As required by Companies (Auditor's Report) order, 2003 issued by the Central Government of India in terms of section 227 (4A) of the Companies Act, 1956 and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we further report that :

We report that :

- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
- (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of these books.
- (iii) The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of account.
- (iv) In our opinion, these financial statements have been prepared in compliance with the applicable accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
- (v) According to the information and explanations given to us and on the basis of the written representations received from the Directors, none of the Directors of the company are, prima-facie, as at 31st March, 2007, disqualified from being appointed as directors of the Company in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the significant accounting policies and other notes thereon; give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
 - (a) in the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2007.
 - (b) In the case of Profit & Loss Account, of the Profit for the year ended on that date and
 - (c) in the case of Cash Flow Statement, of the cash flow for the year ended on that date.

For Shah & Shah Associates
Chartered Accountants

Place : Ahmedabad
Dated : 10th August, 2007

(Nimish B. Shah)
Partner
Membership No. 30102

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

1. **In respect of its fixed assets :**
 - (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) As per the explanation provided to us, the fixed assets have been physically verified by the management at the end of the year and no material discrepancies were noticed on such verification as compared to the above records has been found.
 - (c) During the year the company did not dispose off its substantial part of fixed assets.
2.
 - (a) According to the information and explanations given to us, the company has granted interest free unsecured loans to three companies and two other parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 1,77,46,725/- and the year-end balance of loans granted to such parties was Rs. 1,50,53,500/-.
 - (b) According to the information and explanations given to us, the company has taken interest free unsecured loan from a company and two other parties covered under section 301 of the Companies Act, 1956. The maximum amount involved during the year and year end balance was Rs. 43,00,000 and Rs. 9,75,000 respectively.
 - (c) According to the information and explanations given to us, the other terms and conditions of the interest free loans as stated in para (a) & (b) above are in our opinion, not prima facie prejudicial to the interest of the Company.
 - (d) The companies/party to whom the loans have been granted/taken as referred to in (a) & (b) above, the recovery/payment of principal amounts are regular as stipulated.
 - (e) There are no overdue amounts of more than rupees one lakh in respect of loans referred to in (a) above.
3. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of fixed assets and sales of goods and services. During the course of audit, we have not observed any major weaknesses in the internal control system.
4.
 - (a) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements, that needed to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
 - (b) The transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 have been made at prices which are reasonable having regard to the prevailing market price at the relevant time.
5. As explained to us, the Company has not accepted any deposits from the public during the year.
6. The company did not have any formal internal audit system during the year under review. In the opinion of the management, the existing internal control procedures are adequate and hence separate internal audit is not called for.
7. According to the information and explanations given to us in respect of statutory and other dues :
 - (a) The company is generally regular in depositing with appropriate authorities undisputed statutory dues including Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other statutory dues have been regularly deposited with the appropriate authority.
 - (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, custom duty, excise duty and cess were in arrears, as at 31-03-2007 for a period of more than six months from the date they became payable is Nil.
8. The company's accumulated losses are not more than 50% of its net worth as at 31-03-2007. Further, the company has not incurred any cash losses during the financial year covered by our audit or in the immediately preceding financial year.

9. In our opinion and according to information and explanations given to us, the company has not defaulted in repayment of dues to banks.
10. According to information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
11. In respect of dealing in shares and other investments, the company has maintained proper records of the transactions and contracts for purchase and sale thereof and timely entries for the same have been made therein. The company has held all the investment in shares and other investments in its own name.
12. According to information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions.
13. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that no funds raised on short term basis have been used for long term investments.
14. In our opinion and the information and explanation provided to us, no fraud on or by the company has been noticed or reported during the year.
15. Other clauses of the said order are not applicable to the company.

For Shah & Shah Associates
Chartered Accountants

Place : Ahmedabad
Dated : 10th August, 2007

(Nimish B. Shah)
Partner
Membership No. 30102

PRISM FINANCE LIMITED**BALANCE SHEET AS AT 31ST MARCH, 2007**

PARTICULARS	SCHEDULE	(Amount in Rs.)	
		As at 31-3-2007	As at 31-3-2006
SOURCES OF FUNDS :			
Shareholders' Funds			
Share Capital	1	<u>65,003,000</u>	<u>65,003,000</u>
Reserve & Surplus			
Profit & Loss Account		<u>15,207,130</u>	<u>8,164,699</u>
Loan Funds			
Total Rs.	2	<u>1,625,000</u>	<u>1,800,000</u>
		<u>81,835,130</u>	<u>74,967,699</u>
 APPLICATION OF FUNDS :			
Fixed Assets			
Gross Block	3	<u>2,415,614</u>	<u>5,282,464</u>
Less: Depreciation		<u>1,112,464</u>	<u>1,194,621</u>
Net Block		<u>1,303,150</u>	<u>4,087,843</u>
Investments	4	<u>52,904,743</u>	<u>50,374,520</u>
Current Assets, Loans & Advances	5	<u>28,791,801</u>	<u>21,894,420</u>
Less : Current Liabilities	6	<u>1,164,564</u>	<u>1,389,084</u>
Net Current Assets		<u>27,627,237</u>	<u>20,505,336</u>
Total Rs.		<u>81,835,130</u>	<u>74,967,699</u>
Notes forming part of accounts	10		

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

Nimish B. Shah
Partner

H. T. Mehta
Company Secretary

Place : Ahmedabad
Date : 10th August, 2007

For and on behalf of the Board


Pranay A. Patel Chairman

Naresh P. Rawal Director

Place : Ahmedabad
Date : 10th August, 2007

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2007

PARTICULARS	SCHEDULE	(Amount in Rs.)	
		For the year ended on 31-03-2007	For the year ended on 31-03-2006
A. INCOME			
From Lease & Hire Purchase		215,053	77,531
Other Income	7	9,253,176	7,093,017
Total Rs.		<u>9,468,229</u>	<u>7,170,548</u>
B. EXPENDITURE			
Employment Cost	8	137,550	112,388
Operating & Administrative Expenses	9	1,326,148	1,278,934
Depreciation		55,421	53,569
		<u>1,519,119</u>	<u>1,444,891</u>
Profit for the year		7,949,110	5,725,657
Add : Excess Provision Written back		-	1,500
Provision for Diminution in value of Investment now written-back		-	3,679,518
Profit Before Tax		7,949,110	9,406,675
Less : Provision for Taxation			
Current Tax		900,000	525,000
Fringe Benefit Tax		6,679	2,000
Profit After Tax		7,042,431	8,879,675
Profit / (Loss) Brought Forward from Previous Year		8,164,699	(714,976)
Balance Carried to Balance Sheet		15,207,130	8,164,699
Notes forming part of accounts	10		

