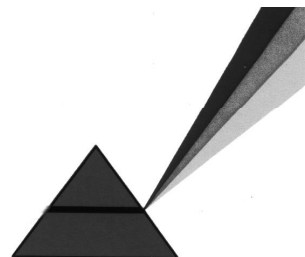


PRISM FINANCE LIMITED

[CIN : L63910GJ1994PLC021915]



22ND
ANNUAL REPORT 2015-16

PRISM FINANCE LIMITED
[CIN: L63910GJ1994PLC021915]
22ND ANNUAL REPORT 2015-16

BOARD OF DIRECTORS	:	Mr. Kashyap R. Mehta	Director
		Ms. Anal R. Desai	Director
		Mr. Udayan D. Velvan	Director
CHIEF FINANCIAL OFFICER	:	Mr. Chirag J. Desai	
COMPANY SECRETARY	:	Ms. Palak D. Parekh	
BANKERS	:	HDFC Bank Limited	
		Ahmedabad	
STATUTORY AUDITORS	:	M/s. Shah & Shah Associates,	
		Chartered Accountants,	
		Ahmedabad	
COMPANY LAW CONSULTANT	:	M/s. Kashyap R. Mehta & Associates,	
		Company Secretaries,	
		Ahmedabad	
REGISTERED OFFICE	:	301, Iscon Mall,	
		Above Star Bazar, Satellite Road,	
		Ahmedabad - 380 015	
REGISTRAR & SHARE TRANSFER AGENTS	:	Link Intime India Private Limited,	
		Unit No. 303, 3 rd Floor, Shoppers Plaza – V,	
		Opp. Municipal Market, B/h Shoppers Plaza- II,	
		Off C.G. Road, Ahmedabad – 380 009	
		Tel.: 079 - 26465179	
		Email: ahmedabad@linkintime.co.in	
WEBSITE	:	www.prismfinance.in	

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NOTICE

NOTICE is hereby given that the **22ND ANNUAL GENERAL MEETING** of the members of **PRISM FINANCE LIMITED** will be held as scheduled below:

Date : 29th September, 2016
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 consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2016, the reports of the Board of Directors and Auditors thereon.
2. To consider and if thought fit to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

“RESOLVED that pursuant to the provisions of Section 139, 142 and any other applicable provisions of the Companies Act, 2013 and rules made there under, as amended from time to time, and pursuant to the resolution passed by the members at the Annual General Meeting (AGM) held on 29th September, 2015, the appointment of M/s. Shah & Shah Associates, Chartered Accountants (Firm Registration No.113742W), as the Statutory Auditors of the Company to hold office for a period of 2 years i.e. till the conclusion of the AGM to be held for the year 2017 be and is now hereby ratified for the year 2016-17 and that the Board of Directors be and is hereby authorised to fix the remuneration payable to them as may be mutually agreed upon between the Board of Directors of the Company and the Statutory Auditors.”

Registered Office:

301, Iscon Mall,
Above Star Bazar,
Satellite Road,
Ahmedabad-380 015.
Date : 20th July, 2016

By Order of the Board,

Palak D. Parekh
Company Secretary

NOTES :

1. The Register of Members and Share Transfer Books will remain closed from **2nd September, 2016 to 29th September, 2016** (both days inclusive) for the purpose of Annual General Meeting (AGM).
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY OR PROXIES TO ATTEND AND, TO VOTE INSTEAD OF HIMSELF 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 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER SHAREHOLDER.

The instrument of Proxy in order to be effective, must 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.

3. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company, a certified copy of Board Resolution/ Authorization document authorizing their representative to attend and vote on their behalf at the AGM.

PRISM FINANCE LIMITED

4. Members holding shares in the dematerialized mode are requested to intimate all changes with respect to their bank details, ECS mandate, nomination, power of attorney, change of address, change in name, etc. to their Depository Participant (DP). These changes will be automatically reflected in the Company's records, which will help the Company to provide efficient and better service to the Members. Members holding shares in physical form are requested to intimate the changes to the Registrar & Share Transfer Agents of the Company (RTA).
5. Details under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 issued by The Institute of Company Secretaries of India in respect of Directors seeking re-appointment/appointment/ confirmation at the ensuing Annual General Meeting is provided in the Corporate Governance Report forming part of the Annual Report. The Directors have furnished the requisite declarations for their appointment / re-appointment.
6. 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.
7. 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.
8. The Shareholders holding Shares in Physical form are advised to seek their shareholding changed to dematerialised form since in terms of SEBI and Stock Exchange guidelines no physical shares can be traded in the Stock Exchanges.
9. Pursuant to Section 72 of the Companies Act, 2013, members 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 RTA. In respect of shares held in electronic / demat form, the nomination form may be filed with the respective Depository Participant.
10. Members / Proxies are requested to bring duly filled attendance form along with their copy of Annual Report at the Meeting. Copies of Annual Report will not be distributed at the Meeting.
11. All documents referred to in the Notice shall be available for inspection by members at the Registered Office of the Company during the business hours between 11.00 a.m. to 1.00 p.m. on all working days of the Company up to the date of the Annual General Meeting.
12. To support the "Green Initiative", Members who have not registered their e-mail addresses so far, are requested to register their e-mail address with the Registrar & Share Transfer Agents of the Company for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
13. In support of the 'Green Initiative' announced by the Government of India, electronic copies of the Annual Report for 2015-16 and this Notice inter alia indicating the process and manner of e-voting along with Attendance Form and Proxy Form are being sent by email to all the Members whose email IDs are registered with the Company / Depository Participant(s) for communication purposes, unless any Member has requested only for a hard copy of the same. For Members who have not registered their email address, physical copies will be sent to them in the permitted mode. The Notice of AGM will also be available on the Company's website, www.prismfinance.in and that of Central Depository Services (India) Limited ("CDSL"), www.cdslindia.com, www.evotingindia.com
14. **VOTING THROUGH ELECTRONIC MEANS**
 - (a) In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other applicable provisions, the Company is pleased to offer the facility of voting through electronic means and the business set out in the Notice above may be transacted through such electronic voting. The facility of casting the votes by the Members using an electronic voting system from a place other than venue of the AGM ('remote e-voting') is provided by Central Depository Services (India) Limited.

- (b) The facility for voting through ballot paper shall be made available at the AGM, and the Members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot. E-voting facility will not be made available at the AGM venue.
- (c) The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- (d) The remote e-voting period commences at **9.00 a.m. on 26th September, 2016 and ends at 5:00 p.m. on 28th September, 2016**. During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the **cut-off date i.e. 22nd September, 2016**, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by CDSL for e-voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently or cast the vote again.
- (e) The voting rights of shareholders shall be in proportion to their shares in the paid up equity share capital of the Company as on the cut-off date.

The procedure and instructions for remote e-voting are, as follows:

- (i) Open your web browser during the voting period and log on to the e-voting website www.evotingindia.com.
- (ii) Now click on "Shareholders" to cast your votes.
- (iii) Now, fill up the following details in the appropriate boxes:

User ID	a. For CDSL: 16 digits Beneficiary ID
	b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID
	c. Members holding shares in Physical Form should enter Folio Number registered with the Company

- (iv) Next, enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vi) If you are holding shares in demat form and has forgotten the existing password, then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (vii) If you are a first time user, follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (ii).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

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- (xi) Click on Electronic Voting Sequence Number (EVSN) of PRISM FINANCE LIMITED to vote.
- (xii) On the voting page, you will see 'Resolution Description' and against the same, the option 'YES/NO' for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the 'RESOLUTIONS FILE LINK' if you wish to view the entire Resolution details.
- (xiv) After selecting the Resolution, you have decided to vote on, click on 'SUBMIT'. A confirmation box will be displayed. If you wish to confirm your vote, click on 'OK', else to change your vote, click on 'CANCEL' and accordingly modify your vote.
- (xv) Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on 'Click here to print' option on the Voting page.
- (xvii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xviii) Note for Non – Individual Members and Custodians:
 - Non-Individual Members (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details, a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (f) In case you have any queries or issues regarding remote e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
- (g) **Mr. Kashyap R. Mehta, Proprietor, M/s. Kashyap R. Mehta & Associates, Company Secretaries, Ahmedabad** has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- (h) The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of Scrutinizer, by use of 'Ballot Paper' for all those Members who are present at the AGM but have not cast their votes by availing the remote e-voting facility. **E-voting facility will not be made available at the AGM venue.**
- (i) The Scrutinizer shall, immediately after the conclusion of voting at AGM, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in employment of the Company and make, not later than three days from the conclusion of meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same. Thereafter, the Chairman or the person authorised by him in writing shall declare the result of the voting forthwith.
- (j) The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.prismfinance.in and on the website of CDSL immediately after the result is declared by the Chairman; and results shall also be communicated to the Stock Exchanges.

DIRECTORS' REPORT

Dear Members,

Your Directors present the 22nd ANNUAL REPORT together with the Audited Financial Statements for the Financial Year 2015-16 ended 31st March, 2016.

1. FINANCIAL RESULTS:

Particulars	(Rs.in Lacs)	
	2015-16	2014-15
Profit / (Loss) before Depreciation	8.80	(15.71)
Less: Depreciation	6.86	6.69
Profit/ (Loss) before Taxation	1.94	(22.40)
Add/ (Less): Excess (Provision for Taxation) of earlier years	-	0.56
Profit/ (Loss) after Tax	1.94	(21.85)
Balance brought forward from previous year	181.89	203.74
Balance carried to Balance Sheet	183.83	181.89

There are no material changes and commitment affecting the financial position of the Company which have occurred between 1st April, 2016 and date of this report.

2. DIVIDEND:

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

3. OPERATIONS:

The Company made profit before Depreciation of Rs. 8.80 lacs during the year under review compared to loss of Rs.15.71 lacs during 2014-15. After providing for Depreciation and for Tax expense, the Net Profit during the year under review was Rs. 1.94 lacs compared to Net Loss of Rs. 21.85 lacs during 2014-15.

4. DIRECTORS:

4.1. As per the Articles of Association of the Company, at every Annual General Meeting, 1/3rd of the Directors who are liable to retire by rotation will retire and the retiring Directors shall be those who are longest in the Office. As per Section 152 of the Companies Act, 2013, Independent Directors are not to be included in the total number of Directors for the purpose of determining retiring Directors.

