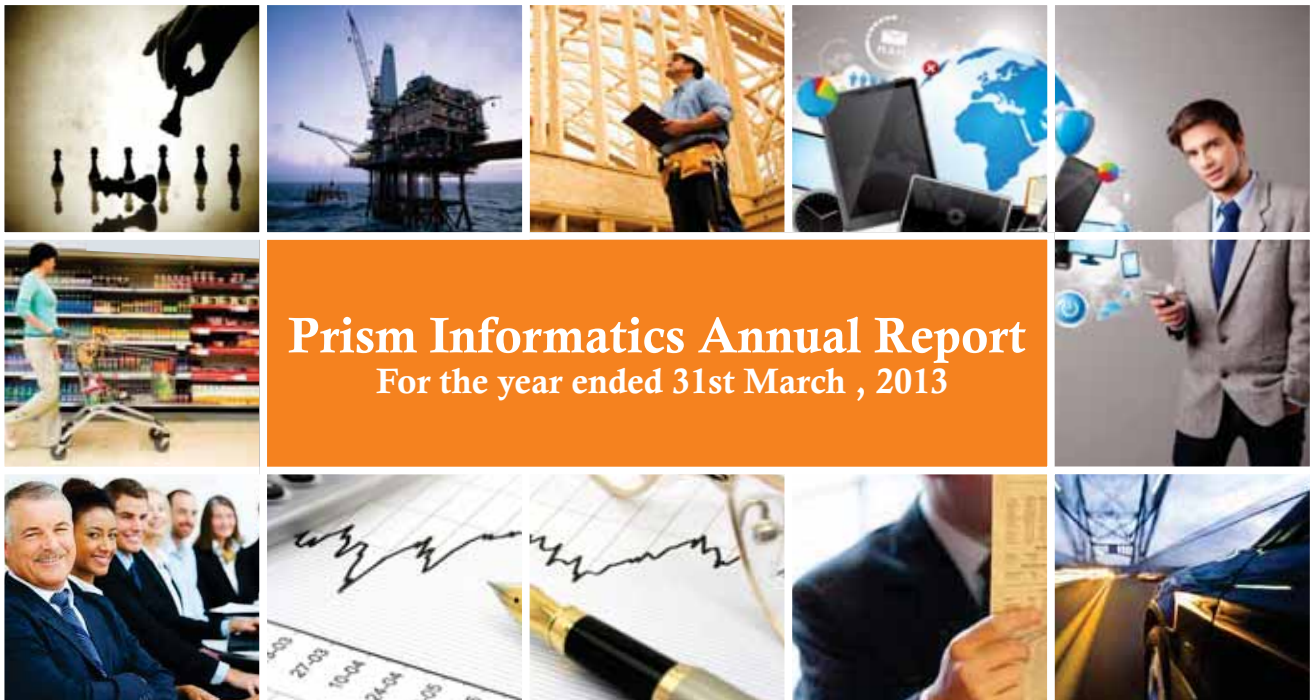


ANNUAL REPORT **2013**



Prism Informatics Annual Report
For the year ended 31st March , 2013

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DIRECTORS' PROFILE



Dr. Nirmal Jain
Chairman &
Independent Director

- B Tech, IIT Bombay and PhD from University of Hawaii (US).
- Advance Management Program at Harvard Business School.
- 30 years of experience in Information Technology business and 25 years with Tata Group of Companies.
- Serves as Director on board of various companies and professional bodies.



Dr. Ajay Sharma
Vice Chairman &
Independent Director

- B Tech, from Roorkee University, Served the Indian Navy for 34 years till 1994 and reached the rank of Rear Admiral.
- PhD from London University.
- Recipient of Ati Vishisht Seva Medal in 2003 by President of India.



Alok Pathak
Managing Director

- Engineering from NIT Raipur.
- M Tech, IIT Mumbai.
- One of the promoters, CEO and Executive Director - Idhasoft Ltd.



Saurabh Dani
Whole-Time Director

- MBA from the American International College, USA .
- He belongs to the promoter group of Asian Paints Ltd., and is Vice Chairman & Managing Director of Secure Matrix India Private Limited.
- Member of CSI, eISA, ISACA, CYSI, Vice Chairman (IT Committee) of the IACCI and Regional Chairman of ESC.

Important Communication to Members

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliance by the companies and has issued circulars stating that service of notice/ documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to fill the appropriate column in the Members Updation Form of the Annual Report and register the same with Company's Registrars and Transfer Agents, Sharex Dynamic (India) Private Limited. Postage for sending the feed back form will be borne by the Company.

As a measure of economy, copies of Annual Report will not be distributed at Annual General Meeting. Members are requested to bring their copies at the meeting.

DIRECTORS' PROFILE



V. Chandrashekar

Whole-Time Director
& Company Secretary

- B Sc (Bombay University), D M S (Bombay University), LLB (BU) and Member of Institute of Company Secretaries.
- Twelve years as Company Secretary and Head Legal & Finance with a listed Engineering, Procurement & Construction Company.



Christof Anderi

Director

- Graduate in Business Administration and Information Technology from a prestigious University of Saarbrucken, Germany.
- He served several organizations that include Bosch Telecom, PWC Coopers & Lybrand, SAP AG before founding SUMITS AG. After acquisitions of SUMITS AG by Prism Informatics, he took over as CEO of Prism Informatics, Europe. Currently, he serves Prism Informatics as a Director.



Dr. Ramesh Subramaniam

Director

- PHD, MBA (Mumbai University)
- 30 Years of IT Industry back ground . Served in reputed organizations like CMS, Systime, Progressive Business and Sr level IT advisor for several Multinational Co's in India and abroad.
- One of the promoters, MD - Idhasoft Ltd.

Registered Office

B-907, BSEL Tech Park, Sector 30-A, Opp. Vashi Railway Station, Vashi, Navi Mumbai-400703.

Phone-+91-22-65724261

Fax-+91-22-27813555,

Email: info@prisminformatics.net

Company Secretary & Compliance Officer

V. Chandrashekar

Auditors

E.A. Patil & Associates 316, 3rd Floor, Nirman Vyapar Kendra, Sector-17, Vashi, Navi Mumbai 400703.

Registrars & Transfer Agents

Sharex Dynamic India Pvt Ltd, Unit 1, Luthra Industrial Premises, Safed Pool , Andheri Kurla Road, Andheri (East), Mumbai-400072.

Tel- 28515644,

Fax- 28512885

E-mail-

info@sharexindia.com;

investor@sharexindia.com

Bankers

Saraswat Co-operative Bank Limited
Small and Medium Enterprise Branch, Prabhat Bhavan, 96, LBS Marg, Opp Cipla, Vikhroli (West), Mumbai-400083

Axis Bank

Vardhman Chambers
Premises CSL, Plot 84, Sector 17, Vashi-400705

LETTER FROM MANAGING DIRECTOR

Currency : Indian Rupee

for the Period ended 31st March, 2013



Dear Shareholders,

I am pleased to present the progress of your Company. We have consolidated and strengthened our position in the global IT Software Industry. Global economic recovery has been slow in 2012-13 and has posed serious challenges to organizations in their technology investment plans. We have recorded revenue from operations at Rs 22.16 Crores on standalone basis, however at net level there is a loss of Rs 7.84 Crores due to provisions made towards disinvestment in step-down subsidiary in Thailand. On consolidated basis Company has achieved operational revenue of Rs 62.02 Crores. There has been reduction in operational expenses, however due to decrease in operational revenue has company booked loss of Rs 0.72 Crores .

Your Company's ability to deliver growth and sustain business momentum is attributable to its ability to remain relevant to its customer's and balanced end to end services to its clients.

In Financial Year 2013-14 we shall strive to focus on customer centricity, building critical mass on our global delivery center, work closely with the customer to leverage international delivery centers for efficient solution delivery and to look at innovative ways for building domain expertise in our engagement with our customers.

We, at Prism are looking forward to the future with anticipation and optimism so as to bring out the best within us. On behalf of the entire Company and its leadership team I want to thank each shareholder for their support and co-operations to Company.

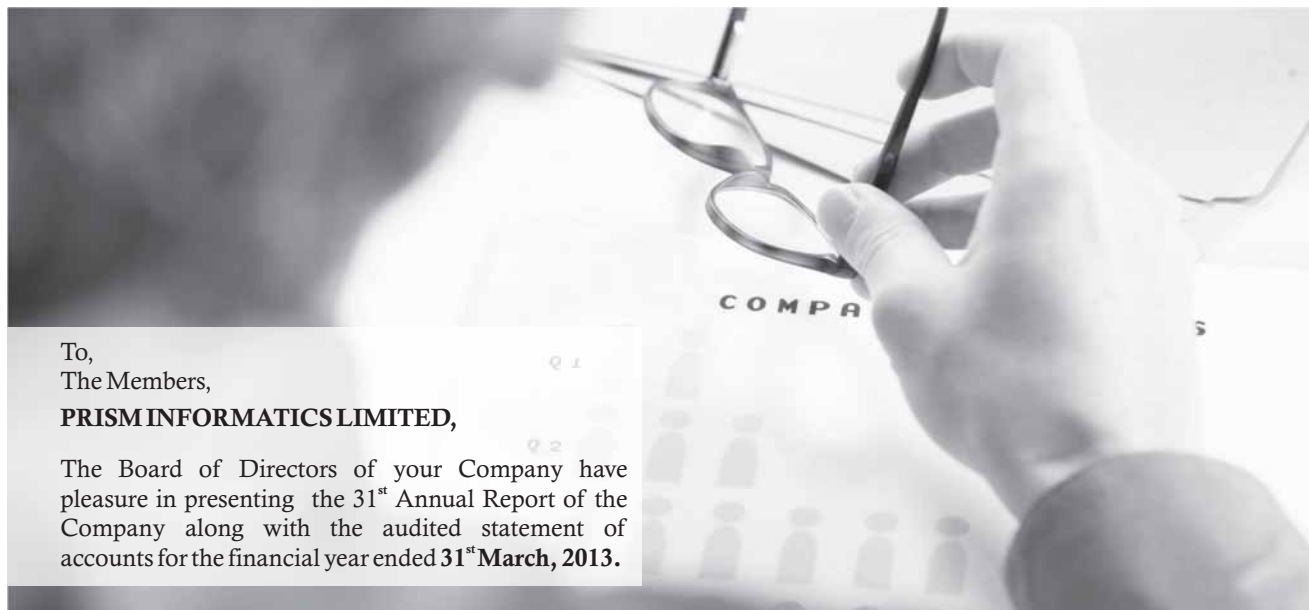
For Prism Informatics Limited

Mr. Alok Pathak
Managing Director

DIRECTORS' REPORT

for the Period ended 31st March, 2013

Currency : Indian Rupee



To,
The Members,
PRISM INFORMATICS LIMITED,

The Board of Directors of your Company have pleasure in presenting the 31st Annual Report of the Company along with the audited statement of accounts for the financial year ended 31st March, 2013.

1. FINANCIAL PERFORMANCE:**Standalone Results**

Particulars	April 1, 2012 to March 31, 2013	April 1, 2011 to March 31, 2012
Total Income	235,806,233	270,427,442
Less: Total Expenditure	239,260,900	224,550,894
Profit before Depreciation	(3,132,461)	26,292,098
Depreciation	322,205	415,550
Profit after Depreciation and before prior period items	(3,454,666)	25,876,547
Less: prior period items	Nil	Nil
Profit before taxation	(74,843,078)	25,876,547
Provision for Taxation:		
Current Tax	4,220,000	5,500,000
Deferred Tax	(569,722)	98,715
Net profit after tax	(78,493,356)	20,277,833
Profit brought forward	49,195,362	30,209,633
Amount available for appropriation	(29,297,995)	50,487,466
General Reserve	Nil	Nil
Less: Appropriations		
Interim Dividend	Nil	Nil
Proposed Equity Dividend	Nil	738,402
Preference Dividend	Nil	369,666
Dividend Tax	Nil	184,036
Profit transferred to Balance sheet	(29,297,995)	49,195,362

DIRECTORS' REPORT

for the Period ended 31st March, 2013

Currency : Indian Rupee

The Consolidated financials of the Company for the financial year 31st March, 2013 are as follows:-

Consolidated Results

Particulars	1st April, 2012 to 31st March, 2013	1st April, 2011 to 31st March, 2012
Total Income	636,762,220	763,781,026
Less: Total Expenditure	678,286,063	804,900,349
Profit before Depreciation	(19,637,141)	(299,68,114)
Depreciation	21,886,703	11,151,209
Profit after Depreciation and before prior period items	(41,523,844)	(41,119,323)
Less: Exceptional Items	(29,067,341)	(36,033,264)
Profit before taxation	(20,679,603)	(32,383,577)
Tax Expense:		
1) Current tax	4,747,132	8,476,450
2) Deferred tax	(569,722)	(11,631,123)
Net profit for year	(107,524,036)	(29,228,904)
Profit brought forward	(20,679,603)	9,092,282
Transfer to General Reserve	-	-
Less: Appropriations		
Interim Dividend	-	-
Proposed Equity Dividend	-	738,402
Preference Dividend	-	369,666
Dividend Tax	-	184,036

DIRECTORS' REPORT

for the Period ended 31st March, 2013

Currency : Indian Rupee

2. COMPANY'S PERFORMANCE:

During the financial year 2012-13, Company has achieved operational revenue of Rs. 22.16 Crores resulting in operational profit of Rs. 1.15 Crores, however at net level there is a loss of Rs. 7.84 Crores due to provisions made towards disinvestment in step-down subsidiary in Thailand. On consolidated basis company has achieved operational revenue of Rs. 62.02 Crores. There has been reduction in operational expenses, however due to decrease in operational revenue company booked loss of Rs. 0.72 Crore.

3. DIVIDEND

Board of Directors do not recommend any Dividend for the Financial Year 2012-13.

4. DIRECTORS

Dr. Ramesh Subramaniam was appointed as Additional Director of the Company with effect from 14th February, 2013.

Mr. Saurabh Dani was appointed as Whole-Time Director of Company with effect from 09th November, 2012 for a period of two years.

Mr. Christof Anderi retires by rotation and being eligible offers himself for reappointment at the ensuing Annual General Meeting.

5. HIGHLIGHTS OF 2012-2013:**i. Allotment of 2,15,643, 2% Non-Cumulative Compulsorily Convertible Preference Shares, (NCCP's-Series IV) of Rs. 100/- each at par on preferential basis.**

The Company had allotted 2,15,643, 2% Non-Cumulative Compulsorily Convertible Preference Shares (NCCP's- Series IV) of Rs. 100 each at par on 30th April, 2012 on Preferential basis 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 Requirements) Regulations, 2009, at the time of conversion. The Conversion of these securities is due on 29th October, 2013.

ii. Allotment of 11%, 4,01,050 Compulsorily Convertible Debentures (CCDs- Series III) of Rs. 100/- each at par on preferential basis.

Company have allotted 4,01,050, 11% Compulsorily Convertible Debentures (CCD's – Series III) on 30th April, 2012 on preferential basis with conversion period of 18 months from the date of allotment, same shall be converted into equity shares at Rs. 54.04 per share. Conversion of these securities is due on 29th October, 2013.

iii. Allotment of 12% 50,000, Compulsorily Convertible Debenture Series –V of Rs. 100 each on Preferential basis.

The Company had allotted 50,000, 12% Compulsorily Convertible Debentures (CCD's- Series V) of Rs. 100 each at par on 22nd October, 2012 on Preferential basis 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 Requirements) Regulations, 2009, at the time of conversion. The Conversion of these securities is due on 21st April, 2014.

iv. Allotment of 13,18,749, Equity Shares of Re. 1/- each at the issue price of Rs. 32 per share under Preferential issue to Promoter and Promoter Group.

Company had allotted 13,18,749, Equity shares of Re. 1/- each at a premium of Rs.32/- per Equity share determined in accordance with regulation 76 of SEBI (Issue of Capital and Disclosure requirements) Regulations, 2009, to the Promoter and Promoter group. Further the equity shares allotted to promoter and promoter group shall be locked-in for a period of 3 years from the date of allotment.

v. Additional Investment in Prism Informatics Europe AG, Europe (Wholly Owned Subsidiary of Company).

On the basis of available limits with the Company for making equity Investment, the Board of Directors of the company has approved investment of USD 5,00,000 in Prism Informatics Europe AG, Europe (Wholly Owned Subsidiary of Company).

DIRECTORS' REPORT

for the Period ended 31st March, 2013

Currency : Indian Rupee

6. SUBSIDIARIES:

Subsidiaries of the Company as on 31st March, 2013 are as follows:

- a. Prism Informatics Europe AG, Europe,
- b. Prism Informatics Schweiz Gmbh, Europe,
- c. Prism Informatics Deutschland Gmbh, Europe,
- d. Prism Informatics (Thailand) Co., Ltd(Earlier known as Nexus Systems Resources Company Limited, Thailand*),
- e. Prism Informatics Inc, USA,
- f. Prism Informatics Pte. Limited, Singapore,
- g. TLC Technologies, Inc, USA,
- h. Prism Software Consultancy, JLT,
- i. Prism Infoglobal Limited, Seychelles** (Suite 3, 1st Floor, La Ciotat, building, Mont Fleuri, Po-Box 438, Mahe, Seychelles. Ph.: +248 422 55 58.

* **Company was operating through Prism Informatics Limited (Thailand); step down subsidiary of the company. The investment in said step down subsidiary was disposed off on 1st April, 2013.**

** **Company incorporated its wholly owned subsidiary in Seychelles on 09th January, 2013 at the above mentioned address.**

A statement containing brief financial details of subsidiaries is included in the Annual Report. As required under the Listing Agreements with the Stock Exchanges, a Consolidated Financial Statement of the Company and all its subsidiaries is attached. The Consolidated Financial Statements have been prepared in accordance with the relevant Accounting Standards as prescribed under Section 211(3C) of the Companies Act, 1956 ("Act"). These financial statements disclose the assets, liabilities, income, expenses and other details of the Company, its subsidiaries and associate companies. The audited consolidated financial statements together with Auditors' Report form part of the Annual Report.

7. INVESTMENT IN SHARES OF AN UNLISTED COMPANY:

During the Year Company has invested in 45,113,636 shares of Idhasoft Limited an unlisted Company.

8. REPORT ON CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS:

Report on Corporate Governance and Management Discussion and Analysis statements along with a Certificate of Compliance from Practicing Company Secretary are attached to this Report.

9. DIRECTORS' RESPONSIBILITY STATEMENT:-

Pursuant to the requirement of Section 217(2AA) of the Companies Act, 1956 ("Act"), and based on the representations received from the operating management, the Directors hereby confirm that:

- i. in the preparation of the Annual Accounts for the year 2012-13, the applicable Accounting Standards have been followed and there are no material departures;
- ii. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the financial year;
- iii. they have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956. They confirm that there are adequate systems and controls for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. they have prepared the Annual Accounts on a going concern basis.

10. AUDITORS:

M/s E. A. Patil & Associates, Chartered Accountants who are the Statutory Auditors of the Company, hold office in accordance with the provisions of the Act up to the conclusion of the forthcoming Annual General Meeting and are eligible for re-appointment.

11. AUDITORS' REPORT:

Board has duly examined the Statutory Auditors' report to accounts and clarifications wherever necessary, have been included in the Corporate Governance Report and Notes to Accounts section of the Annual Report.

12. PUBLIC DEPOSITS:

Company have not accepted any public deposits and as such, no amount on account of principal or interest on public deposits was outstanding as on the date of the Balance Sheet.

DIRECTORS' REPORT

for the Period ended 31st March, 2013

Currency : Indian Rupee

13. PARTICULARS OF EMPLOYEES:

Ministry of Corporate Affairs vide notification dated 31st March, 2012 have amended the Limits with respect to 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 required to be disclosed in the Directors' Report. The said circular amended rule 1A of said rules and substituted the words Rs. "Twenty Four Lakhs" per annum to Rs. "Sixty Lakhs" Per Annum and the words Rs. "Two Lakhs" Per Annum to Rs. "Five Lakhs" per month. Accordingly as per the said amendment Company does not have any employee drawing remuneration above Rs. "Five Lakhs" per month or Rs. "Sixty Lakhs" per annum. So requirement of disclosure under section 217(2A) of the Companies Act, 1956 is not applicable.

14. PARTICULARS UNDER SECTION 212 OF THE COMPANIES ACT, 1956:

Pursuant to the provision of Section 212(8) of the Act, the Ministry of Corporate Affairs vide its circular dated 8th February, 2011 has granted general exemption from attaching the Balance Sheet, Profit and Loss Account and other documents of the subsidiary companies with the Balance Sheet of the Company. A statement containing brief financial details of the Company's subsidiaries for the financial year ended 31st March, 2013 is included in the Annual Report. The annual accounts of these subsidiaries and the related detailed information will be made available to any member of the Company/its subsidiaries seeking such information at any point of time and are also available for inspection by any member of the Company/its subsidiaries at the registered office of the Company. The annual accounts of the said subsidiaries will also be available for inspection, as above, at the head offices/registered offices of the respective subsidiary companies. The Company shall furnish a copy of details of annual accounts of subsidiaries to any member on demand. Company has taken an approval of Board of Directors for availing the above said exemption in the Board Meeting dated 30th May, 2013.

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

The particulars as prescribed under section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, are set out in an Annexure to

this Report.

16. ACKNOWLEDGEMENTS:

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

17. APPRECIATION:

Board of Directors would like to place on record its deep appreciation for support and co-operation rendered by members of Prism Informatics Limited. Directors also thank the Government of India, State Government and Concerned Government Departments/Agencies for their co-operation. Directors would also like to thank all the shareholders, consultants, customers, vendors, bankers, service providers and governmental & statutory authorities for their continued support.

FOR PRISM INFORMATICS LIMITED**Alok Pathak***Managing Director***Saurabh Dani***Whole-Time Director***Place: Navi Mumbai****Date: 30th May, 2013**

DIRECTORS' REPORT

for the Period ended 31st March, 2013

Currency : Indian Rupee

Annexure "A" to Directors' Report

Particulars pursuant to Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988:

Conservation of Energy & Technology Absorption:

The Company being in information technology sector, information in Part A and B pertaining to conservation of energy and technology absorption are not applicable to the Company. However, the Company requires energy for its operations and every endeavor has been made to ensure the optimal use of energy, avoid wastage and conserve energy as far as possible.

