



Geometric

People Building Partnerships



Engine for Growth

Annual Report 2012-13



Engine for Growth

In FY11, we realized we needed to change to grow, paving the way for a transformation of the organization. Over the last two years, we have gradually brought about this transformation in the way we work, the way we are structured, and the way we approach our internal and external stakeholders. These transformations haven't just been imbibed by everyone in the organization, seniors and juniors, but also in the very fabric of the Company, with further clarity on our Vision, Mission and Values.

Vision

Be a world leader in digital product realization by 2020

Mission

To be among the top 3 engineering solutions partners that help leading companies in the world achieve their business objectives through best in class solutions

Values

- Strive to make our customers successful
- Work as a team globally to create an environment which encourages innovation, empowerment and enthusiasm
- Ensure integrity in all our dealings, personal or corporate

The transformation is not complete, and we have a few more delta shifts to go, but with the changes that have taken place already, we are confident that we are creating an **Engine for Growth!**



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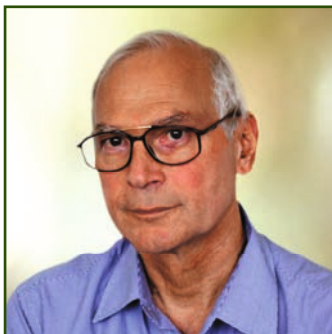
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Safe Harbour Provision

Certain statements in this report concerning our future growth prospects are forward looking statements, which involve a number of risks and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, intense competition in IT Services including those factors which may affect our cost advantage, wage increases in India, our ability to manage our international marketing and sales operations, reduced demand for technology in our key focus areas, disruptions in telecommunications networks, liability for damages on our service contracts and product warranty, the success of the companies in which the Company has made strategic investments, withdrawal of governmental fiscal incentives, political instability, legal restrictions on acquiring companies outside India, and unauthorized use of our intellectual property and general economic conditions affecting our industry. The Company may, from time to time, make additional written and oral forward looking statements and our reports to shareholders. The Company does not undertake to update any forward-looking statements that may be made from time to time by or on behalf of the Company.



Jamshyd N. Godrej
Chairman



Manu M. Parpia
Managing Director and CEO



Dr. Richard Riff
Director



Anita Ramachandran
Director



Dr. Kyamas A. Palia
Director



Ajay S. Mehra
Director



Milind S. Sarwate
Director

Company Secretary & Compliance Officer
Maria Monserrate

Auditors
Kalyaniwalla & Mistry
Chartered Accountants

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Letter to the Shareholders



I start this letter on a humble note. The year gone by saw us seriously affected by a slowdown in one of our large customers, starting in the second quarter - affecting our revenue to the tune of

over \$16 Million on an annualized basis. As is normally the case, every difficulty represents an opportunity. Shareholders may recall, in my last year's note, I had outlined steps we were taking to transform the Company.

In the Board meeting held in July 2012, we presented our 4-year plan to the Board. First and foremost, we considered whether the pressures we faced should cause us to change our approach to transformation. After a thorough review, we concluded that we are on the right track - indeed the slowdown actually reinforced our game plan. However, we realized we need to strengthen our **Engine for Growth** by making some adjustments, which can be summarized, in a few short sentences.

1. Focus on our existing customer base - understand their needs better, create solutions leading to longer lasting and more strategic relationships.
2. Treat new accounts differently - have a dedicated team responsible for winning new accounts. Even for such pursuits, limit the number so as to ensure focus; yet review continuously to drop those where success is suspect, and add new opportunities where we can grow.
3. Leverage our unique capabilities in creating intellectual property to provide solutions for our customers, while building differentiators which will add value.
4. Delegate authority and be more nimble by organizing into verticals, each with its own P&L. This will also help create the leadership for the future.
5. Institute a culture where continuous improvement (Lean) is the way of working leading, to greater efficiency and deeper involvement of employees.
6. Build the IT infrastructure for a scalable organisation by re-implementing our ERP system, and restructuring our processes to match global Best Practices. This will help us improve speed and responsiveness to our customer's needs, while making us less internal focused.

Each of these changes is important but together they make an integrated approach, which we believe will set us on a path of

scalable growth that can be sustained over a long period.

While making these internal changes, we have not neglected the 'external' sources of impetus we need. During FY13, we acquired *3cap technologies GmbH (3cap)*, a company providing services in the embedded solutions space to the European automotive industry. The acquisition fitted our strategy to build a stronger presence in Europe, while adding embedded solutions to our offering. Over the next two years, we will integrate 3cap into Geometric, both geographically and across verticals. We continue to explore other external opportunities to add to our customer base and capability in a manner aligned with our strategy. The acquisition of 3cap also reinforces the three growth areas over the next three years, namely, Embedded Systems as a horizontal, Europe as a geography, and Aerospace as a vertical.

While Europe is facing significant issues on growth, deficits, etc., it is also in the process of restructuring. European companies, like those elsewhere are faced with the same issues of talent availability, costs and the like. In the past, a growing local market enabled them to postpone tough decisions. We believe in adversity, there is opportunity and Europe is now more open to radical solutions.

Undoubtedly, we are latecomers to Aerospace. We are fortunate to have some important customers, who can enable us to penetrate this market. We believe most of the opportunities lie in Europe, which reinforces our contention that Europe should be a thrust region. In this context, we will add to our presence in Europe and may also add some 'back-end' capability in India.

In closing, some acknowledgements are in order. Firstly to our employees, for their continued support in a period, which saw us face severe challenges. Then, our Board of Directors, who have spent a considerable amount of their time to guide us and provoke us to think differently. Finally, to our shareholders, many of whom have been with us through thick and thin for several years.

I am confident we are creating an **Engine for Growth**, which will sustain us for the years to come. We are now on a path to better understand our customers' Digital Product Realization needs, thus enabling us to create solutions leading to a scenario where we will add value to our employees, customers and shareholders.

Sincerely,

Manu M. Parpia
Managing Director & CEO



Kalidas Surapaneni
Head - Global Sales

In my note from a year before, I was cautious on the overall market outlook, as there was a lot of anxiety then with the economic crises in Europe and other factors, as well as on how markets will face these challenges.

We have witnessed a very slow and sluggish economy in the second half of 2011 with major industries that we serve such as Mining & Construction slowing down dramatically, this hit rock bottom in the first quarter of 2013. In addition, the deepening of the Euro crises and slowdown in growth markets such as China and India has not helped us in the past year.

Business Strategy for FY 2014: We are also witnessing two notable shifts in the markets centered around product realization:

- New Business Models: From time and material, to fixed priced and outcome based delivery models:

Towards this, we have completed the restructuring of our sales organization into verticals. This verticalization will help us be more focused on our existing customer businesses, and understand the customer issues and problems better, support them better, and maximize value. We have also created a separate sales organization, whose focus will be on adding 'new accounts'.

- Customers are demanding more comprehensive and leaner solutions that combine Consulting, Technology, Engineering IT (PLM), and Product & Manufacturing Engineering.

We had foreseen the demand for more comprehensive solutions and have made significant investments in the past year in (a) our Consulting Practice, (b) Embedded Services through an acquisition in Europe, (c) new technology offerings for global collaboration in engineering and sourcing, and (d) expanding our delivery footprint. We have also enhanced our offering in the Manufacturing Engineering space to combine technology and services, to offer more comprehensive solutions to our clients.

The first two quarters will be challenging for us this year, but I believe the strategy we adopted a year ago on Focus, Differentiated Offerings, and adoption of New Business models is robust, and will provide the right platform to succeed.



Arvind Kakar
CFO

During the previous year the Company had laid foundations of a vertical business driven organization largely driven by its belief in customer centricity and providing value. In the current year it has gone a step further by empowering the verticals with the P&L responsibility. This is aimed at achieving speed in decision making and driving efficiencies within the verticals.

In addition, the acquisition of 3cap technologies was a strategic decision as it provided the Company competencies in the Embedded space and access to a new customer base in Europe.

The increasing globalization of Geometric operations has also created a scaled up platform for future growth and capability to offer solutions in proximity to the customers. While this model delivers a unified value to its customers however at the back end are various processes that need to be integrated so as to arrive at the true financial performance.

Each of the above initiatives needs to be supported by a robust financial framework model that provides indicators of financial well being. To illustrate,

- The verticals will drive their P&L and therefore it is imperative that the financial model provides robust information to vertical heads to direct the P&L and provide levers for guiding operational efficiency.
- While the acquisition of 3cap is of significance, it is equally important that the operations are also integrated. This is important to ensure planned return on investment.
- Global operations platform also needs support in terms of information content that cuts across geographies.

The financial framework will address each of the above initiatives and at the same time ensure scalability by supporting two very important focus areas

- Harmonization of financial processes across locations, so as to ensure that the same process is followed across the Company.
- Support the implementation of information backbone by identifying and adopting some of the industry best practice in business financial processes.

This will be key for implementing robust financial processes across the entity.



Nitin Tappe
Head, Global Operations

The year gone by was 'the year of successful change management' at Geometric. Organisation structure change enabled us to integrate our engineering services and software services team, and deliver higher value to our customers through integrated offerings. Moreover, we have made significant progress in adopting Lean methodology in our services delivery organisation (Global Operations). Lean methodology has not only helped us eliminate waste, but also change the mindset of our employees towards continuous improvement, which in turn is helping us strengthen our relationship with our customers. Progress on transformational initiatives (mainly manpower cost optimisation) in our overseas operations has been less than satisfactory, and is going to be our key focus this year.

To improve speed of decision making especially related to our customer response, our delivery verticals are being increasingly empowered. Delivery Vertical Heads along with their Sales Vertical counterparts (Power of Two) will now own their vertical P&L. They will be jointly taking most business decisions, and we believe that this will not only improve speed but accelerate growth as well. This year, the focus for vertical teams will be growth, and Delivery has a larger role to play in growing business with our existing customers.

Our Horizontal (Practices) teams are equally focused on growth and are working very closely with our vertical teams. The acquisition of 3cap technologies has helped us strengthen our embedded systems competency, allowing us to offer our customers integrated engineering solutions (mechanical, electrical and electronics). Given our growth plans, horizontals are also involved in competency development across our global delivery centers. Our emphasis has always been and will remain on internal talent development. Towards this goal, Geometric Learning institute, and Horizontals will be jointly launching an integrated competency framework in the first half of this financial year, which will enable faster talent development within Geometric.

With these changes I am confident of not just achieving growth in FY14, but also creating platform for future growth.



Anwesa Sen
Global Head, Human Resources & Organization Development

In the last fiscal, the organization worked in a cautious customer environment, while also facing difficulties with one of our large customers. This was coupled with process and structural transformations within the organization, making the role of the Human Resources (HR) function critical for maintaining and engaging employees. Our focus, therefore, was to ensure all organizational transformations are supported by efficient HR processes, and help increase the synergies between all functions.

