



**Annual
Report
2010**

Letter from Managing Director

Board of Directors

Notice of Annual General Meeting

Directors Report

Information with regard to Subsidiary Companies

Management Discussion and Analysis Report

Corporate Governance Report

CEO/CFO certification

Standalone

Auditor's Report

Balance Sheet, Profit & Loss, Cash Flow Statements, and

Schedules/Significant Accounting Policies/Notes to accounts

Consolidated:

Auditor's Report

Balance Sheet, Profit & Loss, Cash Flow Statements, and

Schedules/Significant Accounting Policies/Notes to accounts/ Extracts

of Balance Sheet

Proxy form

Attendance Sheet

With a significant and rapid foray into the global markets, Prism Informatics Limited has embarked on its journey to achieve sustainable growth in information technology (IT). The passion and commitment levels of the organization, the leadership with immense expertise and knowledge, and the foothold in the global markets makes Prism's business position very strong. We are thankful to all our people who have supported all our initiatives and embraced all our strategies for expansion and stable growth.

We closed fiscal 2009-10 reporting annual revenue (consolidated) at Rs 8.54 Crores as compared to Rs 0.40 Crores last year. The profit after tax (consolidated) for the year was Rs 51.65 lakhs as compared to Rs 21.64 lakhs last year. The Board declared interim dividend of 10% in last quarter of fiscal year 2009-10. Despite an environment which remains very challenging, your company has ambitious plans to grow organically and inorganically through well executed strategic acquisitions. Strategic acquisitions would also involve targeting new geographies and markets, alongside focusing on our established client base which will help us scale in the market.

We incorporated two companies Prism Informatics Inc, USA and Prism Informatics Pte Limited, Singapore. We expect these new regions to be among the fastest growing markets to us. We also expect to expand our markets in India, Germany and Europe where we have acquired companies.

Our ability to work in an integrated manner even in diverse geographies and business practices is due to the focused leadership at the top and the entrepreneurial orientation of our employees. While our business practices are strongly supported by important alliances, we are looking at IPR development to create defensible verticals and practices. We have made significant investments in local talent and resources to build strong environments in different regions of the globe. We foresee that consolidation in the IT industry is inevitable and also that multi location strategies will become a norm.

We believe in growing responsibly and protecting the interests of all our shareholders. As a cardinal principal, we continue to believe that investors should be adequately and timely rewarded for their consistent support. We firmly believe they are the pillar of strength of the Company's growth.

A sense of achievement and satisfaction meets us as we put fiscal 2009-10 behind. We are confident that we will continue to counter challenges successfully by strengthening our processes and are fully focus on delivering value to our investors, customers and employees. We immensely value your faith and look forward to your continued support.

Alok Pathak
Managing Director
Navi Mumbai
16th July, 2010



Alok Pathak
Managing Director

Qualifications:

Qualifications: M Tech, IIT Bombay, Gold Medalist for excellence in Academics, Winner of Appreciation - Best IT Implementer in leading IT Company.

Professional Profile

Promoter, CEO and Executive Director of Idhasoft Ltd., Mr. Alok Pathak, has over 20 years of experience in significant capacities across various leading companies. He has been actively involved in the mergers of US & UK based development centers with Indian companies and has led many highly successful M&A assignments in the IT Industry.

At Prism Informatics, Mr. Alok Pathak brings his wide knowledge of several business verticals and IT practices to lead the company to its vision.



Dr. Nirmal Jain
Independent /
Non Executive Director

Qualifications:

Qualifications: B.E. I.I.T Bombay, Master's Degree in Electrical Engineering I.I.T. Delhi, Ph.D. in Computer Science from Univ. of Hawaii. Dr. Jain attended the Advanced Management Program at Harvard Business School.

Professional Profile

Dr Jain has over 30 years of experience in the Information Technology sector. He has spent 25 years with the Tata Group Companies - Tata Consultancy Services (TCS) and Tata Infotech Ltd.

At TCS as Senior Vice President, he was responsible for entire Europe and Asia-Pacific business. He was also responsible for Training, Technology Development, and for the Manufacturing Industry Vertical.

At Tata Infotech as CEO, he made the company a leading Systems Integration Company in India and for tripling its revenues in a short span of five years.

After Tata Infotech, Dr Jain worked as the CEO of ISG Novasoft and was responsible for setting the strategic direction of its growth through acquisitions.

Dr. Jain is currently an Advisor to Patni Computer Systems Ltd.

He is also a member of the Executive Council of Computer Society of India, and has served as member of management Councils of NASSCOM, CII, Bombay Chamber of Commerce and Industry, and Indo Italian Chamber of Commerce.

He is on the board of several professional bodies

At Prism Informatics, Dr. Jain is as an Independent/Non Executive Director advising the senior management on business strategy and operational excellence.



Dr. Ajay Sharma
Rear Admiral (Retd)
Independent /
Non Executive Director

Qualifications:

B.E. Roorkee University, PhD London University (Electrical Engineering).

Professional Profile

Dr. Sharma was commissioned in the Indian Navy in 1960. He has served the Indian Navy for 34 years and retired in the rank of Rear Admiral in 1994.

Some of the major appointments held by Admiral Ajay Sharma were:-

- General Manager, Naval Dockyard, Bombay (managing 12000 workers).
- Chief Staff Officer – Technical, Eastern Naval Commander during Sri Lanka operations.
- Assistant Chief of Material Indian Navy at Naval Head Quarters, New Delhi.
- Dean & Director of Institute of Armament Technology.

Dr. Sharma was awarded Ati Vishisht Seva Medal in 2003 by President of India for his distinguished service to the Indian Navy.

Post retirement, he was the founder Director of JSS Academy of Technical Education, Noida from 1998 to 2001.

After JSS Academy, Dr. Sharma was the Director of Krishna Institute of Engineering & Technology, Ghaziabad from 2001 to 2005.

At present he is the Director General of Krishna Group of Institutions (2005 to date). He is academically active in the field of Knowledge Management and Intellectual Capital and has been regularly contributing papers on Intellectual Capital & Knowledge Management, at Mc Master University, Hamilton, Ontario, Canada.

At Prism Informatics, Dr. Sharma is an Independent/Non Executive Director and advises the senior management team to better leverage the knowledge driven nature of IT industry.

NOTICE

Notice is hereby given that TWENTY-EIGHTH ANNUAL GENERAL MEETING of the Members of the Company will be held on Thursday, September 30th, 2010 at 3.00 PM at Four Points Hotel, Near Vashi Railway Station, Vashi, Navi Mumbai - 400705, to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Balance Sheet as at 31st March 2010, Profit and Loss Account for the year ended on 31st March 2010 and the reports of Board of Directors and Auditors thereon.
2. To confirm the declaration and payment of interim dividend for the year ended on 31st March 2010 and to declare the interim dividend as final dividend.
3. To appoint auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration and to pass the following resolution thereof:

"RESOLVED THAT M/s. E. A. Patil & Associates be and are hereby reappointed as statutory auditor of the Company to hold the office till the conclusion of the next Annual General Meeting of the Company at a remuneration to be decided by the Board of Directors of the Company till the end of the tenure looking at the volume of the work involved in consultation with M/s. E.A. Patil & Associates, Chartered Accountants."

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass, with or without modification(s), the following resolution as ORDINARY RESOLUTION:

"RESOLVED THAT Alok Pathak, who was appointed as an Additional Director of the Company by the Board of Directors and who holds office under Section 260 of the Companies Act, 1956, (the Act) until the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 257 of the Companies Act, 1956 proposing his candidature for the office of director, be and is hereby appointed as a Director of the company, and will not liable to retire by rotation."

5. To consider and if thought fit, to pass, with or without modification(s), the following resolution as ORDINARY RESOLUTION:

"RESOLVED THAT Ajay Sharma, who was appointed as an Additional Director of the Company by the Board of Directors and who holds office under Section 260 of the Companies Act, 1956, (the Act) until the date of this

Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 257 of the Companies Act, 1956 proposing his candidature for the office of director, be and is hereby appointed as a Director of the company, liable to retire by rotation."

6. To consider and if thought fit, to pass, with or without modifications, the following resolution as ORDINARY RESOLUTION:

"RESOLVED THAT Nirmal Jain, who was appointed as an Additional Director of the Company by the Board of Directors and who holds office under Section 260 of the Companies Act, 1956, (the Act) until the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 257 of the Companies Act, 1956 proposing his candidature for the office of director, be and is hereby appointed as a Director of the company, liable to retire by rotation."

By Order of Board of Directors

For **PRISM INFORMATICS LIMITED**

Place: Navi Mumbai
Date: 16th July, 2010

SWAPNA SAWANT
Company Secretary and
Compliance Officer.

NOTES:

1. A member entitled to attend and vote at the general meeting is entitled to appoint a proxy to attend and vote in the meeting and the proxy need not be a member of the Company.
2. The instrument appointing the proxy must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
3. Members/proxies should bring duly filled Attendance slips sent herewith to attend the meeting.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 20th September, 2010 to 24th September, 2010 (both days inclusive).

EXPLANATORY STATEMENT FOR SPECIAL BUSINESSES
(Pursuant to Section 173(2) of the Companies Act, 1956)**Item No. 4:**

Mr Alok Pathak was appointed as an additional director by the Board of Directors at its meeting held on November 07, 2009 and was appointed as Managing Director at its meeting of Board of Directors held on 10th Nov, 2009. According to the provisions of Section 260 of the Act, he holds office up to the date of the forthcoming Annual General meeting. As required by Section 257 of the Act, a notice has been received from a member signifying the intention to propose his appointment as a Director not liable to retire by rotation.

None of the Directors of the Company, other than Mr. Alok Pathak are interested or concerned in the resolution.

The Board recommends the resolution set forth in Item no. 4 for the approval of the members.

Item No. 5:

Dr. Ajay Sharma was appointed as an additional director by the Board of Directors at its meeting held on November 07, 2009. According to the provisions of Section 260 of the Act, he holds office up to the date of the forthcoming Annual General meeting. As required by Section 257 of the Act, a notice has been received from a member signifying the intention to propose his appointment as a Director, liable to

retire by rotation. None of the Directors of the Company, other than Dr. Ajay Sharma are interested or concerned in the resolution.

The Board recommends the resolution set forth in Item no. 5 for the approval of the members.

Item No. 6:

Dr. Nirmal Jain was appointed as an additional director by the Board of Directors at its meeting held on November 07, 2009. According to the provisions of Section 260 of the Act, he holds office up to the date of the forthcoming Annual General meeting. As required by Section 257 of the Act, a notice has been received from a member signifying the intention to propose his appointment as a Director, liable to retire by rotation. None of the Directors of the Company, other than Dr. Nirmal Jain are interested or concerned in the resolution.

The Board recommends the resolution set forth in Item no. 6 for the approval of the members.

By Order of Board of Directors

For **PRISM INFORMATICS LIMITED**

Place: Navi Mumbai
Date: 16th July, 2010

SWAPNA SAWANT
Company Secretary and
Compliance Officer.

Addendum to the Notice of Annual General Meeting:

Special Notice under Section 257 of the Companies Act, 1956

The Board of Directors approved the Notice of Annual General Meeting on 16th July, 2010. However post approval of Notice of Annual General Meeting, the Board had appointed Mr. Mohan Natarajan as an Additional Director of the Company at the Board Meeting held on 1st September, 2010. As per the provisions of section 260 of the Companies Act, 1956 he shall hold the office of directorship till the forth coming Annual General Meeting (AGM) of the Company to be held on 30th September, 2010. The Company has received a notice from one of the members of the Company under Section 257 of the Companies Act, 1956 signifying the intention to propose the appointment of Mr. Mohan Natarajan at the forthcoming Annual General Meeting as a director liable to retire by rotation. Hence the following additional item of appointment of Mr. Mohan Natarajan at the forthcoming AGM is included as a part of Notice of Annual General Meeting.

7. To consider and if thought fit, to pass, with or without modifications, the following resolution as an ORDINARY RESOLUTION:

"RESOLVED THAT Mr. Mohan Natarajan, who was appointed as an Additional Director of the Company by the Board of Directors and who holds office under Section 260 of the Companies Act, 1956, (the Act) upto this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 257 of the Act proposing his candidature for the office of director, be and is hereby appointed as a Director of the Company."

**EXPLANATORY STATEMENT FOR SPECIAL BUSINESSES
(Pursuant to Section 173(2) of the Companies Act, 1956)**

Item No.7:

Mr. Mohan Natarajan was appointed as an additional director by the Board of Directors at its meeting held on 1st September 2010. According to the provisions of Section 260 of the Act, he holds office up to the date of the forthcoming Annual General meeting. As required by Section 257 of the Act, a notice has been received from a member signifying the intention to propose his appointment as a Director at the forthcoming Annual General Meeting, liable to retire by rotation. The members are requested to pass the attached resolution as an ordinary resolution appointing Mr. Mohan Natarajan as a Director of the Company who will be liable to retire by rotation

Your Directors recommend the ordinary resolution as set out in the notice for your approval.

None of the Directors are, in any way, concerned or interested in the proposed ordinary resolution, except Mr. Mohan Natarajan.

For PRISM INFORMATICS LIIMITED
SWAPNA SAWANT
COMPANY SECRETARY AND COMPLIANCE OFFICER

Place: Navi Mumbai
Date: 1st September 2010

DIRECTORS REPORT

To

The members,

PRISM INFORMATICS LIMITED

Your Directors have a pleasure in presenting their Annual Report together with the Audited Statements of Accounts of the company for the year ended 31.03.2010.

1) FINANCIAL PERFORMANCE:

The financials of the Company for the financial year March 31, 2010 are as follows:-

STANDALONE RESULTS:

Particular	April 1 st 2009 to March 31 st , 2010	April 1 st 2008 to March 31 st , 2009
Total Income	17,304,533	4,082,127
Less: Total Expenditure	10,895,024	1,788,072
Profit before Depreciation	6,409,509	2,294,055
Depreciation	32,653	49,604
Profit after Depreciation & before prior period items	6,376,856	2,244,451
Less: prior period items	-	(1,076)
Profit Before Taxation	6,376,856	2,245,527
Provision for Taxation		
Current Tax	1,972,098	78,000
Deferred Tax Debit	6,934	-
Fringe Benefits	-	3,000
Net Profit After Tax	4,411,752	2,164,527
Profit brought forward	881,236	2,216,709
Amount available for appropriation	5,292,988	4,381,236
General Reserve	-	3,500,000
Less: Appropriations		
Interim Dividend	630,000	-
Preference Dividend	1,253,135	-
Dividend Tax	312,769	-
Profit Transferred To Balance Sheet	3,097,084	881,236

CONSOLIDATED RESULTS:

Particular	April 1 st 2009 to March 31 st , 2010	April 1 st 2008 to March 31 st , 2009
Total Income	85,407,568	4,082,127
Less: Total Expenditure	76,138,171	1,788,072
Profit before Depreciation	9,269,397	2,294,055
Depreciation	1,789,792	49,604
Profit after Depreciation & before prior period items	7,479,605	2,244,451
Less: prior period items	-	(1,076)
Profit Before Taxation	7,479,605	2,245,527
Provision for Taxation		
Current Tax	2,324,770	78,000
Deferred Tax Debit	(10,789)	-
Fringe Benefits	-	3,000
Net Profit After Tax	5,165,624	2,164,527
Profit brought forward	881,236	2,216,709
Amount available for appropriation	6,046,860	4,381,236
General Reserve	-	35,00,000
Less: Appropriations		
Interim Dividend	630,000	-
Preference Dividend	1,253,135	-
Dividend Tax	312,769	-
Profit Transferred To Balance Sheet	3,850,956	881,236

2) DIVIDEND:

An interim dividend for FY 2009-10 of Re. 1 per Equity Share of Rs 10 each and Re. 0.94 per 4% Non cumulative Compulsorily Convertible Preference Share of Rs 100 each was declared by the Board of Directors and paid in May 2010. Your directors recommend that the above interim dividend be declared as final dividend for FY 2009-10.

3) CHANGE IN LEADERSHIP:

Mr. Pradeep Kothari, Executive director, Mrs. Sarita P Kothari and Mr. Harakchand T Kothari, directors of the Company resigned from the Board of the Company subsequent to change in Promoter group holding w.e.f November 10, 2009.

Under new management, Effective November 7, 2009, Mr. Alok Pathak, Dr. Ajay Sharma and Dr. Nirmal Jain were appointed as Additional Directors of the Company pursuant to the provisions of Section 260 of the Companies Act, 1956 to hold office till the ensuing Annual General Meeting. The Company has received notice under Section 257 of the Act signifying the intention of members to propose their appointment at the ensuing Annual General Meeting. The contribution of all three directors to your Company has been immense. Their guidance, suggestions and advices has greatly benefited the Company.

