




**FORM A**

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

1.	Name of Company	<b>Prism Informatics Limited</b>
2.	Annual financial statements for the year ended	31 <sup>st</sup> March, 2015 (Standalone basis)
3.	Type of Audit Qualification	<ul style="list-style-type: none"><li>i. Loan of Rs. 1, 50, 00,000 from Allstate Finance &amp; Leasing Limited is subject to confirmation and reconciliation if any.</li><li>ii. Accounts receivable of Rs. 1,86,36,855 is subject to confirmation and reconciliation if any.</li><li>iii. Loan from Directors and entities in which director have interest of Rs. 2,73,40,302 is subject to confirmation and reconciliation if any.</li><li>iv. Unbilled revenue of Rs. 17, 44, 061/- has been certified by the management in conformity with the accounting principles generally accepted in India.</li><li>v. Company has not carried out any physical verification of its fixed assets.</li><li>vi. Repayment of Statutory Dues outstanding for more than 6 months.</li><li>vii. Internal control in respect of service income and fixed assets need to be strengthened.</li></ul>
4.	Frequency of Qualification	<ul style="list-style-type: none"><li>i. Second Time.</li><li>ii. Third Time</li><li>iii. First Time.</li><li>iv. Third Time.</li><li>v. Second Time.</li><li>vi. First Time.</li><li>vii. First Time</li></ul>
5.	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the director's report	Company's subsidiaries namely, Prism Software Consultancy DMCC (earlier known as Prism Software Consultancy JLT), Prism Infoglobal, Prism INC and Prism PTE have been incurring losses from the operations resulting in





		substantial erosion of capital as on date of balance sheet. In the opinion of Management these conditions indicate existence of material uncertainty and may cast significant doubt about the ability of subsidiaries to continue as a going concern.
6.	Additional comments from the board/audit committee chair.	Members of the Audit committee recommended to Board that necessary measures to be taken to strengthen the internal control system which will help to avoid the above said points of attention drawn by the Statutory Auditors.
7.	<p>To be signed by-</p> <ul style="list-style-type: none"> <li>• CEO/Managing Director</li> <li>• CFO</li> <li>• Auditor of the company</li> <li>• Audit Committee Chairman</li> </ul>	  



**FORM B**

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

1.	Name of Company	<b>Prism Informatics Limited</b>
2.	Annual financial statements for the year ended	31 <sup>st</sup> March, 2015 (Consolidated basis)
3.	Type of Audit Qualification	<div><div>i.</div><div>ii.</div><div>iii.</div><div>iv.</div><div>v.</div></div> <div><div>Loan of Rs. 150 lacs from Allstate Finance &amp; Leasing Limited is subject to confirmation and reconciliation if any.</div><div>Accounts receivable of Rs. 186.36 lacs is subject to confirmation and reconciliation if any.</div><div>Loan from Directors and entities in which director have interest of Rs. 2,73.40 lacs and loan from others of Rs. 745.21 lacs is subject to confirmation and reconciliation if any.</div><div>Unbilled revenue which has been certified by the management in conformity with the accounting principles generally accepted in India.</div><div>Company has not carried out any physical verification of its</div></div>



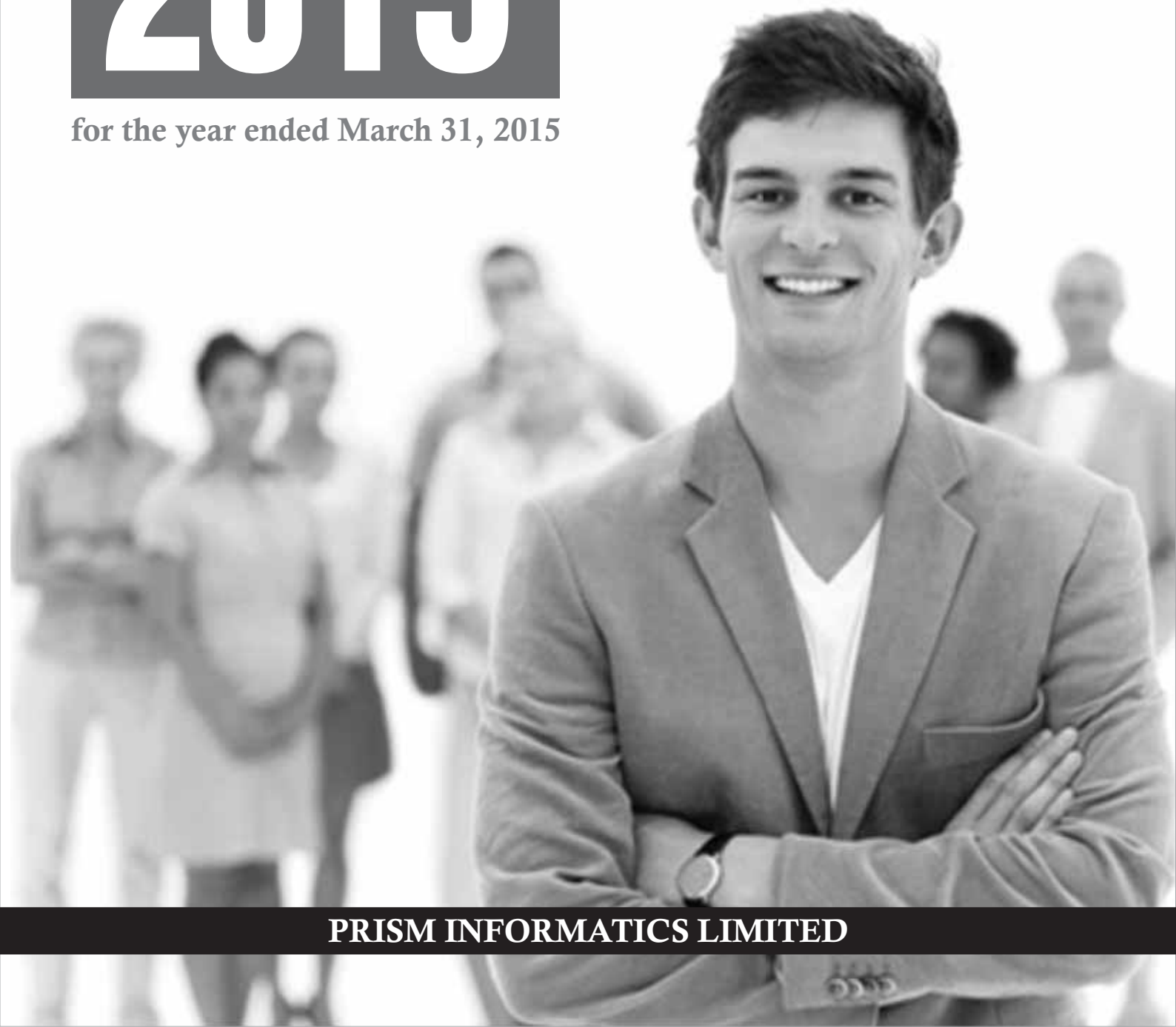


		<p>fixed assets.</p> <p>vi. Internal control in respect of service income and fixed assets need to be strengthened.</p>
4.	Frequency of Qualification	<p>i. Second Time.</p> <p>ii. Third Time.</p> <p>iii. First Time.</p> <p>iv. Third Time.</p> <p>v. First Time</p> <p>vi. First Time</p>
5.	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the director's report	<p>Company's subsidiaries namely, Prism Software Consultancy DMCC (earlier known as Prism Software Consultancy JLT), Prism Infoglobal, Prism INC and Prism PTE have been incurring losses from the operations resulting in substantial erosion of capital as on date of balance sheet. In the opinion of Management these conditions indicate existence of material uncertainty and may cast significant doubt about the ability of subsidiaries to continue as a going concern.</p>
6.	Additional comments from the board/audit committee chair.	<p>Members of the Audit committee recommended to Board that necessary measures to be taken to strengthen the internal control system which will help to avoid the above said points of attention drawn by the Statutory Auditors.</p>
7.	<p>To be signed by-</p> <ul style="list-style-type: none"> <li>• CEO/Managing Director</li> <li>• CFO</li> <li>• Auditor of the company</li> <li>• Audit Committee Chairman</li> </ul>	<p><i>[Handwritten signatures and stamps]</i></p> <p><i>[Circular stamp: E.A. PATIL &amp; ASSO NAVI MUMBAI Firm Reg. No. 117371W]</i></p> <p><i>[Circular stamp: PRISM INFORMATICS LIMITED C-912 BSEL Tech Park C Wing 4th Floor 300 145th Railway Station Sector 10A Vashi - 401 303 Mumbai 401 303]</i></p>



# Annual Report 2015

for the year ended March 31, 2015





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## Director's 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.



**Alok Pathak**  
Managing Director

- Engineering from NIT Raipur, M Tech, IIT Mumbai.
- Over 20 years experience in various capacities across companies. He has been actively involved in mergers of US & UK based development centers with Indian companies. He had been the President and Vice President for a number of IT companies and has headed operations for a large US and UK based company. He has also headed the BFSI and Telecom verticals for a very large IT company.



**Atul Pradhan**  
Independent Director

- MBA, BA and Diploma in Electronics and Electrical Communication Engineering
- 25 years of professional experience in management consulting
- He served Techsignia Solutions, KPMG Consulting India & currently serves Transfolign Consulting as a Managing Partner, Independent Director for Camlin Fine Sciences Ltd & Founder Director for Lead Angels Association for Entrepreneurship Development



**Saurabh Dani**  
Promoter & 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.



**V. Chandrashekar**  
Director

- Graduate in Science from University of Bombay with Diploma in Management Studies. Is also a Law Graduate and Member of Institute of Company Secretaries of India.
- Has served several organizations as head of Legal & Company Secretary for more than two decades.



**Ranjana Gupta**  
Independent Director

- B.Ed from Kanpur University
- Recipient of "Outstanding" academic grade across GNIIT
- She served for organizations including RELIANCE ADAG, Network Finance & Constructions and VANS Information & Systems Ltd.



## Director's Profile



### Christof Anderi

Whole Time  
Director & CFO

- Graduate in Business Administration and Information Technology from a prestigious University of Saarbrücken, 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

### 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.

### Registered Office

C-912, BSEL Tech Park, Sector 30-A, Opp. Vashi Railway Station, Vashi, Navi Mumbai-400705.

Phone-+91-22-61371000

Fax-+91-22-27813555,

Email: [investors@prism-informatics.com](mailto:investors@prism-informatics.com)

### Company Secretary & Compliance Officer

Khushboo Gurbuxani

### 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](mailto:info@sharexindia.com);

[investor@sharexindia.com](mailto:investor@sharexindia.com)

### Bankers

#### HDFC Bank

Shop no. 10 & 11, Neelkanth Gardens, Bhaktakavi Shivaji Bhai Devashi Road Mumbai-400088, Maharashtra

#### Axis Bank

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



## NOTICE

**NOTICE** is hereby given that **33rd (Thirty Third) Annual General Meeting (AGM)** of the members of **Prism Informatics Limited** will be held at **Four Points by Sheraton, Plot 39/1, 6 To 15, Sector 30A , Vashi, Navi Mumbai, Mumbai, Maharashtra 400705, India** on **22nd day of September, 2015, Tuesday at 4.00 p.m. (IST)** to transact the following business:-

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2015, Profit and Loss Account for the year ended on 31st March 2015 and the reports of Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. V. Chandrashekar, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**.

**“RESOLVED THAT** pursuant to the provisions of section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under, as amended from time to time, the Company hereby ratifies appointment of M/s E.A. Patil & Associates, Chartered Accountants (Firm Registration No.117371W), as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till conclusion of thirty-seventh Annual General Meeting (AGM) of the Company to be held in the year 2019 (subject to ratification of their appointment at every AGM), at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

### SPECIAL BUSINESS:

4. **APPOINTMENT OF MR. CHRISTOF ANDERI AS WHOLE-TIME DIRECTOR OF THE COMPANY:**

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

**“RESOLVED THAT** pursuant to the provisions of Section 196, 197, 188 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification (s) or re-enactment (s) thereof, for the time being in force), consent of members be and is hereby given for appointment of Mr. Christof Anderi as Whole-Time Director for a period of five years with effect from 30th September, 2014 without any remuneration.

**RESOLVED FURTHER THAT** a draft of appointment letter as initialled by Dr. Nirmal Jain,

Independent Director of the Company for the purpose of identification be and is hereby approved.

**RESOLVED FURTHER THAT** Mr. Alok Pathak, Managing Director and/ or Ms. Khushboo Gurbuxani, Company Secretary of the Company be and are hereby authorised to file necessary forms with Registrar of the companies and to take necessary steps to give effect to this resolution.”

5. **APPOINTMENT OF MR. ATUL PRADHAN AS AN INDEPENDENT DIRECTOR OF THE COMPANY:**

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

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152, 178 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Atul Pradhan (holding DIN 00171022) who has submitted a declaration that he meets the criteria of independence as provided in section 149(6) of the Act be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years with effect from 13th February, 2015.

6. **APPOINTMENT OF MRS. RANJANA GUPTA AS AN INDEPENDENT DIRECTOR OF THE COMPANY:**

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

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mrs. Ranjana Gupta (holding DIN 00589736), who has submitted a declaration that she meets the criteria of independence as provided in section 149(6) of the Act and who is



## NOTICE

eligible for appointment, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years with effect from 20th March, 2015.

### 7. **APPROVAL OF REMUNERATION TO BE PAID TO MR. ALOK PATHAK, MANAGING DIRECTOR OF THE COMPANY:**

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

**“RESOLVED THAT** as recommended by Nomination and Remuneration Committee and approved by Board of Directors of the Company in their Board Meeting held on 29th May, 2015 and pursuant to the provisions of Section 178, 196, 197 and other applicable provisions of Companies Act, 2013, including any statutory modifications or re-enactment thereof for the time being in force, read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 including Schedule V to the said Act, following remuneration or such other remuneration as may be decided by the Board from time to time to be paid to Mr. Alok Pathak with authority to Board of Directors or a Committee thereof to fix remuneration from time to time.

1. Salary Rs. 2,50,000 p.m.
2. Performance Linked Incentives Rs. 2,50,000 per month payable annually in arrears. Parameters of performance to be laid down by the Nomination and Remuneration Committee of the Board.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to vary the terms and conditions set out in the contract of appointment including the remuneration to the extent the Board of Directors may consider appropriate and as may be permitted or authorized in accordance with any provision under the Act for the time being in force provided, however, that, the remuneration to be paid to Mr. Alok Pathak shall be within the limits set out in the said Act including Schedule V to the act or any amendments thereto or any modifications(s) or statutory re-enactment(s) thereof and/or any rules or regulations framed there under and the terms of the aforesaid contract of appointment between the Company and Mr. Alok Pathak shall be suitably modified to give effect to such variation or increase as the case may be.

**RESOLVED FURTHER THAT** in the event of loss or inadequacy of profits in any financial year of the Company during the term of Mr. Alok Pathak's office as Managing Director, the remuneration, if any, set out in the aforesaid contract of appointment be paid or granted to Mr. Alok Pathak as minimum remuneration provided that the total remuneration by way of salary and other allowances shall not exceed the ceiling provided in Section IIA of Part II of Schedule V to the said Act or such other amount as may be provided in the said Schedule V as may be amended from time to time or any equivalent statutory re-enactment(s) thereof.”

**For Prism Informatics Limited**

**Date:**13th August, 2015

**Place:** Navi Mumbai

**Alok Pathak**

**Managing Director**



## NOTES TO NOTICE

1. A member entitled to attend and vote at the Annual General Meeting (AGM) 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.  
  
A person can act as a proxy on behalf of members not exceeding fifty in number and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or Member.
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 102 of the Companies Act, 2013, in respect of the business under Item no. 4 to 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. 4 to Item no. 6 of the Notice, is also annexed.
4. The Register of Members and Share Transfer Books of Company will remain closed from 15th September, 2015 to 22nd September, 2015 (both days inclusive).
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](mailto:sharexindia@vsnl.com); Website: [www.sharexindia.com](http://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.
12. All Members are requested to bring their copy of Annual report with them at the Annual General Meeting and no copy of Annual report shall be circulated among the members at the meeting.
13. Pursuant to Section 108 of the Companies Act, 2013,



## NOTES TO NOTICE

Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Clause 35B of the Listing Agreement, the Company is pleased to provide the facility to members to exercise their right to vote on the resolutions proposed to be passed at AGM by electronic means. The Members, whose names appear in the Register of members / list of Beneficial Owners as on Monday, 14th September, 2015, i.e. the date prior to the commencement of book closure, are entitled to vote on the Resolutions set forth in this Notice. The members may cast their votes on electronic voting system from place other than the venue of the meeting (remote e-voting). The remote e-voting period will commence at 9.00 a.m. on Saturday, 19th September, 2015 and will end at 5.00 p.m. on Monday, 21st September, 2015. In addition, the facility for voting through electronic voting system shall also be made available at the AGM and the members attending the AGM who have not cast their vote by remote e-voting shall be eligible to vote at the AGM. The Company has appointed Samir Gajjar and Company, Practising Chartered Accountants, to act as the Scrutinizer, to scrutinize the entire e-voting process in a fair and transparent manner. The members desiring to vote through remote e-voting are requested to refer to the detailed procedure given hereinafter.

### Procedure for Remote E-Voting:

- I. The Company has entered into an arrangement with National Securities Depository Limited (NSDL) for facilitating e-voting for AGM. The instructions for e-voting are as under:
  - a. In case of Members receiving an e-mail from NSDL:
    - i. Open the PDF file 'received by you from NSDL'. The said PDF file contains your USER ID and Password for e-voting. Please note that the password provided in PDF as 'Initial Password'.
    - ii. Launch an internet browser and open <https://www.evoting.nsdl.com/>
    - iii. Click on Shareholder-Login.
    - iv. Insert 'User ID' and 'Initial Password' as noted in step (i) above and click 'Login.'
    - v. Password change menu will appear. Change the Password with a new Password of your choice. Please keep a note of the new Password. It is strongly recommended not to share your Password with any person and take utmost care to keep it confidential.
    - vi. Home page of e-voting will open. Click on e-Voting Active Voting Cycles.
    - vii. Select 'EVEN' (E-Voting Event Number) of Prism

Informatics Limited (the number is provided in this document). Once you enter the number, the Cast Vote page will open.

- viii. Now you are ready for e-voting as 'Cast Vote' page opens. Cast your vote by selecting appropriate option and click on 'Submit'. Click on 'Confirm' when prompted.
- ix. Upon confirmation, the message 'Vote cast successfully' will be displayed.
- x. Once you have voted on the resolution, you will not be allowed to modify your vote.
- xi. Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority Letter, along with attested specimen signature of the duly authorized signatory(ies) who are authorised to vote, to the Scrutinizer by an e-mail at [samirgajjar@rediffmail.com](mailto:samirgajjar@rediffmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- b. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/ Depository Participants(s) or requesting physical copy:
  - i. Initial password is provided below :

EVEN (E Voting Event Number)	User ID	Password
-	-	-

- ii. Please follow all steps from Sl. No. (ii) to Sl. No. (xi) above, to cast vote
- II. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com)
- III. If you are already registered with NSDL for e-voting then you can use your existing user ID and password for casting your vote.
- IV. The voting rights shall be as per the number of equity share held by the Member(s) as on Monday, 14th September, 2015, being the cut off date. Members are eligible to cast vote electronically only if they are holding shares as on that date.



## NOTES TO NOTICE

- V. Members who have acquired shares after the dispatch of the Annual Report and before the book closure may obtain the user ID and Password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [khushboo.gurbuxani@prism-informatics.com](mailto:khushboo.gurbuxani@prism-informatics.com).

However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you have forgotten your password, you can reset your password by using "Forgot User Details/Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no. 1800-222-990.

- VI. The results of the electronic voting shall be declared after the AGM. The results along with the Scrutinizer's Report, shall also be placed on the website of the Company.
- VII. Please note this is the standard process of Remote E-Voting. Even Number, User ID & Password will be dispatched separately before commencement of voting period.
14. In case of joint holders, attending the meeting, only such joint holder who is higher in the order of names, will be entitled to vote at the Meeting.
15. The Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or arrangements in which Directors are interested under Section 189 of Companies Act, 2013 will be available for inspection at the Annual General Meeting.
16. For convenience of the Members and proper conduct of the meeting, entry to the meeting venue will be regulated by Attendance Slip, which is enclosed with this Annual Report. Members are requested to sign at the place provided on the Attendance Slip and hand it over at the Registration Counter at the venue.

**For Prism Informatics Limited**

**Date: 13th August, 2015**

**Place: Navi Mumbai**

**Alok Pathak**

**Managing Director**



## EXPLANATORY STATEMENT

As required by Section 102 of the Companies Act, 2013 ("Act"), the following explanatory statement sets out all material facts relating to the business mentioned under Item No.4.to Item No.7, of the notice convening Annual General Meeting.

### Item No. 4:

Special Resolution as set out in Item no 4 relates to the appointment of Mr. Christof Anderi as Whole Time Director of the Company for a period of 5 years from 30th September, 2014. His appointment as Whole Time Director is approved by the Board of Directors in the Board Meeting held on 30th September, 2014.

Salary, perquisites and Allowances per annum of the appointee:

Mr. Christof Anderi shall not draw any remuneration from the Company.

Board has recommended his appointment as Whole Time Director of the Company subject to approval of members of the Company.

The appointee shall not be entitled to any sitting fees for Board/ Committee Meetings.

None of the other directors/ Key Managerial Personnel and/or their relatives except Mr. Christof Anderi is directly concerned or interested, financially or otherwise in the resolution as set out in Item 4 of this notice except to the extent of their respective shareholding if any, mentioned in Annexure- I to this explanatory statement

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

Although Mr. Christof Anderi is proposed to be appointed without remuneration as a Whole Time Director of the Company, the following additional information as required by Section II of Part II of Schedule V to the Companies Act, 2013 is given below by way of abundant caution:

### I. General Information:

#### i. Nature of Industry:

The Company is engaged in the business of Information Technology and Information Technology enabled services.

#### ii. Date or expected date of commencement of commercial production:

The date of commencement of commercial production is 08th March, 1983.

### iii. Financial performance based on given indicators:

#### A. Based on Standalone Financials of the Company for the year ended 31st March, 2015

Particulars	Rs. in million
Sales and Other Income	146.72
Net loss	(454.748)
Net Worth	35.64

#### B. Based on Consolidated Financials of the Company for the year ended 31st March, 2015:

Particulars	Rs. in million
Sales and Other Income	489.60
Net loss	(462.163)
Net Worth	(18.09)

### iv. Foreign investments or collaborations:

The details of the direct overseas subsidiaries of the Company are as under:

Sr. No.	Name of the entity	Number of Shares	Amount (Rs. in million)
01	Prism Informatics Europe AG, Switzerland	22,133,150	156.02
02	Prism Informatics Inc., USA	56,000,000	25.62
03	Prism Software Consultancy, JLT	50	0.7165
04	Prism Informatics Pte. Singapore	6,50,777	31.30
05	Prism Infoglobal Limited, Seychelles	100	0.005



# EXPLANATORY STATEMENT

## II. Information about the appointee:

### i. Background details:

Graduate in Business Administration and Information Technology from prestigious University of Saarbrücken, 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. He is associated with Prism Informatics Limited as Director since from the year 2010 till date.

### ii. Past Remuneration from the Company:

He does not draw any remuneration from the Company.

### iii. Recognition or awards:

Experienced in strategic analysis, technology development, sales and marketing and operations management in startup and early-stage companies. Strong interpersonal and organizational skills.

### iv. Job profile and his suitability:

Mr. Christof Anderi, Whole Time Director is responsible for day-to-day management of European operation of the Company, subject to overall superintendence, control and direction of the Board of Directors. Taking into consideration his qualifications and expertise in Information Technology, he is best suited for the responsibilities of current assigned role.

### v. Remuneration proposed:

Mr. Christof Anderi is proposed to be appointed without any remuneration.

### vi. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)

Not Applicable as remuneration is not paid from the Company.

### vii. Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any:

Mr. Christof Anderi is not related to any other Director as well as Managerial Personnel of the Company. He does not have any pecuniary relationship directly or indirectly with the Company or its Managerial Personnel.

## III. Other Information:

### i. Reasons of loss or inadequate profits:

Company suffered a loss due to provisions made for capital commitments towards its wholly owned subsidiaries and disinvestment of its stake in Idhasoft Limited, Associate Company of Prism Informatics Limited.

### ii. Steps taken or proposed to be taken for improvement:

Company is in the process of structuring its business in the areas of mobility and cloud, human capital management solutions.

### iii. Expected increase in productivity and profits in measurable terms.

The aforesaid steps taken/ to be taken by the company are expected to improve further the company's performance and profitability in the future.

## Item No 5 & 6:

The Board of Directors of the Company has appointed Mr. Atul Pradhan & Mrs. Ranjana Gupta as Additional Directors of the Company with effect from 13th February, 2015 & 20th March, 2015 respectively. In accordance with the provisions of Section 161 of Companies Act, 2013, Mr. Atul Pradhan & Mrs. Ranjana Gupta shall hold office up to the date of the forthcoming Annual General Meeting and are eligible to be appointed as Independent Director for a term up to five years. The Company has received notice under Section 160 of the Companies Act, 2013 from Mr. Atul Pradhan & Mrs. Ranjana Gupta respectively signifying their candidature as Independent Directors of the Company.

A brief profile of Mr. Atul Pradhan & Mrs. Ranjana Gupta, including nature of their expertise, is provided in this Annual Report.

The Company has received a declaration of independence from Mr. Atul Pradhan & Mrs. Ranjana Gupta. In the opinion of the Board, they fulfill the conditions specified in the Companies Act, 2013 and the Equity Listing Agreement, for appointment as Independent Director of the Company. A copy of the draft Letter of Appointment for Independent Directors, setting out terms and conditions of appointment of Independent Directors is available for inspection at the Registered Office of the Company during business hours on any working day and is also available on the website of the Company [www.whypism.com](http://www.whypism.com).

None of the Directors or Key Managerial Personnel and their relatives, except Mr. Atul Pradhan & Mrs. Ranjana Gupta, are concerned or interested (financially or otherwise) in this Resolution.



## EXPLANATORY STATEMENT

The Board recommends the Special Resolution set out at Item no.5 & 6 for approval of the Members.

### Item No. 7

Special Resolution as set out in Item no. 7 relates to approval of Remuneration to be paid to Mr. Alok Pathak as Managing Director of the Company. Members of the Company at the Annual General Meeting held on 30th September, 2014 re-appointed Mr. Alok Pathak as Managing Director of the Company for the period of five years with effect from 01st September, 2014 with no remuneration. However in the Board Meeting held on 29th May, 2015 based on the recommendation made by Nomination and Remuneration Committee, Board approved the following remuneration to be paid to Mr. Alok Pathak subject to approval of Shareholders:

1. Salary Rs. 2,50,000 p.m.
2. Performance Linked Incentives Rs. 2,50,000 per month payable annually in arrears. Parameters of performance to be laid down by the Nomination and Remuneration Committee of the Board.

Hence, pursuant to provisions of Section 196, 197 and other applicable provisions, if any, of Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 including Schedule V to the said Act, your approval is sought for payment of Remuneration to Mr. Alok Pathak as a Managing Director of the Company with effect from 01st April, 2015.

None of the Directors/key managerial personnel and/or their relatives, except Mr. Alok Pathak, is directly or indirectly concerned or interested, financially or otherwise, except to the extent of their respective shareholding, if any, in the Company, in the resolutions set out in Item No. 7 of the Notice.

The Board recommends the resolution set forth in Item no. 7 for the approval of the members.

The following additional information as required by Section II of Part II of Schedule V to the Companies Act, 2013 is given below for item no. 7.

### I. General Information:

#### i. Nature of Industry:

The Company is engaged in the business of Information Technology and Information Technology enabled services.

#### ii. Date or expected date of commencement of commercial production:

The date of commencement of commercial production is 08th March, 1983.