My first order of business, after taking over this role, was to integrate the HR function as a whole, and bring in greater levels of integration and cross pollination of activities across our global offices. The idea is that although HR's work is distributed by sub-functions, for our internal customers we are one face and team.

HR Function's Goals

- One Geometric: Bringing about integration within the company - integration across the globe, integration across business units, and integration between operations and corporate functions
- Think global: Although we have development centers across the globe, many of our policies and processes are still India centric and discourage working together as a team. We need to bring in a global mindset in the formulation of all our policies and processes
- Integration of 3cap technologies: Blending the entity and people seamlessly into the Geometric fold
- Scaling up of enabling functions: Enhancing the service levels and ownership in enabling functions, while also helping these functions grow and reach a higher level of maturity.
- Talent development and management: Creating the right talent pool and articulating visible career paths and competency framework with the help of Horizontals. We have already initiated work on management and leadership programs for the middle and senior level managers.

With these transformations in people management and mindset, we are sure FY14 will see a stronger and more cohesive Geometric.

Notes from the Management Team



Shashank Patkar
Chief Transformation Officer

In the year gone by, the transformation office focused on implementing Lean in our India delivery organisation; bringing overall G&A cost under control; and establishing the account planning framework. These initiatives have already started creating an additional value for our customers, helping us further strengthen our relationships with them, and leading to sustainable growth.

The focus of the transformation office this year will be to create a framework to build 'One Geometric'. This will mainly involve

- Harmonisation of our global business processes, and
- Re-implementation of our ERP backbone

This is critical for building a scalable organization as it would help us (i) eliminate mistakes that may occur due to variability in important business processes across various geographies; (ii) give the management more control and visibility of operational performance; and (iii) make it easier to compare performance of different business verticals. In addition, harmonisation of processes is an important prerequisite for re-implementation of our ERP backbone, and will help us substantially improve the experience of our customers, by providing a true global engineering experience.

We have engaged a world renowned SAP implementation partner to help us with business process transformation and re-implementation of our ERP backbone; and for introducing global best practices for information management within the Company.

Another, equally important focus for the transformation office is the implementation of Lean in delivery across all our non-India delivery centers. This again will help us align our global delivery processes and improve operational efficiency creating value both for our customers and for Geometric.



Venkatesh Jagannath
Head, Consulting & Technology

Last year, I had written about two key aspects, viz: Technology-led Solutions and the formation of the Consulting Group

I would like to report that the focus of the organization on these two items is starting to pay off. On the Technology Solutions front, we were able to penetrate our enterprise customer base with key differentiating solutions that enable these customers to deliver to their market needs in a more efficient, cost effective, and time bound manner. These solutions are based on Geometric's proprietary technologies, DFMPPro™ and Glovius®. This year we will continue to invest and drive this strategy. As part of our Innovation and Incubation group, we also piloted a cloud-led deployment for one of our flagship products- CAMWorks®, and are embarking on a strategy for delivering additive manufacturing solutions.

On the Consulting front, we saw good traction with large Automotive OEMs and a European Aerospace major in being able to help them leverage on and improve their PLM RoI. The team is working on defining and developing new concepts in the PLM space as well. This year we will pilot these new concepts and will continue to deliver value added consulting assignments to our key enterprise customers.

Since January this year we are also consolidating our position in the embedded systems space with our acquisition of 3cap technologies GmbH in Munich, Germany. This acquisition is key to Geometric being able to provide digital solutions in the mechanical, electronics and software space. Over the next 12 months, we will focus on integrating 3cap with our vertical lines of business

While the market remains challenging, I would like to reiterate that the opportunities remain and it is for us to take advantage and deliver!

Notes from the Management Team



Rinku Basu
Global Head, Productivity Services Group

With Geometric established in ten countries now, a strong need was felt to integrate the several disparate infrastructure, support and systems groups into a unified backbone, with a vision to align support to business. This led to the re-creation of the Productivity Services Group (PSG). PSG essentially integrates several isolated departments across several countries including facilities, IT infrastructure, internal IT, IT security, travel, procurement, and administration.

Most of the last year was spent building the foundation for PSG, which is aligned to the business goals across all of Geometric with single window approach regardless of geography and vertical. In the coming year, PSG intends to take its internal services backbone to the next level of maturity to build 'one' Geometric.

One of the milestones in this process was integration of our global IT services, which led to unified IT support processes across all locations, stronger governance, offshoring of routine IT support services, and alignment among team members globally. Another milestone towards being a truly global company was the setting up of a single intranet across all centers, giving employees 'one' home, regardless of their base geography. This has enabled consistent messaging across global entities. With the acquisition of 3cap technologies GmbH and other expansions in Europe, PSG's IT wing has also paved the way for integrating Geometric Europe GmbH within the global ecosystem.

In addition, we consolidated our existing space, expanded in new SEZ facilities in Pune and Bangalore, and set up a new one in Toulouse, France. Also, to gain some long term benefits, we are building our own facility in Pune this year. Moreover, we are taking significant steps to strengthen our information backbone and harmonize processes. These are some of the projects that PSG is undertaking to strengthen the Geometric growth engine, and are committed to enabling ease in business operations.



Sudarshan Mogasale
*CEO, 3D PLM Software Solutions Ltd.**

Year gone by was a very good year for 3D PLM. We completed the merger of DSPL (DELMIA Solutions Private Limited) legal entity into 3D PLM. With this merger, Dassault Systèmes (DS) now has only one entity for R&D in India - 3D PLM.

DS, like any other global software product company, is looking for cost benefit and scalability from its India center. At 3D PLM, we understand this need and are focused on being lean, and delivering complex and high value output.

We hire young talent and train them extensively to keep the company lean and vibrant. 3D PLM has deep academia connection and we work with various colleges/universities supporting them in conducting PLM courses, participating in syllabus modernization programs, and assisting them in setting up research labs to ensure availability of right talent for us.

We have developed our own framework for continuous improvement of efficiency and quality of our R&D efforts. These practices, in addition to cost consciousness, has resulted in 3D PLM being a scalable and lean company, delivering high value to DS.

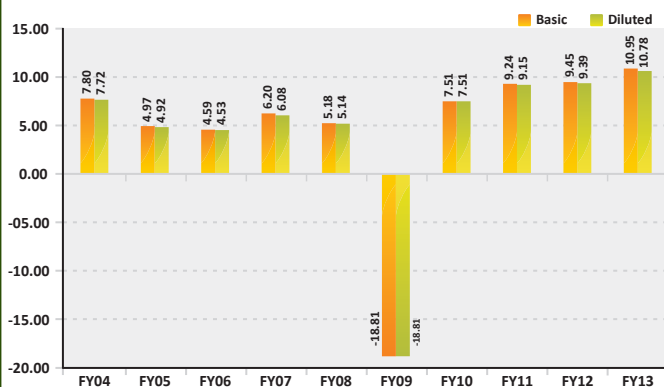
As an 11 year old company, we need to add more value to DS beyond cost benefit and scalability. Therefore, since the last couple of years, we have started focusing on innovation and structurally improving the maturity of our teams. This has resulted in many product suggestions and innovations proposed by 3D PLM getting into DS products.

All these efforts have raised DS' confidence in 3D PLM, and is evident in the new responsibilities and work that DS continues to give us. This has given us an opportunity to further grow and increase our technical depth in software product development.

* 3D PLM is a joint venture between Geometric and Dassault Systèmes (DS), engaged in the development of various DS products and technologies.

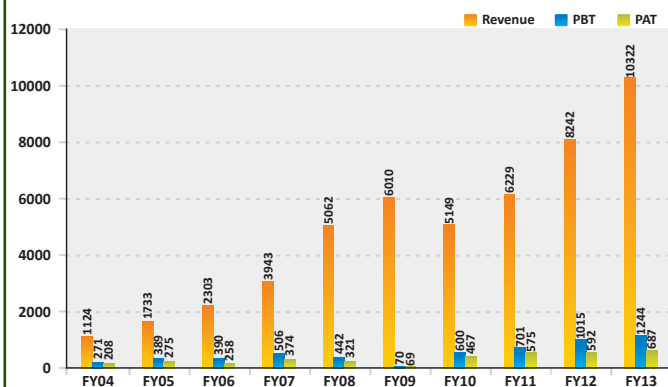
Financial Highlights (consolidated)

EPS Consolidated

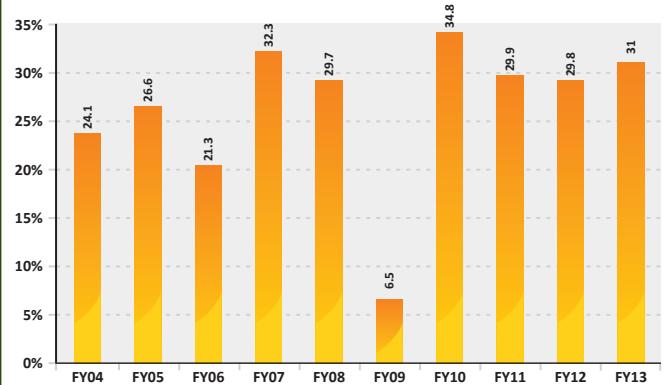


Note: For years FY04 to FY05, the face value of share was Rs. 10 each and later Rs. 2 each. Accordingly, EPS is calculated for FY04 to FY05.