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

Nimish B. Shah
Partner

H. T. Mehta
Company Secretary

For and on behalf of the Board

Pranay A. Patel Chairman

Naresh P. Rawal Director

Place : Ahmedabad
Date : 10th August, 2007

Place : Ahmedabad
Date : 10th August, 2007

PRISM FINANCE LIMITED

SCHEDULES FORMING PART OF THE ACCOUNTS

Particulars	(Amount in Rs.)	
	As at 31-03-2007	As at 31-03-2006
SCHEDULE - 1 : SHARE CAPITAL		
AUTHORISED		
70,00,000 Equity Shares of Rs 10/- each	<u>70,00,000</u>	<u>70,00,000</u>
ISSUED, SUBSCRIBED & PAID UP :		
65,00,300 Equity Shares of Rs. 10/- each	<u>65,00,300</u>	<u>65,00,300</u>
Total Rs.	<u>65,00,300</u>	<u>65,00,300</u>

SCHEDULE - 2 : LOAN FUNDS

UNSECURED LOANS :

From a Company	<u>1,625,000</u>	-
From Shareholders	-	<u>1,800,000</u>
Total Rs.	<u>1,625,000</u>	<u>1,800,000</u>

SCHEDULE - 3 : FIXED ASSETS

(Rupees)

Particulars	GROSS BLOCK (At Cost)				DEPRECIATION			NET BLOCK		
	As on 1/4/2006	Addition during the year	Sales/ Adjustment	As on 31/3/2007	As on 1/4/2006	For the year	Sales/ Adjust- ment	Upto 31-3-2007	As on 31-3-2007	As on 31-3-2006
(A) Other Assets										
Building	1839236	-	760520	1078716	248089	17583	137579	128093	950623	1591147
Furniture & Fixture	199367	47670	-	247037	139131	12876	-	152007	95030	60236
Data Processing Equipment	740269	146000	-	886269	703255	13992	-	717247	169022	37014
Office Equipments	176237	-	-	176237	86702	8371	-	95073	81164	89535
Vehicle	27355	16201	16201	27355	17445	2599	-	20044	7311	9910
Sub Total (A)	2982464	209871	776721	2415614	1194622	55421	137579	1112464	1303150	1787842
(B) CAPITAL ADVANCE										
Sub Total (B)	2300000	-	2300000	-	-	-	-	-	-	2300000
Total (A + B)	5282464	209871	3076721	2415614	1194622	55421	137579	1112464	1303150	4087842
Previous Year	7982464	-	2700000	5282464	1141052	53569	-	1194621	4087842	

Particulars	(Rs. in Lacs)			
	As at 31-03-2007		As at 31-03-2006	
	No. of Shares	Rupees	No. of Shares	Rupees
SCHEDULE - 4 : INVESTMENT				
(I) UNQUOTED				
In Fully paid Equity Shares				
Textile Traders Co.op. Bank Ltd.	2500	62510	2500	62510
Shree Sainath Park Asso.	1	100	1	100
Total (I)		<u>62610</u>		<u>62610</u>
(II) (A) Quoted : (Trade)				
(i) In Fully paid Equity Shares				
Aditya Birla	904	904426	-	-
Alexcon Extrusions Ltd.	200	3578	200	3578
Aps Infosys Ltd.	4500	180000	4500	180000
Ansal Buildwell	4500	622280	-	-
Amar Remedies	-	-	49500	2821713
Anusha International Ltd.	2700	27000	2700	27000
Banco Products Ltd.	-	-	3000	170337
Bharat Electricals Ltd.	697	397228	897	494650
Bharat Heavy Ele. Ltd.	512	360055	831	571168
Bharat Forge Co. Ltd.	-	-	2555	224284
Bisleri Gujarat	50000	70500	-	-
Bil Power	-	-	10000	1131758
Blue Information Ltd.	3000	303945	3000	303945
Cadila Healthcare	-	-	500	321540
Century Textiles	1500	993060	-	-
Chemox Securities Ltd.	10 ⁶	6519	100	6519
Datapro Infotech Ltd.	1000	15412	1000	15412
Divis Lab Ltd.	169	502256	134	191660
Electra India Ltd.	200	5740	200	5740
Exide Industries	22000	976550	-	-
Eveready India Ltd.	-	-	2500	67603
Geometric Software Ltd.	7395	545559	7395	545559
Global Tele-system Ltd.	450	282192	450	282192
GTL Infrastructure	450	-	-	-
Gujarat Containers Ltd.	1000	19000	1000	19000
Gujarat State Petro Ltd.	-	-	20000	783726
Gujarat Alkalies Ltd.	-	-	3000	476670
Gujarat NRE	65000	3581605	12500	1777805
Henkel India	20000	618601	-	-
Hindustan Const. Co. Ltd.	-	-	11740	96843
ICICI Bank Ltd.	1080	965448	951	350388
I Flex Solution	-	-	552	527198
Indian Hotels Co.	3294	385383	358	416099
Infosys Tech	484	707244	166	465290
Integrated Rubian Exports Ltd.	6000	11701	6000	11700
India Polyfibers Ltd.	-	-	2000	86078
Jagran Prakashan	6000	1464982	5000	1464981
Jaiprakash Hydro	50000	1507700	-	-
Jayanti Business Machines Ltd.	2018	70630	2018	70630
Jindal Online	58350	104999	-	-
JMD Alloys Ltd.	9500	95000	9500	95000
Jupiter Biotech	3500	420490	-	-
Kay Pulp & Paper Ltd.	12500	82131	12500	82131
Kedia Infotech	211209	278032	19209	72112
Kirlosker Ferrous	15000	584350	-	-

PRISM FINANCE LIMITED

(Rs. in Lacs)