Foreign Exchange Earnings & Outgo:

Particulars	As on 31st March, 2013	As on 31st March, 2012
Foreign Exchange Earnings	Rs. 109,290,152	Rs. 111,734,848
Foreign Exchange Outgo	Rs. 5,848,760	Rs. 56,840,624

Place: Navi Mumbai

Date: 30th May, 2013

Alok Pathak

Managing Director

Saurabh Dani

Whole-Time Director

DIRECTORS' REPORT

for the Period ended 31st March, 2013

Currency : Indian Rupee

Annexure "B" to Directors' Report

Statement pursuant to Section 212 (8) Of the Companies Act, 1956 relating to Subsidiary Companies:

Statement under Section 212 (8) of the Companies Act, 1956 relating to subsidiary companies as on 31st March, 2013

Sr. No.	Name of subsidiary Company	Reporting Currency	Exchange Rate as at 31 March, 2013	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investment other than investment in subsidiary	Sales & Service income	Profit before taxation	Provision for taxation	Profit / (loss) after tax	Proposed Dividend	Country
1	Prism Informatics Inc.	USD	54.39	30,458,008	(7,603,280)	92,285,317	69,430,589	-	-	(6,920,391)	(150,600)	(7,070,991)	Nil	USA
2	Prism Inforatics Pte. Limited	SGD	43.6750	37,652,293	(37,155,986)	2,925,453	2,429,146	-	4,156,667	(23,280,294)	-	(23,280,294)	Nil	Singapore
3	Prism Informatics Europe AG	CHF	57.27	143,181,500	(80,750,300)	110,099,930	47,668,730	-	293,583,479	11,242,097	(101,653)	11,140,443	Nil	Switzerland
4	TLC Technologies Inc.	USD	54.3893	16,907,514	(37,819,840)	26,145,534	47,057,860	-	98,743,699	(13,216,713)	(274,872)	(13,491,585)	Nil	USA
5	Prism Software Consultancy, JLT	AED	14.7770	738,850	2,239,980	9,811,686	6,832,857	-	26,076,081	3,673,378	-	3,673,378	Nil	Dubai, UAE

Place: Navi Mumbai

Date: 30th May, 2013

Alok Pathak

Managing Director

Saurabh Dani

Whole-Time Director

NOTICE

Currency : Indian Rupee

Notice is hereby given that 31st (Thirty First) Annual General Meeting (AGM) of the members of Prism Informatics Limited will be held at “Zinga”, Shop No. 176 to 179, Fantasia Business Park, Plot No. 47, Sector – 30A, Opp. Vashi Railway Station, Vashi, Navi-Mumbai 400-703. on Friday 27th September, 2013 at 11.00 AM (IST) to transact the following business.

Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2013, Profit and Loss Account for the year ended on 31st March, 2013 and the reports of Board of Directors and Auditors thereon.
2. To appoint a Director in place of Christ of Anderi who retires by rotation and is eligible for re-appointment.
3. To appoint Statutory Auditors and to fix their remuneration.

Special Business:

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

“**RESOLVED THAT** Dr. Ramesh Subramaniam, who was appointed as Additional Director of Company by the Board of Directors on 14th February, 2013 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 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 company, and will be liable to retire by rotation.”

5. To consider and if thought fit to pass with or without modification the following resolution as an **ORDINARY RESOLUTION:-**

“**RESOLVED THAT** Mr. V. Chandrashekar, who was appointed as Additional Director of Company by Board of Directors on 12th June, 2013 and who holds office under Section 260 of Companies Act, 1956, (the Act) until the date of this Annual General Meeting and in respect of whom Company has received a notice in writing from a member pursuant to provision of Section 257 of Companies Act, 1956 proposing his candidature for the office of director, be and is hereby appointed as a Director of company, liable to retire by rotation.

RESOLVED FURTHER THAT pursuant to the

provisions of Section 269 read with schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), approval of Company be and is hereby accorded to the appointment of Mr. V. Chandrashekar as Whole-Time Director of Company for a period of 2 years with effect from 12th June, 2013 on the terms and condition as set out in Explanatory Statement annexed to the notice.

RESOLVED FURTHER THAT where in any financial year closing on and after 31st March, 2013, Company incurs a loss or its profits are inadequate, Company shall pay to Mr. V. Chandrashekar, remuneration by way of salary and other allowances not exceeding limits specified under Para 2 of Section II, Part II of Schedule XIII to the Companies Act, 1956 (including any statutory modifications or re-enactment (s) thereof for the time being in force or such other limit as may be prescribed by the Government from time to time as minimum remuneration.

RESOLVED FURTHER THAT Board of Directors of Company be and are hereby authorized to vary, alter or modify the different components of remuneration as may be agreed by Board of Directors and Mr. V. Chandrashekar.”

6. To consider and if thought fit to pass with or without modification the following resolution as an **ORDINARY RESOLUTION:-**

“**RESOLVED THAT** pursuant to the provisions of Sections 198, 269, 309, 310 & 311 read with Schedule XIII and all other applicable provisions, if any, of Companies Act, 1956, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and subject to approval of members in their general meeting and such other approvals as may be necessary, Mr. Saurabh Dani be and is hereby appointed as Whole Time Director of Company for a period of 2 years with effect from 9th November, 2012 on such terms and condition as set out in Explanatory Statement annexed to the notice.

RESOLVED FURTHER THAT where in any financial year closing on and after 31st March, 2013, Company incurs a loss or its profits are inadequate, Company shall pay to Mr. Saurabh Dani the remuneration by way of salary and other allowances not exceeding limits specified under Para 2 of Section II, Part II of Schedule XIII to the Companies Act, 1956 (including any statutory modifications or re-enactment (s) thereof for the time being in force or such other limit as may be prescribed by the Government from time to time as minimum remuneration.

NOTICE

Currency : Indian Rupee

RESOLVED FURTHER THAT Board of Directors of Company be and are hereby authorized to vary, alter or modify the different components of remuneration from time to time as may be agreed by Board of Directors and Mr. Saurabh Dani.”

- 7 To consider allotment to and if thought fit to pass with or without modification the following resolution as a **SPECIAL RESOLUTION**.

“RESOLVED THAT pursuant to the provisions of Section 81(1A) and other applicable provisions, if any of the Companies Act, 1956 (the 'Act') (including any statutory modifications or re-enactment thereof, for the time being in force), the Memorandum and Articles of Association of Company, Listing Agreement entered into by Company with Bombay Stock Exchange where the shares of Company are listed, guidelines, regulations, circulars and clarifications issued by the Government of India (GOI), Reserve Bank of India (RBI), Securities and Exchange Board of India (SEBI) and any other statutory or regulatory authorities and subject to all necessary approvals, consents, permissions and/or sanctions as may be necessary and subject to any such conditions and modifications as may be prescribed or imposed by any one or more of them while granting any such approvals, consents, permissions or sanctions agreed to by the Board of Directors of the Company (the 'Board' which term shall be deemed to include any Committee which the Board may have constituted or hereafter constitute for the time being exercising the powers conferred on the Board by this resolution) and in accordance with the SEBI (Issue of Shares and Disclosure Requirements) Regulations, 2009 as amended from time to time (“SEBI ICDR Regulations”), the consent of Company be and is hereby accorded to Board of Directors to create, issue, offer and allot upto 7,00,000 (Seven Lakhs Only) **2% Non Cumulative Compulsorily Convertible Preference Shares ('NCCPs- Series 'V') of Rs. 100/- each at par**, to the allottees as decided by the Board of Directors. Following are the proposed allottees to whom said NCCP's Series V would be allotted.

List of Proposed Allottees

Sr. No.	Names of the Allottees	Categories	Residential Status	Number of 2% Non Cumulative Compulsorily Convertible Preference Shares ('NCCPs- Series V')	% of shares holding after preferential issue ('NCCPs- Series V')
01	Megh Leasing and Investments Limited	Company	Resident	6,22,129	88.87%
			Total	6,22,129	88.87%

RESOLVED FURTHER THAT the terms and conditions of the said allotment are as follows:

- i) the proposed date of completion of allotment of NCCP's-V shall be a date within 15 days from the date of passing of this resolution by the members of Company provided that if any approval or permission by any regulatory authority is pending, allotment of said NCCP's V will be completed within 15 days from the date of such approval;
- ii) the NCCP's Series V shall be Non-Cumulative Compulsorily Convertible Preference Shares and shall carry 2% dividend rate;
- iii) the conversion date of the NCCP's Series V into equity shares shall be a day prior to the completion of 18 months from the date of allotment;
- iv) the relevant date for determining the ratio of Conversion of NCCP's Series V into equity shares shall be 30 days prior to the date on which NCCP's Series V shall be due for conversion, which is in accordance with Regulation 71 (a) of SEBI (ICDR) Regulations, 2009;
- v) the conversion of said NCCP's Series V into equity shares will be done at such price as determined in accordance with regulation 76(1) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 at the time of conversion of NCCP's Series V;
- vi) the equity shares to be so allotted by the Board as per terms of this issue, shall be subject to the provisions of the Memorandum and Articles of Association of the Company and shall be pari passu in all respect including entitlement for dividend with the then existing equity shares of Company;

NOTICE

Currency : Indian Rupee

- vii) the NCCP's-V allotted on preferential basis, to any person belonging to the promoter / promoter group of the issuer shall be locked-in for a period of 3 years from the date of allotment and those allotted to person not belonging to Promoter/ Promoter Group shall be locked in for a period of 1 year from date of allotment;
- viii) the Board be and is hereby authorized to decide and approve the other terms and conditions of the Issue subject to agreement with the proposed allottees and is also entitled to vary, modify or alter any of the terms and conditions, as it may deem expedient, subject however to the compliance with the applicable guidelines, notification, rules and regulations;
- ix) the Board of Directors can on receipt of request from preference holder(s) or otherwise after obtaining consent from the preference holders and equity shareholder, change/prepone the date of conversion, subject to the provisions of SEBI (ICDR) Regulations, 2009;
- x) the Board be and is hereby authorized to accept any amendments, modifications, variations and alterations as the GOI/RBI/SEBI or any other regulatory authority may stipulate in that behalf;

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors be and is hereby authorized to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to the offer/issue and allotment of NCCPs- Series V or conversion/allotment into fresh equity shares as per terms of this issue, to effect any modification, to the foregoing in the best interest of the Company and its shareholders, as the Board of Directors may think fit, and further to do all such acts, deeds, matters and things and to finalise and execute all documents, papers, agreements, deeds and writings as may be necessary, desirable or expedient as it may deem fit.

RESOLVED FURTHER THAT Board of Directors be and is hereby authorized to accept such terms and conditions as SEBI and/ or Bombay Stock Exchange may stipulate in this behalf.

RESOLVED FURTHER THAT Board of Directors be and is hereby authorized to delegate all or any of the powers conferred on it by or under this Resolution to any Committee of the Directors of the Company or to any Director of the Company or to any other officer (s) or employee(s) of the Company as it may consider appropriate in order to give effect to this resolution”.

FOR PRISM INFORMATICS LIMITED

Place: Navi Mumbai

Date: 19th July, 2013

Alok Pathak

(Managing Director)

NOTICE

Currency : Indian Rupee

NOTES TO NOTICE

1. **A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of company. The instrument appointing the proxy should, however, be deposited at the Registered Office of Company not less than 48 hours before the commencement of the meeting. Members are requested to bring their attendance slip along with their copy of annual report to the Meeting.**
 2. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
 3. The relative Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of the business under Item no. 4, Item no. 5, Item No 6 and Item No. 7 is annexed hereto. The relevant details as required by Clause 49 of the Listing Agreement entered into with Bombay Stock Exchange, of persons seeking appointment/re-appointment as Directors under Item No. 2 of the Notice, is also annexed.
 4. The Register of Members and Share Transfer Books of Company will remain closed from **Friday, 20th September, 2013 to Friday, 27th September, 2013 (both days inclusive)** for determining the names of members eligible for dividend on Equity Shares, if declared by the Shareholders at this Annual General Meeting.
 5. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS), mandates, nominations, power of attorney, change of address, change of name and e-mail address, etc., to their Depository Participant only and not to Company's Registrars and Transfer Agents, Sharex Dynamic (India) Private Limited (Sharex) Unit-1, Luthra Industrial Premises, Andheri Kurla Road, Safed Pool, Andheri (East), Mumbai 400 072. Tel: 022-28515606/44-28516338, Fax: 022-28512885,
E-mail: sharexindia@vsnl.com
Website: www.sharexindia.com
 6. Company or its Registrars and Transfer Agents cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the members. Changes intimated to the Depository Participant will then be automatically reflected in Company's records which will help Company and Sharex to provide efficient and better services.
- Members holding shares in physical form are requested to intimate such changes to Sharex.
 7. Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease in portfolio management. Members can contact Company or Sharex, for assistance in this regard.
 8. Reserve Bank of India has initiated NECS for credit of dividend directly to the bank account of Members. Members are requested to register their Bank Account details (Core Banking Solutions enabled account number, 9 digit MICR and 11 digit IFS code), in respect of shares held in dematerialized form with their respective Depository Participants and in respect of shares held in physical form with Sharex.
 9. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to Company / Registrars and Transfer Agents, Sharex Dynamic (India) Private Limited.
 10. Members desiring any information as regards the Accounts are requested to write to Company at an early date so as to enable the Management to keep the information ready at the Meeting.
 11. The Ministry of Corporate Affairs (vide circular nos. 17/2011 and 18/2011 dated April 21 and April 29, 2011 respectively), has undertaken a 'Green Initiative in Corporate Governance' and allowed companies to share documents with its shareholders through an electronic mode. Members are requested to support this green initiative by registering/updating their e-mail addresses, in respect of shares held in dematerialized form with their respective Depository Participants and in respect of shares held in physical form with Sharex.

FOR PRISM INFORMATICS LIMITED

Place: Navi Mumbai

Alok Pathak

Date: 19th July, 2013

(Managing Director)

NOTICE

Currency : Indian Rupee

EXPLANATORY STATEMENT

As required by Section 173(2) of the Companies Act, 1956 ("Act"), the following explanatory statement sets out all material facts relating to the business mentioned under Item No.4, Item No.5, Item No.6 and Item No. 7 of the accompanying Notice dated July 19, 2013:

Item No 4:

Dr. Ramesh Subramaniam was appointed as an additional director by the Board of Directors at its meeting held on 14th February, 2013. 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 Company except Dr. Ramesh Subramaniam, 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

Mr. V. Chandrashekar was appointed as Whole-Time Director with effect from 12th June, 2013. The appointment as Whole Time Director is subject to the approval of the members. The terms of his appointment are as follows:

- Period of Appointment: Two years beginning from 12th day of June, 2013 and ending on 11th day of June, 2015.
- Details of remuneration:
 - a. Salary upto maximum of Rs. 4,00,000 per month, with authority to Board of Directors or a Committee thereof to fix the salary within the said maximum amount.
 - b. Mr. V. Chandrashekar is also entitled to receive performance linked incentives upto Rs. 5,00,000 per annum payable half yearly.
 - c. Benefits, perquisites as may be determined by Board of Directors or Committee thereof from time to time.

The resolution seeks the approval of shareholders in terms of section 269 read with Schedule XIII and other applicable provisions of the Companies Act, 1956 for the appointment of Mr. V. Chandrashekar as the Whole-Time Director of Company for a period of 2 years commencing from 12th June, 2013.

No director except Mr. V. Chandrashekar is interested or concerned in the appointment.

The terms of appointment of Mr. V. Chandrashekar as stated in this notice, may be treated as the abstract under Section 302 of the Companies Act, 1956. The copies of relevant resolutions of the Board with respect to the appointment are available for inspection of members during the working hours on any working day till the date of Annual General Meeting.

The Board accordingly recommends the resolution as set out in Item No. 5 for approval of Members.

Item No. 6

- Mr. Saurabh Dani was appointed as Whole-Time Director with effect from 9th November, 2012 at remuneration of Rs. 2,00,000 per month. Board of Directors in their meeting held on 19th July, 2013 increase from Rs. 2,00,000 to Rs. 3,00,000. The appointment as Whole Time Director is subject to the approval of the members. The terms of his appointment are as follows:

- Period of Appointment: Two years beginning from 9th day of November, 2012 and ending on 8th day of November, 2014.
- Details of revised remuneration:-
 - a. Salary upto Rs. 3,00,000 per month.
 - b. Benefits, perquisites as may be determined by Board of Directors or Committee thereof from time to time.

The resolution seeks the approval of shareholders in terms of section 269 read with Schedule XIII and other applicable provisions of the Companies Act, 1956 for the appointment of Mr. Saurabh Dani as the Whole time director of Company for a period of 2 years commencing from 9th November, 2012.

No director except Mr. Saurabh Dani is interested or concerned in the appointment.

The terms of appointment of Mr. Saurabh Dani as stated in this notice, may be treated as the abstract under Section 302 of the Companies Act, 1956. The copies of relevant resolutions of the Board with respect to the appointment are available for inspection of members during the working hours on any working day till the date of Annual General Meeting.

The Board accordingly recommends the resolution as set out in Item No. 6 for approval of Members.

NOTICE

Currency : Indian Rupee

Item No.7

In terms of the provisions of section 81(1A) of the Companies Act, 1956 read with Chapter VII of the SEBI (ICDR) Regulations, 2009 applicable for making of a preferential offer, a special resolution needs to be passed.

Accordingly, consent of shareholders is being sought for issuance of upto 7,00,000 **2% Non Cumulative Compulsorily Convertible Preference Shares (NCCPs-V) of Rs. 100/- each at par**, pursuant to the provisions of section 81(1A) of the Companies Act, 1956 and Chapter VII of the SEBI (ICDR) Regulations, 2009 as applicable to the Company, subject to the guidelines and clarifications issued by RBI, SEBI and in terms of provisions of Listing Agreements executed by Company with Bombay Stock Exchange, where the shares of the Company are presently listed.

The Company proposed to raise additional funds in order to meet working capital requirements and to repay existing loan by way of preferential issue of up to 7,00,000 2% Non Cumulative Compulsorily Convertible Preference Shares (NCCPs-V) of Rs. 100/- each, to the proposed allottees as per the details given hereunder, which shall be converted, on such terms and conditions and in such manner as the Board may think fit, into such number of equity shares of Re. 1 each at par / at premium as may be determined based on the price of equity shares on the stock exchange on the relevant date. The proposed date of allotment of NCCPs- Series V shall be a date within 15 days from the date of passing of this resolution by the members of Company provided that if any approval or permission by any regulatory authority is pending, allotment of said NCCPs V will be completed within 15 days from the date of such approval. The conversion date of the NCCPs-V into equity shares shall be a 30 days prior to the completion of 18 months from the date of allotment. The relevant date for determining the ratio of Conversion of NCCPs Series V into equity shares shall be 30 days prior to the date on which NCCPs Series V shall be due for conversion, which is in accordance with Regulation 76(1) of SEBI (ICDR) Regulations, 2009.

The Company has received subscription for the above issue.

The consent of the shareholders is being sought pursuant to the provisions of Section 81(1A) of the Companies Act, 1956 and other applicable provisions, if any. The Directors recommend the resolution as stated in the notice to be passed by the members of the Company as Special Resolution as mentioned in the notice.

Disclosures prescribed under Securities and Exchange Board of India (ICDR) Regulations, 2009 for Preferential Issues:

1. **Object of the issue through preferential offer:** The proceeds of the preferential issue are proposed to be

utilized, for working capital requirements of the Company and to repay existing loan.

2. **The intention of the promoters/ directors/ key management persons to subscribe to this offer:** None of the promoters/directors/key management persons intends to subscribe to this preferential issue.
3. **Pricing of the issue:** The pricing of equity shares arising out of conversion of Preference shares shall not be lower than the price determined in accordance with the Chapter VII of Securities and Exchange Board of India (ICDR) Regulations, 2009 as amended from time to time.

Pricing of equity shares arising on conversion of Preference shares as per Securities and Exchange Board of India (ICDR) Regulations, 2009 shall not be less than, higher of the following:-

- i. The average of the weekly high and low of the closing prices of the related equity shares quoted on the stock exchange during the twenty six weeks preceding the relevant date, as mentioned above.

OR

- ii. The average of the weekly high and low of the closing prices of the related equity shares quoted on a stock exchange during the two weeks preceding the relevant date, as mentioned above.

The relevant date for the purpose of pricing of equity shares to be allotted against the conversion of NCCPs V shall be a date thirty days prior to date on which NCCPs V holders will entitle to receive equity shares.

The price shall be determined on the basis of quotes available on Bombay Stock Exchange Ltd. website being the only stock exchange where the equity shares of the Company are listed.

NOTICE

Currency : Indian Rupee

4. Shareholding Pattern of the Company before and after the proposed issue of NCCPs- Series V:

Sr. No.	Category	Pre-preferential issue holding	%	*Post-preferential issue holding	%
A	Equity Share Capital				
	Promoters holding				
	Indian Promoters	35,68,820	17.32%	35,68,820	17.32%
	Foreign Promoters	3,00,000	1.46%	3,00,000	1.46%
	Persons acting in concert	Nil	0	Nil	0
	Sub total (A)	38,68,820	18.78%	38,68,820	18.78%
	Non – Promoters holding/Public shareholding				
	Institutions	10,860	0.052	10,860	0.052
	Non – Institutions	-	-	-	-
	Bodies Corporate	55,75,867	27.06	55,75,867	27.06
	Individuals	31,38,749	15.23	31,38,749	15.23
	Any other member/OCB/NRI	80,04,862	38.86	80,04,862	38.86
	Sub Total (B)	1,67,30,338	81.39%	1,67,30,338	81.39%
	Total (A+B)	2,05,99,158	100.00%	2,05,99,158	100.00%
B	2%Non-Cumulative Compulsorily Convertible Preference Shares (NCCP's Series IV)	2,15,643	100.00%	2,15,643	100.00%
C	11%Compulsorily Convertible Debentures(CCD's-Series III)	4,01,050	100.00%	4,01,050	100.00%
D	2%Non-Cumulative Compulsorily Convertible Preference Shares (NCCP's- Series V)*	Nil		6,22,129	88.87%

5) Proposed time within which allotment to be completed:

The proposed date of completion of allotment of NCCP's-V shall be a date within 15 days from the date of passing of this resolution by the members of Company provided that if any approval or permission by any regulatory authority is pending, allotment of said NCCP's V will be completed within 15 days from the date of such approval;

NOTICE

Currency : Indian Rupee

- 6) Identification of proposed allottees and the percentage of post preferential issue holding that may be held by them and change in control, if any in the issuer consequent to the preferential issue:

Sr. No.	Names of the Allottees	Categories	Residential Status	Number of 2% Non Cumulative Compulsorily Convertible Preference Shares ('NCCPs- Series v')	% of shares holding after preferential issue ('NCCPs- Series v')
01	Megh Leasing and Investments Limited	Company	Resident	6,22,129	88.87%
			Total	6,22,129	88.87%

7) **The Company hereby undertakes that:**

- it would re-compute the price of the Securities specified above in terms of the provisions of the SEBI ICDR Regulations 2009 where it is required to do so.
- if the amount payable on account of re-computation of price is not paid within the time stipulated in the SEBI ICDR Regulations 2009, the above specified securities shall continue to be locked in till the time such amount is paid by allottees.