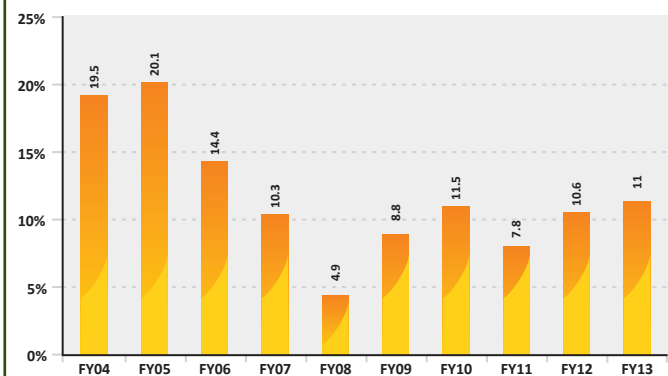
Revenue/PBT/PAT



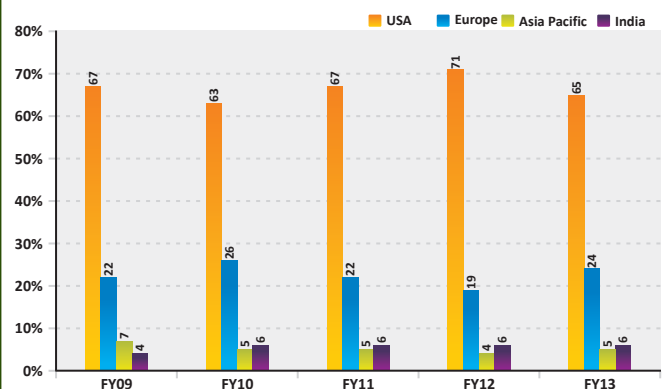
Return Net Worth



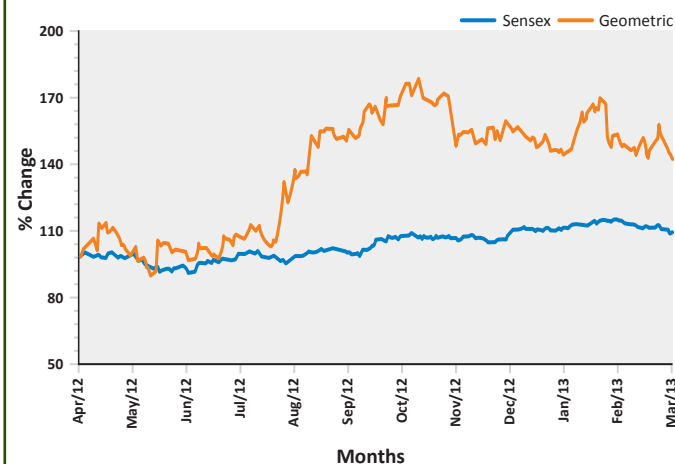
Operating Profit as % to Operating Revenue



Break up of Revenue by Region



Share Price Movement





Financial Highlights (Consolidated)

(amount in '000 except Share price)

Particulars	Year ended March 31,			
	2013		2012	
	INR	US\$	INR	US\$
Revenue	10,203,634	187,912	8,079,088	158,103
Other Income	124,457	2,292	162,668	3,183
Total Revenue	10,328,091	190,204	8,241,756	161,287
EBITDA	1,609,365	29,638	1,309,622	25,629
Depreciation	329,398	6,066	269,659	5,277
Interest Expenses	35,568	655	24,831	486
Income Tax	376,846	6,940	278,051	5,441
Minority Interests	180,085	3,316	141,685	2,773
Other prior period items	-	-	(3,818)	(75)
Profit After Tax (PAT)	687,468	12,661	591,578	11,577
Basic EPS	10.95	0.20	9.45	0.18
Diluted EPS	10.78	0.20	9.39	0.18
Dividend (%)	85%	85%	80%	80%
PAT as % of total income	6.66%	6.66%	7.18%	7.18%
Share Price (BSE)				
- High	125.50	2.31	77.00	1.51
- Low	60.50	1.11	34.75	0.68
- Closing	99.90	1.84	66.70	1.31
US \$ Exchange Rate (₹)		54.30		51.10

Directors' Report to the Members

The Directors have pleasure in presenting their report on the business and operations of the Company for the year ended March 31, 2013.

1A. FINANCIAL RESULTS: (STANDALONE)

The Company's operating performance during the year ended March 31, 2013 as compared to the previous year is summarized below:

	(₹ in Millions)	
	Current Year	Previous Year
Revenue from Operations and Other Income	3,691.54	3,055.33
Profit before Interest, Depreciation and Tax	564.04	366.84
Less : Finance Costs	(2.70)	(3.91)
Less : Depreciation and Amortization Expense	(123.55)	(88.76)
Profit before exceptional Items and Taxes	437.79	274.17
Add: Exceptional Items	6.12	243.94
Less : Tax adjustment in respect of earlier years	(3.35)	(7.48)
Less : Tax Expense	103.06	113.61
Net profit before extraordinary Items	344.20	411.98
Add: Extraordinary Items and Prior Period Items	-	-
Profit For The Period	344.20	411.98
Surplus brought forward	1,479.63	1,213.40
Profit available for Appropriations	1,823.83	1,625.38
Appropriations		
Final Dividend	107.24	100.44
Dividend Tax	18.21	16.27
Transfer To General Reserve	34.42	41.20
Reversal of excess provision for dividend distribution tax of previous years	(11.23)	(12.15)
Surplus carried forward	1,675.19	1,479.63
TOTAL	1,823.83	1,625.38

1B. FINANCIAL RESULTS: (CONSOLIDATED)

The Company's operating performance during the year ended March 31, 2013 as compared to the previous year is summarized below:

	(₹ in Millions)	
	Current Year	Previous Year
Revenue from Operations and Other Income	10,321.97	8,241.76
Profit before Interest, Depreciation and Tax	1,609.37	1,309.62
Less : Finance Costs	35.57	24.83
Less : Depreciation and Amortization Expense	329.40	269.66
Profit before tax	1,244.40	1,015.13
Less : Provision for tax	376.85	278.05
Net profit before Extraordinary Items and Minority Interest	867.55	737.08
Add: Extraordinary Items	-	(3.82)
Net Profit before Minority Interest	867.55	733.26
Less: Minority Interest	(180.09)	(141.68)
Net Profit	687.47	591.58
Surplus brought forward	1,926.44	1,604.32
Profit available for Appropriations	2,613.91	2,195.89
Appropriations		
Proposed Dividend	107.24	100.44
Dividend Tax	18.21	16.27
Transfer To General Reserve	60.81	41.48
Corporate Dividend Tax Paid By Subsidiary	19.39	19.61
Translation of reserves of non-integral foreign operations	3.32	-
Reversal of excess provision for dividend distribution tax of previous years	(11.23)	(12.15)
Adjustments on Acquisition of Subsidiary	-	103.80
Surplus carried forward	2,416.17	1,926.44
TOTAL	2,613.91	2,195.89



Directors' Report to the Members (Contd.)

2. DIVIDEND:

The Directors recommend payment of dividend to the shareholders for the year at the rate of ₹ 1.70 per Equity Share of ₹ 2 each, compared to ₹ 1.60 dividend per Equity Share, paid last year.

3. BUSINESS REVIEW:

Part of the major markets that we serve showed a lot of uncertainty in the second half of the financial year, particularly the off-highway equipment manufacturing industry and Europe geography. Automotive industry, positively recovering from the global recession, saw demand returning in global engineering resulting in a gradual increase in demand for our key offerings in engineering and PLM IT. Aerospace also showed promise though from a small base.

The consolidated revenues for FY13 increased from USD 136.47 Mn in FY 12 to USD 167.51 Mn, a growth of 22.7%. Operating revenues in rupee terms also increased from INR 8,078.9 Mn in FY 12 to INR 10,203.6 Mn in FY 13, a growth of 26.3%. For the same period, profit-after-tax increased from INR 591.6 Mn to INR 687.5 Mn (after adjustment for extraordinary items), a growth of 16.21%.

The business segments of the Company - software services, engineering services, products and embedded systems recorded the following trends in the year FY13:

- Software services contribution to the top line decreased from 55.45% in FY12 to 55.20% in FY13.
- Engineering services contribution to the top line decreased from 39.30 % in FY12 to 39.02 % in FY13.
- Products business contribution to the top line increased from 5.3% in FY12 to 5.7% in FY13.

The Company's performance in the four regions in which we operate can be summarized as follows:

- USA's share decreased from 71.3% in FY12 to 65.10% in FY13; a growth of 8% in absolute terms.
- Europe's share of revenue increased from 18.4% in FY12 to 23.89% in FY13; almost two-fold growth in absolute terms which includes revenue consolidated on account of acquisition of 3cap.
- APAC's share increased from 4.2% in FY12 to 4.53% in FY13.
- India's share increased from 6.10% in FY12 to 6.48% in FY13.

These numbers reflect the positive demand environment in Europe and investments in India which continue to be our growth markets.

Trends in various customer segments that the Company caters to were as follows:

- Direct Industrial: Segment share of business Increased from 60.7% in FY12 to 61.94% in FY13. In absolute terms, this segment recorded a growth of 13.82 % over the previous year. (USD 109.62 Mn in FY13 Vs USD 96.31 Mn in FY12)
- Strategic Partners: Segment share of business reduced from 6.8% in FY12 to 5.18% in FY13; showing a reduction of 14.51% in absolute terms. (USD 9.04 Mn in FY13 Vs USD 10.72 Mn in FY12)
- Software ISVs: Segment share of business Increased from 32.6% in FY12 to 32.88% in FY13. In absolute terms, this segment recorded a growth of 12.62 % over the previous year. (USD 58.20 Mn in FY13 Vs USD 51.68 Mn in FY12)

In the coming financial year, our vertical organization and segregated business development focus on farming and hunting accounts will help us build closer customer relationships. Our investments in embedded systems, new IP based solutions with partners and our consulting capabilities are poised to provide comprehensive solutions for our identified accounts globally. We expect better growth coming from Europe, especially in PLM IT over the next year.

4. INVESTMENTS

During the year, the Company has subscribed to equity shares with no par value of Geometric Europe GmbH aggregating to Euro 2.5 Million, with a view to infuse funds in that Company.

5. DIRECTORS:

In terms of Article 131 of the Articles of Association of the Company, Mr. J.N. Godrej and Ms. Anita Ramachandran retire by rotation and being eligible, offer themselves for re-appointment at the ensuing Annual General Meeting.

Mr. Manu Parpia has been re-appointed as Managing Director & CEO of the Company with effect from April 8, 2013, subject to the approval of the Members of the Company at the ensuing Annual General Meeting.

6. AUDITORS

M/s. Kalyaniwalla & Mistry, Chartered Accountants, Statutory Auditors of the Company, retire on the conclusion of the ensuing Annual General Meeting of the Company and being eligible, offer themselves for re-appointment.

7. AUDIT COMMITTEE

The Company has an Audit Committee consisting of four non-executive Directors of the Company, viz. Mr. Milind Sarwate – Chairman, Dr. K.A. Palia, Dr. Richard Riff and Ms. Anita Ramachandran. The accounts have been duly reviewed by the Audit Committee.

Directors' Report to the Members (Contd.)

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

The particulars as prescribed under Section 217(1) (e) of the Companies Act, 1956, read with Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988 are set out in the Annexure "A" to this Report.

9. SUBSIDIARIES

The Company has the following wholly-owned Subsidiary Companies:

- Geometric Americas, Inc., USA
- Geometric Asia Pacific Pte. Ltd., Singapore
- Geometric Europe GmbH, Germany

The Company has the following other Subsidiary Companies:

- 3D PLM Software Solutions Ltd., in which the Company holds 58% stake.
- Geometric S.R.L., Romania (A WOS of Geometric Americas, Inc.)
- Geometric SAS, France (A WOS of Geometric Americas, Inc.)
- Geometric China Inc. (A WOS of Geometric Asia Pacific Pte. Ltd., Singapore)
- Geometric Japan K.K. (A WOS of Geometric Asia Pacific Pte. Ltd., Singapore)
- 3cap technologies GmbH (A WOS of Geometric Europe GmbH, Germany w.e.f January 1, 2013)

During the year, Geometric Europe GmbH has acquired 100% stake in 3Cap Technologies GmbH, a company specialized in automotive and embedded systems located in Germany, for a total consideration of Euro 11 Mn.