4) HIGHLIGHTS OF 2009-2010:
1. OPEN OFFER:

Pursuant to the Public announcement and Open offer made by Idhasoft Limited, acquirer/new Promoter Group of the Company, 4,66, 732 equity shares of Rs. 10 each at Rs. 65 per share representing 74.08% of the total paid up capital of the Company was acquired upon completion of all obligations relating to said Open Offer under the Securities & Exchange Board of India (Substantial Acquisition of shares and Takeover) Regulations, 1997. Pursuant to the said substantial acquisition, the new Promoter Group has been in control and management of the Company and re constituted the Board of Directors of the Company upon completion of Open Offer formalities.

2. INCREASE IN AUTHORISED SHARE CAPITAL OF THE COMPANY:

The Company increased its Authorized Capital from Rs. 2 Crores to Rs. 21.75 Crores pursuant to Special Resolution passed by the Shareholders of the Company in its Extra Ordinary General Meeting held on 5th December, 2009.

3. ALLOTMENT OF 4% NON CUMULATIVE COMPULSORILY CONVERTIBLE PREFERENCE SHARES:

In order to increase the Capital Base of the Company 1,329,633 4% Non cumulative Compulsorily Convertible Preference Shares of Rs. 100 each at par were issued by the Company in the Board Meeting held on January 5, 2010 pursuant to approval of the Shareholders of the Company at the Extra Ordinary General Meeting held on December 22, 2009, and in principle approval received from Bombay Stock Exchange on December 21, 2009.

4. ALLOTMENT OF 10% COMPULSORILY CONVERTIBLE DEBENTURES:

In order to raise additional capital for funding future acquisition and for meeting working capital requirements of the Company, 5,78,429 10% Compulsory Convertible Debentures of Rs. 100 each at par were allotted by the Company pursuant to approval of shareholders at the Extra ordinary General Meeting of Company held on April 15, 2010 and in principle approval received from Bombay Stock Exchange on April 23, 2010.

5. SUBSIDIARIES:

The Subsidiaries of the Company as on 31st March 2010 are as follows:

- 1) Prism Informatics Europe AG, Europe (acquired).
- 2) Sumits Schweiz Gmbh, Europe (acquired).
- 3) Sumits Deutschland Gmbh, Europe (acquired).
- 4) Nexus Systems Resources Company Limited, Thailand (acquired).
- 5) Prism Informatics Inc, Delaware (wholly owned subsidiary).
- 6) Prism Informatics Pte Limited, Singapore (wholly owned subsidiary).
- 7) Nastek Solutions Private Limited (acquired).

5) MANAGEMENT DISCUSSION AND ANALYSIS:

As required by Clause 49 of the Listing Agreement with the Stock Exchange, Management Discussion and Analysis Report is appended to this report.

6) CORPORATE GOVERNANCE:

As required by Clause 49 of the Listing Agreement with the Stock Exchange, a Report on Corporate Governance is appended along with a Certificate of Compliance from Practising Company Secretary.

7) DIRECTORS RESPONSIBILITY STATEMENT:

In compliance with the provisions of section 217(2AA) of the Companies Act, 1956, the Directors of your company confirm:

- a) That in the preparation of the annual accounts all the applicable accounting standards have been followed along with proper explanations relating to material departures;
- b) That the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the Profit of the Company for that year;
- c) That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other regularities;
- d) That the annexed accounts for the financial year ended 31st March, 2010 have been prepared on a going concern basis.

8) AUDITORS:

M/s. E. A. Patil & Associates, Chartered Accountants, auditors of the Company retire at the ensuing Annual General Meeting and are eligible for re-appointment for which they have given their consent.

9) AUDITORS REPORT:

The Auditors in their Report have referred to the notes forming part of the Accounts. The said notes are self-explanatory and do not require any further explanation.

10) PUBLIC DEPOSITS:

The Company has not accepted any deposits from public, hence provisions of Section 58A of the Companies Act, 1956 and Companies (Acceptance of Deposit) Rules 1975 are not applicable to the company.

11) PARTICULARS OF EMPLOYEES:

The Particulars of employees pursuant to provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 is appended as an Annexure to this report.

12) PARTICULARS UNDER SECTION 212 OF THE COMPANIES ACT, 1956:

As per Section 212 of the Companies Act, 1956, we are required to attach the Directors report, Balance sheet, and Profit and Loss account of our subsidiaries. We had applied to the Government of India for an exemption

from such an attachment as we present the audited consolidated financial statements in the Annual Report. The Government of India has granted us exemption from complying with Section 212. Accordingly, the Annual Report does not contain the financial statements of these subsidiaries. We will make available the audited annual accounts and related information of subsidiaries, where applicable, upon request by any of our shareholders.

13) CONSOLIDATED FINANCIAL STATEMENTS:

As stipulated by Clause 32 of the Listing agreement with the stock exchanges, the consolidated financial statements have been prepared by the Company in accordance with the applicable accounting statements issued by The Institute of Chartered Accountants of India. The audited consolidated financial statements together with Auditors' Report form part of the Annual Report.

14) CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

Pursuant to Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, the Company has no activities relating to conservation of energy or technology absorption and details of foreign exchange inflow and outflow is given in the annexure to this Report.

15) ACKNOWLEDGMENTS:

The Board of Directors place on record its appreciation of the continuous efforts put in by all the employees to consolidate and improve the operations of your Company during the year under review.

16) APPRECIATION:

Your Directors placed on record their deep appreciation for the support and co-operation which your Company to receive from Bankers, Shareholders, Employees and Associates of your Company.

For and on behalf of the Board

For **PRISM INFORMATICS LIMITED**

Place: Navi Mumbai
Date: 16th July, 2010

ALOK PATHAK
(Managing Director)

DR. NIRMAL JAIN
(Director)

Particulars required under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988

A. Conservation of Energy: Form - A Power & Fuel Consumption

Electricity	31.03.2010	31.03.2009
Purchased Units		
<i>Total Cost</i>	<i>Nil</i>	<i>Nil</i>
<i>Rate / unit</i>	<i>Nil</i>	<i>Nil</i>
Own generation – through Diesel Generator Unite		
<i>Total Cost</i>	<i>Nil</i>	<i>Nil</i>
<i>Rate / unit</i>	<i>Nil</i>	<i>Nil</i>

B. Technology Absorption: Form B

Disclosure of particulars with respect to:		
<i>Research & development:</i>	<i>Nil</i>	<i>Nil</i>
<i>Benefits derived as a result of the R & D:</i>	<i>Nil</i>	<i>Nil</i>
<i>Expenditure on R & D:</i>	<i>Nil</i>	<i>Nil</i>
Foreign Exchange Earnings & Outgo		
<i>Foreign Exchange Earnings</i>	<i>62, 86,129</i>	<i>-</i>
<i>Foreign Exchange Outgo</i>	<i>-</i>	<i>-</i>

For **PRISM INFORMATICS LIMITED**

Place: Navi Mumbai
Date: 16th July, 2010

ALOK PATHAK
(Managing Director)

NIRMAL JAIN
(Director)

Particulars of employees pursuant to provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 and forming part of Directors Report for the Corporate Financial year 31st March, 2010.

EMPLOYED THROUGHOUT THE FINANCIAL YEAR AND IN RECEIPT OF REMUNERATION AGGREGATING RS. 24,00,000/- OR MORE PER ANNUM OR RUPEES TWO LAKHS OR MORE PER MONTH.

PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 217(2A):

Sr. No	Name of person & age	Designation	Remuneration (Rs.)	Name of Employment	Qualification & Experience	Date of commencement of Employment	Age in Years	Last Employment	% of Equity Shares held by the Employee In the Company base on the Issued share capital
01	Ramanan Balakrishnan	Vice President	27,00,000 per annum	Contractual	PGDBMM/BE 14 years	1st Feb, 2010	40	Finasys Consultants Private Limited	Nil

For PRISM INFORMATICS LIMITED

Place: Navi Mumbai
Date: 16th July, 2010

ALOK PATHAK
(Managing Director)

Dr.NIRMAL JAIN
(Director)

Statement pursuant to exemption received under Section 212 (8) of the Companies Act ,1956 relating to Subsidiary Companies:

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956

Data as on 31st March,2010

Particular	Prism Informatics Inc. USA	Nastek Solutions Pvt.Ltd.India	Nexus System Resources Co. Ltd, Thailand	Prism Informatics Pte Limited, Singapore	Prism Informatics Europe AG, Switzerland	Sumits Schweiz GmbH, Switzerland	Sumits Deutschland GmbH, Germany
Exchange Rate as at 31 March 2010	1 USD = Rs 45.14	INR	1 Thai Bhat = Rs1.39	1 SGD= Rs 32.2	1 CHF =Rs 42.32	1 CHF =Rs 42.32	1 CHF =Rs 42.32
	in Rs	in Rs	in Rs	in Rs	in Rs	in Rs	in Rs
<i>Share Capital</i>	33,855,000	100,000	27,800,000	4,444	31,738,125	846,350	1,057,938
<i>Reserves & Surplus</i>	(395,020)	4,936,121	(10,184,262)	1,559,929	(22,114,533)	2,500,753	(5,379,316)
<i>Total assets</i>	56,432,177	35,945,176	28,440,996.	3,137,375	39,300,601	18,576,071	6,436,280
<i>Total Liabilities</i>	56,432,177	35,945,176	28,440,996.	3,137,375	39,300,601	18,576,071	6,436,280
<i>Investments other than subsidiaries</i>	-	-	-	-	-	-	-
<i>Sales & service Income(Turnover)</i>	-	95,755,769	20,108,190	-	3,213,590	13,722,573	8,072,102
<i>Profit/(Loss) before tax</i>	(395,020)	(1,095,159)	3,582,007	(1,620,485)	(7,353,347)	1,183,473	(4,229,346)
<i>Provision for taxation</i>	-	185,277	-	-	8,464	1,100,255	616,354
<i>Profit/(Loss) after tax</i>	(395,020)	(1,091,304)	3,582,007	(1,620,485)	(7,355,003)	832,396	4,229,346
<i>Proposed Dividend</i>	-	-	-	-	-	-	-

Notes: Information on subsidiaries is provided in compliance with the Central Government Approval vide 47/600/2010-CL-III dated 18th June, 2010. We undertake to make available audited annual accounts and related information of subsidiaries, where applicable, upon request by any of our shareholders. The annual accounts will also be available for inspection during business hours at our registered office in Navi Mumbai, India.

For PRISM INFORMATICS LIMITED

Place: Navi Mumbai
Date: 16th July, 2010

ALOK PATHAK
(Managing Director)

Dr.NIRMAL JAIN
(Director)

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. Industry structure and developments:

Service Industry has emerged as the largest and fastest growing sectors in the world economy, making higher contributions to the global output and employment. Economies in the world are becoming knowledge-driven due to the contribution of one of the dominant contributors to this sector-Information Technology (IT). Globalization, rapid technological innovation and increased reach of the internet are creating an environment that has transformed the manner in which IT sector operates. IT, more than any other industry or economic facet, has an increased productivity, in both developed and the developing world, and therefore has become a key driver of global economic growth. Consequently, the value proposition of the Indian IT sector has shifted from mere labor arbitrage to high skill availability, product innovation and high quality services.

The role of technology has evolved from supporting corporations to transforming them. Also, economies of scale provided by IT Industry and the insatiable demand from both consumers and enterprises make this sector very attractive.

Due to an intense competitive environment and demand for complete solutions by customers we foresee that consolidation in the IT industry is inevitable. Also multi location strategies and onsite-offshore model will be better suited to customers.

Finally, investments in IPRs will allow companies to create a defensible niche in different verticals and provide complete solutions to customers.

2. Opportunities and Threats:

The economy has brought down consideration expectations of IT Companies. This is providing with excellent Mergers & acquisitions opportunities.

One of the foremost threats is global recession and talks of double dip in economic recovery in USA, the largest consumer of Information Technology product and services market. The recent crisis in Europe has also led to belief that recovery is going to be a slow and unstable process.

Another threat is growth of China and other developing countries in IT. The cost of delivering from India is rising and nations like Philippines are progressing well with low cost development centers.

3. Outlook, Risks and concerns:

The growth of IT sector is tightly linked with economy. The predicted recovery in all major economies brightens up the outlook.

4. Internal control systems and their adequacy:

The Company has in place adequate systems of internal control commensurate with its size and the nature of its operations. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes safeguarding assets from unauthorized use or losses, executing transactions with proper authorization and ensuring compliance of corporate policies including Code of Conduct.

Internal audit is conducted at regular intervals. An Audit Committee consisting of two Independent directors is in place. The Audit Committee deliberates and advises the management on improvements/compliances.

5. Discussion on financial performance with respect to operational performance along with segment wise or product wise performance:

The Company was taken over by new management in November 2009. Financial year 2009-10 results are better than previous year's results. Interim dividend for FY 2009-10 was declared in May 2010. The first half of FY 2010-11 has shown signs of good organic growth.

With revenue of Rs. 8.54 Crores and an EBITDA of 0.93 Crores on consolidated basis, in 4 months post being acquired into Idhasoft Ltd, Prism has started its journey heading for an exponential growth. After an EBITDA of 10.93% in 2009-10 on consolidated basis, Prism strives continuously towards its Operational Effectiveness.

Revenue Bifurcation		
Software Consultancy	64,387,615.00	76 %
Software License Sale	19,968,750.00	24 %
Total Income	84,356,365.00	100 %

6. Material developments in Human Resources / Industrial Relations front, including number of people employed:

Prism Informatics Ltd gives utmost importance to its Human Resource Function. The Company has firm believe that its people are its biggest enablers. It employs more than 42 talented and motivated employees as on March 31, 2010. The company continues to invest in high quality Human resource. We have ambitious plan to hire 80 employees in next 2 months. We have recorded one of the lowest attrition rate in IT industry. Attrition rate in March, 2010 was 0%.

The company has designed compensation package to attract and retain top quality talent. Our professionals receive competitive salaries and are eligible to participate in performance linked bonus program that

motivates higher level of performance. We firmly believe that Organizational Performance is, in essence, the Performance of its Human Resources. We emphasize on high quality talent development by providing training to fresh graduates and implementing mentoring scheme.

7. Cautionary Statements

Any Statement made in this analysis relating to Company's objectives, expectations, estimates, projections etc may be considered as "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results may differ from such estimates, projections etc. whether expressed or implied. Factors which could make a significant difference to the Company's operations include climatic conditions, market price in the domestic and overseas markets, changes in Government regulations and tax laws, economic conditions affecting demand/supply and other environmental factors over which the Company does not have any control.

CORPORATE GOVERNANCE REPORT

Pursuant to Clause 49 of the Listing Agreement, a report on Corporate Governance is given below:

1) Company's philosophy on Code of Governance:

The Company believes in and practices good corporate governance. The Corporate Governance philosophy of the Company is founded upon transparency, accountability, values and ethics and is an integral part of the management in its pursuit for excellence, growth and value creation. The written code of conduct which has been adopted by the Company serves as a guide on the standards of value, ethics and business principles to be followed by the Company in running its affairs and lays down practices for prevention of Insider Trading and Whistle Blower Policy. The Corporate governance framework of your Company is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of Board Committees, as required under law. The operations of the Company are managed under the directions of the Board within the framework set by the Companies Act, 1956, the Listing Agreement with the stock exchange and the Articles of Association of the Company.

Simultaneously, in keeping with best practices, your Company seeks to execute the practices of Corporate Governance by maintaining strong business fundamentals and by delivering high performance through relentless focus. Your Company is open, accessible and consistent with its communication. Thus, overall Corporate Governance norms have been institutionalized as an enabling and facilitating business process at the Board, Management and at all operational levels.

2) Board of Directors:

As on March 2010, the Board of Directors comprises of Three Directors, one Managing Director and two non executive and independent Directors. During the year ended 2009-2010 nine Board meetings were convened on 28th May 2009, 31st July 2009, 7th November 2009, 10th November, 2009, 23rd November, 2009 , 23rd December, 2009, 5th January 2010, 29th January 2010 and 12th March 2010. The constitution of the Board and attendance record of Directors is given below:

Name of Director	Category Directorship	No. of other directorships	Committee Positions*		No. of Board Meetings Attended	Att. at last AGM
			Member	Chairman		
Mr. Alok Pathak	Executive	01	Audit & Shareholders Grievance Committee	None	7	N.A#
Dr. Nirmal Jain	Independent Non Executive	NA	Audit & Shareholders Grievance Committee	Audit Committee	03	N.A#
Dr. Ajay Sharma	Independent Non Executive	NA	Audit & Shareholders Grievance Committee	Shareholders Grievance Committee	05	N.A#

* Committees include only Audit Committee and Investors/Shareholders Grievance Committee.