- 8) **Auditors' Certificate:** The proposed date of completion of allotment of NCCP's-V shall be a date within 15 days from the date of passing of this resolution by the members of Company provided that if any approval or permission by any regulatory authority is pending, allotment of said NCCP's V will be completed within 15 days from the date of such approval. The relevant date

for determining the ratio of Conversion of NCCP's Series V into equity shares shall be 30 days prior to the date on which NCCP's Series V shall be due for conversion, which is in accordance with Regulation 76 (1) of SEBI (ICDR) Regulations, 2009. Since the price at which equity shares would be issued pursuant to the conversion will be determined on the date of conversion i.e. a day prior to the 18 months from the date of allotment, the Auditors' Certificate required under Clause 73(2) of the SEBI ICDR Regulations 2009 will be then made available for inspection at the Registered office of the Company during office hours on any working day.

The Directors are of the opinion that the aforesaid resolution is in the best interest of the Company and hence recommend the same for your approval by way of Special resolution. None of the directors are interested or concerned in the said resolution.

FOR PRISM INFORMATICS LIMITED

Place: Navi Mumbai

Date: 19th July, 2013

Alok Pathak
Managing Director

NOTICE

Currency : Indian Rupee

Details of Directors Seeking Appointment/Re-appointment at the Annual General Meeting as per Clause 49 (G) of the Listing Agreement:

Sr. No.	Name of the Director	Date of last appointment on the Board	Qualifications & expertise in specific functional areas	Names of other Companies in which the person also holds directorship and membership of Committees of the Board (refer note)	Number of shares held as on 19th July, 2013	Relationship with other Directors
01.	Mr. Saurabh Dani	14th November, 2011	B.COM, LLB, MBA (USA), cVa™, ISO 27001 LA, PMP, ITIL Foundation	1) Dani Shares and Stocks Pvt. Ltd. 2) Dani Financials Product Pvt. Ltd. 3) Secure Matrix India Pvt. Ltd. 4) Secure Matrix Global Ltd. 5) Secure Matrix Solutions Private Ltd. 6) Dani Commodities Private Limited. 7) Dani Properties Private Limited. 8) Idhasoft Limited	2,338,298 shares	None
02.	Dr. Ramesh Subramaniam	14th February, 2013	PHD,MBA (Mumbai University) 30 Years of IT Industry background . Served in reputed organizations like CMS, Systime, Progressive Business and Sr level IT advisor for several Multinational Co's in India and abroad. One of the promoters, MD - Idhasoft Ltd.	1) Vedic Financials Advisory's Services Private Limited. 2) Omisha Softech Solutions Limited. 3) Idhasoft Limited. 4)Secure Matrix India Private Limited	7,095 Shares	None
03.	Mr. V. Chandrashekar	12th June, 2013	Associate Member of Institute of Company Secretaries of India (ICSI), LLB Graduate and Also holds a degree in Science and Business Management.	1) Vedic Financials Advisory's Services Private Limited 2) Prism Medico and Pharmacy Limited.	4,996 Shares	None

FOR PRISM INFORMATICS LIMITED

Place: Navi Mumbai

Date: 19th July, 2013

Alok Pathak
Managing Director

MANAGEMENT DISCUSSION & ANALYSIS REPORT

Currency : Indian Rupee

**Economy and IT Industry Overview**

Competition is at its peak and getting more aggressive with uncertain global economy leading to a slower recovery in current year. Several countries are experiencing rapid contraction in their Global Domestic Product, rising unemployment levels and an overall slowdown in the pace of investment activity. The global economy is expected to continue mending gradually, the latest forecast from IMF says the economic growth projects 3.3 percent growth in 2013, and 4 percent in 2014, led by a strong US economy, an easing Europe and a steadying China. Overall, macroeconomic factors indicate a gradual recovery and a cautious positive outlook for 2013.

Across markets, technology and innovation are being seen as growth drivers. Investment in these areas has emerged as a differentiator in the market place. Technology has evolved from supporting corporations to transforming their business. Today, the IT sector of any country is one of the vital contributors to the overall growth and the economy of the country. IT and ITes sectors lead the economic growth in terms of employment, export, promotion, revenue generation and standard of living. The performance of the IT industry for the past few months has established the sector's ability to deliver in providing the growth of customer business in disputing times.

NASSCOM Strategic Review Report 2013 estimates worldwide technology spending to exceed \$1.9 trillion in 2012, a growth of 4.8% over 2011. The shift towards global sourcing continues, which grew at 9% growth in 2012 over 2011. We are seeing a continuing trend of global businesses turning to offshore technology service providers to meet their need for variabilization of their cost structures, enhanced cost competitiveness and to increase their efficiency through differentiated solutions.

NASSCOM projects the Indian IT industry to clock \$225 billion (Rs 12.5 Lakh Crores) by 2020. According to the industry body, over the next decade, close to 80% of India's IT sector growth is expected to come from the presently untapped sectors and regions. The adoption of technologies such as social media, mobility analysis and cloud computing are expected to increase global technology spending and opportunities to spur growth in 2013-14.

Factors leading to growth in the IT/ITes sector are:

- Low operating costs and tax advantage.
- Favorable government policies.
- Technically qualified personnel easily available in the country.
- Rapid adoption of IT technologies in major sectors as Telecom, Manufacturing and BFSI.
- Strong growth in export demand from new verticals and non-traditional sectors as public sector, media and utilities.
- Use of new and emerging technologies such as mobility analysis and cloud computing.

All these factors have given IT/ITES industry a strong competitive position with high market share.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

Currency : Indian Rupee

Business Overview & Capabilities

Prism Informatics Ltd. (BSE: 505530) is a BSE listed company in the field of software development and IT business consulting headquartered in India. The company has grown by a combination of Organic and Inorganic growth. Today the brand is well recognized across Europe, Asia-pac, Middle-East, Africa and South East Asia.

Prism has consistently proved its mettle in the consulting industry, and has grown organically and focuses on strategic investments to accelerate market presence and leadership position in chosen verticals including Retail, Manufacturing, Media & Entertainment, Engineering & Construction, Pharmaceuticals, Life Sciences and Education.

Prism intricately understands the varying needs of its customer's expectations and develops well- packaged solutions to fulfill their requirements. On time, cost-effective solutions have led Prism to consistently serve its clients across the globe. Prism provides a complete holistic range of solutions by leveraging deep domain expertise and close-knit associations with leading technology companies.

Prism designs and delivers technology solutions and services that span across various industries, built up with matured, proven and integrated framework for managing technology infrastructure, providing IT and Technology Implementation, IT security consulting and IT forensics & Risk management services. Our expertise on Enterprise Solutions spans across Oracle, SAP, EPM and Cognos Controller. Prism has won several awards from SAP, IBM for its quality commitment and delivery leadership. The company now has launched several new products in the Cloud computing and Mobility space. Prism is one of the leading partners across the world where SAP has recognized the market leader in the Mobility Rapid Deployment solution space.

Prism leverages technology across every aspect of the enterprise. Prism's experience in various technologies and domains enables Prism to suggest and choose the best technology and solution based on client's requirements and application type. Prism's consistent investments across R&D and innovation meet Prism's inherent need to scale greater heights.

Prism Success factor has been to enter into niche areas like:

- Business Planning and Consolidation.
- Predictive Analytics.
- KPI and Balance score card
- Risk Modeling
- Governance, Risk & Compliances

Prism's growth is powered by consultative approach, deep understanding of business and technology, passion for innovation and above all, values. Consistent performance has been the hallmark of Prism's success. The focus on innovation ensures that Prism is constantly reaching the frontiers to cater diverse business requirement of the global market.

Key Differentiator

Today, India is transforming into world IT hub and all major players in the field are working constantly towards promoting and expanding their market. In this scenario Enterprise Resource Planning (ERP) is playing a major role in growth of small and medium size industries in India apart from contributing largely into the big business enterprises.

It is our approach that differentiates us from the rest, Prism has won several awards from SAP, IBM for its quality commitment and delivery leadership. As a business consulting Organization we have expertise and business acumen in dealing with the most remote pain areas of a business. We have huge experience across major verticals such as Manufacturing, Retail, Engineering & Construction, Life Sciences, Consumer Goods, etc. We have been successful in leveraging this to our Pre-Sales practice. We practice rigorous implementation methodologies that make us a natural choice for organizations seeking results and value from their investment. Our certified and highly experienced consultants guide our customers through the process, quickly and effectively getting their organization up and running to derive the ROI.

Opportunities and Risks

The economic slowdown in the US and Europe has eased, but uncertainty remains. The US economy has started showing signs of stability, but will certainly take time to steady the ship. Geographic diversification to the emerging markets is the key and working to a greater extent for Prism. Prism is expanding its reach to Asia-pac, Middle-East, Africa and South East Asian market. It is strongly believed that the Middle Eastern and Asia-Pacific markets are expected to further open up, and there is a huge scope for a geographic expansion across these markets. Competition is already showing-up its presence in these markets, competitors offering similar solutions leading to dilution of the Company's current competitive positioning in the market place, to avoid this Prism is on track to become an integrated full services partner to clients, launch of several new products in the Cloud computing and Mobility space, enter into niche areas including, Predictive Analytics, Risk Modeling, Business Planning and Consolidation etc. Our company definitely has a positive outlook for the years to come and our stakeholders can certainly look forward to moving from strength to strength.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

Currency : Indian Rupee

Marketing Strategies

Competition is springing up around the globe and thus marketing and sales are on the role. At Prism, We have put in place robust systems, processes and internal controls to ensure our marketing strategies are on the right track. Our operating standards and marketing programs are well-localized and suit the precise domestic standards of the country. Our differentiated approach to enter developed and emerging countries, capitalizing on digital channels, Client centric approach, Brand awareness, strategic investments in form of M & A are some of the strategies we are rolling on to accelerate market presence and leadership position.

Internal control systems and their adequacy

The Company has adequate systems of internal control covering all financial and operating functions commensurating with its size and business. These have assured that its assets and interests are carefully protected. The systems and processes have been designed in such a way to provide reasonable assurance with regard to recording and providing reliable financial and operational information. The said systems and processes are reviewed on regular basis for its effectiveness.

A strong Internal programme under the leadership of its dedicated Internal Audit team that ensures adequate processes, systems and internal controls are implemented strictly and audit is conducted on at regular basis. An Audit Committee, which is a sub - committee of your Board of Directors, reviews adherence to internal control systems ,internal audit report and also have track on implementation of suggestions given by the committee. The Audit Committee reviews all quarterly and yearly financial results of the company and conveys to the Board its recommendations for consideration of such results.



MANAGEMENT DISCUSSION & ANALYSIS REPORT

Currency : Indian Rupee

Segmental information (Standalone)**Business segments (For year ended 31st March, 2013)**

Particulars	Software Consultancy Services	Software License Sale	Total
Total Income	173,647,543	48,009,398	221,656,941
Accounts Receivables	139,684,549	-	139,684,549
Unbilled Revenue	5,958,968	-	5,958,968

Segmental information (Consolidated)

For year ended 31st March, 2013

Particulars	India	Rest of world	Total
Total Income	112,366,789	506,416,893	618,783,682
Accounts Receivables	22,116,046	91,858,271	113,974,317
Unbilled Revenue	2,660,277	6,308,796	8,969,073

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

The Human Resource initiatives of the company in the year continued to be aligned with the overall business strategy and individual career aspirations of staff members. Your company continued to invest in developing the human capital, building strong relationships with academia and establishing its brand in the market to attract and retain the best talent. The strategic initiatives include developing competencies; identifying and nurturing a strong pipeline of leaders, continually engaging talent and helping employees in their career aspirations. Company has 184 employees as on March 31, 2013. The company continues to invest in recruiting highly qualified and skilled employees in the organization.

The human resource strategy enabled the company to attract, integrate, develop and retain the best talent required for driving business growth. The sustained strategic focus to enhance employee capability, improve efficiency and groom future leaders has helped the company to maintain its benchmark status in the IT Industry. Our Mature HR processes enable us to agile and responsive to the dynamic global environment and stay relevant to the customers. Robust HR system and sound execution of strategy ensure that the company is able to manage the complexities associated with the scale and geographic spread, while remaining compliant with the regulatory requirements in the countries it operate. Companies have created a performance based environment where innovations are welcomed by the top management, their performance is valued and recognized, further employees are motivated to realize their potential.

Cautionary Statements:

Company in this Management Discussions and Analysis have stated certain statements relating to company's objectives, estimates, projections, Outlook, expectations and others, may constitute future prospects of the company with reference to relating Laws and Regulations viz. Companies Act, 1956, Securities Laws and other such applicable rules and regulations. With respect to certain uncontrollable measures such as climatic conditions in the industry, market price in domestic and overseas markets, any changes in government regulations and tax laws, Global economic conditions affecting demand/supply and other environmental measures on which company cannot have any control on such uncertain conditions affecting companies objectives and profitability.

REPORT ON CORPORATE GOVERNANCE

Currency : Indian Rupee

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

1) Company's philosophy on Code of Governance:

Corporate Governance is a set of principles, processes and systems to be followed by the Directors, management and all employees of the Company for enhancement of shareholder value, keeping in view interest of other stake holders. Integrity, transparency and compliance with regulations in all dealings with government, customers, suppliers, employees and other stakeholders are the objectives of good corporate governance. Corporate Governance refers to a set of laws, regulations, and good practices that enable an organization to perform efficiently and ethically generate long term wealth and create value for all its stakeholders. 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. Company will continue to focus its resources, strengths, and strategies to achieve its vision of becoming a truly global leader in software services, while upholding the core values of excellence, integrity, responsibility, unity and understanding which are fundamental to Company. Key aspects of Company's Governance processes are:

Clear Statements of Board processes and the Board's relationship with Executive Management.

Establish a framework of prudent and effective control which enable risks to be assessed and managed.

Set the Company's values and standards and ensure that obligations to shareholders and other are understood and met.

2) Board of Directors:

The Current policy is to have an appropriate mix of independent and executive director to maintain the independence of Board and to separate the functions of governance and management

As on 31st March, 2013 the Board of Directors of Company comprises of 6 (Six) Directors. Of the 6 (Six) Directors, 4 (Four) are Non- Executive Directors, 2 (Two) are Independent Directors. The composition of the Board is in conformity with Clause 49 of the Listing Agreement entered into with Bombay Stock Exchange (BSE). The Chairman of the **Board is an independent director and hence 1/3 rd of the members of Board** as per the said clause must consist of non executive directors. Following is the composition of Board of Directors of the Company

Dr. Nirmal Jain- Chairman and Independent Director.

Mr. Alok Pathak- Managing Director.

Mr. Saurabh Dani- Whole-Time Director.

Dr. Ajay Sharma- Independent Director.

Mr. Christof Anderi- Non Executive Director.

Dr. Ramesh Subramaniam- Non Executive Director

Changes during the Financial year in the composition of Board of Directors of the Company:

Mr. Saurabh Dani was appointed as Non Executive Director with effect from 14 November, 2011. However Board appointed Mr. Saurabh Dani, subject to approval of shareholders of Company, as Whole-Time Director with effect from 9th November, 2012 at the monthly remuneration of Rs. 2, 00,000 per month. Approval of Members on said resolution will be considered at the ensuing Annual General Meeting of the Company.

Board appointed Dr. Ramesh Subramaniam, Promoter of the Company as an additional director of the Company with effect from 14th February, 2013 and was designated as "Non Executive Director" of the Company. As per the provision of Section 260 of the Companies Act, 1956 additional director shall hold office from date of appointment to date of ensuing Annual General Meeting of the Company. Accordingly Company shall consider the re appointment of Dr. Ramesh Subramaniam as "Non Executive Director" of the Company at the ensuing Annual General Meeting of the Company

REPORT ON CORPORATE GOVERNANCE

Currency : Indian Rupee

A. Board Composition and Category:

The Composition of the Board and category of Directors are as follows:

Category	Name of the Directors
Chairman & Independent Director	Dr. Nirmal Jain
Independent Director	Dr. Ajay Sharma
Managing Director	Mr. Alok Pathak
Whole-Time Director	Mr. Saurabh Dani
Non-Executive Director	Mr. Christof Anderi
Non- Executive Director	Dr. Ramesh Subramaniam

The Composition of the Board of Directors meets the requirements of Clause 49(I) (A) of the Listing Agreement.

None of the Directors on the Board is a member of more than ten Committees and Chairman of more than five Committees (as specified in Clause 49) across all Companies in which they are Directors.

B. Board Meetings, Board Committee Meetings and Procedures

The Board of Director of the company meets at regular intervals with an annual calendar and formal schedule of matters specifically reserved for its consideration to ensure that the matters in relation to Strategy, Operations, Finance and Compliances are reviewed and monitored regularly. The calendar of meetings is communicated to the Directors to enable maximum participation. The Directors of Company, through their participation in Board Meetings either in person or through technology enabled conferences, provide inputs to management from their relevant fields of knowledge and expertise, viz. Information Technology, Business Process Outsourcing, Finance and Accounting Marketing. The brief procedure followed for conducting Board Meeting is as below:

a. Company Secretary after consultation with Managing Director of the Company freezes the Items for Board Meetings**b. Recording Minutes of proceedings at Board and Committee meetings****c. Post Meeting Follow-up Mechanism****C. Board Meetings held during the year, attendance of Directors and particulars of the Directorships, committee memberships/chairmanship and last AGM:**

During the year ended 31st March, 2013 (nine) 9 board meetings were convened and the gap between two meetings did not exceed four month. The dates on which the said meeting were held as follows.

30th April 2012, 30th May 2012, 13th June 2012, 13th August 2012, 17th August 2012, 24th August 2012, 22nd October 2012, 09th November 2012, 14th February 2013.

The necessary quorum was present for all the meeting conveyed during the year ended 31st March, 2013.

REPORT ON CORPORATE GOVERNANCE

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The details of the attendance at the meetings of the Board and at the last AGM together with the particulars of the other Directorships, committee membership/ chairmanship, of the Directors are given below:

Name of Directors	Attendance of Directors in meetings held during 2012-2013 (out of 10 meetings)		No of other directorship (excluding Prism)	No. of Membership(s) / Chairmanship(s) of Board Committees in Other Companies (excluding Prism)
	Board Meeting	Last AGM		
Mr. Alok Pathak	8	Yes	15	Nil
Dr. Nirmal Jain	8	Yes	2	Nil
Dr. Ramesh Subramaniam (appointed w.e.f. 14th Feb;2013)	-	-	4	Nil
Dr. Ajay Sharma	7	No	Nil	Nil
Mr. Christof Anderi	6	Yes	Nil	Nil
Mr. Saurabh Dani	8	Yes	6	Nil

Notes:

- The Directorships held by Directors as mentioned above, do not include Alternate Directorships and Directorships in Foreign Companies, Companies registered under Section 25 of the Companies Act, 1956.
 - Membership / Chairmanship of the Audit Committees and Shareholders' / Investors' Grievance Committee in all Public Limited Companies have been considered.
- D. Most of the Decisions of the Company is taken in the Board Meeting. However due to business exigencies, availability of independent directors or urgency of matters, following resolutions were passed by circulation in accordance with the provisions of Section 292 of the Companies Act, 1956:**

Date of Resolution	Resolution Passed	No. of directors approving the same
06th August, 2012	1) To Consider the Allotment 2,00,356 Equity Shares of Re. 1/- each at an issue price of Rs. 46/- each arising on conversion of 2% 92,164 Non-Cumulative Compulsorily Convertible Preference Shares of Rs. 100/- each (NCCP's Series II). The said conversion price of Rs. 46 is determined as per SEBI (ICDR) Regulations, 2009.	All Directors
22nd January,2013	1) To Consider the proposal for Preferential Allotment up to 37,00,000 Equity Shares of Rs.35/- each.	All Directors
12th March,2013	1) To Consider the Allotment 34,87,914 Equity Shares of Re. 1/- each at an issue price of Rs. 35/- each.	All Directors

REPORT ON CORPORATE GOVERNANCE

Currency : Indian Rupee

2) Committees:

A. Audit Committee:

The Audit Committee of the Company is constituted in line with the provisions of clause 49 of listing agreement entered into with Bombay Stock Exchange (BSE).

Composition: 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, Dr. Ajay Sharma is Independent Non- executive Director, and Mr. Alok Pathak is Managing Director.

Objective, Role and terms of reference to Audit Committee: The terms of reference of the Audit Committee of the Company include the powers as referred to in sub-paragraph (C) of paragraph II of Clause 49 of the Listing Agreement and the role as stipulated in sub-paragraph (D) of paragraph II of Clause 49 of the Listing Agreement of the Company with the Stock Exchange(s). The Chairman of the Audit Committee was present at the Last Annual General Meeting of the Company to answer the shareholders queries.

Meetings: During the financial year 2012-2013, four meetings of audit committee were held. The dates on which the said meetings were held are as follows: 30th May, 2012, 13th August, 2012, 09th November, 2012, 14th February, 2013.

The composition of the committee and the attendance of the members at each of the meetings held during the financial year 2012-2013 are given below:

Name of the Committee Member	No. of meetings held	No. of meeting attended
Dr. Nirmal Jain	4	4
Dr. Ajay Sharma	4	4
Mr. Alok Pathak	4	4

Executives of Accounts and Finance Department, Company Secretary and representatives of the Statutory and Internal Auditors attend the audit committee Meetings.