#### iii. Financial performance based on given indicators:

##### A. Based on Standalone Financials of the Company for the year ended 31st March, 2015:

Particulars	Rs. in million
Sales and Other Income	146.72
Net Profit after Tax	(454.748)
Net Worth	35.64

##### B. Based on Consolidated Financials of the Company for the year ended 31st March, 2015:

Particulars	Rs. in million
Sales and Other Income	489.60
Net loss	(462.163)
Net Worth	(18.09)

#### iv. Foreign investments or collaborations:

The details of the direct overseas subsidiaries of the Company are as under:

Sr. No.	Name of entity	Number of Shares	Amount (Rs. in million)
01	Prism Informatics Europe AG, Switzerland	22,133,150	156.02
02	Prism Informatics Inc., USA	56,000,000	25.62
03	Prism Software Consultancy, JLT	50	0.7165
04	Prism Informatics Pte. Singapore	6,50,777	31.30
05	Prism Infoglobal Limited, Seychelles	100	0.005



## EXPLANATORY STATEMENT

### II. Information about the appointee:

Particulars	Mr. Alok Pathak
i. Background details	Mr. Alok Pathak was a Director and Chief Executive Officer of Idhasoft Limited for 5 years. He was re-appointed as a Managing Director of the Company from 01st September, 2014. He has completed his engineering from NIT Raipur and M Tech from IIT Mumbai.
ii. Past Remuneration	He does not draw any remuneration from the Company
iii. Recognition or awards:	He has over 20 years experience in various capacities across companies. He has been actively involved in mergers of US & UK based development centers with Indian companies. He had been the President and Vice President for a number of IT companies and has headed operations for a large US and UK based company. He has also headed the BFSI and Telecom verticals for a very large IT company.
iv. Job Profile and Suitability	Mr. Alok Pathak, Managing Director, is responsible for day-to-day management of the Company, subject to overall superintendence, control and direction of the Board of Directors. Taking into consideration his qualifications and expertise in Information Technology, the Managing Director is best suited for the responsibilities of current assigned role.
v. Remuneration proposed:	Following Remuneration to be paid to Mr. Alok Pathak: 1. Salary Rs. 2,50,000 p.m. 2. Performance Linked Incentives Rs. 2,50,000 per month payable annually in arrears. Parameters of performance to be laid down by the Nomination and Remuneration Committee of the Board.
vi. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	With Globalization and Liberalization taking roots in India, the demand for the Knowledge and Skills in various fields are on rise and there has been a phenomenal growth in remuneration package for key positions in the last few years.  Company has operations in India and in USA. The remuneration paid to Mr. Alok Pathak is in line with Remuneration of CEO's and Managing Directors of other companies having Global operations, keeping in view his job profile, Complexity of comparative business of the company.
vii. Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any :	Mr. Alok Pathak is not related to any other Director as well as Managerial Personnel of the Company. He does not have any pecuniary relationship directly or indirectly with the Company or its Managerial Personnel.



## EXPLANATORY STATEMENT

### III. Other Information:

#### i. Reasons of loss or inadequate profits:

Company suffered a loss due to provisions made for capital commitments towards its wholly owned subsidiaries and disinvestment of its stake in Idhasoft Limited, Associate Company of Prism Informatics Limited.

#### ii. Steps taken or proposed to be taken for improvement:

Company is in the process of structuring its business in the areas of mobility and cloud, human capital management solutions.

#### iii. Expected increase in productivity and profits in measurable terms.

The aforesaid steps taken/ to be taken by the company are expected to improve further the company's performance and profitability in the future.

The Board accordingly recommends the resolution as set out in Item no. 7 for approval of Members.

**For Prism Informatics Limited**

**Date: 13th August, 2015**

**Place: Navi Mumbai**

**Alok Pathak**

**Managing Director**



**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		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 21st August, 2015	Relationship with other Directors
01.	Mr. Christof Anderi	01st June, 2011	Graduate in Business Administration and Information Technology from a prestigious University of Saarbrücken, Germany.	Neogen Computer Systems Private Limited	37,353 Equity Shares constituting 43.06% of paid-up capital of Company	None
02.	Mr. Atul Pradhan	13th February, 2015	MBA, BA, and Diploma in Electronics and Electrical Communication Engineering	1. Transfolign Management Consulting Private Limited 2. Lead Angels Association for Entrepreneurship Development 3. Camlin Fine Sciences Limited	20% 33% Nil	None
03.	Mrs. Ranjana Gupta	20th March, 2015	B.Ed from Kanpur University. Recipient of "Outstanding" academic grade across NIIT.	1) Mahidar Finvest Private Limited. 2) Sinchro Finvest Private Limited SpadeWorx Software 3) Sanchayita Securities Private Limited 4) Vidyotam Securities Private Limited	50% 50% 6.17% 9.05%	None

**Note: Directorships in Body Corporate, alternate Directorships and membership in governing councils, chambers and other bodies are not included. Membership/Chairmanship in Audit Committee and Shareholder Grievance Committee of other Companies is included.**



# DIRECTORS REPORT

To  
The Members,  
PRISM INFORMATICS LIMITED,

The Board of Directors of your Company are delighted to present the 33rd Annual Report of company, along with the audited financial statements for the financial year ended **31st March 2015**

## 1. Financial performance

### 1.1 STANDALONE RESULTS:

(In Rs.)

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
<b>Revenue</b>		
Revenue from Operations	124,213,730	209,993,239
Other income	22,510,629	27,507,752
Total Revenue	146,724,359	237,500,991
<b>Expenses</b>		
Cost of Sales & Service	20,725,023	52,002,656
Employee benefits expense	90,676,624	123,047,050
Other expenses	46,414,783	30,749,201
Depreciation	1,888,338	2,272,137
Amortisation	-	13,015,054
Finance costs	14,218,509	20,158,527
Total Expenses	173,923,278	241,244,625
Exceptional / Extraordinary Expenses	460,902,262	42,439,889
<b>Profit before tax</b>	(488,101,181 )	(46,183,523)
Tax expense:		
- Current tax	2,433,444	(1,335,329)
- MAT credit entitlement		
- Deferred tax charge	(35,786,835)	(1,395,753)
<b>Profit after taxation for the year from continuing operations</b>	(454,747,790)	(43,452,441)



# DIRECTORS REPORT

## 1.2 CONSOLIDATED RESULTS:

(In Rs.)

Particulars	For year ended March 31, 2015	For year ended March 31, 2014
<b>Total Income</b>	466,905,027	698,320,959
Less: Total Expenditure	22,700,544	715,239,516
<b>Profit before Depreciation</b>	<b>(75,950,193)</b>	<b>(3,302,712)</b>
Depreciation	8,932,229	13,615,845
Profit after Depreciation & before prior period items	(84,882,422)	(16,918,557)
Less: Extra ordinary Items	<b>408,645,213</b>	<b>11,559,352</b>
Less: Exceptional Items	-	-
Profit before taxation	<b>(493,527,634)</b>	<b>(28,477,909)</b>
Tax Expense:		
1) Current tax	4,422,641	90,304
2) Deferred tax	(35,786,835)	(1,395,753)
Net profit for year	(462,163,440)	(124,881,535)
Profit brought forward	(301,769,747)	(176,888,212)
Transfer to General Reserve	-	-
<b>Less: Appropriations</b>		
Interim Dividend	-	-
Proposed Equity Dividend	-	-
Preference Dividend	-	-
Dividend Tax	-	-



## DIRECTORS REPORT

### 2. Company's Performance:

During the financial year 2014-15, company has achieved operational revenue of Rs. 12.42 Crores. However at net level there is a loss of Rs.45.47 Crores. Company suffered a loss due to provisions made for capital commitments towards its wholly owned subsidiaries and disinvestment of its stake in Idhasoft Limited, Associate Company of Prism Informatics Limited.

On consolidated basis, Company booked a revenue of Rs. 46.69 Crores in FY 2014-15. The net loss of Company for FY 2014-15 is Rs. 46.21 Crores.

### 3. Dividend

The Board of Directors of your company do not recommend any dividend for the year 2014-15.

### 4. Extract of Annual Return:

The extract of the Annual Return of Company in Form MGT-9 is annexed herewith as Annexure "A" to this report.

### 5. Number of Meetings of the Board:

During the financial year 2014-15, nine Board Meetings were held. The details of which are given in Corporate Governance Report.

### 6. Directors' Responsibility Statement:

The directors report that

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- ii) The Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of company at the end of the financial year and of the profit and loss account of company for that period.
- iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of company and for preventing and detecting fraud and other irregularities.
- iv) The Directors have prepared the annual accounts on a going concern basis.
- v) The Directors, had laid down internal financial controls to be followed by company and that such internal financial controls are adequate and were

operating effectively.

- vi) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### 7. Nomination and Remuneration Policy:

The Board has on the recommendation of the Nomination and Remuneration Committee, framed a policy for selection and appointment of Directors, Key Managerial Personnel and Senior Management Personnel and their remuneration. The Nomination and Remuneration policy is annexed herewith as Annexure "B" to this report.

### 8. Particulars of Loans, Guarantees or Investments:

Your company has not directly or indirectly

- a) given any loan to any person or other body corporate other than usual advances envisaged in a contract of supply of services if any,
- b) given any guarantee or provided security in connection with a loan to any other body corporate or person and
- c) acquired by way of subscription purchase or otherwise, the securities of any other body corporate

exceeding sixty percent, of its paid-up share capital, free reserve and securities premium account or one hundred percent of its free reserves and securities premium account whichever is more.

Your company has not accepted deposits from public as envisaged under Sections 73 to 76 of Companies Act, 2013 read with Companies (acceptance of Deposit) Rules, 2014.

### 9. Particulars of Contracts or Arrangements with Related Parties:

All contracts or arrangements entered into by Company with Related Parties have been done at arm's length and are in the ordinary course of business.

The policy on Related Party Transactions as approved by the Board has been displayed on Company's Website at the link-  
<http://www.whypism.com/download/Corporate%20Governance/Related%20Trade%20Party%20Transactions%20-%20Policy.pdf>.

Pursuant to Section 134 of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014, the particulars of such transactions are provided in Form AOC-2 which is annexed herewith as Annexure "C" to this report. Related party disclosures as per AS-18 have been provided in Note-27 to the financial statement.



## DIRECTORS REPORT

### 10. State of Company's Affairs:

Discussion on state of Company's affairs has been covered as part of the Management Discussion and Analysis (MDA). MDA for the year under review, as stipulated under Clause 49 of the Listing Agreement with Stock Exchanges, is presented in a separate section forming part of the Annual Report.

### 11. Share Capital:

The paid-up Equity Share Capital as on 31st March, 2015 stood at 24.94 Million. During the year under review, 2% 6,60,000 (nos) Non - Cumulative Compulsory Convertible Preference Shares (NCCP Series –VI) of Rs. 100 each were converted into 26,40,000 Equity Shares of Re.1/- each at the conversion price of Rs. 25 per share and 50,000 12% Compulsory Convertible Debentures (CCD Series-V) of Rs. 100/- each were converted into 3,46,020 Equity Shares of Re. 1/- each at the conversion price of Rs. 14.45/- per share. As on March 31, 2015, none of the Directors hold instruments convertible into equity shares of Company.

### 12. Material changes and commitments, if any, affecting the financial position of Company:

There are no material adverse changes or commitments occurring after March 31, 2015 which may affect the financial position of Company or may require disclosure.

### 13. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo:

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 are annexed herewith as Annexure "D" to this report.

### 14. Audit Committee:

The Audit Committee comprises of Dr. Nirmal Jain (Chairman), Mr. Atul Pradhan and Mr. Alok Pathak as members of Audit Committee. All the recommendations made by the Audit Committee were deliberated and accepted by the Board.

### 15. Board Evaluation:

Pursuant to the provisions of Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an annual performance evaluation of its own performance, the Directors individually as well as the

evaluation of the working of its Committees. Performance evaluation has been carried out as per the Nomination and Remuneration policy.

### 16. Details of Appointment and Resignation of Directors and Key Managerial Personnel:

In terms of provisions of the Companies Act, 2013 and the Articles of Association of Company, Mr. V. Chandrashekar, Non-Executive Director of Company, retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

Mr. Christof Anderi was appointed as Non-Executive Director of Company with effect from 10th June, 2011. On the recommendation of Nomination and Remuneration Committee, the Board appointed Mr. Christof Anderi as Whole-Time Director and Chief Financial Officer of Company with effect from 30th September, 2014 subject to approval of Shareholders in the ensuing Annual General Meeting.

Mr. V. Chandrashekar tendered his resignation from the position of Whole-Time Director and Company Secretary of Company with effect from 8th August, 2014. He continues to act as Non-Executive Director of Company.

Mr. Atul Pradhan was appointed as Additional Director of Company with effect from 13th February, 2015 who will act as an Independent Director of Company subject to approval of shareholders at the ensuing Annual General Meeting.

Mrs. Ranjana Gupta was appointed as Additional Director of Company with effect from 20th March, 2015 who will act as an Independent Director of Company subject to approval of shareholders at the ensuing Annual General Meeting.

Dr. Ramesh Subramaniam was appointed as a Non-Executive Director of Company on 14th February, 2013. He resigned from the post of Non-Executive Director with effect from 16th June, 2014.

Dr. Ajay Sharma was appointed as an Independent Director of Company with effect from 7th November, 2009. He resigned from the post of Independent Director with effect from 19th January, 2015.

Ms. Khushboo Gurbuxani was appointed as Company Secretary and Compliance Officer with effect from 13th August, 2014.

Company has received declaration from all the Independent Directors of Company confirming that they meet the criteria of Independence as prescribed under Section 149 (6) of Companies Act, 2013 and Clause 49 of Listing Agreement.



## DIRECTORS REPORT

### 17. Name of Companies which have become/ceased to be Subsidiaries, Joint Ventures or Associate Companies during the year:

During the year, Idhasoft Limited ceased to be Associate Company of Prism Informatics Limited pursuant to disinvestment of its stake to other Company.

A statement containing the salient features of financial statement of our subsidiaries in the prescribed form AOC-1 is annexed herewith to this report.

### 18. Deposits:

Company has not accepted deposits under Chapter V of the Companies Act, 2013 during the year.

### 19. Significant and Material Orders:

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

### 20. Vigil Mechanism:

Company has in place Whistle Blower Policy, wherein the Employees/Directors/Stakeholders of Company are free to report any unethical or improper activity, actual or suspected fraud or violation of Company's Code of Conduct. This mechanism provides safeguard against victimization of employees, who report under the said mechanism. During the year under review, Company has not received any complaints under the said mechanism. The said policy has been displayed on the website of Company at <http://www.whypism.com/why-prism-vigil-mechanism.html>.

### 21. Auditors:

#### a. Statutory Auditors:

At the Annual General Meeting held on September 30, 2014, M/s E.A. Patil & Associates, Chartered Accountants, were appointed as Statutory Auditors of Company to hold office till the conclusion of the Annual General Meeting to be held in the year 2019. In terms of the first proviso to Section 139 of the Companies Act, 2013, the appointment of the Auditors shall be placed for ratification at every Annual General Meeting. Accordingly the appointment of M/s E.A. Patil & Associates, Chartered Accountants, as Statutory Auditors of Company, will be placed for ratification by the Shareholders. In this regard, Company has received a certificate from Auditors to

the effect that if their appointment is ratified, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

The Notes on financial statement referred to in the Auditor's Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark.

#### b. Secretarial Audit:

The Board has appointed Geeta Serwani and Associates, Practicing Company Secretaries to conduct Secretarial Audit for the financial year 2014-15. The Secretarial Audit Report for the financial year ended March 31, 2015 is annexed herewith as Annexure "E" to this report. The Secretarial Audit does not contain any qualification, reservation or adverse remark.

### 22. Corporate Governance:

Company is committed to maintain highest standards of Corporate Governance and adhere to the Corporate Governance requirements set out by SEBI. A separate report on Corporate Governance along with the Auditor's Certificate on its compliance is attached to the report on Corporate Governance.

### 23. Obligation of Company under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

In terms of provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, Company has formulated a policy to prevent Sexual Harassment of Women at Workplace. During the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

### 24. Acknowledgements:

Your Directors sincerely appreciate the high degree of professionalism, commitment and dedication displayed by employees at all levels. Your Directors also wish to place on record their gratitude to the shareholders for their continued support and confidence.

**For and on behalf of Board of Directors**

**Alok Pathak**

**Managing Director**

**Date: 13th August, 2015**

**Place: Navi Mumbai**



# DIRECTORS REPORT

## Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

### Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

#### Part "A": Subsidiaries

Name of the Subsidiary	Prism Informatics Inc, Delaware	Prism Software Consultancy DMCC	Prism Informatics Europe AG	Prism Infoglobal Limited	Prism Informatics Pte, Singapore
Reporting period	31/03/2015	31/03/2015	31/03/2015	31/03/2015	31/03/2015
Reporting Currency and Exchange Rate as on the last date of the reporting period	USD 1 USD = 62.59	AED 1 AED= 17.02	Swiss Francs 1 Swiss Franc= 64.84	USD 1 USD =62.59	SGD 1 SGD=45.50
Share Capital	5,60,000	50,000	25,00,000	100	8,62,102
Reserves & Surplus	(18,58,745)	(32,43,858)	(21,63,100)	(2,560)	(8,89,593)
Total Assets	3,15,194	10,36,240	17,82,778	668	4,753
Total Liabilities	16,13,940	42,30,098	15,58,366	3,128	32,245
Investments	-	-	-	-	-
Turnover	-	51,49,393	40,07,719	-	-
Profit/loss before taxation	(10,21,623)	(34,63,603)	(1,29,600)	(2,528)	(27,494)
Provision for taxation	-	-	(30,925)	-	-
Profit/loss after taxation	(10,21,623)	(34,63,603)	(1,12,580)	(2,528)	(27,494)
Proposed Dividend	-	-	-	-	-
% of Shareholding	100	100	100	100	100

For Prism Informatics Limited

Date: 13<sup>th</sup> August, 2015  
Place: Navi Mumbai

Alok Pathak  
Managing Director



## ANNEXURE "A"

## FormNo.MGT-9

Extract Of Annual Return  
As on the financial year ended on March 31, 2015  
[Pursuant to Section 92(3) of the Companies act, 2013 and rule 12 (1) of the  
Companies (Management and Administration) Rules, 2014]

## I. REGISTRATION AND OTHER DETAILS:

i.	CIN	L67120MH1983PLC029483
ii.	Registration Date	04/03/1983
iii.	Name of Company	PRISM INFORMATICS LIMITED
iv.	Category/Sub-Category of Company	Company limited by shares
v.	Address of the Registered office and contact details	C-912, BSEL Tech Park, 9th Floor, Opp. Vashi Railway Station, Sector 30A, Vashi, Navi Mumbai 400705 Contact no.- 022-61371000 Email: info@prism-informatics.com
vi.	Whether listed company	Yes
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	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

## II. PRINCIPAL BUSINESS ACTIVITIES OF COMPANY

All the business activities contributing 10% or more of the total turnover of company shall be stated:-

Sr.No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of company
01	IT and IT enabled services	620	100



# ANNEXURE “A”

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of Company	CIN/GLN	Holding/ Subsidiary /Associate	%of shares held	Applicable Section
01	Prism Informatics Europe, AG Gewerbstrasse 5, 6330 Cham/Zug, Switzerland	NA	Subsidiary	100	2(87) (ii)
02	Prism Informatics Inc., USA 228, Park Avenue, S.Ste 61944, New York, NY 10003-1502	NA	Subsidiary	100	2(87) (ii)
03	Prism Informatics Pte. Limited, Singapore 31, Cantonment Road, Singapore-089747	NA	Subsidiary	100	2(87) (ii)
04	Prism Software Consulting , DMCC Unit No. 1206, Fortune Executive Tower, Cluster T, Jumeirah Lake Towers, Dubai, UAE	NA	Subsidiary	100	2(87) (ii)
05	Prism Infoglobal Limited, Seychelles R 201A, Moka Business Centre, MT Ory Road, Bon Air Moka, Mauritius.	NA	Subsidiary	100	2(87) (ii)
06	Idhasoft Limited** B-407, BSEL Tech Park, Sector-30A, Opposite Vashi Railway Station, Vashi, Navi Mumbai-400703.	U72200MH2006P LC166403	Associate	21.77	2(6)



# ANNEXURE “A”

## IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

### i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the Year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter</b>									
<b>1) Indian</b>									
a. Individual/HUF	3166936	369617	3536553	14.42	3578049	0	3578049	14.35	-0.007
b. CentralGovt	0	0	0	0	0	0	0	0	0
c. State Govt(s)	0	0	0	0	0	0	0	0	0
d. Bodies Corp	460405	53694	514099	2.097	501049	0	501049	2.009	-0.088
e. Banks / FI	0	0	0	0	0	0	0	0	0
f. Any Other	0	0	0		0	0	0	0	0
Sub-total(A)(1):-	3627341	423311	4050652	18.449	4079098	0	4079098	16.354	-2.086
<b>2) Foreign</b>									
a. NRIs-Individuals	0	0	0	0	0	0	0	0	0
b. Other-Individuals	0	0	0	0	0	0	0	0	0
c. Bodies Corp.	0	0	0	0	0	0	0	0	0
d. Banks / FI	0	0	0	0	0	0	0	0	0
e. Any Other....	0	0	0	0	0	0	0	0	0
Sub-total(A)(2):-	3627341	0	4050652	18.449	4079098	0	4079098	16.354	-2.086
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a. Mutual Funds	0	0	0	0	0	0	0	0	0
b. Banks / FI	0	0	0	0	0	0	0	0	0
c. Central Govt	0	0	0	0	0	0	0	0	0
d. State Govt(s)	0	0	0	0	0	0	0	0	0
e. Venture Capital Funds	10860	0	10860	0.049	0	0	0	0	-0.049
f. Insurance Companies	0	0	0	0	0	0	0	0	0
g. FIIs	0	0	0	0	0	0	0	0	0



## ANNEXURE "A"

h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1)	10860	0	10860	0.049	0	0	0	0	0
<b>2. Non Institutions</b>									
a) Bodies Corp.	5564747	0	5564747	25.344	8082634	0	8082634	32.405	7.061
(i) Indian									
(ii) Overseas									
b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	954143	72600	1026743	4.676	824632	72600	897232	3.597	-1.079
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	2726036		2726036	12.416	3306496	0	3306496	13.256	0.84
c) Others(Specify)									
-Clr-Mem	52	0	52	0	0	0	0	0	0
-OCB	0	0	0		0	0	0	0	
-NRI	8577365	0	8577365	39.065	8024632	552383	8577015	34.387	
Sub-total(B)(2)	17269960	624983	17894943	81.502	20238394	624983	20863377	83.646	2.144
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	17280820	624983	17905803	81.551	20238394	624983	20863377	83.646	2.095
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0		0	0	0	0	0
<b>Grand Total (A+B+C)</b>	21331472	624983	21956455	100	24317492	624983	24942475	100	-



# ANNEXURE "A"

## ii. Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	% of total Shares of company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of company	% of Shares Pledged / encumbered to total shares	% change in shareholding during the year
1.	Bankimchandra H. Dani	126562	0.576	0	126562	0.507	0	-0.069
2.	Saurabh B. Dani Huf	179470	0.817	0	179470	0.720	0	-0.097
3.	Kanan Saurabh Dani	179470	0.817	0	179470	0.720	0	-0.097
4.	Saurabh Bankimchandra Dani	2707915	12.333	0	2763217	11.078	0	-1.255
5.	Dani Financial Products Private Limited	524684	2.390	0	472924	1.896	0	-0.494
6.	Bhuman Saurabh Dani	329330	1.500	0	329330	1.320	0	-0.18
7.	Secure Matrix Solution Private Limited	28125	0.128	0	28125	0.113	0	-0.015
8.	Ramesh Mahadevan Subramaniam	13806	0.063	0	0	0	0	-0.063
	<b>Total</b>	<b>4089362</b>	<b>18.625</b>	<b>0</b>	<b>4079098</b>	<b>16.354</b>	<b>0</b>	<b>-2.271</b>



## ANNEXURE “A”

### iii. Change in Promoters' Shareholding (please specify, if there is no change:

There are no changes in the Promoter's Shareholding during the financial year 2014-15. The percentage change in the Promoters' holding is due to increase in paid up equity capital of Company pursuant to conversion of 2%, 6,60,000 Non-Cumulative Compulsorily Convertible Preference Shares of Rs. 100/- each and conversion of 50,000 Compulsory Convertible Debentures of Rs. 100/- each.

### iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDR and ADRs):

Sr. No.	Name of Share holders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of company	No. of shares	% of total shares of company
1	Megh Leasing And Investments Limited	-	-	2520000	10.103
2	Thomas Kelly	2130899	9.705	2130899	8.543
3	Neogen Computer Systems Private Limited	1462920	6.663	1462920	5.865
4	Ndteam Consultants And Architects	1385968	6.312	1385968	5.557
5	Anor Technologies Private Limited	1650000	7.515	1650000	6.616
6	Glyce Gibson	1357015	6.180	1357015	5.441
7	Neeta Nilesh Shah	1137075	5.179	1137075	4.559
8	Qasem M Alsuwaidi	985820	4.490	985820	3.952
9	Kamlesh Kanungo Huf	616123	2.806	616123	2.470
10	Alsuwaidi Atif Mohammeds	524116	2.387	524116	2.101
11	Roger Barton Cunningham	519290	2.365	519290	2.082

During the financial year 2014-15 paid up equity capital of Company has been increased pursuant to conversion of 2%, 6,60,000 Non-Cumulative Compulsorily Convertible Preference Shares of Rs. 100/- each and conversion of 12%, 50,000 Compulsory Convertible Debentures of Rs. 100/- each. Due to increase in paid up capital of Company there is percentage change in top ten shareholders and Megh Leasing and Investments Limited has been added in top ten shareholders during the current financial year



## ANNEXURE "A"

## v. Shareholding Pattern of Directors and Key Managerial Personnel:

Sr. No.	Name of Directors and KMP	Shareholding at the beginning of the year		Changes in Shareholding (No. of Shares)		Shareholding at the end of the year	
		No. of shares	% of total shares of Company	Increase	Decrease	No. of shares	% of total shares of company
01	Saurabh Dani	2707915	12.333	55,302	-	2763217	11.078
02	Mr. Christof Anderi	531870	2.422	-	-	531870	2.132
03	Ms. Khushboo Gurbuxani	-	-	-	-	1	0.00

During the financial year 2014-15 paid up equity capital of Company has been increased pursuant to conversion of 2%, 6,60,000 Non-Cumulative Compulsorily Convertible Preference Shares of Rs. 100/- each and conversion of 12%, Compulsory Convertible Debentures of Rs. 100/ each. Due to increase in paid up capital of Company there is percentage change in directors shareholding and increase in shareholding of Saurabh Dani is due to transfer of shares from Dani Financial Products Private Limited Pool to Saurabh Dani's Pool on 12th May, 2015.



## ANNEXURE “A”

### V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtness
Indebtedness at the beginning of the financial year	18,027,403	29,980,768		48,008,171
i) Principal Amount	18,027,403	28,820,302		46,847,705
ii) Interest due but not paid	-	1,160,466		1,160,466
iii) Interest accrued but not due	-			-
Total(i+ii+iii)	18,027,403	29,980,768		48,008,171
Change in Indebtedness during the financial year				-
- Addition	-	15,233,984		15,233,984
- Reduction	18,041,320			18,041,320
Net Change	(18,041,320)	15,233,984		(2,807,336)
Indebtedness at the end of the financial year				-
i) Principal Amount	(13,917.00)	42,340,302.00		42,326,385
ii) Interest due but not paid	-	2,874,450.00		2,874,450
iii) Interest accrued but not due				-
Total (i+ii+iii)	(13,917.00)	45,214,752.00		45,200,835

### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
1	Gross Salary (a) Salary as per provisions contained in section 17(1) of the Income-Tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of Salary under section 17(3) Income-tax Act, 1961	Mr. V. Chandrashekar 1300000				1300000
2	Stock Option	-	-	-	-	
3	Sweat Equity	-	-	-	-	



## ANNEXURE "A"

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount
4	Commission - as% of profit - others, specify...	-	-	-	-	-
5	Others, please specify	-	-	-	-	-
6	Total(A)					1300000
	Ceiling as per the Act					NA

## B. Remuneration to other directors:

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount
1.	Independent Directors – Fee for attending board committee meetings – Commission – Others, please specify	-	-	-	-	-
	Total(1)	-	-	-	-	-
2.	Other Non-Executive Directors – Fee for attending board committee meetings – Commission – Others, please specify	-	-	-	-	-
	Total(2)	-	-	-	-	-
	Total(B)=(1+2)	-	-	-	-	-
	Total Managerial Remuneration	-	-	-	-	-
	Overall Ceiling as per the Act	-	-	-	-	-



# ANNEXURE “A”

## C. Remuneration to Key Managerial Personnel Other Than MD /Manager /WTD

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	280000	-	280000
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission - as% of profit -others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	0	280000	0	280000

## VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the companies Act	Brief description	Details of Penalty/Punishment/Compounding fees imposed	Authority [RD /NCLT/Court]	Appeal made. If any (give details)
<b>A. Company</b>	—	—	—	—	—
Penalty	—	—	—	—	—
Punishment	—	—	—	—	—
Compounding	—	—	—	—	—
<b>B. Directors</b>	—	—	—	—	—
Penalty	—	—	—	—	—
Punishment	—	—	—	—	—
Compounding	—	—	—	—	—
<b>C. Other Officers In Default</b>	—	—	—	—	—
Penalty	—	—	—	—	—
Punishment	—	—	—	—	—
Compounding	—	—	—	—	—



# ANNEXURE “B”

## NOMINATION AND REMUNERATION POLICY

Policy on Appointment and Remuneration of Directors, Key Managerial Personnel and Senior Management

### 1. INTRODUCTION:

This policy on nomination and remuneration of Directors, Key Managerial Personnel (KMP's) and Senior Management has been formulated in terms of the provisions of Companies Act, 2013 and the listing agreement in order to pay equitable Remuneration to the Directors, KMPs and Senior Management of the Company

### 2. OBJECTIVE AND PURPOSE OF THE POLICY:

The objective of the Nomination and Remuneration Committee is to help the board to ensure that members take into consideration following for appointment and payment of remuneration to Directors, Key Managerial Personnel and Senior Management:

- Oversee the nomination and appointment of Directors, Key Managerial Personnel and Senior Management, and monitor their performance.
- The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully.
- Relationship of remuneration to performance is clear and meets appropriate performance benchmark.
- Remuneration to directors, key managerial personnel and senior management involve a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals.