Particulars	As at 31-03-2007		As at 31-03-2006	
	No. of Shares	Rupees	No. of Shares	Rupees
Kirloskar Oil Ltd.	4895	214848	4895	214848
Krishna Plasto Chem Ltd.	35600	1148527	35600	1148527
Kerala Ayurvade	-	-	2300	118198
Larsen & Toubro	-	-	170	419297
Malvika Steels Ltd.	3600	25920	3600	25920
Manglam Cement	5580	1115187	-	-
Mahavir Spinning	-	-	5000	1530016
Mcdowell & Co. Ltd.	1200	66622	1500	93667
Modi Alkalies & Chemicals Ltd.	150	3750	150	3750
MTNL	-	-	4768	729308
Nagarjuna Fertilizers	10000	126500	-	-
Octagon Technologies Ltd.	1000	39064	1000	39064
Opto Circuit	3961	867140	-	-
Parsvnath Developers	2000	555060	-	-
Pentamedia Graphics	30000	206200	-	-
Polylink Polymer Ltd.	100	523	100	523
Paramount Communication	-	-	8000	501440
Prithvi Infotech	2233	874266	-	-
Radhe Developers	34000	695630	-	-
Rajasthan Spinning & West Mills	1045	137538	2125	279714
Reliance Industries	859	601860	597	321557
Reliance Communication	-	-	362	120604
Riga Sugar	-	-	20000	1633162
Rico Auto	-	-	2870	204537
Ruchi Soya	-	-	3132	916782
Sagar Cement	2500	403475	-	-
Satelite Engineering Ltd.	24300	209296	24300	209296
Serene Industries Ltd.	10000	69535	10000	69535
Shiv Vani Oil	3075	604793	5000	1028352
Shryans Resources	2000	533860	-	-
Silverline Technologies	25000	405000	-	-
Singh Alloys Ltd.	5000	73200	5000	73200
Softrak Technologies Ltd.	20000	15200	20000	15200
Southern Petro Chem	-	-	10000	293871
Square-D Biotech Ltd.	4250	590646	4250	590646
Srei Infrastructure	20000	1241799	15000	983899
Standard Surfactant Ltd.	1900	89078	1900	89078
Synergy Logine	-	-	400	134225
Subhash Projects	3000	585393	-	-
Surana Tele	5000	161659	5000	161659
Trident Alco	-	-	8000	48659
Teesta Agro Industries Ltd.	2000	24500	2000	24500
Thermax Ltd.	2795	151578	2795	151578
Uniliv Foods Ltd.	21500	283710	21500	283710
Union Bank	-	-	3865	277986
UP Hotels	1000	171600	-	-
Vadilal Dairy Industries Ltd.	6200	88015	6200	88015
Vidiocon Commu	-	-	1000	105830
Voltamap	1324	727662	-	-
Wyeth Lederle Ltd.	207	138214	947	575539
Zee TV	780	173168	-	-
Total (I)		30513610		27665999

ANNUAL REPORT 2006-2007

Particulars	(Rs. in Lacs)			
	As at 31-03-2007		As at 31-03-2006	
	No. of Shares	Rupees	No. of Shares	Rupees
(ii) In Fully paid Mutual Fund				
Principal Cash Management	42895.231	628023	69275.766	945411
Total (ii)		628023		945411
Total (i) + (ii)		31141633		28611410
Less : Provision for Diminuation in Value of Shares		-		-
Total (A)		31141633		28611410
(B) Unquoted :				
In Fully paid Equity Shares of Rs. 10/- each				
(i) In Subsidiary Company				
Opel Securities Pvt. Ltd.	1150050	11500500	1150050	11500500
(ii) Others				
BVM Finance Limited	1000000	10000000	1000000	10000000
Khadayata Decor Ltd.	20000	200000	20000	200000
Total (B)		21700500		21700500
Total (II)		52842133		50311910
Total (I) & (II)		52904743		50374520

Notes :

	As at 31-3-07	As at 31-3-06
	Rs. in lacs	Rs. in lacs
(a) Aggregate Cost of Quoted Investments	311.42	286.11
(b) Aggregate Market Value of Quoted Investments	315.87	391.60
(c) Aggregate Cost of Unquoted Investments	217.63	217.63

DURING THE YEAR THE FOLLOWING SHARES WERE PURCHASED AND SOLD

Name of the Company	2006-2007		2005-2006	
	Face Value	Quantity	Face Value	Quantity
Purchase of Shares				
Arvee Denims	-	-	10	10000
Adani Enterprise	10	3000	-	-
Aditya Birla	10	904	-	-
Aksh Optifibers	-	-	10	2500
Allahabad Bank	-	-	10	5229
Amar Remedies	10	10000	10	91000
Ansal Buildwell	10	4500	-	-
Arvind Mills	10	6400	-	-
Arvind Products	10	17020	10	10000
Banco Products	10	849	-	-
Bil Power	10	2000	10	10000
Bisleri Gujarat	1	50000	-	-
Cadila Healthcare	-	-	10	500
Century Textile & Industries	10	1500	10	894
Compulink Systems Ltd.	-	-	10	12000
Contain Corp	10	36	-	-
Crew Boss	-	-	10	10000
Divis Lab Ltd.	10	169	10	78
Exide Industries	2	22000	-	-
Facor Alloys Ltd.	-	-	10	1600
Facor Steels Ltd.	-	-	10	800
FCS Software	-	-	10	9256

PRISM FINANCE LIMITED

Name of the Company	2006-2007		2005-2006	
	Face Value	Quantity	Face Value	Quantity
Futura Polymers	-	-	10	10000
Geojet Finance	10	3000	-	-
Geometric Softwares Ltd.	10	5000	-	-
Gujarat Alkalies & Chem	10	10000	10	3000
Gujarat NER Cocke	10	52500	10	25000
Gujarat State Petro	-	-	10	20000
Henkel India	10	20000	-	-
Hero Honda	10	379	-	-
Hindalco India	10	2000	-	-
I Flex Solutions Ltd.	-	-	10	552
ICICI Bank Ltd.	10	1080	-	-
Indian Hotels Co.	-	-	10	358
Infosys Technologies Ltd.	2	318	2	166
IPCL	10	1399	-	-
ITC Ltd.	10	500	-	-
Jagran Prakashan Ltd.	10	1000	10	5000
Jaiprakash Hydro	10	50000	-	-
Jindal Online	10	58350	-	-
JSW Steel Ltd.	-	-	10	675
Jupiter Bioscience Ltd.	10	5000	-	-
Kedia Infotech Ltd.	10	192000	10	100000
Kirlosker Ferrous	10	15000	-	-
Lanxess ABS	10	2500	-	-
Larsen & Toubro	-	-	10	170
Mahavir Spinning	-	-	10	5000
Manglam Cement	10	5580	-	-
Markshan Pharma	10	6160	-	-
Mcleod Russel Ind.	-	-	5	4500
MTNL	10	5908	10	4768
Nagarjuna Fertilizers	10	25000	-	-
Narmada Chematur	10	15000	-	-
National Aluminium	10	5000	-	-
Opto Circuit	10	4230	-	-
Paper Products	10	490	-	-
Paramount Communication	-	-	10	10000
Parsvnath Developers	10	2000	-	-
Pentamedia Graphics	10	30000	-	-
Priithvi Infotech	10	2233	-	-
Radhe Developers	10	34000	-	-
Rajasthan Spinning Mills	-	-	10	2125
Reliance Capital	-	-	5	261
Reliance Capital Ventures	-	-	10	693
Reliance Communication	5	7065	5	693
Reliance Energy Ven	-	-	10	693
Reliance Ind.	5	2398	5	1666
Reliance Natural Resources	-	-	10	693
Rico Auto Ind.	-	-	10	2870
Riga Sugar	-	-	10	20000
Ruchi Infrastructure	10	712	10	3132
Sagar Cement	10	2500	-	-
Sharys Resources	10	2000	-	-
Shiv Vani Oil	10	4000	10	5000
Silverline Technologies	10	25000	-	-
Southern Petrochem	-	-	10	10000
Srei Infrastructure	10	5000	10	15000