As all the Directors of the Company are Independent Directors so that as per Section 152 of the Companies Act, 2013, no director will be liable to retire by rotation.

4.2. The Board of Directors duly met 7 times during the financial year under review.

4.3. The Company has received necessary declaration from each Independent Director of the Company under Section 149(7) of the Companies Act, 2013 (the Act) that they meet with the criteria of their independence laid down in Section 149(6) of the Act.

4.4 Formal Annual Evaluation:

The Nomination and Remuneration Committee adopted a formal mechanism for evaluating the performance of the Board of Directors as well as that of its Committees and individual Directors, including Chairman of the Board, Key Managerial Personnel/ Senior Management etc. The exercise was carried out through an evaluation process covering aspects such as composition of the Board, experience, competencies, governance issues etc.

4.5. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement of Section 134 of the Companies Act, 2013, it is hereby confirmed:

- that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

PRISM FINANCE LIMITED

- 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, 2016 being end of the Financial Year 2015-16 and the Profit of the Company for the year;
- iii. that the Directors had taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 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.
- v. the Directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- vi. the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

5. INTERNAL FINANCIAL CONTROL AND ITS ADEQUACY:

The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and the timely preparation of reliable financial disclosures.

6. MANAGERIAL REMUNERATION:

REMUNERATION OF DIRECTORS:

The Company has not paid any Managerial Remuneration or other benefits to any of its Directors. The Board of Directors has framed a Remuneration Policy that assures the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors, Key Managerial Personnel and Senior Management to enhance the quality required to run the Company successfully. All the Board Members and Senior Management personnel have affirmed time to time implementation of the said Remuneration policy.

The Nomination and Remuneration Policy are available on the Company's website- www.prismfinance.in.

7. KEY MANAGERIAL PERSONNEL (KMP) AND PERSONNEL:

There are no material payments to KMP/ Employees. As no material payments have been made the amount is not comparable with the performance of the Company. The number of Employees of the Company are two. There is no Employee drawing remuneration requiring disclosure under Rule 5(2) of Companies (Appointment & Remuneration of Managerial personnel) Rules, 2014.

8. VOLUNTARY EXIT FROM NBFI BUSINESS AND SURRENDER OF CERTIFICATE OF REGISTRATION AS NON BANKING FINANCIAL COMPANY (NBFC) WITH RESERVE BANK OF INDIA (RBI):

The management has decided not to carry any Financing Activities as a Non- Banking Financing Company (NBFC) and also not meeting the ratio between its Financial Income (FI) and Gross Income (GI) i.e. FI to be more than 50% of GI as prescribed by RBI, therefore, the Board of Directors in their Meeting held on 12th February, 2016 have decided to surrender the Certificate of Registration with Reserve Bank of India (RBI) as most the of income of our Company is realizing from other than NBFC activities such as Sale of Shares, Sale of Clothes/Fabrics etc.

9. RELATED PARTY TRANSACTION AND DETAILS OF LOANS, GUARANTEES, INVESTMENT & SECURITIES PROVIDED:

Details of Related Party Transactions and Details of Loans, Guarantees and Investments covered under the provisions of Section 188 and 186 of the Companies Act, 2013 respectively are given in the notes to the Financial Statements attached to the Directors' Report.

All transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any transactions with related parties which could be considered as material in accordance with the policy of the Company on materiality of related party transactions.

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website at www.prismfinance.in

10. CORPORATE GOVERNANCE AND MDA:

As per Regulation 34 (3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Report on Corporate Governance, Management Discussion and Analysis (MDA) and a certificate regarding compliance with the conditions of Corporate Governance are appended to the Annual Report as **Annexure - A**.

11. SECRETARIAL AUDIT REPORT:

Your Company has obtained Secretarial Audit Report as required under Section 204(1) of the Companies Act, 2013 from M/s. Pinakin Shah & Co., Company Secretaries, Ahmedabad. The said Report is attached with this Report as **Annexure – B**. As regards the observation of the Auditors, the Company is in the process of identifying and appointing Managing Director.

12. EXTRACT OF ANNUAL RETURN:

The extract of Annual return in Form – MGT-9 has been attached herewith as **Annexure – C**.

13. LISTING:

The Equity Shares of the Company are listed on Ahmedabad Stock Exchange Limited & BSE Limited. The Company is regular in payment of Annual Listing Fees. The Company has paid Listing fees up to the year 2016-17.

14. DEMATERIALISATION OF EQUITY SHARES:

Shareholders have an option to dematerialise their shares with either of the depositories viz NSDL and CDSL. The ISIN No. is INE429Q01019.

15. AUDIT COMMITTEE/ NOMINATION AND REMUNERATION COMMITTEE/ STAKEHOLDERS' RELATIONSHIP COMMITTEE:

The details of various committees and their functions are part of Corporate Governance Report.

16. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

Your Company being in the Industry of Investment and Finance, the particulars relating to conservation of Energy, Technology Absorption etc. are not applicable. The Company has not earned or spent any amount in Foreign Exchange.

17. GENERAL:

17.1. STATUTORY AUDITORS:

At the Annual General Meeting held on 29th September, 2015 M/s. Shah & Shah Associates, Chartered Accountants, Ahmedabad were appointed as statutory auditors of the Company to hold office till the conclusion of the Annual General Meeting to be held in the year 2017. In terms of the first proviso to Section 139 of the Companies Act, 2013, the appointment of the auditors shall be placed for ratification at every Annual General Meeting. Accordingly, the appointment of M/s. Shah & Shah Associates, Chartered Accountants, as statutory auditors of the Company for the year 2016-17, is placed for ratification by the shareholders.

The remarks of Auditor are self explanatory and have been explained in Notes on Accounts.

17.2 INSURANCE:

The movable and immovable properties of the Company to the extent required have been adequately insured risks such as fire, strike, civil commotion, malicious damages, etc.

17.3 DEPOSITS:

The Company has not accepted during the year under review any Deposits and there were no overdue deposits.

17.4 RISKS MANAGEMENT POLICY:

The Company has a risk management policy, which from time to time, is reviewed by the Audit Committee of Directors as well as by the Board of Directors. The Policy is reviewed quarterly by assessing the threats and opportunities that will impact the objectives set for the Company as a whole. The Policy is designed to provide the categorization of risk into threat and its cause, impact, treatment and control measures. As part of the Risk Management policy, the relevant parameters for protection of environment, safety of operations

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and health of people at work and monitored regularly with reference to statutory regulations and guidelines defined by the Company.

17.5 SUBSIDIARIES/ ASSOCIATES/ JVS:

The Company does not have any Subsidiaries/ Associates Companies / JVs as on 31st March, 2016.

17.6 CODE OF CONDUCT:

The Board of Directors has laid down a Code of Conduct applicable to the Board of Directors and Senior Management. All the Board Members and Senior Management personnel have affirmed compliance with the code of conduct.

17.7 SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS:

There has been no significant and material order passed by any regulators or courts or tribunals, impacting the going concern status of the Company and its future operations.

17.8 ENVIRONMENT AND SAFETY:

The Company is conscious of the importance of environmentally clean and safe operations. The Company's policy requires conduct of operations in such a manner, so as to ensure safety of all concerned, compliances of environmental regulations and preservation of natural resources.

17.9 INSTANCES OF FRAUD, IF ANY REPORTED BY THE AUDITORS:

There have been no instances of fraud reported by the Auditors under Section 143(12) of the Companies Act, 2013.

18. DISCLOSURE OF ACCOUNTING TREATMENT

In the preparation of the financial statements, the Company has followed the Accounting Standards referred to in Section 133 of the Companies Act, 2013. The significant accounting policies which are consistently applied are set out in the Notes to the Financial Statements.

19. ACKNOWLEDGMENT:

Your Directors express their sincere thanks and appreciation to Promoters, Shareholders and Customers for their support and co operation. Your Directors also place on record their gratitude to the Bankers of the Company and Government Departments for their confidence reposed in the Company.

For and on behalf of the Board,

Place : Ahmedabad
Date : 20th July, 2016

Kashyap R. Mehta	Anal R. Desai
Director	Director

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 Directors, hereunder, present the Company's Report on Corporate Governance for the year ended 31st March, 2016 and also up to the date of this Report.

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

The Company's philosophy on Corporate Governance lays strong emphasis on transparency, accountability and ability.

Effective Corporate Governance is the key element ensuring investor's protection; providing finest work environment leading to highest standards of management and maximization of everlasting long-term values. Your Company believes in the philosophy on practicing Code of Corporate Governance that provides a structure by which the rights and responsibility of different constituents such as the board, employees and shareholders are carved out.

A Report on compliance with the principles of Corporate Governance as prescribed by SEBI in Chapter IV read with Schedule V of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (Listing Regulation) is given below:

2. BOARD OF DIRECTORS:**(a) Composition and Category of Directors as on 31st March, 2016 and on the date of this report:**

Name of Directors	Category of Directorship	No. of other Director ships@	No. of Committee Member/Chairmanship in other companies**		No. of Board Meetings attended during 2015-16	Attendance at the AGM held on 29 th September, 2015 (Y)/(N)
			Member	Chairman		
Kashyap R. Mehta	Non-executive Independent	3	1	4	7	Y
Anal R. Desai	Non-executive Independent	-	-	-	7	Y
Udayan D. Velvan	Independent	1	-	-	7	Y

@ Private Companies, foreign companies and companies under Section 8 of the Companies Act, 2013 are excluded

** for the purpose of reckoning the limit of committees, only chairmanship/membership of the Audit Committee and Stakeholders' Relationship Committee has been considered

None of the Directors are related to each other.

- (b) As there is no business of appointment of any Director in the ensuing Annual General Meeting, no information is provided.

(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 for a period from 1st April, 2015 to 31st March, 2016 were held 7 times on 30-05-2015, 08-07-2015, 29-07-2015, 13-08-2015, 05-11-2015, 12-02-2016 and 07-03-2016.

d) Familiarisation Program for Independent Directors:

The details of the familiarization program are available on the Company's website – www.prismfinance.in

'Disclosure under SEBI (LODR)

The Independent Directors of the Company are seasoned professionals and have detailed knowledge and understanding of the industry, business model & operations and also of their roles, responsibilities and duties.

Presentations are regularly made to the Independent Directors on various matters covering Company's business, operations, industry, updates, strategy, finance, risk management, role, rights and responsibilities of Independent Directors under various statutes. A familiarisation programme was conducted during the year.'