B) 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. Further, no remuneration is

paid to any Directors of the Company except Mr. Saurabh Dani who is paid a remuneration of Rs. 2, 00, 000 per month as per the provisions of Companies Act, 1956. Mr. Saurabh Dani was appointed as “Non Executive Director” with effect from 14th November, 2011 and was designated as “Whole-Time Director” with effect from 9th November, 2012. His appointment shall be considered by the Members of the Company at the ensuing Annual General Meeting of the Company. Mr. Saurabh Dani held following securities as on date of his change in designation:

- 23,38,298 Equity Shares of Re. 1/- each of the Company
- 2,00,000 Compulsorily Convertible Debentures (CCD's Series III) of the Company.

The other details as required under the clause 49 of Listing Agreement are as below:

Name of Directors	Remuneration if any (in Rs.)	No. of securities of Company held
Dr. Nirmal Jain (Independent Director)	-	-
Dr. Ajay Sharma (Independent Director)	-	-
Dr. Ramesh Subramaniam (Non Executive Director)	-	7095
Mr. Christof Anderi	-	3,00,000

C) Investors'/ Shareholders Grievance Committee:

Composition: Investors/Shareholders Grievance committee comprises of 3 Directors, Dr. Ajay Sharma is Independent Non-Executive Director and Chairman, Dr. Nirmal Jain is Independent Non Executive Director and Mr. Alok Pathak, Executive & Managing Director.

Terms of Reference: The committee looks into redressal of shareholders'/ investors' complaints related to transfer of shares, non-receipt of Balance Sheet, non- receipt of declared dividend, etc. The Board has delegated the power of approving transfer of securities to the Managing Director and / or the Company Secretary.

Mr. Tulsi Daryanani, Company Secretary and Compliance Officer has been authorized for complying with the requirements of SEBI Regulations and the Listing Agreements with the Stock Exchanges in India

REPORT ON CORPORATE GOVERNANCE

Currency : Indian Rupee

for the year ended 31 March 2013. However subsequent to resignation of Mr. Tulsi Daryanani with effect from 17th May, 2013, **Mr. Venkatraman Chandrashekar** was appointed as Company Secretary and Compliance officer of the Company with effect from 20th May, 2013 and has now been authorized to comply with requirements of above said authorities and various regulations.

No complaints were received by the Company / Registrar and Transfer Agent of the Company for financial year 2012-13 and hence no meeting of Investors'/ Shareholders Grievance Committee was held.

Description	
Complaints outstanding as on April 1, 2012	Nil
Complaints received during the year ended March 31, 2013	Nil
Complaints resolved during the year ended March 31, 2013	Nil

3) General Body meetings:

A) Annual General meeting:

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

Year	Day, Date and Time	Venue
2009-10	30th September 2010 on Wednesday at 3 pm.	Four Points Hotel, Near Vashi Railway Station, Vashi, Navi-Mumbai 400 705.
2010-11	12th August 2011 on Friday at 11 am.	Four Points Hotel, Near Vashi Railway Station, Vashi, Navi-Mumbai 400 705.
2011-12	17th August 2012 on Friday at 11 am	Four Points Hotel, Near Vashi Railway Station, Vashi, Navi-Mumbai 400 705.

b) Special resolutions passed during previous three AGMs:

Year	Special Resolutions passed
2009-10	No Special resolution was passed
2010-11	No Special resolution was passed
2011-12	Appointment of Mr. Bhuman Dani son of Saurabh Dani as "Operational Manager"

c) Special Resolutions passed through Postal Ballot in year 2012-2013:

- Whether any special resolution passed last year through postal Ballot- Yes.
- Company passed the resolution by the postal ballot on 03rd October, 2012.

Following Resolutions were passed:

Sr. No	Nature Of Resolution
Resolution 1	Issuance or Allotment of 50,000 12% Compulsorily Convertible Debenture (CCD's Series V) of Rs. 100/- each at par, preferential basis as per provisions of section 81(1A) companies Act, 1956 and SEBI (ICDR) Regulations 2009.
Resolution 2	Alteration in the terms and conditions of 8% Non Cumulative Compulsorily Convertible Preference shares (NCCP's series III) in the following manner:- <ol style="list-style-type: none"> 1. Advancement of Conversion date from 15th July 2013 to 3rd October, 2012 and pre-ponement of corresponding relevant date from 15th June 2013 to 3rd September 2012 2. Change in price of NCCP's series III into equity shares; which was fixed as per price computed as per SEBI (ICDR) Regulations, 2009 as on relevant date, and afterwards it has been changed to the price computed as per SEBI (ICDR) Regulations, 2009 as on relevant date or Rs. 32/- whichever is higher.
Resolution 3	Issuance or Allotment of 13,18,749 Equity shares of Re. 1/- each at price of Rs. 32/- per Equity shares on preferential basis as per provisions of section 81(1A) companies Act, 1956 and SEBI (ICDR) Regulations 2009.

The result of the postal ballot was announced by the Chairman of the company on 03rd October, 2012

REPORT ON CORPORATE GOVERNANCE

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Sr. No	No. of valid postal ballot form received	Votes in favour of the resolution	% of votes in favour of resolution	Votes against the resolution	% of votes Against the resolution
Resolution 1	17	17	100	0	0
Resolution 2	17	17	100	0	0
Resolution 3	17	17	100	0	0

- Person who conducted the postal ballot exercise- **Mr. Prashant Sharma Company Secretary in Whole time Practice** had been appointed as scrutinizer for the postal ballots, who submitted their report to Board of Directors of the Company.
- **Procedure adopted by the Company during Postal Ballot:**
 - 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.
 - 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.
 - The Postal Ballots along with the Notice & explanatory statement along with a self addressed envelope was posted to all the shareholders of the Company by Registered post. The entire postal ballot process was carried out pursuant to Section 192A of the Companies (Passing of resolution by Postal Ballot) Rules, 2001.
 - An advertisement consisting of notice of postal ballot and information that said postal ballot papers have been dispatched is published in one Hindi and one Marathi daily newspaper. The duly completed postal ballot papers are received by the Scrutinizer.
 - Scrutinizer gives his report to the Chairman.
 - The Chairman announces the result of the postal ballot.
 - Results are intimated to the stock exchange.

4. 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 Company at large.
- b) Details of non-compliance by 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 management, 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.
- c) **Whistle Blower Policy:** The Company promotes ethical behaviour in all its business activities and has put in place a mechanism of reporting illegal or unethical behaviour. Company has a whistle blower policy wherein the employees are free to report violations of laws, rules, regulations or unethical conduct to their immediate supervisor or such other person as may be notified by the management to the workgroups. Such reports received are reviewed by Corporate Governance and Stakeholders Interface Committee. The confidentiality of those reporting violations is maintained and they are not subjected to any discriminatory practice.
- d) The Company has fulfilled the following non-mandatory requirements as prescribed in Annexure I D to the Clause 49 of the Listing Agreements with the Stock Exchanges:-
 - I) A communication on the financial performance of Company including a summary of the significant events was sent to every member.
 - II) Company has adopted a Whistle blower policy and has established the necessary mechanism for employees to report concerns about unethical behavior. No employee has been denied access to the audit committee.

REPORT ON CORPORATE GOVERNANCE

Currency : Indian Rupee

6. Means of Communication:

- i) Quarterly Results:** Quarterly Results are published in 'Free Press Journal' and / 'Navshakti' and are displayed on the Company's website www.prisminformatics.net.
- ii) News Releases, Presentations, etc:** Official news releases, detailed presentations made to media, analysts, institutional investors, etc. are displayed on the Company's website www.prisminformatics.net.
- iii) Website:** The Company's website www.prisminfo.com contains a separate dedicated section 'Investors' where shareholders information is available. The Annual Report of the Company is also available on the website in a user-friendly and downloadable form. The Company has made no presentation to any Institutional Investors/Analysts during the year.
- iv) Annual Report:** Annual Report containing, inter alia, Audited Annual Accounts, Consolidated Financial Statements, Directors' Report, Auditors' Report and other important information is circulated to members and others entitled thereto. The Management Discussion and Analysis (MD&A) Report forms part of the Annual Report and is displayed on the Company's website www.prisminformatics.net.

7. General Shareholders Information:**i) Company Registration Details:**

Company is registered **under the jurisdiction of Mumbai – ROC** in the State of Maharashtra, India. Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is **L67120MH1983PLC029483**

ii) Date, time and venue of the Annual General Meeting:

Date: **27th September, 2013**

Time: 11:00 A.M.

Place: Zinga, Shop No. 176 to 179 Fantasia Business Park, Plot No. 47, Sector – 30A, Opp. Vashi Railway Station, Vashi, Navi-Mumbai 400 703

iii) Financial Year: April 1, 2012 to March 31, 2013**iv) Results for the quarter ending :**

June 30, 2012 - 13th August, 2012

September 30, 2012 - 09th November, 2012

December 31, 2012 - 14th February, 2013

March 31, 2013 - 30th May, 2013 (Audited)

Annual General Meeting- **27th September, 2013**

v) Date of Book Closure:

The share transfer book of the Company will be closed from **20th September, 2013 to 27th September, 2013 (Both Days Inclusive)**.

vi) 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: **INE389J01028**

vii) Dematerialization of Equity Shares:

The Equity Shares of the company are admitted in the following depositories of the Country under the International Securities Identification Number (ISIN) INE389J01028.

This number is required to be quoted in each transaction relating to dematerialized Equity shares of the Company.

Name of Depository	Address
National Securities Depository Limited	Trade World, A Wing, 4th & 5th Floors, Kamala Mills Compound, Senapathi Bapat Marg Lower Parel, Mumbai - 400 013
Central Depository Services (India) Limited	Phiroze Jeejeebhoy Towers, 16th Floor, Dalal Street, Mumbai - 400 001

Company has paid the custodial charges to the respective depository participant for the year ending 31 March 2013.

REPORT ON CORPORATE GOVERNANCE

Currency : Indian Rupee

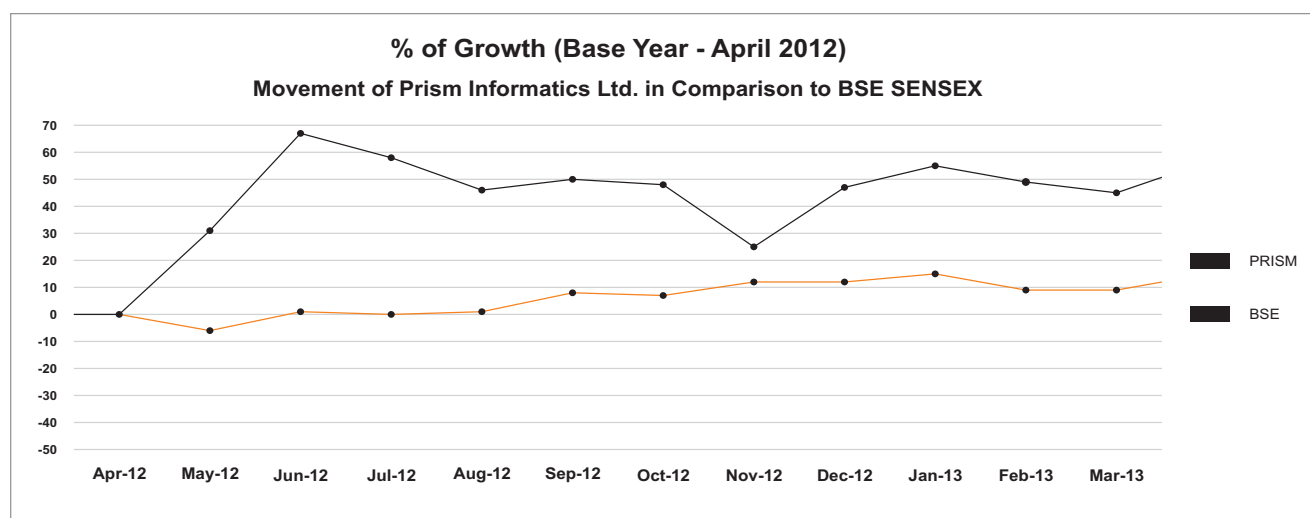
viii) Market Price Data:**Archives - Stock Prices****Company : PRISM INFORMATICS LTD. (505530)****Period (Apr 2012 to March 2013)**

Month	Open Price	High Price	Low Price	Close Price	No. of Shares	No. of Trades	Total Turnover (Rs.)	* Spread (Rs.)	
								H-L	C-O
Apr 12	32.70	34.40	19.05	20.60	12,35,789	1,394	3,08,82,061	15.35	-12.10
May 12	20.15	31.10	16.15	26.95	27,21,306	970	4,84,62,439	14.95	6.80
Jun 12	26.00	36.70	25.45	34.50	1,02,429	469	31,94,198	11.25	8.50
Jul 12	34.75	35.00	29.50	32.45	27,457	69	9,20,445	5.50	-2.30
Aug 12	32.95	33.50	26.05	30.10	7,158	95	2,08,006	7.45	-2.85
Sep 12	29.35	31.95	27.60	30.95	22,867	115	6,83,612	4.35	1.60
Oct 12	29.45	33.80	26.10	30.55	6,379	90	1,87,261	7.70	1.10
Nov 12	30.50	32.00	25.65	25.65	3,561	51	1,01,693	6.35	-4.85
Dec 12	24.40	30.25	22.60	30.25	14,409	80	3,86,823	7.65	5.85
Jan 13	31.70	33.40	31.50	32.00	15,978	16	5,18,674	1.90	0.30
Feb 13	30.50	31.00	29.00	30.70	213	13	6,424	2.00	0.20
Mar 13	30.00	33.80	29.10	29.90	5,306	12	1,59,942	4.70	-0.10

* Spread , H-L : High-Low , C-O : Close-Open

The month wise high and low prices and the volume of shares of the Company traded for the period 01 April, 2012 to 31 March, 2013 on the Bombay Stock Exchange (BSE) are given below:

**Source: Website of Bombay Stock Exchange.

a) Performance in comparison to broad-based indices such as BSE Sensex etc:

REPORT ON CORPORATE GOVERNANCE

Currency : Indian Rupee

b) Registrar and Transfer Agents:

Sharex Dynamic India Pvt Ltd,

Unit 1, Luthra Industrial Premises, Safed Pool, Andheri Kurla Road, Andheri (East), Mumbai - 400 072

Tel- 28515644, Fax- 28512885

E-mail-info@sharexindia.com; investor@sharexindia.com

c) 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.

ix) Distribution of shareholding as on 31-03-2013:

Sr No.	No. of Equity Shares held	No. of Shareholders	No. of Shares	% of No of Shareholders	% of Shareholding
1	1-5000	645	1,91,285	88.97	0.93
2	5000-10000	14	1,02,334	1.93	0.50
3	10000-20000	11	1,50,250	1.52	0.73
4	20000-30000	6	1,60,619	0.83	0.78
5	30000-40000	2	72,976	0.28	0.35
6	40000-50000	3	1,44,610	0.41	0.70
7	50000- 100000	11	6,70,822	1.52	3.26
8	100000 to above	33	1,91,06,262	4.55	92.75
	TOTAL	725	2,05,99,158	100	100

REPORT ON CORPORATE GOVERNANCE

Currency : Indian Rupee

Category of Equity Shareholders as on 31-03-2013:

Sr No.	Category	No. of Shares	% of total Shareholding
1	Promoters, Directors & Relatives	38,68,820	18.78
2	Public Financial Institutions/ Banks	0	0
3	Mutual Funds/ UTI	0	0
4	FIIS	0	0
5	Venture capital fund	10,860	0.05
5	NRIS/ OCBS	8,004,862	38.86
6	Private Corporate Bodies/ Non Institutions Body Corporate	5,575,867	27.06
7	Indian Public	31,38,749	15.23
	Total	2,05,99,158	100.00

X) 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, 2013, 98.32 % shares of Paid up capital of the Company comprising of 2,02,53,328 equity shares of Re 1 each has been dematerialized.

xi) Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity:

- The Company had allotted 2,15,643 2% Non-Cumulative Compulsorily Convertible Preference Shares (NCCP's- Series IV) of Rs. 100 each at par on 30th April, 2012 on Preferential basis 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 Requirements) Regulations, 2009 at the time of conversion. The Conversion of these securities is due on 29th October, 2013.
- The Board of Directors of company had allotted 4,01,050, 11% Compulsorily Convertible Debentures (CCD's – Series III) on 30th April, 2012 on preferential basis with conversion period of 18 months from the date of allotment. The Pricing of Equity shares arising out at the time of conversion shall be Rs.

54.04 per Equity share which is determined upfront at the time of allotment of CCD' Series III and same is determined as per the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009. The Conversion of these securities is due on 29th October, 2013.

- The Company had allotted 50,000 12% Compulsorily Convertible Debentures (CCD's- Series V) of Rs. 100 each at par on 22nd October, 2012 on Preferential basis 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 Requirements) Regulations, 2009 at the time of conversion. The Conversion of these securities is due on 21st April, 2014.

xii) Plant Locations:

The Company has following operating divisions:

Registered office: Prism Informatics Limited is located at B-907, Bsel Tech Park, Opposite Vashi Railway Station, Sector 30 A, Vashi, Navi Mumbai-400703.

REPORT ON CORPORATE GOVERNANCE

Currency : Indian Rupee

Sr No.	Operative Divisions located at	Registered Office Address
1	Pune	Unit 602, Sixth Floor, Wing 2-Cluster C,EON FREE ZONE, Plot No.1,S.No.77,Kharadi MIDC, Knowledge Park, Pune- 411 014.
2	Europe	Gewerbestrasse 5, 6330 Cham/ Zug, Switzerland
3	USA	Six Concourse Parkway, Fifth Floor, Atlanta, GA 30328, USA
4	Germany	Sciencepark 2,DE-66123 Saarbrucken, Germany
5	Thailand**	No. 701/ 206, Soi Pattanakarn 30, Pattanakarn Road, Suanluang, Bangkok 10250, Thailand.
6	Singapore	31, Cantonment Road, Singapore- 089747.
7	Dubai	Unit No.2502, Fortune Tower Plot No.C1, Jmeriah Lakes Towers, Dubai, United Arab Emirates.
8	Seychelles^^	Suite 3, 1st Floor, La ciotat Building, Mont Fleuri, PO Box 438, Mahe, Seychelles

** Company was operating through Prism Informatics Thailand; step down subsidiary of the company. The investment in said step down subsidiary was disposed off on 1st April, 2013 and with effect from date of disposal this office becomes operational.

^^ Company incorporated its wholly owned subsidiary in Seychelles on 09th January, 2013 at the above mentioned address.

xiii) Address for Correspondence:

Shareholders may correspond on all matters to the address mentioned below:

1. Prism Informatics Limited: B-907, Bsel Tech Park, Opposite Vashi Railway Station, Sector 30 A, Vashi, Navi Mumbai - 400 703. Contact Number: 022-65724261.
2. Sharex Dynamic (India) Pvt. Ltd: 1st Floor, 44-E, M Vasanti Marg, Andheri-Kurla Road, Safed pool, Andheri(E), Mumbai 400072. Tel No. 2270 2485, Fax No. 2264 1349

REPORT ON CORPORATE GOVERNANCE

Currency : Indian Rupee

**CERTIFICATE OF COMPLAINE WITH THE
CODE OF CONDUCT POLICY**

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, 2013.