### 3. ROLE OF THE COMMITTEE:

Role of the Committee inter alia include the following

- Formulation of the criteria for determining qualifications, positive attributes and independence of directors and recommend to the Board a policy relating to the remuneration of the directors, key managerial personnel and other employees.
- Formulation of criteria for evaluation of Independent directors and the Board.
- Devising a policy on Board Diversity.
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.

### 4. EFFECTIVE DATE:

This policy shall be effective from 14th August, 2014 once approved and adopted by the members of the Board.

### 5. CONSTITUTION OF THE NOMINATION AND REMUNERATION COMMITTEE

The Board has constituted a committee named Nomination and Remuneration committee on 8th August, 2014 and same consist of the following Non-Executive Directors:

Sr. No	Name	Position	Category
01	Mr. Atul Pradhan	Chairman	Independent Director Non-Executive
02	Dr. Nirmal Jain	Member	Independent Director Non-Executive
03	Mrs. Ranjana Gupta	Member	Independent Director Non-Executive

The Board has a power to reconstitute the said committee from time to time so as to meet applicable statutory provisions of law.

### 6. Applicability:

The policy is applicable to all:

- Directors (Executive and Non-Executive)
- Key Managerial Personnel
- Senior Management\*\*

\*\* Senior Management means personnel of the company who are members of its core management team excluding Board of Directors comprising all members of Management one level below the executive directors, including the functional heads.



## ANNEXURE “B”

### 7. FREQUENCY OF MEETINGS:

The meeting of the committee shall be held at such regular interval as may be required.

### 8. SECRETARY:

The Company Secretary of the Company shall act as Secretary of the Committee.

### 9. INTERESTS OF COMMITTEE MEMBERS:

- A member of the Committee is not entitled to be present when his or her own remuneration is discussed at the meeting or when his or her performance is being evaluated.
- The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

### 10. VOTING:

- Matters arising for determination at Committee meetings shall be decided by a majority of votes of members present and voting and any such decision shall for all purposes be deemed a decision of the committee.
- In the case of equality of votes, the chairman of the meeting will have a casting vote

### 11. TERM / TENURE:

#### • Managing Director/ Whole-time Director:

The company shall appoint or re-appoint any person as its Managing Director or Whole-time Director or Manager for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

#### • Independent Director:

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a Special Resolution by the Company and disclosure of such appointment in the Board's report

No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years from cessation of Independent Director

Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the company in any other capacity, either directly or indirectly. However, if a person who

has already served as an Independent Director for 5 years or more in the Company as on 1st October, 2014 or such other date as may be determined by the Committee as per regulatory requirement, he/she shall be eligible for appointment for one term of 5 years only.

At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and in case he is serving as a Whole-time Director of a listed company then he shall serve as Independent Director in three listed companies.

### 12. EVALUATION:

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

### 13. REMOVAL:

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations, the committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

### 14. RETIREMENT:

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

### 15. REMUNERATION:

#### i. REMUNERATION TO WHOLE-TIME DIRECTOR, MANAGING DIRECTOR/ MANAGER, KMP AND SENIOR MANAGEMENT:

##### 1. Fixed pay:

The Managing Director/Manager, Whole-Time Director, KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee



## ANNEXURE “B”

subject to applicable provision of Companies Act, 2013. The Breakup of the pay scale and quantum of perquisites of the pay scale and quantum of perquisites including, employer's contribution to provident fund, superannuation or annuity fund, gratuity, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

### 2. Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managing Director and Whole-Time Director in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, shall pay such remuneration after obtaining the approval of the Central Government.

### 3. Provisions for excess remuneration:

If any Managing Director and Whole Time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he/ she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

### 4. Stock Options:

In case, Managing Director, Whole-Time Director, Company Secretary and Chief Financial Officer, are not being Promoter Director or Independent Director, they shall be entitled to any stock option of the Company as qualified by the normal employees of the Company. Provided the same shall be subject to the Companies Act, 2013 and rules made thereunder read with Securities Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and any amendment or modification thereof.

Senior Management Personnel shall be eligible for

stock options as normal employees of the Company.

### ii. REMUNERATION TO NON-EXECUTIVE/INDEPENDENT DIRECTOR:

#### 1. Remuneration / Commission:

The remuneration / commission shall be fixed as per the limits and conditions mentioned in the Articles of Association of the Company and the Companies Act, 2013 and the rules made thereunder.

#### 2. Sitting Fees:

The Non-Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. The sitting fees shall be decided by the Board of Directors of the Company at its meeting where quorum consists of disinterested directors. In case all the directors are interested the same shall be decided by the Resolution passed by the members of the Company.

Provided that the amount of such fees shall not exceed Rupees One lakh per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

#### 3. Commission:

Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

#### 4. Stock Options:

An Independent Director shall not be entitled to any stock option of the Company. While Non-Executive Director shall be entitled to stock options subject to provision of Companies Act, 2013.



## ANNEXURE "C"

## Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2)  
of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

## 1. Details of contracts or arrangements or transactions not at arm's length basis

a	Name(s) of the related party and nature of relationship	Nil
b	Nature of contracts/arrangements/transactions	Nil
c	Duration of the contracts/arrangements/transactions	Nil
d	Salient terms of the contracts or arrangements or transactions including the value, if any	Nil
e	Justification for entering into such contracts or arrangements or transactions	Nil
f	Date(s) of approval by the Board	Nil
g	Amount paid as advances, if any	Nil
h	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	Nil

## 2. Details of contracts or arrangements or transactions not at arm's length basis

a	Name(s) of the related party and nature of relationship	Prism Software Consultancy DMCC
b	Nature of contracts/arrangements/transactions	Consultancy Services, import and export of software
c	Duration of the contracts/arrangements/transactions	On ongoing basis from April 1, 2014.
d	Salient terms of the contracts or arrangements or transactions including the value, if any	In tune with market parameters. Estimated annual value of 5 Crores.
e	Date(s) of approval by the Board	13th August, 2014
f	Amount paid as advances, if any	Nil

**\*\* During the financial year 2014-15, Idhasoft Limited ceased to be Associate Company of Prism Informatics Limited pursuant to disinvestment of its stake to other Company. Since Alok Pathak was the common director of Idhasoft Limited and Prism Informatics Limited at the time of entering into the said transaction we are showing the same in AOC -2 as an abundant caution.**

For Prism Informatics Limited

Alok Pathak  
Managing Director



## ANNEXURE “D”

Information as per Section 134(3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 forming part of the Directors' Report for the year ended March 31, 2015.

### Conservation of Energy & Technology Absorption:

Company being in information technology sector, information in Part A and B pertaining to conservation of energy and technology absorption are not applicable to Company. However, 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, 2015	As on 31st March, 2014
Foreign Exchange Earnings	Rs. 73,281,842	Rs.118,929,414
Foreign Exchange Outgo	Rs. 16,373,934	Rs. 54,11,875

For Prism Informatics Limited

Date: 13th August, 2015

Place: Navi Mumbai

Alok Pathak  
Managing Director



## ANNEXURE "E"

Form No. MR-3

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015

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

To,  
The Members,  
Prism Informatics Limited.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Prism Informatics Limited situated at BSEL Tech Park, Office No. C-912, 9<sup>th</sup> Floor, Sector 30 A, Opp. Vashi Railway Station, Vashi, Navi Mumbai - 400 705, (hereinafter called the Company). The Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information and Management Representation Letter provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the Financial Year ended on 31<sup>st</sup> March, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2015, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the

Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 - Not applicable as the Company has not granted any Stock Options to its employees during the Financial Year under review;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - Not applicable as the Company has not issued any Debt Securities during the Financial Year under review;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client - Not applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the Financial Year under review;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - Not applicable as the Company has not delisted its Equity Shares from the Stock Exchange during the Financial Year under review; and



## ANNEXURE “E”

- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - Not applicable as the Company has not bought back any of its Securities during the Financial Year under review;
- (vi) Other Acts:
  - (a) Micro Small Medium Enterprises Development Act 2006
  - (b) Special Economic Zones Act, 2005 and Rules made thereunder
  - (c) Various Labour and Employment Laws

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India: Not applicable as SS-1 and SS-2 were not notified during the Financial Year under review; and
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

### (I) The Companies Act, 2013 (the Act) and the Rules made there under:

- 1.1 The Company is in process of complying with the requirement of filing MGT - 14's for certain compliances and transactions processed during the year under review, for which forms were not filed within the due dates.
- 1.2 Appointment of Company Secretary was not considered in the Meeting of Nomination and Remuneration Committee, which was then ratified by the members of the Committee in the very next meeting.
- 1.3 The Company has obtained some amounts as a loan from the Director in previous years under the Companies Act, 1956. In the period under review for this Audit Report, the Company has obtained necessary declaration/ undertaking from the respective Director, however the Company should have filed Form DPT-4 towards the same, which has not been filed.

### (II) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') and Listing Agreement:

The Company has proper systems in place to comply with the Provisions of various Clauses of Listing

Agreement and other such Regulations prescribed by SEBI, except some delays in intimations.

The Company has delayed some of the intimations to be made under Clause 16 and 41 of the Listing Agreement and intimations under Regulation 13 (6) of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992. However the Company has taken all the reasonable steps to comply with the provisions of the aforesaid Regulations and Listing Agreement and also submitted timely replies to the notices issued by the Bombay Stock Exchange (BSE) with that respect. The Company has complied with the Clause 31 of the Listing Agreement except submission of the covering letter in the prescribed format.

### (III) Other Acts:

- 3.1 The Company does not have letter of approval and not complied with respect to the filings to be made to operate in Special Economic Zones under Special Economic Zones Act, 2005 and Rules made thereunder.
- 3.2 The Company has not complied with Bombay Shops & Establishment Act.

### 3.3 Various Labour and Employment Laws:

The Company does not have proper systems and controls in place to comply with the Labour and Employment Laws including the Employee State Insurance Act, 1948, the Payment of Bonus Act, 1965, the Payment of Wages Act, 1936 and the Minimum Wages Act, 1948. There are also certain non-compliances observed in the above mentioned Acts.

Further as far as Employees Provident Fund and Miscellaneous Provisions, Act, 1952 and Professional Tax Act, 1976 is concerned there have been delays in complying with the Provisions.

### I further report that

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

Adequate notices given to all Directors to schedule the Board Meeting, Agenda and detailed notes on Agenda was sent at least 7 (Seven) in advance or on shorter notice, with proper procedure and the system exists for seeking and obtaining



## ANNEXURE “E”

*Annexure “A”*

further information and clarifications on the Agenda items before the Meeting and for meaningful participations at the Meeting. There is little incongruity in form filing with the Ministry of Corporate Affairs (MCA)/ Registrar of Companies (ROC), however, the Company has taken necessary steps and is in the process of installing the adequate system and controls relating to the same.

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

### **I further report that**

The Company is in process of installing adequate systems and processes as commensurate with the size and operations of the Company to monitor and ensure compliance with applicable Laws, Rules, Regulations and guidelines.

### **I further report that**

During the audit period the company has made complete disinvestment from its associate Idhasoft Limited.

**For GEETA SERWANI & ASSOCIATES  
PRACTICING COMPANY SECRETARIES**

**Date: 11<sup>th</sup> August, 2015**

**Place: Secunderabad**

**Sd/-**

**GEETA SERWANI**

**PROPRIETOR**

**ACS NO.: 24479 | C. P. No.: 8842**

This report is to be read with my letter of even date which is annexed as Annexure A and forms an internal part of this report.



## ANNEXURE “E”

To,  
The Members,  
Prism Informatics Limited.

My Report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the process and practices, I followed provide a reasonable basis for my opinion.
3. The compliance by the Company of applicable Finance Records and Laws like Direct and Indirect Tax Laws has not been reviewed in this Audit since the same are subject to the review by the Statutory Financial Auditor and other designated professionals.
4. Wherever required, I have obtained the Management representation about the compliance of Laws, Rules and Regulations and happening of events etc.
5. The Compliance of the Provisions of Corporate and other applicable Laws, Rules, Regulations, Standards is the responsibility of Management. My examination was limited to the verification of procedure on test basis.
6. Period covered under this audit report is Financial Year 2014-15 and same is not the reflection of the things done in the previous years.
7. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For GEETA SERWANI & ASSOCIATES  
PRACTICING COMPANY SECRETARIES**

**Date: 11<sup>th</sup> August, 2015**

**Place: Secunderabad**

**Sd/-**

**GEETA SERWANI**

**PROPRIETOR**

**ACS NO.: 24479 | C. P. No.: 8842**



# Management Discussion and Analysis Report

## Introduction

India is the world's largest sourcing destination for the information technology (IT) industry, accounting for approximately 52 per cent of the US\$ 124-130 billion market. The industry employs about 10 million Indians and continues to contribute significantly to the social and economic transformation in the country.

The IT industry has not only transformed India's image on the global platform, but has also fuelled economic growth by energizing the higher education sector especially in engineering and computer science. India's cost competitiveness in providing IT services, which is approximately 3-4 times cheaper than the US, continues to be its unique selling proposition (USP) in the global sourcing market. The Indian IT and ITeS industry is divided into four major segments – IT services, business process management (BPM), software products and engineering services, and hardware. The IT-BPM sector in India grew at a compound annual growth rate (CAGR) of 25 per cent over 2000-2013, which is 3-4 times higher than the global IT-BPM spend, and is estimated to expand at a CAGR of 9.5 per cent to US\$ 300 billion by 2020. India has emerged as the fastest growing market globally and the third largest market in terms of revenue after the US and China.

## Macro-view

The global economy belied initial optimism and continued to remain patchy in 2014. While the global output increased by 3.3%, lower than initial expectations, emerging and developing economies performed better (4.4%) than developed economies (1.8%). GDP growth among developed economies which are also the largest markets for IT Services was very uneven with the US (2.2%) and UK (3.2%) performing better than the Euro region (0.8%) and Japan (0.9%). Businesses are adapting, reshaping their strategies and increasingly using technology to establish a stronger customer-connect, create competitive differentiation and address new opportunities, though it is taking longer than expected, for economies to regain their stride. In particular, the adoption of the digital five forces namely mobility, cloud, big data analytics, social media and artificial intelligence continues apace resulting in reimagined business models, business processes, systems and workplaces, disrupting the old ways of doing business in multiple industries and opening up entirely new, often unconventional, revenue sources for those who have imaginatively leveraged these forces.

## Market Size

India, the fourth largest base for young businesses in the world and home to 3,000 tech start-ups, is set to increase its base to 11,500 tech start-ups by 2020, as per a report by Nasscom and Zinnov Management Consulting Pvt Ltd.

India's internet economy is expected to touch Rs 10 trillion (US\$ 161.26 billion) by 2018, accounting for 5 per cent of the country's gross domestic product (GDP), according to a report by the Boston Consulting Group (BCG) and Internet and Mobile Association of India (IAMAI). In December 2014, India's internet user base reached 300 million, the third largest in the world, while the number of social media users and smartphones grew to 100 million.

Public cloud services revenue in India is expected to reach US\$ 838 million in 2015, growing by 33 per cent year-on-year (y-o-y), as per a report by Gartner Inc. In yet another Gartner report, the public cloud market alone in the country was estimated to treble to US\$ 1.9 billion by 2018 from US\$ 638 million in 2014. The increased internet penetration and rise of e-commerce are the main reasons for continued growth of the data centre co-location and hosting market in India. Indian IT's core competencies and strengths have placed it on the international canvas, attracting investments from major countries.

## Government Initiatives

The adoption of key technologies across sectors spurred by the 'Digital India Initiative' could help boost India's gross domestic product (GDP) by US\$ 550 billion to US\$ 1 trillion by 2025, as per research firm McKinsey.

Some of the major initiatives taken by the government to promote IT and ITeS sector in India are as follows:

- India and the United States (US) have agreed to jointly explore opportunities for collaboration on implementing India's ambitious Rs 1.13 trillion (US\$ 18.22 billion) 'Digital India Initiative'. The two sides also agreed to hold the US-India Information and Communication Technology (ICT) Working Group in India later this year.
- India and Japan held a Joint Working Group conference for Comprehensive Cooperation Framework for ICT. India also offered Japan to manufacture ICT equipment in India.
- The Government of Telangana began construction of a technology incubator in Hyderabad—dubbed T-Hub—to reposition the city as a technology destination. The state government is initially investing Rs. 35 crore (US\$ 5.64 million) to set up a 60,000 sq.ft. space, labelled the largest start-up incubator in the country, at the campus of International Institute of Information Technology-Hyderabad (IIIT-H). Once completed, the project is proposed to be the world's biggest start-up incubator housing 1,000 start-ups.
- Bengaluru has received US\$ 2.6 billion in venture capital (VC) investments in 2014, making it the fifth largest recipient globally during the year, an indication of the growing vibrancy of its startup ecosystem. Among countries, India received the third highest VC funding worth US\$ 4.6 billion.



# Management Discussion and Analysis Report

## 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.

## Business Overview & Capabilities

Prism Informatics Ltd. (BSE: 505530) is a Software Development and IT Business consulting services provider headquartered in India. Prism caters to the Enterprise Customers through its range of services from Software Application Development and Strategic IT Consulting, Implementation and support of third Party Enterprise-wide products, including Oracle, SAP, Cognos, TIBCO, and Sybase. 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 SME segment, in chosen verticals including Retail, Manufacturing, Media & Entertainment, Engineering & Construction, Pharmaceuticals, Life Sciences and Education. Our approach is premised on building deep domain specialization in chosen verticals and augmenting our service offerings to provide end-to end solution for our customers. We recruit talent from some of the best universities, colleges and institutes in India and abroad, as well as some of the leading IT companies in India and overseas. In order to create a differentiated culture and preferred place to work, we have taken multiple measures. These include transparent evaluation criteria, continuous focus on training and new skills, competitive compensation packages, being a value-based organization, open communications policies and mentoring our minds for leadership roles.

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 recently achieved Gold Partner status in the SAP Partner Edge program. Achieving gold partner status further demonstrates Prism's commitment to the SAP solution portfolio and its focus on helping companies of all sizes to reduce costs, optimize assets, meet customer requirements, and surpass quality and compliance objectives.

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. Our approach towards business differentiates us from the rest.



# Management Discussion and Analysis Report

## Opportunities, Threats and Risks

### Opportunities:

Our Strategy of focusing on growth, service innovation and unique positioning in the market place has improved our competitive standing. Prism has performed reasonably well in the Indian IT industry over past few years, if we keep aside certain unavoidable factors in the Indian economy as well as the global economy.

Prism has identified opportunities based on the trends noticed in past couple of years, which continues to be focus of our growth strategies during 2015-16, the key ones of which are as follows:

1. The adoption of Social media, Mobile, Analytics and Cloud (SMAC) technologies is expected to drive growth in all the segments. Cloud and client maturity are the major drivers for this, especially in IT. PRISM is adapting this technology for upgrading its existing solutions as part of its offerings.
2. Emerging Geographies like MEA/APAC and emerging verticals- Healthcare, energy and retails are the key areas where CMC will tap opportunities with its core competency of asset based solution.
3. Pioneering / innovator: We have thrived on building a culture of performance and innovation. Delivering truly innovative services and solutions to our clients underpins our objectives. We continue to strengthen our culture of innovation through an open and collaborative environment.

### Threats

1. Attrition: Since the IT sector is exposed to high attrition rate due to more opportunities available in market for the employee, retaining existing talent pool and attracting new talented manpower is a major risk to the Company. The Company has initiated various measures to enhance the retention of employees during the year which includes employee engagement surveys, transparent Performance Management System, Training, Instilling positive culture, Using Communication to build credibility, Fostering Trust and confidence in senior leaders. Prism connects to maintain employee-friendly culture in the organization.
2. Technological changes: Company operates in high end technology which is subject to continuous innovations based on customer requirement. To mitigate the risk of technological changes, Company has its own R&D center to track technological innovations which are relevant to the business of the Company.

## Risks

### Risk Internal to the Company:

- I. Presently the company does not have bank guarantee facility and hence not able to conduct its SAP licensing business to its full extent.
- II. Company in order to meet its working capital requirement has availed certain inter corporate loan at higher rate of interest i.e. simple interest of 27% p.a.

### Management representation (MP) for point (I) &(II) above:

The Company is taking all reasonable steps to avail bank guarantee. Company has approached various banks in this regards and is in talk with leading banks to assist the company by providing Bank Guarantee and enable company to secure the operational activities of the Company. One of the leading Bank have considered our proposal and we are in negotiation stage to solve these internal problems and same might take some time as same involves restructuring of business.

- III. Company has receivable of Rs. 13.07 Crores which is outstanding for a period of more than six months as on 31st March, 2015. Company has provided provision for receivables due from its own subsidiaries amounting to Rs. 11.21 Crores.

### Risk External to the Company:

- I. IT business is technology driven and there is a risk of present technology becoming obsolete.

**MP:** Prism has a channel partner and leading implementation of SAP solutions constantly upgrades its resource with latest technology and encourages technical team to look into futuristic technology through various training programmes designed and conducted through SAP.

- II. Investment by customers in Information Technology is a function of prevailing economic conditions and government policies in their respective country. Any adverse political or economic shift will have a bearing on investment decisions of customers.

**MP:** Prism is present in India, Srilanka, USA and the Middle East and has thus spread its country specific risk.

- III. IT business is subject to attrition

**MP:** Prism has been a leader in SAP implementation projects in SME segment and offers excellent work experience and knowledge to its employees. This leads to greater work satisfaction as demonstrated by low attrition rate of 14%.



# Management Discussion and Analysis Report

- IV. Information Technology business has no entry restriction and thus carries risk of competition

**MP:** Prism by its sustained performance has earned a niche position in SME segment for implementation of SAP Solutions and as a channel partner of SAP is a leading reseller of SAP licenses and has thus curved out a place for itself to sustain competition.

- V. Risk relating to exchange rate fluctuation

The Company is into IT and IT enabled services which subjects it to foreign exchange exposure. Fluctuations in foreign exchange rates might have an impact on the financial performance of the Company.

## Marketing Strategies

Our Marketing Strategy revolves not only around the goal of increasing Prism's presence in market by acquiring new clients but also by serving existing client to their complete satisfaction. Modes in which we do marketing are:

### a) Email Marketing

Our major focus for generating leads is through a series of event that starts with targeted & monitored email campaigns for which databases are created specific to every campaign (Industry, Revenue, Employees etc.). Modern tools helps us track the actions of recipient in respect to the emails.

### a) Tele Marketing

A rigorous telecalling session follows up every email campaign in order to generate leads. The prospects who opened/clicked the emailers are first contacted and followed up. The purpose of the telecalling sessions is to help set up calls, client meetings in order to generate interest in our services & offerings.

### b) Events

Our focus for attending/organizing events is to broaden our network of clients, contacts, vendors, prospects etc. These events help showcase Prism's diverse offerings and services. We can also generate a sizable database during these events with a sign-up sheet for people who visit our booth/contacts attending the event.

### c) Account Mining

Our existing clients are targeted with our other offerings through various marketing collaterals & meetings.

### d) Promoting Prism

We create the brand & service offering awareness by sharing our success stories through periodic news releases, releasing whitepapers, online promotions on

various sites and targeting the Industry influencers regarding our services and offerings on social media.

## Internal control systems and their adequacy

The CEO and CFO Certification provided in the CEO and CFO Certification section of the Annual Report discusses the adequacy of our internal control system and procedures.

## Segmental information (Standalone)

### Business segments (For year ended 31st March, 2015)

Particulars	Software Consultancy Services	Software License Sales	Total
Total Income	168,143,638	41,849,601	209,993,239
Accounts Receivables	76,647,135	-	76,647,135
Unbilled Revenue	11,177,817	-	11,177,817

## Segmental information (Standalone)

### Business segments (For year ended 31st March, 2015)

Particulars	India	Rest of the World	Total
Total Income	91,063,825	118,929,414	209,993,239
Accounts Receivables	9,523,967	67,123,168	76,647,135
Unbilled Revenue	1,343,000	6,304,056	7,647,056



# Management Discussion and Analysis Report

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

The Human resource (HR) strategy is focused on creating a performance-driven environment in the Company, where innovation is encouraged, performance is recognized and employees are motivated to realise their potential. 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. HR is the core of the Company, influencing change, building culture and capabilities. The HR processes are continuously evolving and aligning with the changing business requirements. HR is structured into the specialized business units to enable them respond better to the needs of their customers and get more strategic advantage. The emergence of digital forces have given the Company, the ability to build a vivacious enterprise by reimagining how it works and collaborates, with engagement and simplification as core themes. These digital forces help the diverse workforce to collaborate, bond together and act as a critical driver of competitive advantage. Digital technologies are used by HR to increase connect, reduce time to respond and make it possible to understand the employees better which has a positive impact on retention.

Prism 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. Company has 170 employees as on March 31, 2015. The company continues to invest in recruiting highly qualified and skilled employees in the organization.

Human resource strategy enabled the company to attract, integrate, develop and retain the best talent required for driving business growth. Sustained strategic focus to enhance employee capability, improve efficiency and groom future leaders has helped company to maintain its benchmark status in the IT Industry. Our Mature HR processes enable us to agile and be responsive to the dynamic global environment and stay relevant to the customers. 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.

The effort is towards developing competencies in technology, domain and processes to meet customer requirements and help our employees to stay relevant and realise their potential. Key leadership attributes at different levels of leadership are identified and mapped to specific programmes. These include personal leadership, organizational knowledge and ethical business practice attributes.

The Company ensures compliance of employment, immigration and labour laws in countries of operation. Changes in the applicable regulations are tracked on a global

basis. The Company has zero tolerance for sexual harassment at workplace and has adopted a policy on prevention prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules thereunder for prevention and redressal of complaints of sexual harassment at workplace.

## CAUTIONARY STATEMENT

Certain statements made in the management discussion and analysis report relating to the Company's objectives, projections, outlook, expectations, estimates and others may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ from such expectations whether expressed or implied. Several factors could make significant difference to the Company's operations. These include climatic and economic conditions affecting demand and supply, government regulations and taxation, natural calamities over which the Company does not have any direct control.



# Corporate Governance Report

## Company's philosophy on Code of Governance

Corporate Governance is the system by which Companies are directed and controlled. It is not just corporate management, it is something much broader to include a fair efficient and transparent administration to meet certain well-defined objectives. We firmly believe that Board Independence is essential to bring objectivity and transparency in management and in the dealings. It is imperative for us to manage our business affairs in the most fair and transparent manner with a firm commitment to our values. Corporate Governance enables a corporation to compete more efficiently and prevent fraud and malpractices within organization. Our Corporate Governance framework is a reflection of our culture, our policies, our relationship with stakeholders and our commitment to values. It ensures that we make timely disclosures and share accurate information regarding our financials and performance, as well as the leadership and governance of the Company. Accordingly, we also seek to ensure that our performance is driven by integrity. This is vital to gain and retain the trust of our stakeholders.