Not applicable for last AGM since directors were appointed after AGM.

Other directorship does not include alternate directorships, directorships of private limited companies and companies incorporated outside India.

No Director is a member of more than 10 Committees or Chairman of more than 5 committees across all Companies in which he is director.

Minutes of the meetings of the Board/Committees are circulated to all the Directors.

Ceased to be Director Wef 10th November, 2009

Name of Director	Category of Directorship	No. of Board Meeting Att.	Attendance at last AGM
Mr. Pradeep H. Kothari	Executive	03	Yes
Mrs. Sarita P. Kothari	Non Executive	03	Yes
Mr. Harakchand T. Kothari	Non Executive	03	Yes

3) Audit Committee:

The Audit Committee of the Board comprises of Dr. Nirmal Jain, Dr. Ajay Sharma and Mr. Alok Pathak. Dr. Nirmal Jain is Independent non executive director and Chairman of Audit Committee and Dr. Ajay Sharma is other independent director. All the members are eminent professionals and draw upon their experiences and expertise across a wide spectrum of functional areas.

The Audit Committee of the Company, inter alia, provides assurances to the Board on the adequacy of the internal control systems, financial disclosures and ensures that generally accepted accounting principles are observed by the Company. It also provides guidance and liaise with the internal auditors as well as the Statutory auditors of the Company. The terms of reference of the audit committee are in conformity with the requirements of Clause 49 of the Listing Agreement read in conjunction with Section 292A of the Companies Act, 1956.

Clause 49 of the Listing agreement was applicable to the Company from January, 2010. Accordingly, Audit committee was constituted. For the year 2009-10, one meeting of Audit Committee was held on 29th January, 2010. All the Members of Audit Committee attended the meeting.

4) Remuneration of Directors:

Setting up of a Remuneration Committee constitutes a non-mandatory provision of clause 49 as same is given in Annexure I D. So the Company has not yet formed Remuneration Committee. Additionally, no remuneration is paid to any directors of the company. Dr. Ajay Sharma and Dr. Nirmal Jain, Non Executive Directors of the Company does not hold any Shares or convertible instruments of the Company.

5) Investors'/ Shareholders Grievance Committee:

Investors'/ Shareholders Grievance Committee comprises of 3 directors, Dr. Ajay Sharma, Chairman and independent non executive director, Dr. Nirmal Jain, independent non executive director and Mr. Alok Pathak, executive director. The Committee oversees the performance of Sharex Dynamic India Private Limited, the Registrar and Transfer Agent of the Company and recommends measures for overall improvement in the quality of investor service. For the year ended 31 March 2010, Mr. Alok Pathak, Managing director was the Compliance Officer of the Company.

No complaints were received by the Company/Registrar and Transfer Agent of the Company for financial year 2009-10 and hence no meeting of Investors'/ Shareholders Grievance Committee was held.

Complaints outstanding as on April 1, 2010	Nil
Complaints received during the year ended March 31, 2010	Nil
Complaints resolved during the year ended March 31, 2010	Nil

6) General Body Meetings:

a) Date, time and location of the last three Annual General Meeting (AGM):

Year	Day, Date and Time	Venue
2006-07	15th September 2007 on Saturday at 11.00 am	Akhalwaya Building, First floor, 42/44, Bazargate Street, fort, Mumbai - 400 001.
2007-08	10th September, 2008 on Wednesday at 11.00 am	513, 5th Floor, Tulsiani Chambers, Free Press Journal Marg, Nariman Point, Mumbai 400 021.
2008-2009	10th September, 2008 on Wednesday at 11.00 am	513, 5th Floor, Tulsiani Chambers, Free Press Journal Marg, Nariman Point, Mumbai 400 021.

Year	Special Resolution Passed
2006-07	No Special resolution was passed
2007-08	No Special resolution was passed
2008-09	1) Increase in Borrowing Limits to the extent of Rs 40 Crores as per the provisions of Section 293(1) (d) of the Companies Act 1956 2) Increase in Investment Limits as per the provisions of Section 372 A of the Companies Act, 1956. up to 400% of the net worth of the Company

c) Postal Ballot:

During the year 2009-10, the following resolutions were passed through postal ballot. M/s Makarand M Joshi & Company had been appointed as scrutinizer for the postal ballots, who submitted his report to Mr Alok Pathak, Managing Director.

1. Date of announcement of result of postal ballot on 13th January, 2010:

Sr. No.	Nature of Resolution
Resolution 1	Change of registered office from Nariman Point, Mumbai to Vashi, Navi Mumbai.
Resolution 2	Authorization to the Board of Directors of the Company to make loan, to give corporate guarantee and / or security to other body Corporate in excess of limit mentioned under Section 372A of the Companies act 1956, and as previously approved by the members by Special resolution passed at AGM on September 30, 2009

The result of the Postal Ballot was announced by the Managing Director of the Company on 14th January 2010. The voting pattern is as follows:

Sr. No	Total No of votes polled	No of votes favour	No of votes against	No. of invalid votes
Resolution 01	630000	528982	Nil	Nil
Resolution 02	630000	528982	Nil	Nil

2. Date of announcement of result of postal ballot on 19th May 2010:

Sr. No.	Nature of Resolution
Resolution 1	As per Section 372A previously approved by the members by special resolution through postal ballot on January 14, 2010 and Special resolution passed at AGM on September 30, 2009
Resolution 2	Authorisation for borrowings under Section 293(1) (d) of the Companies Act, 1956 from any financial institution/fund/ body corporate upto Rs 50 Crores
Resolution 3	Variation of rights for pre-ponement of Conversion date of 4% Non Cumulative Compulsorily Convertible Preference Shares (CCPs) and the corresponding Relevant Date.

Resolution 3 was not approved because requisite majority votes were not received.

The result of the Postal Ballot was announced by the Managing Director of the Company on 19th May, 2010. The voting pattern is as follows:

Sr. No	Total No of votes polled	No of votes favour	No of votes against	No. of Invalld votes
01	630000	475432	Nil	Nil
02	630000	475432	Nil	Nil
03	630000	8700	466732	Nil

3) Date of announcement of result of postal ballot on 25th June 2010:

Sr. No.	Nature of Resolution
Resolution 1	Additions to the list of bodies corporate as per Section 372A previously approved by the members by special resolution through postal ballot on January 14, 2010 and on May 19, 2009 and Special resolution passed at AGM on September 30, 2009.
Resolution 2	Alteration of Articles of Association by amending Article 108(1) and 108(2)
Resolution 3	Variation in the rights for change in conversion terms of 4% Non Cumulative Compulsorily Convertible Preference Shares (CCPs).

The result of the Postal Ballot was announced by the Chairman of the Company on 25th June, 2010. The voting pattern is as follows:

Sr. No	Total No of votes polled	No of votes favour %	No of votes against %	No. of Invalld votes %
01	630000	530032	Nil	Nil
02	630000	530032	Nil	Nil
03	630000	530032	Nil	Nil

Procedure adopted by the Company during Postal Ballot:

- (i) The Board at its meetings or through circular resolution approves the items to be passed through postal ballot and authorizes Managing Director and the Company Secretary to be responsible for the entire process of postal ballot.
- (ii) A professional such as a Chartered Accountant/ Company Secretary, who is not in employment of the company, is appointed as the Scrutinizer for the poll process.
- (iii) Notice of postal ballot along with the ballot papers are sent to the shareholders along with a self addressed envelope addressed to the Scrutinizer.
- (iv) An advertisement is published in one Hindi and one Marathi daily newspaper about the dispatch of ballot papers and notice of postal ballot.
- (v) The duly completed postal ballot papers are

received by the Scrutinizer.

- (vi) Scrutinizer gives his report to the Chairman /Managing Director.
- (vii) The Chairman/Managing Director announces the results of the postal ballot.
- (viii) Results are intimated to the Stock Exchange.

7. Disclosures:

- a) Disclosures on materially significant related party transactions that may have potential conflict with the interests of company at large: In terms of Accounting Standard 18, details of transactions with related parties have been reported in the notes on accounts. There were no materially significant transactions that had conflict with the interest of the Company.
- b) Details of non-compliance by the company, penalties, strictures imposed on the company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years: *Before change in an management, the Company had filed consent application for delay in filing the statutory returns with the Stock exchanges as prescribed under Regulation 8(3) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 for year 2006 and 2007. SEBI after considering that there was no major change in shareholding pattern, passed settlement order on payment of Rs 2,00,000/- on 20th April, 2010. There were no other such instances of non-compliance in the last three years.*

Whistle Blower Policy: With a view to establish a mechanism for protecting the employees reporting unethical behavior, fraud, violation of Company's Code of Conduct, the Board of directors adopted Whistle Blower Policy (forming part of Code of Conduct) on 25th January, 2010. The Code of Conduct is posted on the website of the Company.

- c. Declaration by Managing Director: The declaration by the Managing Director stating that all the Board members and senior management personnel have affirmed their compliance with the Code of Conduct for the year ended March 31, 2010 is annexed to the Corporate Governance report.

8. Means of Communication:

The quarterly and Annual Financial results are faxed to the stock exchanges and are published in newspapers, viz "Free Press Journal and Nav Shakti". The results are also displayed on the

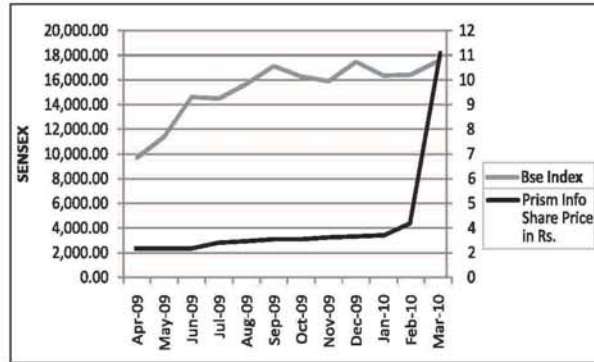
Exchange. The official news releases are also displayed on the website of the Company www.prisminfoglobal.com after submission of same to Bombay Stock Exchange. The Official news releases are also displayed on the website of the company. All material information about the Company is promptly sent to the stock exchange and the Company regularly updates the media and investor community about its financial as well as other organizational developments. Management Discussion & Analysis is provided in the Annual report.

9. General Shareholders Information:

1. Date, time and venue of the Annual General Meeting:
Date: September 30, 2010
Time: 3.00 P.M.
Place: Four Points Hotel, Near Vashi Railway Station, Vashi, Navi Mumbai - 400705.
2. Financial Year: April to March
3. Date of Book Closure: The share transfer book of the Company will be closed from 20th September, 2010 to 24th September, 2010 (Both Days Inclusive).
4. Dividend Payment Date: During the financial year 2009-10, the Company paid Interim Dividend of Re 1 per equity share of Rs 10 each and Re. 0.94 per 4 % Non Cumulative Compulsorily Convertible Preference Share of Rs 100 each. The above interim dividend is recommended by Directors to be declared as final dividend for FY 2009-10.
5. Listing on Stock Exchange: Bombay Stock Exchange, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001, Tel 022-22721233/34 Fax: 022-22723121. Stock Code: 505530. The Annual listing fees have been paid and there is no outstanding amount as on date. Demat ISIN Number for NSDL and CDSL: INE389JO1610
6. Market Price Data: High, Low during each month in last financial year:

Month	Open Price	High Price	Low Price	Close Price	No. of Shares	No. of Trades	Total Turnover (Rs.)	* Spread (Rs.)	
								H-L	C-O
Mar 09	2.20	2.68	2.20	2.68	250	5	806	0.46	0.46
Jul 09	2.79	2.79	2.79	2.79	50	1	139	0.00	0.00
Sep 09	2.92	2.92	2.92	2.92	50	1	146	0.00	0.00
Nov 09	3.08	3.08	3.08	3.08	50	1	153	0.00	0.00
Dec 09	3.21	3.21	3.21	3.21	50	1	160	0.00	0.00
Jan 10	3.37	4.07	3.37	4.07	5	5	16	0.70	0.70
Feb 10	4.27	10.62	4.27	10.62	20	20	129	6.36	6.36
Mar 10	11.15	29.44	11.15	29.44	27	24	530	18.29	18.29

**Source: Website of Bombay Stock Exchange.



8. Registrar and Transfer Agents: Sharex Dynamic (India) Pvt. Ltd. 17 /B, Dena Bank Bldg., 2nd Floor, Horniman Circle, Fort, Mumbai - 400 001. Tel No. 2270 2485 • Fax No. 2264 1349
9. Share Transfer System: The Managing Director and / or Company Secretary have been empowered by the Board for approving transfer/ transmissions of shares. The Company's Registrar Sharex Dynamic (India) Private Limited have adequate infrastructure to process the share transfer applications received within 30 days from the date of Lodgment of Transfer subject to the transfer instrument being valid and complete in all respects.

10. Distribution of shareholding as on 31-03-2010:

Sr. No	No. of Equity Shareholders	No. of share-holders	No. of shares	% of share-Holders	% of share-Holding
01	1-5000	92	8761	80.00	1.39
02	5001-10000	06	3805	5.21	0.60
03	10001-20000	0	0	0	0
04	20001-30000	1	3000	0.87	0.48
	30001-40000	3	9900	2.61	1.57
05	40001-50000	0	0	0	0
06	50001- 100000	6	41808	5.22	6.64
07	100001 to above	7	562726	6.09	89.32
	TOTAL	115	6,30,000	100	100

Share holding pattern as on 31-03-2010:

Sr No.	Category	No. of Shares	% of Total shareholding
01.	Promoters, Directors & Relatives	466732	74.08
02.	Public Financial Institutions/ Banks	0	0
03.	Mutual Funds/ UTI	0	0
04..	FIIS	0	0
05.	NRIS/ OCBS	0	0
06.	Private Corporate Bodies/ Non Institutions Body Corporate	44550	7.07
07.	Indian Public	118718	18.84
	Total	6,30,000	100

11. Dematerialization of shares and liquidity:

The Shares of the Company form part of the Compulsory demat segment. The company has established connectivity with both Depositories viz, National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) through the Share Transfer Agent. As on 31st March 2010, 98.25% shares of Paid up capital of the Company representing 6,18,990 shares were in dematerialized mode.

12. Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, conversion date and likely impact on equity: Company had allotted 13,29,633 4% Non Cumulative Compulsorily Convertible Preference Shares of Rs. 100 each at par on 5th January, 2010 on Preferential Basis. These shares are converted into 6,64,816 Equity Shares of Rs.10/- each at the premium of Rs. 190/- per share. The Conversion is made as per the SEBI (Issue of Capital and Disclosure) regulations, 2009 and the conversion price is computed as per regulation 76 of SEBI (Issue of Capital and Disclosure) regulations, 2009. as on relevant date or rupees two

hundred whichever is higher. Company had allotted 578429 10% Compulsorily Convertible Debentures of Rs. 100/- each on preferential basis on 27th April, 2010 with conversion period of 18 months from the date of allotment. The Conversion price will be decided as per the SEBI (Issue of Capital and Disclosure) Regulations, 2009.

13. Plant Locations: Prism Informatics Limited is located at B-505, Bsel Tech Park, Opposite Vashi Railway Station, Sector 30 A, Vashi, Navi Mumbai-400705.**14. Address for Correspondence:** Shareholders may correspond on all matters to shares at the address mentioned below:

1. Prism Informatics Limited: B-505, Bsel Tech Park, Opposite Vashi Railway Station, Sector 30 A, Vashi, Navi Mumbai-400705. Contact Number: 02267232900.

2. Sharex Dynamic (India) Pvt. Ltd: 17 /B, Dena Bank Bldg., 2nd Floor, Horniman Circle, Fort, Mumbai - 400001. Tel No. 2270 2485, Fax No. 2264 1349

CERTIFICATE OF COMPLIANCE WITH THE CODE OF CONDUCT POLICY

CERTIFICATE

As provided under Clause 49 of Listing Agreement with the Stock Exchange, the Board Members and senior Management Personnel have confirmed compliance with the code of conduct for the period ended 31st March, 2010.