For Prism Informatics Limited

Place: Navi Mumbai

Date: 30th May, 2013

Alok Pathak

Managing Director

REPORT ON CORPORATE GOVERNANCE

Currency : Indian Rupee

CEO/CFO CERTIFICATION:

The Board of Directors

Prism Informatics Limited

- (a) We have reviewed the financial Statements, read with the cash flow statement of Prism Informatics Limited for the year ended 31st March, 2013 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) They accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and they have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- (d) They have indicated to the auditors and the audit committee
- (i) Significant changes, if any, in the internal control over financial reporting during the year;
- (ii) Significant changes, if any, in the accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
- (iii) Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

FOR PRISM INFORMATICS LIMITED

Place: Navi Mumbai

Date: 30th May, 2013

Alok Pathak
Managing Director

REPORT ON CORPORATE GOVERNANCE

Currency : Indian Rupee

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

We have examined the compliance of conditions of Corporate Governance by Prism Informatics Limited ("the Company") for the year ended 31st March, 2013, 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 review of 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 and based on the representations made by the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in clause 49 of 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 PRASHANT SHARMA & ASSOCIATES
COMPANY SECRETARIES.**

Place: Navi Mumbai

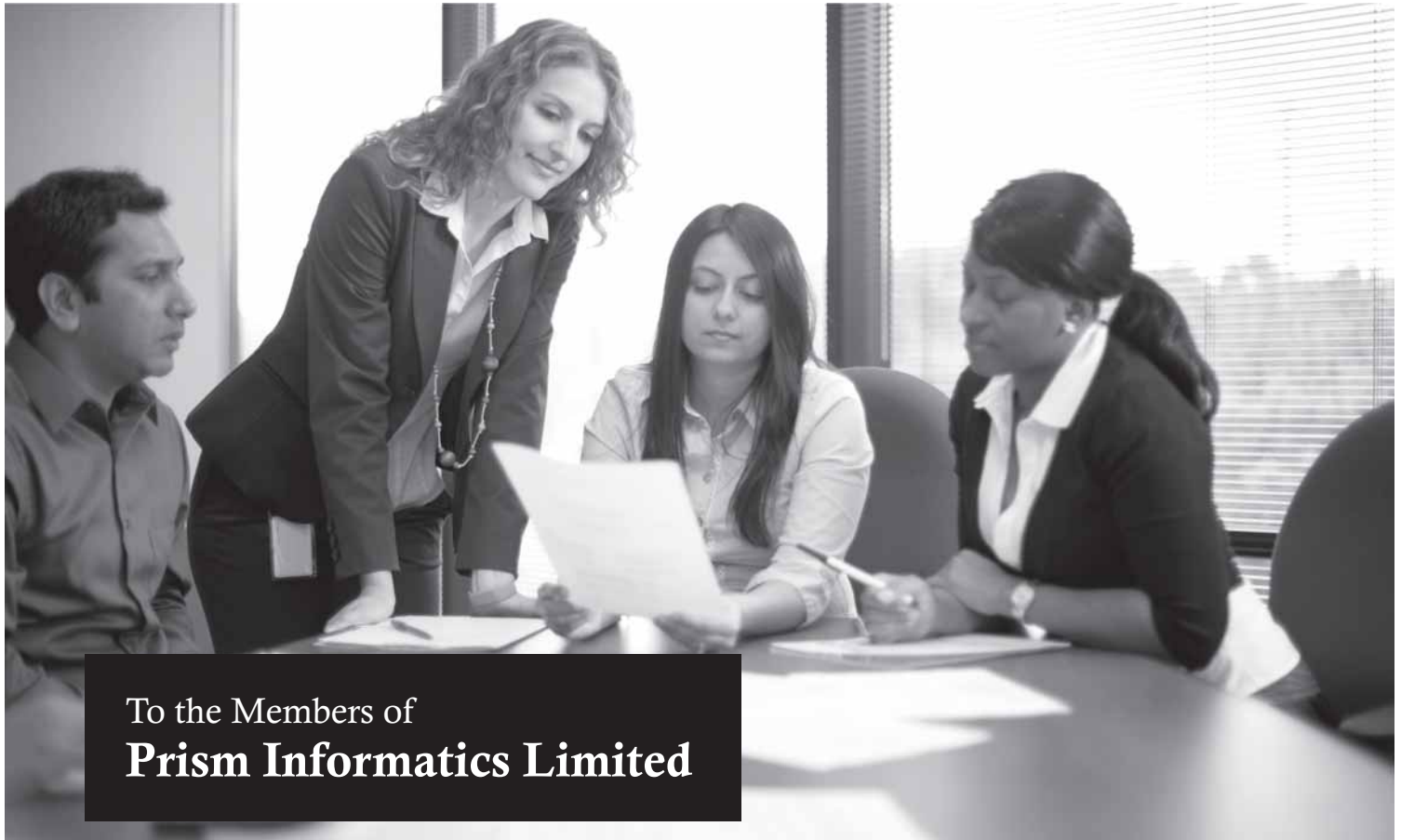
**Prashant Sharma
C.P.No:7902 ACS No. 21775**

Date: 30th May, 2013

AUDITORS' REPORT

for the Period ended 31st March, 2013

Currency : Indian Rupee



To the Members of
Prism Informatics Limited

We have audited the accompanying Balance Sheet of Prism Informatics Limited ('the Company') as at 31 March 2013, the Profit and Loss Account as at 31 March 2013 and the Cash Flow Statement for the year ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956 (the "Act") and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the

AUDITORS' REPORT

for the Period ended 31st March, 2013

Currency : Indian Rupee

auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view, except in case of receivable balances of Rs.9,60,43,942 and unsecured loan of Rs.6,02,57,535 from Megh Leasing & Finance Ltd. which are subject to confirmation and reconciliation (if any), unbilled revenue Rs59,58,968 which has been as certified by the management, 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, 2013;
- 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 (the "Order") issued by the Central Government in terms of Section 227 (4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227 (3) of the Act, we report that:
 - a. we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the 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, the Statement of 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, the Statement of 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, 2013 and taken on record by the Board of Directors, we report that none of the directors are disqualified as at 31st March, 2013 from being appointed as a director in terms of clause(g) of sub-section (1) of Section 274 of the Act,
- f. Without qualifying our report, we draw attention to Note no.1.1 to the financial statements indicates the Company's 100% subsidiary Prism Informatics Pte Ltd at Singapore and its step down subsidiary Prism Informatics (Thailand) has been incurring losses from the operations resulting in substantial erosion of capital as on the balance sheet date. In the opinion of the management these conditions indicate the existence of material uncertainty that may cast significant doubt about the subsidiary's ability to continue as a going concern. Hence the investment Rs.3,12,97,902, loans Rs.30,97,325 and receivables Rs. 2,17,17,672 have been provided for.

For M/s. E.A.Patil & Associates**Chartered Accountants****Firm Registration No. 117371W****CA. E. A. Patil****Partner****Membership No. 031979**

Date: 30th May 2013.

Vashi, Navi Mumbai

AUDITORS' REPORT

for the Period ended 31st March, 2013

Currency : Indian Rupee

Annexure to the Independent Auditors' Report for the year ended March 31st, 2013.(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of 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 program of physical verification of its fixed assets, by which all fixed assets are verified in a phased manner over a period of three years. For the current financial year, physical verification for the fixed assets is yet to be carried out by the company.
2. The Company is a service company, primarily rendering IT consulting, software implementation and software development services. Accordingly, it does not hold any physical inventories. Thus, paragraph 4(ii) of the Order is not applicable.
3. In our opinion, the rate of interest and other terms and conditions on which the loan has been granted to the body corporate listed in the registered maintained under Section 301 of the Act are not, prima facie, prejudicial to the interest of the company.

However, in case of Prism Informatics Pet, Singapore the Company has granted unsecured loans to body corporate covered under register maintained under section 301 of the Companies Act 1956 (the Act) Rs.38,07,251 (Prev.Yr. Rs.35, 80,955).

During the year, the loan has been provided for, since the investment in the subsidiary has been considered doubtful due to material uncertainty that may cast significant doubt about the subsidiary's ability to continue as a going concern.

The Company has not taken loans, secured or unsecured from the companies, firms or 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. In our opinion, the internal control in respect of service income needs to be strengthened.
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. The company does not have internal audit system.
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 for the specified in following annexure which were outstanding as at the last day of the financial year concerned for the period for more than six months from the date it became payable, which are yet to be paid:

Name of the Statute	Nature of Dues	Amount in Rs.	Period to which the amount pertains
Income Tax Act, 1961	Tax Deposited at source	1,52,42,711	2012-13
		11,133	2011-12
Finance Act, 1994	Service Tax	77,64,306	2012-13
Maharashtra Value Added Tax Act, 2002	VAT	7,64,916	2012-13

AUDITORS' REPORT

for the Period ended 31st March, 2013

Currency : Indian Rupee

10. We have been informed by the management, that there are no dues of sales tax/ income tax/ custom tax/ wealth tax/ excise duty/ cess have been deposited on account of dispute.
11. 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.
12. The Company did not have any outstanding dues to any financial institution, banks or debenture holders during the year on account of default.
13. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
14. 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.
15. According to the information and explanations given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments.
16. 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.
17. The Company did not have any term loans outstanding during the year.
18. 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.
19. The Company has made preferential allotment of shares to companies/ firms/ parties covered in the register maintained under Section 301 of the Companies Act, 1956 to the following:

Sr. No	Name of the Party	Nature of Shares	No.of shares issued
1	Saurabh Dani	Equity Shares	1245312
2	Bhuvan Dani	Equity Shares	12500
3	Bankim Dani	Equity Shares	32812
4	Secure Matrix Pvt.Ltd	Equity Shares	28125

As per information and explanations given to us, the price at which shares have been issued is not prejudicial to the interest of the company.

20. The company has not issued any debentures during the year.
21. The Company has not raised any money by public issue during the year.
22. 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****Firm Registration No. 117371W****CA. E. A. Patil****Partner****Membership No. 031979**

Date: 30th May 2013.

Vashi, Navi Mumbai



**PRISM
INFORMATICS
LIMITED**

**Standalone Financial
Statements for the Financial
year ended 31st March, 2013**

STANDALONE BALANCE SHEET

Currency : Indian Rupee

as at March 31, 2013

Balance Sheet for the year ended 31st March, 2013

Particulars	Note	2013	2012
Capital & Liabilities			
Shareholder's Funds			
Share Capital	3	42,163,458	50,355,930
Reserves and Surplus	4	380,569,332	265,028,896
Money received against share warrants			
Share application money pending allotment	5	-	21,564,363
Non current liabilities			
Long term borrowings	6	64,420,302	79,105,000
Deferred tax liabilities (net)		-	-
Other long term liabilities	7	39,097,510	36,834,550
Long term provisions	8	3,566,777	2,023,946
Current liabilities			
Short term borrowings	9	85,051,738	57,115,771
Trade payables		9,979,219	5,611,811
Other current liabilities	10	60,198,684	28,356,457
Short term provisions	11	344,077	195,863
Total		685,391,096	546,192,587
Assets			
Non-current assets			
Fixed assets:			
▪ Tangible assets	12	5,684,894	940,467
▪ Intangible assets -			
-Goodwill on Business Acquisitions		13,015,054	17,472,307
Non-current investments	13	411,603,146	380,655,488
Deferred tax assets (net)	22b	2,934,062	2,364,340
Long-term loans and advances	14	14,465,135	7,674,192
Current assets			
Current investments		-	-
Inventories		-	-
Trade receivables	15	96,043,942	92,165,637
Cash and bank balances	16	8,716,953	15,543,858
Short-term loans and advances	17	126,766,728	17,542,563
Other current assets	18	6,161,183	11,833,734
Total		685,391,096	546,192,587

STANDALONE BALANCE SHEET

Currency : Indian Rupee

as at March 31, 2013

Balance Sheet for the year ended 31st March, 2013

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
Firm Registration No. 117371W

Alok Pathak

Managing Director

Saurabh Dani

Whole-Time Director

CA E.A. Patil

Partner
Membership No: 031979

V. Chandrashekar

Company Secretary

Place: **Navi Mumbai**

Date: **30th May, 2013**

STANDALONE PROFIT AND LOSS

Currency : Indian Rupee

as at March 31, 2013

Statement of Profit and loss account for the year ended 31st March, 2013

Particulars	Note	2013	2012
Revenue			
Revenue from Operations	19	221,656,941	256,178,461
Other income	20	14,149,292	14,248,981
Total Revenue		235,806,233	270,427,442
Expenses			
Cost of Sales & Service	21	54,967,945	92,789,795
Employee benefits expense	22	109,584,935	82,245,509
Other expenses	23	45,553,640	49,325,504
Depreciation	12	322,205	415,550
Amortisation		4,457,253	-
Finance costs	24	24,374,921	19,774,537
Total Expenses		239,260,900	244,550,894
Exceptional / Extraordinary Expenses	1.1	71,388,412	-
Profit before tax		(74,843,078)	25,876,548
Tax expense:			
- Current tax	25a	4,220,000	5,500,000
- MAT credit entitlement			
- Deferred tax charge	25a	(569,722)	98,715
Profit after taxation for the year from continuing operations		(78,493,356)	20,277,833
Earnings per equity share of Re. 1 each			
- Basic		(4.90)	1.36
- Diluted		(4.90)	1.27
Weighted average number of equity shares outstanding during the year	30		
- Basic		16,034,449	14,637,958
- Diluted		16,034,449	15,592,183

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
Firm Registration No. 117371W

Alok Pathak
Managing Director

Saurabh Dani
Whole-Time Director

CA E.A. Patil
Partner
Membership No: 031979

Place: Navi Mumbai
Date: 30th May, 2013

V. Chandrashekar
Company Secretary

STANDALONE CASH FLOW STATEMENT

Currency : Indian Rupee

for the year ended 31st March, 2013

Cash Flow Statement for the year ended 31st March, 2013

Particulars	2013	2012
Cash flow from Operating Activities:		
Net Profit/(Loss) before tax	(74,843,078)	25,876,548
Adjustments for:		
Depreciation and amortisation	4,779,458	415,550
Fixed assets written off	-	61,889
Interest Expense	24,374,921	19,774,537
Dividend income	-	(833)
Sundry balances written off	10,970,566	17,317,557
Sundry creditors write back	(281,241)	-
Unrealised exchange differences	2,986,570	(1,979,379)
Interest income	(8,353,911)	(11,568,919)
Exceptional / Extraordinary Expenses	71,388,412	-
Operating Profit before working capital changes	31,021,697	49,896,949
(Increase)/Decrease in Trade Receivables	(54,064,945)	(24,522,980)
(Increase)/Decrease in Unbilled Revenue	-	(8,986,011)
(Increase)/Decrease in Short-term loans and advances	(111,320,970)	78,738,549
(Increase)/Decrease in Other current assets	5,672,551	-
(Decrease)/Increase in Sundry Creditors	58,649	3,920,631
(Decrease)/Increase in Other current liabilities	34,105,186	13,523,976
(Decrease)/Increase in Short term provisions	148,214	195,863
(Decrease)/Increase in Long term provisions	1,542,831	825,045
Decrease/(Increase) in Long term Loans and advances	582,637	728,891
Net change in working capital	(123,275,847)	64,423,963
Cash generated from (used in) operations	(92,254,150)	114,320,913
Direct tax paid	(11,593,580)	(10,315,341)
Net cash provided by (used in) Operating Activities (A)	(103,847,730)	104,005,571
Cash flow from Investing Activities:		
Purchase of Fixed Assets	(476,631)	-
Purchase of Investments	(62,245,560)	(171,424,286)
Payment of Acquisition cost liability	-	(8,113,405)
Dividend income	-	833
Purchase of Goodwil	-	(2,425,000)
Interest received	6,589,710	11,568,919
Net cash from (used in) Investing Activities (B)	(56,132,481)	(170,392,939)

STANDALONE CASH FLOW STATEMENT

Currency : Indian Rupee

for the year ended 31st March, 2013

Cash Flow Statement for the year ended 31st March, 2013

Particulars	2013	2012
Cash flow from Financing Activities:		
Proceeds from issuance of share capital	164,276,958	26,371,500
Share application money received	-	21,564,363
Proceeds from borrowings - unsecured loan (net)	(14,684,697)	29,104,965
Proceeds from short term borrowings - secured loan (net)	27,935,967	18,628,456
Interest expense	(24,374,921)	(15,366,998)
Dividend paid	-	(3,515,061)
Net cash from (used in) Financing Activities (C)	153,153,307	76,787,225
Net decrease in cash and cash equivalents during the year (A+B+C)	(6,826,904)	10,399,858
Cash and cash equivalents at the beginning of the year	15,543,858	5,144,000
Cash and cash equivalents at the end of the year	8,716,953	15,543,858

Notes to the Cash flow statement

Cash and cash equivalents consist of cash on hand and balances with banks. Cash and cash equivalents included in the cash flow statements comprise the following balance sheet amounts.

Cash in hand	342,750	11,006
Balance with scheduled banks		
- in current accounts	(4,276,545)	1,435,737
- in deposit accounts	12,650,748	14,097,115
	8,716,953	15,543,858

The accompanying notes form an integral part of this cash flow statement.

For E.A. Patil & Associates

Chartered Accountants
Firm Registration No. 117371W

Alok Pathak
Managing Director

Saurabh Dani
Whole-Time Director

CA E.A. Patil

Partner
Membership No: 031979

V. Chandrashekar
Company Secretary

Place: **Navi Mumbai**

Date: 30th May, 2013

STANDALONE NOTES TO THE FINANCIAL STATEMENTS

Currency : Indian Rupee

for the year ended 31st March, 2013

1 Background

Prism Informatics (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.

1.1 Going Concern

The financial report has been prepared on a going concern basis, which contemplated continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

The Company has 100% subsidiary Prism Informatics Pte Ltd at Singapore. The subsidiary is engaged in the business of rendering IT and IT enabled services. The subsidiary has been incurring losses from the operations resulting in substantial erosion of capital as on the balance sheet date. The subsidiary has borrowed Rs 30,97,325 from Prism India for its working capital requirements. Also, refer Note no 13 (b) for the step down subsidiary of the Prism Pte for closing agreement signed by the company with its ex-owners which may require additional quantification of liability, if any. These conditions indicate the existence of material uncertainty that may cast significant doubt about the subsidiary's ability to continue as a going concern.

In the opinion of the management there is a decline, other than temporary, in the carrying amounts of long term investments. Hence reduction in the carrying amount of investment Rs 3,12,97,902 has been charged to the profit and loss statement as an exceptional / extraordinary item.

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. Depreciation is provided on Written Down Value ('WDV'). For additions and disposals, depreciation is provided pro-rata for the period of use. The rate of depreciation is based on Schedule XIV of the Companies Act, 1956.

Intangible assets

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

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 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.

STANDALONE NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2013

Currency : Indian Rupee

2.5 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. 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. For the cut off date, the percentage of efforts have been estimated based on the time, resource spent and the status of the project.

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.

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

2.6 Employee retirement and other benefits Defined Contribution Plans:

Defined Benefit Plans

Gratuity and leave encashment schemes are defined benefits. The present value of the obligation under such defined benefit plans is determined based on actuarial valuation carried out by an independent actuary at the balance sheet date using the Projected Unit Credit Method, which recognises each period of service as giving rise to one additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans, is based on the market yields on Government securities as at the balance sheet date. Actuarial gains and losses are recognised immediately in the Profit and loss account.

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

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long term 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.

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.

STANDALONE NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2013

Currency : Indian Rupee

A substantial portion of profits of the Company are exempted from Indian income tax, being profit from undertakings situated at Special Economic Zones ("SEZ") in India. One of the Company's undertaking is eligible for a tax holiday as a Special Economic Zone unit commencing from 2010 onwards in respect of 100% of the export profits for a period of 5 years, 50% of such profits for next 5 years and 50% of the profits for further period of 5 years subject to satisfaction of certain capital investments requirements.

In this regard, the Company recognises deferred taxes in respect of those originating timing differences, which reverse after the tax holiday year resulting in tax consequences. Timing differences, which originate and reverse within the tax holiday year do not result in tax consequence and therefore no deferred taxes are recognised in respect of the same. For this purpose, the timing differences, which originate first are considered to reverse first.

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 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.

STANDALONE NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2013

Currency : Indian Rupee

3 Share capital

Particulars	March 31, 2013	March 31, 2012
Authorised		
4,03,47,800 (2012: 17,500,000) Equity Shares of Rs. 1/- each	40,347,800	17,500,000
17,71,522 (2012: 2,000,000) Preference Shares of Rs. 100/- each	177,152,200	200,000,000
	217,500,000	217,500,000
Issued, subscribed and paid - up		
2,05,99,158 (2012 : 14,768,030) equity shares of Re. 1/- each (2012 : Rs. 1/- each) fully subscribed and paid up	20,599,158	14,768,030
92,164 8% non cumulative compulsorily convertible preference shares series II of Rs. 100 each converted.	-	9,216,400
263,715 8% non cumulative compulsorily convertible preference shares series III of Rs. 100 each converted.	-	26,371,500
215,643 2% Non Cumulative Compulsorily Convertible Preference Shares (NCCP's IV) of Rs. 100/- each	21,564,300	-
	42,163,458	50,355,930

(1) 92,164 NCCP's Series II are converted into equity shares on 6th October , 2012

(2) 263,715 NCCP's Series III are converted into equity shares on 22nd October , 2012

(3) 215,643 2% NCCP's Series IV are due for conversion on 29th October, 2013

Reconciliation statement of the number of shares outstanding at the beginning and at the end of the reporting period.

As at 31st March, 2013	As at 31st March, 2013		As at 31st March, 2012	
	No. of Shares	Amount	No. of Shares	Amount
(1) Equity shares :				
Number of shares at the beginning	14,768,030	14,768,030	14,394,200	14,394,200
Add: Shares issued	5,831,128	5,831,128	373,830	373,830
Number of shares at the end	20,599,158	20,599,158	14,768,030	14,768,030

(2) Non cumulative compulsory convertible preference share (NCCP-II) :

Number of shares at the beginning	92,164	9,216,400	92,164	9,216,400
Add: Shares issued	-	-	-	-
Less: Converted to Equity Shares	92,164	9,216,400	-	-
Number of shares at the end	-	-	92,164	9,216,400

STANDALONE NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2013

Currency : Indian Rupee

As at 31st March, 2013	As at 31st March, 2013		As at 31st March, 2012	
	No. of Shares	Amount	No. of Shares	Amount
(3) Non cumulative compulsory convertible preference share (NCCP-III) :				
Number of shares at the beginning	263,715	26,371,500		
Add: Shares issued			263,715	26,371,500
Less: Converted to Equity Shares	263,715	26,371,500		
Number of shares at the end	-	-	263,715	26,371,500

(4) Non Cumulative Compulsorily Convertible Preference Shares (CCP's IV)				
Number of shares at the beginning	-	-	-	-
Add: Shares issued	215,643	21,564,300	-	-
	215,643	21,564,300	-	-

Details of shareholder holding more than 5 percent shares specifying the number of shares held:

Type of shareholding	2012-2013		As at 31st March, 2012	
	No. of Shares	% of Shares	No. of Shares	% of Shares
Equity shareholding:				
Amitabh Arun Parekh	-	-	1,258,042	8.52%
Sainath Informatics Private Limited	-	-	1,203,500	8.15%
Neogen Computer Systems Private Limited	1,462,920	7.10%	1,462,920	9.91%
Anor Technologies Private Limited	1,650,000	8.00%	1,650,000	11.17%
Neeta Nilesh Shah	1,196,500	5.08%		
Thomas Noel Kelly	2,130,899	10.35%		
Idhasoft Ltd	514,438	2.50%	-	-
Qasem M Alsuwaidi	985,820	4.79%	985,820	6.68%
Roger Cunningham	519,290	2.53%	-	
Ndteam Consultants & Architechts Private Limited	1,385,968	6.73%	1,385,978	9.38%
Preference shareholding (8% NCCP's Series II):				
Atif M Alsuwaidi	-	-	92,164	100.00%
Preference shareholding (8% NCCP's Series III):				
Saurabh Dani	-	-	233,715	88.62%
Bankim Dani	-	-	30,000	11.38%

STANDALONE NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2013

Currency : Indian Rupee

4 Reserves and surplus

	March 31, 2013	March 31, 2012
General reserve		
Balance brought forward	6,554,680	6,554,680
Additions during the year	-	-
Reduction during the year	-	-
Closing Balance	6,554,680	6,554,680
Share premium		
Balance brought forward	209,278,854	181,428,519
Share premium received on issue of equity shares	194,033,793	27,850,335
Closing Balance	403,312,647	209,278,854
Surplus - opening balance	49,195,362	30,209,633
Add- Net profit after tax transferred from statement of profit and loss	(78,493,356)	20,277,833
Amount available for appropriation	(29,297,995)	50,487,466
Appropriations:		
Transfer to general reserve		
Interim equity dividend		
Proposed equity dividend	-	738,402
Preference dividend	-	369,666
Tax on dividend	-	184,036
Closing Balance	(29,297,995)	49,195,362
Total	380,569,332	265,028,896

5 Share application money pending allotment

Preference share application money	-	21,564,363
Allotment of 215643 2% Non Cumulative Compulsorily Convertible Preference Shares (NCCP's IV) of Rs. 100/- each made on 30.04.2012 to Trison Agencies	-	21,564,363

STANDALONE NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2013

Currency : Indian Rupee

6 Long-term borrowings

March 31, 2013 March 31, 2012

Unsecured :		
Debenture application money	-	29,105,000
Compulsarily Convertible Debentures	5,000,000	-
Loan from Financial Institution*	50,000,000	50,000,000
Loan from Directors	9,420,302	-
	64,420,302	79,105,000

* Loan taken from Megh Leasing amounting Rs. 5 Crore having interest rate 13% p.a however repayemnt schedule has not defined.