ANNUAL REPORT 2006-2007

Name of the Company	2006-2007		2005-2006	
	Face Value	Quantity	Face Value	Quantity
Subhash Projects	10	3000	-	-
Surana Tele	-	-	2	5000
Tube Investment	5	2000	-	-
UP Hotels	10	1000	-	-
Usha Martin Ltd.	-	-	10	559
Varun Shipping	10	10000	-	-
Videocon Communication	-	-	10	1000
Voltamp	10	1821	-	-
Wyeth Lederle Ltd.	-	-	10	947
Zee TV	10	780	-	-
Sale of Shares				
Arvee Denims	-	-	10	10000
Adani Enterprise	10	3000	-	-
Aksh Optifibers	-	-	10	2500
Allahabad Bank	-	-	10	5229
Amar Remedies	10	59500	10	41500
Arvind Mills Ltd.	10	6400	-	-
Arvind Products	-	-	10	10000
Atlas Copco	-	-	10	124
Bajaj Tempo	-	-	10	567
Banco Products Ltd.	10	3849	10	2193
Bharat Electronic	10	200	-	-
Bharat Forge	2	2555	-	-
Bharat Heavy Elect.	10	319	-	-
Bilpower	10	12000	10	11000
Birla Corp	-	-	10	2750
Cadila Healthcare	10	1000	-	-
Century Textiles	-	-	10	894
CMC Ltd.	-	-	10	325
Cochin Minerals	-	-	10	5828
Computlink Systems Ltd.	-	-	10	12000
Conart Engineer	-	-	10	5000
Contain Corp	10	36	-	-
Crew Boss	-	-	10	10000
Divi's Lab	10	134	10	410
Dr. Reddys	-	-	10	531
Esab India	-	-	10	1000
Essar Shipping	-	-	10	7000
Eveready Ind	10	2500	10	2000
Factor Alloys Ltd.	-	-	10	1600
Factor Steels Ltd.	-	-	10	800
FCS Software	-	-	10	9256
Ferrow Alloys	-	-	10	1600
Futura Polymers	-	-	10	10000
Gail Ltd.	-	-	10	825
Geojit Finance	10	3000	-	-
Geometric Software	10	5000	-	-
Glenmark Pharmaceuticals	-	-	10	1386
GTL Infrastructure	10	450	-	-
Gujarat Alkalies	10	13000	-	-
Gujarat NRE Coke	-	-	10	12500
Gujarat Siddhi Cement Ltd.	-	-	10	5000
Gujarat State Petro	10	20000	-	-
Hero Honda Motors Ltd.	10	379	-	-

PRISM FINANCE LIMITED

Name of the Company	2006-2007		2005-2006	
	Face Value	Quantity	Face Value	Quantity
Hind Industries	-	-	10	1500
Hindustan Const. Co. Ltd.	2	11740	10	1033
Hindalco Industries	10	2000	-	-
I Flex Solution Ltd.	10	552	-	-
ICICI Bank	10	951	10	1003
IDBI Bank	-	-	10	3762
Indian Hotels	2	286	-	-
Indo Asian Fuse Gear	-	-	10	1000
Ingersoll Rand	-	-	10	850
IPCL	10	1470	-	-
Ispat Industries	-	-	10	5000
ITC Ltd.	10	500	-	-
Jai Corporation	-	-	10	200
Jindal Iron & Steel	-	-	10	1378
Jindal South West Holdings	-	-	10	344
Jindal Steel and Power	-	-	10	314
JSW Steel Ltd.	-	-	10	675
Jupiter Bioscience	10	1500	10	4450
Jyoti Structure	-	-	10	1000
Kedia Infotech	-	-	10	80791
Kerala Ayurvade	10	1268	-	-
Kirsolkar Freecos	-	-	10	3500
Lanxes ABS	10	2500	-	-
Larsen & Tubro	10	170	-	-
Mahavir Spinning	10	5000	-	-
Markshan Pharma	10	6160	-	-
Mcdowell	10	300	10	1000
Mcleod Russel	10	2500	10	2000
MTNL	10	5000	-	-
MTNL	10	5676	-	-
Nagarjuna Fertilizers	10	15000	-	-
Narmada Chematur	10	15000	-	-
National Aluminium	10	5000	-	-
Opto Circuit	10	269	-	-
Paper Products	10	490	-	-
Paramount Communications	10	40000	10	2000
Rajasthan S & W Mills	10	1080	-	-
Reliance Capital	-	-	10	261
Reliance Capital Venture	-	-	10	693
Reliance Communication	10	6000	-	-
Reliance Communication	5	1427	5	331
Reliance Energy	-	-	10	693
Reliance industries	5	2000	5	1069
Reliance industries	5	136	-	-
Rel. Natural Reso.	-	-	10	693
Rico Auto	10	2870	-	-
Riga Sugars	10	20000	-	-
Ruchi Infrastructure	10	712	-	-
Ruchi Soya	10	3132	-	-
Sesa Goa Ltd.	-	-	10	932
Shiv Vani Oil	10	5925	-	-
South Indian Bank	-	-	10	1500
Southern Petrochem	10	10000	-	-
Spel Semiconductors Ltd.	-	-	10	3000
Sterlite Optical	-	-	10	600

ANNUAL REPORT 2006-2007

Name of the Company	2006-2007		2005-2006	
	Face Value	Quantity	Face Value	Quantity
Synergy Logine	10	400	-	-
Tata Consultancy	-	-	10	429
Tata Metalic	-	-	10	5000
Timex Watch	-	-	10	800
Trident Alco	10	8000	10	9400
Tube Investment	2	2000	-	-
Union Bank of India	10	3865	-	-
Usha Martin	-	-	10	559
Varun Shipping	10	10000	-	-
Videocon Communication	10	1000	-	-
Vintage Card	-	-	10	800
Voltamp	10	497	-	-
Wyeth Lederle Ltd.	10	740	-	-
Purchase of Mutual Fund				
Principal Cash Magnum Fund	10	469193.751	10	69275.766
Birlacash Plus Retail Growth	10	129971.332	-	-
Sale of Mutual Fund				
Principal Cash Magnum Fund	10	495574.297	10	453152.667
Birlacash Plus Retail Growth	10	129971.3332	-	-
IDBI Liquid Fund Growth	-	-	10	100000

(Amount in Rs.)