The Securities and Exchange Board of India (SEBI) amended the Listing Agreement effective from October 1, 2014 to bring in additional corporate governance norms for listed entities. These norms provide for stricter disclosures and protection of investor rights, including equitable treatment for minority and foreign shareholders.

The amended rules required companies to get shareholders' approval for related party transactions, establish whistleblower mechanisms, elaborate disclosures on pay packages and have at least one woman director on their boards. The amended norms are aligned with the provisions of the Companies Act, 2013, and are aimed to encourage companies to 'adopt best practices on corporate governance'.

The Board of Directors has adopted 'Corporate Governance Code' for the Company which is a statement of practices and procedures to be followed by the Company. The copy of the code is available on Company's website [www.whypism.com](http://www.whypism.com).

## Board of Directors

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

As on 31st March, 2015, the board consists of 7 members, three of whom are Independent Directors, two are Executive Directors, one is Non-executive Director & one is a Managing Director. 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 1/3rd of the members of Board as per the said clause consist of non-executive directors. Following is the composition of Board of Directors of the Company:

- Dr. Nirmal Jain - Chairman & Independent Director
- Mr. Alok Pathak - Managing Director
- Mr. V. Chandrashekar - Non Executive Director
- Mr. Christof Anderi - Whole-Time Director & Chief Financial Officer \*\*
- Mr. Saurabh Dani - Whole-Time Director
- Mrs. Ranjana Gupta- Independent Director
- Mr. Atul Pradhan- Independent Director

\*\* Mr. Christof Anderi was a non-executive director of the Company. In the Board Meeting held on 30th September, 2014, he has been appointed as a Whole-Time Director and Chief Financial Officer of the Company subject to approval of shareholders in the forthcoming general meeting of the Company

## Changes during the financial year (2014-2015) in the composition of Board of Directors of the Company:

- Dr. Ajay Sharma, Independent Director has resigned from the Board with effect from 19th January, 2015.
- Mr. Atul Pradhan has been appointed as Additional Director who will act as an Independent Director of the Company with effect from 13th February, 2015.
- Mrs. Ranjana Gupta has been appointed as Additional Director who will act as an Independent Director of the Company with effect from 20th March, 2015.
- Dr. Ramesh Subramaniam, Non- Executive Director has resigned from the Board with effect from 16th June, 2014



## Corporate Governance Report

The composition after resignation and appointment of said directors also meets the requirements of Clause 49 of Listing Agreement.

The details of each member of the Board along with the number of Directorship(s)/Committee Membership(s) and date of joining the Board is provided herein below:

Name	Date of Joining the Board	Directorship in other Companies	Membership(s) of Committees of other Companies##	Chairmanship(s) of Committees of other Companies##
<b>Managing Director</b> Alok Pathak	07th November, 2009	1	—	—
<b>Whole-Time Directors</b>				
Mr. Saurabh Dani	14th November, 2011	—	—	—
Mr. Christof Anderi	01st June, 2011	—	—	—
<b>Independent Directors</b>				
Dr. Nirmal Jain	07th November, 2009	—	—	—
Mr. Atul Pradhan	13th February, 2015	1	—	—
Mrs. Ranjana Gupta	20th March, 2015	—	—	—
<b>Non- Executive Director</b> Mr. V. Chandrashekar	12th June, 2013	—	—	—

# Excluding Private Limited Companies, Foreign Companies, Section 8 Companies and Alternate Directorships.

## Includes only Audit Committee and Stakeholders' Relationship Committee.

The number of Directorships, Committee Memberships/ Chairmanships of all Directors is within respective limits prescribed under the Companies Act, 2013 and Listing Agreement.



# Corporate Governance Report

## Appointment and Tenure

The Directors of the Company are appointed by Members at the General Meetings. In accordance with the Articles of Association of the Company, all Directors, except the Managing Director and Independent Directors of the Company, step down at the Annual General Meeting each year and, if eligible, offer themselves for re-election. The Managing Director of the Company is appointed for a term of five years as per the requirement of the statute. The Executive Directors on the Board serve in accordance with the terms of their contract of service with the Company. As regards the appointment and tenure of Independent Directors, following is the policy adopted by the Board:

- The Company has adopted the provisions with respect to appointment and tenure of Independent Directors which are consistent with the Companies Act, 2013 and Listing Agreement.
- The Independent Directors will serve a maximum of two terms of five years each.
- The Company would not have any upper age limit of retirement of Independent Directors from the Board and their appointment and tenure will be governed by provisions of the Companies Act, 2013.

## Board Independence

Our definition of 'Independence' of Directors is derived from Clause 49 of the Equity Listing Agreement and Section 149(6) of the Companies Act, 2013. Based on the confirmation / disclosures received from the Directors and on evaluation of the relationships disclosed, all Non-Executive Directors other than Mr. Chandrashekar are Independent in terms of Clause 49 of the Listing Agreement and Section 149(6) of the Companies Act, 2013.

## Board Meetings

The Board meets at regular intervals to discuss and decide on Company / business policy and strategy apart from other Board business. The calendar of meetings is communicated to the Directors to enable maximum participation. However, in case of a special and urgent business need, the Board's approval is taken by passing resolutions by circulation, as permitted by law, which is noted and confirmed in the subsequent Board meeting.

The notice of Board meeting is given well in advance to all the Directors. The Agenda of the Board / Committee meetings is set by the Company Secretary in consultation with the Managing Director of the Company. The Agenda is circulated a week prior to the date of the meeting. The Agenda for the Board and Committee meetings includes detailed notes on the items to be discussed at the meeting to enable the Directors to take an informed decision.

During the Financial Year ended 31st March, 2015, nine Board meetings were held on 4th April 2014, 27th May 2014, 8th & 13th August 2014, 1st & 30th September 2014, 13th November 2014, 13th February 2015, 20th March 2015. The maximum interval between any two meetings was well within the maximum allowed gap of 120 days. The necessary quorum was present for all the meeting convened during the year ended 31st March, 2015.

## Board Business

The normal business of the Board includes:

- Framing and overseeing progress of the Company's annual plan and operating framework;
- Reviewing financial plans of the Company;
- Reviewing quarterly and annual business performance of the Company;
- Reviewing the Annual Report and accounts for adoption by the Members;
- Reviewing the progress of various functions and businesses of the Company;
- Reviewing the functioning of the Board and its Committees;
- Reviewing the functioning of the subsidiary companies;
- Considering and approving declaration / recommendation of dividend;
- Reviewing the details of significant development in human resources and industrial relations front;
- Reviewing details of foreign exchange exposure and steps taken by the management to limit the risks of adverse exchange rate movement;
- Reviewing compliance with all relevant legislations and regulations and litigation status, including materially important show cause, demand, prosecution and penalty notices, if any;
- Reviewing Board Remuneration Policy and individual remuneration packages of Directors;
- Advising on corporate restructuring such as merger, acquisition, joint venture or disposals, if any;
- Appointing Directors on the Board and Members of Management Committee;
- Reviewing details of risk evaluation and internal controls;
- Reviewing reports on progress made on the ongoing projects;
- Monitoring and reviewing Board Evaluation framework.



# Corporate Governance Report

## Separate Independent Directors' Meetings

During the year a separate meeting of the independent directors was held inter-alia to review the performance of non-independent directors and the board as a whole.

## Directors' Induction and Familiarization

The provision of an appropriate induction programme for new Directors and ongoing training for existing Directors is a major contributor to the maintenance of high Corporate Governance standards of the Company. Managing Director and the Company Secretary are jointly responsible for ensuring that such induction and training programmes are provided to Directors. The Independent Directors, from time to time request management to provide detailed understanding of any specific project, activity or process of the Company. The management provides such information and training either at the meeting of Board of Directors or otherwise.

The induction process is designed to:

- Build an understanding of Prism Informatics, its businesses and the markets and regulatory environment in which it operates;
- Provide an appreciation of the role and responsibilities of the Director;
- Fully equip Directors to perform their role on the Board effectively; and
- Develop understanding of Company's people and its key stakeholder relationships.

Upon appointment, Directors receive a Letter of Appointment setting out in detail, the terms of appointment, duties, responsibilities and expected time commitments.

In addition to the extensive induction and training provided as part of the familiarization programme, the Independent Directors are also taken through various business and functional sessions in the Board meetings including the Board meetings to discuss strategy.

## Committees of the Board

The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas / activities which concern the Company and need a closer review. The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles which are considered to be performed by members of the Board, as a part of good governance practice. The Board supervises the execution of its responsibilities by the Committees and is responsible for their action. The minutes of the meetings of all Committees

are placed before the Board for review. The Board Committees can request special invitees to join the meeting, as appropriate.

The Board has currently established the following Committees:

### A. Audit Committee

The audit committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreement entered into with Bombay Stock Exchange read with Section 177 of the Act. The Audit Committee is headed by Dr. Nirmal Jain and has Mr. Alok Pathak & Mr. Atul Pradhan as its members. During the year Mr. Atul Pradhan was appointed as a Member of the Committee with effect from 13th February, 2015. All the members of the Committee have relevant experience in financial matters

The Audit Committee of the Company is entrusted with the responsibility to supervise the Company's internal controls and financial reporting process and inter alia performs the following functions:

- Overseeing the Company's financial reporting process and disclosure of financial information to ensure that the financial statements are correct, sufficient and credible;
- Reviewing and examination with management the quarterly financial results before submission to the Board;
- Reviewing and examination with management the annual financial statements before submission to the Board and the auditors' report thereon;
- Review management discussion and analysis of financial condition and results of operations;
- Scrutiny of inter-corporate loans and investments made by the Company;
- Reviewing with management the annual financial statements
- Reviewing, approving or subsequently modifying any Related Party Transactions in accordance with the Related Party Transaction Policy of the Company;
- Approving the appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
- Recommending the appointment, remuneration and terms of appointment of Statutory Auditors of the Company and approval for payment of any other services;
- Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;



# Corporate Governance Report

- Reviewing management letters / letters of internal control weaknesses issued by the Statutory Auditors;
- Discussing with Statutory Auditors, before the audit commences, on the nature and scope of audit as well as having post-audit discussion to ascertain area of concern, if any;
- Reviewing with management, Statutory Auditors and Internal Auditor, the adequacy of internal control systems;
- Recommending appointment, remuneration and terms of appointment of Internal Auditor of the Company;
- Reviewing the adequacy of internal audit function and discussing with Internal Auditor any significant finding and reviewing the progress of corrective actions on such issues;
- Evaluating internal financial controls and risk management systems;
- Valuating undertaking or assets of the Company, wherever it is necessary;
- Reviewing the functioning of the Whistle Blowing mechanism;

The Audit Committee also reviews the functioning of the Code of Business Principles and Whistle Blower Policy of the Company and cases reported thereunder. The recommendations of audit committee were duly approved and accepted by the Board.

The meetings of Audit Committee are also attended by the Statutory Auditors and Internal Auditor as special invitees. The Company Secretary acts as the Secretary to the Committee. The minutes of each Audit Committee meeting are placed and confirmed in the next meeting of the Board. The Audit Committee also meets the internal and external auditors separately, without the presence of Management representatives.

The Audit Committee met four times during the Financial Year ended 31st March, 2015 on 27th May, 2014, 13th August, 2014, 13th November, 2014, and 13th February, 2015.

## **B. Nomination and Remuneration Committee**

The Nomination and Remuneration Committee comprises of Dr. Nirmal Jain, Mr. Atul Pradhan and Mrs. Ranjana Gupta as members of the Committee. The Nomination and Remuneration Committee met twice during the Financial Year ended 31st March, 2015 on 1st September, 2014 and 30th September, 2014. The committee was reconstituted on 20th March, 2015 on account of resignation of Dr. Ajay Sharma from the board.

## **The role of Nomination and Remuneration Committee is as follows:**

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Devising a policy on Board diversity;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.

## **Board Membership Criteria**

The Board of Directors are collectively responsible for selection of a member on the Board. The Nomination and Remuneration Committee of the Company follows a defined criteria for identifying, screening, recruiting and recommending candidates for election as a Director on the Board. The criteria for appointment to the Board include:

- Composition of the Board, which is commensurate with the size of the Company, its portfolio, geographical spread and its status as a listed Company;
- Desired age and diversity on the Board;
- Size of the Board with optimal balance of skills and experience and balance of Executive and Non-Executive Directors consistent with the requirements of law;
- Professional qualifications, expertise and experience in specific area of business; balance of skills and expertise in view of the objectives and activities of the Company;
- Avoidance of any present or potential conflict of interest;
- Availability of time and other commitments for proper performance of duties;
- Personal characteristics being in line with the Company's values, such as integrity, honesty, transparency, pioneering mindset.

## **Nomination and Remuneration Policy:**

Nomination and Remuneration Committee has recommended to Board policy titled as "Nomination and Remuneration Policy" for adoption by Board as per Section 178 of Companies Act, 2013 and clause 49 (iv) of the Listing Agreement entered into by the Company with Bombay Stock Exchange where the shares of the company are presently listed.



# Corporate Governance Report

## OBJECTIVE AND PURPOSE OF THE POLICY:

The objective of the Nomination and Remuneration Committee is to help the board to ensure that members take into consideration following for appointment and payment of remuneration to Directors, Key Managerial Personnel and Senior Management:

- Oversee the nomination and appointment of Directors, Key Managerial Personnel and Senior Management, and monitor their performance.
- The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully.
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals.

## Details of Remuneration of Executive Directors for the Financial Year ended 31st March, 2015:

During the year Company has not paid remuneration to any of the Executive Directors except Mr. V. Chandrashekar who has been paid remuneration of Rs. 14, 50,000 for the period 01st April, 2014 to 31st July, 2014 in the capacity of Whole-Time Director of the Company. However in the Board Meeting held on 8th August, 2014, Mr. V. Chandrashekar has resigned as Whole-Time Director and continues to be a non executive director on the Board of the Company.

## Details of Shareholders' / Investors' Complaints

Ms. Khushboo Gurbuxani, Company Secretary, is the Compliance Officer for resolution of Shareholder's/Investor's complaints. During the Financial Year ended 31st March, 2015, no complaints were received from the shareholders.

## Attendance of Directors at Board and Committee Meeting(s) and at the last AGM

Name of Directors	Attendance of Directors in meetings held during 2014-2015		Attendance of Directors in Committee meetings held during 2014-2015	
	Board Meeting (out of 9 meetings)	Last AGM	Audit Committee Meeting (out of 4 meetings)	Nomination and Remuneration Committee Meeting (out of 2 meetings)
Dr. Nirmal Jain	7	Yes	3	2
Mr. Alok Pathak	8	Yes	4	-
Dr. Ramesh Subramanian *	2	-	-	-
Mr. Ajay Sharma	5	No	1	2
Mr. Christof Anderi	9	No	-	-
Mr. Saurabh Dani	5	Yes	-	-
Mr. V. Chandrasekhar	8	Yes	-	2
Mr. Atul Pradhan**	1	-	1	-
Mrs. Ranjana Gupta****	-	-	-	-



# Corporate Governance Report

## Note:

- \* Dr. Ramesh Subramanian has resigned from the position of Non-Executive Director with effect from 14th June 2014
- \*\* Mr. Atul Pradhan was appointed as Additional Director of the Company who will act as an Independent Director with effect from 13th February, 2015 and he has attended all Board meetings from the date of appointment.
- \*\*\*\* Mrs. Ranjana Gupta was appointed as Additional Director of the Company who will act as an Independent Director with effect from 20th March, 2015

## Company Policies

### A. Whistle Blower Policy/vigil Mechanism:

Company has adopted a Whistle Blower Policy, as part of vigil mechanism to provide appropriate avenues to the Directors and Employees to bring to the attention of the management any issue which is perceived to be in violation of or in conflict with the fundamental business principles of the Company. The Company has provided dedicated e-mail address [ethicsofficer@prism-informatics.com](mailto:ethicsofficer@prism-informatics.com) for reporting such concerns and Mr. V. Chandrashekar, Non-Executive Director has been appointed as "Ethics Officer" to redress genuine concerns as mentioned above. Alternatively, employees can also send written communications to the Company. The employees are encouraged to voice their concerns by way of whistle blowing and all the employees have been given access to the Audit Committee. The Company Secretary is the designated officer for effective implementation of the policy and dealing with the complaints registered under the policy. All cases registered under the Whistle Blower Policy of the Company, are reported to the Committee of Directors and are subject to the review of the Audit Committee. The process to be adopted by the Directors and Employees to redress their concerns is available on the website of the Company [www.whyprism.com/investor/CorporateGovernance/VigilMechanism](http://www.whyprism.com/investor/CorporateGovernance/VigilMechanism).

### B. Code of Conduct:

The Board of Directors is responsible for ensuring that rules are in place to avoid conflict of interest by the Board members and the Management Committee. The Board has adopted the Code of Conduct for members of Board and Senior Management Team. The Code provides that the Directors are required to avoid any interest in contracts entered into by the Company. If such an interest exists, the Directors are required to make disclosure to the Board and to abstain from discussion, voting or otherwise influencing the decision on any matter in which the concerned Director has or may have such interest. The members of the Board and the Management Committee annually confirm the compliance of the Code of Conduct to the Board. A copy of the said Code of Conduct is available on the website of the Company [www.whyprism.com/investor/CorporateGovernance/CodeofConduct-Prism](http://www.whyprism.com/investor/CorporateGovernance/CodeofConduct-Prism). In addition, members of the Board and Management Committee also submit, on an annual basis, the details of individuals to whom they are related and entities in which they hold interest and such disclosures are placed before the Board. Transactions with any of the entities referred above are placed before the Board for approval. Details of all Related Party Transactions are placed before the Audit Committee on quarterly basis.

### C. Policy on dealing with Related Party Transactions:

In line with requirement of the Companies Act, 2013 and Equity Listing Agreement, your Company has formulated a Policy on Related Party Transactions which is also available at Company's website at [www.whyprism.com/investors/CorporateGovernance/RelatedPartyTransactionsPolicy](http://www.whyprism.com/investors/CorporateGovernance/RelatedPartyTransactionsPolicy). The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties. This policy specifically deals with the review and approval of Material Related Party Transactions keeping in mind the potential or actual conflicts of interest that may arise because of entering into these transactions. All Related Party Transactions are placed before the Audit Committee for review and approval. Prior omnibus approval is obtained for Related Party Transactions for transactions which are of repetitive nature and / or entered in the ordinary course of business and are at Arm's Length.

### D. Insider Trading Code:

The Company has instituted mechanism to avoid Insider Trading and abusive self-dealing. In accordance with the SEBI Regulations as amended, the Company has established systems and procedures to restrict insider trading activity and has framed Insider Trading Code. The Insider Trading Code of the Company prohibits the Directors of the Company and other



## Corporate Governance Report

specified employees dealing in the securities of the Company on the basis of any unpublished price sensitive information, available to them by virtue of their position in the Company. The objective of this Code is to prevent misuse of any unpublished price sensitive information and prohibit any insider trading activity, in order to protect the interest of the shareholders at large. The Board of Directors of the Company have adopted a new Insider Trading Code, in line with new SEBI (Prohibition of Insider Trading) Regulations, 2015. The details of dealing in Company's shares by Specified Employees (which include members of the Management Committee and Directors) are placed for intimating the Board on quarterly basis. The Code also prescribes sanction framework and any instance of breach of code is dealt with in accordance with the same. A copy of the Insider Trading Code of the Company is made available to all employees of the Company and compliance of the same is ensured. The Insider Trading Code is available on the website of the Company [www.whypism.com/investor/CorporateGovernance/ Insider Trading Code](http://www.whypism.com/investor/CorporateGovernance/InsiderTradingCode).

### Secretarial audit report

The Company has undertaken Secretarial Audit for the year 2014-15 which, inter alia, includes audit of compliance with the Companies Act, 2013, and the Rules made under the Act, Listing Agreement and Regulations and Guidelines prescribed by the Securities and Exchange Board of India and Foreign Exchange Management Act, 1999. The Secretarial Audit Report is part of this Annual Report.

### General Body Meetings:

#### A. Annual General Meeting

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

Year	Day, Date and Time	Venue
2011-12	17th August, 2012 on Friday at 11 am	Four Points by Sheraton, Near Vashi Railway Station, Vashi, Navi-Mumbai 400 705.
2012-13	27th September, 2013 on Friday at 11 am	Hotel Zinga Shop No. 176 to 179 Fantasiya Business Park, Plot No. 47, Sector – 30A, Opp. Vashi Railway Station, Vashi, Navi-Mumbai 400 703.
2013-14	30th September, 2014 on Tuesday at 4.00 PM	Celebration Banquets, plot no. 46, 3rd floor, Samna Press Building, Next to Inorbit Mall, Near Vashi Railway Station, Sector 30-A, Vashi, Navi Mumbai-400703



## Corporate Governance Report

- Special resolutions passed during previous three AGMs

Year	Special Resolutions passed
2011-12	Appointment of Mr. Bhuman Dani son of Saurabh Dani as “Operational Manager”
2012-13	Issue and allot up to 7,00,000, 2% Non-Cumulative Compulsorily Convertible Preference Shares (NCCP Series V) of Rs. 100/- each
2013-14	<ul style="list-style-type: none"> <li>• Appointment of Dr. Nirmal Jain as an Independent Director of the Company.</li> <li>• Appointment of Dr. Ajay Sharma as an Independent Director of the Company.</li> <li>• Re-Appointment of Mr. Alok Pathak as Managing Director of the Company.</li> <li>• Re-Appointment of Mr. Saurabh Dani as Whole-Time Director of the Company.</li> <li>• Approval of Remuneration paid to Mr. Chandrasekhar</li> <li>• Alteration of Articles of Association of the Company.</li> <li>• Approval of Related Party Transactions.</li> <li>• Approval of Borrowing Limits of the Company.</li> <li>• Approval of fees for service of documents to shareholders of the Company.</li> <li>• Approval of Reclassification of authorised Share Capital of the Company.</li> </ul>

### B Extra Ordinary General Meeting

- Date, time and location Extra Ordinary General Meeting (EGM) held in the year 2013-14:

Day, Date and Time	Venue
7th February, 2014 on Friday at 11 am	Athiti Bhavan” (Zinga Restaurant), Shop No. 176 to 179 Fantasiya Business Park, Plot No. 47, Sector -30A, Opp. Vashi Railway Station, Vashi Navi Mumbai - 400703

- Special resolutions passed in the EGM held in the year 2013-14:
  - Issue of 2%, 6,30,000 Non-Cumulative Compulsory Convertible Preference Shares (NCCP's Series V) of Rs. 100/- each.
  - Issue of 2%, 30,000 Non-Cumulative Compulsory Convertible Preference Shares (NCCP's Series V) of Rs. 100/- each.
  - Issue of equity shares under section 81(1A) of the Companies Act, 1956 and in accordance with SEBI (Issue of Shares and Disclosure Requirements) Regulation, 2009

### Special Resolutions passed through Postal Ballot in year 2014-2015:

- Whether any special resolution passed last year through postal Ballot- NO
- Company has not passed any resolution through postal during the year 2014-15



# Corporate Governance Report

## 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.whypism.com](http://www.whypism.com).
- 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.whypism.com](http://www.whypism.com).
- iii) **Website:** The Company's website [www.whypism.com](http://www.whypism.com) contains a separate dedicated section 'Investor' where shareholders information is available. The Company has made no presentation to any Institutional Investors/Analysts during the year.
- iv) **Annual Report:** The detailed Annual Report is available on website of company & on website of Bombay Stock Exchange, where shares of company are presently listed. Directors Report, Corporate Governance Report, Management Discussion & Analysis Report, along with Abridged Audited Annual Financial Statement has been circulated to members and others entitle thereto.

## General Shareholders Information:

### i) Company Registration Details:

Company is registered under the jurisdiction of Mumbai – ROC in the State of Maharashtra. 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:** 22nd September, 2015

**Time:** 4.00 P.M.

**Place:** Four Points by Sheraton, Plot 39/1, 6 To 15, Sector 30A , Vashi, Navi Mumbai, Mumbai, Maharashtra 400705, India

### iii) Financial Year: April 1, 2014 to March 31, 2015

### iv) Results for the quarter ending :

June 30, 2013	-	13th August, 2014
September 30, 2013	-	13th November, 2014
December 31, 2013	-	13th February, 2015
March 31, 2014	-	29th May, 2015(Audited Financials)
Annual General Meeting	-	22nd September, 2015

### v) Date of Book Closure:

The share transfer book of the Company will be closed from Tuesday, 15th September, 2015 to Tuesday, 22nd September, 2015 (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**



## Corporate Governance Report

### 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 31st March 2015.

### viii) Subsidiaries:

Subsidiaries of the Company as on 31st March 2015 are as follows:

Sr. No	Name of the Subsidiary	Country of Incorporation	Nature
1	Prism Informatics INC	USA	Wholly Owned Subsidiary
2	Prism Informatics PTE LTD	Singapore	Wholly Owned Subsidiary
3	Prism Informatics Europe AG	Switzerland	Wholly Owned Subsidiary
4	Prism Informatics Schweiz GmbH	Switzerland	Step-Down Subsidiary
5	Prism Informatics Deutschland GmbH	Germany	Step-Down Subsidiary
6	Prism Software Consultancy DMCC	Dubai	Wholly Owned Subsidiary
7	Prism Informatics Austria GmbH	Austria	Step-Down Subsidiary
8	Prism Infoglobal Limited	Seychelles	Wholly Owned Subsidiary



# Corporate Governance Report

## ix) Market Price Data:

**Company :** PRISM INFORMATICS LTD. ( 505530 )

**Period** ( April 2014 to March 2015 )

Month	Open	High	Low	Close	No. of Shares	No. of Trades	Total Turnover	Deliverable Quantity	% Deli. Qty to Traded Qty	* Spread	
										H-L	C-O
Apr 14	14.20	16.20	13.50	14.75	3,476	32	50,454	3,576	102.88	2.70	0.55
May 14	14.02	14.75	14.02	14.75	302	10	4,400	302	100.00	0.73	0.73
Jun 14	14.75	22.25	14.02	20.69	21,600	122	4,13,016	21,600	100.00	8.23	5.94
Jul 14	19.70	24.95	18.75	24.95	42,974	308	9,44,934	42,974	100.00	6.20	5.25
Aug 14	25.00	25.05	21.55	22.95	12,207	136	2,90,058	12,207	100.00	3.50	-2.05
Sep 14	23.00	25.50	20.70	23.50	6,839	86	1,54,158	4,764	69.66	4.80	0.50
Oct 14	23.00	23.10	21.80	22.55	154	24	3,460	147	95.45	1.30	-0.45
Nov 14	22.00	22.40	20.00	20.00	340	31	7,106	330	97.06	2.40	-2.00
Dec 14	21.00	21.00	18.20	18.20	932	25	17,354	927	99.46	2.80	-2.80
Jan 15	17.95	17.95	17.45	17.45	1,031	21	18,040	1,031	100.00	0.50	-0.50
Feb 15	17.00	18.25	13.35	13.35	6,985	27	1,20,672	466	6.67	4.90	-3.65
Mar 15	12.69	12.69	9.88	9.88	15,700	26	1,72,889	11,750	74.84	2.81	-2.81

**\*Spread**

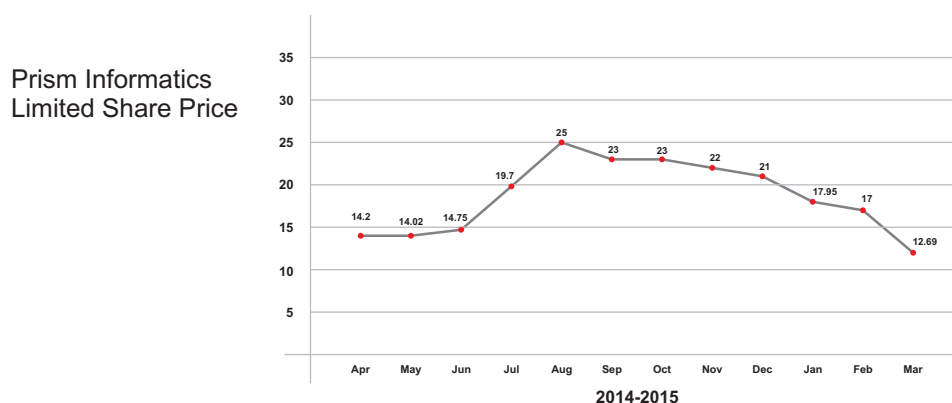
**H-High-Low**

**C-O : Close-Open**

Month wise high and low prices and the volume of shares of the Company traded for the period 01st April, 2014 to 31st March, 2015 on the Bombay Stock Exchange (BSE) are given above:

**\*\*Source:** Website of Bombay Stock Exchange.

### a. Performance in comparison to broad-based indices such as BSE Sensex etc.





## Corporate Governance Report

### 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](mailto:info@sharexindia.com); [investor@sharexindia.com](mailto:investor@sharexindia.com)

### c. Share Transfer System:

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 15 days from the date of lodgment of transfer subject to the transfer instrument being valid and complete in all respects.