7 Other Long term liabilities

Acquisition cost payable	39,097,510	36,834,550
	39,097,510	36,834,550

8 Long-term provisions

Provision for Gratuity	1,615,067	673,114
Provision for Leave Encashment	1,778,258	944,317
Provision for Rent Equalisation	173,452	406,515
	3,566,777	2,023,946

9 Short-term borrowings

Secured :	40,105,000	-
Compulsarily Convertible Debentures*	34,946,738	47,115,771
Bank Overdraft**	10,000,000	10,000,000
Loan from financial Institution***	85,051,738	57,115,771

* 401,050 11% CCD's are due for conversion on 29th October, 2013

** The Company has availed bank overdraft facility from Saraswat Co-operative Bank Limited. Bank overdraft facility is secured against fixed Deposit of Rs. 125 Lacs and pledge of 5,00,000 Shares of Re. 1/- each of Prism Informatics Limited held by Idhasoft Limited as collateral securities. Further personal guarantee and corporate guarantee are also given by Alok Pathak, managing director and Idhasoft Limited respectively.

*** a.) The loan facility was guaranteed by Anor Technologies Private Limited by creating pledge on 12,500,000 shares of Prism Informatics Limited held by Anor Technologies Private Limited.

*** b.) Loan taken from Allstate Finance & Leasing Ltd. amounting Rs. 1 Crore having interest rate 27% p.a however repayemnt schedule has not defined.

STANDALONE NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2013

Currency : Indian Rupee

10 Long-term borrowings

	March 31, 2013	March 31, 2012
Trade advances	5,790,203	3,708,043
Salaries Payable	8,660,921	8,132,532
Provision for expenses	6,607,652	3,606,963
Interest Payable	15,696,711	4,408,457
Service Tax Payable	7,764,306	3,729,511
TDS Payable	14,876,179	1,999,368
VAT Payable	764,916	2,736,191
PF Payable	1,470	1,467
PT Payable	36,325	33,925
	60,198,684	28,356,457

11 Short term provisions

Provision for employee benefits		
Leave encashment	344,077	195,863
	344,077	195,863

12 Fixed assets

	Tangible Assets				
	Computers & other service equipments	Furniture & fixtures	Vehicles	Total as at March 31, 2013	Total as at March 31, 2012
Original Cost					
As at 1st April, 2012	678,423	5,350	1,057,142	1,740,915	1,823,269
Additions	4,971,306	95,325	-	5,066,631	-
Deletions	-	-	-	-	82,353
As at 31 March, 2013	5,649,729	100,675	1,057,142	6,807,546	1,740,916
Accumulated depreciation and amortization					
As at 1st April, 2012	353,485	971	445,991	800,447	405,363
Depreciation for the period	158,662	5,316	158,227	322,205	415,550
Deductions/ Adjustments during the period	-	-	-	-	20,464
As at 31 March, 2013	512,147	6,287	604,218	1,122,652	800,449
Net block as at 31 March 2013	5,137,582	94,388	452,924	5,684,894	940,467
Net block as at 31 March 2012	324,938	4,379	611,151	940,468	1,417,906

STANDALONE NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2013

Currency : Indian Rupee

13 Non-current investments

March 31, 2013 March 31, 2012

	March 31, 2013	March 31, 2012
Investment in subsidiary companies (Unquoted, at cost)		
22,133,150 (2012: 22,133,150) Equity shares of CHF 0.10 each fully paid of Prism Informatics Europe AG, Switzerland	156,020,047	156,020,047
56,000,000 (2012 : 56,000,000) Equity shares of \$ 0.01 each fully paid of Prism Informatics Inc., USA	25,623,329	25,623,329
50 (2012 : 50) equity shares of AED 1,000 each fully paid of Prism Software Consultancy JLT	716,500	716,500
6,50,777 (2012 : 550,900) Equity shares of \$ 1 each fully paid of Prism Informatics Pte Limited, Singapore	31,297,902	25,915,978
	213,657,778	208,275,854
Less : Provision for Investments (Refer note (b) below)	31,297,902	-
	182,359,876	208,275,854
Investment in Associate Company (Unquoted, at cost)		
Equity shares of Re. 1 each fully paid of Idhasoft Ltd.	229,218,270	172,354,634
	229,218,270	172,354,634
Other (Unquoted, at cost)		
2,500 (2012: 2,500) shares of Rs. 10 each fully paid up of Saraswat Co-Op Bank Ltd.	25,000	25,000
	25,000	25,000
Aggregate value of unquoted investments	411,603,146	380,655,488

- (a) Refer Note 29(a) for no. of units purchased and sold during the year
- (b) Closing and release agreement signed by the Company with the ex-owners of Prism Informatics (Thailand) Co. Ltd on April 1, 2013, it has been agreed that the ex-owners shall pay US \$ 54000 to Prism Pte.

Upon the receipt of said consideration for sale of 231870 fully paid equity shares of Re 1 each of Prism India shares shall be transferred to buyer or any person nominated by the Prism Pte.

The Pte Singapore shall transfer back to the ex-owners 100% shareholding of prism Thailand or alternatively instruct the purchaser of the share to remit the consideration directly to the ex-owners of Prism Thailand.

All financial obligations, including loans, debts, accounts payable and back office charges between company presently known as prism Thailand or the sellers and buyer including its affiliates, subsidiaries and parent company outstanding as on date of the agreement will be written off. The effect of the same has not yet quantified and accounted as the terms are yet to be closed with the past owners.

STANDALONE NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2013

Currency : Indian Rupee

14 Long-term loans and advances

	March 31, 2013	March 31, 2012
(Unsecured and considered good)		
Rental deposits	1,619,395	2,302,032
Loan to Related Entities*	-	-
Grauity Fund	100,000	
Taxes paid in advance	12,745,740	5,372,160
(net of provision for tax amounted to Rs. 19,949,144 (2012: Rs. 15,729,144))		
	14,465,135	7,674,192

*Refer Note 34(a) for loans & advances due from the companies under the same management under section 370 (1) (B) of the Companies Act, 1956.

15 Trade receivables

Unsecured*		
Debtors outstanding for a period exceeding six months (considered good)	82,955,792	63,177,852
Debtors outstanding for a period less than six months (considered good)	56,728,757	28,987,785
	139,684,549	92,165,637
Less: Provision for bad & doubtful debts	(43,340,605)	-
	96,343,944	92,165,637

* Refer Note 34(b) for debts due from the companies under the same management under section 370 (1) (B) of the Companies Act, 1956.

16 Cash and bank balances

Cash in hand	342,750	11,006
Balances with banks	(4,276,545)	1,435,737
Fixed Deposit with Bank*	12,650,748	14,097,115
	8,716,953	15,543,858

*Fixed deposit with bank of INR 1,25,00,000 are held as margin money against bank overdraft facilities from bank.

17 Short-term loans and advances

(Unsecured and considered good)		
Loan to Related Parties*	127,616,445	15,213,636
Interest receivable	2,527,381	805,728
Advance to creditors	476,906	646,199
Rent deposits	7,000	877,000
	130,627,733	17,542,563
Less: Provision for loans & advances & Interest receivable		
Loan & Interest receivable from Related parties*	(3,861,005)	-
	126,766,728	17,542,563

* Refer Note 34(a) for loans & Advances due from the companies under the same management under section 370 (1) (B) of the Companies Act, 1956.

STANDALONE NOTES TO THE FINANCIAL STATEMENTS

Currency : Indian Rupee

for the year ended 31st March, 2013

18 Other current assets

	March 31, 2013	March 31, 2012
Prepaid expenses	102,215	-
Unbilled Revenue	5,958,968	11,833,734
Other Deposits	100,000	-
	6,161,183	11,833,734

19 Revenue from operations

Sale of services	173,647,543	172,225,538
Sale of products	48,009,398	83,952,923
	221,656,941	256,178,461

20 Other income

Interest on bank deposits	1,296,598	1,008,319
Interest on loan to Related Parties	5,097,091	10,351,787
Interest on others	1,960,222	208,813
Foreign exchange loss/(gain), net	-	1,979,379
Miscellaneous income	5,514,140	700,683
Sundry Balances written Back	281,241	-
	14,149,292	14,248,981

21 Cost of Sales & Services

Cost of License Sales	44,532,571	79,025,956
AMC Cost	157,637	977,805
Cost of technical sub-contractors	10,277,737	12,786,034
	54,967,945	92,789,795

22 Employee benefits expense

Salaries, bonus and allowances, including overseas employee expenses	105,625,090	79,992,863
Contribution to provident & other funds	1,958,418	1,087,168
Staff welfare	549,162	432,155
Insurance Charges	505,598	733,323
Director's remuneration	946,667	-
	109,584,935	82,245,509

STANDALONE NOTES TO THE FINANCIAL STATEMENTS

Currency : Indian Rupee

for the year ended 31st March, 2013

23 Other expenses

	March 31, 2013	March 31, 2012
Travel and conveyance	11,233,367	13,544,019
Rent	4,918,313	4,907,002
Sundry Balance written off	3,859,466	17,317,557
Commission	4,103,174	3,895,493
Business Development Expenses	2,357,177	3,398,572
Communication Expenses	597,299	575,557
Legal and professional fees	2,124,778	1,631,947
Advertisement and publicity	411,123	212,107
Subscription, registration and license fee	234,947	217,732
Auditor's remuneration:		
Audit fees	300,000	265,000
Other services	392,500	55,000
Tax audit fees	65,000	246,828
Printing and stationery	800,147	590,716
Electricity	1,069,049	428,919
Office expenses	791,623	832,760
Repairs and maintenance	595,110	559,814
Bank charges & commission	659,640	423,362
Fixed assets written off	-	61,889
Miscellaneous expenses	705,856	161,230
Prior Period Expenses	237,401	-
Provision for Bad & Doubtful Debts	7,111,100	-
Foreign exchange (gain)/loss, net	2,986,570	-
	45,553,640	49,325,504

24 Finance costs

Bank Interest	7,070,939	7,768,383
Interest on CCD	4,299,401	1,187,736
Interest on other	13,004,581	10,818,418
	24,374,921	19,774,537

STANDALONE NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2013

Currency : Indian Rupee

25 Taxes

March 31, 2013 March 31, 2012

a) Provision for tax expense consists of the following:		
Current taxes	4,220,000	5,500,000
- India	4,220,000	5,500,000
Deferred tax expense / (credit)		
- India	(569,722)	98,715
	(569,722)	98,715
	3,650,278	5,598,715
b) The significant components of deferred tax asset and liability consists of the following:		
Depreciation	15,362	(5,700)
Provision for leave encashment and gratuity	1,212,600	588,323
Provision for rent equalisation	56,277	131,894
Short term capital loss	1,649,823	1,649,823
Total deferred tax assests	2,934,061	2,364,340

26 Segmental information

As at March 31, 2013 and for the year then ended

Particulars	Software Consultancy Services	Software License Sale	Total
Total Income	173,647,543	48,009,398	221,656,941
Accounts Receivables	139,684,549	-	139,684,549
Unbilled Revenue	5,958,968	-	5,958,968

Geographic segments

As at March 31, 2013 and for the year then ended

Particulars	India	Rest of World	Total
Total income	112,366,789	109,290,152	221,656,941
Accounts receivables	22,116,046	117,568,503	139,684,549
Unbilled revenue	2,660,277	3,298,691	5,958,968

STANDALONE NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2013

Currency : Indian Rupee

27 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) Prism Europe AG, Switzerland
		2) Prism informatics Schweiz GmbH, Switzerland
		3) Prism informatics Deutschland GmbH, Germany
		4) Prism Informatics Inc, Delaware
		5) TLC Technologies Inc.
		6) Prism Informatics Pte, Limited, Singapore
		7) Prism Informatics (Thailand) Co. Ltd., Thailand
		8) Prism Software Consultancy JLT (date of incorporation is 1st February 2012)
		9) Prism Infoglobal Ltd., Mauritius (date of incorporation is 9th January, 2013)*
		*Initial capital investment has been made on 2nd April, 2013
2	Key management personnel	1) Dr. Nirmal Jain (Chairman)
		2) Alok Pathak (Managing Director)
		3) Saurabh Dani (Whole-Time Director)
		4) Dr. Ajay Sharma
		5) Christof Anderi
		6) Dr. Ramesh Subhramanium (appointed w.e.f 14.02.2013)
3	Parties with substantial interest	1) Secure Matrix Solutions Private Limited
		2) Dani Financial Products Private Limited
		2) Relatives of key management personnel

STANDALONE NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2013

Currency : Indian Rupee

27 Related party transactions (Continued)

(b) Transactions and balances with related parties

Nature of the transaction	Subsidiaries		Key management personnel		Parties with substantial interest	
	March 31,2013	March 31,2012	March 31,2013	March 31,2012	March 31,2013	March 31,2012
Transactions during the year ended 31 March	March 31,2013	March 31,2012	March 31,2013	March 31,2012	March 31,2013	March 31,2012
Investments purchased	5,381,924	18,150,124	-	-	-	-
Sale of investments	-	8,455,326	-	-	-	-
Service income	27,172,409	61,188,926	-	-	-	-
Remuneration paid	-	-	946,667	-	1,800,000	614,000
Loans given	-	3,713,636	-	-	132,830,311	-
Loans recovered	132,681	-	-	-	8,311,191	-
Interest income	234,354	486,252	-	-	1,764,200	-
Interest paid	-	-	619,863	-	-	-
Rent paid	-	-	-	-	180,000	90,000
Rent received	-	-	-	-	-	-
Allotment of equity shares	-	-	63,221,500	-	5,350,000	-
Allotment of preference shares	-	-	-	23,371,500	-	3,000,000
Share application money	-	-	39,850,000	23,371,500	-	-
Debenture application money received	-	-	-	9,000,000	-	5,000,000
Balance as at 31 March						
Investments	213,657,778	208,275,854	-	-	229,218,270	-
Debtors	93,637,728	66,916,426	-	-	-	8,963
Creditors	-	-	-	-	-	-
Loans receivable	3,097,325	3,713,636	-	-	126,283,320	-

(C) 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 March 31,2013		March 31, 2013	March 31,2012
A	Key management personnel		
(i)	Remuneration to Directors		
	Saurabh Dani	946,667	-
(ii)	Share application money received		
	Saurabh Dani	39,850,000	23,371,500
(iii)	Allotment of preference shares		
	Saurabh Dani	-	23,371,500

STANDALONE NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2013

Currency : Indian Rupee

(C) 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 March 31, 2013		March 31, 2013	March 31, 2012
(iii)	Allotment of Equity shares		
	Saurabh Dani	63,221,500	-
(iv)	Interest Paid		
	Interest to Saurabh Dani	1,333,381	-

B Subsidiaries

(I)	Service income		
	Prism Informatics, Thailand	3,233,000	7,624,916
	Prism Informatics Europe AG	-	5,771,600
	TLC Technologies Ltd	14,737,830	16,449,154
	Prism Informatics Inc, USA	-	18,570,900
	Prism Informatics Pte Ltd	2,643,389	12,772,356
	Prism Software Consultancy, JLT	6,558,190	-
		27,172,409	61,188,926
(ii)	Investments purchased		
	Prism Informatics Europe AG	-	10,625,047
	Prism Informatics Pte Ltd	5,381,924	6,808,577
	Prism Software Consultancy JLT	-	716,500
		5,381,924	18,150,124
(iii)	Investments sold		
	Prism Informatics Inc, USA	-	8,455,326
	Nastek Solutions Pvt Ltd	-	-
		-	8,455,326
(iii)	Loans given		
	Prism Informatics Europe AG	-	-
	Prism Software Consultancy JLT	-	132,681
	Prism Informatics Pte Limited, Singapore	-	3,580,955
		-	3,713,636
(iv)	Loans recovered		
	Prism Software Consultancy JLT	132,681	-
		132,681	-
(v)	Interest Income		
	Prism Software Consultancy, JLT	5,810	-
	Prism Informatics Europe AG	-	284,563
	Prism Informatics Pte Limited, Singapore	228,544	201,689
		234,354	486,252

STANDALONE NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2013

Currency : Indian Rupee

Transactions during the year ended March 31, 2013		March 31, 2013	March 31, 2012
(vi)	Provision for outstanding receivables		
	Prism Informatics Europe AG	7,111,100	-
	Prism Informatics Pte Limited, Singapore	10,361,035	-
	Prism Informatics, Thailand	11,356,636	-
	TLC Technologies Ltd	11,986,200	-
		40,814,972	-
(vii)	Provision for Interest receivables		
	Prism Informatics Pte Limited, Singapore	332,949	-
	Prism Informatics Europe AG	430,731	-
		763,680	-
(viii)	Provision for Investments		
	Prism Informatics Pte Limited, Singapore	31,297,902	-
		31,297,902	-
(ix)	Provision for Loans & Advances		
	Prism Informatics Pte Limited, Singapore	3,097,325	-
		3,097,325	-
C	Parties with Substantial interest		
(i)	Allotment of preference shares		
	Bankim Dani	-	3,000,000
		-	3,000,000
(ii)	Allotment of Equity shares		
	Bankim Dani	4,050,000	-
	Bhuman Dani	400,000	-
	Secure Matrix	900,000	-
(iii)	Investments purchased		
	Idhasoft Limited	56,863,636	-
(iv)	Loans given		
	Idhasoft Limited	132,830,311	
(v)	Loans recovered		
	Idhasoft Limited	8,311,191	
(vi)	Interest income		
	Idhasoft Limited	1,764,200	-
(vii)	Debenture application money received		
	Dani Financial Products Private Limited	-	5,000,000

STANDALONE NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2013

Currency : Indian Rupee

Transactions during the year ended March 31,2013		March 31, 2013	March 31,2012
(viii)	Rent Paid		
	Secure Matrix Solutions Private Limited	180,000	90,000
	Idhasoft Limited	-	-
		180,000	90,000
(ix)	Remuneration paid		
	Shilpi Pathak	900,000	614,000
	Bhuaman Dani	900,000	-
	Balance as at year end		
(I)	Investments		
	Prism Infomatics Europe AG	156,020,047	156,020,047
	Prism Informatics, USA	25,623,329	25,623,329
	Prism Informatics Pte Ltd	31,297,902	25,915,978
	Prism Software Consultancy JLT	716,500	716,500
		213,657,778	208,275,854
	Parties with substantial interest		
	Idhasoft Limited	229,218,270	-
		229,218,270	-
(ii)	Debtors		
	Prism Europe AG	8,157,000	7,673,475
	Prism Thailand (NEXUS)	12,622,685	9,074,702
	TLC Technologies	37,791,326	21,738,903
	Prism Dubai	5,342,907	
	Prism Informatics Inc	18,407,630	17,316,475
	Prism Informatics Pte (Singapore)	11,316,180	11,112,870
	Total	93,637,728	66,916,426
	Parties with substantial interest		
	Finasys Consultants Pvt Ltd	-	-
	Seema Pathak	-	8,963
		-	8,963
(iii)	Creditors		
	Idhasoft Limited	-	-
		-	-

STANDALONE NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2013

Currency : Indian Rupee

Transactions during the year ended 31st March, 2013		31st March, 2013	31st March, 2012
(iv) Loans receivable			
Idhasoft Limited		126,283,320	-
Prism Software Consultancy JLT		-	132,681
Prism Informatics Pte Limited, Singapore		3,097,325	3,580,955
		129,380,645	3,713,636
Less: Provision for loans & advances			
Loan to Prism Informatics Pte Limited, Singapore		(3,097,325)	-
Total		126,283,320	3,713,636
(v) Interest Receivable			
Idhasoft Limited		1,764,200	-
Prism Informatics Europe AG		332,949	332,949
Prism Informatics Pte Limited, Singapore		430,731	201,689
		2,527,879	534,638
Less: Provision for Interest			
Prism Informatics Pte Limited, Singapore		(332,949)	-
Prism Informatics Europe AG		(430,731)	-
Total		1,764,200	534,638

28 Amounts due to micro, small and medium enterprises

As at 31 March, 2013, 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 (2012 : Nil).

29 Summary of investments purchased and sold during the year

(a) Investments purchased during the year ended 31st March 2013

	2013		2012	
	Units	Cost of purchase	Units	Cost of purchase
Investment in related parties				
Prism Infomatics Europe AG, Switzerland*	-	-	2,133,150	10,625,047
Prism Software Consultancy JLT	-	-	50	716,500
Prism Informatics Pte Limited, Singapore	99,877	5,381,924	138,000	6,808,577
(A)	99,877	5,381,924	2,271,200	18,150,124
Others				
Idhasoft Limited	45,113,636	56,863,636	172,354,534	172,354,534
(B)	45,113,636	56,863,636	172,354,534	172,354,534
Total (A+B)	45,213,513	62,245,560	174,625,734	190,504,658

STANDALONE NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2013

Currency : Indian Rupee

(b) Investments sold during the year ended March 31

	2013		2012	
	Units	Cost of purchase	Units	Cost of purchase
Prism Informatics Inc., USA	-	-	19,000,000	8,455,326
Total	-	-	19,000,000	8,455,326

30 Reconciliation of basic and diluted shares used in computing earnings per share

	31st March, 2013	31st March, 2012
Number of shares considered as basic weighted average shares outstanding	16,034,449	14,637,958
Add: Effect of dilutive issues of stock options/ warrants/ preference shares	714,523	954,225
Number of shares considered as weighted average shares and potential shares outstanding	16,748,971	15,592,183

31 Leases

Rent expense for all operating leases for the year ended 31st March, 2013 aggregated to Rs. 4,296,479 (2012: Rs.4,907,002)

The future minimum lease payments in respect of non-cancellable operating leases as at the year end are as follows:

	31st March, 2013	31st March, 2012
Amount due within one year from the balance sheet date	3,769,581	3,534,912
Amount due in the period between one year and five years	10,545,230	8,424,874
Later than five years	-	-

STANDALONE NOTES TO THE FINANCIAL STATEMENTS

Currency : Indian Rupee

for the year ended 31st March, 2013

31 Gratuity Benefits

In accordance with the Payment of Gratuity Act, 1972, Prism Informatics provides for gratuity, a defined retirement plan covering all employees. The plan provides a lump sum payment to vested employees at retirement or termination of employment based on the respective employee's defined portion of last salary and the years of employment with the Company.