PRISM FINANCE LIMITED

3. AUDIT COMMITTEE:

The Audit Committee consists of the following Directors as on date of the Report:

Name of the Directors	Expertise	Terms of reference & functions of the Committee	No. of Meetings attended during 2015-16
Anal R. Desai, Chairperson	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 Regulations prescribed by SEBI which include approving and implementing the audit procedures, review of financial reporting system, internal control procedures and risk management policies.	4 of 4
Kashyap R. Mehta			4 of 4
Udayan D. Velvan			4 of 4

The Audit Committee met 4 times during the Financial Year 2015-16. The maximum gap between two meetings was not more than 120 days. The Committee met on 30-05-2015; 13-08-2015; 05-11-2015 & 12-02-2016. The necessary quorum was present for all Meetings. The Chairperson of the Audit Committee was present at the last Annual General Meeting of the Company.

4. NOMINATION AND REMUNERATION COMMITTEE:

Name of the Directors	Functions of the Committee	No. of Meetings attended during 2015-16
Anal R. Desai, Chairperson	All members are Non executive. The Committee is vested with the responsibilities to function as per SEBI Guidelines and recommends to the Board Compensation Package for the Managing Director. It also reviews from time to time the overall Compensation structure and related policies with a view to attract, motivate and retain employees.	During the year under review, no meeting of Nomination & Remuneration Committee was held.
Kashyap R. Mehta		
Udayan D. Velvan		

Terms of reference and Nomination & Remuneration Policy:

The Committee identifies and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.

The Committee fixes remuneration of the Directors on the basis of their performance and also practice in the industry. The terms of reference of the Nomination & Remuneration Committee include review and recommendation to the Board of Directors of the remuneration paid to the Directors. The Committee meets as and when required to consider remuneration of Directors.

Performance Evaluation Criteria for Independent Directors:

The Board evaluates the performance of independent directors (excluding the director being evaluated) on the basis of the contributions and suggestions made to the Board with respect to financial strategy, business operations etc.

5. REMUNERATION OF DIRECTORS:

1. No Remuneration, Sitting Fees, Commission or Stock Option has been offered to the Directors.
2. The terms of appointment of Managing Director / Whole-time Director are governed by the resolutions of the members and applicable rules of the Company. None of the Directors are entitled to severance fees.
3. Commission based on performance criteria, if any, as approved by the Board and subject to maximum limit specified in the Act.

4. The Nomination and Remuneration Policy of the Company is given in Directors' Report which specifies the criteria of making payments to Non Executive Directors.
5. Service contract and notice period are as per the terms and conditions mentioned in their Letter of Appointments.
6. There are no materially significant related party transactions, pecuniary transactions or relationships between the Company and its Non-Executive Directors except those disclosed in the financial statements for the financial year ended on 31st March, 2016.

6. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

The Board has constituted a Stakeholders' Relationship Committee for the purpose of effective Redressal of the complaints and concerns of the shareholders and other stakeholders of the Company.

The Committee comprises the following Directors as members as on the date of the Report:

1. Ms. Anal R. Desai Chairperson
2. Mr. Kashyap R. Mehta Member

The Company has not received any complaints during the year. There was no valid request for transfer of shares pending as on 31st March, 2016.

Ms. Palak D. Parekh, Company Secretary is the Compliance Officer for the above purpose.

7. GENERAL BODY MEETINGS:

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

Financial Year	Date	Time	Venue
2012-13	19-09-2013	11.00 a.m.	301, Iscon Mall, Above Star Bazar, Satellite Road, Ahmedabad - 380 015. No Special Resolution was passed.
2013-14	25-09-2014	11.00 a.m.	301, Iscon Mall, Above Star Bazar, Satellite Road, Ahmedabad - 380 015. Special Resolution: 1. Borrowing Limit under Section 180(1)(c) of the Companies Act, 2013 2. Creation of charge/mortgage under Section 180(1)(a) of the Companies Act, 2013
2014-15	29-09-2015	11.00 a.m.	301, Iscon Mall, Above Star Bazar, Satellite Road, Ahmedabad – 380 015 No Special Resolution was passed.

Pursuant to the relevant provisions of the Companies Act, 2013, there was no matter required to be dealt by the Company to be passed through postal ballot during 2015-16.

8. MEANS OF COMMUNICATION:

In compliance with the requirements of the Listing Agreement and SEBI (LODR) Regulations, the Company regularly intimates Unaudited / Audited Financial Results to the Stock Exchanges immediately after they are taken on record by the Board of Directors. These Financial Results are normally published in 'Western Times' (English and Gujarati). Results are also displayed on Company's website www.prismfinance.in.

The reports, statements, documents, filings and any other information is electronically submitted to the recognized stock exchanges, unless there are any technical difficulties while filing the same. All important information and official press releases are displayed on the website for the benefit of the public at large

During the year ended on 31st March, 2016, no presentations were made to Institutional Investors or analyst or any other enterprise.

PRISM FINANCE LIMITED

9. GENERAL SHAREHOLDERS' INFORMATION:

a)	Registered Office	301, Iscon Mall, Above Star Bazar, Satellite Road, Ahmedabad - 380 015.						
b)	Annual General Meeting	Day : Thursday Date : 29 th September, 2016 Time : 11.00 a. m. Venue : 301, Iscon Mall, Above Star Bazar, Satellite Road, Ahmedabad – 380 015.						
c)	Financial Calendar 1st Quarter Results Half-yearly Results 3rd Quarter Results Audited yearly Results	1 st / 2 nd week - August, 2016. 1 st / 2 nd week - November, 2016. 1 st / 2 nd week - February, 2017. End - May, 2017.						
d)	Book Closure Dates	From : Friday The 2nd September, 2016 To : Thursday The 29th September, 2016. (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. BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400 001. The Company has paid the annual listing fees for the financial year 2016-17 to both the Stock Exchanges where its securities are listed.						
g)	Stock Exchange Code	<table><tr><td>Stock Exchange</td><td>Code</td></tr><tr><td>ASE</td><td>45565</td></tr><tr><td>BSE</td><td>531735</td></tr></table>	Stock Exchange	Code	ASE	45565	BSE	531735
Stock Exchange	Code							
ASE	45565							
BSE	531735							
h)	Registrar and Share Transfer Agents	Registrars and Share Transfer Agents (RTA) for both Physical and Demat Segment of Equity Shares of the Company: M/s. Link Intime India Pvt. Ltd. Unit No 303, 3rd floor Shoppers Plaza V, Opp. Municipal Market, Behind Shoppers Plaza II, Off C. G. Road, Ahmedabad 380 009 Tele. No. : (079) 2646 5179 e mail address: ahmedabad@linkintime.co.in						
i)	Share Transfer System	The transfer of shares in physical form is processed and completed by M/s. Link Intime India Pvt. Ltd. within a period of 15 days from the date of receipt thereof. In case of Shares in electronic form, the transfers are processed by NSDL/ CDSL through the respective Depository Participants.						

j) Stock Price Data :

The shares of the Company were traded on the BSE Limited. The information on stock price data, BSE Sensex details are as under:

Month	BSE			BSE Sensex
	High (Rs.)	Low (Rs.)	Shares Traded (No.)	
July, 2015	18.95	18.95	700	28,114.56

k) Distribution of Shareholding as on 31st March, 2016:

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Upto 500	1202	73.52	90310	1.38
501 to 1000	304	18.59	284300	4.37
1001 to 2000	12	0.73	17700	0.27
2001 to 3000	28	1.71	67700	1.04
3001 to 4000	1	0.06	3600	0.06
4001 to 5000	18	1.10	88700	1.36
5001 to 10000	10	0.61	87800	1.35
10001 to above	60	3.68	5860190	90.17
Grand Total	1635	100.00	6500300	100.00

l) Category of Shareholders as on 31st March, 2016:

Category	No. of Shares held	% of Shareholding
Promoters	29,83,690	45.90
Financial Institutions/Banks	-	-
Mutual Fund	-	-
Bodies Corporate	5,37,700	8.27
NRIs & CM	3,38,100	5.20
Public	26,40,810	40.63
Grand Total	65,00,300	100.00

m) Shareholding of Non- Executive Directors as on 31st March, 2016:

Name of the Non- Executive Director	No. of Shares held	% of Shareholding
Mr. Kashyap R. Mehta	1,08,000	1.66
Total	1,08,000	1.66

No other non-executive director hold any equity share or convertible securities in the company.

n) Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, Conversion Date and likely impact on Equity: The Company has not issued any GDRs/ADRs.

o) Dematerialisation of Shares and liquidity :

Approximately 52.53% of the Equity Shares have been dematerialised. ISIN number for dematerialisation of the Equity Shares of the Company is INE429Q01019.

p) Commodity Price Risks and Commodity Hedging Activities:

Business risk evaluation and management is an ongoing process within the Company. The assessment is periodically examined by the Board. The Company is exposed to the risk of price fluctuation of raw materials as well as finished goods. The Company proactively manages these risks through forward booking inventory management and proactive vendor development practices.

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10. ADDRESS FOR CORRESPONDENCE:

For both Physical and Electronic Form and any assistance regarding correspondence dematerialisation of shares, share transfers, transactions, change of address, non receipt of dividend or any other query relating to shares, Shareholders' correspondence should be addressed to the Company's Registrar and Share Transfer Agent at:

Link Intime India Private Limited,
Unit No. 303, 3rd Floor, Shoppers Plaza – V
Opp. Municipal Market, B/h Shoppers Plaza- II,
Off C.G. Road, Ahmedabad – 380 009
Tel. No. : (079) 2646 5179
Fax No. : (079) 2646 5179
E-mail : ahmedabad@linkintime.co.in

Compliance Officer : Ms. Palak D. Parekh, Company Secretary

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

c. Segment wise Performance:

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

d. Recent Trend and Future Outlook:

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

e. Risks and Concerns:

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

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

f. Internal Control Systems and their Adequacy:

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

g. Financial Performance with respect to Operational Performance:

The financial performance of the Company for the year 2015-16 is described in the Directors' Report under the head 'Review of Operation'.

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.