### x) Distribution of shareholding as on 31-03-2015:

Sr. No	No. of Equity Shares held	No. of Shareholders	No. of Shares	% of No of Shareholders	% of Shareholding
1	1-5000	682	172,507	89.14	0.69
2	5000-10000	13	91,787	1.70	0.37
3	10000-20000	9	112,042	1.18	0.44
4	20000-30000	5	122,485	0.65	0.49
5	30000-40000	3	99,276	0.39	0.39
6	40000-50000	1	44,610	0.13	0.18
7	50000- 100000	15	877,338	1.96	3.52
8	100000 to above	36	23,422,430	4.71	93.98
	<b>TOTAL</b>	764	24,942,475	10.00	100.00



# Corporate Governance Report

## Category of Equity Shareholders as on 31-03-2015:

Sr. No	Category	No. of Shares	% of total Shareholding
1	Promoters, Directors & Relatives	4,610,968	18.49
2	Public Financial Institutions/ Banks	0	0
3	Mutual Funds/ UTI	0	0
4	FIIS	0	0
5	Venture capital fund	0	0
5	NRIS/ OCBS	8,045,145	32.25
6	Private Corporate Bodies/ Non Institutions Body Corporate	8,082,634	32.42
7	Indian Public	4,203,728	16.85
	<b>Total</b>	<b>24,942,175</b>	<b>100.00</b>

## xi) 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 2015, 97.49% of Paid up Capital of the Company comprising 24,317,492 equity shares of Re 1/- each has been dematerialized.

## xii) Plant Locations:

The Company has following operating divisions:

Registered office: Prism Informatics Limited is located at C-912, BSEL Tech Park, Opposite Vashi Railway Station, Sector 30 A, Vashi, Navi Mumbai-400705

Sr. No	Operative Divisions located at	Registered Office Address
01.	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.
02.	Europe	Gewerbestrasse 5, 6330 Cham/ Zug, Switzerland
03.	USA	Six Concourse Parkway, Fifth Floor, Atlanta, GA 30328, USA
04.	Germany	Sciencepark 2, DE-66123 Saarbrücken, Germany
05.	Singapore	31, Cantonment Road, Singapore- 089747.
06.	Dubai	Unit No.2502, Fortune Tower Plot No.C1, Jmeriah Lakes Towers, Dubai, United Arab Emirates.
07.	Seychelles	Suite 3, 1st Floor, La ciotat Building, Mont Fleuri, PO Box 438, Mahe, Seychelles



## Corporate Governance Report

**Address for Correspondence:**

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

1. Prism Informatics Limited: C-912, BSEL Tech Park, Opposite Vashi Railway Station, Sector 30 A, Vashi, Navi Mumbai - 400 705. Contact Number: 022-61371000.
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

### **CERTIFICATE OF COMPLIANCE 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, 2015

**For Prism Informatics Limited**

**Date:**

**Alok Pathak**

**Place: Navi Mumbai**

**Managing Director**



## CEO/CFO CERTIFICATION

The Board of Directors

Prism Informatics Limited

- (a) I have reviewed the financial Statements, read with the cash flow statement of Prism Informatics Limited for the year ended 31st March, 2015 and that to the best of my knowledge and belief, I 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) To the best of my 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) I 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) I 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**

**Date: 13th August, 2015**

**Place: Navi Mumbai**

**Alok Pathak**

**Managing Director**



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

I have examined compliance with conditions of Corporate Governance by Prism Informatics Limited ("the Company") for the year ended 31<sup>st</sup> March, 2015 stipulated in the Clause 49 of the Listing Agreement of the Company with the Bombay Stock Exchange.

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

In my opinion, and to the best of my information and according to the explanations given to me, based on the representations made by the management and subject to the observations made in the Secretarial Audit Report, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Clause 49 of the above mentioned Listing Agreement.

I 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 GEETA SERWANI & ASSOCIATES  
PRACTICING COMPANY SECRETARIES**

**Sd/-**

**GEETA SERWANI  
PROPRIETOR**

**ACS NO.: 24479 | C. P. No.: 8842**

**Date: 25th August, 2015**

**Place: Navi Mumbai**





# PRISM INFORMATICS LIMITED

**Standalone Financial Statements together with  
Auditors' Report for the year  
ended March 31, 2015**



# Independent Auditors Report on Standalone Financial Statement

To the Members of

Prism Informatics Ltd.

## Report on the Financial Statements

We have audited the accompanying financial statements of Prism Informatics Ltd., which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss & 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 Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation 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 the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are responsible and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material 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 have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

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

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view, *except in case of Receivable balances of Rs. 1,86,36,855 and Unsecured Loan of Rs. 1,50,00,000 from All State Finance & Leasing Ltd and Loan from Directors and entities in which director have interest of Rs. 2,73,40,302 which are subject to confirmation and reconciliation (if any), Unbilled revenue Rs. 17,44,061 which has been as certified by the management*, in conformity with the accounting principles generally accepted in India

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
- b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date.
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.



# Independent Auditors Report on Standalone Financial Statement

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub section (11) of Section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on March 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164(2) of the Act.
  - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
    - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amount which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - (g) Without qualifying our report, we draw attention to Note no.1.1 to the financial statements indicating that the Company's subsidiaries namely, Prism Software Consultancy DMCC (earlier known as Prism Software Consultancy JLT), Prism Infoglobal, Prism INC and Prism PTE, have 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.

**For E. A. PATIL & ASSOCIATES**

Chartered Accountants

(Firm Registration No. 117371W)

**CA. E. A. Patil**

**Partner**

**Membership No. 031979**

Mumbai,

August 13, 2015



# Independent Auditors Report on Standalone Financial Statement

## Prism Informatics Ltd.

### Annexure to the Auditor's Report for the financial year ended 31st March, 2015.

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
(b) The Company has not carried out any physical verification of its fixed assets.
- ii. The Company is a service sector company, primarily rendering IT consulting, software implementation and software development services. Accordingly, it does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable to the Company.
- iii. The company has granted loans to two body corporate covered in the register maintained under Section 189 of the Companies Act, 2013 ("the Act").  
(a) In case of the loans granted to the body corporate in the register maintained under Section 189 of the Act, the terms of repayment the arrangements have not been defined.  
(b) Refer note no 27D for the provision for doubtful principal and interest amount Rs 14,12,05,425 granted to Associate enterprise Idhasoft Limited and Rs. 96,68,258 granted to subsidiary Prism Software Consultancy DMCC (earlier known as Prism Software Consultancy JLT)
- iv. In our opinion and according to the information and explanations given to us, the company has adequate Internal Control System commensurate with the size of the company and nature of its business with regard to purchase of fixed assets and sale of services. *However, the internal control in respect of service income & fixed assets needs to be strengthened.*
- v. The Company has not accepted any deposits from the public.
- vi. As per the information and explanations provided by management, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act, for any of the services rendered by the company.
- vii. (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, Value Added Tax, Profession tax, Provident fund and other material statutory dues have been generally regularly deposited during the year by the company with the appropriate authorities *except specified in following annexure which are outstanding as at the last day of financial year for more than six months from the date it become payable:*



# Independent Auditors Report on Standalone Financial Statement

Name of Statute	Nature of Dues	Total Outstanding Liability as on 31st March 2015	Outstanding for More than 6 Months from the date they become Payable	Others
Finance Act, 1994	Service Tax Payable	1,04,71,965	8485358	19,86,607
Income Tax Act, 1961	TDS Payable	7670781	70,49,524	6,21,257
MVAT Act, 2002	VAT / CST Payable	85065	-	85065
PF Act,	Provident Fund Payable	12,88,139	-	12,88,139
PT	Professional Tax Payable	35,552	-	35,552
Local Body Tax	LBT	1,46,803	1,44,403	2,400

(b) According to the information and explanations given to us, there are no material dues of Income Tax, Service Tax, Value Added Tax or any other statutory due which have not been deposited with the appropriate authorities on account of any dispute.

- viii. The company does not have accumulated losses at the end of the financial year however the Company has not incurred cash losses in the current financial year and in the immediately preceding financial year.
- ix. In the opinion and according to the information and explanation give to us, the company has availed loan, the outstanding balance as on 31st March 2015 of which is Rs. 1.5 crore which was due for repayment. However the company has requested for extension for the same.
- x. In our opinion and according to the information and explanations given to us, the company has not given any guarantee for loans taken by the others from banks or financial institutions.
- xi. 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 E. A. PATIL & ASSOCIATES**

Chartered Accountants

(Firm Registration No. 117371W)

**CA. E. A. Patil**

**Partner**

**Membership No. 031979**

Mumbai,  
August 13, 2015



# Standalone Balance Sheet

Currency : Indian Rupee

as at March 31, 2015

	Note	March 31, 2015	March 31, 2014
<b>Capital &amp; Liabilities</b>			
Shareholder's Funds			
Share Capital	3	24,942,475	87,956,455
Reserves and Surplus	4	10,695,085	397,428,894
Money received against share warrants			
Share application money pending allotment	5	2,245,142	5,961,034.00
<b>Non current liabilities</b>			
Long term borrowings	6	-	-
Deferred tax liabilities (net)		-	-
Other long term liabilities	7	44,838,000	43,110,681
Long term provisions	8	3,357,195	3,511,780
<b>Current liabilities</b>			
Short term borrowings	9	42,340,302	46,847,706
Trade payables		18,272,685	15,480,974
Other current liabilities	10	133,608,296	58,771,001
Short term provisions	11	255,302	317,151
<b>Total</b>		<b>280,554,482</b>	<b>659,385,676</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Fixed assets:			
▪ Tangible assets	12	2,549,097	4,009,517
▪ Intangible assets -			
-Goodwill on Business Acquisitions		-	-
Non-current investments	13	156,045,047	385,985,312
Deferred tax assets (net)	25b	40,116,650	4,329,815
Long-term loans and advances	14	36,494,947	26,306,100
<b>Current assets</b>			
Current investments		-	-
Inventories		-	-
Trade receivables	15	18,636,855	76,647,135



# Standalone Balance Sheet

Currency : Indian Rupee

as at March 31, 2015

	Note	March 31, 2015	March 31, 2014
Cash and bank balances	16	24,239,461	14,931,910
Short-term loans and advances	17	271,279	135,754,588
Other current assets	18	2,201,146	11,421,299
<b>Total</b>		<b>280,554,482</b>	<b>659,385,676</b>

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  
DIN - 01328197

**Christof Anderi**  
WholeTime Director & CFO  
DIN - 03415356

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

**Khushboo Gurbuxani**  
Company Secretary

Place: Navi Mumbai  
Date: 13th August, 2015



# Statement of Profit and Loss

Currency : Indian Rupee

for the year ended March 31, 2015

	Note	March 31, 2015	March 31, 2014
<b>Revenue</b>			
Revenue from Operations	19	124,213,730	209,993,239
Other income	20	22,510,629	27,507,752
<b>Total Revenue</b>		<b>146,724,359</b>	<b>237,500,991</b>
<b>Expenses</b>			
Cost of Sales & Service	21	20,725,023	52,002,656
Employee benefits expense	22	90,676,624	123,047,050
Other expenses	23	46,414,783	30,749,201
Depreciation	12	1,888,338	2,272,137
Amortisation		-	13,015,054
Finance costs	24	14,218,509	20,158,527
<b>Total Expenses</b>		<b>173,923,278</b>	<b>241,244,625</b>
Exceptional / Extraordinary Expenses	27D	460,902,262	42,439,889
<b>Profit before tax</b>		<b>(488,101,181)</b>	<b>(46,183,523)</b>
Tax expense:			
- Current tax	25a	2,433,444	(1,335,329)
- MAT credit entitlement			
- Deferred tax charge	25a	(35,786,835)	(1,395,753)
<b>Profit after taxation for the year from continuing operations</b>		<b>(454,747,790)</b>	<b>(43,452,441)</b>
			-
<b>Earnings per equity share of Re. 1 each</b>			
- Basic		(19.16)	(2.05)
- Diluted		(19.16)	(2.05)
<b>Weighted average number of equity shares outstanding during the year</b>	30		
- Basic		23,729,142	21,168,107
- Diluted		23,729,142	21,168,107

The accompanying notes form an integral part of this profit and loss account 1 & 2  
As per attached report of even date.

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

**Alok Pathak**  
Managing Director  
DIN - 01328197

**Christof Anderi**  
WholeTime Director & CFO  
DIN - 03415356

Place: Navi Mumbai  
Date: 13th August, 2015

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

**Khushboo Gurbuxani**  
Company Secretary



# Cash Flow Statement

for the year ended March 31, 2015

Currency : Indian Rupee

	March 31, 2015	March 31, 2014
<b>Cash flow from Operating Activities:</b>		
Net Profit/(Loss) before tax	(488,101,181)	(46,183,523)
<b>Adjustments for:</b>		
Depreciation and amortisation	1,888,338	15,287,191
Interest Expense	14,218,509	20,158,527
Sundry balances written off	2,182,922	2,758,945
Unrealised exchange differences	11,330,448	(3,304,760)
Interest income	(20,953,172)	(23,047,701)
Exceptional / Extraordinary Expenses	460,902,262	42,439,889
<b>Operating Profit before working capital changes</b>	<b>(18,531,874)</b>	<b>8,108,567</b>
(Increase)/Decrease in Trade Receivables	(3,516,474)	7,139,234
(Increase)/Decrease in Short-term loans and advances	(15,439,829)	(8,987,860)
(Increase)/Decrease in Other current assets	9,220,153	(5,260,116)
(Decrease)/Increase in Sundry Creditors	2,792,255	5,501,755
(Decrease)/Increase in Other current liabilities	3,038,596	(1,427,683)
(Decrease)/Increase in Short term provisions	(61,849)	(26,926)
(Decrease)/Increase in Long term provisions	(154,585)	(54,997)
Decrease/(Increase) in Long term Loans and advances	(22,548,902)	(1,342,329)
<b>Net change in working capital</b>	<b>(26,670,635)</b>	<b>(4,458,922)</b>
<b>Cash generated from operations</b>	<b>(45,202,509)</b>	<b>3,649,645</b>
Direct tax paid	9,926,611	(10,498,636)
<b>Net cash provided by Operating Activities (A)</b>	<b>(35,275,899)</b>	<b>(6,848,991)</b>
<b>Cash flow from Investing Activities:</b>		
(Purchase) / Sale of Fixed Assets	(427,918)	(596,760)
(Purchase)/ Sale of Investments	46,500,000	(5,495)
Interest received	20,953,172	23,047,701
<b>Net cash from Investing Activities (B)</b>	<b>67,025,254</b>	<b>22,445,446</b>
<b>Cash flow from Financing Activities:</b>		
Proceeds from issuance of share capital	-	45,792,997
Increase in Reserves	-	1,335,329
Share premium received on issue of equity shares	-	60,312,003
Share application money received	(3,715,892)	5,961,034
Proceeds from borrowings - unsecured loan (net)	(4,507,404)	(64,420,302)
Proceeds from short term borrowings - secured loan (net)	-	(38,204,032)
Interest expense	(14,218,509)	(20,158,527)
<b>Net cash from Financing Activities (C)</b>	<b>(22,441,805)</b>	<b>(9,381,498)</b>
Net decrease in cash and cash equivalents during the year (A+B+C)	<b>9,307,551</b>	<b>6,214,957</b>
Cash and cash equivalents at the beginning of the year	14,931,910	8,716,953
<b>Cash and cash equivalents at the end of the year</b>	<b>24,239,461</b>	<b>14,931,910</b>



# Cash Flow Statement

Currency : Indian Rupee

for the year ended March 31, 2015

## 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 statement are as follows:

Cash in hand	892,601	627,039
Balance with scheduled banks		
- in current accounts	23,346,860	4,304,871
- in deposit accounts	-	10,000,000
	<b>24,239,461</b>	<b>14,931,910</b>

The accompanying notes form an integral part of this cash flow statements  
comprise the following balance sheet amounts

### For E.A. Patil & Associates

Chartered Accountants

Firm Registration No. 117371W

### Alok Pathak

Managing Director

DIN - 01328197

### Christof Anderi

WholeTime Director &amp; CFO

DIN - 03415356

### CA E.A. Patil

Partner

Membership No: 031979

### Khushboo Gurbuxani

Company Secretary

Place: Navi Mumbai

Date: 13th August, 2015



# Notes to the financial statements

Currency : Indian Rupee

for the year ended March 31, 2015

## 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.

### 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 except in case of following -

(a) JLT- investment and net commitments towards the deficit in the net worth of the Company: The company has 100% subsidiary Prism Software Consultancy DMCC (formerly known as Prism Software Consultancy JLT). The subsidiary has incurred loss of AED 34,63,603 in the current year resulting erosion of its capital. As these business conditions indicate the existence of material uncertainty that may cast significant doubt regarding Prism Software Consultancy DMCC (formerly known as Prism Software Consultancy JLT) ability to continue as 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.7,16,500 has been charged to the profit and loss statement as an exceptional / extraordinary item. The Loan receivable of Rs. 85,03,705 and Interest receivable of Rs 11,64,553 has been provided as doubtful and considered in the exceptional / Extraordinary items.

The Prism India has also provided towards the commitments of subsidiary of Rs.3,25,44,001 towards their loans and accounts payable.

(b) Prism Infoglobal, Seychelles - The company had incorporated operations at Seychelles as 100% subsidiary for the strategic business purpose. The Company has not commenced the business as a result the investment in the company Rs 5,495 and loan of Rs. 49,455 has been provided and considered in the exceptional/ extraordinary item.

(c) Prism INC, USA - During the current financial year the company has provided for receivables of Rs. 2,81,87,277 and commitment charges of Rs.4,42,54,698 and considered in the exceptional/ extraordinary item.

In case of previous financial year, the Company had step down subsidiary TLC Technologies INC under Prism Inc US. The Prism India holds 100% shareholding in the Prism Inc US and Prism Inc held 51% in the TLC Technologies INC Company. The TLC was incurring losses from the operations resulting in substantial erosion of the capital. Subsequent to the sale of shares of step down subsidiary TLC, the business conditions indicate the existence of material uncertainty that may cast significant doubt regarding Prism Inc's., ability to continue as 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 2,56,23,329 has been charged to the profit and loss statement as an exceptional / extraordinary item. The Accounts receivable from the TLC Technologies Rs 1,68,16,560 has also been provided as doubtful debt and considered in the exceptional / Extraordinary items.

(d) Prism PTE, Singapore - In the financial year 2013-14 the Company has made provision Rs 3,12,97,902 towards the Prism Pte Ltd for the carrying value of investments for the permanent decline in the investment value which is other than temporary in nature.

## 2 Significant accounting policies

### 2.1 Basis of preparation of financial statements

The financial statements have been prepared in compliance with Generally Accepted Accounting Principles ('GAAP') in India, under the historical cost convention. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ("Act") read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.



# Notes to the financial statements

Currency : Indian Rupee

for the year ended March 31, 2015

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 provided on Written Down Value Method ('WDV') is based on the estimated useful lives of the assets as prescribed under Part C of Schedule II of the Companies Act 2013. For additions and disposals, depreciation is provided pro-rata for the period of use.

### *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.

Depreciation on tangible assets is provided on the Written down value method over the useful lives of assets estimated by the Management. Depreciation for assets purchased / sold during a period is proportionately charged. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, commencing from the date the asset is available to the Company for its use.

The Management estimates the useful lives for the other fixed assets as follows:

Buildings	22-25 years
Plant and machinery	5 years
Office equipment	5 years
Computer equipment and Software	3-5 years
Furniture and fixtures	5 years
Vehicles	5 years

The Management believes that the useful lives as given above best represent the period over which the Management expects to use these assets. Hence the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

Depreciation and amortization methods, useful lives and residual values are reviewed periodically, including at each financial year end.

## 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.

## 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.



# Notes to the financial statements

Currency : Indian Rupee

for the year ended March 31, 2015

## 2 Significant accounting policies (Continued)

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. 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.

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 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.



# Notes to the financial statements

for the year ended March 31, 2015

## 2 Significant accounting policies (*Continued*)

### 2.10 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.

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.

### 2.11 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.

### 2.12 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.



# Notes to the financial statements

for the year ended March 31, 2015

Currency : Indian Rupee

As at  
March 31, 2015      As at  
March 31, 2014

## 3 Share capital

### Authorised

4,03,47,800 (P.Y. 4,03,47,800 ) Equity Shares of Rs. 1/- each

40,347,800

40,347,800

17,71,522 (P.Y. 17,71,522 ) Preference Shares of Rs. 100/- each

177,152,200

177,152,200

217,500,000

217,500,000

### Issued, subscribed and paid - up

2,49,42,475 (2014 : 2,19,56,445) equity shares of Re. 1/- each (2014 : Re. 1/- each)  
fully subscribed and paid up

24,942,475

21,956,455

Nil ( 2014 : 66,000) 2% Non Cumulative Compulsorily Convertible Preference Shares  
(NCCP's V) of Rs. 100/- each\*

-

66,000,000

24,942,475

87,956,455

\* 660,000 2% NCCP's Series V are converted on 12th September 2014

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

Particulars	As at 31st March, 2015		As at 31st March, 2014	
	No. of Shares	Amount	No. of Shares	Amount
<b>(1) Equity shares :</b>				
Number of shares at the beginning	21,956,455	21,956,455	20,599,158	20,599,158
Add: Shares issued	2,986,020	2,986,020	1,357,297	1,357,297
<b>Number of shares at the end</b>	<b>24,942,475</b>	<b>24,942,475</b>	<b>21,956,455</b>	<b>21,956,455</b>
<b>(2) Non Cumulative Compulsorily Convertible Preference Shares (CCP's IV)</b>				
Number of shares at the beginning	-	-	215,643	21,564,300
Add: Shares issued	-	-	-	-
Less: Converted to Equity Shares	-	-	215,643	21,564,300
<b>Number of shares at the end</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>(3) Compulsory Convertible Debentures (CCD's Series III)</b>				
Number of Debentures at the beginning	-	-	401,050	40,105,000
Add: Shares issued	-	-	-	-
Less: Converted to Equity Shares	-	-	401,050	40,105,000
<b>Number of shares at the end</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>(4) Compulsory Convertible Debentures (CCD's Series V)</b>				
Number of Debentures at the beginning	50,000	5,000,000	50,000	5,000,000
Add: Issued during the year	-	-	-	-
Less: Converted to Equity Shares	50,000	5,000,000	-	-
<b>Number of shares at the end</b>	<b>-</b>	<b>-</b>	<b>50,000</b>	<b>5,000,000</b>
<b>(5) Non Cumulative Compulsorily Convertible Preference Shares (CCP's V)</b>				
Number of shares at the beginning	660,000	66,000,000	-	-
Add: Issued during the year	-	-	660,000	66,000,000
Less: Converted to Equity Shares	660,000	66,000,000	-	-
<b>Number of shares at the end</b>	<b>-</b>	<b>-</b>	<b>660,000</b>	<b>66,000,000</b>



# Notes to the financial statements

for the year ended March 31, 2015

Currency : Indian Rupee

Type of shareholding	2014-2015		2013-2014	
	No. of Shares	% of Shares	No. of Shares	% of Shares
<b>Equity shareholding:</b>				
Saurabh Bankimchandra Dani	2,763,217	11.08	2,707,915	12.33
Megh Leasing and Investments Limited	2,520,000	10.10		
Thomas Noel Kelly	2,130,899	8.54	2,130,899	9.71
Anor Technologies Private Limited	1,650,000	6.62	1,650,000	7.51
Neogen Computer Systems Private Limited	1,462,920	5.87	1,462,920	6.66
Ndteam Consultants & Architechts Private	1,385,968	5.56	1,385,968	6.31
Glyce Gibson	1,357,015	5.44	1,357,015	6.18
Neeta Nilesh Shah	-	-	1,137,075	5.18
<b>Preference shareholding (2% NCCP's Series V):</b>				
Dr.Ramesh Subramaniam	-	-	30,000	3,000,000
Megh Leasing and Investments Limited	-	-	630,000	63,000,000
<b>Compulsory Convertible Debentures (12% CCD's Series V):</b>				
Ajaykant Ruia	-	-	50,000	5,000,000

## 4 Reserves and surplus

### 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

463,624,650

403,312,647

Share premium received on issue of equity shares

68,013,980

60,312,003

Closing Balance

531,638,630

463,624,650

Surplus - opening balance

(72,750,436)

(29,297,995)

Add- Net profit after tax transferred from statement of profit and loss

(454,747,790)

(43,452,441)

Amount available for appropriation

(527,498,225)

(72,750,436)

### Appropriations:

Transfer to general reserve

-

-

Interim equity dividend

-

-

Proposed equity dividend

-

-

Preference dividend

-

-

Tax on dividend

-

-

Closing Balance

(527,498,225)

(72,750,436)

### Total

10,695,085

397,428,894

## 5 Share application money pending allotment

Non Cumulative Compulsorily Convertible Preference Shares of Rs. 100/- each

2,245,142

5,961,034

2,245,142

5,961,034



# Notes to the financial statements

for the year ended March 31, 2015

Currency : Indian Rupee

	As at March 31, 2015	As at March 31, 2014
<b>6 Long-term borrowings</b>		
<u>Unsecured :</u>		
Compulsarily Convertible Debentures*	-	5,000,000
Less: current maturities of long term borrowings considered in Other Current Li	-	5,000,000
	-	-
<b>7 Other Long term liabilities</b>		
Acquisition cost payable	44,838,000	43,110,681
	44,838,000	43,110,681
<b>8 Long-term provisions</b>		
Provision for Gratuity	1,262,725	1,302,285
Provision for Leave Encashment	1,396,681	1,751,205
Provision for Rent Equalisation	697,789	458,290
	3,357,195	3,511,780
<b>9 Short-term borrowings</b>		
<u>Secured :</u>		
Bank Overdraft*	-	18,027,404
<u>Unsecured :</u>		
Loan from financial Institution**	15,000,000	10,000,000
Loan from Directors and Entities in which directors have interest ***	27,340,302	18,820,302
	42,340,302	46,847,706

\* The Company has availed bank overdraft facility and balance as on 31st March , 2015 is Rs. Nil (2014 : Rs. 1,80,27,404) from Saraswat Co-operative Bank Limited. Bank overdraft facility was secured against fixed Deposit of Rs. Nil (2014 : 100 Lacs and pledge of 5,00,000 Shares of Rs. 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.

\*\* Loan taken from Allstate Finance & Leasing Ltd. amounting Rs. 1.50 Crore (2014: 1.00 Cr) having interest rate 27% p.a. However repayment schedule has not defined.

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

\*\*\* Loan Taken from Saurabh Dani (Director), Dani Financial Product Pvt. Ltd. And Dani shares and stock Rs. 2.73 Cr (2014: 1.88 Cr) having interest rate ranging from 14.5% to 18 % p.a. The repayment schedule not been defined.