For PRISM INFORMATICS LIMITED

Place: Navi Mumbai
Date: 16th July, 2010

ALOK PATHAK
(Managing Director)

CEO/CFO CERTIFICATION

(Issued in accordance with provisions of clause 49 of Listing Agreement)

The Board of Directors
Prism Informatics Limited

We have reviewed the financial Statements, read with the cash flow statement of Prism Informatics Limited for the year ended 31st March, 2010 and that to the best of our knowledge and belief, we state that:

- (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of their knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, and the steps taken or proposed to be taken for rectifying these deficiencies.
- (d) We have indicated to the auditors and the Audit committee.
 - (i) significant changes, if any, in internal control over financial reporting during the year;
 - (ii) significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) That they were no instances of significant fraud of which .

Place: Navi Mumbai
Date: 16th July, 2010

For PRISM INFORMATICS LIMITED

ALOK PATHAK
(Managing Director)

**CERTIFICATE OF COMPLIANCE WITH THE CORPORATE GOVERNANCE
REQUIREMENT UNDER CLAUSE 49 OF LISTING AGREEMENT.****CERTIFICATE**

We have examined the compliance of conditions of Corporate Governance by Prism Informatics Limited ("the Company") for the year ended 31st March, 2010 as stipulated in Clause 49 of the Listing Agreement of the Company with Bombay Stock Exchange.

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

In our opinion, and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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 Makarand M. Joshi & Company

Date: 16th July, 2010

Place : Mumbai.

Company Secretaries

Makarand Joshi

Membership Number- 3662

Persons constituting group within the definition of "group" for the purpose of Regulation 3 (1) (e)(i) of the Securities and Exchange Board of India (Substantial Acquisition of shares and Take over) Regulations, 1997 include the following:

Sr. No	Name of Entity	Sr. No	Name of Entity
01	Idhasoft Limited	07	Grey Matters India Technologies Private Limited
02	Cavaya Information Technologies & Services Private Limited	08	Omisha Soft tech Solutions Limited
03	I Tabs (India) Private Limited	09	Dr. Ramesh Subramaniam Iyer
04	Altus Systems Private Limited	10	Alok Pathak
05	Semaphore Impex Private Limited	11	Antleg Cyprus Limited
06	Aagam Infotech Private Limited	12	James Henry Napien Gibson

To the Members of

Prism Informatics Limited

We have audited the attached Balance Sheet of Prism Informatics Limited ('the Company') as at 31 March 2010, the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As required by the Companies (Auditor's Report) Order, 2003 ('the Order') issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 ("the Act"), we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.

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

- a. we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;
- b. in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c. the Balance Sheet, Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
- d. in our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Act;
- e. on the basis of written representation received from the directors of the Company, as on 31st March, 2010 and taken on record by the Board of Directors, we report that none of the directors are disqualified as at 31st March, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act, and
- f. in our opinion, and to the best of our information and according to the explanations given to us, the said accounts 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:
 - i. in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March, 2010;
 - ii. in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - iii. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For M/s. E.A.Patil & Associates
Chartered Accountants

CA. E. A. Patil
Partner
Membership No. 031979
Date: 31.05.2010
Vashi, Navi Mumbai

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

1. a) The Company has maintained proper records showing full particulars, including quantitative details and situation, of fixed assets.
b) The Company has a regular programme of physical verification of its fixed assets, by which all fixed assets are verified in a phased manner over a period of three years. During the current year, as part of a cyclical plan, the Company has carried out physical verification of certain fixed assets and no material discrepancies were noticed upon such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
c) Fixed assets disposed off during the year were not substantial and, therefore, do not affect the going concern assumption.
2. The Company is a service company, primarily rendering IT consulting and software development services. Accordingly it does not hold any physical inventories. Thus, paragraph 4(ii) of the Order is not applicable.
3. The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the register maintained under Section 301 of the Act.
4. In our opinion and according to the information and explanations given to us, the company is in process of implementation of internal control system commensurate with the size of the company and nature of its business with regard to purchase of fixed assets and with regard to sale goods & services.
The activities of the Company do not involve purchase of inventory and there are no sale of goods during the year.
5. a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act, have been entered in the register required to be maintained under that section.
b) In our opinion, and according to the information and explanations given to us, the transactions made in pursuance of contracts and arrangements referred to in (a) above and exceeding the value of Rs. 5 lakh with any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from the public.
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. As per the information and explanations provided by the management, the Central Government has not prescribed the maintenance of cost records under Section 209(1)(d) of the Act, for any of the services rendered by the Company.
9. a) According to the information and explanations given to us and on the basis of our examination of the records of the company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Income tax, TDS, Service tax, Profession Tax and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities except as mentioned below:

Sr. no.	Particulars	Amount Payable as on 31.03.2010
1	Preference Dividend Tax	208,132
2	Equity Dividend Tax	104,637
3	Profession Tax	39,745
4	Tax deducted at source	916,883
	Total	1,269,397

10. The Company does not have accumulated losses at the end of the financial year and has not incurred cash losses in the current financial year and in the immediately preceding financial year.
11. The Company did not have any outstanding dues to any financial institution, banks or debenture holders during the year.
12. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion and according to the information and explanations given to us, the Company is not a chit fund / nidhi / mutual benefit fund / society.
14. According to the information and explanations given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments except in case of the following transaction entered into by the company:

Sr. no	Particulars	Opening Bal as on 01.04.2009	Additions during the year	Sales during the year	Closing bal as on 31.03.2010
1	Sahara Limited	996,939	82,100	1,079,039	-
	Total	996,939	82,100	1,079,039	-

15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
16. The Company did not have any term loans outstanding during the year.
17. According to the information and explanations given to us, and on an overall examination of the balance sheet of the Company, we are of the opinion that the funds raised on short-term basis have not been used for long term investment.
18. The Company has not made any preferential allotment of shares to companies/ firms/ parties covered in the register maintained under Section 301 of the Companies Act, 1956.
19. The Company did not have any outstanding debentures during the year.(refer to note 6 of notes to accounts)
20. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For M/s. E.A.Patil & Associates
Chartered Accountants

CA. E. A. Patil
Partner
Membership No. 031979
Date: 31.05.2010
Vashi, Navi Mumbai

	Note	March 31,2010	March 31,2009
SOURCES OF FUNDS			
Shareholders' funds			
Share capital	3	139,263,300	6,300,000
Share application money		251,953	-
Reserves and surplus	4	10,843,084	86,27,236
		150,358,337	14,927,236
Loan funds			
Unsecured loans	6	41,573,242	-
Deferred tax liability	18	17,756	24,690
		191,949,335	14,951,926
APPLICATION OF FUNDS			
Intangible Assets			
Goodwill on Business Acquisitions		8,289,901	
Tangible Assets			
Gross block	7	310,099	310,516
Less: Accumulated depreciation		20,050	224,690
Net block		290,049	85,826
Capital work-in-progress (Includes capital advances)		-	
Total		8,579,950	85,826
INVESTMENTS	8	95,400,622	996,939
Deferred tax Asset	18	-	-
Current assets, loans and advances			
Sundry debtors	9	13,589,987	2,970,953
Cash and bank balances	10	66,063,260	9,359,138
Unbilled revenue		556,738	-
Loans and advances	11	16,555,889	2,118,696
		96,765,874	14,448,787
Less: Current liabilities and provisions			
Current liabilities	12	7,449,039	417,026
Provisions	13	2,631,553	162,600
		10,080,592	579,626
Net current assets		86,685,282	13,869,161
Miscellaneous expenditure(to the extent not written off)	19	1,283,481	-
		191,949,335	14,951,926

The accompanying notes form an integral part of this Balance Sheet
 As per attached report of even date.

For and on behalf of the Board of Directors

For E.A. Patil & Associates
 Chartered Accountants
 Membership No: 031979
 Navi Mumbai
 31st May, 2010

Swapna Sawant
 Company Secretary

Alok Pathak
 Managing Director

Dr. Nirmal Jain
 Director

Profit and Loss Account for the year ended
 (Currency: in Indian Rupees)

	Note	March 31,2010	March 31,2009
INCOME			
<i>Sales and service income</i>		15,860,187	4,082,127
<i>Other income</i>	14	251,953	-
		17,304,533	4,082,127
EXPENDITURE			
<i>Personnel costs</i>	15	7,001,318	919,237
<i>Selling, general and administration costs</i>	16	3,893,706	868,835
<i>Depreciation</i>	7	32,653	49,604
		10,927,677	1,837,676
Profit for the year before prior period items and taxation		6,376,856	2,244,451
<i>Prior period items</i>	17	-	(1,076)
Profit for the year before taxation		6,376,856	2,245,527
<i>Provision for taxation - Current tax</i>	18	1,972,038	78,000
- <i>Deferred tax debit</i>	18	6,934	-
- <i>Fringe benefits</i>		-	3,000
<i>Provision for taxation (prior periods)</i>			
Profit for the year after taxation		4,411,752	2,164,527
Profit and loss account, brought forward		881,236	2,216,709
Amount available for appropriation		5,292,988	4,381,236
<i>General Reserve</i>		-	3,500,000
<i>Interim Equity Dividend</i>		630,000	
<i>Preference dividend</i>		1,253,135	
<i>Dividend tax</i>		312,769	-
Profit and loss account, carried forward		3,097,084	881,236
Earnings per equity share of Re. 1 each			
- <i>Basic</i>		4.68	3.43
- <i>Diluted</i>		3.02	-
Weighted average number of equity shares outstanding during the year			
- <i>Basic</i>		630,000	630,000
- <i>Diluted</i>		976,920	-

The accompanying notes form an integral part of this profit and loss account
 As per attached report of even date.

For E.A. Patil & Associates
 Chartered Accountants
 Membership No: 031979
 31st May, 2010

Swapna Sawant
 Company Secretary
 Navi Mumbai

For and on behalf of the Board of Directors

Alok Pathak
 Managing Director

Dr. Nirmal Jain
 Director

	March 31,2010	March 31,2009
Cash flows from operating activities		
<i>(Loss)/Net Profit before tax</i>	6,376,856	2,244,451
<i>Adjustments for</i>		1,076
<i>Depreciation and amortisation</i>	32,653	49,604
<i>Utilisation of share premium</i>	-	
<i>(Profit)/Loss on sale of fixed assets</i>	(12,603)	-
<i>Share issue exp W/o</i>	312,197	-
<i>Debtor written off</i>	-	
<i>Advances written off</i>	-	-
<i>FCTR charged off in current year</i>	-	
<i>Dividend Income</i>	-	-
<i>Provision for doubtful debt</i>	-	-
<i>Sundry balances written off</i>	683,846	-
<i>Unrealised exchange differences</i>	108,854	-
<i>Interest income</i>	(396,596)	-
Operating profit before working capital changes	7,105,207	2,295,131
(Increase) / Decrease in working capital		
<i>Inventories</i>	-	-
<i>Sundry debtors</i>	(11,411,734)	(67,550)
<i>Unbilled revenue</i>	(556,738)	
<i>Loans and advances</i>	(14,437,193)	(730,496)
<i>Acquisition cost payable</i>	-	
<i>Prov for expenses</i>	-	
<i>Advance payable to subsidiaries</i>	-	
<i>Other Current liabilities and provisions</i>	5,552,400	279,907
Net change in working capital	(20,853,265)	(518,139)
<i>Cash generated/used in from operations</i>	(13,748,058)	1,776,992
<i>Income tax paid</i>	(219,376)	(81,000)
Net Cash provided by operating activities	(13,967,434)	1,695,992
Cash flows from investing activities		
<i>Purchase of fixed assets</i>	(8,600,000)	(18,255)
<i>Purchase of investments</i>	-	(737,800)
<i>Purchase of non trade investments</i>	(95,400,622)	
<i>Sale of non trade investments</i>	996,939	
<i>Proceeds from sale of fixed assets</i>	85,826	-
<i>Dividend received</i>	-	-
<i>Interest received</i>	396,596	-
Net Cash used by investing activities	(102,521,261)	(756,055)

Cash Flow Statement
(Currency: in Indian Rupees)

	March 31,2010	March 31,2009
Cash flows from financing activities		
<i>(Repayment)/Proceeds from issuance of share capital</i>	133,215,253	-
<i>Proceeds from borrowings - unsecured loan (net)</i>	41,573,242	(15,000)
<i>Share issue exp</i>	(1,595,678)	
Net Cash provided by financing activities	173,192,817	(15,000)
Net increase in cash and cash equivalents	56,704,122	924,937
Cash and cash equivalents at beginning of the period	9,359,138	8,434,201
Cash and cash equivalents at end of the period	66,063,260	19,003,161
Net increase/(decrease) in Cash and Cash equivalents	66,063,260	9,359,138
Cash and Cash Equivalent		
Cash in hand	6,192	4,413,000
<i>Balance with scheduled banks</i>		
<i>- in current accounts</i>	66,057,068	4,946,138
<i>- in deposit accounts</i>	-	-
	66,063,260	9,359,138

The Cash flow statement has been prepared under the indirect method as set out in Accounting Standard - 3 (AS-3) on Cash flow statement issued by the Companies (Accounting Standards) Rules, 2006

For E.A. Patil & Associates
Chartered Accountants
Membership No: 031979
Navi Mumbai
31st May, 2010

Swapna Sawant
Company Secretary

For and on behalf of the Board of Directors
Alok Pathak **Dr. Nirmal Jain**
Managing Director Director

1. BACKGROUND

Prism Informatics Limited (PRISMINFO), incorporated in 1983, is engaged in software development. Earlier known as Aakruti Holdings, it got its present name on Nov. 11,2005. Specializing in web technologies, application development, mobile computing and systems programming, company focus has been on delivering cutting edge software solutions coupled with building client relationships. It has affiliations with leading companies like Elance, Palm, Handspring, ProSavvy, Square Trade and Oracle among others.

2. SIGNIFICANT ACCOUNTING POLICIES**2.1 Basis of preparation of financial statements**

The accompanying financial statements have been prepared in compliance with the requirements of the Companies Act, 1956, and Generally Accepted Accounting Principles ('GAAP') in India, under the historical cost convention. GAAP comprises mandatory accounting standards as specified in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government, in consultation with National Advisory Committee on Accounting Standards ('NACAS') and relevant provisions of Companies Act, 1956, to the extent applicable.

The preparation of the financial statements in accordance with generally accepted accounting principles requires that management makes estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities as of the date of financial statements and the reported amounts of revenue and expenses during the reporting period. Management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Actual results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in the current and future periods.

2.2 Fixed assets and depreciation**Tangible assets**

Fixed assets are stated at cost less accumulated depreciation. Cost includes inward freight, duties, taxes and incidental expenses related to acquisition and installation of the asset. During the year ended 31 March, 2010, Opening WDV of Rs. 85,826 has been sold. Also during the financial year the Company has entered into Asset purchase agreement with Finasys for Rs. 310,099 on 1st Feb, 2010. According to this agreement the company has acquired assets having WDV value of Rs. 310,099. Depreciation provided on Written Down Value (WDV) is based on the estimated useful lives of the assets as determined by the management. For additions and disposals, depreciation is provided prorata for the period of use.

The rates of depreciation based on the estimated useful lives of fixed assets are higher than those prescribed under Schedule XIV to the Companies Act, 1956. The useful lives of fixed assets are stated below:

Asset	Useful life (in years)
Computers and other service equipments	3 yrs
Furniture and fixtures	5 yrs
Office equipments	5 yrs
Vehicles	5 yrs

Intangible assets

Intangible assets are amortized over their respective individual estimated useful lives on a straight line basis. Intangible assets comprise Goodwill, which is not being amortized.

2 Significant accounting policies**2.3 Leases**

In accordance with Accounting Standard 19 "Accounting for leases", lease arrangements, where the risks and rewards incidental to ownership of an asset substantially vests with the lessor, are recognised as operating leases. Lease payments under operating lease are recognised as an expense in the profit and loss account.

2.4 Revenue and cost recognition

The Company derives its revenues primarily from software technology and IT enabled services. Revenue from time-and-material contracts is recognised as related services are rendered. Revenue from fixed-price contracts is recognised on a percentage of completion basis, measured by the percentage of costs incurred to-date to estimated total costs for each contract. This method is used because management considers costs to be the best available measure of progress on these contracts. In case of sale of software, revenue is recognised when right to use the software is transferred to the customer.

The asset "Unbilled revenue", represents revenues recognised in excess of amounts billed. These amounts are billed after the milestones specified in the agreement are achieved and the customer acceptance for the same is received.

Revenue from maintenance contracts is recognised rateably over the term of maintenance.

Warranty costs on sale of services are accrued based on management's estimates and historical data at the time related revenues are recorded.

Dividend income is recognised when the Company's right to receive dividend is established. Interest income is recognised on the time proportion basis.