12. DISCLOSURES:

- a. 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 no subsidiary.
- b. 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.
- c. The Company has implemented Vigil Mechanism and Whistle Blower Policy and it is hereby affirmed that no personnel have been denied access to the Audit Committee.
- d. The Company is in compliance with all mandatory requirements under Listing Regulations. Adoption of non-mandatory requirements of Listing Regulations is being reviewed by the Board from time to time.
- e. The policy on related party transactions is disclosed on the Company's website viz. www.prismfinance.in.

13. DETAILS OF NON COMPLIANCE CORPORATE GOVERNANCE REQUIREMENT:

There was no non-compliance during the year and no penalties were imposed or strictures passed on the Company by the Stock Exchanges, SEBI or any other statutory authority.

14. NON-MANDATORY REQUIREMENTS OF REGULATION 27 (1) & PART E OF SCHEDULE II OF THE LISTING REGULATIONS:

- i. The quarterly / half yearly results are not sent to the shareholders. However, the same are published in the newspapers and also posted on the Company's website.
- ii. The Company's financial statements for the financial year 2015-16 do not contain any audit qualification.
- iii. The internal auditors report to the Audit Committee.

15. The Company, on voluntary basis, is in compliance with the corporate governance requirements specified in Regulation 17 to 27 and Clause (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI Regulations.

For and on behalf of the Board,

Place : Ahmedabad
Date : 20th July, 2016

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

DECLARATION

All the Board Members and Senior Management Personnel of the Company have affirmed the compliance with the provisions of the code of conduct of Board of Directors and Senior Management for the year ended on 31st March, 2016.

For Prism Finance Limited

Place : Ahmedabad
Date : 20th July, 2016

Kashyap R. Mehta **Chirag J. Desai**
Director CFO

PRISM FINANCE LIMITED

CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
Prism Finance Limited,

We have examined the compliance of conditions of Corporate Governance by M/s. Prism Finance Limited, for the year ended on 31st March, 2016 and also up to the date of this report as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR) / Listing Agreement (LA).

The compliance of conditions of corporate governance is the responsibility of the management. Our examination has been limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of conditions of Corporate Governance as stipulated in LODR / LA. 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, and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 & Part E of Schedule II of LODR / LA.

As per representation received from the Registrars of the Company, we state that as per records maintained by the Stakeholders' Relationship 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 KASHYAP R. MEHTA & ASSOCIATES,
Company Secretaries

KASHYAP R. MEHTA
Proprietor
FCS : 1821 COP: 2052
FRN: S2011GJ166500

Place : Ahmedabad
Date : 20th July, 2016

FORM NO. MR-3**SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2016**

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Prism Finance Limited

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. Prism Finance Limited** [CIN: L63910GJ1994PLC021915] ('hereinafter called the Company') having Registered Office at 301, Iscon Mall, Above Star India Bazar, Satellite Road, Ahmedabad 380015. The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31st March, 2016** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992/ 2015
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not applicable during the audit period)
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 / Securities and Exchange Board of India (Share based employee benefits) Regulation 2014 (Not applicable during the audit period)
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable during the audit period)
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable during the audit period)
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and (Not applicable during the audit period)

PRISM FINANCE LIMITED

- (vi) Various common laws applicable to the activities of the Company such as The Reserve Bank of India Act, 1934, Prevention of Money Laundering Act, 2002, Income Tax, Act, 1961, Chapter V of the Finance Act, 1994 (Service Tax), Land Laws, Stamp Act, for which we have relied on Certificates/ Reports/ Declarations/Consents/Confirmations obtained by the Company from the experts of the relevant field such as Advocate, Consultants, Chartered Accountants and officers of the Company and have found that the Company is generally regular in complying with the provisions of various applicable Acts.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards SS – 1 & SS – 2 issued by The Institute of Company Secretaries of India.
- (ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Listing Agreement.

during the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

The following are our observations during the Audit:

The Company does not have a Managing Director pursuant to section 203, of the Companies Act, 2013 and Rule 8 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company has not passed any Special Resolution.

For PINAKIN SHAH & CO.
Company Secretaries

Place : Ahmedabad
Date : 20th July, 2016

PINAKIN S. SHAH
Proprietor
FCS: 2562
COP: 2932
FRN: S2010GJ134100

Note: This report is to be read with our letter of even date which is annexed as Annexure – 1 and forms an integral part of this report.

To,
The Members,
Prism Finance Limited

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices followed by us provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For PINAKIN SHAH & CO.
Company Secretaries

Place : Ahmedabad
Date : 20th July, 2016

PINAKIN S. SHAH
Proprietor
FCS: 2562
COP: 2932
FRN: S2010GJ134100

PRISM FINANCE LIMITED

Annexure - C

Form No. MGT – 9**EXTRACT OF ANNUAL RETURN AS ON 31ST MARCH, 2016**

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

(1)	CIN	L63910GJ1994PLC021915
(2)	Registration Date	28 th April, 1994
(3)	Name of the Company	Prism Finance Limited
(4)	Category / Sub-Category of the Company	Public Company Limited by Shares
(5)	Address of the registered Office and Contact Details	301, Iscon Mall, Above Star India Bazar, Satellite Road, Ahmedabad- 380 009
(6)	Whether Listed Company	Yes
(7)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Pvt. Ltd. 303, 3 rd Floor, Shoppers Plaza V, Opp. Municipal Market, Behind Shoppers Plaza II, Navrangpura, Ahmedabad – 380 009. Tel. No.: (079) 2646 5179 Fax No.: (079) 2646 5179 E-mail Address: ahmedabad@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

Sr. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover
1	Finance/ Investment	46411	27%
2	Trading of fabric	46411	73%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

The Company has no Holding/ Subsidiary/ Associate Company.

IV. SHARE HOLDING PATTERN:**i) Category-wise Share Holding:**

Category of Shareholders	No. of Shares held as on 1 st April, 2015				No. of Shares held as on 31 st March, 2016				% Change, during 2015-16
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	1026190	30010	1056200	16.25	1026190	-	1026190	15.79	(0.46)
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp	1957500	-	1957500	30.11	1957500	-	1957500	30.11	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)	2983690	30010	3013700	46.36	2983690	-	2983690	45.90	(0.46)

B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) VCF	-	-	-	-	-	-	-	-	-
f) Ins. Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign VCF	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	157800	379200	537000	8.26	158500	379200	537700	8.27	0.01
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individuals holding < = Rs.1,00,000	14600	575000	589600	9.07	20200	568210	588410	9.05	(0.02)
ii) Individuals holding > Rs. 1,00,000	251400	1771000	2022400	31.11	251400	1801000	2052400	31.57	0.46
c) Others (specify)									
NRIs	-	337600	337600	5.19	-	337600	337600	5.19	-
OCB	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	500	-	500	0.01	0.01
Trusts	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	423800	3062800	3486600	53.64	430600	3086010	3516610	54.10	0.46
Total Public Shareholding (B)=(B)(1)+ (B)(2)	423800	3062800	3486600	53.64	430600	3086010	3516610	54.10	0.46
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	3407490	3092810	6500300	100.00	3414290	3086010	6500300	100.00	-

PRISM FINANCE LIMITED

ii) Shareholding of Promoters:

Sr No	Shareholder's Name	Shareholding as on 01-04-2015			Shareholding as on 31-03-2016			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Mas Chemicals Industries Pvt. Ltd	1029300	15.83	-	1029300	15.83	-	-
2.	Bar Magnet Investment Pvt Ltd	700000	10.77	-	700000	10.77	-	-
3.	Leena Anuprasad Patel	277400	4.27	-	277400	4.27	-	-
4.	Anuprasad Purshottamdas Patel	267800	4.12	-	267800	4.12	-	-
5.	Deval rahul Patel	193000	2.97	-	193000	2.97	-	-
6.	Poonam Pranay Patel	168000	2.58	-	168000	2.58	-	-
7.	Som Shiva (Impex) Ltd	130700	2.01	-	130700	2.01	-	-
8.	Rahul Arunprasad Patel	95000	1.46	-	95000	1.46	-	-
9.	Samurai Holdings Pvt. Ltd	97500	1.50	-	97500	1.50	-	-
10.	Amisha A. Patel	24990	0.38	-	24990	0.38	-	-
11.	Hrushabh Y. Patel	15000	0.23	-	-	-	-	(0.23)
12.	Ritika Y. Patel	15000	0.23	-	-	-	-	(0.23)
13.	Amisha Y. Patel	10	0.00	-	-	-	-	-
	Total	3013700	46.36	-	2983690	45.89	-	(0.46)

iii) Change in Promoters' Shareholding:

Sr. No.	For Each of the Promoter and Promoter Group	Shareholding as on 01-04-2015		Changes during the Year	Shareholding as on 31-03-2016	
		No. of shares	% of total shares		No. of shares	% of total shares
1.	Hrushabh Y. Patel	15000	0.23	(15000)	-	-
2.	Ritika Y. Patel	15000	0.23	(15000)	-	-
3.	Amisha Y. Patel	10	0.00	(10)	-	-

iv) Shareholding Pattern of top ten Shareholders:

(other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	For Each of the Top 10 Shareholders	Shareholding as on 01-04-2015		Changes during the Year	Shareholding as on 31-03-2016	
		No. of shares	% of total shares		No. of shares	% of total shares
	Top 10 as on 01-04-2015					
1	Kolon Investment Pvt. Ltd	286800	4.41	-	286800	4.41
2	Prominent Plastics Ltd	157800	2.43	-	157800	2.43
3	Bijal Shankarbhai Kaduskar	130200	2.00	-	130200	2.00
4	Dinesh Jayantilal Thakkar	127500	1.96	-	127500	1.96
5	Rajnikant Vakhatram Vyas	125100	1.92	-	125100	1.92
6	Mehroo Burjor Sethna	100400	1.54	-	100400	1.54
7	Kamalrukh Tehmul Sethna	100400	1.54	-	100400	1.54
8	Tehmul Sethna	100400	1.54	-	100400	1.54
9	Dinesh M. Parekh - HUF	100000	1.54	-	100000	1.54
10	Yogeshkumar Bhojnagarwala	86000	1.32	-	86000	1.32

v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Shareholding, if any, of each Directors and each Key Managerial Personnel	Shareholding as on 01-04-2015		Changes during the Year	Shareholding as on 31-03-2016	
		No. of shares	% of total shares of the Company		No. of shares	% of total shares of the Company
1.	Kashyap R. Mehta	108000	1.66	-	108000	1.66

V. INDEBTEDNESS :

(in Rs.)