Particulars	As at 31-03-2007	As at 31-03-2006
-------------	---------------------	---------------------

SCHEDULE - 5 : CURRENT ASSETS, LOANS & ADVANCES

(a) CURRENT ASSETS :		
i. Stock on Hire	1,347,981	379,220
ii. Debtors (Unsecured, Considered good)		
Outstanding for a period exceeding six months	374,437	847,687
Others	815,266	270,117
	<u>1,189,703</u>	<u>1,117,804</u>
Less : Provision for NPA	445,024	445,024
	<u>744,679</u>	<u>672,780</u>
iii. Cash & Bank Balance		
Cash on hand	325,717	407,197
Balance with Banks :		
In Current Accounts	105,900	389,045
	<u>431,617</u>	<u>796,242</u>
(b) LOANS & ADVANCES (Unsecured, considered good)		
i. Loan Given (including Inter Corporate Deposits & Interest receivable thereon)	25,922,983	19,891,725
ii. Advances recoverable in cash or kind or for value to be received	344,541	154,453
	<u>26,267,524</u>	<u>20,046,178</u>
	<u>28,791,801</u>	<u>21,894,420</u>

SCHEDULE - 6 : CURRENT LIABILITIES

CURRENT LIABILITIES :		
Sundry Creditors	159,663	1,035,205
Security Deposit	69,000	69,000
Provision for Taxation (Net)	935,901	284,879
Total Rs.	<u>1,164,564</u>	<u>1,389,084</u>

PRISM FINANCE LIMITED

Particulars	(Amount in Rs.)	
	2006-07	2005-06
SCHEDULE - 7 : OTHER INCOME		
Dividend Income	376,110	299,453
Profit on Sale of Shares / Mutual Fund	8,516,264	6,385,446
Rent Income	180,358	198,938
Car Charges	-	202,500
Profit on Sale of Assets	150,858	-
Brokerage Commission	29,586	6,680
	<u>9,253,176</u>	<u>7,093,017</u>
 SCHEDULE - 8 : EMPLOYMENT COST		
Salary & Wages	116,030	93,828
Medical Expenses	10,760	13,120
Books & Periodical	10,760	5,440
	<u>137,550</u>	<u>112,388</u>
 SCHEDULE - 9 : OPERATING & OTHER EXPENSES		
Insurance Expenses	-	17,755
Electricity Expenses	1,420	16,563
Telephone & Fax Expenses	4,601	25,671
Office Expenses	4,500	7,000
Legal & Professional Expenses	21,756	40,552
Repairs & Maintenance	77,525	86,653
Filing Fees	14,500	26,000
Listing Fees	35,600	35,000
Municipal Tax	13,224	36,601
Vehicle Expenses	1,895	965
Interest Expenses	29,820	14,031
Portfolio Management Fees	360,976	284,137
Advertisement Expenses	17,874	-
Previous Year Expenses	90,724	-
Travelling Expenses	65,659	-
General Expenses	219,986	99,308
Loss on Trading of Shares (Net)	366,088	407,359
Public Issue Expenses Written off	-	181,339
	<u>1,326,148</u>	<u>1,278,934</u>

SCHEDULE - 10 : NOTES FORMING PART OF ACCOUNTS**(1) Significant Accounting Policies:**

- a) The Company following the mercantile system of accounting and these account comply with the Accounting Standards referred to in section 211(3C) of the Companies Act, 1956.
 - b) **Fixed Assets and Depreciation :-**
 - (i) Fixed Assets are stated at cost and include incidental and/or installation expenses incurred in putting the assets to use.
 - (ii) Depreciation is provided on straight line method at the rates prescribed under schedule XIV of the Companies Act, 1956. Depreciation on additions to assets during the year is provided on a proportionate basis.
 - c) **Revenue Recognition:**
 - (i) In respect of lease rentals arising out of lease agreements and hire purchase charges arising out of hire purchase agreements. It is the company's general policy to accrue income/expenses as per the terms of the agreements entered into with the lessee, lessors and hirers from time to time. In respect of hire purchase business. The Company recognises income on a reducing balance basis.
 - (ii) Dividend income are accounted on receipt basis.
 - (iii) Interest on overdue bills has been recognised on cash basis.
 - d) **Inventory :**
Stock on hire has been taken on face value of the hire purchase agreements as reduced by instalments matured during the relevant period.
 - e) Investment are valued at cost after providing permanent diminution in value thereof.
 - f) The Company follows the prudential norms for income recognition and provides for/writes off of Non-performing Assets as per the prudential norms prescribed by the Reserve Bank of India.
 - g) The benefits of leave encashment of leave to employees. Being at the option of the employees is accounted for as and when claimed.
2. In view of Accounting Standard AS-18 "Related Party Disclosure" issued by the Institute of Chartered Accountants 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, 2007 are given below :
- A. Relationship
 1. Subsidiaries
Opel Securities Pvt. Ltd.
 2. Associates of the Company
 - a) Akshar Construction
 - b) Akshar Developer
 - c) Akshar Estate Pvt. Ltd.
 - d) Mas Chemical Industries Pvt. Ltd.
 - e) Som Shive (Impex) Ltd.
 - f) Spectratek Industries
 - g) Samurai Holding Pvt. Ltd.
 3. Key Management Personals/Relatives
 - a) Shri Pranay A. Patel - Director
 - b) Shri Prashun P. Amin - Director
 - c) Shri Naresh P. Raval - Director
 - d) Shri Rahul A. Patel
 - e) Shri Arunprasad P. Patel

PRISM FINANCE LIMITED

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

Sr. Transactions No.	Subsidiary	Associates	Key Management	Directors
A. Loan/Advances Granted :				
1. Amount Given	-	1115000	-	-
2. Amount recovered	-	2643225	-	-
B. Loan accepted :				
1. Loan accepted	-	8901807	-	-
2. Loan Repaid	-	7276807	1800000	-
C. Bill Discounted				
1. Bill Discounted during the year	-	-	-	-
2. Amount Recovered	-	449833	-	-
D. Assets given on Hire purchase :				
1. Assets given on Hire Purchase	-	833555	-	-
2. Amount recovered	-	301058	-	-
Amount outstanding as at 31-3-07				
1. Loan/Advances granted	5455000	2017000	-	-
2. Loan accepted	-	1625000	-	-
3. Bills Discounted	-	-19029	-	-
4. Hire purchase stock	-	911717	-	-
Income				
1. Income on Discounting charges	-	-	-	-
2. Rent Income	-	-	-	-
3. Interest on H.P.	-	215053	-	-
Expenses				
	-	-	-	-