2.5 Foreign currency transactions

Transactions in foreign currency are recorded at the exchange rate prevailing on the date of the transaction. Foreign currency denominated monetary assets and monetary liabilities at the year end are translated at the year-end exchange rate. Exchange rate differences resulting from foreign exchange transactions settled during the year, including year-end translation of monetary assets and liabilities are recognised in the profit and loss account.

2.6 Investments

Long-term investments are stated at cost, and provision for diminution is made when, in the management's opinion, there is a decline, other than temporary, in the carrying value of such investments. Current investments are carried at lower of cost and fair value.

2.7 Taxation

Income tax expense comprises current tax expense and deferred tax expense or credit computed in accordance with the relevant provisions of the Income Tax Act, 1961. Provision for current taxes is recognised under the taxes payable method based on the estimated tax liability computed after taking credit for allowances and exemptions in accordance with the Indian Income tax Act, 1961.

Deferred tax assets and liabilities are recognised for the future tax consequences attributable to timing differences that result between the profits offered for income taxes and the profits as per the financial statements of the Company. Deferred tax assets and liabilities are measured using the tax rates and the tax laws that have been enacted or substantively enacted by the balance sheet date. The effect on deferred tax assets and liabilities of a change in tax rates is recognised in the period that includes the enactment rate. Deferred tax assets in respect of carry forward losses are recognised only to the extent that there is virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realised. Other deferred tax assets are recognised only if there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realised.

2.8 Earnings per share

The basic earnings per share is computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed using the weighted average number of equity shares and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable, had the shares been actually issued at fair value. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless they have been issued at a later date.

2.9 Provisions and contingent liabilities

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

2.10 Miscellaneous expenditure (to the extent not written off)

During the Financial Year the Company has incurred expenditure which has impact in more than one financial year. Out of these expenses for the amount of Rs. 132,965 are towards issue of Preference shares which are convertible to equity shares after 13 months from its issue date i.e. 05th January 2010. Hence amount of Rs. 30684 has been written off on prorata basis for 3 months during current financial year.

Also amount of Rs. 55,150 incurred towards 10% Compulsorily Convertible Debentures and included above has not been amortised during the year as the company was at the stage of Application of the debentures and has been allotted as on 27th April 2010. The amount will be amortised in 18 months i.e. tenure of the said Convertible debentures from the date of allotment.

The balance amount of Rs. 1407563 incurred towards equity share expenses have been written off over a period of 5 years.

Notes to the financial statements(Continued)

 for the year ended 31st March 2010

(Currency: in Indian Rupees)

	March 31,2010	March 31,2009
3. Share capital		
<i>Authorised</i>		
1,750,000 (2009 : 1,750,000) equity Shares of Rs. 10/- each	17,500,000	17,500,000
2,000,000 (2009 : 25,000) non cumulative compulsorily convertible preference shares of Rs 100/- each	200,000,000	2,500,000
	217,500,000	20,000,000
<i>Issued, subscribed and paid - up</i>		
6,30,000 (2009 : 6,30,000) equity shares of Re. 10/- each fully subscribed and paid up	6,300,000	6,300,000
1,329,633 (2008 : Nil) 4% non cumulative compulsorily convertible preference shares of Rs. 100 each	132,963,300	-
	139,263,300	6,300,000
4. Reserves and surplus		
<i>General reserve</i>	7,746,000	7,746,000
- Balance brought forward	-	4,246,000
- Additions during the year	-	3,500,000
	7,746,000	7,746,000
<i>Capital reserve</i>	-	-
<i>Foreign currency translation reserve</i>	-	-
Profit and loss account, balance carried forward	3,097,084	881,236
	10,843,084	8,627,236
5. Secured loans	-	-
6. Unsecured loans		
<i>Loan from subsidiaries</i>	-	-
<i>CCD Application Money</i>	41,573,242	-
	41,573,242	-

Note:

The company, pursuant to its board meeting held on 12th March, 2010 and extra ordinary general meeting held on 15th April, 2010 accepted application money for issue of 6,50,000 (nos) 10% Compulsorily Convertible Debentures (CCD) of Rs.100 each. Out of the above, application money of Rs.415,473,242 towards 415,730 debentures of Rs.100 each has been received upto 31st March, 2010. Subsequent to balance sheet date, 578,429 (nos) 10% CCD of Rs.100 each has been allotted based on the board meeting held on 27th April, 2010.

7. FIXED ASSET

	Computers and other service equipments	Office equipments	Furniture and fixtures	Vehicles	Total as at 31 March 2010	Total as at 31 March 2009
Gross block						
<i>As at 1 April 2009</i>	310,516	-	-	-	310,516	292,261
<i>Additions</i>	310,099	-	-	-	310,099	18,255
<i>Deletions</i>	310,516	-	-	-	310,516	-
As at 31 March 2010	310,099	-	-	-	310,099	310,516
Accumulated depreciation and amortization						
<i>As at 1 April 2009</i>	224,690	-	-	-	224,690	175,086
<i>Charge</i>	32,653	-	-	-	32,653	49,604
<i>Deletions</i>	237,293	-	-	-	237,293	-
As at 31 March 2010	20,050	-	-	-	20,050	224,690
Net block as at 31 March 2010	290,049	-	-	-	290,049	85,826
Net block as at 31 March 2009	85,826	-	-	-	85,826	

8. INVESTMENTS

<i>Long term (Unquoted, at cost)</i>	March 31,2010	March 31,2009
<i>Trade</i>		
Investment in subsidiary companies		
<i>10,000 (2009 : NIL) equity shares of Re. 10/- each fully paid of Nastek Solutions Pvt Limited, India</i>	10,120,336	
<i>7,500,000 (2009 : NIL) Equity shares of CHF 0.10 each fully paid of Prism Infomatics Europe AG</i>	51,197,000	
<i>100,000 (2009 : NIL) Equity shares of \$ 0.1 each fully paid of Prism Informatics INC, USA</i>	34,078,655	
<i>100 (2009 : NIL) Equity shares of \$ 1 each fully paid of Prism Informatics Pte</i>	4,631	
	95,400,622	
* Refer Note 22(b) on related party transaction and Note 25		

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit which the asset belongs to, is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the profit and loss account. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

Notes to the financial statements(Continued)

 for the year ended 31st March 2010

(Currency: in Indian Rupees)

	March 31,2010	March 31,2009
<i>Long term (Quoted, at cost)</i>		
<i>Sahara Ltd.</i>	-	996,939
	-	996,939
<i>Investment in Mutual Funds</i>		
	95,400,622	996,939
<i>Aggregate value of unquoted investments</i>		
<i>(Refer Note 25 for number of units purchased and sold during the year)</i>	95,400,622	996,939

9. SUNDRY DEBTORS
(Unsecured)

<i>Debtors outstanding for a period exceeding six months</i>	-	916,735
<i>Other debtors</i>	13,589,987	2,054,218
	13,589,987	2,970,953
<i>Less: Provision for doubtful debtors</i>	-	-
	13,589,987	2,970,953

Of the above, debtors due from companies under the same management as defined under Section 370(1)(B) of the Companies Act, 1956 aggregate Rs. 6,930,385(2008: NIL). This consists of debts due from Nexus System Resources Co. Ltd Rs. 2,203,574 (2008: Nil), Finasys Consultants Pvt Ltd Rs.4,726,811(2008:NIL)

10. CASH AND BANK BALANCES

<i>Cash in hand</i>	6,192	4,413,000
<i>Balances with scheduled banks</i>	66,057,068	4,946,138
	66,063,260	9,359,138

11. LOANS AND ADVANCES
(Unsecured and considered good)

<i>Loan to Others</i>	-	1,865,496
<i>Loan to subsidiaries*</i>	8,955,000	
<i>Loan to previous Owner</i>	6,209,425	
<i>Taxes paid in advance</i>	238,200	238,200
<i>Prepaid Expenses</i>	73,248	
<i>Deposits</i>	1,080,016	15,000
	16,555,889	2,118,696

* Refer Note 22 for loans to companies under same management.

Notes to the financial statements(Continued)

 for the year ended 31st March 2010

(Currency: in Indian Rupees)

	March 31,2010	March 31,2009
12. CURRENT LIABILITIES		
<i>Provision for expenses</i>	106,862	258,468
<i>Sundry creditors (Refer Note 24)</i>	2,012,661	20,579
<i>Salaries Payable</i>	1,952,578	117,184
<i>Unearned Income</i>	219,406	
<i>Interim Equity Dividend</i>	630,000	
<i>Dividend on preference shares</i>	1,253,135	-
<i>Dividend tax</i>	312,769	-
<i>Profession Tax Payable</i>	39,745	20,795
<i>TDS Payable</i>	921,883	
	7,449,039	417,026
13. PROVISIONS		
<i>Provision for taxation (net of TDS receivable Rs.219375.78)</i>	1,912,262	159,600
<i>Provision for Service Tax</i>	716,291	
<i>Provision for Fringe benefit tax</i>	3,000	3,000
	2,631,553	162,600
14. OTHER INCOME		
<i>Interest on bank deposits</i>	187,171	-
<i>Interest on others</i>	209,425	-
<i>Profit on sale of assets</i>	12,603	
<i>Miscellaneous income</i>	1,035,147	-
	1,444,346	-
15. PERSONNEL COSTS		
<i>Salaries, bonus and allowances</i>	6,909,318	919,237
<i>Staff welfare</i>	92,000	-
	7,001,318	919,237
16. SELLING, GENERAL AND ADMINISTRATION COSTS		
<i>Rent</i>	243,000	-
<i>Travel and conveyance</i>	1,679,642	275,770
<i>Communication Expenses</i>	30,000	73,477
<i>Sundry Balance written off</i>	683,846	-
<i>Legal and professional fees</i>	135,736	72,567
<i>Advertisement and publicity</i>	148,588	195,076
<i>Subscription, registration and license fee</i>	64,763	11,123
<i>Auditor's remuneration</i>	346,000	17,000
<i>Printing and stationery</i>	16,037	10,816

Notes to the financial statements(Continued)

 for the year ended 31st March 2010

(Currency: in Indian Rupees)

	March 31,2010	March 31,2009
<i>Business Development Expenses</i>	5,000	
<i>Electricity</i>	7,250	-
<i>Office expenses</i>	-	33,937
<i>Repairs and maintenance</i>	-	15,620
<i>Insurance</i>	-	10,547
<i>Bank charges & commission</i>	63,018	2,902
<i>Preliminary expenses written off</i>	312,197	-
<i>Directors Remuneration</i>	44,275	150,000
<i>Foreign exchange loss/(gain), net</i>	108,854	-
<i>Miscellaneous expenses</i>	5,500	-
	3,893,706	868,835

17. PRIOR PERIOD ITEMS

The Company has identified certain income and expenses related to year ended 31 March, 2009, which have not been recorded earlier and these have been included in these financial statements as prior period items:

<i>Consultancy income</i>	-	1,076
<i>Other income</i>	-	-
<i>Interest income</i>	-	-
<i>Prior period revenue</i>	-	1,076
Prior period expenses, (net)	-	(1,076)

18. TAXES

a) Provision for tax expense consists of the following:

<i>Current taxes</i>		
<i>- Indian</i>	1,972,038	78,000
	1,972,038	78,000
<i>Deferred tax expense / (credit)</i>		
<i>- Indian</i>	6,934	-
	6,934	-
	1,978,972	78,000

The significant components of deferred tax asset and liability consists of the following:

<i>Depreciation</i>	6,934	-
<i>Other disallowances</i>	-	-
Total deferred tax asset	6,934	-
<i>Depreciation</i>	-	-
Total deferred tax liability	6,934	-

Notes to the financial statements(Continued)

 for the year ended 31st March 2010
 (Currency: in Indian Rupees)

March 31,2010

March 31,2009

19. MISCELLANEOUS EXPENDITURE (TO THE EXTENT NOT WRITTEN OFF)

<i>Share allotment expenses</i>	1,283,481	-
	1,283,481	-

20. AUDITOR'S REMUNERATION

<i>Remuneration to auditors consists of the following:</i>		
<i>Audit fees</i>	215,000	17,000
<i>Tax audit fees</i>	35,000	-
<i>Other services</i>	96,000	-
	346,000	17,000

21. SEGMENTAL INFORMATION
Business segments

As at 31 March 2010 and for the year then ended

Particulars	Software Consultancy Services	Software License Sale	Total
Total Income	15,860,187	-	15,860,187
Accounts Receivables	13,589,987	-	13,589,987
Unbilled Revenue	556,738	-	556,738

Geographic segments

As at 31 March 2010 and for the year then ended

22. RELATED PARTY TRANSACTIONS

(a) Names of related parties and nature of relationship where control exists

Sr. No.	Category of related parties	Names
1	Subsidiaries	1.Nastek Solutions Pvt Limited, India 2.Prism Informatics Europe AG 3.Sumits Schweiz GmbH 4.Sumits Deutschland GmbH 5.Prism Informatics INC, USA 6.Prism Informatics Pte, Singapore 7. Nexus System Resources Co. Ltd, Thailand
2	Key management personnel	1) Alok Pathak 2) Dr. Nirmal Jain 3) Dr. Ajay Sharma
3	Parties with substantial interest	1) Idhasoft Ltd (Relative of key management personnel) 2) Finasys Consultants Pvt Ltd (acquisition of assets from the above Co)

22. Related party transactions (Continued)

(b) Transactions and balances with related parties

Native of transaction	Subsidiaries		Key Management Persona		Parties With Substantial Interest	
	March 31, 2010	March 31, 2009	March 31, 2010	March 31, 2009	March 31, 2010	March 31, 2009
<i>Transactions during the year ended 31 March</i>						
<i>Investments purchased</i>	95,400,622	-	-	-	-	-
<i>Sale of investments</i>	-	-	-	-	26,819	-
<i>Reimbursement of expenses</i>	923,328	-	-	-	-	-
<i>Loans received</i>	-	-	-	-	-	-
<i>Loans repaid</i>	-	-	-	-	-	-
<i>Sale of asset</i>	-	-	-	-	-	-
<i>Service income</i>	2,203,574	-	-	-	4,699,992	-
<i>Purchases of licences</i>	-	-	-	-	-	-
<i>Remuneration paid</i>	-	-	44,275	-	-	-
<i>Sitting fees paid</i>	-	-	-	-	-	-
<i>Loans to subsidiaries</i>	48,955,000	-	-	-	-	-
<i>Loans recovered</i>	40,000,000	-	-	-	-	-
<i>Interest received</i>	-	-	-	-	-	-
<i>Interest expense</i>	-	-	-	-	-	-
<i>Advances given</i>	-	-	-	-	-	-
<i>Advances recovered</i>	-	-	-	-	-	-
<i>Advances received</i>	-	-	-	-	-	-
<i>Services purchased</i>	1,878,835	-	-	-	-	-
<i>Rent paid</i>	195,000	-	-	-	-	-
<i>Rent received</i>	-	-	-	-	-	-
<i>Allotment of equity shares (including premium)</i>	-	-	-	-	-	-
<i>Allotment of preference shares (Including premium)</i>	-	-	-	-	-	-
<i>Share application money pending allotment</i>	-	-	-	-	-	-
<i>Dividend</i>	466,200	-	-	-	-	-
<i>Balance as at 31 March</i>						
<i>Investments</i>	95,400,622	-	-	-	-	-
<i>Debtors</i>	3,075,795	-	-	-	-	-
<i>Creditors</i>	1,255,769	-	-	-	-	-
<i>Loans payable</i>	-	-	-	-	-	-
<i>Loans to subsidiaries</i>	8,955,000	-	-	-	-	-
<i>Advances payable</i>	-	-	-	-	-	-
<i>Advances recoverable from subsidiaries</i>	-	-	-	-	-	-
<i>Reimbursement payable</i>	1,256,399	-	-	-	-	-
<i>Dividend Payable</i>	466,200	-	-	-	-	-

22. RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Transactions and balances with related parties

Out of the above transactions with related parties in excess of 10 % of total related party transaction are as under.