Prism Informatics contributes each year to a gratuity fund based upon actuarial valuations performed by an actuary. The fund is administered by Life Insurance Corporation of India for the purpose.

Amount to be recognised in Balance Sheet

	31st March, 2013	31st March, 2012
Present Value of Funded Obligations	1,954,912	980,068
Fair Value of Plan Assets	(339,845)	(306,954)
Net (Asset)/ Liability	1,615,067	673,114
Amounts recognised in Balance Sheet		
Net (Asset)/ Liability	1,615,067	673,114

Expense recognised in Statement of Profit and Loss Account

	31st March, 2013	31st March, 2012
Current Service Cost	754,253	678,495
Interest on Defined Benefit Obligations	148,968	91,569
Expected Return on Plan Assets	(56,611)	(21,214)
Net Actuarial Losses / (Gains) recognised in the Year	100,561	(251,896)
Total Included in "Employee Benefit Expense"	947,171	496,954

Reconciliation of opening and closing balances of the present value of the defined benefit obligation:

	31st March, 2013	31st March, 2012
Change in Defined Benefit Obligation		
Opening Defined Benefit Obligation	980,068	460,377
Current Service Cost	754,253	678,495
Interest Cost	148,968	91,569
Actuarial Losses/(Gain)	71,623	(250,373)
Closing Defined Benefit Obligation	1,954,912	980,068
Change in Fair Value of Assets		
Opening Fair Value of Plan Assets	306,954	284,217
Expected Return on Plan Assets	56,611	21,214
Actuarial Gain / (Losses)	(28,938)	1,523
Contributions by Employer	5,218	-
Closing Fair Value of Plan Assets	339,845	306,954
Expected Employer's Contribution Next Year	1,000,000	-

STANDALONE NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2013

Currency : Indian Rupee

Reconciliation of opening and closing balances of the present value of the defined benefit obligation: (Continued)

	March 31, 2013	March 31, 2012
Financial Assumptions at the valuation Date	7.95%	8.60%
Discount Rate (p.a.)	7.50%	7.50%
Expected Rate of Return on Assets (p.a.)	7.00%	7.00%
Salary Increase Rate (p.a.)		

Composition of plan assets :

	2013	%	2012	%
Life Insurance Corporation Of India	339,845	100%	306,954	100%
Total	339,845	100%	306,954	100%

Experience Adjustment

Net asset / (liability) recognised in Balancesheet (including experience adjustment entry)	For the year ended 31-Mar-13	For the year ended 31-Mar-12	For the year ended 31-Mar-11	For the year ended 31-Mar-10
Defined Benefit Obligation	1,954,912	980,068	460,377	-
Plan Assets	339,845	306,954	284,217	-
Surplus / (Deficit)	(1,615,067)	(673,114)	(176,160)	-

33 Names of scheduled banks and balances at year end

	March 31, 2013	March 31, 2012
Axis Bank - A/c No 909020041819502	(4,279,725)	1,139,508
Axis Bank - EEFC Account	-	293,049
Citi Bank	3,180	3,180
	(4,276,545)	1,435,737

34 Names of scheduled banks and balances at year end**(a) Loans and advances include loans to companies under same management under section 370 (1)****(B) of the Companies Act 1956:**

Prism Software Consultancy JLT	-	132,681
Loan to Prism Informatics Pte Limited, Singapore	3,097,325	3,580,955
Idhasoft Limited, India	124,519,120	11,500,000
	127,616,445	15,213,636
Less: Provision for loans & advances		
Loan to Prism Informatics Pte Limited, Singapore	(3,097,325)	-
Total	124,519,120	15,213,636

STANDALONE NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st March, 2013

Currency : Indian Rupee

(b) Debts due from companies under the same management as defined under Section 370(1)(B) of the Companies Act, 1956:

	March 31, 2013	March 31, 2012
Prism Informatics Europe AG	7,111,100	7,673,475
Prism Inforamtics, Thailand	11,356,637	9,074,702
TLC Technologies Ltd	34,995,615	21,738,903
Prims Informatics INC, USA	17,342,420	17,316,475
Prims Informatics Pte	10,361,035	11,112,870
Idhasoft Inc.	23,341,644	-
Sub Total	104,508,452	66,916,426
Less: Provision made for Debtors		
Prism Informatics Europe AG	(7,111,100)	-
Prism Informatics Pte Limited, Singapore	(10,361,035)	-
Prism Informatics, Thailand	(11,356,636)	-
TLC Technologies Ltd	(11,986,200)	-
	63,693,480	66,916,426

35 Supplementary statutory information

(I) Managerial remuneration		
Salaries and allowances	946,667	-
	946,667	-

- (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 (2011: Nil).

(ii) Earning in foreign currency	109,290,152	111,734,848
Service income	109,290,152	111,734,848

36 Prior year comparatives

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

For E.A. Patil & Associates
Chartered Accountants
Firm Registration No. 117371W

Alok Pathak
Managing Director

Saurabh Dani
Whole-Time Director

CA E.A. Patil
Partner
Membership No: 031979

V. Chandrashekar
Company Secretary

Place: Navi Mumbai
Date: 30th May, 2013

INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying Consolidated financial statements of **Prism Informatics Limited** ("the Company") and its subsidiaries (the Company and its subsidiaries constitute the "Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2013, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group, in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors on the financial statements / financial information of the subsidiaries referred to below in the Other Matter paragraph, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India, *except in case of accounts receivable of Rs. 11,39,74,317, receivable balances in case of India of Rs. 9,60,43,942 and unsecured loan of Rs. 6,02,57,535 from Megh Leasing & Finance Ltd. which are subject to confirmation and reconciliation (if any), unbilled revenue Rs.59,58,968 which has been as certified by the management:*

- a) in the case of the Consolidated Balance Sheet, of the affairs of the Prism Informatics and its subsidiaries as at 31st March, 2013;
- 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.

Other Matter

We did not audit the financial statements of the subsidiaries of Prism Informatics Limited whose financial statements reflect total assets of Rs.24,12,67,897 and total revenue of Rs.42,54,42,571 for the year ended on 31st March, 2013, as considered in the consolidated financial statements. These financial statements have been audited by other auditors. The audit reports of the subsidiaries have been furnished to us, and in 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.

Our opinion is not qualified in respect of this matter.

For E.A. Patil & Associates

Chartered Accountants

Firm Registration No. 117371W

CA E.A. Patil

Partner

Membership No: 031979

Place: Navi Mumbai

Date: 30th May, 2013



**PRISM
INFORMATICS
LIMITED**

**Consolidated Financial
Statements for the Financial
year ended 31st March, 2013**

PROFIT & LOSS STATEMENT

Currency : Indian Rupee

for the Period ended 31st March, 2013

Particulars	Note	2013	2012
Revenue from operations	2.16	620,277,459	734,974,715
Other income	2.17	16,484,761	28,806,310
Total Revenue (I + II)		636,762,220	763,781,026
Expenses:			
Cost of sales and services	2.18	133,325,779	253,064,555
Employee benefit expenses	2.18	343,015,710	364,336,851
Other expenses	2.18	151,187,527	152,815,478
Depreciation		17,429,450	11,151,209
Amortisation	2.18	4,457,253	0
Finance costs	2.18	28,870,344	23,532,256
Total expenses		678,286,063	804,900,349
Profit before exceptional and extraordinary items and tax (III-IV)		(41,523,844)	(41,119,323)
Exceptional items		(29,067,341)	(36,033,264)
Profit before extraordinary items and tax (V - VI)		(12,456,503)	(5,086,059)
Extraordinary Items		90,890,123	27,297,518
Profit before tax (VII- VIII)		(103,346,626)	(32,383,577)
Tax expense:	2.19		
(1) Current tax		4,747,132	8,476,450
(2) Deferred tax		(569,722)	(11,631,123)
Transfer to Minority interest		-	-
Share of profit/ (loss) of Associates		(90,043,779)	
Profit (Loss) for the period from continuing operations (IX-X)		(197,567,815)	(29,228,904)
Profit/(loss) from discontinuing operations		-	-
Tax expense of discontinuing operations		-	-
Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)		-	-
Profit (Loss) for the period (XI + XIV)		-197,567,815	(29,228,904)

PROFIT & LOSS STATEMENT

Currency : Indian Rupee

for the Period ended 31st March, 2013

Particulars	Note	2013	2012
Earnings per equity share:			
(1) Basic		(12.32)	(2.00)
(2) Diluted		(12.32)	(2.00)
Weighted average number of equity shares outstanding during the year			
- Basic		16,034,449	14,637,958
- Diluted		16,034,449	15,592,183
See accompanying notes to the financial statements			

For E.A. Patil & Associates*Chartered Accountants*

Firm Registration No. 117371W

Alok Pathak*Managing Director***Saurabh Dani***Whole-Time Director***CA E.A. Patil***Partner*

Membership No: 031979

V. Chandrashekar*Company Secretary*Place: **Navi Mumbai**Date: **30th May, 2013**

BALANCE SHEET

as at 31st March, 2013

Currency : Indian Rupee

Particulars	Note	2013	2012
EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital	2.1	42,163,458	50,355,930
(b) Reserves and surplus	2.2	267,618,185	260,174,927
(c) Money received against share warrants			
Minority interest		-	-
		309,781,643	310,530,857
Share application money pending allotment	2.3	-	21,564,363
Non-current liabilities			
Long-term borrowings	2.4	109,737,054	121,599,127
Other long term liabilities	2.5	39,097,510	36,834,550
Long-term provisions	2.6	3,566,777	5,671,843
		152,401,341	164,105,520
Current liabilities			
(a) Short-term borrowings	2.7	85,243,204	65,900,673
(b) Trade payables		21,087,427	52,179,913
(c) Other current liabilities	2.8	107,104,856	119,421,163
(d) Short-term provisions	2.9	1,819,721	195,863
		215,255,208	237,697,613
TOTAL		677,438,192	733,898,353
ASSETS			
Non-current assets			
(a) Fixed assets			
(i) Tangible assets		4,260,556	11,275,113
(ii) Intangible assets		43,697,380	52,087,453
(b) Non-current investments	2.10	139,199,491	172,379,634
(c) Deferred tax assets (net)		15,052,316	14,242,630
(d) Long-term loans and advances	2.11	25,352,816	43,425,738
(e) Other non-current assets		12,807,950	
		240,370,509	293,410,567
Goodwill on consolidation		146,647,988	166,275,000

BALANCE SHEET

Currency : Indian Rupee

as at 31st March, 2013

Particulars	Note	2013	2012
Current assets			
(a) Current investments			
(b) Trade receivables	2.12	113,974,317	166,632,798
(c) Cash and cash equivalents	2.13	18,569,819	57,038,022
(d) Short-term loans and advances	2.14	126,247,205	12,750,533
(e) Other current assets	2.15	31,628,355	37,791,432
		290,419,696	274,212,786
Miscellaneous expenditure			
Total		677,438,192	733,898,353

For E.A. Patil & Associates*Chartered Accountants*

Firm Registration No. 117371W

Alok Pathak*Managing Director***Saurabh Dani***Whole-Time Director***CA E.A. Patil***Partner*

Membership No: 031979

V. Chandrashekar*Company Secretary*Place: **Navi Mumbai**Date: **30th May, 2013**

CASH FLOW STATEMENT

for the year ended 31st March, 2013

Currency : Indian Rupee

Particulars	2013	2012
Cash flows from operating activities		
(Loss)/Net Profit before tax	(103,346,626)	(32,383,577)
Adjustments:		
Depreciation and amortisation	21,886,703	11,151,209
Miscellaneous expenditure written off		228,237
Interest Expense	28,870,344	23,532,256
Sundry balances written off	18,018,416	16,618,744
Unrealised exchange difference	7,306,472	69,532,289
Sundry creditors write back	(281,241)	-
Interest income	(9,626,328)	(15,473,843)
Exceptional Items	(29,067,341)	
Extraordinary Items	90,890,123	
Operating cash flows before working capital changes	24,650,522	73,205,315
(Increase)/Decrease in debtors	(10,298,307)	(2,265,885)
(Increase)/Decrease in unbilled revenue	14,045,676	(15,130,046)
(Increase)/Decrease in Short-term loans and advances	(116,449,998)	7,266,731
(Increase)/Decrease in other current assets	(7,882,599)	(7,566,415)
(Increase)/Decrease in inventories	-	2,327,216
(Decrease)/Increase in sundry creditors	5,871,922	30,265,197
(Decrease)/Increase in Other current liabilities	(9,702,729)	96,951,772
(Decrease)/Increase in Short term provisions	1,623,858	(19,468,526)
(Decrease)/Increase in long term provisions	(2,105,066)	4,668,806
(Decrease)/Increase in long term loans & advances	6,692,858	28,013,964
Net change in working capital	(118,204,384)	125,062,814
Cash generated from (used in) operations	(93,553,862)	198,268,129
Income tax paid	(3,559,796)	(7,834,280)
Net cash provided by (used in) operating activities (A)	(97,113,658)	190,433,849
Cash flows from investing activities		
Purchase of fixed assets	(1,892,074)	(56,247,034)
Purchase of investments	(82,964,736)	-
Recovery from other non current assets	(12,807,950)	-

CASH FLOW STATEMENT

for the year ended 31st March, 2013

Currency : Indian Rupee

Particulars	2013	2012
Loans given to related parties		116,845,587
Loan recovered from related parties		(10,590,110)
Deferred tax assets		(11,779,575)
Adjustment on account of minority interest		5,839,751
Interest received	9,626,328	15,473,843
Net cash from (used in) investing activities (B)	(88,038,433)	(110,876,636)
Cash flows from financing activities		
(Repayment)/Proceeds from issuance of share capital	4,806,663	26,745,330
Increase in securities premium	159,470,358	-
Proceeds from borrowings - unsecured loan (net)	32,039,678	(128,016,784)
Repayment of Short term borrowings- secured (net)	(20,762,469)	(21,758,573)
Interest expense	(28,870,344)	(23,532,256)
Net cash from (used in) financing activities (C)	146,683,885	(124,997,920)
Net decrease in cash and cash equivalents during the year (A+B+C)	(38,468,204)	(45,440,707)
Cash and cash equivalents at the beginning of the year	57,038,022	102,478,729
Cash and cash equivalents at the end of the year	18,569,818	57,038,022

Notes to the Cash flow statement

Cash and cash equivalents consist of cash on hand and balances with banks. Cash and cash equivalents included in the cash flow statements comprise the following balance sheet amounts.

Cash in hand	352,489	408,959
Balance with scheduled banks		
- in current accounts	5,566,582	42,531,948
- in deposit accounts	12,650,748	14,097,115
	18,569,819	57,038,022

The accompanying notes form an integral part of this cash flow statement.

For E.A. Patil & Associates*Chartered Accountants*

Firm Registration No. 117371W

Alok Pathak*Managing Director***Saurabh Dani***Whole-Time Director***CA E.A. Patil***Partner*

Membership No: 031979

Place: **Navi Mumbai**Date: **30th May, 2013****V. Chandrashekar***Company Secretary*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Currency : Indian Rupee

for the year ended 31st March, 2013

Background

Prism Informatics (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 & Prism Informatics Europe Group operating outside India and are converted into Indian Rupees. The figures in profit & loss Account for the period April'12 to March'13 have been converted at the average INR rate for the financial year ending March 31, 2013. The figures in Balance Sheet have been converted at closing INR rate for the financial year ending March 31, 2013.

1 Significant accounting policies**1.1 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 preparation of the consolidated 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.

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

Name of the Subsidiary	Country of Incorporation	% Shareholding
Prism Informatics INC	USA	100%
TLC Technologies, Inc. (Acquired under Prism Informatics Inc)	USA	51%
Prism Informatics PTE LTD	Singapore	100%
Prism Informatics Europe AG	Switzerland	100%
Prism Informatics Schweiz GmbH	Switzerland	100%
Prism Informatics Deutschland GmbH	Germany	100%
Prism Software Consultancy JLT	Dubai	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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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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

The financials of Prism Informatics (Thailand) Co. Ltd have not been consolidated in the financials which is 100% subsidiary of Prism Informatics Pte Ltd at Singapore. The subsidiary is engaged in the business of rendering IT and IT enabled services. The subsidiary has been incurring losses from the operations resulting in substantial erosion of capital as on the balance sheet date. The subsidiary has borrowed Rs 30,97,325 from Prism India for its working capital requirements. Also, refer Note in supplementary information for the step down subsidiary of the Prism Pte for closing agreement signed by the company with its ex-owners which may require additional quantification of liability, if any. These conditions indicate the existence of material uncertainty that may cast significant doubt about the subsidiary's ability to continue as a going concern.

1.2 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. 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.

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.

1.3 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.

1.4 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.

1.5 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 as confirmed by the management.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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1.6 Employee retirement and other benefits Defined Contribution Plans:

Defined Benefit Plans

Gratuity and leave encashment schemes are defined benefits. The present value of the obligation under such defined benefit plans is determined based on actuarial valuation carried out by an independent actuary at the balance sheet date using the Projected Unit Credit Method, which recognises each period of service as giving rise to one additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans, is based on the market yields on Government securities as at the balance sheet date. Actuarial gains and losses are recognised immediately in the Profit and loss account.

1.7 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.

1.8 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.

1.9 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 deferred 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.

1.10 Earnings per share

(a) 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.

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1.11 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.

1.12 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.

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2.1 Share capital

Particulars	March 31, 2013	March 31, 2012
Authorised	40,347,800	17,500,000
4,03,47,800 (2012: 17,500,000) Equity Shares of Rs. 1/- each	177,152,200	200,000,000
17,71,522 (2012: 2,000,000) Preference Shares of Rs. 100/- each	217,500,000	217,500,000
Issued, subscribed and paid - up		
2,05,99,158 (2012 : 14,394,200) equity shares of Re. 1/- each (2012 : Rs. 1/- each) fully subscribed and paid up	20,599,158	14,768,030
92,164 8% non cumulative compulsorily convertible preference shares series II of Rs. 100 each converted.	-	9,216,400
263,715 8% non cumulative compulsorily convertible preference shares series III of Rs. 100 each converted.	-	26,371,500
215643 2% Non Cumulative Compulsorily Convertible Preference Shares (NCCP's IV) of Rs. 100/- each	21,564,300	-
	42,163,458	50,355,930

(1) 92164 NCCP's Series II are converted into equity shares on 6th October , 2012

(2) 263,715 NCCP's Series III are converted into equity shares on 22nd October , 2012

(3) 215643 2% NCCP's Series IV are due for conversion on 29th October, 2013

Reconciliation statement of the number of shares outstanding at the beginning and at the end of the reporting period.

As at 31st March, 2013	As at 31st March, 2013		As at 31st March, 2012	
	No. of Shares	Amount	No. of Shares	Amount
(1) Equity shares :				
Number of shares at the beginning	14,768,030	14,768,030	14,394,200	14,394,200
Add: Shares issued	5,831,128	5,831,128	373,830	373,830
Number of shares at the end	20,599,158	20,599,158	14,768,030	14,768,030

(2) Non cumulative compulsory convertible preference share (NCCP-II) :

Number of shares at the beginning	92,164	9,216,400	92,164	9,216,400
Add: Shares issued	-	-	-	-
Less: Converted to Equity Shares	92,164	9,216,400	-	-
Number of shares at the end	-	-	92,164	9,216,400

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As at 31st March, 2013	As at 31st March, 2013		As at 31st March, 2012	
	No. of Shares	Amount	No. of Shares	Amount
(3) Non cumulative compulsory convertible preference share (NCCP-III) :				
Number of shares at the beginning	263,715	26,371,500		
Add: Shares issued			263,715	26,371,500
Less: Converted to Equity Shares	263,715	26,371,500		
Number of shares at the end	-	-	263,715	26,371,500

(4) Non Cumulative Compulsorily Convertible Preference Shares (CCP's IV)				
Number of shares at the beginning	-	-	-	-
Add: Shares issued	215,643	21,564,300	-	-
	215,643	21,564,300	-	-

Details of shareholder holding more than 5 percent shares specifying the number of shares held:

As at 31st March, 2013	2012-2013		As at 31st March, 2012	
	No. of Shares	Amount	No. of Shares	Amount
Equity shareholding:				
Amitabh Arun Parekh	-	-	1,258,042	8.52%
Sainath Informatics Private Limited	-	-	1,203,500	8.15%
Neogen Computer Systems Private Limited	1,462,920	7.10%	1,462,920	9.91%
Anor Technologies Private Limited	1,650,000	8.00%	1,650,000	11.17%
Neeta Nilesh Shah	1,196,500	5.08%		
Thomas Noel Kelly	2,130,899	10.35%	-	-
Qasem M Alsuwaidi	985,820	4.79%	985,820	6.68%
Ndteam Consultants & Architechts Private Limited	1,385,968	6.73%	1,385,978	9.38%
Preference shareholding (8% NCCP's Series II):				
Atif M Alsuwaidi	-	-	92,164	100.00%
Preference shareholding (8% NCCP's Series III):				
Saurabh Dani	-	-	233,715	88.62%
Bankim Dani	-	-	30,000	11.38%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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2.2 Reserves and surplus

Particulars	March 31, 2013	March 31, 2012
Capital reserve	-	-
Security Premium	403,312,647	209,278,854
General reserve		
- Balance brought forward	6,554,681	6,554,681
- Additions during the year	-	-
- Reduction during the year	-	-
	6,554,681	6,554,681
Statutory Reserve	2,674,630	2,616,586
Foreign currency translation reserve	31,964,440	21,045,204
Profit and loss account, balance carried forward	(176,888,212)	20,679,603
	267,618,185	260,174,927
Surplus in statement of Profit & Loss	20,679,603	51,200,611
Profit for the year	(107,524,036)	(29,228,904)
Interim Equity Dividend	-	-
Proposed Dividend On Equity	-	738,402
Preference Dividend	-	369,666
Tax on Dividend	-	184,036
Profit/(Loss) of Associates	(90,043,779)	
Transfer to General Reserve	-	-
Balance as at the end of the year	(176,888,212)	20,679,603

2.3 Share application money pending allotment

Preference share application money		
Allotment of 215643 2% Non Cumulative Compulsorily Convertible Preference Shares (NCCP's IV) of Rs. 100/- each made on 30.04.2012 to Trison Agencies	-	21,564,363
	-	21,564,363

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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2.4 Long-Term Borrowings

Particulars	March 31, 2013	March 31, 2012
Unsecured loans :		
Loan from Directors	9,420,302	-
Debenture application money	-	29,105,000
Compulsarily Convertible Debentures	5,000,000	
Loan from Financial Institution*	50,000,000	50,000,000
Other unsecured loans	45,316,752	42,494,127
	109,737,054	121,599,127

* Loan taken from Megh Leasing amounting Rs. 5 Crore having interest rate 13% p.a however repayment schedule has not defined.