The Company has initiated the transfer of its operations in France and Romania to Geometric Europe GmbH w.e.f. April 1, 2013 and the formalities are in progress.

As required under Section 212 of the Companies Act, 1956, the subsidiaries' statements of accounts for the year ended March 31, 2013 are attached to the Balance Sheet.

10. PARTICULARS OF EMPLOYEES:

As required by the provisions of Section 217 (2A) of the Companies Act, 1956, as amended, read with Companies (Particulars of Employees) Rules, 1975, the names and other particulars of the employees are set out in the Annexure 'B' to this Report.

11. STOCK OPTIONS:

The disclosures required to be made under SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 are given in the Annexure "C" to this report.

The Board of Directors of the Company at their meeting held on April 29, 2013, approved introduction of a

new Stock Option Schemes titled ESOP Scheme 2013 – Directors' and 'ESOP Scheme 2013 – Employees' for issuance of upto 0.30 Mn and 31.50 Mn Options to the Directors and Employees of the Company (including its subsidiaries) respectively. The Scheme is subject to approval of the Members at the forthcoming Annual General Meeting.

12. CORPORATE GOVERNANCE:

As required under the Listing Agreement with Stock Exchange a report on Corporate Governance is given in the Annexure "D" to this report.

13. EMPLOYEE RELATIONS:

The Company continued to have cordial relations with its employees.

14. DIRECTORS' RESPONSIBILITY STATEMENT:

As required under Section 217(2AA) of the Companies Act, 1956, the Directors based on the representation received from the Operating Management, and after due enquiry confirm;

- that in the preparation of the annual accounts, the applicable accounting standards have been followed and there has been no material departure;
- that the selected accounting policies were applied consistently and the Directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2013 and of the profit of the Company for the year ended on that date;
- that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- that the annual accounts have been prepared on a going concern basis.

15. ACKNOWLEDGEMENT:

The Directors gratefully acknowledge the contribution made by the employees towards the success of the Company. The Directors are also thankful for the co-operation, support and assistances received from the Customers, Banks, Investors, Central and State Government departments and local authorities.

On behalf of the Board of Directors

J.N. Godrej
Chairman

Place: Mumbai
Date: April 29, 2013



Annexure 'A' to the Directors' Report

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

1. Conservation of Energy:

The Company's operations are not energy-intensive. However, significant measures are taken to reduce energy consumption by using energy-efficient computers and purchasing energy-efficient equipment. During the year, the Company has adopted various measures for optimal utilization of electricity by stringent control on area of utilization, re-scheduling of working hours, using energy efficient equipment, using natural lighting, additionally stringent control on air-conditioning and lighting during the off working hours and days. The Company is also planning to implement certain recommendations received from the Energy Audit, with a view to optimize the utilization and avoid loss of energy.

The Company constantly evaluates new technologies and invests to make its infrastructure more energy-efficient. Currently, the Company uses CFL fittings and electronic ballasts to reduce the power consumption of fluorescent tubes. Air-conditioners with energy-efficient screw compressors for central air-conditioning and with split air-conditioning for localized areas are used. In order to further accentuate our commitment towards developing energy efficient facility, we are deploying contemporary measures like Sandwich glass glazing, mechanical terra-cotta tiled cladding for facade, cavity walls, Eco Carpet Floor and adoption of North-South orientation of building, in our upcoming facility at Phase 1 – Hinjewadi Pune. As energy costs comprise a very small part of the total expenses, the financial impact of these measures is not material.

2. Technology Absorption:

The particulars with respect to Technology Absorption are given below:-

a) Research and development (R & D)

1) Specific areas in which R & D carried out by the Company:

Software products development in the Product Lifecycle Management (PLM) domain covering design, manufacturing, visualization and also inter-operability of multiple PLM systems.

Launch of new-age multi-platform visualization product line called Glovius. Along with traditional desktops, Glovius also works on iOS and Andorid powered devices like tablets, smart phones. The Company has also launched its first cloud-based fully automated translation services through an online portal called Babel3d.com.

2) Benefits derived as a result of the above R & D:

Glovius is an easy to use and customizable tool to enable non-CAD users to view high fidelity 3d data in an affordable manner from anywhere, anytime. Babel3d.com provides ability to its user to translate data between various visualization formats as well as make it available for access from anywhere on mobile devices.

3) Future plan of action:

The Company continues to focus its efforts on innovations in products and software development processes.

4) Expenditure on R & D:

The Company's R & D activities are part of its normal software development process. There is no separate R & D department and hence there is no specific capital or recurring R & D expenditure. It is not practicable to identify R & D expenditure out of the total expenditure incurred by the Company.

b) Technology Absorption, Adaptation and Innovation

1) Efforts made towards Technology Absorption, Adaptation and Innovation:

The Company is focused on innovation. It has established practice streams in specific technologies. It has also established a PLM Institute to impart training and encourage innovation. These steps will lead to greater innovation and adaptation of new technologies.

2) Benefits derived as a result of the above efforts:

High product quality and increased business potential

3) Technology imported during the last 5 years:

Not applicable, as no imported technology is put to use by the Company.

3. Foreign Exchange Earnings and Outgo:

a) Activities relating to Exports:

The Company is in the business of software exports. All efforts of the Company are geared to increase the business of software exports in different products and markets.

b) Total Foreign Exchange Earnings used and earned:

Particulars	Current Year (₹)	Previous year (₹)
Total Foreign Exchange used	540,100,012	502,362,032
Total Foreign Exchange earned	3,043,949,597	2,330,794,967

Annexure 'B' to the Directors' Report

Particulars as prescribed under Section 217 (2A) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars of Employees) Rules, 1975.

The following table states the details of employees worked with the Company for the year.

Sr. No.	Name of the Employee	Position	Age	Date of Joining	Main Qualification	Total Exp. Years	Gross Remuneration	Last Company Name
1	Manu Parpia	Managing Director & CEO	63	8-Apr-11	BE (Chemical Engineering), MBA	33	16,536,698	Geometric Limited
2	Arvind Kakar	Chief Financial Officer	50	7-Oct-11	B.Com (Hons.), CA	22	8,024,308	Max Healthcare Institute Limited
3	Shashank Patkar	Chief Transformation Officer	51	1-Jan-12	BE, MBA	27	9,912,968	3D PLM Software Solutions Limited
4	Venkatesh Jagannath	Senior Vice President, Consulting and Technology	45	1-Jul-94	BE, MTECH	19	6,980,011	Godrej & Boyce Mfg. Co. Ltd.
5	Nitin Tappe	Head - Global Operations	40	19-Feb-96	BE, MTECH	17	7,290,024	-

The following table states the details of employee worked with the Company for the part of the year.

Sr. No.	Name of the Employee	Position	Age	Date of Joining	Main Qualification	Total Exp. Years	Gross Remuneration	Last Company Name
1	Rohinirani Desai	Vice President - HR & OD	52	6-Oct-08	MA, LL.M, LL.B	27	3,363,457	Mahindra & Mahindra Ltd.

Notes:

- 1 The Gross remuneration shown above is subject to tax and comprises salary, allowances, monetary value of perquisites as per Income Tax Rules and Company's contribution to Provident Fund and Superannuation Fund.
- 2 Remuneration above excludes contribution to Provident Fund for MD & CEO and the CTO.
- 3 In addition to the above remuneration, employees are entitled to medical benefits etc., in accordance with the Company's rules.
- 4 All appointments are non-contractual, except in case of the MD & CEO, CFO and CTO of the Company.
- 5 The employees are not related to any Director of the Company.

Place: Mumbai

Date: April 29, 2013



Annexure 'C' to the Directors' Report

Disclosure under SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999

A. Summary of Status of ESOPs Granted

The position of the existing schemes is summarized as under -

Sr. No.	Particulars	Scheme VII ESOP Scheme 2006	Scheme VIII ESOP Scheme 2009	Scheme IX ESOP Scheme 2009 - Directors	Scheme X ESOP Scheme 2009 - Employees	Scheme XI ESOP Scheme 2011
1	Details of the Meeting	Extraordinary General Meeting (November 21, 2006)	Extraordinary General Meeting (April 6, 2009)	Annual General Meeting (September 25, 2009)	Annual General Meeting (September 25, 2009)	Annual General Meeting (July 25, 2011)
2	Approved	1,850,000	1,000,000	300,000	600,000	1,800,000
3	The Pricing Formula	The exercise price of the options shall be the 'Market Price' on the date of grant of the options as defined in 'SEBI (ESOS & ESPS) Guidelines, 1999.	The exercise price of the options shall be the 'Market Price' on the date of grant of the options as defined in 'SEBI (ESOS & ESPS) Guidelines, 1999.	The exercise price of the options shall be the 'Market Price' on the date of grant of the options as defined in 'SEBI (ESOS & ESPS) Guidelines, 1999.	The exercise price of the options shall be the 'Market Price' on the date of grant of the options as defined in 'SEBI (ESOS & ESPS) Guidelines, 1999.	The exercise price of the options shall be the 'Market Price' on the date of grant of the options as defined in 'SEBI (ESOS & ESPS) Guidelines, 1999.
4	Options Granted	1,872,500	1,116,950	250,000	600,000	1,979,350
5	Options Vested	-	38,480	250,000	216,860	475,954
6	Options Exercised	-	561,900	-	213,010	146,934
7	Options Forfeited / Surrendered (Note 1)	1,782,500	510,450	-	170,130	348,687
8	Options Unexercised	-	44,600	250,000	216,860	1,483,729
9	Options Lapsed	90,000	-	-	-	-
10	Total Number of Options in force	-	44,600	250,000	216,860	1,483,729
11	Variation in terms of ESOP	NA	NA	NA	NA	NA
12	Total Number of Shares arising as a result of Exercise of Options	-	561,900	-	213,010	146,934
13	Money realised by exercise of Options (₹ in Lakhs)	-	109.82	-	100.54	67.15

Note :

- The surrendered options can be reissued as per the terms of Schemes.

Annexure 'C' to the Directors' Report (Contd.)