Transactions during the year ended 31 March	March 31, 2010	March 31, 2009
A Key management personnel	-	-
(i) Reimbursement of expenses	-	-
(ii) Loans received	-	-
(iii) Loans repaid	-	-
(iv) Advances given	-	-
(v) Advances recovered	-	-
(vi) Sale of asset to Directors	-	-
(vii) Remuneration		-
<i>Directors</i>	44,275	
(viii) Sitting fees paid		
(ix) Allotment of equity shares (including premium)		
(x) Share application money pending allotment		
B Subsidiaries		
(i) Reimbursement of expenses		
<i>Nexus System Resources Co. Ltd</i>	917,573	-
<i>Nastek Solutions Pvt Ltd</i>	5,755	
	923,328	-
(ii) Service income		
<i>Nexus System Resources Co. Ltd</i>	2,203,574	
(iii) Purchases of licenses	-	-
(iv) Investments purchased		
<i>Nastek Solutions Pvt Limited, India</i>	10,120,336	-
<i>Prism Infomatics Europe AG</i>	51,197,000	
<i>Prism Infomatics INC, USA</i>	34,078,655	-
<i>Prism Infomatics Pte</i>	4,631	
	95,400,622	
(v) Sale of investments		

Notes to the financial statements(Continued)

 for the year ended 31st March 2010

(Currency: in Indian Rupees)

22. Related party transactions (Continued)

(b) Transactions and balances with related parties

Transactions during the year ended 31 March	March 31, 2010	March 31, 2009
B Subsidiaries (Continued)		
(vi) Loans to subsidiaries		
Nastek Solutions Pvt Ltd	48,955,000	-
(vii) Loans recovered	40,000,000	
(viii) Interest received		
(ix) Loans received		
(x) Loans repaid		
(xi) Interest expense		
(xii) Advances given		
(xiii) Advances received		
(xiv) Services purchased		
<i>Nastek Solutions Pvt. Ltd</i>	1,051,203	
<i>Idhasoft Limited</i>	827,632	
	1,878,835	-
(xv) Rent paid		
<i>Nastek Solutions Pvt. Ltd</i>	135,000	
<i>Idhasoft Limited</i>	60,000	
	195,000	
(xvi) Rent received		
C Parties with Substantial interest		
(i) Allotment of equity shares (including premium)		
(ii) Allotment of preference shares (including premium)		
(iii) Dividend		
(iv) Reimbursement of expenses		
<i>Finaysis Consultants Pvt Ltd</i>	26,819	-
(v) Service Income		
<i>Finaysis Consultants Pvt Ltd</i>	4,699,992	

22. RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Transactions and balances with related parties

Balance as at year end	March 31,2010	March 31,2009
(i) Investments		
<i>Nastek Solutions Pvt Limited, India</i>	10,120,336	-
<i>Prism Infomatics Europe AG</i>	51,197,000	-
<i>Prism Informatics INC, USA</i>	34,078,655	-
<i>Prism Informatics Pte</i>	4,631	-
	95,400,622	-
(ii) Debtors		
<i>Nexus System Resources Co. Ltd</i>	3,075,795	-
(iii) Creditors		
<i>Idhasoft Ltd</i>	1,225,587	-
<i>Nastak Solutions Pvt Ltd</i>	30,182	-
	1,255,769	-
(iv) Loans to subsidiaries		
<i>Nastak Solutions Pvt Ltd</i>	8,955,000	-
(v) Loans payable		-
(vi) Reimbursement payable		
<i>Nexus System Resources Co. Ltd</i>	917,573	-
<i>Idhasoft Ltd</i>	333,071	-
<i>Nastak Solutions Pvt Ltd</i>	5,755	-
	1,256,399	-
(vii) Advances payable		-
(viii) Advances receivable		-
(ix) Dividend Payable	466,200	-
	-	-

Notes to the financial statements(Continued)

 for the year ended 31st March 2010

(Currency: in Indian Rupees)

Particulars	Opening Balance DTA/ (DTL)	Companies Act	Income Tax Act	Timing Difference DTA/ (DTL)	Tax Rate	Closing Tax Effect	During the year effect in P & L Account	Remarks
DEFERRED TAX LIABILITY								
Opening Net Fixed Block Differentials	(24,690)	—	—	—	—	—	(24,690)	Since the assets to which the DTL was recognised has been sold during the year. The DTL has been reversed
Closing Net Fixed Block Differentials	—	2 90,049	232,587	(57,462)	30.90%	(17,756)	(17,756)	L
DEFERRED TAX ASSETS								
Unabsorbed losses and Depreciation (AY 2010-2011)	—	—	—	—	30.90%	—	—	
Unabsorbed losses and Depreciation - set off	—	—	—	—	30.90%	—	—	
Provision for Doubtful Debts/Advances	—	—	—	—	30.90%	—	—	
Provisions for retirement benefits:								
<i>Gratuity Provision</i>	—	—	—	—	30.90%	—	—	
<i>Leave Encashment</i>	—	—	—	—	30.90%	—	—	
Expenses on which TDS not deducted/late paid:								
<i>Expenses for which TDS paid after due date (AY 2010-2011)</i>	—	—	—	—	30.90%	—	—	
Disallowed for last year - allowed in C.Y:								
<i>40 (a)(ia) As per STI</i>	—	—	—	—	30.90%	—	—	
Statutory Liability u/s 43B:								
<i>Disallowed in AY 2008-09</i>	—	—	—	—	30.90%	—	—	
Total	(24,690)	2 90,049	232,587	(57,462)		(17,756)	6,934	

24. AMOUNTS DUE TO MICRO, SMALL AND MEDIUM ENTERPRISES

As at 31 March, 2010, the Company has no outstanding dues to any vendors registered with appropriate authority under the Micro, Small and Medium Enterprises Development Act, 2006. There have been no delays in settlement of dues to such vendors, warranting any payment of interest as provided in the above Act (2009 : Nil).

25. SUMMARY OF INVESTMENTS PURCHASED AND SOLD DURING THE YEAR

Investments purchased during the year ended 31 March 2010

	Units	Cost of purchase
Investment in shares of Other Companies		
<i>Sahara Ltd</i>	—	8 2,100
	—	8 2,100
Investment in subsidiaries		
<i>Nastek Solutions Pvt Limited, India</i>	10,000	10,120,336
<i>Prism Infomatics Europe AG</i>	7,500,000	51,197,000
<i>Prism Infomatics INC, USA</i>	100,000	34,078,655
<i>Prism Infomatics Pte</i>	100	4,631
	7,610,100	9 5,400,622
Total	7,610,100	9 5,482,722

Investments sold during the year ended 31 March 2010

	Sale Value	Cost of purchase
Investment in shares of Other Companies		
<i>Sahara Ltd</i>	1,079,039	1,079,039
	1,079,039	1,079,039

26. RECONCILIATION OF BASIC AND DILUTED SHARES USED IN COMPUTING EARNINGS PER SHARE.

	March 31, 2010	March 31, 2009
Number of shares considered as basic weighted average	630,000	630,000
shares outstanding		
Add: Effect of dilutive issues of stock options/warrants/ preference shares	346,920	-
Number of shares considered as weighted average shares and potential shares outstanding	<u>976,920</u>	<u>630,000</u>

27. Leases

Rent expense for all operating leases for the year ended 31 March 2010 aggregated to Rs. 243,000 (2009:Rs.NIL)

Notes to the financial statements(Continued)

 for the year ended 31st March 2010

(Currency: in Indian Rupees)

Transactions during the year ended 31 March		March 31, 2010	March 31, 2009
28	NAMES OF NON-SCHEDULED BANKS, BALANCES AT YEAR END AND	-	
	MAXIMUM AMOUNT OF OUTSTANDING DURING THE YEAR	-	
	Axis Bank A/c (909020041819502)	61,394,792	-
	(Maximum balance outstanding during the year: Rs. 110869232.90 ; 2009: Rs. NIL)		
	Axis Bank Ltd - EEFC Account	1,522,798	-
	(Maximum balance outstanding during the year: Rs. 1564312.19 ; 2009: Rs. NIL)		
	HDFC BANK A/C	39,478	4,935,454
	(Maximum balance outstanding during the year: Rs. 8225991.11 ; 2009: Rs.4935454)		
	HSBC Bank A/c No.030-722359-001	100,000	-
	(Maximum balance outstanding during the year: Rs. 100000; 2009: Rs. NIL)		
	ICICI Bank A/c No.015105010678	3,000,000	-
	(Maximum balance outstanding during the year: Rs. 3000000 ; 2009: Rs. NIL)		
	HDFC Bank A/c , Mumbai	-	10,683
	(Maximum balance outstanding during the year: Rs. 10728.27 ; 2009: Rs.10683.42)		
		66,057,068	4,946,138
29	Loans to subsidiaries under the same management		
	Loans and advances include loans to subsidiaries under same management under section 370 (1) (B) of the Companies Act 1956:		
	Nastek Solutions Pvt Ltd	8,955,000	-
	(Maximum amount outstanding during the year Rs.89,55,000, 2008: Rs. Nil)		
		8,955,000	0
30	Supplementary statutory information		
	Managerial remuneration		
	Salaries and allowances	44,275	150,000
		44,275	150,000

- a) Provisions for gratuity and leave encashment in respect of Directors are not included above, as actuarial valuation is done on an overall Company basis.
- b) Computation of net profit in accordance with Section 349 of the Companies Act, 1956 has not been disclosed, as commission by way of percentage of profits is not payable for the year to the Directors.
- c) Sitting fees paid to non-executive director not included above aggregated Rs. NIL (2009: NIL).

Notes to the financial statements(Continued)

for the year ended 31st March 2010

(Currency: in Indian Rupees)

	March 31,2010	March 31,2009
31 Supplementary statutory information		
<i>Earning in foreign currency</i>		
Service income	6,286,129	-
Prior period revenue	-	-
	6,286,129	-

32 Employee Benefit Plans

In accordance with The Payment of Grauity Act, 1972, the company has made provision for defined retirement plan covering all employees. The plan provides lump sum payment to vested employees at retirement or termination of employment based on the respective employees defined portion of last salary and the years of employment with the company. the contribution is made based upon actuarial valuation performed by an actuary. the company has provided Rs. 277,333 as current year contribution, the contribution shall be paid to a fund administered by Life Insurance corporation of India

33 Prior year comparatives

Previous year figures have been appropriately reclassified to conform to the current year's presentations.

I. Registration details

Registration details **L67120MH1983PLC029483**

State Code **11**

Balance Sheet Date **31 03 2010**
Date Month Year

II. Capital raised during the year

Public Issue

Right Issue

Bonus Issue

Private Placement

132,963,300

III. Position of mobilisation and deployment of funds

Total Liabilities

202,029,927

Total Assets

202,029,927

Sources of Funds

Paid-Up Capital including Share Application Money

139,515,253

Reserves & Surplus

10,843,084

Secured Loans

0

Unsecured Loans

41,573,242

Deferred Tax Liability

17,756

Application of Funds

Net Fixed Assets

8,579,950

Investments

95,400,622

Net Current Assets

86,685,282

Deferred Tax Asset

0

Accumulated Losses

-

Miscellaneous Expenditure

1283481

IV. Performance of the company

Turnover

17,304,533

Total Expenditure

10,927,677

+/- Profit before Tax

+ 6,376,856

+/- Profit after Tax

+ 4,411,752

Earnings per share in Rs.

4.68

Dividend @ 10%

630,000

V. Generic names of three principal products of the company

(As per monetary terms)

Item no. ITC Code

85249113

Product Description

Computer Software and Services

For and on behalf of the Board of Directors

Navi Mumbai
31st May, 2010

Swapna Sawant
Company Secretary

Alok Pathak
Managing Director

Dr. Nirmal Jain
Director

PRISM

INFORMATICS LIMITED

Consolidated Financial Statements together with Auditors' Report for the year ended 31 March 2010

Auditor's Report

Balance Sheet,

Profit & Loss,

Cash Flow Statements,

*Schedules/Significant Accounting Policies/
Notes to accounts/ Extracts*

To the Members of

Prism Informatics Limited

We have examined the attached Consolidated Balance Sheet of Prism Informatics Limited ("the Company") and its subsidiaries as at 31st March 2010 and the Consolidated Profit and Loss Account for the year ended on that date annexed thereto, and the Consolidated Cash Flow Statement for the year ended on that date. These Consolidated financial statements are the responsibility of the Company. Our responsibility is to express an opinion on these financial statements based on our audit.

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

We did not audit the financial statements of the subsidiaries of Prism Informatics Limited except of Nastek Solutions Private Limited whose financial statements reflect total assets of Rs.3,654,246 (WDV) as at 31st March 2010 and profit for the period ended 1st December 2009 to March 31, 2010 of Rs. 59,79,088. Those financial statements have been audited by other auditors whose report has been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of those associates and subsidiaries, is based solely on the report of the other auditors.

We report that the consolidated financial statement prepared by the company is in accordance with the requirements of Accounting Standard (AS) 21 on, 'Consolidated Financial Statements', issued by the Institute of Chartered Accountants of India except in case of the consolidation of financial statements is made line by line basis adding together like items of assets, liabilities, income and expenditure, in order that the consolidated financial statement presents financial information about the subsidiary for the entire financial year as that of one single enterprise except in case of Nastek Solutions Pvt. Ltd. refer notes 2.4 of significant Accounting Policies. As a result of it the goodwill has increased by Rs 19,52,242, this does not have any implication on the profitability of the company.

Attention is also drawn for reclassification of set up cost. Refer notes no 19 of Significant Accounting Policies. In consolidated financial statement, the setup cost amounting to Rs 4,573,295 has been reclassified as Miscellaneous expenditure in the Balance sheet and has been amortized over the period of 3 years, proportionate expenses for the quarter has been expensed out Rs 381,108. As a result of this, profit has been increased by Rs 4,192,187.

On the basis of the information and explanations given to us and on the consideration of the separate audit report on individual audited financial statements of the Company and its aforesaid subsidiaries, in our opinion the consolidated financial statements read together with the attached schedules and Note on consolidation and other Notes thereon, give the information required by the Companies Act, 1956 except in case of disclosure of fixed assets, accounts receivable and cash and bank balances, in the manner so required and present a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Consolidated Balance Sheet, of the affairs of the Prism Informatics and its subsidiaries as at 31st March 2010;
- b) in the case of the Consolidated Profit and Loss Account, of the profit for the year ended on that date; and
- c) in the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

For E.A.Patil & Associates
Chartered Accountants

CA. E. A. Patil
Partner
Membership No. 031979

May 31, 2010.
Vashi, Navi Mumbai

Consolidated Balance Sheet as at
 (Currency: in Indian Rupees)

	Note	March 31,2010	March 31,2009
SOURCES OF FUNDS			
Shareholders' funds			
Share capital	3	139,263,300	6,300,000
Share application money		251,953	-
Reserves and surplus	4	26,128,286	86,27,236
		165,643,539	14,927,236
Loan funds			
Secured loans	5	-	-
Unsecured loans	6	94,561,176	-
Deferred tax liability	19	199,178	24,690
		260,403,892	149,51,926
APPLICATION OF FUNDS			
Goodwill on standalone-Business Acquisitions		8,289,901	-
Goodwill on consolidation		46,879,129	-
Fixed assets			
Gross block		35,196,436	310,516
Less: Accumulated depreciation		24,409,320	224,690
Net block		10,787,116	85,826
Capital work-in-progress (Includes capital advances)		-	-
		10,787,116	85,826
INVESTMENTS			
	7	-	996,939
Deferred tax Asset	19	-	-
Current assets, loans and advances			
Inventories		331,586	-
Sundry debtors		54,450,887	2,970,953
Cash and bank balances	8	108,889,175	9,359,138
Unbilled revenue		712,538	-
Loans and advances	9	71,784,143	2,118,696
		236,168,331	14,448,787
Less: Current liabilities and provisions			
Current liabilities	10	38,672,571	396,231
Provisions	11	8523,680	183,395
		47,196,251	579,626
Net current assets		188,972,080	13,869,161
Miscellaneous expenditure (to the extent not written off)	19	5,475,668	-
		260,403,893	14,951,926

The accompanying notes form an integral part of this Balance Sheet
 As per attached report of even date.