3. Contingent Liability : NIL

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

	<u>2006-2007</u>	<u>2005-2006</u>
Audit Fees	10000	10000
Other Services	5000	5000

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

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

7. ADDITIONAL INFORMATION AS REQUIRED UNDER PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956.

Balance Sheet Abstract and Company's General Business Profile**1. Registration Details**

Registration No.	21915	State Code	04
Balance Sheet Date	31st March, 2007		

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

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

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

Total Liabilities	818.35	Total Assets	818.35
-------------------	--------	--------------	--------

Source of Funds

Paid-up Capital	650.03	Reserve & Surplus	152.07
Secured Loans	-	Unsecured Loans	16.25

Application of Funds

Net Fixed Assets	13.03	Investments	529.05
Net Current Assets	276.27	Misc. Expenditure	-

4. Performance of Company (Rs. in Lacs)

Turnover	94.68	Total Expenditure	15.19
Profit Before Tax	79.49	Profit After Tax	70.42
Earning per Share (Rs.)	1.08	Dividend Rate (%)	N.A.

5. Generic Name of Principal Product of Company

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

Signature to Schedules 1 to 11

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

Nimish B. Shah
Partner

H. T. Mehta
Company Secretary

Place : Ahmedabad
Date : 10th August, 2007

For and on behalf of the Board

Pranay A. Patel Chairman

Naresh P. Rawal Director

Place : Ahmedabad
Date : 10th August, 2007

PRISM FINANCE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2007

(Amount in Rs.)

	2006-2007	2005-2006
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax & Extra-ordinary Items	7949110	9406675
Adjustments for :-		
- Provision for Non-Performing Assets	-	(3679518)
- Provision for Diminuation of Investment	55421	53569
- Depreciation	-	-
- Interest	-	-
- Preliminary Expenses written off	-	181339
- Public Issue Exp. W/off	-	(6385446)
- (Profit)/Loss on Sale of Shares	(8516264)	-
- (Profit)/Loss on Sale of Assets	(150858)	-
	(8611701)	(9830056)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	(662591)	(423381)
Adjustment for :-		
- Stock on Hire	(968761)	(379220)
- Debtors	(71899)	119534
- Loans & Advances	(6221346)	3640759
- Current Liabilities & Provisions	(875542)	956355
	(8137548)	4337428
CASH GENERATED FROM OPERATIONS	(8800139)	3914047
- Interest Paid	-	-
- Direct Tax Paid	(255657)	527000
	(255657)	527000
NET CASH FROM OPERATING ACTIVITIES (A)	(9055796)	3387047
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase/sale of Fixed Assets (Net)	2880129	2700000
Advances for Capital Goods	-	-
Purchase/Sale of Investments (Net)	(2530223)	(13860990)
(Loss) / Profit on Sale of Shares	8516264	6385446
NET CASH FLOW FROM INVESTMENT ACTIVITIES (B)	8866170	(4775044)
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Share Capital	-	-
Application Money Received	-	-
Unsecured Loans	(175000)	1270000
Increase in Bank Borrowing	-	-
NET CASH FLOW FROM FINANCING ACTIVITIES (C)	(175000)	1270000
NET DECREASE IN CASH & CASH EQUIVALENTS (A+B+C)	(364626)	(118497)
Cash & Cash equivalents as at 1st April, 2006	796243	914740
Cash & Cash equivalents as at 31st March, 2007	431617	796243

For and on behalf of the Board

Place : Ahmedabad
Date : 10th August, 2007

H. T. Mehta
Company Secretary

Pranay A. Patel Chairman
Naresh P. Rawal Director

AUDITORS' CERTIFICATE

We have examined the attached Cash Flow Statement of PRISM FINANCE LIMITED for the year ended 31st March 2007. The statement has been prepared by the company in accordance with the requirements of listing agreement Clause 32 with Stock Exchange and is based on and in agreement with corresponding Profit and Loss Account and Balance Sheet of the Company covered by our report of even date of the members of the Company.

For Shah & Shah Associates
Chartered Accountants
Nimish B. Shah
Partner

Date : 10th August, 2007
Place : Ahmedabad

OPEL SECURITIES PRIVATE LIMITED

ANNUAL REPORT 2006-07

BOARD OF DIRECTORS	:	Mr. Amit D. Patel Mr. Rahul A. Patel
REGISTERED OFFICE	:	"Mangalam" B/h. Apang Manav Mandal, Dr. V. S. Road, Ahmedabad - 380 015.
ADMINISTRATIVE OFFICE	:	S/2, Navrang Building, Swastik Char Rasta, Navrangpura, Ahmedabad - 380 009.
AUDITORS	:	M/s. Shah & Shah Associates, Chartered Accountants, 501, "Aniket", Nr. Municipal Market, C. G. Road, Ahmedabad - 380 009.
BANKERS	:	Vijya Bank

NOTICE

NOTICE is hereby given that the **TWELFTH ANNUAL GENERAL MEETING** of the members of the company will be held on Saturday, the 29th September, 2007 at 11.30 A.M. at the Registered Office of the company at "Mangalam", B/h. Apang Manav Mandal, Dr. V. S. Road, Ahmedabad - 380 015, to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2007 and the Profit and Loss Account for the year ended on that date and reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Rahul A. Patel, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors to hold the office from the conclusion of this Meeting and to fix their remuneration.

Registered Office:

"Mangalam"
B/h. Apang Manav Mandal,
Dr. V. S. Road,
Ahmedabad-380 015.
Date : 1st August, 2007.

By Order of the Board,



Chairman

NOTES :

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

DIRECTORS' REPORT

To,
The Members,

Your Directors hereby present the TWELFTH ANNUAL REPORT together with the Audited Statement of Accounts for the year ended 31st March, 2007.

FINANCIAL RESULTS

During the year the Company has earned gross income from dividend to the tune of Rs. 11.97 Lacs and after charging all the expenses there comes a profit of Rs. 11.73 Lacs. The Directors have recommended to transfer the same to the Balance-Sheet.

DIRECTORS' RESPONSIBILITY STATEMENT:

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

- (i) that in the preparation of the annual accounts for the financial year ended 31st March, 2007, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review;
- (iii) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the Directors had prepared the annual accounts for the financial year ended 31st March, 2007 on a 'going concern' basis.

AUDITORS :

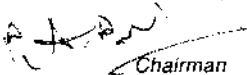
The retiring Auditors M/s. Shah & Shah Associates, being eligible for re-appointment, you are requested to appoint them as Auditors of the Company and fix their remuneration for the year 2007-2008.