B. Employee-wise details of options granted during the financial year 2012-13 to:

(i) Senior managerial personnel

Name	No. of options granted
Sameer Kondejkar	7,500
Shekhar Burande	7,500
Babu Singh	26,000
Sukumar Bargale	26,000
John Leney	34,000
Narendra Pitre	34,000
Amit Teli	5,000
Ashish Patil	5,000
Deepak Pattanshetty	5,000
Kishor Ahuja	5,000
Narhari Deshpande	5,000
Manish Tambe	4,000
Aniruddha Raste	9,000
Louis Pascarella	50,000
Lokendra Panwar	9,500

(ii) Employees who were granted, during any one year, options amounting to 5% or more of the options granted during the year

Name	No. of options granted
Babu Singh	26,000
Sukumar Bargale	26,000
John Leney	34,000
Narendra Pitre	34,000
Louis Pascarella	50,000

(iii) Identified employees who were granted option, during any one year, equal or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant

NONE

C. Diluted Earnings Per Share pursuant to issue of shares on exercise of options calculated in accordance with Accounting Standard (AS) 20

5.40

D. Weighted average exercise price of Options granted during the year whose

(a) Exercise price equals market price	52.88
(b) Exercise price is greater than market price	NA
(c) Exercise price is less than market price	NA

Weighted average fair value of options granted during the year whose

(a) Exercise price equals market price	25.57
(b) Exercise price is greater than market price	NA
(c) Exercise price is less than market price	NA

E. The stock-based compensation cost calculated as per the intrinsic value method for the financial year 2012-13 is Nil. If the stock-based compensation cost was calculated as per the fair value method prescribed by SEBI, the total cost to be recognised in the financial statements for the year 2012-13 would be (₹ 158,700,535). The effect of adopting the fair value method on the net income and earnings per share is presented below:

Pro Forma Adjusted Net Income and Earning Per Share

Particulars	₹
Net Income	
As Reported	344,202,143
Add: Intrinsic Value Compensation Cost	-
Less: Fair Value Compensation Cost	(158,700,535)
Adjusted Pro Forma Net Income	185,501,608
Earning Per Share: Basic	
As Reported	5.48
Adjusted Pro Forma	2.95
Earning Per Share: Diluted	
As Reported	5.40
Adjusted Pro Forma	2.91

F. Method and Assumptions used to estimate the fair value of options granted during the year:

The fair value has been calculated using the Black Scholes Option Pricing model

The Assumptions used in the model on a weighted average basis are as follows:

Variables	23-Apr-12	29-Oct-13
1. Risk Free Interest Rate	8.22%	7.96%
2. Expected Life	4.40	4.40
3. Expected Volatility	53.74%	52.27%
4. Dividend Yield	1.48%	1.48%
5. Price of the underlying share in market at the time of the option grant.	76.10	112.95



Annexure 'D' to the Directors' Report

The Members of
Geometric Limited
Plant 6, Pirojshanagar,
Vikhroli (West),
Mumbai 400 079

We have examined the compliance of conditions of Corporate Governance by Geometric Limited (the Company) for the year ended on March 31, 2013, as stipulated in Clause 49 of the Listing Agreements of the said Company with the Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring 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 our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

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

For and on behalf of
KALYANIWALLA & MISTRY
CHARTERED ACCOUNTANTS
Firm Reg. No. 104607W

Viraf R. Mehta
PARTNER
M. No.: 32083

Place: Mumbai
Date: April 29, 2013

Report on Corporate Governance

1. Company's Philosophy on Corporate Governance:

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

2. Board of Directors:

a) Composition of Board

Geometrics' Board has an optimum combination of Executive and Non-Executive Directors, to ensure independent functioning. During the Financial Year ended March 31, 2013, the Board comprised of seven Directors out of which six were Non-Executive. The composition of the Board is in conformity with Clause 49 of the Listing Agreement entered into with the stock exchanges. The Chairman of the Board is a Non-Executive Director.

None of the Directors on the Board is a member of more than 10 Committees or Chairman of more than 5 Committees across all the companies in which he/she is a Director as detailed below. Necessary disclosures regarding committee positions in other public companies as of March 31, 2013 have been made by the Directors.

Except the Executive Director, all other directors are liable to retire by rotation as per the provisions of Companies Act, 1956.

The names and categories of the Directors on the Board, their attendance at the five Board Meetings held during the year and the number of Directorships and Committee Chairmanships/Memberships held by them in other companies are given herein below:

Name of the Director	Designation	Category	No. of Board Meetings attended during the year	Attendance at the last AGM	No. of other Directorships held as at March 31, 2013*	Committee Position in other public Ltd Companies as at March 31, 2013 #	
						Member	Chairman
Mr. Jamshyd Godrej	Chairman	Non-Executive; Non-Independent	4	Present	7	2	-
Mr. Manu Parpia	MD & CEO	Promoter; Executive; Non-Independent	5	Present	3	-	-
Dr. Kyamas Palia	Director	Non-Executive; Non-Independent	4	Present	4	1	-
Ms. Anita Ramachandran	Director	Non-Executive; Independent	4	Present	4	2	-
Mr. Milind Sarwate	Director	Non-Executive; Independent	5	Present	5	1	1
Dr. Richard Riff	Director	Non-Executive; Independent	4	Present	-	-	-
Mr. Ajay Mehra	Director	Non-Executive; Independent	5	Present	-	-	-

* Directorships in Private, Foreign Companies and Section 25 Companies are excluded.

Memberships/Chairmanship of only Audit Committee and Shareholders' Grievance Committee have been considered.

b) Board Procedures

The Board meets at least once a quarter to review the quarterly performance and financial results. Board Meetings are governed with structured agenda. All major agenda items, backed up by comprehensive background information, are generally sent well in advance of the date of the Board Meeting to the Directors to enable the Board to take an informed decision. The Board is also free to recommend the inclusion of any matter for discussion in consultation



Report on Corporate Governance (Contd.)

with the Chairman. The Chief Financial Officer is normally invited to the Board Meetings to provide necessary insights into the working of the Company and for discussing corporate strategies.

The Minutes of the meetings of the Board are individually circulated to all Directors and confirmed at the subsequent Board Meeting. The finalized copies of the Minutes of the various Committees of the Board are also individually given to the Members of the Board and thereafter tabled at the subsequent Board Meeting for the Board's view thereon.

The Board periodically reviews Compliance Reports in respect of laws and regulations applicable to the Company.

Five Board Meetings were held during the year and the gap between two meetings did not exceed four months. The dates on which the Board Meetings were held and the number of Directors present were as follows:

Sr. No.	Dates on which the Board Meetings were held	Total strength of the Board	No. of Directors present (Physical)
1	April 23, 2012	7	7
2	July 23, 2012	7	7
3	October 29, 2012	7	7
4	December 11, 2012	7	3
5	January 21, 2013	7	7

Equity Shares of the Company held by Directors as on March 31, 2013:

Name of Director	Number of Shares held	Percentage
Mr. Jamshyd Godrej	-	-
Mr. Manu Parpia	4,267,925	6.77
Dr. Kyamas Palia	45,000	0.07
Ms. Anita Ramachandran	35,000	0.06
Mr. Milind Sarwate	-	-
Dr. Richard Riff	-	-
Mr. Ajay Mehra	-	-

c) Re-appointment of Directors

Mr. Jamshyd Godrej and Ms. Anita Ramachandran are retiring by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment in the Annual General Meeting.

The brief resumes of the Directors proposed to be re-appointed are given in Notice of the Annual General Meeting.

3. Committees of the Board

A. Audit Committee:

a) The terms of reference of the Audit Committee as defined by the Board are as under:

- Hold discussions with the auditors periodically about internal control systems, the scope of audit including the observations of the auditors and review the quarterly, half-yearly and annual financial statements before submission to the Board and also ensure compliance of internal control systems.
- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.

Report on Corporate Governance (Contd.)

- v) Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - (a) Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (2AA) of Section 217 of the Companies Act, 1956.
 - (b) Changes, if any, in accounting policies and practices and reasons for the same.
 - (c) Major accounting entries involving estimates based on the exercise of judgment by management.
 - (d) Significant adjustments made in the financial statements arising out of audit findings.
 - (e) Compliance with listing and other legal requirements relating to financial statements.
 - (f) Disclosure of any related party transactions.
 - (g) Qualifications in the draft audit report.
- vi) Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
- vii) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- viii) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
- ix) Discussion with internal auditors on any significant findings and follow up thereon.
- x) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- xi) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- xii) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors.
- xiii) To review the functioning of the Whistle Blower mechanism, in case the same is existing.
- xiv) Approve the appointment of any other accountant to review the financials of the Company as the Audit Committee may deem fit.
- xv) Reviewing and discussing with management significant risks and exposures to the Company and the steps management has taken to minimize or manage such risks on a regular basis.

b) Powers of the Audit Committee:

The Board delegated the following powers to the Audit Committee:

- i) Investigating any activity within its terms of reference as above, or in relation to the items specified in Section 292A of the Companies Act, 1956, or as may be referred to it by the Board, from time to time and for this purpose, it shall have full access to information contained in the records of the Company and external professional advice, if necessary.
- ii) Seek information from any employee.
- iii) Obtain outside legal or other professional advice, if necessary.
- iv) Secure attendance of outsiders with relevant expertise, if it considers necessary.



Report on Corporate Governance (Contd.)

The composition of the Audit Committee and the details of meetings attended by the members of the said Committee are given below:

Name of the Member	Category	No. of Meetings attended
Mr. Milind Sarwate (Chairman)	Non-Executive, Independent	5
Dr. Kyamas Palia	Non-Executive, Non-Independent	5
Dr. Richard Riff*	Non-Executive, Independent	2
Ms. Anita Ramachandran	Non-Executive, Independent	5

* 1 on teleconference

Audit Committee meetings were held on April 23, 2012, July 20, 2012, October 25, 2012, January 10, 2013 and January 21, 2013. The necessary quorum was present at all the meetings.

The Audit Committee Meetings are usually held at the Registered Office of the Company and are attended by Chief Financial Officer/Financial Controller of the Company and the representatives of Statutory Auditors and Internal Auditors. The operation heads are also invited to the meetings as required. The Company Secretary acts as Secretary of the Committee.

The previous Annual General Meeting of the Company was held on July 23, 2012 and it was attended by Mr. Milind Sarwate, Chairman of the Audit Committee.

B. Compensation Committee:

The terms of reference of the Compensation Committee, inter-alia consists of conducting periodic reviews of the remuneration payable to the Senior Management of the Company and also considering the Employee Stock Option Plans, which the Company may wish to offer to its employees and reports the same to the Board of Directors.

The composition of the Compensation Committee and the details of meetings attended by the members of the said Committee are given below:

Name of the Member	Category	No. of Meetings Attended
Mr. Jamshyd Godrej (Chairman)	Non-Executive, Non-Independent	4
Mr. Milind Sarwate	Non-Executive, Independent	4
Ms. Anita Ramachandran	Non-Executive, Independent	4
Mr. Ajay Mehra	Non-Executive, Independent	4

Compensation Committee meetings were held on April 23, 2012, July 23, 2012, October 29, 2012, and January 21, 2013. All Members were present and necessary quorum was present at all the meetings.

Compensation Policy

i) Management Staff:

Compensation of employees largely consists of basic remuneration, perquisites and other benefits and Employee Stock Option Plan as per SEBI Guidelines. The components of the total compensation vary for different grades and are governed by industry patterns, qualifications and experience of the employee, responsibilities handled, and individual performance of the employee.

ii) Non-Executive Directors:

Pursuant to the Members' approval at the Annual General Meeting held on July 25, 2011, the Company has obtained approval from the Central Government for payment of commission upto 3% of the Net Profits of the Company restricted to 1.5% of the Profit before Tax based on Audited Consolidated Financial Accounts of the Company per annum to Non-Executive Directors. Accordingly, the Company pays commission to all the Non-Executive Directors within the said limits. The total Commission payable for the year ended

Report on Corporate Governance (Contd.)