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

		Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
A.	Indebtedness as on 01-04-2015				
	i) Principal Amount	-	15,55,674	69,000	16,24,674
	ii) Interest due but not paid	-	-	-	-
	iii) Interest accrued but not due	-	-	-	-
	Total (i+ii+iii)	Nil	15,55,674	69,000	16,24,674
B.	Change in Indebtedness during 2015-16				
	* Addition	-	-	-	-
	* Reduction	-	10,17,174	-	10,17,174
	Net Change	Nil	(10,17,174)	-	(10,17,174)
C.	Indebtedness as on 31-03-2016				
	i) Principal Amount	-	5,38,500	69,000	6,07,500
	ii) Interest due but not paid	-	-	-	-
	iii) Interest accrued but not due	-	-	-	-
	Total (i+ii+iii)	Nil	5,38,500	69,000	6,07,500

PRISM FINANCE LIMITED

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-Time Directors and/or Manager:

No Disclosure is required as there are no Managing Director, Whole Time Director and/ or Manager in the Company.

B. Remuneration to other Directors:

No remuneration has been paid to any Director of the Company, hence there is no disclosure.

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(in Rs.)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		Ms. Palak D. Parekh - Company Secretary	Mr. Chirag J. Desai - CFO	
1.	Gross salary	1,80,000	2,81,500	4,61,500
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission- as % of Profit- others, specify...	-	-	-
5.	Others, Please specify	-	-	-
	Total	1,80,000	2,81,500	4,61,500

VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES:

There are no such Penalties/ Punishment/ Compounding of Offences as on the date of report.

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements :

We have audited the accompanying Standalone Financial statements of Prism Finance Limited ("the Company") which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements :

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of the financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility :

Our responsibility is to express an opinion on the financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion :

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements :

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as issued by Central Government of India in terms of sub section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis 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 give in the Annexure : A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

PRISM FINANCE LIMITED

- (c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014; and
- e) on the basis of written representations received from the directors as on 31st March, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2016, from being appointed as a director in terms of sub section (2) of section 164 of the Companies Act, 2013.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure B. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii) There is no amount required to be transferred to Investor Education and Protection Fund by the Company.

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

Place : Ahmedabad
Dated : 30th May, 2016

(Sunil K. Dave)
Partner
Membership No. 047236

Annexure: A to Auditors' Report

(Referred to in paragraph pertaining to "Report on Other Legal and Regulatory Requirement" of our Report of even date to the members of Prism Finance Limited on the financial statements for the year ended 31st March, 2016)

- i)
 - a) the Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) Fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.
 - c) All the title deeds of immovable properties are held in the name of the Company.
- ii) During the year under review, the Company does not hold any inventories. Hence, paragraph 3(ii) of the Order, is not applicable.
- iii) The Company has granted interest free unsecured loan to two companies and a party covered in the register maintained under Section 189 of the Act.
 - a) As explained to us, the other terms and conditions of the grant of such loans are not prejudicial to the interest of the Company.
 - b) No schedule of repayment of principle is stipulated for such interest free loans granted by the Company hence reporting under clause 3(iii)(b) as to regularity in repayment of principal of such loans does not arise.
 - c) As explained to us, no such loans are overdue for more than ninety days hence reporting under clause 3(iii)(c) as to reasonable steps taken for recovery of principle and interest thereon does not arise.

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- iv) As explained to us, the Company has not granted any loans or provided any guarantees or security to the parties covered under section 185 of the Act. The Company is registered as a Non- Banking Finance Company hence provisions of Section 186 of the Act in respect of investments made are not applicable to the Company.
- v) The Company has not accepted any deposits from public, within the meaning of Sections 73 to 76 of the Act and the Rules framed thereunder to the extent notified.
- vi) The Central Government of India has not specified the maintenance of cost records under Sub-section (1) of Section 148 of Act for any of the products of the Company.
- vii) a) According to the information and explanations given to us and records of the Company examined by us, in our opinion, the Company is regular in depositing undisputed statutory dues including Provident Fund, Employee's State Insurance Fund, Income Tax and any other statutory dues with the appropriate authorities. There are no undisputed statutory dues payable for a period of more than six months from the date they become payable as at 31st March, 2016.
b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of Income Tax as at 31st March, 2016, which has not been deposited on account of dispute.
- viii) As the Company does not have any loans or borrowings from any financial institution or bank or Government, nor has it issued any debentures as at the balance sheet date, the provisions of 3(viii) of the Order are not applicable to the Company.
- ix) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) and term loans. Accordingly the provisions of 3(ix) of the Order are not applicable to the Company.
- x) Based upon the audit procedures performed and information and explanations given by the management, we report that we have not come across any instances of fraud by the Company or any fraud on the Company by its officers or employees that have been noticed or reported during the year nor have we been informed of such a case by management.
- xi) The Company has paid /provided management remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii) The Company is not a Chit Fund Company/or Nidhi/Mutual Benefit Fund/Society.
- xiii) The Company has entered in to transactions with related parties in compliance with Sections 177 and 188 of Act. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules,2014
- xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv) The Company has not entered into non-cash transactions covered by Section 192 of Act with directors or persons connected with him. Accordingly, the provisions of 3(xv) of the Order are not applicable to the Company
- xvi) The Company is registered as Non-Banking Financial Institution (NBFI) and is holding a Certificate of Registration (CoR) from Reserve Bank of India to carry on business of NBFI in terms of Section 45-1A of the RBI Act, 1934.

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

Place : Ahmedabad
Dated : 30th May, 2016

(Sunil K. Dave)
Partner
Membership No. 047236

PRISM FINANCE LIMITED

Annexure: B to Auditors' Report

(Referred to in paragraph pertaining to "Report on Other Legal and Regulatory Requirement" of our Report of even date to the members of Prism Finance Limited on the financial statements for the year ended 31st March, 2016)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act").

We have audited the internal financial controls over financial reporting of Prism Finance Limited ("the Company") as of 31st March, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls:

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (IFCOFR) issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgments, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Control Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally-accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally-accepted accounting principles, and that receipts and expenditure of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI.

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

Place : Ahmedabad
Dated : 30th May, 2016

(Sunil K. Dave)
Partner
Membership No. 047236

PRISM FINANCE LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2016

Particulars	Refer Note No.	As At 31 st March, 2016 Rupees	As At 31 st March, 2015 Rupees
I EQUITY AND LIABILITIES :			
1) Shareholders' Funds			
a) Share capital	A	65,003,000	65,003,000
b) Reserves and Surplus	B	18,383,230	18,189,149
2) Non-Current Liabilities			
Other Long-term liabilities	C	69,000	69,000
3) Current Liabilities			
a) Short-term borrowings	D	538,500	1,555,674
b) Trade payables	E	4,344,034	7,588,322
c) Other current liabilities	F	73,574	63,458
d) Short-term provision		-	-
TOTAL		88,411,338	92,468,603
II ASSETS :			
1) Non-Current Assets			
a) Fixed Assets			
Tangible assets	G	2,463,832	3,149,892
b) Non-current investments	H	54,650,313	50,858,133
c) Long-term loans and advances	I	8,474,640	8,769,640
2) Current Assets			
a) Trade receivables	J	4,400,275	10,887,549
b) Cash and cash equivalents	K	2,665,437	11,677,273
c) Short-term loans and advances	L	15,756,841	7,126,116
TOTAL		88,411,338	92,468,603

**Significant Accounting Policies &
Other Notes to Accounts**

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The Notes referred to above form an
integral part of the Balance Sheet
As per our Report of even date attached
For Shah & Shah Associates
Chartered Accountants
Firm Reg. No. 113742W

Sunil K. Dave
Partner
Membership No. 047236

Place : Ahmedabad
Date : 30th May, 2016

For and on behalf of the Board

Palak D. Parekh
Company Secretary

Anal Desai
Director

Chirag J. Desai
Chief Financial Officer

Kashyap R. Mehta
Director

Place : Ahmedabad
Date : 30th May, 2016

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STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31ST MARCH, 2016

Particulars	Refer Note No.	For the Year ended On 31 st March, 2016 Rupees	For the Year ended On 31 st March, 2015 Rupees
I Revenue from Operations	M	6,107,041	8,429,898
II Other Income	N	958,791	961,929
III Total Revenue		7,065,832	9,391,827
IV Expenses :			
a) Purchase of stock-in-Trade	O	4,198,451	7,485,426
b) Payments to and Provisions for Employees	P	461,500	435,600
c) Depreciation and Amortization Expense (net)		686,060	669,473
d) Other expenses	Q	1,525,740	3,042,286
Total Expenses		6,871,751	11,632,785
V Profit/(Loss) Before Exceptional and Extraordinary Items and Tax (III-IV)		194,081	(2,240,957)
VI Exceptional Items		-	-
VII Profit/(Loss) Before Extraordinary Items And Tax (V-VI)		194,081	(2,240,957)
VIII Extraordinary Items		-	-
IX Profit/(loss) Before Tax (VII-VIII)		194,081	(2,240,957)
X Tax Expense			
1) Current Tax (including for short provision of earlier year Rs.Nil /- (p.y. Rs.1,864)		-	(55,936)
2) Deferred Tax		-	-
XI Profit /(loss) for the year from continuing operations (IX-X)		194,081	(2,185,021)
XVI Earning Per Equity Share (annualised)			
1) Basic		0.030	(0.34)
2) Diluted		0.030	(0.34)
Significant Accounting Policies & Other Notes to Accounts	R		