PARTICULARS OF EMPLOYEES :

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

On behalf of the Board of Directors,

Place: Ahmedabad
Date : 1st August, 2007


Chairman

AUDITORS' REPORT

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

We have audited the attached Balance Sheet of M/S. OPEL SECURITIES PRIVATE LIMITED, as at 31st March, 2007 and the related Profit & Loss Account for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statement based on our audit.

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

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

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

1. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
2. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of these books.
3. The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of account.
4. In our opinion, these financial statements have been prepared in compliance with the applicable accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
5. Based on the written representations received from the Directors as on 31st March, 2007 and taken on record by the Board of Directors, we report that none of the Directors of the company is disqualified as on 31st March, 2007 from being appointed as directors of the Company in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
6. In our opinion and to the best of our information and according to the explanations given to us, the Balance Sheet and Profit & Loss Account read with and subject to notes thereon of Schedule 7, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
 - (a) in the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2007; and
 - (b) In the case of Profit & Loss Account, of the Profit for the year ended on that date.

For Shah & Shah Associates
Chartered Accountants

Place : Ahmedabad
Dated : 1st August, 2007

(Nimish B. Shah)
Partner
Membership No. 30102

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

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

- (i) The company does not own any fixed assets. Hence, provisions of clause 4 (i) of the Order are not applicable to the Company.
- (ii) The nature of the Company's business/activities during the year is such that none of the matters under clause 4(ii)(a) to clause 4 (ii)(c) are not applicable or call for a statement for the period under audit.
- (iii) The Company has granted interest free unsecured loans to four companies listed in the register maintained under section 301 of the Companies Act, 1956 and the maximum amount involved was Rs. 1,37,05,000/- and the year end balance of such loans was Rs. 1,37,05,000/-. According to the information and explanation provided to us, other terms and condition of such loans are not prima facie prejudicial to the interest of the company. No stipulations have been made for repayment of such loans granted.

The Company has obtained interest free unsecured loans from three companies listed in the register maintained under Section 301 of the Companies Act, 1956 and the maximum amount involved is Rs. 2,02,55,000/- and the year end balance of such loan was Rs. 2,02,55,000/-. According to the information and explanation provided to us, other terms and conditions of such loans are not prima facie prejudicial to the interest of the company. No stipulations have been made for repayment of such loans granted.

- (iv) In our opinion and explanation given to us, there is an adequate internal control procedure commensurate with the size of the company and the nature of its business for the purchase of equipments and other assets. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal controls.
- (v) According to the information and explanations given to us, there were no contracts or arrangements that were required to be entered into the register maintained under section 301 of the Companies Act, 1956 and aggregating during the year to Rs. 5,00,000 or more in respect to each such party.
- (vi) As explained to us, the Company has not accepted any deposits from the public.
- (vii) The company did not have any formal internal audit system during the year under review. In the opinion of the management, the existing internal control procedures are adequate and hence separate internal audit is not called for.
- (viii) The nature of the Company's business/activities during the period under audit is such that clause 4(ii) regarding maintenance of cost records is not applicable to the company.
- (ix) Based on our audit procedure and according to information and explanation provided to us, the company is regular in depositing undisputed statutory dues with the appropriate authority. According to the information and explanation provided to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2007 for a period of more than six months from the date of becoming payable.

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

- (x) The Company has no accumulated losses and has not incurred any cash loss during the financial year covered by our audit or in the immediately financial year.
- (xi) The Company has not borrowed from financial institution or bank or issued debentures till the end of the year.
- (xii) In our opinion and according to information and explanations given to us, the company has not granted any loan or advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The provisions of special statute applicable to chit fund, Nidhi/Mutual Benefit fund/societies are not applicable to the company.
- (xiv) The company has maintained proper records for the purchase of shares and timely entries for the same have been made. As informed to us, the Company has held all the investment in shares in its own name.

OPEL SECURITIES PRIVATE LIMITED

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

For Shah & Shah Associates
Chartered Accountants

Place : Ahmedabad
Dated : 1st August, 2007

(Nimish B. Shah)
Partner
Membership No. 30102

BALANCE SHEET AS AT 31ST MARCH, 2007

PARTICULARS	SCHEDULE	(Amount in Rs.)	
		As at 31-3-2007	As at 31-3-2006
SOURCES OF FUNDS :			
Share Capital	1	17,502,000	17,502,000
Share Application (Pending Allotment)		675,000	675,000
Reserve & Surplus	2	12,262,210	11,088,911
Unsecured Loans	3	20,510,000	7,310,000
Total		<u>50,949,210</u>	<u>36,575,911</u>
APPLICATION OF FUNDS :			
Investments	4	34,101,761	19,328,026
Current Assets, Loans & Advances	5	16,856,428	17,256,150
Less : Current Liabilities & Provisions	6	8,979	8,265
Net Current Assets		<u>16,847,449</u>	<u>17,247,885</u>
Total		<u>50,949,210</u>	<u>36,575,911</u>
Notes on Accounts	7		

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

Nimish B. Shah
Partner
Mem. No. 30102

Place : Ahmedabad
Date : 1st August, 2007

For and on behalf of the Board

Amit D. Patel Director

Rahul A. Patel Director

Place : Ahmedabad
Date : 1st August, 2007

OPEL SECURITIES PRIVATE LIMITED**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2007**

PARTICULARS	(Amount in Rs.)	
	Year ended on 31-03-2007	Year ended on 31-03-2006
INCOME		
Dividend Income	1,197,240	1,088,400
Total	<u>1,197,240</u>	<u>1,088,400</u>
EXPENDITURE		
Legal & Professional Charges	20,861	29,765
General Charges	3,080	2,583
Total	<u>23,941</u>	<u>32,348</u>
Profit before Tax	1,173,299	1,056,052
Provision for Taxation	-	-
Profit After Tax	1,173,299	1,056,052
Balance Brought Forward from Previous Year	3,588,911	2,532,859
Balance transferred to Balance Sheet	<u>4,762,210</u>	<u>3,588,911</u>