March 31, 2013, to the Non-Executive Directors, amounted to ₹ 7,200,000 /-.

The details of commission payable and sitting fees paid to the Non-Executive Directors for the financial year 2012-13 are summarized below:-

Name of the Director	Commission (₹)	Sitting Fees (₹)
Mr. Jamshyd Godrej	1,200,000	120,000
Mr. Milind Sarwate	1,200,000	240,000
Dr. Richard Riff	1,200,000	120,000
Ms. Anita Ramachandran	1,200,000	220,000
Dr. Kyamas Palia	1,200,000	180,000
Mr. Ajay Mehra	1,200,000	140,000
Total	7,200,000	1,020,000

The Commission paid to the Non-Executive Directors is based on roles and responsibilities as well as the attendance at Board and Committee Meetings.

Under ESOP Scheme 2009 - Directors, the eligible Directors were granted stock options on October 26, 2009. The details of shares and Employee Stock Options held by the Non-Executive Directors as on March 31, 2013, were as given below:

Name of the Director	No. of Shares held	No. of Stock Options Held*	Grant Price (in ₹)	Date of expiry
Mr. Jamshyd Godrej	-	-	-	-
Mr. Manu Parpia	42,67,925	-	-	-
Dr. Kyamas Palia	45,000	50,000	47.20	October 26, 2014
Ms. Anita Ramachandran	35,000	50,000	47.20	October 26, 2014
Mr. Milind Sarwate	-	50,000	47.20	October 26, 2014
Dr. Richard Riff	-	50,000	47.20	October 26, 2014
Mr. Ajay Mehra	-	50,000	47.20	October 26, 2014

* The above options were issued at fair market value. The options granted will vest after one year and within a maximum period of three years from the date of the grant on such dates as will be specified by the Compensation Committee in its entire discretion.

iii) Executive Directors:

Mr. Manu Parpia has been re-appointed as Managing Director and Chief Executive Officer w.e.f. April 8, 2013 for a period of two years subject to approval of Members.

His remuneration for the period commencing from that date, has been approved by the Compensation Committee of the Board of Directors and is subject to approval of the Members in the General Meeting as required under the Companies Act, 1956.

The Company has made an application to the Central Government for its approval for payment of remuneration to Mr. Manu Parpia, Managing Director and CEO of a consolidated amount (inclusive of perquisites) not exceeding ₹ 3.25 Crores per annum for the year ended March 31, 2013.



Report on Corporate Governance (Contd.)

Remuneration to Executive Directors –

The details of remuneration paid/payable to Mr. Manu Parpia, for the period from April 1, 2012 to March 31, 2013, are given below:

Particulars	Amounts (in ₹)
Salary	11,464,167
Performance pay and Service Bonus	14,504,000
Others	1,467,397
Total	27,435,564

C. Investor Grievances Redressal Committee:

The Company has constituted an Investor Grievances Redressal Committee of Directors to look into and investigate into investor's complaints like transfer of shares, non-receipt of declared dividends etc. and take necessary steps for redressal thereof.

The composition of the Investor Grievances Redressal Committee is given below:

Name of the Member	Category
Mr. Jamshyd Godrej (Chairman)	Non-Executive, Non-Independent
Mr. Manu Parpia	Promoter, Executive, Non-Independent
Dr. Kyamas Palia	Non-Executive, Non-Independent

Investor Grievances Redressal Committee meetings were held on April 23, 2012, July 23, 2012, October 29, 2012, and January 21, 2013. All Members were present and necessary quorum was present at all the meetings. The Company Secretary acts as Secretary of the Committee.

Share Transfers in Physical Mode:

In order to expedite the process of share transfers, the Directors delegated the power to the Company's Registrar & Share Transfer Agent (The RTA), Link Intime India Pvt. Ltd.

The RTA transfers the shares received in the physical mode on a fortnightly basis. Summary of the shares transferred is noted/ratified at the next Board Meeting.

Requests/Grievances/Complaints received & resolved during the year 2012-2013:

Nature of Requests/Grievances/Complaints	Opening Balance as on April 1, 2012	Received during the year	Resolved during the year	Closing Balance as on March 31, 2013
Non-receipt of Dividend Warrants	Nil	18	18	Nil
Non-receipt of Annual Reports	Nil	4	4	Nil
Non Receipt of Share Certificates	Nil	6	6	Nil
SEBI Complaints	Nil	4	4	Nil
Total	Nil	32	32	Nil

Report on Corporate Governance (Contd.)

4. General Body Meetings

a) Details of location and time, of General Meetings & Special Resolution passed in last three years:

Annual General Meetings:

Year	Date	Time	Location	Special Resolutions passed
2011-12	July 23, 2012	11.30 a.m.	Plant 6, Pirojshanagar, Vikhroli (W), Mumbai – 400 079.	None
2010-11	July 25, 2011	11.00 a.m.	Plant 6, Pirojshanagar, Vikhroli (W), Mumbai – 400 079.	1. Approval of remuneration to the Non-Executive Directors of the Company by way of commission. 2. Appointment of Dr. Richard Riff as Consultant of Geometric Americas, Inc. 3. Appointment of Mr. Manu Parpia, Managing Director & CEO for two years w.e.f April 8, 2011 and payment of remuneration. 4. Approval of issue of 1,800,000 stock options under ESOP Scheme – 2011. 5. Extending the benefits of ESOP Scheme 2011 to the senior employees of the direct and indirect subsidiaries of the Company.
2009-10	July 23, 2010	11.00 a.m.	Plant 6, Pirojshanagar, Vikhroli (W), Mumbai – 400 079.	Approval of remuneration of Mr. Ravishankar G., Managing Director & CEO

Extraordinary General Meetings:

Year	Date	Time	Location	Special Resolutions passed
2009-10	May 21, 2009	4.30 p.m.	Plant 6, Pirojshanagar, Vikhroli (W), Mumbai – 400 079.	Approval for utilization of amount from Securities Premium Account under the Scheme of Arrangement for financial restructuring to Investment Re-organization Reserve Account of the Company.
2009-10	April 6, 2009	4.00 p.m.	Plant 6, Pirojshanagar, Vikhroli (W), Mumbai – 400 079.	1. Appointment of Mr. Ravishankar G. as Managing Director and Chief Executive Officer of the Company for a period of three years with effect from February 21, 2009. 2. Approval of issue of 1,000,000 stock options under ESOP Scheme 2009. 3. Extending the benefits of ESOP Scheme 2009 to the senior employees and Directors of the direct and indirect subsidiaries of the Company.

These resolutions were put to vote by show of hands and were passed with the requisite majority.

b) Postal Ballot

During the year under review no resolution was passed through postal ballot.

5. Disclosures

- a) The particulars of transactions between the Company and its related parties as per the Accounting Standard 18 “Related Party Disclosures” issued by the ICAI are set out in the Annual Report separately. However, these transactions are not likely to have any conflict with the Company’s interest.



Report on Corporate Governance (Contd.)

- b) No penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any statutory authority on any matters related to capital markets during the last three years.
- c) The Company has complied with all the mandatory requirements of Clause 49 pertaining to Corporate Governance of the Listing agreement with the Stock Exchanges. Other than the Whistle Blower Policy, the Company has not complied with any of the Non-Mandatory requirements of Clause 49 of the Listing Agreement.
- d) The Code of Conduct for Prevention of Insider Trading has also been amended during the year from time to time in line with the amended Securities and Exchange Board of India (SEBI) Regulations in this regard. All the Directors on the Board as well as senior level employees/officers of the Company who could be privy to unpublished price sensitive information of the Company are governed by this Code.
- e) The Company has adopted a Code of Conduct for all Board Members and Senior Management of the Company. The Code is hosted on the website of the Company, and a declaration on affirmation of compliance of the Code annexed herewith and forms part of this report.
- f) The Notice convening the Annual General Meeting of the Company has necessary disclosures relating to the appointment/re-appointment of Directors.
- g) Annual Report has a detailed chapter on Management Discussion and Analysis.
- h) The Company has paid the Listing fees of the Stock Exchanges, where the shares of the Company are listed.

6. Means of Communication

The Un-audited/Audited quarterly/half yearly/yearly financial statements are announced within 45 days of the end of the quarter. The aforesaid financial statements are taken on record by the Board of Directors and are communicated to the Stock Exchanges where the Company's securities are listed. Once the Stock Exchange have been intimated, these results are given by way of a press release to various news agencies/analyst and published within 48 hours in one National English newspaper (Free Press Journal, Business Standard) and one Marathi newspaper (Nav Shakti).

The quarterly/half yearly and the annual results as well as the press releases of the Company are put on the Company's website www.geometricglobal.com. The website also displays official news releases.

The Company also informs by way of intimation to the Stock Exchanges all price- sensitive matters or such other matters which in its opinion are material and of relevance to the shareholders.

7. General Information for Shareholders

i. Annual General Meeting:

Date and Time : Monday, July 29, 2013 at 11.30 a.m.

Venue : Plant 6, Pirojshanagar, Vikhroli (W), Mumbai 400 079

ii. The financial year covers the period from 1st April to 31st March

The Company follows April – March as its financial year. The results for every quarter beginning from April are declared in the month following the quarter.

iii. Name & contact details of the Compliance Officer:

Ms. Maria Monserrate

Company Secretary & Compliance Officer,

Tel No. 67056500

Fax No. 67056891

Email: investor-relations@geometricglobal.com

iv. Book Closure:

The Registrar of Members and the Share Transfer Books of the Company will remain closed from Tuesday, July 23, 2013 to Monday, July 29, 2013 (both days inclusive).

v. Dividend:

The Board has recommended Dividend on equity shares.

Report on Corporate Governance (Contd.)

vi. Listing on Stock Exchanges:

The Company's securities are listed on the following Stock Exchanges.