2.5 Other Long term liabilities

Acquisition cost payable	39,097,510	36,834,550
	39,097,510	39,097,510

2.6 Long-Term Provisions

Provision for Gratuity	1,615,067	4,040,863
Provision for Leave Encashment	1,778,258	944,317
Provision for rent equilisation	173,452	406,515
Other long term provisions	-	280,148
	3,566,777	5,671,843

2.7 Short-Term Borrowings

Unsecured loans :		
Compulsory Convertible Debentures	40,105,000	-
	40,105,000	-
Secured loans :		
Bank Overdraft	34,946,738	47,115,771
Loan from All State Finance*	10,000,000	10,000,000
Lines of Credit	-	8,057,735
Loan from others	191,467	727,168
	45,138,204	65,900,673
	85,243,204	65,900,673

* 401,050 11% CCD's are due for conversion on 29th October, 2013

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** The Company has availed bank overdraft facility from Saraswat Co-operative Bank Limited. Bank overdraft facility is secured against fixed Deposit of Rs. 125 Lacs and pledge of 5,00,000 Shares of Re. 1/- each of Prism Informatics Limited held by Idhasoft Limited as collateral securities. Further personal guarantee and corporate guarantee are also given by Alok Pathak, managing director and Idhasoft Limited respectively.

*** a.) The loan facility was guaranteed by Anor Technologies Private Limited by creating pledge on 12,500,000 shares of Prism Informatics Limited held by Anor Technologies Private Limited.

*** b.) Loan taken from Allstate Finance & Leasing Ltd. amounting Rs. 1 Crore having interest rate 27% p.a however repayment schedule has not defined.

2.8 Other current liabilities

Particulars	March 31, 2013	March 31,2012
Trade advances	5,790,203	3,708,099
Salaries Payable	9,581,478	8,236,052
Provision for expenses	7,094,469	17,003,444
Interest Payable	22,817,753	8,671,584
Service Tax Payable	7,764,306	3,729,511
TDS Payable	14,876,179	1,999,368
VAT Payable	764,916	2,736,191
PF Payable	1,470	-
Profession Tax Payable	36,325	33,925
Other Current Liabilities	38,361,045	70,496,400
Other payables	-	2,795,131
Sales tax payable	16,711	11,459
	107,104,856	119,421,163

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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2.9 Short-term provisions

Particulars	March 31, 2013	March 31, 2012
Provision for Taxes	672,778	-
Provision for Leave Encashment - Current	344,077	195,863
Accrued expenses	802,866	-
	1,819,721	195,863

2.10 Non-current investments

Investment in equity instruments		
22,92,18,270 (2012: 172,354,634) equity shares of Re. 1/- each fully paid of Idhasoft Ltd.	139,174,491	172,354,634
2,500 (2012: 2,500) shares of Rs. 10 each fully paid up of Saraswat Co-Op Bank Ltd.	25,000	25,000
	139,199,491	172,379,634

2.11 Long-term loans and advances

Others : (Unsecured and considered good)		
Deposits	1,626,395	3,221,375
Loan to Related Entities	9,517,475	8,951,774
Loan to Idhasoft Limited, India	-	11,500,000
Loan to Others	1,363,206	3,326,997
Grauity Fund	100,000	-
Other non current assets	-	6,954,280
Loans to directors	-	5,032,500
Provision for income tax	12,745,740	4,438,812
	25,352,816	43,425,738

2.12 Sundry debtors (Unsecured)

Debtors	157,614,923	166,632,798
	157,614,923	166,632,798
Less: Provision for doubtful debtors	(43,640,605)	-
	113,974,317	166,632,798

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2.13 Cash and cash equivalents

Particulars	March 31, 2013	March 31, 2012
Balances with banks	5,566,582	42,531,948
Cash in hand	352,489	408,959
Fixed Deposit with Bank *	12,650,748	14,097,115
	18,569,819	57,038,022

Fixed deposit with bank of INR 1,25,00,000 are held as margin money against bank overdraft facilities from bank.

2.14 Short-term loans and advances

Others		
Loan to Idhasoft Limited	124,519,121	-
Interest receivable	1,103,408	11,864,584
Advance to creditors	476,906	885,949
Short Term Deposits	147,770	
	126,247,205	12,750,533

2.15 Other current assets

Prepaid Expenses	3,813,327	3,837,492
Unbilled revenue	8,969,073	23,014,749
Earnest Money Deposits	100,000	-
Other current assets	10,661,867	10,939,192
Lines of Credit - Hildun	8,084,088	
	31,628,355	37,791,432

2.16 Income from software services and products

Income from software services	557,396,109	651,021,792
Income from software products	62,881,350	83,952,923
	620,277,459	734,974,715

2.17 Other income

Interest on bank deposits	1,296,598	1,008,319
Interest - Others	8,329,730	14,465,524
Tax refund	-	457,625
Foreign exchange loss/(gain), net	-	2,528,955
Miscellaneous income	6,577,191	10,345,887
Sundry Balances written Back	281,241	
	16,484,761	28,806,310

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2.18 Cost of Sales & Services

Particulars	March 31, 2013	March 31, 2012
Cost of License Sales	57,102,558	79,025,956
AMC Cost	157,637	977,805
Cost of technical sub-contractors	76,065,585	173,060,794
	133,325,779	253,064,555
Employee benefit expenses		
Salaries, bonus and allowances, including overseas employee expenses	309,560,492	170,906,640
Contribution to provident & other funds	1,958,418	1,087,168
Staff welfare	3,151,311	190,406,832
Social Benefits	23,451,442	0
Insurance Cost	3,947,379	1,618,991
Consultancy Fees	0	317,219
Director's remuneration	946,667	0
	343,015,710	364,336,851
Other expenses		
Travel and conveyance	62,902,605	17,261,600
Rent	12,848,310	6,868,184
Sundry Balance written off	10,907,379	16,618,744
Commission paid	4,162,100	4,486,680
Business Development Expenses	3,777,030	3,651,174
Communication Expenses	2,299,214	1,585,429
Legal and professional fees	10,704,535	5,837,051
Advertisement and publicity	3,402,654	2,565,620
Subscription, registration and license fee	725,907	723,392
Office expenses	10,901,758	3,087,300
Printing and stationery	811,519	-
Electricity	1,243,274	115,084
Repairs and maintenance	718,697	-
Bank charges & commission	781,515	3,156,026
Preliminary expenses w/o	966,733	228,237
Miscellaneous expenses	3,931,020	85,994,570
Rates and taxes	2,843,142	-
Provision for Bad & Doubtful Debts	7,111,100	-
Foreign exchange loss/(gain), net	7,306,472	-
Training Fees	2,085,062	
Loss on sale of assets	-	61,889

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2.18 Cost of Sales & Services (continued)

Particulars	March 31, 2013	March 31, 2012
Auditor's remuneration		
Audit fees	300,000	265,000
Tax audit fees	65,000	55,000
Other services	392,500	254,498
Global Auditors'	-	-
	151,187,527	152,815,478
Interest Cost		
Bank Interest	7,951,905	6,562,194
Interest on CCD	-	1,187,736
Interest - Others	20,918,439	15,782,326
	28,870,344	23,532,256

2.19 Tax expenses

Current tax		
Income taxes		
Deferred taxes	4,747,132	8,476,450
	(569,722)	(11,631,123)
	4,177,410	(3,154,673)

3 Related party transactions

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

1	Key management personnel	1) Dr. Nirmal Jain (Chairman)
		2) Alok Pathak (Managing Director)
		3) Saurabh Dani (Whole-Time Director)
		4) Dr. Ajay Sharma
		5) Christof Anderi
		6) Dr. Ramesh Subhramaniam (appointed w.e.f 14.02.2013)
2	Parties with substantial interest	1) Secure Matrix Solutions India Private Limited
		2) Dani Financial Products Private Limited
		3) Relatives of Key Management personnel
		- Shilpi Pathak
		- Bankim Dani
		- Bhuman Dani

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3 Related party transactions (Continued)

- (a) 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 March 31,2013		March 31, 2013	March 31,2012
A	Key management personnel		
(i)	Remuneration to Directors		
	Saurabh Dani	946,667	
(ii)	Share application money received		
	Saurabh Dani	39,850,000	23,371,500
(iii)	Allotment of Equity shares		
	Saurabh Dani		23,371,500
(iii)	Allotment of preference shares		
	Saurabh Dani	63,221,500	
(iv)	Interest Paid		
	Interest to Saurabh Dani	1,333,381	
(v)	Loan from Directors		
	Saurabh Dani	9,420,302	
B	Parties with Substantial interest		
(i)	Allotment of preference shares		
	Bankim Dani	-	3,000,000
(ii)	Allotment of Equity shares		
	Bankim Dani	4,050,000	-
	Bhuman Dani	400,000	-
	Secure Matrix	900,000	
		5,350,000	-
(iii)	Investments purchased		
	Idhasoft Limited	56,863,636	

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B	Parties with Substantial interest (Continued)	March 31, 2013	March 31, 2012
(iv)	Loans given		
	Idhasoft Limited	132,830,311	
(v)	Loans recovered		
	Idhasoft Limited	8,311,191	
(vi)	Interest income		
	Idhasoft Limited	1,764,200	-
	Idhasoft Inc	473,895	-
(vii)	Debenture application money received		
	Dani Financial Products Private Limited	-	5,000,000
(viii)	Rent Paid		
	Secure Matrix Solutions Private Limited	180,000	90,000
(xi)	Remuneration paid		
	Shilpi Pathak	900,000	614,000
	Bhuaman Dani	900,000	

3	Related party transactions (Continued)	March 31, 2013	March 31, 2012
	Balance as at year end		
(i)	Parties with substantial interest		
	Finasys Consultants Pvt Ltd	-	
	Seema Pathak	-	8,963
(ii)	Loan from Director remuneration		
	Saurabh Dani	9,420,302	-
(iii)	Loans receivable		
	Idhasoft Limited	124,519,120	
	Idhasoft Inc	9,517,475	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Currency : Indian Rupee

for the year ended 31st March, 2013

5 Amounts due to micro, small and medium enterprises

As at 31 March, 2013, 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 (2012 : Nil).

6 Summary of investments purchased and sold during the year

a) Investments purchased during the year ended March 31, 2013

Investment in related parties	2013		2012	
	Units	Cost of purchase	Units	Cost of purchase
Idhasoft Limited	-	-	-	-
(A)	-	-	-	-
Idhasoft Limited	45,113,636	56,863,636	172,354,534	172,354,534
(B)	45,113,636	56,863,636	172,354,534	172,354,534
Total (A+B)	45,113,636	56,863,636	172,354,534	172,354,534

b) Reconciliation of basic and diluted shares used in computing earnings per share

	March 31, 2013	March 31, 2012
Number of shares considered as basic weighted average shares outstanding	16,034,449	14,637,958
Add: Effect of dilutive issues of stock options/ warrants/ preference shares	714,523	954,225
Number of shares considered as weighted average shares and potential shares outstanding	16,748,971	15,592,183

7 Leases

Rent expense for all operating leases for the year ended 31 March 2013 aggregated to Rs. 1,28,48,310 (2012: Rs.68,68,184)

8 Gratuity Benefits

In accordance with the Payment of Gratuity Act, 1972, Prism Informatics provides for gratuity, a defined retirement plan covering all employees. The plan provides a lump sum payment to vested employees at retirement or termination of employment based on the respective employee's defined portion of last salary and the years of employment with the Company.

Prism Informatics contributes each year to a gratuity fund based upon actuarial valuations performed by an actuary. The fund is administered by Life Insurance Corporation of India for the purpose.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Currency : Indian Rupee

for the year ended 31st March, 2013

Amount to be recognised in Balance Sheet

	As at 31 March 2013	As at 31 March 2012
Present Value of Funded Obligations	1,954,912	980,068
Fair Value of Plan Assets	(339,845)	(306,954)
Net (Asset)/ Liability	1,615,067	673,114
Amounts recognised in Balance Sheet		
Net (Asset)/ Liability	1,615,067	673,114

Expense recognised in Statement of Profit and Loss Account

	As at 31 March 2013	As at 31 March 2012
Current Service Cost	754,253	678,495
Interest on Defined Benefit Obligations	148,968	91,569
Expected Return on Plan Assets	(56,611)	(21,214)
Net Actuarial Losses / (Gains) recognised in the Year	100,561	(251,896)
Total Included in "Employee Benefit Expense"	947,171	496,954

Reconciliation of opening and closing balances of the present value of the defined benefit obligation:

	As at 31 March 2013	As at 31 March 2012
Change in Defined Benefit Obligation		
Opening Defined Benefit Obligation	980,068	460,377
Current Service Cost	754,253	678,495
Interest Cost	148,968	91,569
Actuarial Losses/(Gain)	71,623	(250,373)
Closing Defined Benefit Obligation	1,954,912	980,068
Change in Fair Value of Assets		
Opening Fair Value of Plan Assets	306,954	284,217
Expected Return on Plan Assets	56,611	21,214
Actuarial Gain /(Losses)	(28,938)	1,523
Contributions by Employer	5,218	-
Closing Fair Value of Plan Assets	339,845	306,954
Expected Employer's Contribution Next Year	1,000,000	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Currency : Indian Rupee

for the year ended 31st March, 2013

Reconciliation of opening and closing balances of the present value of the defined benefit obligation: (Continued)

	As at 31 March 2013	As at 31 March 2012
Financial Assumptions at the valuation Date		
Discount Rate (p.a.)	7.95%	8.60%
Expected Rate of Return on Assets (p.a.)	7.50%	7.50%
Salary Increase Rate (p.a.)	7.00%	7.00%

Composition of plan assets :

	2013	%	2012	%
Life Insurance Corporation Of India	339,845	100%	306,954	100%
Total	339,845	100%	306,954	100%

Experience Adjustment

Net asset / (liability) recognised in Balance sheet (including experience adjustment entry)	For the year ended 3/31/2013	For the year ended 3/31/2012	For the year ended 3/31/2011	For the year ended 3/31/2010
Defined Benefit Obligation	1,954,912	980,068	460,377	-
Plan Assets	339,845	306,954	284,217	-
Surplus / (Deficit)	(1,615,067)	(673,114)	(176,160)	-

9 Supplementary statutory information*(I) Managerial remuneration*

	As at 31 March 2013	As at 31 March 2012
Salaries and allowances	946,667	-
	946,667	-

- (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 (2012: Nil).

(ii) Earning in foreign currency

	As at 31 March 2013	As at 31 March 2012
Service income	109,290,152	590,531,102
	109,290,152	590,531,102

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Currency : Indian Rupee

for the year ended 31st March, 2013

10 Subsequent event note

Closing and release agreement signed by the Company with the ex-owners of Prism Informatics (Thailand) Co. Ltd on April 1, 2013, it has been agreed that the ex-owners shall pay US \$ 54000 to Prism Pte.

Upon the receipt of said consideration for sale of 231870 fully paid equity shares of Re 1 each of Prism India shares shall be transferred to buyer or any person nominated by the Prism Pte.

The Pte Singapore shall transfer back to the ex-owners 100% shareholding of prism Thailand or alternatively instruct the purchaser of the share to remit the consideration directly to the ex-owners of Prism Thailand.

All financial obligations, including loans, debts, accounts payable and back office charges between company presently known as prism Thailand or the sellers and buyer including its affiliates, subsidiaries and parent company outstanding as on date of the agreement will be written off. The effect of the same has not yet quantified and accounted as the terms are yet to be closed with the past owners.

11 Prior year comparatives

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

For E.A. Patil & Associates

Chartered Accountants

Firm Registration No. 117371W

Alok Pathak

Managing Director

Saurabh Dani

Whole-Time Director

CA E.A. Patil

Partner

Membership No: 031979

V. Chandrashekar

Company Secretary

Place: **Navi Mumbai**

Date: **30th May, 2013**

ATTENDANCE SLIP

Currency : Indian Rupee

for the year ended 31st March, 2013

PRISM INFORMATICS LIMITED

Registered Office: B-907, BSEL TechPark, Sector 30-A, Opp. Vashi Railway
Station, Vashi, Navi Mumbai- 400 703, India

ATTENDANCE SLIP**(to be presented at the entrance)**

31st Annual General Meeting on Friday 27th September, 2013 at 11.00 AM (IST) at **Zinga**, Shop No. 176 to 179
Fantasia Business Park, Plot No. 47, Sector – 30A, Opp. Vashi Railway Station, Vashi, Navi-Mumbai 400-703.
India.

Folio no: DPID No.:

Client ID No.:

Name of the member: Signature:

Name of the proxy holder: Signature:

1. Only Members/Proxyholders can attend the meeting.
2. Members/Proxyholders should bring his/her copy of the Annual Report for reference at the meeting.

ATTENDANCE SLIP

Currency : Indian Rupee

for the year ended 31st March, 2013

PRISM INFORMATICS LIMITED

Registered Office: B-907, BSEL TechPark, Sector 30-A, Opp. Vashi Railway Station, Vashi, Navi Mumbai- 400 703, India

PROXY FORM

I/We..... of
 being member(s) of the above named Company, hereby
 appoint.....of.....as my/our
 proxy to attend and vote for me/us and on my/our behalf at the 31st Annual General Meeting of Company to be held
 on **Friday, 27th September 2013, at Zinga”, Shop No. 176 to 179 Fantasia Business Park, Plot No. 47, Sector –
 30A, Opp. Vashi Railway Station, Vashi, Navi-Mumbai 400-703. at 11.00 A.M. (IST) or any adjournment thereof.**

Affix Revenue Stamp Re. 1/-

Folio no: DP ID No.:

Client ID No.:

Number of shares held:

Signed thisday of2013.

Signature:.....

This form is to be used ** in favour of / or **against the resolution. Unless otherwise instructed, the Proxy will act as
 he thinks fit. **Strike out whichever is not desired.

Notes:

1. This Proxy must be lodged with Company at its Registered Office at B-907, BSEL Tech Park, Sector 30-A, Opp. Vashi Railway Station, Vashi, Navi Mumbai- 400 705, India, not less than 48 hours before the time for holding the aforesaid meeting.
2. Those members who have multiple folios with different joint holders may use copies of their Attendance/Proxy Slip.

**Affix
 Revenue
 Stamp
 Re. 1/-**

LOCATION OF VARIOUS OFFICES

AMERICA

Georgia (HQ)
Six Concourse Parkway
Fifth Floor
Atlanta, GA 30328
Phone: 770-248-2999
Fax: 770-248-2999

SINGAPORE

31 Cantonment Rd.,
Singapore 089747
info.sg@prisminfoglobal.com

ASIA

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Navi Mumbai 400703
Phone: +91-22-65724261
Fax: +91-22-6609 6704.

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EON Free Zone, Plot No.1,
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Kharadi, Pune - 411 014
info.in@prisminfoglobal.com

Prism Infoglobal Limited
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Ph.: +248 422 55 58,

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GmbH
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Gewerbstrasse 5

PRISM Informatics Germany
GmbH
66123 Saarbrücken,
Sciencepark 2

PRISM Informatics Austria
GmbH
1020 Vienna,
Lassallestrasse 7b





MIDDLE EAST (Dubai)

Prism Software Consultancy JLT
Unit No 2502, Fortune Tower,
Plot No. C1, Jumeirah Lakes
Towers, Dubai,
United Arab Emirates



FORM B

Format of covering letter of the annual audit report to be filed with the Stock Exchange.

1.	Name of Company	Prism Informatics Limited
2.	Annual financial statements for the year ended	31 st March, 2013 (Standalone basis)
3.	Type of Audit Qualification	The financial statements for Fy 2012-13 give the true and fair report except 1) In case of receivables balances of Rs. 9,60,43,942 which is subject to confirmation and reconciliation (if any), 2) Unsecured loan of Rs. 6,02,57,535 from Megh leasing and Finance Ltd. Which is subject to confirmation and reconciliation (if any), 3) Unbilled revenue Rs. 59,58,968 which has been as certified by the management, in conformity with the accounting principles generally accepted in India. 4) Internal control system, in respect of service income needs to be strengthened.
4.	Frequency of Qualification	1) Appeared First time. 2) Appeared for First time 3) Appeared for Second time 4) Appeared for First time
5.	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the director's report	Qualification with respect to Long Term Borrowings, note number 6. Of standalone financials. Pg. No. 54 of annual Report.
6.	Additional comments from the board/audit committee chair.	NA
7.	To be signed by- • CEO/Managing Director • CFO • Auditor of the company • Audit Committee Chairman	   



FORM B

Format of covering letter of the annual audit report to be filed with the Stock Exchange.

1.	Name of Company	Prism Informatics Limited
2.	Annual financial statements for the year ended	31 st March, 2013 (Consolidated basis)
3.	Type of Audit Qualification	The financial statements for Fy 2012-13 give the true and fair report except 1) In case of receivables balances of Rs. 11, 39,74,317, receivable balances in case of India Rs. 9,60,43,942 is subject to confirmation and reconciliation (if any), 2) Unsecured loan of Rs. 6,02,57,535 from Megh leasing and Finance Ltd. Is subject to confirmation and reconciliation (if any), 3) Unbilled revenue Rs. 59,58,968 which has been as certified by the management, in conformity with the accounting principles generally accepted in India.
4.	Frequency of Qualification	1) Appeared for First time. 2) Appeared for First time 3) Appeared for Second time
5.	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the director's report	Qualification with respect to Long Term Borrowings, note number 2.4. Of standalone financials. Pg. No. 86 of annual Report.
6.	Additional comments from the board/audit committee chair.	NA
7.	To be signed by- • CEO/Managing Director • CFO • Auditor of the company • Audit Committee Chairman	