## 10 Other current liabilities

Trade advances	928,900	2,449,648
Salaries Payable	14,713,044	13,954,949
Provision for expenses	18,701,040	12,306,759
Interest Payable	2,874,450	1,914,987
Service Tax Payable	10,471,965	6,564,556
TDS Payable	7,670,781	15,414,223
VAT Payable	85,065	1,023,390
PF Payable	1,288,139	1,470
PT Payable	35,552	34,875
LBT Payable	40,660	106,143
Compulsory Convertible Debentures- Current Maturities*	-	5,000,000
Provision For Subsidiary Commitments**	76,798,699	-
	133,608,296	58,771,001

\* 401,050 11% CCD's are converted on April 21, 2014

\*\* Refer notes to the financials 1.1 (a) and (c )

## 11 Short term provisions

Provision for employee benefits		
Leave encashment	255,302	317,151
	255,302	317,151



# Notes to the financial statements

for the year ended March 31, 2015

Currency : Indian Rupee

## 12 Fixed assets

Particulars	Tangible Assets					
	Computers and other service equipments	Office equipments	Furniture and fixtures	Vehicles	Total as at March 31, 2015	Total as at March 31, 2014
<b>Original Cost</b>						
As at 1st April, 2014	6,246,489	-	100,675	1,057,142	7,404,306	6,807,546
Additions	427,918	-		-	427,918	596,760
Deletions	-	-	-	-	-	-
<b>As at 31 March, 2015</b>	<b>6,674,407</b>	<b>-</b>	<b>100,675</b>	<b>1,057,142</b>	<b>7,832,224</b>	<b>7,404,306</b>
<b>Accumulated depreciation and amortization</b>						
As at 1st April, 2014	2,649,938	-	23,371	721,480	3,394,789	1,122,652
Depreciation for the period	1,812,526		8,679	67,133	1,888,338	2,272,137
Deductions/Adjustments during the period	-	-	-	-	-	-
<b>As at 31 March, 2015</b>	<b>4,462,464</b>	<b>-</b>	<b>32,050</b>	<b>788,613</b>	<b>5,283,127</b>	<b>3,394,789</b>
<b>Net block as at 31 March 2015</b>	<b>2,211,943</b>	<b>-</b>	<b>68,625</b>	<b>268,529</b>	<b>2,549,097</b>	<b>4,009,517</b>
<b>Net block as at 31 March 2014</b>	<b>3,596,551</b>	<b>-</b>	<b>77,304</b>	<b>335,662</b>	<b>4,009,517</b>	<b>5,684,894</b>



# Notes to the financial statements

Currency : Indian Rupee

for the year ended March 31, 2015

	As at March 31, 2015	As at March 31, 2014
<b>13 Non-current investments</b>		
<b>Investment in subsidiary companies (Unquoted, at cost)</b>		
22,133,150 (2014: 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 (2014 : 56,000,000) Equity shares of \$ 0.01 each fully paid of Prism Informatics Inc., USA	25,623,329	25,623,329
50 (2014 : 50) equity shares of AED 1,000 each fully paid of Prism Software Consultancy DMCC (Formerly known as Prism Software Consultancy JLT)	716,500	716,500
6,50,777 (2014 : 650,777) Equity shares of SGD 1 each fully paid of Prism Informatics Pte Limited, Singapore	31,297,902	31,297,902
100 (2014 : 100) Equity shares of USD 1 each fully paid of Prism Infoglobal Limited, Seychelles	5,495	5,495
	<u>213,663,273</u>	<u>213,663,273</u>
Less : Provision for Investments (Refer note (b) below)	<u>57,643,226</u>	<u>56,921,231</u>
	<u>156,020,047</u>	<u>156,742,042</u>
<b>Investment in Associate Company (Unquoted, at cost)</b>		
Equity shares of Re. 1 each fully paid of Idhasoft Ltd. (Refer note (c) below)	-	229,218,270
	<u>-</u>	<u>229,218,270</u>
<b>Other (Unquoted, at cost)</b>		
2,500 (2014: 2,500) shares of Rs. 10 each fully paid up of Saraswat Co-Op Bank Ltd.	25,000	25,000
	<u>25,000</u>	<u>25,000</u>
Aggregate value of unquoted investments	<u>156,045,047</u>	<u>385,985,312</u>

(a) Refer Note 29(a) for no. of units purchased and sold during the year

(b) In the opinion of the management there is existence of material uncertainty that may cast significant doubt about the subsidiaries Prism Software Consultancy DMCC and Prism Infoglobal, Seychelles 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 the provision for Prism Software Consultancy DMCC and Prism Infoglobal, Seychelles of Rs. 7,16,500 and Rs. 5,495 has been provided.

In the financial year 2012-13 and 2013-14 the Prism Inc and Prism Informatics Pte Singapore were incurring losses from the operations resulting in substantial erosion of capital as on the balance sheet date. In the opinion of the management there is existence of material uncertainty that may cast significant doubt about the subsidiaries 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 the provision of Rs.5,69,21,231/- has been made.

(c) During the current financial year the company has sold investment in equity shares of the Associate enterprise Idhasoft Limited at Rs 4,65,00,000/- resulting in loss of Rs 182,718,270/- has been considered in Exceptional / Extraordinary item.

## 14 Long-term loans and advances

(Unsecured and considered good)

Rental deposits	4,322,075	1,626,395
Grauity Fund	100,000	100,000
Taxes paid in advance	32,072,872	24,579,705
	<u>36,494,947</u>	<u>26,306,100</u>



# Notes to the financial statements

for the year ended March 31, 2015

Currency : Indian Rupee

	As at March 31, 2015	As at March 31, 2014
<b>15 Trade receivables</b>		
<u>Unsecured*</u>		
Debtors outstanding for a period exceeding six months (considered good)	-	44,620,906
Debtors outstanding for a period exceeding six months (considered doubtful)	112,129,551	-
Less: Provision for doubtful debtors	(112,129,551)	-
	-	44,620,906
Debtors outstanding for a period less than six months (considered good)	18,636,855	32,026,229
Debtors outstanding for a period less than six months (considered doubtful)	5,180,242	62,147,316
	23,817,097	94,173,545
Less: Provision for bad & doubtful debts	(5,180,242)	(62,147,316)
	18,636,855	76,647,135

## 16 Cash and bank balances

Cash in hand	892,601	627,039
Balances with banks	23,346,860	4,304,871
Fixed Deposit with Bank*	-	10,000,000
	24,239,461	14,931,910

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

## 17 Short-term loans and advances

<i>(Unsecured and considered good)</i>		
Loan to Related Parties*	-	114,242,803
Interest receivable*	-	21,499,084
Advance to creditors	359,178	12,700
<i>(Unsecured and considered doubtful)</i>		
Loan to Related Parties*	113,836,880	3,129,507
Interest receivable*	40,859,363	731,498
	155,055,422	139,615,592
Less: Provision for loans & advances & Interest receivable*		
Loan Receivable from Related parties	(113,873,097)	(3,129,507)
Provision for Interest Receivable	(40,911,046)	(731,498)
	271,279	135,754,588

\* The Provision for doubtful amount of Rs. 11,07,43,590 towards loans and Advances and Rs. 4,01,47,366 towards interest receivable has been considered in Extraordinary / Exceptional Item.

## 18 Other current assets

Prepaid expenses	457,085	243,482
Unbilled Revenue	1,744,061	11,177,817
	2,201,146	11,421,299



# Notes to the financial statements

for the year ended March 31, 2015

Currency : Indian Rupee

	March 31, 2015	March 31, 2014
<b>19 Revenue from operations</b>		
Sale of services	114,455,755	168,143,638
Sale of products	9,757,975	41,849,601
	<u>124,213,730</u>	<u>209,993,239</u>
<b>20 Other income</b>		
Interest on bank deposits	378,236	1,155,255
Interest on loan from Related Parties	20,574,936	21,892,446
Foreign exchange loss/(gain), net	-	3,325,090
Miscellaneous income	1,557,457	1,134,961
	<u>22,510,629</u>	<u>27,507,752</u>
<b>21 Cost of Sales &amp; Services</b>		
Cost of License Sales	9,633,895	41,216,906
Cost of technical sub-contractors	11,091,128	10,785,750
	<u>20,725,023</u>	<u>52,002,656</u>
<b>22 Employee benefits expense</b>		
Salaries, bonus and allowances, including overseas employee expenses	87,324,824	115,542,594
Contribution to provident & other funds	780,519	(120,885)
Staff welfare	433,502	638,806
Insurance Charges	837,779	767,717
Director's Remuneration *	1,300,000	6,218,818
	<u>90,676,624</u>	<u>123,047,050</u>
* In case of directors remuneration the company is yet to apply to the central Government for approval in accordance with the provisions of the section 309 of companies act 1956 and section 269 of companies act 2013		
<b>23 Other expenses</b>		
Travel and conveyance	12,585,379	8,869,339
Rent	5,410,575	4,021,660
Sundry Debtors written off	2,182,922	660,000
Commission	3,978,978	2,934,925
Business Development Expenses	1,171,344	1,192,986
Communication Expenses	1,133,087	775,032
Legal and professional fees	3,142,760	4,944,603
Advertisement and publicity	102,001	202,914
Subscription, registration and license fee	14,004	43,103
<b>Auditor's remuneration:</b>	-	-
Audit fees	350,000	300,000
Other services	530,000	369,000
Tax audit fees	85,000	85,001



# Notes to the financial statements

Currency : Indian Rupee

for the year ended March 31, 2015

Printing and stationery	307,974	499,979
Electricity	1,111,553	1,218,064
Office expenses	1,125,315	1,067,294
Repairs and maintenance	959,780	920,540
Bank charges & commission	289,934	404,275
Miscellaneous expenses	603,731	141,540
Provision for Bad & Doubtful Debts	-	2,098,945
Foreign exchange (gain)/loss, net	11,330,448	-
	<u>46,414,783</u>	<u>30,749,201</u>

## 24 Finance costs

	March 31, 2015	March 31, 2014
Bank Interest	1,966,403	4,642,060
Interest on CCD	60,821	3,162,326
Interest on other	12,191,285	12,354,141
	<u>14,218,509</u>	<u>20,158,527</u>

## 25 Taxes

a) Provision for tax expense consists of the following:

Current taxes		
- India	2,433,444	(1,335,329)
	<u>2,433,444</u>	<u>(1,335,329)</u>
Deferred tax expense / (credit)		
- India	(35,786,835)	(1,395,753)
	<u>(35,786,835)</u>	<u>(1,395,753)</u>
	<u>(33,353,391)</u>	<u>(2,731,082)</u>

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

Depreciation	(233,279)	(332,581)
Provision for leave encashment and gratuity	900,645	1,093,605
Provision for rent equilisation	238,060	148,692
Short term capital loss	1,571,260	1,649,823
Unamortised Goodwill in Income Tax	-	1,770,276
Long term Capital Loss	37,639,964	-
<b>Total deferred tax assests</b>	<u>40,116,650</u>	<u>4,329,815</u>



# Notes to the financial statements

Currency : Indian Rupee

for the year ended March 31, 2015

## 26 Segmental information

As at March 31, 2015 and for the year then ended

Particulars	Software Consultancy Services	Software License Sale	Total
Total Income	114,455,755	9,757,975	124,213,730
Accounts Receivables	18,636,855	-	18,636,855
Unbilled Revenue	1,744,061	-	1,744,061

### Geographic segments

As at March 31, 2015 and for the year then ended

Particulars	India	Rest of World	Total
Total income	41,173,913	73,281,842	114,455,755
Accounts receivables	10,376,719	120,604,390	130,981,109
Unbilled revenue	1,744,061	-	1,744,061

## 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. Prism Informatics Pte, Limited, Singapore 6. Prism Software Consultancy DMCC (formerly known as Prism Software Consultancy JLT) 7. Prism Infoglobal Limited, Seychelles 8. Prism Informatics Austria GmbH 9. TLC Technologies (Demerged on 21st Feb., 2014)
2	Key management personnel	1) Dr. Nirmal Jain (Chairman) 2) Alok Pathak (Managing Director) 3) Saurabh Dani (Executive Director) 4) Christof Anderi (Executive Director & CFO) (appointed w.e.f 30th September, 2014) 5) Ms. Khushboo Gurbuxani (Company Secretary) (appointed w.e.f 13th August, 2014) 6) V. Chandrashekar (Resigned w.e.f. 08th August, 2014) 7) Atul Pradhan (Appointed w.e.f. 13th February, 2015) 8) Ranjana Gupta (Appointed w.e.f. 20th March, 2015)
3	Parties with substantial interest	1) Secure Matrix Solutions Private Limited 2) Dani Financial Products Private Limited 3) Dani Shares and Stock Pvt. Ltd. 4) Relatives of key management personnel
4	Associates	Idhasoft Limited and it's Subsidiaries (Control in Associates cease to exist on 20th March, 2015)



# Notes to the financial statements

for the year ended March 31, 2015

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		Companies with common Control	
	March 31,2015	March 31,2014	March 31,2015	March 31,2014	March 31,2015	March 31,2014	March 31,2015	March 31,2014
<b>Transactions during the year ended 31 March</b>								
Investments purchased	-	5,495	-	-	-	-	-	-
Sale of investments	-	-	-	-	-	-	46,500,000	-
Service income	7,292,003	31,096,270	-	-	-	-	10,070,740	25,379,015
Remuneration paid	-	-	1,300,000	6,218,818	-	1,050,001	-	-
Loans given	15,804,635	49,455	-	-	-	-	15,035,000	43,298,000
Loans recovered	7,300,930	-	-	-	-	-	27,037,918	53,591,590
Interest income	1,113,369	-	-	-	-	-	19,461,567	21,892,446
Interest Expense	-	-	1,388,440	2,631,034	2,667,086	1,188,530	-	-
Loan Taken	-	-	-	1,800,000	8,520,000	14,550,000	-	-
Loan Repaid	-	-	-	1,200,000	-	5,750,000	-	-
Allotment of equity shares	-	-	-	19,999,976	-	5,000,000	-	-
Allotment of Shares	-	-	-	3,000,000	-	-	-	-
Share application money received	-	-	-	3,000,000	-	-	-	-
CCP application money received	-	-	-	2,972,714	-	743,178	-	-
Share application money paid	-	-	2,972,714	-	743,178	-	-	-
Provision for Interest Receivable	(1,164,553)	-	-	-	-	-	(38,982,812)	-
Provision for Investment	(721,995)	-	-	-	-	-	-	-
Provision for Loans and Advances	(8,553,160)	-	-	-	-	-	(102,222,612)	-
Provision for Debtors	(27,389,266)	(16,816,560)	-	-	-	-	(22,350,893)	-
Provision for Subsidiaries Commitment	(76,798,699)	-	-	-	-	-	-	-
Loss on sale of Investment	-	-	-	-	-	-	(182,718,270)	-
<b>Balance as at 31 March</b>								
Investments	213,663,273	213,663,273	-	-	-	-	-	229,218,270
Provision for Investment	(57,643,226)	(56,921,231)	-	-	-	-	-	-
Debtors	85,020,798	83,765,901	-	-	-	-	23,378,509	28,361,900
Provision for Debtors	(85,020,798)	(57,631,532)	-	-	-	-	(23,378,509)	-
Creditors	-	-	203,621	250,001	164,000	164,000	2,329,666	2,139,343
Loans receivable	11,618,303	-	-	-	-	-	102,222,612	114,225,530
Provision for Loans and Advances	(11,618,303)	-	-	-	-	-	(102,222,612)	-
Interest Receivable	1,876,552	-	-	-	-	-	38,982,812	21,467,401
Provision for Interest Receivable	(1,876,552)	-	-	-	-	-	(38,982,813)	-
Loan Payable	-	-	10,020,302	10,020,302	17,320,000	8,800,000	-	-
Interest Payable	-	-	283,494	227,025	2,400,406	742,891	-	-
Provision for Subsidiaries Commitment	(76,798,699)	-	-	-	-	-	-	-



# Notes to the financial statements

for the year ended March 31, 2015

Currency : Indian Rupee

## 27 Related party transactions (Continued)

<u>Transactions during the year ended</u>	<u>March 31,2015</u>	<u>March 31,2014</u>
<b>A Key management personnel</b>		
(i) <b>Remuneration to Directors</b>		
Saurabh Dani	-	3,200,000
V.Chandrashekar	1,300,000	3,018,818
	<u>1,300,000</u>	<u>6,218,818</u>
(ii) <b>Share application money received</b>		
Dr. Ramesh Subhramaniam	-	3,000,000
(iii) <b>Allotment of Shares</b>		
Dr. Ramesh Subhramaniam	-	3,000,000
(iv) <b>CCP Application Money</b>		
Saurabh Dani	-	2,972,714
(v) <b>CCP Application Money paid</b>		
Saurabh Dani	2,972,714	-
(vi) <b>Allotment of Equity shares</b>		
Saurabh Dani	-	19,999,976
(vii) <b>Interest Expenses</b>		
Saurabh Dani	1,388,440	1,353,225
(viii) <b>Loan Taken</b>		
Saurabh Dani	-	1,800,000
(ix) <b>Loan repaid</b>		
Saurabh Dani	-	1,200,000
(x) <b>Creditors</b>		
Saurabh Dani	53,621	4,297
V.Chandrashekar	150,000	245,704
	<u>203,621</u>	<u>250,001</u>
<b>B Subsidiaries</b>		
(i) <b>Service income</b>		
TLC Technologies Ltd	-	10,930,600
Prism Software Consultancy, JLT	7,292,003	20,165,670
	<u>7,292,003</u>	<u>31,096,270</u>
(ii) <b>Investments purchased</b>		
Prism Infoglobal Limited, Seychelles	-	5,495
(iii) <b>Loans recovered</b>		
Prism Software Consultancy DMCC (formerly known as Prism Software Co	7,300,930	-
(iv) <b>Loans given</b>		
Prism Software Consultancy DMCC (formerly known as Prism Software Co	15,804,635	-
Prism Infoglobal Limited, Seychelles		49,455
	<u>15,804,635</u>	<u>49,455</u>



# Notes to the financial statements

Currency : Indian Rupee

for the year ended March 31, 2015

<b>(v) Interest Income</b>		
Prism Software Consultancy DMCC (formerly known as Prism Software Co.	1,113,369	-
<b>(vi) Provision for Interest receivables</b>		
Prism Software Consultancy DMCC (formerly known as Prism Software Co.	(1,164,553)	-
<b>(vii) Provision for Investments</b>		
Prism Informatics Inc, USA		25,623,329
Prism Software Consultancy DMCC (formerly known as Prism Software Co.	716,500	-
Prism Infoglobal Limited, Seychelles	5,495	-
	<u>721,995</u>	<u>25,623,329</u>
<b>(viii) Provision for Loans &amp; Advances</b>		
Prism Software Consultancy DMCC (formerly known as Prism Software Co.	(8,503,705)	-
Prism Infoglobal Limited, Seychelles	(49,455)	-
	<u>(8,553,160)</u>	<u>-</u>
<b>(ix) Provision for Debtors</b>		
Prism Informatics Inc, USA	(28,187,277)	(16,816,560)
Prism Informatics Pte Limited, Singapore	798,011	-
	<u>(27,389,266)</u>	<u>(16,816,560)</u>
<b>(x) Provision for Subsidiary's Commitment</b>		
Prism Software Consultancy DMCC (formerly known as Prism Software Co.	(32,544,001)	-
Prism Informatics Inc, USA	(44,254,698)	-
	<u>(76,798,699)</u>	<u>-</u>
<b>C Parties with Substantial interest</b>		
<b>(i) Allotment of Equity shares</b>		
Dani Financials Products Pvt Limited	-	5,000,000
<b>(ii) CCP Application Money</b>		
Dani Financials Products Pvt Limited	-	743,178
<b>(iii) CCP Application Money Paid</b>		
Dani Financials Products Pvt Limited	743,178	
<b>(iv) Loan Taken</b>		
Dani Financials Products Pvt Limited	8,520,000	9,550,000
Dani Share and Stock Pvt. Ltd.	-	5,000,000
	<u>8,520,000</u>	<u>14,550,000</u>
<b>(v) Loan repaid</b>		
Dani Financials Products Pvt Limited	-	5,750,000
<b>(vi) Interest Expenses</b>		
Dani Financials Products Pvt Limited	1,767,087	545,709
Dani Share and Stock Pvt. Ltd.	899,999	642,821
	<u>2,667,086</u>	<u>1,188,530</u>
<b>(vii) Remuneration paid</b>		
Shilpi Pathak	-	750,000
Bhuanan Dani	-	300,001
	<u>-</u>	<u>1,050,001</u>



# Notes to the financial statements

Currency : Indian Rupee

for the year ended March 31, 2015

## D Companies with common Control

(i) <b>Service Income</b> Idhasoft INC, USA	10,070,740	25,379,015
(ii) <b>Investments Sold</b> Idhasoft Limited	46,500,000	-
(iii) <b>Loans given</b> Idhasoft Limited	15,035,000	43,298,000
(iv) <b>Loans recovered</b> Idhasoft Limited	27,037,918	53,591,590
(v) <b>Interest income</b> Idhasoft Limited	19,461,567	21,892,445
(vi) <b>Provision for Loans &amp; Advances</b> Idhasoft Limited	(102,222,612)	-
(vii) <b>Provision for Interest Receivable</b> Idhasoft Limited	(38,982,812)	-
(viii) <b>Provision for Debtors</b> Idhasoft INC, USA	(22,350,893)	-
(ix) <b>Loss on sale of Investment</b> Idhasoft Limited	(182,718,270)	-

### Balance as at year end

March 31, 2015      March 31, 2014

(i) <b>Investments</b>		
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	31,297,902
Prism Software Consultancy DMCC (formerly known as Prism Software Co	716,500	716,500
Prism Infoglobal Limited, Seychelles	5,495	5,495
	<u>213,663,273</u>	<u>213,663,273</u>
Less: Provision made for Investment		
Prism Informatics, USA	(25,623,329)	(25,623,329)
Prism Informatics Pte Ltd	(31,297,902)	(31,297,902)
Prism Software Consultancy DMCC (formerly known as Prism Software Co	(716,500)	
Prism Infoglobal Limited, Seychelles	(5,495)	
	<u>(57,643,226)</u>	<u>(56,921,231)</u>
<b>Total</b>	<u>156,020,047</u>	<u>156,742,042</u>

### **Parties with substantial interest**

Idhasoft Limited	-	229,218,270
	<u>-</u>	<u>229,218,270</u>



# Notes to the financial statements

Currency : Indian Rupee

for the year ended March 31, 2015

**(ii) Debtors**

Prism Europe AG	7,111,100	7,111,100
Prism Thailand (NEXUS)	11,356,636	11,356,636
TLC Technologies	39,647,617	39,647,617
Prism Informatics Inc	17,342,420	17,342,420
Prism Informatics Pte (Singapore)	10,361,035	10,361,035
Prism Software Consultancy DMCC (formerly known as Prism Software Co	-	(2,052,908)
<b>Total</b>	<b>85,818,809</b>	<b>83,765,901</b>
Less: Provision for Debtors		
Prism Europe AG	(7,111,100)	(7,111,100)
Prism Thailand (NEXUS)	(11,356,636)	(11,356,636)
TLC Technologies	(39,647,617)	(28,802,760)
Prism Informatics Inc	(17,342,420)	-
Prism Informatics Pte (Singapore)	(10,361,035)	(10,361,035)
	<b>(85,818,809)</b>	<b>(57,631,532)</b>
<b>Total</b>	<b>-</b>	<b>26,134,369</b>

**(iii) Creditors**

Idhasoft Limited	2,165,666	1,975,343
Secure Matrix	164,000	164,000
	<b>2,329,666</b>	<b>2,139,343</b>

**(iv) Loans receivable**

Idhasoft Limited	102,222,612	114,225,530
Prism Software Consultancy DMCC (formerly known as Prism Software Co	-	-
Prism Informatics Pte Limited, Singapore	-	3,097,325
	<b>102,222,612</b>	<b>117,322,855</b>
Less: Provision for loans & advances		
Loan to Prism Informatics Pte Limited, Singapore		(3,097,325)
Loan to Idhasoft Limited	(102,222,612)	-
<b>Total</b>	<b>-</b>	<b>114,225,530</b>

**(v) Interest Receivable**

Idhasoft Limited	38,982,813	21,467,401
Prism Informatics Europe AG	-	332,949
Prism Informatics Pte Limited, Singapore	-	430,731
	<b>38,982,813</b>	<b>22,231,081</b>
Less: Provision for Interest		
Idhasoft Limited	(38,982,813)	-
Prism Informatics Pte Limited, Singapore	-	(332,949)
Prism Informatics Europe AG	-	(430,731)
<b>Total</b>	<b>-</b>	<b>21,467,401</b>

**(vi) Loan Payable**

Dani Financials Products Pvt Limited	12,320,000	3,800,000
Dani Shares and Stock Pvt. Limited	5,000,000	5,000,000
Saurabh Dani	10,020,302	10,020,302
<b>Total</b>	<b>27,340,302</b>	<b>18,820,302</b>

**(vii) Interest Payable**

Dani Financials Products Pvt Limited	1,590,407	203,632
Dani Shares and Stock Pvt. Limited	809,999	539,259
Saurabh Dani	283,494	227,025
<b>Total</b>	<b>2,683,900</b>	<b>969,916</b>

**(viii) Provision for Subsidiary's Commitment**

Prism Software Consultancy DMCC (formerly known as Prism Software Co	(32,544,001)	-
Prism Informatics Inc, USA	(44,254,698)	-
	<b>(76,798,699)</b>	<b>-</b>



# Notes to the financial statements

Currency : Indian Rupee

for the year ended March 31, 2015

## 27 Related party transactions (Continued)

### D Summary of Extraordinary / Exceptional Items :-

Entities	Debtors	Loan	Interest	Comittment	Investment	Total
Prism Informatics Inc	28,187,277	-	-	44,254,698	-	72,441,975
Prism Informatics Pte, Limited	(798,011)	-	-	-	-	(798,011)
Prism Software Consultancy DMCC	-	8,503,705	1,164,553	32,544,001	716,500	42,928,759
Prism Infoglobal Ltd., Mauritius	-	49,455	-	-	5,495	54,950
Idhasoft India Limited	-	102,222,612	38,982,813	-	182,718,270	323,923,695
Idhasoft INC	22,350,893	-	-	-	-	22,350,893
<b>Total</b>	<b>49,740,159</b>	<b>110,775,772</b>	<b>40,147,366</b>	<b>76,798,699</b>	<b>183,440,265</b>	<b>460,902,261</b>

## 28 Amounts due to micro, small and medium enterprises

As at 31 March, 2015, 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(2014 : Nil).

## 29 Summary of investments purchased and sold during the year

### (a) Investments purchased during the year ended March 31

	2015		2014	
	Units	Cost of purchase	Units	Cost of purchase
<b>Investment in related parties</b>				
Prism Infoglobal Limited, Seychelles	-	-	100	5,495
(A)	-	-	100	5,495
<b>Others</b>				
Idhasoft Limited	-	-	-	-
(B)	-	-	-	-
<b>Total (A+B)</b>			100	5,495

### (b) Investments sold during the year ended March 31

	2015		2014	
	Units	Sale Value	Units	Sale Value
<b>Others</b>	-	-	-	-
Idhasoft Limited	229,218,270	46,500,000	-	-
<b>Total</b>	229,218,270	46,500,000	-	-

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

	March 31,2015	March 31,2014
Number of shares considered as basic weighted average shares outstanding	21,956,455	21,168,107
Add: Effect of dilutive issues of stock options/ warrants/ preference shares	1,772,687	5,314,989
Number of shares considered as weighted average shares and potential shares outstanding	23,729,142.00	26,483,096



# Notes to the financial statements

Currency : Indian Rupee

for the year ended March 31, 2015

## 31 Leases

### Finance Lease :-

The Company does not have any item covered under finance lease which needs disclosure as per Accounting Standard 19 - "Accounting for Leases".

### Operating Leases:

The significant leasing arrangements entered into by the Company include the following:

1) Office premises taken on operating lease with lease 36 months and which are renewable on a periodic basis by mutual consent of both parties. There are no restrictions imposed by lease arrangements, such as those concerning dividends and additional debt.