For E.A. Patil & Associates
 Chartered Accountants
 Membership No: 031979
 31st May, 2010

Swapna Sawant
 Company Secretary
 Navi Mumbai

For and on behalf of the Board of Directors

Alok Pathak Dr. Nirmal Jain
 Managing Director Director

Consolidated Profit and Loss Account for the year ended
 (Currency: in Indian Rupees)

	Note	March 31,2010	March 31,2009
INCOME			
<i>Sales and service income</i>		82,996,760	4,082,127
<i>Other income</i>	12	2,410,808	-
		85,407,568	4,082,127
EXPENDITURE			
<i>Personnel costs</i>	13	35,562,343	919,237
<i>Cost of Service</i>		9,183,190	
<i>Cost of Software Licenses</i>	14	17,434,827	868,835
<i>Selling, general and administration costs</i>	15	13,892,228	49,604
<i>Depreciation</i>		1,789,792	-
<i>Interest costs</i>	16	65,582	
		77,927,963	1,837,676
Profit for the year before prior period items and taxation		7,479,605	2,244,451
<i>Prior period items</i>	17	-	(1,076)
Profit for the year before taxation		7,479,605	2,245,527
<i>Provision for taxation - Current tax</i>	18	2,324,770	78,000
<i>- Deferred tax debit</i>	18	(10,789)	-
<i>- Fringe benefits</i>		77,927,963	3,000
		-	
<i>Provision for taxation (prior periods)</i>			
Profit for the year after taxation		5,165,624	2,164,527
Profit and loss account, brought forward		881,236	2,216,709
Amount available for appropriation		6,046,860	4,381,236
<i>General Reserve</i>		-	3,500,000
<i>Interim Equity Dividend</i>		630,000	-
<i>Preference dividend</i>		1,253,135	-
<i>Dividend tax</i>		312,769	-
Profit and loss account, carried forward		3,850,956	881,236
Earnings per equity share of Re. 1 each			
<i>- Basic</i>		5.88	3.48
<i>- Diluted</i>		3.79	-
Weighted average number of equity shares outstanding during the year			
<i>- Basic</i>		630,000	630,000
<i>- Diluted</i>		976,920	-

Weighted average number of equity shares outstanding during the year
As per attached report of even date.

For E.A. Patil & Associates
Chartered Accountants
Membership No: 031979
31st May, 2010

Swapna Sawant
Company Secretary
Navi Mumbai

For and on behalf of the Board of Directors

Alok Pathak Dr. Nirmal Jain
Managing Director Director

Consolidated Cash Flow Statement
 (Currency: in Indian Rupees)

	March 31,2010	March 31,2009
CASH FLOWS FROM OPERATING ACTIVITIES		
<i>(Loss)/Net Profit before tax</i>	7,479,605	2,244,451
<i>Adjustments for Depreciation and amortisation</i>	1,789,792	49,604
<i>(Profit)/Loss on sale of fixed assets</i>	21,576	1,076
<i>Share issue exp W/o</i>	693,305	-
<i>Debtor written off</i>	683,846	-
<i>Unrealised exchange differences</i>	278,971	-
<i>Interest income</i>	(187,171)	-
<i>Interest expense</i>	65,582	-
<i>Operating profit before working capital changes</i>	10,825,506	2,295,131
(INCREASE) / DECREASE IN WORKING CAPITAL		
<i>Inventories</i>	(331,586)	-
<i>Sundry debtors</i>	(52,442,752)	(67,550)
<i>Unbilled revenue</i>	(712,538)	-
<i>Loans and advances</i>	(58,069,536)	(730,496)
<i>Acquisition cost payable</i>	-	-
<i>Prov for expenses</i>	24,053,807	-
<i>Other Current liabilities and provisions</i>	18,227,421	279,907
<i>Net change in working capital</i>	69,275,184	(518,139)
Cash generated/used in from operations	58,449,678	1,776,992
Income tax paid	11,595,913	(81,000)
Net Cash provided by operating activities	(70,045,591)	1,695,992
Cash flows from investing activities		
<i>Purchase of fixed assets</i>	(12,564,306)	(18,255)
<i>Purchase of investments</i>	(55,169,030)	(737,800)
<i>Sale of non trade investments</i>	996,939	-
<i>Proceeds from sale of fixed assets</i>	51,647	-
<i>Interest received</i>	187,171	-
Net Cash used by investing activities	(66,497,578)	(756,055)
Cash flows from financing activities		
<i>(Repayment)/Proceeds from issuance of share capital</i>	133,215,253	-
<i>Proceeds from borrowings - unsecured loan (net)</i>	94,561,176	(15,000)
<i>Share issue exp</i>	(6,168,973)	-
<i>Increase in Foreign transaction reserve</i>	(146,672)	-
<i>Increase in capital Reserve</i>	14,678,003	-
<i>Increase/(Decrease) in bank overdraft - Secured loan</i>	-	-
<i>Interest paid</i>	(65,582)	-
Net Cash provided by financing activities	2 36,073,205	(15,000)
Net increase in cash and cash equivalents		
Cash and cash equivalents at beginning of the period	9,359,138	8,434,201
Net increase/(decrease) in Cash and Cash equivalents	99,530,037	924,937
Cash and cash equivalents at end of the period	108,889,175	9,359,138

Consolidated Cash Flow Statement
(Currency: in Indian Rupees)

	March 31,2010	March 31,2009
CASH AND CASH EQUIVALENT		
<i>Cash in hand</i>	127,325	4,413,000
<i>Balance with scheduled banks</i>		
- in current accounts	108,761,850	4,946,138
- in deposit accounts		
	108,889,175	9,359,138

For and on behalf of the Board of Directors

For E.A. Patil & Associates
Chartered Accountants
Membership No: 031979

Swapna Sawant
Company Secretary

Alok Pathak
Managing Director

Dr. Nirmal Jain
Director

Navi Mumbai
31st May 2010

1. BACKGROUND

Prism Informatics Limited (PRISMINFO), incorporated in 1983, is engaged in software development. Earlier known as Aakruti Holdings, it got its present name on Nov. 11, 2005. Specializing in web technologies, application development, mobile computing and systems programming, company focus has been on delivering cutting edge software solutions coupled with building client relationships. It has affiliations with leading companies like Elance, Palm, Handspring, ProSavvy, Square Trade and Oracle among others. The figures in the consolidated Balance sheet representing Prism Inc., Delaware, Prism PTE & Idha Europe AG., Switzerland etc operating outside India and are converted into Indian Rupees. The figures in profit & loss Account for the period April'09 to March'10 have been converted at the average INR rate for the financial year ending March 31, 2010. The figures in Balance Sheet have been converted at closing INR rate for the financial year ending March 31, 2010.

2. SIGNIFICANT ACCOUNTING POLICIES**2.1 Basis of preparation of consolidated financial statements.**

The accompanying consolidated financial statements have been prepared in compliance with the requirements of the Companies Act, 1956, and Generally Accepted Accounting Principles ('GAAP') in India, under the historical cost convention. GAAP comprises mandatory accounting standards as specified in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government, in consultation with National Advisory Committee on Accounting Standards ('NACAS') and relevant provisions of Companies Act, 1956, to the extent applicable.

The company has following subsidiaries which form part of the consolidation.

Name of the Subsidiary	Country of Incorporation	% Shareholding
Prism Inc	USA	100%
Prism PTE	Singapore	100%
Nexus System Resources Company Limited	Thailand	100%
SUMITS Schweiz GmbH	Germany	100%
Prism Informatics Europe AG	Germany	100%
SUMITS Deutschland GmbH	Germany	100%
Nastek Solutions Private Limited	India	100%

These consolidated financial statements are prepared in accordance with the principles and procedures prescribed by Accounting Standard 21 - "Consolidated Financial Statements" (AS-21) for the purpose of preparation and presentation of consolidated financial statements.

The financial statements of the parent Company and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances/transactions and resulting unrealised profits in full. Unrealised losses resulting from intra-group transactions have also been eliminated unless cost cannot be recovered in full. In case of subsidiaries acquired during the financial year, income and expenses have been considered from the date of acquisition.

In case of acquisition of Nastek solutions private Limited where the company has consolidated acquired assets and liabilities.(Refer note 29)

2.2 Fixed assets and depreciation***Tangible assets:***

Fixed assets are stated at cost less accumulated depreciation. Cost includes inward freight, duties, taxes and incidental expenses related to acquisition and installation of the asset. During the year ended 31 March, 2010, Opening WDV of Rs. 85,826 has been sold. Also during the financial year the Company has entered into Asset purchase agreement with Finasys on 1st February 2010. According to this agreement the company has acquired assets having WDV value of Rs. 310,099. Depreciation provided on Written Down Value ('WDV') is based on the estimated useful lives of the assets as determined by the management. For additions and disposals, depreciation is provided pro-rata for the period of use.

The rates of depreciation based on the estimated useful lives of fixed assets are higher than those prescribed under Schedule XIV to the Companies Act, 1956. The useful lives of fixed assets are stated below:

Asset	Useful life (in years)
Computers and other service equipments	3 yrs
Furniture and fixtures	5 yrs
Office equipments	5 yrs
Vehicles	5 yrs

In case of entities outside India, assets has been consolidated at historical cost less Accumulated depreciation. Depreciation is calculated as per the rates prevailing in the concerned countries.

Intangible assets:

Intangible assets are amortized over their respective individual estimated useful lives on a straight line basis. Intangible assets comprise Goodwill, which is not being amortized.

2.3 Impairment of assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit which the asset belongs to, is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the profit and loss account. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

2.4 Goodwill***Goodwill on standalone***

In case of business acquisition the amount paid towards business relationship has been recognised as goodwill.

Goodwill on consolidation

The excess of the cost of the Holding Company of its investment in subsidiaries over the Holding Company's portion of equity in the subsidiaries, at the respective dates on which investments in subsidiaries were made, is recognised in the consolidated financial statements as Goodwill. The holding company's portion of equity in the subsidiaries is determined on the basis of the book value of the acquired assets and liabilities as per the financial statements of the subsidiaries as on the date of investment.

The goodwill recorded in these consolidated financial statements has not been amortised but instead evaluated for impairment. The Group evaluates the carrying amount of its goodwill whenever events or changes in circumstances indicate that its carrying amount may be impaired.

2.5 Leases

In accordance with Accounting Standard 19 "Accounting for leases", lease arrangements, where the risks and rewards incidental to ownership of an asset substantially vests with the lessor, are recognised as operating leases. Lease payments under operating lease are recognised as an expense in the profit and loss account.

2.6 Revenue and cost recognition

The Company derives its revenues primarily from software technology and IT enabled services. Revenue from time-and-material contracts is recognised as related services are rendered. Revenue from fixed-price contracts is recognised on a percentage of completion basis, measured by the percentage of costs incurred to-date to estimated total costs for each contract. This method is used because management considers costs to be the best available measure of progress on these contracts. In case of sale of software, revenue is recognised when right to use the software is transferred to the customer.

The asset "Unbilled revenue", represents revenues recognised in excess of amounts billed. These amounts are billed after the milestones specified in the agreement are achieved and the customer acceptance for the same is received.

Revenue from maintenance contracts is recognised ratably over the term of maintenance.

Warranty costs on sale of services are accrued based on management's estimates and historical data at the time related revenues are recorded.

2.7 Foreign currency transactions

Transactions in foreign currency are recorded at the exchange rate prevailing on the date of the transaction. Foreign currency denominated monetary assets and monetary liabilities at the year end are translated at the year-end exchange rate. Exchange rate differences resulting from foreign exchange transactions settled during the year, including year-end translation of monetary assets and liabilities are recognised in the profit and loss account.

2.8 Investments

Long-term investments are stated at cost, and provision for diminution is made when, in the management's opinion, there is a decline, other than temporary, in the carrying value of such investments. Current investments are carried at lower of cost and fair value.

2.9 Taxation

Income tax expense comprises current tax expense and deferred tax expense or credit computed in accordance with the relevant provisions of the Income Tax Act, 1961. Provision for current taxes is recognised under the taxes payable method based on the estimated tax liability computed after taking credit for allowances and exemptions in accordance with the Indian Income tax Act, 1961.

In case of entities situated outside india Current and Deffered tax is calculated as per the law prevailing in that entities.

Deferred tax assets and liabilities are recognised for the future tax consequences attributable to timing differences that result between the profits offered for income taxes and the profits as per the financial statements of the Company. Deferred tax assets and liabilities are measured using the tax rates and the tax laws that have been enacted or substantively enacted by the balance sheet date. The effect on deferred tax assets and liabilities of a change in tax rates is recognised in the period that includes the enactment rate. Deferred tax assets in respect of carry forward losses are recognised only to the extent that there is virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realised. Other deferred tax assets are recognised only if there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realised.

2.10 Earnings per share

The basic earnings per share is computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed using the weighted average number of equity shares and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable, had the shares been actually issued at fair value. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless they have been issued at a later date.

2.11 Provisions and contingent liabilities

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

2.12 Inventories

Inventories comprising of resalable licenses are valued at lower of cost and net realizable value. Cost is determined on the basis of FIFO method and includes all costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less selling expenses.

2.13 Miscellaneous expenditure (to the extent not written off)

During the Financial Year, the Company has incurred expenditure which has impact in more than one financial year. Out of these expenses for the amount of Rs. 132,965 are towards issue of Preference shares which are convertible to equity shares after 13 months from its issue date i.e. 05th January 2010. Hence amount of Rs. 30684 has been written off on prorata basis for 3 months during current financial year.

Also, amount of Rs. 55,150 incurred towards 10% convertible debentures which is included above has not been amortised during the year as these debentures are allotted subsequent to the financial year, Viz on 27th April 2010. The amount will be amortised in 18 months i.e. tenure of the said Convertible debentures from the date of allotment.

The balance amount of Rs. 1407563 incurred towards equity share expenses have been written off over a period of 5 years.

Notes to the Consolidated financial statements (Continued)

 for the year ended 31st March 2010
 (Currency: in Indian Rupees)

3. SHARE CAPITAL	March 31,2010	March 31,2009
		4,082,127
Authorised		
1,750,000 (PY : 1,750,000) equity Shares of Rs. 10/- each	17,500,000	17,500,000
2,000,000 (PY : 25,000) non cumulative compulsorily convertible preference shares of Rs 100/- each	200,000,000	2,500,000
	217,500,000	20,000,000
Issued, subscribed and paid - up		
6,30,000 (PY : 6,30,000) equity shares of Re. 10/- each fully subscribed and paid up	6,300,000	6,300,000
1,329,633 (PY : Nil) 4% non cumulative compulsorily convertible preference shares of Rs. 100 each	132,963,300	—
	139,263,300	6,300,000
4. RESERVES AND SURPLUS		
General reserve		
- Balance brought forward	7,746,000	4,246,000
- Additions during the year	—	3,500,000
	7,746,000	7,746,000
Capital reserve	14,678,003	7,746,000
Foreign currency translation reserve	(146,672)	—
Profit and loss account, balance carried forward	3,850,956	881,236
	26,128,286	8,627,236
5. SECURED LOANS	—	—

Note

The company, pursuant to its board meeting held on 12th March, 2010 and extra ordinary general meeting held on 15th April, 2010 accepted application money for issue of 6,50,000 (nos) 10% Compulsorily Convertible Debentures (CCD) of Rs.100 each. Out of the above, application money of Rs.415,473,242 towards 415,730 debentures of Rs.100 each has been received upto 31st March, 2010. Subsequent to balance sheet date, 578,429 (nos) 10% CCD of Rs.100 each has been allotted based on the board meeting held on 27th April, 2010.