The Notes referred to above form an integral part of the

Statement of Profit & Loss

As per our Report of even date attached herewith

For Shah & Shah Associates

Chartered Accountants

Firm Reg. No. 113742W

Sunil K. Dave

Partner

Membership No. 047236

Place : Ahmedabad

Date : 30th May, 2016

For and on behalf of the Board

Palak D. Parekh
Company Secretary

Anal Desai
Director

Chirag J. Desai
Chief Financial Officer

Kashyap R. Mehta
Director

Place : Ahmedabad

Date : 30th May, 2016

PRISM FINANCE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

	2015-16 Rupees	2014-15 Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before Tax & Extra-ordinary items	194,081	(2,240,957)
Adjustments for :-		
- Provision for Diminuation of Investment	-	-
- Depreciation	686,060	669,473
- (Profit) / Loss on Sale of Shares/Mutual funds	(1,265,192)	(280,666)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	(579,132)	388,807
	(385,050)	(1,852,150)
Adjustments for :-		
- Trade Receivables	6,487,274	(3,322,836)
- Long/Short term Loans & Advances	(8,264,058)	(718,719)
- Trade payables & Other Liabilities	(3,234,173)	(54,391,314)
	(5,010,958)	(58,432,869)
CASH GENERATED FROM OPERATIONS	(5,396,008)	(60,285,019)
Income tax paid	(71,664)	(658,945)
	(71,664)	(658,945)
NET CASH FROM OPERATING ACTIVITIES (A)	(5,467,672)	(60,943,964)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase/Sale of Fixed Assets (Net)	-	-
Purchase of /additions in investments	(9,559,675)	(32,167,962)
Sales/reduction in Investments	5,767,494	102,705,598
(Loss) / Profit on trading of shares/derivatives	1,265,192	346,648
NET CASH FLOW FROM INVESTMENT ACTIVITIES (B)	(2,526,989)	70,884,284
C. CASH FLOW FROM FINANCING ACTIVITIES		
Share Capital	-	-
Short Term Borrowing	(1,017,174)	957,174
NET CASH FLOW FROM FINANCING ACTIVITIES (C)	(1,017,174)	957,174
NET DECREASE IN CASH & CASH EQUIVALENTS (A+B+C)	(9,011,835)	10,897,494
CASH & CASH EQUIVALENTS AS AT 1 ST APRIL, 2015	11,677,273	779,779
CASH & CASH EQUIVALENTS AS AT 31ST MARCH, 2016	2,665,437	11,677,273

As per our Report of even date attached

For Shah & Shah Associates
Chartered Accountants
Firm Reg. No. 113742W

Sunil K. Dave
Partner
Membership No. 047236

Place : Ahmedabad
Date : 30th May, 2016

For and on behalf of the Board

Palak D. Parekh
Company Secretary

Anal Desai
Director

Chirag J. Desai
Chief Financial Officer

Kashyap R. Mehta
Director

Place : Ahmedabad
Date : 30th May, 2016

NOTES FORMING PART OF FINANCIAL STATEMENT

Particulars	As at 31 st March, 2016		As at 31 st March, 2015	
	Number	Rupees	Number	Rupees
Note: A				
SHARE CAPITAL				
Authorise:	<u>7,000,000</u>	<u>70,000,000</u>	<u>7,000,000</u>	<u>70,000,000</u>
Equity Shares of Rs.10/- each				
Issued:				
Equity Shares of Rs.10/- each	<u>6,500,300</u>	<u>65,003,000</u>	<u>6,500,300</u>	<u>65,003,000</u>
Subscribed & Fully Paid up:				
Equity Shares of Rs.10/- each	6,500,300	65,003,000	6,500,300	65,003,000
Total		<u>65,003,000</u>		<u>65,003,000</u>

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

Particulars	Equity Shares	
	Number	Rupees
Shares Outstanding at the Beginning of the Year	6,500,300	65,003,000
Shares Issued During the Year	-	-
Shares Bought Back During the Year	-	-
Shares Outstanding at the end of the Year	6,500,300	65,003,000

Details of shareholding more than 5% shares in the Company

As certified by the management and accepted by the auditor as such

Particulars	As at 31 st March, 2016		As at 31 st March, 2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Bar Magnet Investment Pvt.Ltd.	700,000	10.77%	700,000	10.77%
Mas Chemicals Industries Ltd.	1,029,300	15.83%	1,029,300	15.83%
TOTAL	<u>1,729,300</u>		<u>1,729,300</u>	

PRISM FINANCE LIMITED

Particulars	As at 31 st March, 2016 Rupees	As at 31 st March, 2015 Rupees
Note: B		
RESERVES & SURPLUS		
Statutory Reserve		
Balance as per last balance sheet	1,971,555	1,971,555
Additions during the year	38,816	-
Closing balance	2,010,371	1,971,555
Balance in Profit & Loss Statement		
Balance as per last balance sheet	16,217,594	18,402,615
Add: Net profit for the current year	194,081	(2,185,021)
Less: Amount transferred to Statutory Reserve for current year	38,816	-
Closing balance	16,372,859	16,217,594
Total	18,383,230	18,189,149
NOTE : C		
OTHER LONG TERM LIABILITIES		
Security deposits	69,000	69,000
Total	69,000	69,000
NOTE : D		
SHORT TERM BORROWINGS		
Intercompany Deposits from		
(i) Related party		
Som shiva (Impex) Ltd	-	1,017,174
(ii) Others	538,500	538,500
Total	538,500	1,555,674
Note: There is no default in repayment of principal & interest thereon if any wherever applicable.		
NOTE : E		
TRADE PAYABLES		
Creditors for Goods and Services	4,344,034	7,588,322
Total	4,344,034	7,588,322
NOTE : F		
OTHER CURRENT LIABILITIES		
Expenses payable	42,500	43,000
Statutory liability	31,074	20,458
Total	73,574	63,458

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NOTE : G FIXED ASSETS

(Rupees)

	GROSS BLOCK (At Cost)				DEPRECIATION				NET BLOCK	
Particulars	As on 01/04/15	Addition during the year	Deduction during the year	As on 31/03/16	Upto 31/03/15	For the year	Deduction during the year	Upto 31/03/16	As on 31/03/16	As on 31/03/15
Tangible Assets:										
Building	1,112,264	-	-	1,112,264	272,008	17,167	-	289,175	823,089	840,256
Furniture & Fixture	247,037	-	-	247,037	226,027	4,533	-	230,560	16,477	21,010
Data Processing Equipments	886,269	-	-	886,269	841,956	-	-	841,956	44,313	44,313
Office Equipments	209,337	-	-	209,337	192,828	6,042	-	198,870	10,467	16,509
Vehicle	27,355	-	-	27,355	25,986	-	-	25,986	1,369	1,369
Motor Car	6,725,000	-	-	6,725,000	4,498,566	658,318	-	5,156,884	1,568,116	2,226,434
TOTAL	9,207,262	-	-	9,207,262	6,057,370	686,060	-	6,743,430	2,463,832	3,149,892
Previous Year	9,207,262	-	-	9,207,262	5,387,897	713,510	44,037	6,057,370	3,149,892	

PARTICULARS	AS AT 31/03/16		AS AT 31/03/15	
	NO. OF SHARES	RUPEES	NO. OF SHARES	RUPEES

NOTE:H

NON CURRENT INVESTMENTS (At Cost)

(A) UNQUOTED:

Trade:

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

1,000,000 10,000,000 1,000,000 10,000,000

In Fully paid Equity Shares of Rs. 25/- each
TEXTILES TRADERS CO-OP.BANK LIMITED

2,500 62,510 2,500 62,510

In Fully paid Equity Shares of Rs. 100/- each
SHREE SAINATH PARK ASSOCIATION

1 100 1 100

TOTAL (A)

10,062,610 10,062,610

(B) QUOTED:

(i) In Fully paid Equity Shares:

ADANI POWER	3,000	404,675	3,000	404,675
ANIL PRODUCT	1,000	203,733	1,000	203,733
ANSAL BUILDWELL	-	-	4,500	622,280
ASIAN PAINTS	1,395	578,605	1,275	492,460
ASSAM COMPANY	4,332	101,691	4,332	101,691
BFL GANDHIMATI APPLIANCE	-	-	1,729	554,310
BHARAT IMMUNO AND BIOLOG. CORP LTD	14,000	530,663	14,000	530,663
BLUE DART EXPRESS	136	814,339	-	-
CALS REFINERY	300,000	187,173	300,000	187,173
COLGATE PAMOLIVE INDIA LTD	1,084	703,173	542	703,173
COROMANDAL ENGINEERING	500	136,704	500	136,704
COROMANDAL ENGINEERING- RIGHT ISSUES	5,500	110,000	5,500	110,000
COSMO FILMS	6,867	1,019,384	6,867	1,019,384
CUMMINS INDIA LTD.	1,298	607,357	1,298	607,357
DABUR INDA LTD.	4,104	474,938	4,104	474,938
DIVIS LAB LTD	-	-	507	221,862
EICHER MOTORS	50	722,828	-	-
FINANCIAL TECHNOLOGIES LIMITED	5,000	628,017	-	-
GLAXO SMITH PHARMA LTD.	159	656,484	159	656,484
GODREJ PROPERTIES LTD.	10,270	3,316,642	2,000	502,821
GRUH FINANCE	4,379	302,031	4,003	210,802
GUJARAT NRE	49,500	628,279	49,500	628,279
GUJARAT NRE COKE CLASS B	2,450	-	2,450	-
HDFC BANK SHARES	1,105	588,498	1,105	588,498
HERO MOTOCORP LTD.	-	-	314	754,666