Notes on accounts - Schedule - 7

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

Nimish B. Shah
Partner
Mem. No. 30102

Place : Ahmedabad
Date : 1st August, 2007

For and on behalf of the Board

Amit D. Patel Director

Rahul A. Patel Director

Place : Ahmedabad
Date : 1st August, 2007

SCHEDULES FORMING PART OF THE ACCOUNTS

Particulars	(Amount in Rs.)	
	As at 31-03-2007	As at 31-03-2006
SCHEDULE - 1 : SHARE CAPITAL		
AUTHORISED		
20,00,000 Equity Shares of Rs 10/- each	20,000,000	20,000,000
Total	<u>20,000,000</u>	<u>20,000,000</u>
ISSUED, SUBSCRIBED & PAID UP :		
17,50,200 Equity Shares of Rs. 10/- each fully paid up (Out of above 11,50,000 Shares are held by holding Company Prism Finance Ltd.)	17,502,000	17,502,000
Total	<u>17,502,000</u>	<u>17,502,000</u>
SCHEDULE - 2 : RESERVES & SURPLUS		
Share Premium	7,500,000	7,500,000
Profit & Loss Account		
Balance as per annexed Account	4,762,210	3,588,911
Total	<u>12,262,210</u>	<u>11,088,911</u>
SCHEDULE - 3 : UNSECURED LOANS		
From Companies	20,510,000	7,310,000
Total	<u>20,510,000</u>	<u>7,310,000</u>
SCHEDULE - 4 : LONG TERM INVESTMENTS		
(1) QUOTED (AT COST)		
1653525 (Previous Year 1360500) Equity Shares of Sintex Industries Ltd. of Rs. 2/- each fully paid up	34,101,761	17,686,500
(2) UNQUOTED		
58605 Shares Warrants of Sintex Industries Ltd. of Rs. 28.01 each partly paid up	-	1,641,526
Total	<u>34,101,761</u>	<u>19,328,026</u>
Aggregate Value of Quoted Investments		
At Cost Price	34,101,761	17,686,500
At market price	847,488,279	312,915,000
SCHEDULE - 5 : CURRENT ASSETS, LOANS & ADVANCES		
(a) CURRENT ASSETS : (Unsecured, considered good)		
Cash and Bank Balances		
Cash on hand	1,000	1,000
Balance with a Schedule Bank in Current Account	1,100,429	1,500,150
Total (a)	<u>1,101,429</u>	<u>1,501,150</u>
(b) LOANS & ADVANCES (Unsecured, considered good)		
Intercorporate Deposit	15,755,000	15,755,000
Total (b)	<u>15,755,000</u>	<u>15,755,000</u>
Total (a+b)	<u>16,856,429</u>	<u>17,256,150</u>

OPEL SECURITIES PRIVATE LIMITED

(Amount in Rs.)

Particulars	As at 31-03-2007	As at 31-03-2006
SCHEDULE - 6 : CURRENT LIABILITIES & PROVISIONS		
CURRENT LIABILITIES :		
Unpaid Expenses	8,979	8,265
Total	<u>8,979</u>	<u>8,265</u>

SCHEDULE FORMING PART OF ACCOUNTS

SCHEDULE - 7 : NOTES OF ACCOUNTS

(1) Significant Accounting Policies:

- The accounts are prepared on the basis of historical cost.
 - Income & Expenses are accounted for on accrual basis.
- Balances under the head of Unsecured Loans and Loans & Advances given are subject to confirmation.
 - Legal & Professional Charges includes payment to auditors.

	2006-2007	2005-2006
a) For Audit Fees	8,979	7,500
b) For Taxation Matters	6,734	6,080
c) Out of Pocket Expenses	-	420
d) Service Tax	-	765
e) Others	714	15000
	<u>16,427</u>	<u>29,765</u>

4. AS-18 Related Party Disclosures

A. Name of related party and nature of relationship :

Sr.	Name related party	relationship
1.	Prism Finance Ltd.	Holding Co.
2.	Sintex Ind. Ltd.	Associates
3.	Som Shiva Impex Ltd.	Associates
4.	Mas Chemical Ind. P. Ltd.	Associates

B. Transaction with related parties :-

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

- There are no creditors in respect of Small Scale Industrial as at the end of the year.
- The figures of the previous year have been regrouped / rearranged wherever necessary to make them comparable with the figures of the current year.
- Deferred Tax effects have not been recognised in view of the company fact that the company having only dividend income which is exempt from tax.
- No provision has been made for income-tax, as the company has dividend income only, which is exempt from tax.
- There are no other particulars required to be shown as per requirements of part II of Schedule VI of the Companies Act, 1956.

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

Balance Sheet Abstract and Company's General Business Profile**1. Registration Details**

Registration No.	28055	State Code	04
------------------	-------	------------	----

Balance Sheet Date	31st March, 2007
--------------------	------------------

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

Public Issue	NIL	Right Issue	NIL
--------------	-----	-------------	-----

Bonus Issue	NIL	Private Placement	NIL
-------------	-----	-------------------	-----

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

Total Liabilities	50949	Total Assets	50949
-------------------	-------	--------------	-------

Source of Funds

Paid-up Capital	17502	Share Application Money	675
-----------------	-------	-------------------------	-----

Reserve and Surplus	12262
---------------------	-------

Secured Loans	NIL	Unsecured Loans	20510
---------------	-----	-----------------	-------

Application of Funds

Net Fixed Assets	NIL	Investments	34102
------------------	-----	-------------	-------

Net Current Assets	16847	Misc. Expenditure	NIL
--------------------	-------	-------------------	-----

Accumulated Losses	NIL
--------------------	-----

4. Performance of Company (Rs. in Thousand)

Turnover	1197	Total Expenditure	24
----------	------	-------------------	----

Profit/Loss Before Tax	1173	Profit/Loss After Tax	1173
------------------------	------	-----------------------	------

Earning per Share in Rs.	0.67	Dividend Rate (%)	N.A.
--------------------------	------	-------------------	------

5. Generic Name of Principal Product of Company

Item Code No.	: N.A.
---------------	--------

Products Description	: N.A.
----------------------	--------

Signature to Schedules 1 to 7

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

Nimish B. Shah
Partner
Mem. No. 30102

Place : Ahmedabad
Date : 1st August, 2007

For and on behalf of the Board

Amit D. Patel	Director
----------------------	----------

Rahul A. Patel	Director
-----------------------	----------

Place : Ahmedabad
Date : 1st August, 2007

PRISM FINANCE LIMITED

Regd. Office : 1-2, 2nd Floor, Fountain Place Complex, Nr. Mithakhali Six Roads,
Navrangpura, Ahmedabad - 380 009.

13th Annual General Meeting

Saturday, the 29th September, 2007 at 11.00 a.m.

ATTENDANCE SLIP

Place : 1-2, 2nd Floor, Fountain Place Complex,
Nr. Mithakhali Six Roads,
Navrangpura, Ahmedabad - 380 009.

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 : 1-2, 2nd Floor, Fountain Place Complex, Nr. Mithakhali Six Roads,
Navrangpura, Ahmedabad - 380 009.

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 13th Annual General Meeting of the Company, to be held on Saturday, the 29th September, 2007 and at any adjournment thereof.

Signed the _____ day of _____ 2007.

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.