Notes to the Consolidated financial statements (Continued)

 for the year ended 31st March 2010
 (Currency: in Indian Rupees)

6. UNSECURED LOANS	March 31,2010	March 31,2009
<i>Loan from holding company</i>	—	—
<i>Loan from others</i>	52,987,934	—
<i>CCD Application Money</i>	41 573 242	—
	94,561,176	

7. INVESTMENTS
Long term (Unquoted, at cost)

<i>Trade</i>	—	—
	—	—
Long term (Unquoted, at cost)		
<i>Sahara Ltd.</i>	—	996,939
	—	—
Investment in Mutual Funds		996,939
		996,939

Aggregate value of unquoted investments (Refer Note 24 for number of units purchased and sold during the year)

8. CASH AND BANK BALANCES

<i>Cash in hand</i>	127,325	4,413,000
<i>Balances with scheduled banks</i>	108,761,850	4,946,138
	108,889,175	9,359,138

9. UNSECURED LOANS

(Unsecured and considered good)

<i>Loan to Others</i>		1,865,496
<i>Advances recoverable from Affiliates</i>	42,662,313	
<i>Advance recoverable from others</i>	7,678,202	
<i>Loans to Director</i>	4,170,000	
<i>Taxes paid in advance</i>	2,166,967	238,200
<i>VAT Receivables</i>	366,850	
<i>TDS Recievable</i>	9,667,146	
<i>Taxes paid in advance</i>	199,031	
<i>Advances to Employees</i>	353,419	
<i>Other Current Assets</i>	2,583,118	
<i>Prepaid Expenses</i>	1,937,098	15,000
<i>Deposits</i>		

Notes to the Consolidated financial statements (Continued)

 for the year ended 31st March 2010
 (Currency: in Indian Rupees)

10. CURRENT LIABILITIES	March 31,2010	March 31,2009
<i>Advances payable to holding company</i>	1,225,587	
<i>Advance payable to others</i>	790,327	
<i>Provision for expenses</i>	12,507,520	375,652
<i>Sundry creditors (Refer Note 23)</i>	11,942,518	20,579
<i>Other Current Liabilities</i>	11,987,213	
<i>Unearned Income</i>	219,406	
	38,672,571	

11. PROVISIONS

<i>Provision for taxation</i>	3,380,677	159,600
<i>Provision for Professional Tax</i>	0	20,795
<i>Provision for Fringe benefit tax</i>	0	3,000
<i>VAT Payable</i>	287,795	
<i>TDS Payable</i>	2,659,305	
<i>Dividend on Equity Shares</i>	630,000	
<i>Dividend on preference shares</i>	1,253,135	-
<i>Dividend tax</i>	312,769	-
	8,523,680	183,395

12. OTHER INCOME

<i>Interest on bank deposits</i>	187,171	-
<i>Miscellaneous income</i>	2,223,637	-
	2,410,808	

13. PERSONNEL COSTS

<i>Salaries, bonus and allowances, including overseas employee expenses</i>	34,450,940	919,237
<i>Contribution to provident and other funds</i>	665,349	
<i>Staff welfare</i>	446,054	919,237
	35,562,343	919,237

14. COST OF SOFTWARE LICENSES

<i>Opening stock of licenses</i>	9,855,649	-
<i>Add:- Purchases during the year</i>	7,910,764	-
<i>Less:- Closing stock</i>	331,586	-
	17,434,827	

Notes to the Consolidated financial statements (Continued)

 for the year ended 31st March 2010

(Currency: in Indian Rupees)

15. SELLING, GENERAL & ADMINISTRATION COSTS	March 31,2010	March 31,2009
<i>Rent</i>	1,099,581	–
<i>Travel and conveyance</i>	4,420,008	275,770
<i>Communication Expenses</i>	470,457	73,477
<i>Consultancy Charges</i>	1,240,313	–
<i>Legal and professional fees</i>	282,132	72,567
<i>Advertisement and publicity</i>	311,995	195,076
<i>Subscription, registration and license fee</i>	–	11,123
<i>Auditor's remuneration</i>	346,000	17,000
<i>Sundry Balances written off</i>	683,846	–
<i>Printing and stationery</i>	17,644	10,816
<i>Training Fees</i>	14,626	–
<i>Loss on Sale of asset</i>	21,576	–
<i>Electricity</i>	125,346	–
<i>Office expenses</i>	879,744	33,937
<i>Repairs and maintenance</i>	341,201	15,620
<i>Insurance</i>	57,531	10,547
<i>Bank charges & commission</i>	124,038	2,902
<i>Preliminary expenses written off</i>	693,305	–
<i>Directors Remuneration</i>	44,275	150,000
<i>Foreign exchange loss/(gain), net</i>	278,971	–
<i>Miscellaneous expenses</i>	2,439,639	–
	13,892,228	868,835

16. INTEREST COSTS

<i>Bank interest</i>	65,582	–
	65,582	–

17. PRIOR PERIOD ITEMS

The Company has identified certain income and expenses related to year ended 31 March, 2009, which have not been recorded earlier and these have been included in these financial statements as prior period items:

<i>Consultancy income</i>	–	1,076.00
<i>Other income</i>	–	–
<i>Interest income</i>	–	–
<i>Prior period revenue</i>	–	1,076.00
<i>Prior period expenses, (net)</i>	–	1,076.00

Notes to the Consolidated financial statements (Continued)

 for the year ended 31st March 2010
 (Currency: in Indian Rupees)

18. TAXES

March 31,2010

March 31,2009

<i>a) Provision for tax expense consists of the following:</i>		
<i>Current taxes</i>		
- Indian	2,324,770	78,000.00
	2,324,770	78,000.00
<i>Deferred tax expense / (credit)</i>		
- Indian	(10,789)	-
	(10,789)	-
		78,000.00

The significant components of deferred tax asset and liability consists of the following:

<i>Depreciation</i>	10,789	-
<i>Other disallowances</i>	-	-
<i>Total deferred tax asset</i>	10,789	-
<i>Depreciation</i>	-	-
<i>Total deferred tax liability</i>	-	-

19. MISCELLANEOUS EXPENDITURE (TO THE EXTENT NOT WRITTEN OFF)

<i>Set up cost</i>	4,192,187	-
<i>Share allotment expenses</i>	1,283,481	-
	5,475,668	-

During the current financial year company has incurred an expenditure relating to set up cost amounting to Rs. 45.73 lacs which has been capitalised as miscellaneous expenditure and amortised over the period of 3 years as the benefit is drawn in more than one financial year, proportionate expenses for the quarter has been expensed out Rs 3.81 lacs.

20. AUDITOR'S REMUNERATION

<i>Remuneration to auditors consists of the following:</i>		
<i>Audit fees</i>	215,000	17,000
<i>Tax audit fees</i>	35,000	-
<i>Other services</i>	96,000	-
	346,000	-

Notes to the Consolidated financial statements (Continued)

 for the year ended 31st March 2010

(Currency: in Indian Rupees)

21. SEGMENTAL INFORMATION
Business segments

As at 31 March 2010 and for the year then ended

Particulars	Software Consultancy Services	Software License Sale	Total
Total Income	64,387,615	19,968,750	84,356,365
Accounts Receivables	52,439,254	2,011,634	54,450,888
Unbilled Revenue	712,538	-	712,538

Geographic segments

As at 31 March 2010 and for the year then ended

Particulars	Software Consultancy Services	Software License Sale	Total
Total Income	46,515,609	37,840,756	84,356,365
Accounts Receivables	28,555,127	25,895,761	54,450,888
Unbilled Revenue	712,538	-	712,538

22. RELATED PARTY TRANSACTIONS

(a) Names of related parties and nature of relationship where control exists

Sr. No.	Category of related parties	Names
01	Holding company	Idhasoft Limited, India
02	Key management personnel	• Alok Pathak • Dr. Nirmal Jain • Dr. Ajay Sharma
03	Affiliates	1. Intech Software Solutions, Inc., USA 2. Indus Solutions LLC, USA 3. Cavaya Inc., USA 4. Cavaya Information technologies and services Private Limited, India 5. Idhasoft Inc. Georgia (formerly known as S3 Group Inc., USA) 6. Tabs (India) Private Limited, India 7. Altus System Private Limited, India 8. Aware Technologies Inc., USA 9. Idhasoft Inc, USA 10. Grey Matter India Technologies Private Limited, India 11. Aagam Infotech Private Limited, Mumbai, India 12. Aagam Pte.Ltd., Singapore 13. Roundbox Media LLC, USA 14. Bizshore Inc., USA 15. DCB and Company Inc., USA 16. Prodilink Solutions Inc., USA 17. Ki Solutions LLC, USA 18. Brevadam LLC, USA 19. Apposite Solutions Inc., USA 20. Nitya Corporation, USA 21. Semafor Technologies LLC, USA 22. Semafor Impex Private Limited, India 23. Codesoft International Inc., USA 24. Enterpulse Inc., USA 25. UBEX Corporation., USA 26. Westbay Solutions Group LLC.,USA

22. RELATED PARTY TRANSACTIONS (Continued)

(b) Transactions and balances with related parties

Nature of the transaction	Key management personnel		Parties with substantial interest		
	Transactions during the year ended 31 March	March 31 st , 2010	March 31 st , 2009	March 31 st , 2010	March 31 st , 2009
<i>Investments purchased</i>					
<i>Sale of investments</i>					
<i>Reimbursement of expenses</i>				3 41,509	
<i>Loans received</i>				9 46,161	
<i>Loans repaid</i>					
<i>Sale of asset</i>					
<i>Sales and service income</i>				49,902,736	
<i>Purchases of licences</i>					
<i>Remuneration paid</i>	44,275				
<i>Sitting fees paid</i>					
<i>Loans to Affiliates</i>					
<i>Loans recovered</i>					
<i>Interest received</i>					
<i>Interest expense</i>					
<i>Advances given</i>				136 562 313	
<i>Advances recovered</i>				93,900,000	
<i>Advances received</i>					
<i>Services purchased</i>				1,014,558	
<i>Rent paid</i>				6 0,000	
<i>Rent received</i>					
<i>Allotment of equity shares (including premium)</i>					
<i>Allotment of preference shares (including premium)</i>					
<i>Share application money pending allotment</i>					
<i>Dividend</i>				466,200	
Balance as at 31 March					
<i>Investments</i>					
<i>Debtors</i>					
<i>Creditors</i>					
<i>Loans payable</i>					
<i>Loans to subsidiaries</i>					
<i>Advances payable</i>				1,225,587	
<i>Advances recoverable from affiliates</i>				42,662,313	
<i>Reimbursement payable</i>					
<i>Dividend Payable</i>				4 66,200	

22. RELATED PARTY TRANSACTIONS (Continued)

Out of the above, transactions with related parties in excess of 10% of the total related party transactions are as under :

Transactions during the year ended 31 March	March 31 st , 2010	March 31 st , 2009
A Key management personnel		
(i) Remuneration		
Directors	44,275	-
B Parties with Substantial interest		
(i) Dividend		
Idhasoft Ltd.	466,200	-

22. RELATED PARTY TRANSACTIONS (Continued)

Balance as at year end	March 31 st , 2010	March 31 st , 2009
1. Services purchased		
Idhasoft Ltd.	827,632	
GMI	126,926	-
2. Rent paid		
Idhasoft Ltd.		
3. Creditors	466,200	-
4. Loans received		
Idhasoftsoft-Pte	946,161	-
5. Sales and service income		
Idhasoft Ltd.	47,320,981	-
6. Reimbursement Expenses		
Idhasoft Ltd.	333,071	
Loans to Affiliates		
Idhasoft Ltd.	93,900,000	
Delaware	40,160,291	
7. Loans recovered		
Idhasoft Ltd.	93,900,000	
8. Advances recoverable from affiliates		
Idhasoft limited	40,160,291	
9. Advances payable		
Idhasoft Ltd.	1,225,587	
10. Dividend Payable		
Idhasoft Ltd.	466,200	

23. AMOUNTS DUE TO MICRO, SMALL AND MEDIUM ENTERPRISES

As at 31 March, 2010, the Company has no outstanding dues to any vendors registered with appropriate authority under the Micro, Small and Medium Enterprises Development Act, 2006. There have been no delays in settlement of dues to such vendors, warranting any payment of interest as provided in the above Act (2009 : Nil).

24. SUMMARY OF INVESTMENTS PURCHASED AND SOLD DURING THE YEAR

	Sale Value	Cost of purchase
Investment in shares of Other Companies		
<i>Sahara Ltd</i>	1,079,039	1,079,039
Total	1,079,039	1,079,039

25. RECONCILIATION OF BASIC AND DILUTED SHARES USED IN COMPUTING EARNINGS PER SHARE

	March 31,2010	March 31,2009
<i>Number of shares considered as basic weighted average shares</i>	630,000	630,000
<i>Add: Effect of dilutive issues of stock options/warrants/preference shares</i>	346,920	-
Number of shares considered as weighted average shares and potential	<u>976 920</u>	<u>630,000</u>

26 LEASES

Rent expense for all operating leases for the year ended 31 March 2010 aggregated to Rs. 243,000 (2009:Rs.NIL)

27. SUPPLEMENTARY STATUTORY INFORMATION

(i) Managerial remuneration

Salaries and allowances

44275	150000
<u>44275</u>	<u>150000</u>

(a) *Provisions for gratuity and leave encashment in respect of Directors are not included above, as actuarial valuation is done on an overall Company basis.*

(b) *Computation of net profit in accordance with Section 349 of the Companies Act, 1956 has not been disclosed, as commission by way of percentage of profits is not payable for the year to the Directors.*

(c) *Sitting fees paid to non-executive director not included above aggregated Rs. NIL (2009: NIL).*

28. SUPPLEMENTARY STATUTORY INFORMATION**(i) Earning in foreign currency**

<i>Service income</i>	37,840,756	-
<i>Prior period revenue</i>	-	-
	<u>37,840,756</u>	<u>-</u>

29. CAPITAL COMMITMENTS

During the year company has acquired 100 % stake in Nastek Solutions Private Limited on 31st December 2009 through a Share purchase agreement. The acquisition has been made excluding Office premises amounting to Rs.20.5 lacs, located at A2 Adinath Apartment, 281 Tardeo, Mumbai 400007. As per the ageemenr for sale of immovable property dated 31st December 2009 the prism has been given an option to buy the property on fulfillment of certain condition.

30. PRIOR YEAR COMPARATIVES

Previous year figures have been appropriately reclassified to conform to the current year's presentations.

31. EMPLOYEE BENEFITS

In accordance with The Payment of Grauity Act, 1972, the company has made provision for defined retirement plan covering all employees. The plan provides lumpsum payment to vested employees at retirement or termination of employment based on the respective employees defined portion of last salary and the years of employment with the company. the contribution is made based upon acturial valuation performed by an actuary. the company has provided Rs. 277,333 as current year contribution. the contribution shall be paid to a fund administered by Life Insurance corporation of India.

I. Registration details

Registration details **L67120MH1983PLC029483**

State Code **11**

Balance Sheet Date **31 03 2010**
Date Month Year

II. Capital raised during the year

Public Issue

Right Issue

Bonus Issue

Private Placement

132,963,300

III. Position of mobilisation and deployment of funds

Total Liabilities

260,403,893

Total Assets

260,403,893

Sources of Funds

Paid-Up Capital including Share Application Money

139,515,253

Reserves & Surplus

26,128,286

Secured Loans

0

Unsecured Loans

94,561,176

Deferred Tax Liability

199,178

Application of Funds

Net Fixed Assets

10,787,116

Investments

0

Net Current Assets

188,972,080

Deferred Tax Asset

0

Goodwill

55,169,030.05

Miscellaneous Expenditure

5,475,668

IV. Performance of the company

Turnover

85,407,568

Total Expenditure

77,927,963

+/- **Profit before Tax**

+ 7,479,605

+/- **Profit after Tax**

+ 5,165,624

Earnings per share in Rs.

5.88

Dividend @ 10%

1,883,135

V. Generic names of three principal products of the company

(As per monetary terms)

Item no. ITC Code

85249113

Product Description

Computer Software and Services

For and on behalf of the Board of Directors

Navi Mumbai
31st May, 2010

Swapna Sawant
Company Secretary

Alok Pathak
Managing Director

Dr. Nirmal Jain
Director

Proxy Form

Registered folio no:

D.P. ID No. _____ Client ID No. _____

I/We.....
.....of.....
.....being member/members of Prism Informatics Limited
hereby appoint _____ of _____ or failing him
_____ of _____ as my/our proxy to vote for me/us on
my/our behalf at the 28th Annual General Meeting to be held on Thursday, September 30th,
2010 at _____ or at any adjournment thereof.

Signed thisday of
.....2010.

Affix Revenue Stamp of Re. 1

Note: The proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting. The Proxy need not be a member of the Company.

ATTENDANCE SLIP

PLEASE FILL ATTENDANCE AND HAND OVER AT THE ENTRANCE OF THE MEETING VENUE

Registered folio no:

DP ID No.: _____

Client ID No. : _____

NAME AND ADDRESS OF THE SHAREHOLDER

.....
.....
.....
.....
.....

No. of Share(s) held:.....

I hereby record my presence at the 28th Annual General Meeting of the Company held on Thursday, 30th September, 2010 at the Registered Office of the Company at B-505, BSEL Techpark, Opposite to Vashi Railway Station, Navi Mumbai- 400 705.

.....
Signature of Shareholder or Proxy



PRISM INFORMATICS LIMITED

www.prisminfoglobal.com

Reg. Off. India:
B-505, BSEL Tech Park,
5th Floor, Sector 30A,
Vashi, Navi Mumbai,
400705 India.

Pune Center India:
Unit 602, Sixth Floor,
Wing 2- Cluster C,
EON FREE ZONE
Plot No.1, S. No.77,
Kharadi MIDC
Knowledge Park,
Pune - 411 014, India.

Europe:
Baarerstrasse 63,
6300 Zug
Switzerland,
Europe.

USA:
Six Concourse
Parkway,
Fifth Floor,
Atlanta,
GA 30328,
USA.

Germany:
Science Park 2
DE- 66123
Saarbrücken
Germany.

Thailand:
No. 701/206,
Soi Pattanakarn 30,
Pattanakarn Road,
Suanluang,
Bangkok 10250,
Thailand.

Singapore:
31 Cantonment Rd.,
Singapore 089747.

Contact us :

info@prisminfoglobal.com

Board Line No.: +91 22 6723 2900