PRISM FINANCE LIMITED

PARTICULARS	AS AT 31/03/16		AS AT 31/03/15	
	NO. OF SHARES	RUPEES	NO. OF SHARES	RUPEES
HINDUSTAN VIDYUT	1,300	552,500	1,300	552,500
INFOSYS TECH	940	551,524	470	551,524
ITC LTD	-	-	2,008	274,128
JINDAL ONLINE	58,350	104,999	58,350	104,999
JSW ENERGY LTD.	-	-	5,000	412,642
KAASHYAP TECHNOLOGIES	116,666	514,077	116,666	514,077
KANSARI NEROLEC PAINTS LIMITED	3,139	680,958	-	-
KAY PULP & PAPER LTD	5,000	15,500	12,500	82,131
KEDIA INFOTECH	211,209	278,032	211,209	278,032
LUPIN LTD	755	662,791	788	690,894
MAHINDRA & MAHINDRA FINANCE LTD.	-	-	3,119	874,298
MEGHMANI ORGANIC	79,000	791,838	79,000	791,838
MOTHERSON SUMI SYSTEMS	3,499	278,057	2,443	306,702
NAGARJUNA CONSTRUCTION	-	-	6,187	467,521
NESTLE INDA LTD.	122	556,535	122	556,535
OPTO CIRCUIT INDIA LTD.	50,000	1,155,755	50,000	1,155,755
PAGE INDUSTRIES	78	251,575	98	312,233
PARAMOUNT COMMU	10,000	351,102	10,000	351,102
PENTAMEDIA GRAPHICS	79,999	897,188	79,999	897,188
POLSON LTD.	7	49,784	7	49,784
POLYLINK POLYMER LTD	100	523	100	523
Octgon Tech Ltd.	1,000	39,064	1,000	39,064
RADHE DEVELOPERS	54,944	3,475,107	54,944	3,475,107
SATELITE ENGINEERING LTD	24,300	209,296	24,300	209,296
SHILP GRAVUS	3,000	157,497	6,294	387,571
SILVERLINE ANIMATION	1,000	-	1,000	-
SILVERLINE TECHNOLOGIES	2,500	405,000	2,500	405,000
SOUTH INDIAN CORP	5,000	501,301	5,000	501,301
SUBEX LTD.	30,000	374,494	30,000	374,494
SUMERU INDUSTRIES	5,552	17,131	5,552	17,131
SUN PHARMA	1,407	243,846	1,299	153,019
SUN PHARMA ADV LTD	17,398	1,453,921	17,398	1,453,921
SUNDARAM FINANCE	715	381,059	747	398,680
SUZLON ENERGY LIMITED	100,000	2,001,842	-	-
SYMPHONEY	418	949,292	-	-
TCS	314	417,148	314	417,148
TELEDATA MARINE	2,500	83,745	2,500	83,745
TELEDATA TECHNOLOGY	2,500	83,745	2,500	83,745
THE ORISSA MINERAL DEVELOPMENT	500	1,175,000	500	1,175,000
TITAN INDUSTRIES	-	-	2,282	473,680
TORRENT POWER LTD.	5,000	680,772	5,000	680,772
UP HOTELS	598	102,617	598	102,617
VARUN GLOBAL LIMITED	136,215	719,622	136,215	359,810.84
VARUN RESOURCES LIMITED (Demerged)	544,860	2,878,486	-	-
WINDSOR MACHINERY	18,600	864,764	18,600	864,764
TOTAL (i)		37,622,702		33,830,525
(ii) In Fully paid Mutual Funds				
PRINCIPAL CASH MGMT. FUND INST.PREMIUM-G	5,145.67	6,964,999	5,145.67	6,964,999
TOTAL (ii)		6,964,999		6,964,999
TOTAL [(i) + (ii)]		44,587,701		40,795,524
Less: Provision for diminuation in value of Investments		-		-
TOTAL B i.e. [(i) + (ii)]		44,587,701		40,795,524
TOTAL (A+B)		54,650,310		50,858,133
NOTES:-				
		As At 31/03/16		As At 31/03/15
		Rupees in lacs		Rupees in lacs
(a) Aggregate Cost of Quoted investments		446		408
(b) Aggregate Market Value of Quoted investments		466.35		487
(c) Aggregate Cost of Unquoted investments		101		101

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Particulars	As at 31 st March, 2016 Rupees	As at 31 st March, 2015 Rupees
NOTE : I		
LONG TERM LOANS AND ADVANCES		
Long Term Loans and Advances		
(Unsecured, considered good)		
Intercompany Loan	8,366,140	8,661,140
Deposit	108,500	108,500
Total	8,474,640	8,769,640
Other Disclosures:		
These include amount due from following either severally or jointly:		
Directors	Nil	Nil
Other Officers of the Company	Nil	Nil
Firm in Which Director is a Partner	Nil	Nil
Private Company in which Director is a Director or Member	Nil	Nil
NOTE : J		
TRADE RECEIVABLES		
Unsecured, considered good:		
Outstanding for a period exceeding 6 months	-	-
Others	4,400,275	10,887,549
Total	4,400,275	10,887,549
These include amount due from following either severally or jointly:		
Directors	Nil	Nil
Other Officers of the Company	Nil	Nil
Firm in Which Director is a Partner	Nil	Nil
Private Company in which Director is a Director or Member	Nil	Nil
NOTE : K		
CASH AND CASH EQUIVALENTS		
Balances with Banks		
In Current Accounts	1,888,024	242,154
Cash on Hand including cheques on hand	777,413	11,435,119
Total	2,665,437	11,677,273
NOTE : L		
SHORT TERM LOANS AND ADVANCES		
Unsecured, considered good		
a) Intercompany loans given to		
(i) Related Party	-	1,705,000
(ii) Others	1,525,651	1,481,661
b) Others Loans	13,214,000	3,114,000
c) Advances recoverable in cash or in kind or for value to be received	536,370	416,302
d) Provision of tax (net of advance tax & TDS)	480,820	409,153
Total	15,756,841	7,126,116
Other Disclosures:		
These include amount due from following either severally or jointly:		
Directors	-	-
Other Officers of the company	100,000	100,000
Firm in Which Director is a Partner	-	-
Private Company in which Director is a Director or Member	37,800	-

PRISM FINANCE LIMITED

Particulars	2015-16 Rupees	2014-15 Rupees
NOTE : M		
REVENUE FROM OPERATIONS		
Discounting charges Income	-	119,476
Dividend income	441,575	372,459
Profit/(Loss) in Trading of Share/Derevatives (Net)	-	346,648
Profit on Sale of Shares / Mutual Funds (net)	1,265,192	(65,982)
Sales of clothes/Fabrics	4,400,275	7,657,298
Total	6,107,041	8,429,898
NOTE : N		
OTHER INCOME		
Car higher charges	480,000	480,000
Rent income	446,312	426,132
Sundry balances written off	-	50,276
Interest on Income tax refund	18,444	3,018
Other Interest	14,035	2,503
Total	958,791	961,929
NOTE : O		
PURCHASE OF STOCK -IN-TRADE		
Purchase of clothes/fabrics	4,198,451	7,485,426
Total	4,198,451	7,485,426
NOTE : P		
PAYMENTS TO AND PROVISIONS FOR EMPLOYEES		
Salaries and Wages	461,500	435,600
Total	461,500	435,600
NOTE : Q		
OTHER EXPENSES:		
Advertisement Expenses	4,705	5,780
Demate Charges	19,273	17,762
Depository Charges	47,500	-
Filing fees	6,000	3,500
Insurance expenses	39,577	32,438
Legal & professional expenses	376,629	698,848
BSE Revocation charges	-	1,540,450
Listing fees and others	200,000	20,000
Portfolio management fees	779,142	659,076
General expenses	52,914	64,433
Total	1,525,740	3,042,286

NOTE- R : SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES TO FINANCIAL STATEMENT:-**A. Significant Accounting Policies:****a) Basis of Accounting :-**

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. The financial statements are prepared in accordance with the accounting standards notified by the Central Government, in terms of section 133 of the Companies Act, 2013 read with Rule 7 and guidelines issued by the Securities and Exchange Board of India (SEBI) and the guidelines issued by the Reserve Bank of India ('RBI') as applicable to a Non-Banking Finance Company ('NBFC'). The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

b) Use of Estimates :-

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statement and the reported amount of revenues and expenses during the reporting periods. Difference between the actual results and estimates are recognized in the period in which the results are known materialized.

c) Fixed Assets & Depreciation :

All Fixed Assets are capitalized at cost inclusive of legal and/ or installation and incidental expenses, less accumulated depreciation.

The Company provides depreciation on straight line basis on the basis of useful lives of assets as specified in Schedule II to the Companies Act, 2013.

Depreciation on assets sold / purchased during the year is proportionately charged.

Impairment of Assets:-

Impairment losses, if any, are recognized in accordance with the Accounting Standard. Where there is an indication that an asset is impaired, the recoverable amount, if any, is estimated and the impairment loss is recognized to the extent carrying amount exceeds recoverable amount and the same is charged to the Statement of Profit & Loss.

d) Revenue Recognition:

(i) In respect of lease rentals arising out of lease agreements and hire purchase charges arising out of hire purchase agreements. It is the company's general policy to accrued income/ expenses as per the terms of the agreement entered into with the lessee, lessors and hirers from time to time. In respect of hire purchase business. The company recognizes income on a reducing balance basis.

ii) Dividend income are accounted on receipt basis.

iii) Interest on overdue bills has been recognised on cash basis.

e) Inventory :

Stock on hire has been taken on face value of the hire purchase agreements as reduced by installments matured during the relevant period.

f) Investments are valued at cost after providing permanent diminution in value thereof.

g) The Company follows the prudential norms for income recognition and provides for / write's off of Non-performing Assets as per the prudential norms prescribed by the Reserve Bank of India.

h) The benefits of leave encashment of leave to employees, being at the option of the employees is accounted for as and when claimed.

i) Earning Per Share :-

The Company reports basic and diluted earnings per share in accordance with the Accounting Standard. Basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share the net profit after tax and the weighted average number of shares outstanding during the year are adjusted for the effect of all dilutive potential equity shares.

PRISM FINANCE LIMITED

j) Provision for Taxation :

Current Tax : Provision for current tax has been made in accordance with the ordinary provisions of the Income Tax Act.

Minimum Alternative Tax : In the event the income tax liability as per normal provisions of the Income Tax Act, 1961 is lower than the tax payable as per section 115J (Minimum Alternative Tax), tax is provided as per Section 115J.

Deferred Tax : In accordance with the Accounting Standard, the deferred tax for the timing difference is measured using the tax rates and tax laws that have been enacted or substantially enacted by the Balance Sheet date.

Deferred tax assets arising from timing difference are recognized only on the consideration of prudence.

k) Derivative Transactions :-

Equity & Commodity Futures :Gains/Losses on futures transactions are recognized on continuous basis.

Options Contracts: Gains / Losses on options contract are recognized on squaring off/settlement day.

B) Other Notes to Accounts

1. The company no longer satisfies the prescribed norms of income pattern as applicable to Non-Banking Finance Company (NBFC) as required under the Reserve Bank of India regulations and the company is in the process of carrying out necessary formalities to surrender its Certificate of Registration with Reserve Bank of India. Pending completion of formalities and surrendering of the Certificate of Registration, the company has for the year under review, complied with the prudential norms as applicable to it in terms of the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions,2007.