Equity Shares

Bombay Stock Exchange Limited (BSE)

Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai 400 001

National Stock Exchange of India Ltd. (NSE)

Exchange Plaza,
Bandra Kurla Complex,
Bandra (East), Mumbai 400 051

Stock/Scrip Code & ISIN/Common Code Number

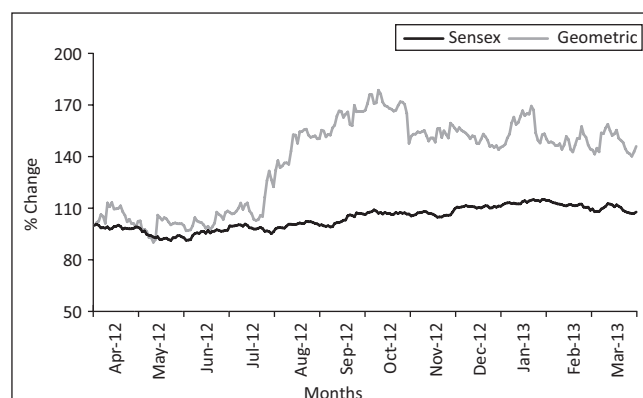
Bombay Stock Exchange (BSE)	532312
National Stock Exchange Ltd. (NSE)	GEOMETRIC
ISIN Number with NSDL & CDSL	INE797A01021

vii. Market Price Data:

Monthly High, Low and Volume of the Company's shares during 2012-13 at BSE & NSE

Month	Bombay Stock Exchange			National Stock Exchange		
	High (₹)	Low (₹)	Volume	High (₹)	Low (₹)	Volume
Apr-12	80.90	66.05	2,574,984	80.90	66.55	5,811,936
May-12	74.45	60.50	2,847,197	74.60	61.50	6,010,005
Jun-12	75.85	63.50	1,463,807	75.70	63.50	2,983,552
Jul-12	95.40	69.50	9,769,936	95.35	69.40	23,924,757
Aug-12	110.70	89.25	8,288,964	110.75	90.40	19,272,411
Sep-12	121.40	102.60	9,230,435	121.50	102.55	15,572,576
Oct-12	125.50	96.05	7,277,099	125.70	95.50	18,624,871
Nov-12	112.00	101.00	2,617,610	111.80	100.80	6,522,251
Dec-12	109.40	98.00	1,413,306	109.70	98.20	3,011,406
Jan-13	117.00	99.50	4,260,356	117.45	99.60	11,128,254
Feb-13	111.00	94.10	1,652,118	110.85	94.30	3,441,145
Mar-13	109.75	91.00	1,048,158	109.45	91.30	2,694,661

viii. Performance in comparison to broad based indices such as BSE INDEX:





Report on Corporate Governance (Contd.)

ix. Registrar & Transfer Agents Investor Service:

Link Intime India Pvt. Ltd.
C-13, Pannalal Silk Mills Compound,
L. B. S. Marg, Bhandup (West), Mumbai - 400078.

x. Share Transfer System:

99.24% of the shares of the Company are in electronic form. Transfer of these shares is done through the depositories with no involvement of the Company. As regards transfer of shares held in physical form the transfer documents can be lodged with Link Intime at the above mentioned address. Transfer of shares in physical form is normally processed within ten to fifteen days from the date of receipt if the documents are complete in all respects.

xi. Distribution of Shareholding as on March 31, 2013:

Category of Shares		Number of Shareholders	Percentage of Shareholders	No. of Shares	Percentage of Total
1	– 5000	26167	97.70	8,653,032	13.73
5001	– 10000	271	1.01	2,010,862	3.19
10001	– 20000	163	0.61	2,391,182	3.79
20001	– 30000	52	0.19	1,276,339	2.02
30001	– 40000	31	0.12	1,069,861	1.70
40001	– 50000	24	0.09	1,121,920	1.78
50001	– 100000	39	0.15	2,751,860	4.37
100001 and above		36	0.13	43,761,138	69.42
Total		26783	100	63,036,194	100

xii. Categories of Shareholders as of March 31, 2013:

Category	Shares	Percent
Promoters & Promoter Group	23,453,933	37.21
Clearing Members	184,138	0.29
Other Bodies Corporates	2,464,791	3.91
Directors (Excluding Promoter Director)	80,000	0.13
Financial Institutions	71,887	0.11
Foreign Institutional Investors	1,384,085	2.20
Life Insurance Corporation of India	330,421	0.52
Mutual Funds	145,670	0.23
Nationalised Banks	400	0.00
Non-Nationalised Banks	2,480	0.00
Foreign Nationals	400	0.00
Non Resident Indians	574,112	0.91
Non Resident (Non Repatriable)	295,861	0.47
Public	31,289,820	49.64
Trusts	2,689,170	4.27
GIC & Its Subsidiaries	69,026	0.11
Total	63,036,194	100

xiii. Dematerialization of Shares and Liquidity:

The equity shares of the Company are compulsorily traded in dematerialized form.

As on March 31, 2013, 99.24% Equity shares have been dematerialized. The shares have been admitted for dematerialization with the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Shareholders have option to dematerialize their shares with either of the depositories.

Report on Corporate Governance (Contd.)

xiv. Outstanding GDRs/Warrants or any Convertible Instruments, conversion date and likely impact on equity Outstanding GDRs.

The Company has not issued any GDRs/ADRs and there are no Outstanding GDRs/Warrants or any Convertible Instruments as on March 31, 2013, the conversion thereof, which may have a likely impact on equity share capital of the Company.

xv. Location of offices of Company & Address of correspondence (including subsidiaries)

Mumbai (Registered Office)	Plant 6, Pirojshanagar, Vikhroli (West), Mumbai 400 079.
Pune	Neopro Technologies Pvt. Ltd. (SEZ), Block IT-2, 3rd Floor, S. No. 154/6, Rajiv Gandhi InfoTech Park Phase-I, Hinjewadi, Pune 411 057. Embassy TechZone, Plot No. 3, Block No. 11, Nile Bldg, Rajiv Gandhi Infotech Park, MIDC, Hinjewadi, Phase-II, Village - Marunji, Pune 411 057
Bengaluru	Vikas Telecom Limited (SEZ), Vrindavan Tech Village, Ground Floor, Tower 3 of 2B, Survey No. 12/3 & 12/4 of Devarabeesanahalli Village, Varthur Hobli, Bangalore East Taluka, Bengaluru – 560 037
Chennai	SP Info City, Block A, 1st Floor, Module 4, No. 40, MGR Salai, Perungudi, Kandanchavadi, Chennai 600 096
Subsidiaries (Direct Subsidiaries)	
3D PLM Software Solutions Limited	Plant 6, Pirojshanagar, Vikhroli (West), Mumbai 400 079. Plot No. 4, Pune Infotech Park, M.I.D.C. Hinjewadi, Taluka Mulshi, Pune 411 057 Plot No. 15/B, Pune Infotech Park, M.I.D.C. Hinjewadi, Taluka Mulshi, Pune 411 057 Poonamchand Complex, 2nd & 3rd Floor, No. 46/B & 47, 1st Main Road, 3rd Phase, J P Nagar, Bangalore - 560078
Geometric Asia Pacific Pte. Ltd.	78 Shenton Way #26-02A, Singapore 079120.
Geometric Americas, Inc.	50 Kirts Blvd. Suite A, Troy, MI 48084, USA
Geometric Europe GmbH	Friedrichstrasse, 15, 70174 Stuttgart, Germany
OTHER SUBSIDIARIES	
Geometric China, Inc.	23B, 855 South Pudong Rd Pudong New Area, Shanghai, PRC.
Geometric SAS (France)	Parc Technologique METROTECH Immeuble 6 42650 Saint Jean Bonnefonds, France
Geometric SRL (Romania)	Parcul Mic 19-21, bl.2 sc.A Mezzanine Brasov, 500386, Romania
Geometric Japan K.K.	Hikari Bldg 9F, 1-43, 7 Yoyogi, Shibuya-Ku, Tokyo 151-0053, Japan
3cap technologies GmbH	Dachauerstrasse 1585764 Oberschleissheim, Munich, Germany



Report on Corporate Governance (Contd.)

xvi. Address for Correspondence

For any assistance regarding dematerialization of shares, share transfers, transmissions, change of address, non-receipt of dividend or any other query relating to shares:

Link Intime India Pvt. Ltd.
C-13, Pannalal Silk Mills Compound,
L. B. S. Marg, Bhandup (West), Mumbai-400078.
Tel: 022 – 25963838
Fax: 022 – 25946969

For general correspondence:
Geometric Ltd.
Plant No. 6, Pirojshanagar,
Vikhroli (West), Mumbai 400 079.
Tel: 022 – 67056500
Fax: 022 – 67056891
Email: investor-relations@geometricglobal.com

Shareholders who hold shares in dematerialized form should correspond with the depository participant with whom they have opened their Demat Account(s).

Declaration on Compliance of Code of Conduct

I, Manu Parpia, Managing Director & CEO of Geometric Limited, do hereby declare and confirm that all the Board Members and Senior Managerial Personnel have affirmed to the Board of Directors the compliance of the Code of Conduct as laid down by the Board.

Place : Mumbai
Date : April 22, 2013

For Geometric Limited
Manu Parpia
Managing Director & CEO

Management's Discussion and Analysis Report

Overview

The financial statements have been prepared in compliance with the requirements of the Companies Act, 1956, and Generally Accepted Accounting Principles (GAAP) in India. The management of Geometric Limited (Geometric) accepts responsibility for the integrity and objectivity of these financial statements, as well as for various estimates and judgments used in preparing the financial statements.

A. Business Environment and Outlook

Geometric operates in the Engineering to Manufacturing space and predominantly for the engineering intensive discrete manufacturing industries. Our services, solutions and technology portfolio referred to as Engineering Services in the discussion and analysis report, covering product realization services and solutions, such as Product Lifecycle Management, Software Product Development and Global Engineering services aims to increase the effectiveness and efficiency of design, engineering and manufacturing business processes for firms across the globe.

FY13 saw Geometric's major markets start positively on a recovery path from the global recession. However the economic uncertainties and slower than expected progress particularly in the capital intensive equipment industry called for some mid-year plateau in demand. While discretionary budgets were under pressure, the positive part is that forward looking decisions and strategic initiatives in global engineering are resulting in a gradual increase in demand for our key offerings going into the new financial year.

The automotive industry, an important market for Geometric, saw its R&D spend remain flat over the past year. A large part of the R&D investments is spent on technologies to reduce emissions, improve engine efficiency and performance and towards making cars safer. On the operational side the focus has been on making the organization more efficient, supporting globalization and industry level collaboration. A new trend emerged where the industry saw more direct OEM – OEM collaboration. This has provided opportunities for Geometric to strengthen its engagements with leading automotive OEMs. Geometric is favourably placed to provide solutions for the OEMs' needs of extended collaboration and supporting their IT needs globally. The automotive OEMs in China are another area of opportunity as they open up to implement solutions for world class processes. The automotive industry is certainly promising with opportunities for Geometric, however given the industry's sourcing maturity and the economic uncertainties that the industry continues to balance, it would also put pressure on prices.

The Off-highway Equipment (Construction, Agriculture and Mining) industry began the previous year with the highest level of order backlogs. But each sub-segment saw a different trajectory as we progressed through the year. The construction industry remained subdued with very minor investment growth, the agriculture industry continued on a very organic growth path while the mining industry was hit with a severe downturn and the segment lost almost half of its order book. The industry on the whole has regrouped and cost cutting programs are being driven across the board. Having faced the short-term burnt, there is an opportunity for Geometric to capitalize and provide solutions to our customers to help take out cost from their products, product development processes, manufacturing processes and global collaboration. Global engineering services and engineering productivity needs of the industry will strengthen even more providing us the opportunity to serve the industry locally in regions like China and India.