Rent expense for all operating leases for the year ended 31 March 2015 aggregated to **Rs.54,10,575** (2014: Rs.40,21,660)

2) The total future minimum lease rentals payable at the Balance Sheet date is as under

	March 31,2015	March 31,2014
Amount due within one year from the balance sheet date	6,612,456	3,781,096
Amount due in the period between one year and five years	22,765,692	13,737,530
Later than five years	8,557,212	10,530,544

## 32 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

	As at 31 March 2015	As at 31 March 2014
Present Value of Funded Obligations	1,586,206	1,665,070
Fair Value of Plan Assets	(323,481)	(362,785)
<b>Net (Asset)/ Liability</b>	1,262,725	1,302,285
<b>Amounts recognised in Balance Sheet</b>		
Net (Asset)/ Liability	1,262,725	1,302,285

### Expense recognised in Statement of Profit and Loss Account

	As at 31 March 2015	As at 31 March 2014
Current Service Cost	829,811	1,054,058
Interest on Defined Benefit Obligations	222,935	238,986
Expected Return on Plan Assets	(61,330)	(62,774)
Net Actuarial Losses / (Gains) recognised in the Year	(1,030,976)	(1,543,052)
<b>Total Included in "Employee Benefit Expense"</b>	<b>(39,560)</b>	<b>(312,782)</b>



# Notes to the financial statements

for the year ended March 31, 2015

Currency : Indian Rupee

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

	As at 31 March	As at 31 March
<b>Change in Defined Benefit Obligation</b>		
<b>Opening Defined Benefit Obligation</b>	1,665,070	1,954,912
Current Service Cost	829,811	1,054,058
Interest Cost	222,935	238,986
Actuarial Losses/(Gain)	(1,059,673)	(1,582,886)
Benefit Paid	(71,937)	-
<b>Closing Defined Benefit Obligation</b>	1,586,206	1,665,070
<b>Change in Fair Value of Assets</b>		
<b>Opening Fair Value of Plan Assets</b>	362,785	339,845
Expected Return on Plan Assets	61,330	62,774
Actuarial Gain /(Losses)	(28,697)	(39,834)
Contributions by Employer	-	-
Benefit Paid	(71,937)	-
<b>Closing Fair Value of Plan Assets</b>	323,481	362,785
Expected Employer's Contribution Next Year	500,000	1,000,000

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

Financial Assumptions at the valuation Date	As at 31 March	As at 31 March
Discount Rate (p.a.)	7.95%	9.10%
Expected Rate of Return on Assets (p.a.)	8.00%	7.50%
Salary Increase Rate (p.a.)	7.00%	7.00%

## Composition of plan assets :

	2015	%	2014	%
Life Insurance Corporation Of India	323,481	100%	362,785	100%
<b>Total</b>	<b>323,481</b>	<b>100%</b>	<b>362,785</b>	<b>100%</b>

## Experience Adjustment

Net asset / (liability) recognised in Balance sheet (including experience adjustment entry)	For the year ended 31-Mar-15	For the year ended 31-Mar-14	For the year ended 31-Mar-13	For the year ended 31-Mar-12
Defined Benefit Obligation	1,586,206	1,665,070	1,954,912	980,068
Plan Assets	323,481	362,785	339,845	306,954
Surplus / (Deficit)	1,262,725	1,302,285	1,615,067	673,114



# Notes to the financial statements

for the year ended March 31, 2015

Currency : Indian Rupee

March 31, 2015

March 31, 2014

## 33 Names of scheduled banks and balances at year end

1 Axis Bank Limited	2,162,457	4,301,691
2 Citi Bank	3,180	3,180
3 HDFC Bank Limited	21,181,223	-
	<u>23,346,860</u>	<u>4,304,871</u>

## 34 Supplementary statutory information

### (i) Managerial remuneration

Salaries and allowances	1,300,000	6,218,818
	<u>1,300,000</u>	<u>6,218,818</u>

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

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

(c) Sitting fees paid to non-executive director not included above aggregated Rs. Nil (2014: Nil).

### (ii) Earning in foreign currency

Service income	73,281,842	118,929,414
	<u>73,281,842</u>	<u>118,929,414</u>

## 35 Tax on Regular Assessment

During the year the company received a draft assessment order for F.Y.10-11 according to which there were upward additions made by the Transfer Pricing officer of Rs.11,01,298 on account of Transfer pricing adjustment. Also, deduction u/s 10AA was reduced for adjustment of Interest on loan from Bank, CCD and others for allocation to SEZ unit of the company by Rs.20,02,407. As per these two adjustment additional tax liability (including interest u/s 234B but excluding penalty) amounts to Rs.24,33,444. As per the draft order, penalty proceeding u/s 271 (1)(c) were initiated separately. However, this liability was not quantified. Hence as on the Balance sheet date, the contingent liability of the company is Rs.24,33,444. Also, demand of Rs.94,374 and Rs.24,738 were pending against the company for F.Y.2009-10 and F.Y.2010-11 respectively.

The company has contested the additions by filing the appeal with DRF and in the opinion of the management the relief will be granted in the favour of the Company.

## 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

### CA E.A. Patil

Partner

Membership No: 031979

Place: Navi Mumbai

Date: 13th August, 2015

### For and on behalf of the Board of Directors

### Alok Pathak

Managing Director

DIN - 01328197

### Christof Anderi

WholeTime Director

&amp; CFO

DIN - 03415356

### Khushboo Gurbuxani

Company Secretary



# PRISM INFORMATICS LIMITED

**Consolidated Financial Statements  
together with Auditors' Report for the  
financial year ended March 31, 2015**





# Consolidated Auditor's Report

## INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS TO THE MEMBERS OF PRISM INFORMATICS LTD.

### Prism Informatics Limited

We have audited the accompanying consolidated financial statements of Prism Informatics Limited ('the Company') as at 31 March 2015, the consolidated statement of profit and loss and 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 Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation 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 Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are responsible and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated 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 consolidated financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

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 financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view, *except in case of Receivable balances of Rs. 186.36 lacs and Unsecured Loan of Rs. 150 lacs from All State Finance & Leasing Ltd and Loan from Directors and*



## Consolidated Auditor's Report

*entities in which director have interest of Rs. 273.40 lacs & Loan from others of Rs. 745.21 lacs which are subject to confirmation and reconciliation (if any), Unbilled revenue 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, 2015;
- 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.

### Other Matter

We did not audit the financial statements of the subsidiaries of Prism Informatics Ltd whose financial statements reflect total assets (net) of 1532.11 lacs at 31st March 2015 and total revenue (before Inter Company Elimination) of Rs. 3487.37 lacs for the year ended on 31st March 2015, as considered in the consolidated financial statements. These financial statements have been audited by the 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.

Without qualifying our report, we draw attention to Note No. 1.1 to the financial statements indicating that the Company's subsidiaries namely, Prism Software Consultancy DMCC (earlier known as Prism Software Consultancy JLT), Prism Infoglobal, Prism INC and Prism PTE, have 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.

**For M/s. E. A. Patil & Associates**

**Chartered Accountants**

**Firm Registration No. 117371W**

**CA. E. A. Patil**

**Partner**

**Membership No. 031979**



## Consolidated Balance Sheet

Currency : Indian Rupee

as at 31st March, 2015

Particulars	Note No.	2015	2014
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
(a) Share capital	3	24,942,475	87,956,455
(b) Reserves and surplus	4	(43,027,632)	190,868,831
(c) Money received against share warrants		-	-
<b>Minority interest</b>		-	-
		(18,085,157)	278,825,286
<b>Share application money pending allotment</b>	5	2,245,142	5,961,034
<b>Non-current liabilities</b>			
Long-term borrowings		-	-
Other long term liabilities	6	44,838,000	43,110,681
Long-term provisions	7	4,338,366	3,511,780
		49,176,366	46,622,461
<b>Current liabilities</b>			
(a) Short-term borrowings	8	116,862,052	96,426,310
(b) Trade payables		57,281,385	62,811,585
(c) Other current liabilities	9	140,811,823	100,664,300
(d) Short-term provisions	10	9,260,446	4,972,151
		324,215,706	264,874,346
<b>TOTAL</b>		<b>357,552,056</b>	<b>596,283,127</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets		5,404,306	7,341,033
(ii) Intangible assets		3,118,753	7,753,116
(b) Non-current investments	11	25,000	41,490,416
(c) Deferred tax assets (net)		31,076,850	(1,167,786)
(d) Long-term loans and advances	12	36,494,947	26,306,100
(e) Other non-current assets		-	16,831
		76,119,856	81,739,711
Goodwill on consolidation		110,865,418	110,865,418
<b>Current assets</b>			
(a) Current investments		-	-
(b) Inventories		-	-
(c) Trade receivables	13	36,895,898	144,610,602
(d) Cash and cash equivalents	14	43,591,622	34,111,784
(e) Short-term loans and advances	15	1,544,179	162,638,853
(f) Other current assets	16	88,535,083	62,316,759
		170,566,782	403,677,998
<b>TOTAL</b>		<b>357,552,056</b>	<b>596,283,127</b>

The accompanying notes form an integral part of this profit and loss account 1 & 2  
As per attached report of even date.

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

**Alok Pathak**  
Managing Director  
DIN - 01328197

**Christof Anderi**  
WholeTime Director & CFO  
DIN - 03415356

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

**Khushboo Gurbuxani**  
Company Secretary

Place: Navi Mumbai  
Date: 13th August, 2015



# Consolidated Profit and loss statement

for the Year ended 31st March, 2015

Currency : Indian Rupee

(Currency : Indian Rupee)			
Particulars	Note	2015	2014
Revenue from operations	17	466,905,027	670,427,309
Other income	18	22,700,544	27,893,649
<b>Total Revenue (I + II)</b>		<b>489,605,571</b>	<b>698,320,959</b>
<b>Expenses:</b>			
Cost of sales and services	19	131,499,443	197,906,360
Employee benefit expenses	20	272,491,634	350,759,999
Other expenses	21	132,031,913	114,915,329
Depreciation		8,932,229	13,615,845
Amortisation		-	13,015,054
Finance costs	22	29,532,775	25,026,929
<b>Total expenses</b>		<b>574,487,993</b>	<b>715,239,516</b>
Profit before exceptional and extraordinary items and tax (III-IV)		(84,882,422)	(16,918,557)
Exceptional items		-	-
Profit before extraordinary items and tax (V - VI)		(84,882,422)	(16,918,557)
<b>Extraordinary Items</b>	23a	408,645,213	11,559,352
Profit before tax (VII- VIII)		(493,527,634)	(28,477,909)
<b>Tax expense:</b>	23		
(1) Current tax		4,422,641	90,304
(2) Deferred tax		(35,786,835)	(1,395,753)
Transfer to Minority interest		-	-
Share of profit/ (loss) of Associates		-	(97,709,075)
<b>Profit (Loss) for the period from continuing operations (IX-X)</b>		<b>(462,163,440)</b>	<b>(124,881,535)</b>
Profit/(loss) from discontinuing operations		-	-
Tax expense of discontinuing operations		-	-
<b>Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)</b>		<b>-</b>	<b>-</b>
<b>Profit (Loss) for the period (XI + XIV)</b>		<b>(462,163,440)</b>	<b>(124,881,535)</b>
Earnings per equity share:			
(1) Basic		(19.48)	(5.90)
(2) Diluted		(19.48)	(5.90)
Weighted average number of equity shares outstanding during the year			
- Basic		20,863,377	21,168,107
- Diluted		20,863,377	21,168,107

The accompanying notes form an integral part of this profit and loss account As per attached report of even date. 1 & 2

For E.A. Patil &amp; Associates

Chartered Accountants  
Firm Registration No. 117371W

Alok Pathak

Managing Director  
DIN - 01328197

Christof Anderi

WholeTime  
Director & CFO  
DIN - 03415356

CA E.A. Patil

Partner  
Membership No: 031979

Khushboo Gurbuxani

Company Secretary

Place: Navi Mumbai  
Date: 13th August, 2015



# Consolidated Cash Flow Statement

for the Year ended 31st March, 2015

Currency : Indian Rupee

	March 31,2015	March 31,2014
<b>Cash flows from operating activities</b>		
(Loss)/Net Profit before tax	(493,527,634)	(28,477,909)
<b>Adjustments:</b>		
Depreciation and amortisation	8,932,229	26,630,899
Interest Expense	29,532,775	25,026,929
Sundry balances written off	25,600,108	660,000
Unrealised exchange difference	14,196,171	(3,304,760)
Interest income	(20,859,366)	(22,895,704)
Extraordinary Items	408,645,213	11,559,352
<b>Operating cash flows before working capital changes</b>	<b>(27,480,505)</b>	<b>9,198,806</b>
(Increase)/Decrease in debtors	16,864,866	(23,978,354)
(Increase)/Decrease in unbilled revenue	14,177,633	(10,447,180)
(Increase)/Decrease in Short-term loans and advances	(11,553,808)	(8,846,750)
(Increase)/Decrease in other current assets	(40,379,127)	(20,241,223)
(Decrease)/Increase in sundry creditors	(5,529,657)	37,710,987
(Decrease)/Increase in Other liabilities	40,147,523	(2,427,385)
(Decrease)/Increase in Short term provisions	4,288,295	3,152,430
(Decrease)/Increase in long term provisions	826,586	(54,997)
(Decrease)/Increase in Deferred tax assets (refer note 33 c )	3,542,200	-
(Decrease)/Increase in long term loans & advances	1,726,961	13,562,148
<b>Net change in working capital</b>	<b>24,111,471</b>	<b>(11,570,324)</b>
<b>Cash generated from operations</b>	<b>(3,369,034)</b>	<b>(2,371,518)</b>
Income tax paid	(11,915,808)	(11,743,661)
<b>Net cash provided by operating activities (A)</b>	<b>(15,284,842)</b>	<b>(14,115,179)</b>
<b>Cash flows from investing activities</b>		
Purchase of fixed assets	(2,361,139)	6,232,888
Sale of investments	41,465,416	-
Interest received	20,859,366	22,895,704
<b>Net cash from investing activities (B)</b>	<b>59,963,643</b>	<b>29,128,591</b>
<b>Cash flows from financing activities</b>		
(Repayment)/Proceeds from issuance of share capital	-	45,792,997
Share application money paid	(3,715,892)	5,961,034
Increase in securities premium	-	60,312,003
Proceeds from borrowings - unsecured loan (net)	(498,093)	(50,738,147)
Proceeds from Short term borrowings- secured (net)	20,435,742	(47,815,800)
Interest expense	(29,532,775)	(25,026,929)
<b>Net cash from financing activities (C)</b>	<b>(13,311,018)</b>	<b>(11,514,842)</b>
Foreign Currency Translation Reserve Impact on Cash flow (D)	(21,887,915)	12,043,396
Net decrease in cash and cash equivalents during the year (A+B+C)	9,479,868	15,541,966
Cash and cash equivalents at the beginning of the year	34,111,784	18,569,819
<b>Cash and cash equivalents at the end of the year</b>	<b>43,591,653</b>	<b>34,111,784</b>



# Consolidated Cash Flow Statement

Currency : Indian Rupee

for the Year ended 31st March, 2015

March 31, 2015

March 31, 2014

## 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	1,202,369	680,721
Balance with scheduled banks		
- in current accounts	42,389,253	23,431,063
- in deposit accounts	-	10,000,000
	<u>43,591,622</u>	<u>34,111,784</u>

The accompanying notes form an integral part of this cash flow statement. 1&2  
As per attached report of even date.

For E.A. Patil &amp; Associates

Chartered Accountants  
Firm Registration No. 117371W

Alok Pathak

Managing Director  
DIN - 01328197

Christof Anderi

WholeTime Director  
& CFO  
DIN - 03415356

CA E.A. Patil

Partner  
Membership No: 031979

Khushboo Gurbuxani

Company Secretary

Place: Navi Mumbai

Date: 13th August, 2015



# Notes to the consolidated financial statements

for the year ended 31st March, 2015

Currency : Indian Rupee

## Notes to the consolidated financial statements

for the year ended 31st March, 2015

(Currency: in Indian Rupees)

### 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.

The figures in the consolidated Balance sheet representing Prism Inc., Delaware, Prism PTE.,Singapore, Prism Infoglobal., Seychelles Prism Software Consultancy DMCC (formerly known as Prism Software Consultancy JLT) & Prism Informatics Europe and it's step down subsidiaries operating outside India and are converted into Indian Rupees. The figures in profit & loss Account for the period April'14 to March'15 have been converted at the average INR rate for the financial year ending March 31, 2015. The figures in Balance Sheet have been converted at closing INR rate for the financial year ending March 31, 2015.

#### 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 except in case of following -

(a) JLT- investment and net commitments towards the deficit in the net worth of the Company: The company has 100% subsidiary Prism Software Consultancy DMCC (formerly known as Prism Software Consultancy JLT). The subsidiary has incurred loss of AED 34,63,603 in the current year resulting erosion of its capital. As these business conditions indicate the existence of material uncertainty that may cast significant doubt regarding Prism Software Consultancy DMCC (formerly known as Prism Software Consultancy JLT) ability to continue as going concern. In the Opinion of the management there is a decline, other than temporary in nature of business operations.

(b) Prism Infoglobal, Seychelles - The company had incorporated operations at Seychelles as 100% subsidiary for the strategic business purpose. The Company has not commenced the business. As these business conditions indicate the existence of material uncertainty that may cast significant doubt regarding Prism Infoglobal, Seychelles ability to continue as going concern. In the Opinion of the management there is a decline, other than temporary in nature.

(c) Prism INC, USA - During the current financial year the company has provided for receivables customers Rs. 2,84,95,581 Inter Associate Concern Balances (loans along with interest) RS 3,14,08,337 and considered in the exceptional/ extraordinary item.

In case of previous financial year, the Company had step down subsidiary TLC Technologies INC under Prism Inc US. The Prism India holds 100% shareholding in the Prism Inc US and Prism Inc held 51% in the TLC Technologies INC Company. The TLC was incurring losses from the operations resulting in substantial erosion of the capital. Subsequent to the sale of shares of step down subsidiary TLC, the business conditions indicate the existence of material uncertainty that may cast significant doubt regarding Prism Inc's., ability to continue as going concern. In the Opinion of the management there is a decline, other than temporary in the nature of business operations. The Accounts receivable from the TLC Technologies Rs 1,68,16,560 has also been provided as doubtful debt and considered in the exceptional / Extraordinary items.

(d) Prism PTE, Singapore - During the financialy the Company has accumulated business losses of Rs 4,04,75,147 resulting in the erosion of capital. The business conditions indicate the existence of material uncertainty that may cast significant doubt regarding Prism PTE Singapore's ability to continue as going concern. in the opinion of the management there is a decline, other than temporary in the nature of business operations.

### 2 Significant accounting policies

#### 2.1 Basis of preparation of consolidated financial statements

The Consolidated financial statements have been prepared in compliance with Generally Accepted Accounting Principles ("GAAP") in India, under the historical cost convention. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ("Act") read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

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%
Prism Informatics PTE LTD	Singapore	100%
Prism Informatics Europe AG	Switzerland	100%
Prism Informatics Schweiz GmbH (Step Down Subsidiary of Prism Informatics Europe, AG)	Switzerland	100%
Prism Informatics Deutschland GmbH (Step Down Subsidiary of Prism Informatics Europe, AG)	Germany	100%
Prism Informatics Austria GmbH (Step Down Subsidiary of Prism Informatics Europe, AG)	Austria	100%
Prism Infoglobal.Limited, Seychelles	Seychelles	100%
Prism Software Consultancy DMCC (formerly known as Prism Software Consultancy JLT)	Dubai	100%



# Notes to the consolidated financial statements

for the year ended 31st March, 2015

TLC Technologies, Inc. (Acquired under Prism Informatics Inc) share holding disposed of on February 21, 2014.

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

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

During the current financial year the company has sold investment in equity shares of the Associate enterprise Idhasoft Limited, hence profit component of the associates enterprises has not been consolidated.

## 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 provided on Written Down Value Method ('WDV') is based on the estimated useful lives of the assets as prescribed under Part C of Schedule II of the Companies Act 2013. For additions and disposals, depreciation is provided pro-rata for the period of use.

Depreciation on tangible assets is provided on the Written down value method over the useful lives of assets estimated by the Management. Depreciation for assets purchased / sold during a period is proportionately charged. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, commencing from the date the asset is available to the Company for its use.

In case of Indian operation, the management estimates the useful lives for the other fixed assets as follows:

Buildings	22-25 years
Plant and machinery	5 years
Office equipment	5 years
Computer equipment and Software	3-5 years
Furniture and fixtures	5 years
Vehicles	5 years

The Management believes that the useful lives as given above best represent the period over which the Management expects to use these assets. Hence the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

Depreciation and amortization methods, useful lives and residual values are reviewed periodically, including at each financial year end.

In case of entities outside India, assets has been consolidated as per GAAP prevailing in the respective countries. Depreciation is calculated as per the rates prevailing in the concerned countries.

### *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.



# Notes to the consolidated financial statements

Currency : Indian Rupee

for the year ended 31st March, 2015

## Notes to the consolidated financial statements (Continued)

for the year ended 31st March, 2015

(Currency: in Indian Rupees)

### 2 Significant accounting policies (Continued)

#### 2.3 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.

#### 2.4 Leases

In case of India, accounting of lease is done as per 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.

#### 2.5 Inventories

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

#### 2.6 Revenue and cost recognition

The Company derives its revenues primarily from software technology and IT enabled services. Revenue from time-and-material contracts is recognised as related services are rendered. Revenue from fixed-price contracts is recognised on a percentage of completion basis. 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. 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.

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

#### 2.7 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.

In case of Dubai operations, Employee benefits have been provided for in accordance with the contractual terms with the employee, but are however subject to minimum of UAE labour Law requirements. The accrual relating to annual leave and leave passage is disclosed as a current liability, while the provision relating to end of service benefits is disclosed as a non-current liability.

In case of other overseas entities, the provision for employee retirement benefit is made as per the applicable law of the respective countries.



# Notes to the consolidated financial statements

Currency : Indian Rupee

for the year ended 31st March, 2015

## 2.8 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.

## 2.9 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.

## 2.10 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.

A substantial portion of profits for Indian Operation 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.

In case of entities situated outside India, current and deferred tax is calculated as per the law prevailing in that entities.



# Notes to the consolidated financial statements

Currency : Indian Rupee

for the year ended 31st March, 2015

## 2.11 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.

## 2.12 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.

## 2.13 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.

## 3 Share capital

### Authorised

4,03,47,800 (P.Y. 4,03,47,800 ) Equity Shares of Rs. 1/- each  
17,71,522 (P.Y. 17,71,522 ) Preference Shares of Rs. 100/- each

March 31, 2015      March 31, 2014

40,347,800	40,347,800
177,152,200	177,152,200
217,500,000	217,500,000

### Issued, subscribed and paid - up

2,49,42,475 (2014 : 2,19,56,445) equity shares of Re. 1/- each (2014 : Re. 1/- each) fully subscribed and paid up  
Nil ( 2014 : 66,000) 2% Non Cumulative Compulsorily Convertible Preference Shares (NCCP's V) of Rs. 100/- each\*

24,942,475	21,956,455
-	66,000,000
24,942,475	87,956,455

\* 660,000 2% NCCP's Series V are converted on 12th September 2014

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



# Notes to the consolidated financial statements

for the year ended 31st March, 2015

Currency : Indian Rupee

Particulars	As at 31st March, 2015		As at 31st March, 2014	
	No. of Shares	Amount	No. of Shares	Amount
<b>(1) Equity shares :</b>				
Number of shares at the beginning	21,956,455	21,956,455	20,599,158	20,599,158
Add: Shares issued	2,986,020	2,986,020	1,357,297	1,357,297
<b>Number of shares at the end</b>	<b>24,942,475</b>	<b>24,942,475</b>	<b>21,956,455</b>	<b>21,956,455</b>
<b>(2) Non Cumulative Compulsorily Convertible Preference Shares (CCP's IV)</b>				
Number of shares at the beginning	-	-	215,643	21,564,300
Add: Shares issued	-	-	-	-
Less: Converted to Equity Shares	-	-	215,643	21,564,300
<b>Number of shares at the end</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>(3) Compulsory Convertible Debentures (CCD's Series III)</b>				
Number of Debentures at the beginning	-	-	401,050	40,105,000
Add: Shares issued	-	-	-	-
Less: Converted to Equity Shares	-	-	401,050	40,105,000
<b>Number of shares at the end</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>(4) Compulsory Convertible Debentures (CCD's Series V)</b>				
Number of Debentures at the beginning	50,000	5,000,000	50,000	5,000,000
Add: Issued during the year	-	-	-	-
Less: Converted to Equity Shares	50,000	5,000,000	-	-
<b>Number of shares at the end</b>	<b>-</b>	<b>-</b>	<b>50,000</b>	<b>5,000,000</b>
<b>(5) Non Cumulative Compulsorily Convertible Preference Shares (CCP's V)</b>				
Number of shares at the beginning	660,000	66,000,000	-	-
Add: Issued during the year	-	-	660,000	66,000,000
Less: Converted to Equity Shares	660,000	66,000,000	-	-
<b>Number of shares at the end</b>	<b>-</b>	<b>-</b>	<b>660,000</b>	<b>66,000,000</b>

Type of shareholding	2014-2015		2013-2014	
	No. of Shares	% of Shares	No. of Shares	% of Shares
<b>Equity shareholding:</b>				
Saurabh Bankimchandra Dani	2,763,217	11.08	2,707,915	12.33
Megh Leasing and Investments Limited	2,520,000	10.10		
Thomas Noel Kelly	2,130,899	8.54	2,130,899	9.71
Anor Technologies Private Limited	1,650,000	6.62	1,650,000	7.51
Neogen Computer Systems Private Limited	1,462,920	5.87	1,462,920	6.66
Ndteam Consultants & Architects Private Limited	1,385,968	5.56	1,385,968	6.31
Glyce Gibson	1,357,015	5.44	1,357,015	6.18
Neeta Nilesh Shah	-	-	1,137,075	5.18
<b>Preference shareholding (2% NCCP's Series V):</b>				
Dr. Ramesh Subramaniam	-	-	30,000	3,000,000
Megh Leasing and Investments Limited	-	-	630,000	63,000,000
<b>Compulsory Convertible Debentures (12% CCD's Series V):</b>				
Ajaykant Ruia	-	-	50,000	5,000,000



# Notes to the consolidated financial statements

Currency : Indian Rupee

for the year ended 31st March, 2015

	March 31, 2015	March 31, 2014
<b>4 Reserves and surplus</b>		
Capital reserve	-	-
<b>Security Premium</b>		
Balance brought forward	463,624,650	403,312,647
Share premium received on issue of equity shares	68,013,980	60,312,003
Closing Balance	531,638,630	463,624,650
<b>General reserve</b>		
- 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	2,385,471	886,808
Foreign currency translation reserve	(7,426,080)	21,572,439
Profit and loss account, balance carried forward	(576,180,334)	(301,769,747)
	(43,027,632)	190,868,831
<b>Surplus in statement of Profit &amp; Loss</b>	(301,769,747)	(176,888,212)
Profit for the year	(462,163,440)	(27,172,460)
Interim Equity Dividend	-	-
Proposed Dividend On Equity	-	-
Preference Dividend	-	-
Tax on Dividend	-	-
Profit/(Loss) of Associate Enterprises	187,752,854	(97,709,075)
Transfer to General Reserve	-	-
Balance as at the end of the year	(576,180,334)	(301,769,747)
<b>5 Share application money pending allotment</b>		
NCCPreference share application money	2,245,142	5,961,034
	2,245,142	5,961,034
<b>6 Other Long term liabilities</b>		
Acquisition cost payable	44,838,000	43,110,681
	44,838,000	43,110,681
<b>7 Long-Term Provisions</b>		
Provision for Gratuity	2,243,896	1,302,285
Provision for Leave Encashment	1,396,681	1,751,205
Provision for rent equilisation	697,789	458,290
	4,338,366	3,511,780



# Notes to the consolidated financial statements

Currency : Indian Rupee

for the year ended 31st March, 2015

## 8 Short-Term Borrowings

### Secured loans :

Bank Overdraft\*

March 31,2015 March 31,2014

### Unsecured loans :

Loan from financial Institution\*\*

Loan from Directors and Entities in which directors have interest \*\*\*

Loans from Others #

Compulsory Convertible Debentures

Less: current maturities of long term borrowings considered in Other Current Liabilities

-	18,027,404
-	18,027,404
15,000,000	10,000,000
27,340,302	18,820,302
74,521,750	49,578,604
-	5,000,000
116,862,052	83,398,906
-	5,000,000
116,862,052	78,398,906
116,862,052	96,426,310

\* The Company has availed bank overdraft facility and balance as on 31st March , 2015 is Rs. Nil (2014 : Rs. 1,80,27,404) from Saraswat Co-operative Bank Limited. Bank overdraft facility was secured against fixed Deposit of Rs. Nil (2014 : 100 Lacs and pledge of 5,00,000 Shares of Rs. 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.

\*\* Loan taken from Allstate Finance & Leasing Ltd. amounting Rs. 1.50 Crore (2014: 1.00 Cr) having interest rate 27% p.a.. The repayment schedule has not defined. 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 & Loan taken from Allstate Finance & Leasing Ltd. amounting Rs. 1 Crore having interest rate 27% p.a. The repayment schedule has not defined.

\*\*\* Loan Taken from Directors and Entities in which directors have interest aggregating to Rs. 2.73 Cr (2014: 1.88 Cr) having interest rate ranging from 14.5% to 18 % p.a. The repayment schedule not been defined.