2. Contingent Liability : **NIL**

3. The legal and professional expenses includes payment to Auditors as under :

	Year 2015-2016	Year 2014-2015
Audit Fees	50,000	50,000

4. Balances under the head of current & non-current liabilities, long term loans & advances and current assets including few bank balances and certain investments are subject to confirmation and reconciliation.
5. In the opinion of the management of the company, the current & non-current assets are approximately of the same value stated if realized in the ordinary course of business. The provision for the depreciation and for all known liabilities are adequate and not in excess of amount reasonably necessary.
6. Under the Micro, Small and Medium Enterprises Development Act,2006, certain disclosures are required to be made relating to Micro, Small and Medium Enterprises. The company is in the process of compiling relevant information from its suppliers about their coverage under the Act. Since the relevant information is not presently available, no disclosures have been made in the Accounts.
7. The Company has adopted Accounting Standard - AS- 22 "Accounting for Taxes on Income", issued by The Institute of Chartered Accountants of India. The Company has net deferred tax liability as under:-

The breakup of Net deferred tax liability as At 31.03.2016 arising on account of timing difference in respect of:

	(Amount in Rupees)	
Particulars	As at 31-03-2016	As at 31-03-2015
Deferred Tax Liability		
Depreciation	5,51,486	7,63,479
Deferred Tax Assets		
Unabsorbed Business Loss & depreciation to the extent of Deffered tax liabilities	5,51,486	7,63,479
Deffered Tax Liability (Net)	NIL	NIL

8. All the non-current investments are held by the company in its own name in demat/physical form. Regarding certain investments held in the physical form, the company is in the process to dematerialize the same.

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9. In the opinion of the management, as there is a book loss and the company has no taxable income for the year under review as per the normal provisions of the Income Tax Act, 1961, the question of provision for current tax does not arise.
10. Loans and advances in the nature of loans given to a subsidiary is as under:

(Amount in Rupees)

Name of Party	Relationship	Amount Outstanding as at 31 st March 2016	Maximum outstanding during the year
M/s.Opel Securities Pvt. Ltd.	Subsidiaries up to 26/03/2015	86,61,140/-	86,61,140/-

11. 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, 2016 are given below:

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

A. Relationship

1. Subsidiaries

Opel Securities Ltd.up to 26th March, 2015

2. Associates of the Company

- a) Samurai Holding Pvt. Ltd.
- b) Som Shiva (Impex) Ltd.
- c) Khadayta Décor Ltd up to 26th March, 2015

3. Key Management Personnel/Relatives/Individuals

- a) Shri Kashyap Rajendra Mehta - Director
- b) Smt. Anal Desai - Director
- c) Shri Udayan D. Velvan - Director
- d) Shri Chirag J Desai - Chief financial officer
- e) Ms. Palak D. Parekh - Company Secretary

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

Sr. Transactions No.	Subsidiary	Associates of the Company	Key Management Personnel/Relative/Individuals
1. Loan Granted	Nil (4188520)	37800 (1705000)	Nil (100000)
2. Loan Recovered	Nil (Nil)	17,05,000 (Nil)	Nil (Nil)
3. Loan Obtained	Nil (Nil)	Nil (2217174)	Nil (Nil)
4. Loan Repaid	Nil (Nil)	1017174 (1200000)	Nil (Nil)
5. Sale of Investments	Nil (Nil)	Nil (Nil)	Nil (Nil)
6. Income			
i) Bill discounting Income	Nil (Nil)	Nil (119476)	Nil (Nil)

PRISM FINANCE LIMITED

Sr. Transactions No.	Subsidiary	Associates of the Company	Key Management Personnel/ Relative/ Individuals
7. Expenses:			
i) Professional Charges	Nil (Nil)	Nil (Nil)	201607 (697417)
ii) Salary and wages	Nil (Nil)	Nil (Nil)	461500 (435600)
ii) Purchase for resale	Nil (Nil)	4198451 (Nil)	Nil (Nil)
Amount outstanding as at 31-03-2016			
1. Outstanding Loans/Advances	Nil (8661140)	37800 (1705000)	100000 (100000)
2. Trade receivables	Nil Nil	Nil (3230249)	Nil Nil
3. Outstanding of Loan obtained	Nil Nil	Nil (1017174)	Nil Nil
4. Investment	Nil Nil	Nil Nil	Nil Nil
5. Trade Payable	Nil Nil	3010376 Nil	8000 (14157)

Signature to Notes A to R

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

Sunil K. Dave
Partner
 Membership No. 047236

Place : Ahmedabad
 Date : 30th May, 2016

For and on behalf of the Board

Palak D. Parekh
 Company Secretary

Anal Desai
 Director

Chirag J. Desai
 Chief Financial Officer

Kashyap R. Mehta
 Director

Place : Ahmedabad
 Date : 30th May, 2016

PRISM FINANCE LIMITED**[CIN: L63910GJ1994PLC021915]****Registered Office:** 301, Iscon Mall, Above Star Bazar, Satellite Road, Ahmedabad – 380 015**E-mail :** prismfinance@yahoo.com, **Web :** www.prismfinance.in**FORM MGT-11****PROXY FORM**

[Pursuant to Section 105(6) of the Companies Act, 2013 and
Rule 19(3) of the Companies (Management and Administration) Rules, 2014]]

Name of the member (s) :	
Registered Address:	
Email Id:	
Folio No./ DPID-Client ID:	

I/We, being the member (s) of Shares of the above named Company, hereby appoint:

1. Name:
Address:
Email Id: Signature: or failing him
2. Name:
Address:
Email Id: Signature:

as my/ our proxy to attend and vote for me as me/us and on my/ our behalf at the 22nd Annual General Meeting of the Company, to be held on Thursday, the 29th September, 2016 at 11.00 a.m. at the Registered Office of the Company at, 301, Iscon Mall, Above Star India Bazar, Satellite Road, Ahmedabad – 380 015 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution	Optional	
		For	Against
	Ordinary Business		
1	Adoption of the Audited Financial Statements of the Company for the financial year ended 31 st March, 2016, the reports of the Board of Directors and Auditors thereon.		
2	Ratification of appointment of Statutory Auditors of the Company		

Signed this day of 2016

Signature of Shareholder

Signature of Proxy holder (1).....(2).....

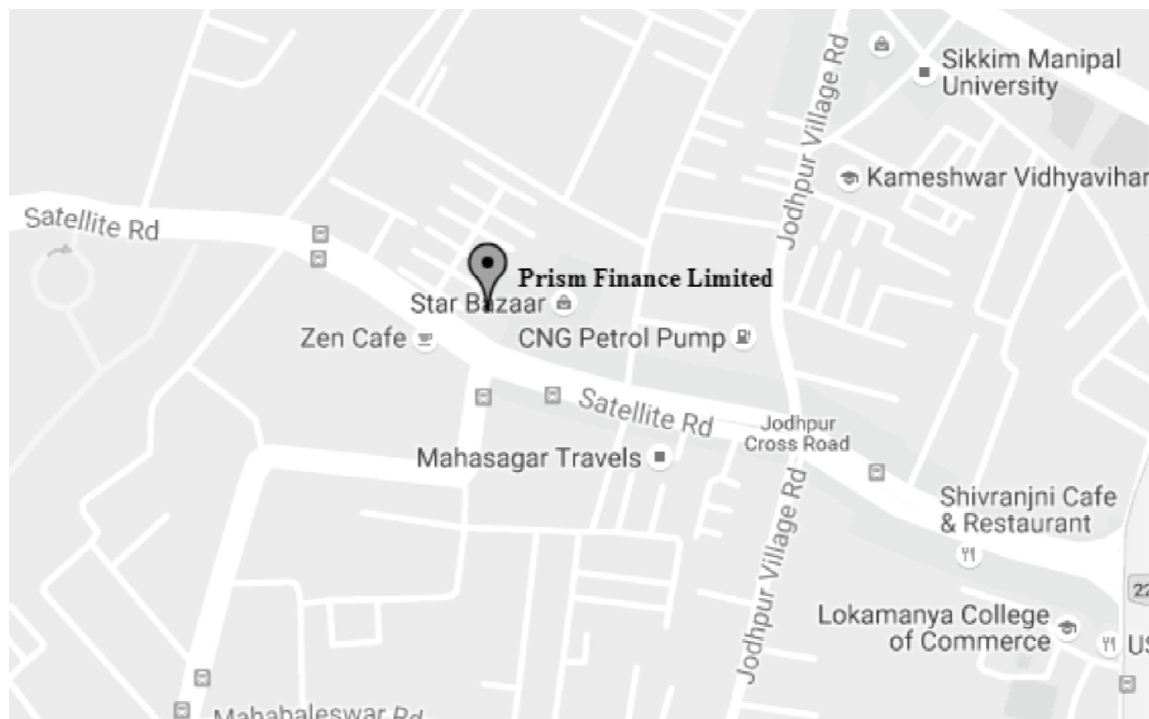
Affix
Revenue
Stamp

Note:

This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

PRISM FINANCE LIMITED

Route Map for Annual General Meeting



PRISM FINANCE LIMITED

[CIN: L63910GJ1994PLC021915]

Registered Office: 301, Iscon Mall, Above Star Bazar, Satellite Road, Ahmedabad – 380 015

E-mail : prismfinance@yahoo.com, **Web :** www.prismfinance.in

FORM MGT-12

ATTENDANCE FORM / BALLOT FORM

(TO BE USED BY SHAREHOLDERS PERSONALLY PRESENT/THROUGH PROXY AT THE MEETING AND HAVE NOT OPTED FOR E-VOTING)

1	Name and Address of the Sole/First named Shareholder	
2	Name(s) of the Joint Holder(s) (if any)	
3	Registered Folio No./ DPID-Client ID	
4	Number of Shares(s) held	
5	I/We hereby exercise my/our attendance/ vote at the meeting and vote(s) in respect of the resolutions set out in the Notice of 22 nd Annual General Meeting (AGM) of the Company held on Thursday, the 29 th September, 2016, by placing the tick () mark at the appropriate box below:	

Resolution No.	Resolution	No. of Shares	(FOR) I/We assent to the resolution	(AGAINST) I/We dissent the resolution
Ordinary Business				
1	Adoption of the Audited Financial Statements of the Company for the financial year ended 31 st March, 2016, the reports of the Board of Directors and Auditors thereon.			
2	Ratification of appointment of Statutory Auditors of the Company			

Place:

Date:

(Signature of the Shareholder/Proxy)

Note:

This Form is to be used for exercising attendance/ voting at the time of 22nd Annual General Meeting to be held on Thursday, the 29th September, 2016 by shareholders/proxy. Duly filled in and signed attendance/ ballot form should be dropped in the Ballot box kept at the venue of AGM.

If undelivered, please return to :

PRISM FINANCE LIMITED

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