# Unsecured Loans from Others include loan from following parties:

- Unsecured Loans taken from Value Group INC at interest rate of 17% p.a., secured against the personal guarantee of Mr. Alok Pathak, Managing Director of Prism Informatics Ltd, repayable in 9 monthly installment starting from 30th November 2014 to 30th September 2015, The Company has defaulted repayment of principle and interest of Rs.16,30,860 and Rs.3,26,092 respectively.
- Unsecured Loans from others include interest free loan of Rs.13,10,509 repayable on demand.
- Unsecured Loans of Rs. 3,12,95,400 at interest rate of 6% p.a. and Rs.1,87,77,240 at interest rate of 5% p.a., repayable on demand.

## 9 Other current liabilities

Trade advances

Salaries Payable

Provision for expenses

Interest Payable

Service Tax Payable

TDS Payable

VAT Payable

PF Payable

Profession Tax Payable

Other Current Liabilities

Sales tax payable

Compulsory Convertible Debentures- Current Maturities\*

2,490,377 4,998,892

14,713,044 13,954,949

27,872,896 6,929,324

17,439,995 12,488,541

10,471,965 6,564,556

7,670,781 15,414,223

85,065 721,703

1,288,139 1,470

35,552 34,875

58,744,008 34,254,079

- 301,687

- 5,000,000

140,811,823 100,664,300

\* 50000, 12% Compulsory Convertible Debentures were converted on 21st, April 2014

## 10 Short-term provisions

Provision for Taxes

Provision for Leave Encashment - Current

Accrued expenses

9,005,144 351,043

255,302 317,151

- 4,303,957

9,260,446 4,972,151



# Notes to the consolidated financial statements

Currency : Indian Rupee

for the year ended 31st March, 2015

	March 31,2015	March 31,2014
<b>11 Non-current investments</b>		
<b>Investment in Associate Company (Unquoted, at cost) *</b>		
Nil (2014 : 22,92,18,270) equity shares of Re. 1/- each fully paid of Idhasoft Ltd.	-	229,218,270
Add/Less: Profit/(Loss) share of Profit in Associate Enterprise	-	(187,752,854)
<b>Investment in Associate Company (Unquoted, at carrying Value)</b>	<b>-</b>	<b>41,465,416</b>
<b>Other (Unquoted, at cost)</b>		
2,500 (2011: 2,500) shares of Rs. 10 each fully paid up of Saraswat Co-Op Bank Ltd.	25,000	25,000
	<b>25,000</b>	<b>41,490,416</b>
* During the current financial year the company has sold investment in equity shares of the Associate enterprise Idhasoft Limited at Rs 4,65,00,000/- resulting in loss of Rs 182,718,270/- has been considered in Exceptional / Extraordinary item.		
<b>12 Long-term loans and advances</b>		
Others : (Unsecured and considered good)		
Deposits	4,322,075	1,626,395
Grauity Fund	100,000	100,000
Taxes Paid in Advance	32,072,872	24,579,705
	<b>36,494,947</b>	<b>26,306,100</b>
<b>13 Sundry debtors (Unsecured)</b>		
Debtors - Considered Good	36,895,898	144,610,602
Debtors - Considered doubtful debtors	148,306,720	62,147,316
	<b>185,202,619</b>	<b>206,757,918</b>
Less: Provision for doubtful debtors	(148,306,720)	(62,147,316)
	<b>36,895,898</b>	<b>144,610,602</b>
<b>14 Cash and cash equivalents</b>		
Balances with banks	42,389,253	23,431,063
Cash in hand	1,202,369	680,721
Fixed Deposit with Bank *	-	10,000,000
	<b>43,591,622</b>	<b>34,111,784</b>
* Fixed deposit with bank of INR 1,00,00,000 were held as margin money against bank overdraft facilities from bank.		
<b>15 Short-term loans and advances</b>		
<i>(Unsecured and considered good)</i>		
Loan to Related Parties*	-	128,265,086
Interest receivable*	-	33,459,900
Advance to creditors	359,178	12,700
Short Term Deposits	1,039,436	901,168
	<b>1,398,614</b>	<b>162,638,853</b>
<i>(Unsecured and considered doubtful)</i>		
Loan to Related Parties*	133,548,351	-
Interest receivable*	46,502,034	-
	<b>180,050,384</b>	<b>-</b>
Less: Provision for loans & advances & Interest receivable*		
Loan Receivable from Related parties	(133,567,042)	-
Provision for Interest Receivable	(46,337,777)	-
	<b>1,544,179</b>	<b>162,638,853</b>
<b>16 Other current assets</b>		
Prepaid Expenses	606,281	2,122,379
Unbilled revenue	5,238,620	19,416,253
Other current assets	82,690,183	40,778,126
	<b>88,535,083</b>	<b>62,316,759</b>



# Notes to the consolidated financial statements

for the year ended 31st March, 2015

Currency : Indian Rupee

	March 31,2015	March 31,2014
<b>17 Income from software services and products</b>		
Income from software services	441,936,762	598,505,545
Income from software products	24,968,266	71,921,764
	<u>466,905,027</u>	<u>670,427,309</u>
<b>18 Other income</b>		
Interest on bank deposits	378,236	1,179,392
Interest - Others	20,481,130	21,716,312
Foreign exchange loss/(gain), net	319,769	3,728,853
Miscellaneous income	1,521,409	1,269,093
Sundry Balances written Back		-
	<u>22,700,544</u>	<u>27,893,649</u>
<b>19 Cost of Sales &amp; Services</b>		
Cost of License Sales	24,481,056	66,868,639
Cost of technical sub-contractors	107,018,387	131,037,722
	<u>131,499,443</u>	<u>197,906,360</u>
<b>20 Employee benefit expenses</b>		
Salaries, bonus and allowances, including overseas employee expenses	243,875,115	315,237,905
Contribution to provident & other funds	3,374,660	1,041,025
Staff welfare	5,514,050	2,905,791
Social Benefits	17,590,030	21,093,207
Insurance Cost	837,779	4,263,252
Director's remuneration*	1,300,000	6,218,818
	<u>272,491,634</u>	<u>350,759,999</u>
* In case of directors remuneration the company is yet to apply to the central Government for approval in accordance with the provisions of the section 309 of companies act 1956 and section 269 of companies act 2013		
<b>21 Other expenses</b>		
Travel and conveyance	40,837,121	59,975,419
Rent	21,975,044	13,888,551
Sundry Debtors written off	25,600,108	660,000
Commission paid	3,978,978	3,137,179
Business Development Expenses	3,587,160	3,264,567
Communication Expenses	1,487,425	2,356,793
Legal and professional fees	8,038,992	9,417,947
Advertisement and publicity	414,524	202,914
Subscription, registration and license fee	14,004	838,177
Office expenses	5,101,396	14,165,590
Printing and stationery	506,507	639,080



# Notes to the consolidated financial statements

Currency : Indian Rupee

for the year ended 31st March, 2015

	March 31,2015	March 31,2014
Electricity	1,307,676	1,381,732
Repairs and maintenance	996,591	1,030,832
Bank charges & commission	573,637	570,899
Miscellaneous expenses	2,420,546	211,660
Rates and taxes	-	76,112
Provision for Bad & Doubtful Debts	-	2,343,875
Fixed assets written off	24,459	
Foreign exchange loss/(gain), net	14,196,171	-
<i>Auditor's remuneration</i>		
Audit fees	350,000	300,000
Tax audit fees	85,000	85,001
Other services	536,573	369,000
	<b>132,031,913</b>	<b>114,915,329</b>
 <b>22 Finance costs</b>		
Bank Interest	12,574,709	7,234,851
Interest on CCD	60,821	3,162,326
Interest - Others	16,897,244	14,629,752
	<b>29,532,775</b>	<b>25,026,929</b>
 <b>23 Tax expenses</b>		
Current tax		
Income taxes	4,422,641	90,304
Deferred taxes	(35,786,835)	(1,395,753)
	<b>(31,364,194)</b>	<b>(1,305,449)</b>



# Notes to the consolidated financial statements

Currency : Indian Rupee

for the year ended 31st March, 2015

## 24 Related party transactions

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

Sr. No.	Category of related parties	Names
2	Key management personnel	1) Dr. Nirmal Jain (Chairman) 2) Alok Pathak (Managing Director) 3) Saurabh Dani (Executive Director) 4) Christof Anderi (Executive Director & CFO) (appointed w.e.f 30th September, 2014) 5) Ms. Khushboo Gurbuxani (Company Secretary) (appointed w.e.f 13th August, 2014) 6) V. Chandrashekar (Resigned w.e.f. 08th August, 2014) 7) Atul Pradhan (Appointed w.e.f. 13th February, 2015) 8) Ranjana Gupta (Appointed w.e.f. 20th March, 2015)
3	Parties with substantial interest	1) Secure Matrix Solutions Private Limited 2) Dani Financial Products Private Limited 3) Dani Shares and Stock Pvt. Ltd. 4) Relatives of key management personnel
4	Associates	Idhasoft Limited and it's Subsidiaries (Control in Associates cease to exist on 20th March, 2015)

## 23a Notes for Exceptional Extraordinary Item

Entities	Debtors	Loan	Interest	Investment	Total
Prism Informatics Pte, Limited	933,771	-	-	-	933,771
Idhasoft India Limited	-	102,258,829	38,982,813	182,718,270	323,959,912
Idhasoft INC	22,350,893	-	-	-	22,350,893
Prism Informatics Inc	21,484,143	26,105,281	5,301,559		52,890,984
Prism Infomatics Europe AG	8,509,653				8,509,653
<b>Total</b>	<b>53,278,460</b>	<b>128,364,110</b>	<b>44,284,372</b>	<b>182,718,270</b>	<b>408,645,213</b>



# Notes to the consolidated financial statements

Currency : Indian Rupee

for the year ended 31st March, 2015

## 24 Related party transactions (Continued)

(b) Transactions and balances with related parties

Nature of the transaction	Key management personnel		Parties with substantial interest		Companies with common Control	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
<b>Transactions during the year ended 31 March</b>						
Sale of investments	-	-	-	-	46,500,000	-
Service income	-	-	-	-	10,070,740	25,379,015
Remuneration paid	1,300,000	6,218,818	-	1,050,001	-	-
Loans given	-	-	-	-	15,035,000	43,298,000
Loans recovered	-	-	-	-	27,037,918	53,591,590
Interest income	-	-	-	-	19,461,567	21,892,445
Interest Expense	1,388,440	1,353,225	2,667,086	1,188,530	-	-
Loan Taken	-	1,800,000	8,520,000	14,550,000	-	-
Loan Repaid	-	1,200,000	-	5,750,000	-	-
Allotment of equity shares	-	19,999,976	-	5,000,000	-	-
Allotment of Shares	-	3,000,000	-	-	-	-
Share application money received	-	3,000,000	-	-	-	-
CCP application money received	-	2,972,714	-	743,178	-	-
Share application money paid	2,972,714	-	743,178	-	-	-
Provision for Interest Receivable	-	-	-	-	(38,982,812)	-
Provision for Loans and Advances	-	-	-	-	(102,222,612)	28,361,900
Provision for Debtors	-	-	-	-	(22,350,893)	-
Loss on sale of Investment	-	-	-	-	(182,718,270)	-
<b>Balance as at 31 March</b>						
Investments	-	-	-	-	-	229,218,270
Debtors	-	-	-	-	23,378,509	28,361,900
Provision for Debtors	-	-	-	-	(22,350,892)	-
Creditors	203,621	250,001	164,000	164,000	2,329,666	2,139,343
Loans receivable	-	-	-	-	102,222,612	114,225,530
Provision for Loans and Advances	-	-	-	-	(102,222,612)	-
Interest Receivable	-	-	-	-	38,982,813	21,467,401
Provision for Interest Receivable	-	-	-	-	(38,982,813)	-
Loan Payable	10,020,302	10,020,302	17,320,000	8,800,000	-	-
Interest Payable	283,494	227,025	2,400,406	742,891	-	-
	16,168,571	50,042,061	31,814,670	37,988,600	(224,812,078)	567,935,395



# Notes to the consolidated financial statements

Currency : Indian Rupee

for the year ended 31st March, 2015

## 24 Related party transactions (Continued)

### Transactions during the year ended

March 31, 2015      March 31, 2014

#### A Key management personnel

##### (i) Remuneration to Directors

Saurabh Dani

-

3,200,000

V.Chandrashekar

1,300,000

3,018,818

1,300,000

6,218,818

##### (ii) Share application money received

Dr. Ramesh Subhramaniam

-

3,000,000

##### (iii) Allotment of Shares

Dr. Ramesh Subhramaniam

-

3,000,000

##### (iv) CCP Application Money

Saurabh Dani

-

2,972,714

##### (v) CCP Application Money paid

Saurabh Dani

2,972,714

-

##### (vi) Allotment of Equity shares

Saurabh Dani

-

19,999,976

##### (vii) Interest Expenses

Saurabh Dani

1,388,440

1,353,225

##### (viii) Loan Taken

Saurabh Dani

-

1,800,000

##### (ix) Loan repaid

Saurabh Dani

-

1,200,000

##### (x) Creditors

Saurabh Dani

53,621

4,297

V.Chandrashekar

150,000

245,704

203,621

250,001

#### B Parties with Substantial interest

##### (i) Allotment of Equity shares

Dani Financials Products Pvt Limited

-

5,000,000

##### (ii) CCP Application Money

Dani Financials Products Pvt Limited

-

743,178

##### (iii) CCP Application Money Paid

Dani Financials Products Pvt Limited

743,178

##### (iv) Loan Taken

Dani Financials Products Pvt Limited

8,520,000

9,550,000

Dani Share and Stock Pvt. Ltd.

-

5,000,000

8,520,000

14,550,000



# Notes to the consolidated financial statements

Currency : Indian Rupee

for the year ended 31st March, 2015

<b>(v) Loan repaid</b>			
	Dani Financials Products Pvt Limited	-	5,750,000
<b>(vi) Interest Expenses</b>			
	Dani Financials Products Pvt Limited	1,767,087	545,709
	Dani Share and Stock Pvt. Ltd.	899,999	642,821
		<u>2,667,086</u>	<u>1,188,530</u>
<b>(vii) Remuneration paid</b>			
	Shilpi Pathak	-	750,000
	Bhuaman Dani	-	300,001
		<u>-</u>	<u>1,050,001</u>
<b>C Companies with common Control</b>			
<b>(i) Service Income</b>			
	Idhasoft INC, USA	10,070,740	25,379,015
<b>(ii) Investments Sold</b>			
	Idhasoft Limited	46,500,000	-
<b>(iii) Loans given</b>			
	Idhasoft Limited	15,035,000	43,298,000
<b>(iv) Loans recovered</b>			
	Idhasoft Limited	27,037,918	53,591,590
<b>(v) Interest income</b>			
	Idhasoft Limited	19,461,567	21,892,445
<b>(vi) Provision for Loans &amp; Advances</b>			
	Idhasoft Limited	(102,222,612)	-
<b>(vii) Provision for Interest Receivable</b>			
	Idhasoft Limited	(38,982,812)	-
<b>(viii) Provision for Debtors</b>			
	Idhasoft INC, USA	(22,350,893)	-
<b>(ix) Loss on sale of Investment</b>			
	Idhasoft Limited	(182,718,270)	-



# Notes to the consolidated financial statements

for the year ended 31st March, 2015

<u>Balance as at year end</u>		March 31,2015	March 31,2014
(i)	<b>Investments</b>		
	<b>Parties with substantial interest</b>		
	Idhasoft Limited	-	229,218,270
		-	229,218,270
(ii)	<b>Debtors</b>		
	Idhasoft Limited	1,027,617	1,027,617
	Idhasoft INC	22,350,892	27,334,283
	<b>Total</b>	23,378,509	28,361,900
	Less: Provision for Debtors		
	Idhasoft Limited	-	-
	Idhasoft INC	(22,350,892)	-
		(22,350,892)	-
	<b>Total</b>	1,027,617	28,361,900
(iii)	<b>Creditors</b>		
	Idhasoft Limited	2,165,666	1,975,343
	Secure Matrix	164,000	164,000
		2,329,666	2,139,343
(iv)	<b>Loans receivable</b>		
	Idhasoft Limited	102,222,612	114,225,530
		102,222,612	114,225,530
	Less: Provision for loans & advances		
	Loan to Idhasoft Limited	(102,222,612)	-
	<b>Total</b>	-	114,225,530
(v)	<b>Interest Receivable</b>		
	Idhasoft Limited	38,982,813	21,467,401
		38,982,813	21,467,401
	Less: Provision for Interest		
	Idhasoft Limited	(38,982,813)	-
	<b>Total</b>	-	21,467,401
(vi)	<b>Loan Payable</b>		
	Dani Financials Products Pvt Limited	12,320,000	3,800,000
	Dani Shares and Stock Pvt. Limited	5,000,000	5,000,000
	Saurabh Dani	10,020,302	10,020,302
	<b>Total</b>	27,340,302	18,820,302
(vii)	<b>Interest Payable</b>		
	Dani Financials Products Pvt Limited	1,590,407	203,632
	Dani Shares and Stock Pvt. Limited	809,999	539,259
	Saurabh Dani	283,494	227,025
	<b>Total</b>	2,683,900	969,916



# Notes to the consolidated financial statements

Currency : Indian Rupee

for the year ended 31st March, 2015

## 25 Amounts due to micro, small and medium enterprises

As at 31 March, 2015, 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 (2014 : Nil).

## 26 Summary of investments purchased and sold during the year

### (a) Investments purchased during the year ended March 31

	2015		2014	
	Units	Cost of purchase	Units	Cost of purchase
<b>Investment in related parties</b>				
Prism Infoglobal Limited, Seychelles	-	-	100	5,495
(A)	-	-	100	5,495
<b>Others</b>				
Idhasoft Limited	-	-	-	-
(B)	-	-	-	-
<b>Total (A+B)</b>			100	5,495

### (b) Investments sold during the year ended March 31

	2015		2014	
	Units	Sale Value	Units	Sale Value
<b>Others</b>	-	-	-	-
Idhasoft Limited	229,218,270	46,500,000	-	-
<b>Total</b>	229,218,270	46,500,000	-	-

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

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

	March 31,2015	March 31,2014
Number of shares considered as basic weighted average shares outstanding	21,956,455	21,168,107
Add: Effect of dilutive issues of stock options/ warrants/ preference shares	1,772,687	5,314,989
Number of shares considered as weighted average shares and potential shares	23,729,142	26,483,096

## 29 Leases

### Finance Lease :-

### Operating Leases:

The significant leasing arrangements entered into by the Company include the following:

1) Office premises taken on operating lease with lease 36 months and which are renewable on a periodic basis by mutual consent of both parties. There are no restrictions imposed by lease arrangements, such as those concerning dividends and additional debt.

Rent expense for all operating leases for the year ended 31 March 2015 aggregated to **Rs.54,10,575** (2014: Rs.40,21,660)

	March 31,2015	March 31,2014
Amount due within one year from the balance sheet date	6,612,456	3,781,096
Amount due in the period between one year and five years	22,765,692	13,737,530
Later than five years	8,557,212	10,530,544



# Notes to the consolidated financial statements

Currency : Indian Rupee

for the year ended 31st March, 2015

## 30 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

	As at 31 March 2015	As at 31 March 2014
Present Value of Funded Obligations	1,586,206	1,665,070
Fair Value of Plan Assets	(323,481)	(362,785)
<b>Net (Asset)/ Liability</b>	<b>1,262,725</b>	<b>1,302,285</b>
<b>Amounts recognised in Balance Sheet</b>		
Net (Asset)/ Liability	1,262,725	1,302,285

### Expense recognised in Statement of Profit and Loss Account

	As at 31 March 2015	As at 31 March 2014
Current Service Cost	829,811	1,054,058
Interest on Defined Benefit Obligations	222,935	238,986
Expected Return on Plan Assets	(61,330)	(62,774)
Net Actuarial Losses / (Gains) recognised in the Year	(1,030,976)	(1,543,052)
<b>Total Included in "Employee Benefit Expense"</b>	<b>(39,560)</b>	<b>(312,782)</b>

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

	As at 31 March	As at 31 March
<b>Change in Defined Benefit Obligation</b>		
Opening Defined Benefit Obligation	1,665,070	1,954,912
Current Service Cost	829,811	1,054,058
Interest Cost	222,935	238,986
Actuarial Losses/(Gain)	(1,059,673)	(1,582,886)
Benefit Paid	(71,937)	-
<b>Closing Defined Benefit Obligation</b>	<b>1,586,206</b>	<b>1,665,070</b>
<b>Change in Fair Value of Assets</b>		
Opening Fair Value of Plan Assets	362,785	339,845
Expected Return on Plan Assets	61,330	62,774
Actuarial Gain /(Losses)	(28,697)	(39,834)
Contributions by Employer	-	-
Benefit Paid	(71,937)	-
<b>Closing Fair Value of Plan Assets</b>	<b>323,481</b>	<b>362,785</b>
Expected Employer's Contribution Next Year	500,000	1,000,000

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

Financial Assumptions at the valuation Date	As at 31 March	As at 31 March
Discount Rate (p.a.)	7.95%	9.10%
Expected Rate of Return on Assets (p.a.)	8.00%	7.50%
Salary Increase Rate (p.a.)	7.00%	7.00%

### Composition of plan assets :

	2015	%	2014	%
Life Insurance Corporation Of India	323,481	100%	362,785	100%
<b>Total</b>	<b>323,481</b>	<b>100%</b>	<b>362,785</b>	<b>100%</b>

### Experience Adjustment

Net asset / (liability) recognised in Balance sheet (including experience adjustment entry)	For the year ended 31-Mar-15	For the year ended 31-Mar-14	For the year ended 31-Mar-13	For the year ended 31-Mar-12
Defined Benefit Obligation	1,586,206	1,665,070	1,954,912	980,068
Plan Assets	323,481	362,785	339,845	306,954
Surplus / (Deficit)	1,262,725	1,302,285	1,615,067	673,114



# Notes to the consolidated financial statements

Currency : Indian Rupee

for the year ended 31st March, 2015

March 31, 2015

March 31, 2014

## 31 Supplementary statutory information

### (i) Managerial remuneration

Salaries and allowances

1,300,000	6,218,818
<u>1,300,000</u>	<u>6,218,818</u>

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

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

(c) Sitting fees paid to non-executive director not included above aggregated Rs. Nil (2014: Nil).

### (ii) Earning in foreign currency

Service income

400,762,849	109,290,152
<u>400,762,849</u>	<u>109,290,152</u>

## 32 Tax on Regular Assessment

In case of Indian operations, During the year the company received a draft assessment order for F.Y.10-11 according to which there were upward additions made by the Transfer Pricing officer of Rs.11,01,298 on account of Transfer pricing adjustment. Also, deduction u/s 10AA was reduced for adjustment of Interest on loan from Bank, CCD and others for allocation to SEZ unit of the company by Rs.20,02,407. As per these two adjustment additional tax liability (including interest u/s 234B but excluding penalty) amounts to Rs.24,33,444. As per the draft order, penalty proceeding u/s 271 (1)(c) were initiated separately. However, this liability was not quantified. Hence as on the Balance sheet date, the contingent liability of the company is Rs.24,33,444. Also, demand of Rs.94,374 and Rs.24,738 were pending against the company for F.Y.2009-10 and F.Y.2010-11 respectively.

The company has contested the additions by filing the appeal with DRF and in the opinion of the management the relief will be granted in the favour of the Company.

## 33 Explanatory Statement for the figures incorporated in Cash Flow Statement for Prism Informatics Europe AG.

- Purchase of fixed assets Rs. 2361139 is determined figure
- The change in reserve balances with reference to the previous year figure is subject to reconciliation
- Deffered Tax Liability of Rs. 3542200 as appearing in the balancesheet has been disclosed in operating activities

## 34 Prior year comparatives

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

For E.A. Patil &amp; Associates

Chartered Accountants

Firm Registration No. 117371W

Alok Pathak

Managing Director

DIN - 01328197

Christof Anderi

WholeTime

Director &amp; CFO

DIN - 03415356

CA E.A. Patil

Partner

Membership No: 031979

Khushboo Gurbuxani

Company Secretary

Place: Navi Mumbai

Date: 13th August, 2015



## Shareholders' Updation Form

Dear Shareholder,

A database of the phone numbers and/or E-mail addresses of our shareholders holding shares in physical form is being developed for faster communication with them. Accordingly, we would request you to furnish your phone number and/or E-mail address either by filling in and returning to the Company the form below or by e-mailing to us the scanned copy of the form at [investors@prism-informatics.com](mailto:investors@prism-informatics.com)

We look forward to receiving the details at an early date.

Shareholders holding shares in dematerialized mode are requested to update their phone numbers and/or E-mail addresses with their respective Depository Participants (DPs) only and not to the Company or its Registrar and Share Transfer Agents. Any such updation effected by the DPs will automatically reflect in the Company's subsequent records

For Prism Informatics Limited

Alok Pathak  
Managing Director

### Shareholders Information Form

Folio No.: \_\_\_\_\_

First Holder's Name: \_\_\_\_\_

Joint Holder's Name: \_\_\_\_\_

Address: \_\_\_\_\_

Phone No.: \_\_\_\_\_

E-mail Address: \_\_\_\_\_

Signature of Sole/First Holder: \_\_\_\_\_

(Please intimate the Company in case of any change in the aforesaid particulars in future)



**PRISM INFORMATICS LIMITED**

Registered Office: C-912, BSEL TechPark, Sector 30-A, Opp. Vashi  
Railway Station, Vashi, Navi Mumbai- 400 705, India

**ATTENDANCE SLIP**

(to be presented at the entrance)

Annual General Meeting on Tuesday, 22nd September, 2015, at **Four Points by Sheraton, Plot 39/1, 6 To 15, Sector 30A , Vashi, Navi Mumbai, Mumbai, Maharashtra 400705, India at 4.00 p.m (IST).**

Folio No: \_\_\_\_\_ DP ID No.: \_\_\_\_\_

Client ID No.: \_\_\_\_\_

Name of the member: \_\_\_\_\_ Signature: \_\_\_\_\_

Name of the proxy holder: \_\_\_\_\_ Signature: \_\_\_\_\_

1. Only Members/Proxy holders can attend the meeting.
2. Members/Proxy holders should bring his/her copy of the Notice for reference at the meeting.







## PROXY FORM

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

CIN: **L67120MH1983PLC029483**

Name of the company: **PRISM INFORMATICS LIMITED**

Registered office: **C-912, BSEL TechPark, Sector 30-A, Opp. Vashi Railway Station, Vashi, Navi Mumbai- 400 705, India.**

**Name of the member (s):** \_\_\_\_\_

**Registered Address:** \_\_\_\_\_

**E-mail Id:** \_\_\_\_\_

**Folio No. / Client Id:** \_\_\_\_\_

**DP ID:** \_\_\_\_\_

I/We, being the member (s) of \_\_\_\_ shares of the above named company, hereby appoint



1. Name \_\_\_\_\_

Address: \_\_\_\_\_

Email ID: \_\_\_\_\_

Signature \_\_\_\_\_ or failing him/her

2. Name \_\_\_\_\_

Address: \_\_\_\_\_

Email ID: \_\_\_\_\_

Signature \_\_\_\_\_ or failing him/her



3. Name \_\_\_\_\_

Address: \_\_\_\_\_

Email ID: \_\_\_\_\_

Signature \_\_\_\_\_ or failing him/her

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the company, to be held on the 22nd September, Tuesday at 4.00 p.m. at Four Points by Sheraton, Plot 39/1, 6 To 15, Sector 30A , Vashi, Navi Mumbai, Mumbai, Maharashtra 400705, India and at any adjournment thereof in respect of such resolutions as are indicated below:

Reso. No.	Description	For*	Against*
1	Adoption of Financial Statements and Reports thereon for financial year ended 31st March, 2015		
2	Re-appointment of Mr. V Chandrashekar as Director		
3	Ratification of the appointment of M/s E.A Patil & Associates, Chartered Accountants as Statutory Auditors of the Company.		
4	Appointment of Mr. Christof Anderi as Whole-Time Director of the Company		
5	Appointment of Mr. Atul Pradhan as an Independent Director of the Company:		
6	Appointment of Mrs. Ranjana Gupta as an Independent Director of the Company		
7	Approval of remuneration to be paid to Mr.Alok Pathak, Managing Director of the Company		

Signed this \_\_\_\_ day of \_\_\_\_\_, 2015

Affix  
Revenue  
Stamp Re.  
1/-

**Signature of shareholder**

**Signature of Proxy Holder**

- \* 1. Please put a 'X' in the Box in the appropriate column against the respective resolutions. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
2. This Proxy must be lodged with the Company at its Registered Office at C-912, 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.
3. Those members who have multiple folios with different joint holders may use copies of their Attendance/Proxy Slip.