Aerospace is Geometric's strategic growth market. The commercial aircraft sector continued to trend upwards in building upon its production momentum. Commercial aircraft demand is expected to expand over the next many years given the economic growth in emerging markets, demand for fuel-efficient planes and engine technologies. The aviation industry has an old fleet with poor economics and fuel efficiency which the industry expects to retire and replace 6,000 aircrafts in the next 15 years. The industry lead by the aircraft OEMs is pushing the speed of R&D and this is driving parallel activity increases in the aerospace supply chain, from engines, to avionics, to wiring harnesses, passenger seats and landing gear among others opening up large scale engineering opportunities. To gear up towards this major players in the industry are looking at simplifying and modernizing their IT landscapes leading to opportunities for Geometric. Though the sales cycles will continue to be stretched, Geometric is well positioned to address the market needs emerging particularly from Europe. The modernization of India's air defense systems will further provide opportunities to help global companies address their offset obligations.

The biggest area of R&D and new development across industries is electronics and embedded systems. The acquired capabilities of 3Cap technologies provides us the foundation to benefit from serving the growing electronics needs of our established customer base while continuing to strengthen the engagements with new customers brought in with 3Cap.



Management's Discussion and Analysis Report (Contd.)

Partnerships with major software products providers for the engineering domain, whether for multi-year turnkey software product development programs or for co-development of new solutions continues to be Geometric's strength. A strong governance model with our software partners to serve the end customer together will be key to our success.

In the manufacturing industry at large, the restructuring measures and process improvement programs are now extending to global locations and continue to drive IT and engineering outsourcing with focus to leverage the provider's strengths in multiple geographical locations. Research and Development will continue for green technologies and localization of products for the new growth market. All of these trends are poised to deepen and widen the opportunities available for Geometric.

B. Opportunities and Threats

The significant opportunities that Geometric sees for growth and the achievement of its near term and long term goals are based on the following:

1. With the acquisition of 3cap technologies GmbH, Geometric can now offer services in the area of electronics and embedded systems. This widens the scope of services and provides opportunities to deepen the engagement with existing customers by providing solutions in the areas of mechanical, electronics and software systems.
2. Our customers are increasingly seeking closer collaboration in defining requirements and suggesting solutions to their problems for providing competitive advantage. Geometric sees a great opportunity in being seen as a solution provider through its consulting practice and intellectual property led offerings.
3. Aerospace vertical offers significant opportunities for growth in PLM and engineering services with offset clause and increased offshore spending by global Aerospace companies. Geometric plans to focus on the growth in revenue from Aerospace segment through capability building and creation of a separate vertical for Aerospace.
4. PLM system market continues to show strong growth. Many new initiatives have been taken up by major PLM vendors like adoption of latest technologies, more intuitive decision support in design and engineering, connectivity between direct modeling and history-based modelling in computer-aided design (CAD), social product development in the cloud, etc. Geometric sees great opportunities in contributing to these initiatives as well as helping customers implement them.
5. Geometric offers its customers a true Global Engineering service delivery model, combining deep domain expertise in proximity locations coupled with process and task level scalability in near-shore and offshore locations. As product manufacturers look to increase their competitiveness in the post-recession economic scenario, Geometric's positioning will enable new and broader opportunities to the market.

The main threats to the growth of the Company will come from:

1. Foreign exchange rate fluctuations. As the company uses India as a major source of manpower, the exchange rate of the Rupee vis-à-vis the US Dollar and other currencies could affect its ability to compete, the movement in Rupee exchange rate vis-à-vis US dollar could also result in fluctuation in our operating margins and have short-term impact on profitability. Geometric attempts to minimize the risk by building sales opportunities in diverse regions, diversifying the currency in which it invoices its customers and by taking forward covers where appropriate.
2. Increased emphasis by customers on low cost captive centers, motivated by IP risks and a predisposition to keep as much engineering activity in house while leveraging the advantages of an offshore model. Geometric will aim to mitigate this risk by offering mission critical or core activities at a proximity center or within the customer's premises to address IP risk, which is possible through its Global Engineering service delivery model. In addition, Geometric can also offer captive centers technology solutions that will enable them to operate more efficiently within the customer's global network.
3. Eurozone crisis is a cause of concern and any major upheaval can affect short-term performance of the company with increased economic uncertainties. As majority of our business is from US, any downturn in US economy can adversely impact our business. Geometric attempts to minimize the risk through diversification across geographies and better operating efficiencies.
4. Further downturn in mining industry can adversely impact our customers in Industrial vertical which, in turn can affect our business. Geometric attempts to minimize the risk through diversification across different verticals and better operating efficiencies.

Management's Discussion and Analysis Report (Contd.)

5. As competition increases, acquiring and retaining customers would be challenging. Geometric will use its niche expertise as well as its intellectual property to provide a competitive edge.

C. Segment-wise Reporting

Geometric has organized its business into three distinct segments:

- (i) Software Solutions
- (ii) Engineering Solutions and Services
- (iii) Products

Software Solutions:

In FY 13 we continued to reinforce our engagements through annuity based AMS (Application Management Services) for the engineering IT landscape of our customers. We maintained our focus on building and deploying PLM process solutions for our key customers. We also worked closely with our ISV partners to jointly build PLM solutions. We saw a steady flow of new PLM projects in the automotive, industrial and aerospace sectors. Reinforced by the Consulting Group that we formed last year, we have been able to engage with customers in their strategic initiatives and move towards being a trusted PLM advisors for our customers. Our focus on the region, strong partnerships and consulting approach has helped us succeed in the under-served European market.

We continued to win engagements for our CAX services and solutions driven by the technology modernization programs at our customers. Our highly differentiated capabilities in the CAX software development backed by our own IP has helped us to provide solutions to our customers to upgrade or migrate their design tools and gain efficiency through KBE (Knowledge Based Engineering) solutions. Software Services and Solutions drove the growth in many of our key accounts.

Engineering Solutions and Services:

Geometric provides engineering solutions and services for product engineering, manufacturing engineering and industrial engineering to customers across all our target industries. Our true global engineering model through our engineering locations in USA, Europe India, and China helps us support our customers with their local engineering requirements. We ramped-up engineering engagements with two of our largest automotive accounts for offshore and onsite delivery respectively. Manufacturing engineering is one of our highly differentiated capabilities and we won engagements to support our customers in their manufacturing plants across the globe including in India and China. While overall engineering services saw a downwards trend in the later part of the year, the big positive was our excellent quality track record that earned us the Gold Supplier status with a key customer in aerospace and our IP lead engineering offerings winning acceptance for CAD data migration and should costing. The focus going ahead will be to strengthen our product design offerings and reinforce our intelligent engineering proposition in our farming accounts.

Products:

Products and Technology portfolio of Geometric includes products for design, manufacturing, visualization and collaboration. The portfolio also includes interoperability solutions that integrate engineering and manufacturing applications within and across PLM and other enterprise systems. Our award winning DFMPPro product has seen success through the value delivered to some of the world's most innovative organizations. Taking ahead our R&D efforts the business now has three products that are cloud enabled. The products business is seen as a significant differentiator for our services business and in FY 13 this business exceeded both the revenue and profitability targets. CAMWorks, our CAM solution that has traditionally been a retail product, also saw success at the enterprise level by enabling a services model for Geometric. Our interoperability solutions continued to solve specific data, application and process challenges for our customers including for a leading Chinese automotive company.

D. Outlook

The Company had launched a number of strategic initiatives in the year and plans to build on these to achieve continuous improvement and steady business performance in the coming year.

E. Risks and Concerns

The risks and uncertainties include, but are not limited to, risks and uncertainties regarding fluctuations in earnings and exchange rates, the Company's ability to manage growth, intense competition in IT services including those factors



Management's Discussion and Analysis Report (Contd.)

which may affect our cost advantage, wage increases, our ability to attract and retain highly skilled professionals, time and cost overruns on fixed price contracts, client concentration, restrictions on immigration, our ability to manage our international marketing and sales operations, reduced demand for technology in our key focus areas, disruptions in telecommunication networks, liability for damages on our service contracts and product warranty, the success of the companies in which the Company has made strategic investments, withdrawal of governmental fiscal incentives, political instability, legal restrictions on acquiring companies outside India, and unauthorized use of our and our customers' intellectual property, the latter when in our possession as well as general economic conditions affecting our industry and repayment capability of customers in current market scenario. The Company may, from time to time, make additional written and oral forward-looking statements and our reports to shareholders. The Company does not undertake to update any forward-looking statement that may be made from time to time by or on behalf of the Company.

F. Internal Control Systems and their Adequacy

The Company has adequate internal control systems and procedures commensurate with its size and nature of business. All areas of the Company's operations are covered by such internal control systems including sale of software, purchase of fixed assets and equipments, other purchases, fixed assets accounting, personnel expenditure related processes etc. An independent firm of Chartered Accountants has been appointed as the Internal Auditors of the Company and the Audit Committee has accepted their reports and the recommendations, where feasible, have been implemented. The Company has implemented SAP- a world class ERP system to serve as the information backbone and to further strengthen internal controls in the Company.

G. Discussion on financial performance with respect to operational performance.

(I) Financial condition

Equity and Liabilities

1. Share Capital

At present, we have only one class of shares – equity shares of par value ₹ 2 each. Our authorized share capital is ₹ 160 million, divided into 80 million equity shares of ₹ 2 each.

During the year 365,879 equity shares of ₹ 2 each have been issued under various Employee Stock Option Plans. Consequently, the issued, subscribed and outstanding shares increased to 63,036,194 from 62,670,315 and share capital increased to ₹ 126.07 Mn from ₹ 125.34 Mn.

2. Reserves and Surplus

A summary of reserves and surplus is provided in the table below:

(₹ in Millions)

Particulars	Standalone		Consolidated	
	Current Year	Previous Year	Current Year	Previous Year
Securities Premium Account	30.52	16.48	206.86	192.83
Hedging Reserve	(264.81)	(423.69)	(363.71)	(586.99)
General Reserve	154.77	120.35	217.82	158.46
Foreign currency translation Reserve	-	-	(27.37)	(1.09)
Capital Redemption Reserve	-	-	0.58	0.58
Capital Reserve	-	-	0.58	0.58
Investment Reorganization Reserve	756.07	756.07	49.36	49.36
Surplus In The Statement Of Profit And Loss	1,675.19	1,479.63	2,416.17	1,926.44

We use foreign currency forward contracts to hedge risk associated with foreign currency fluctuations relating to certain firm commitments and highly probable forecast transactions. We designate these as Cash Flow Hedges. Foreign currency forward contracts are initially measured at fair value and are remeasured at subsequent reporting dates. Changes in the fair value of these derivatives that are designated and effective as hedges of the future cash flows are recognized directly under Shareholder's Funds in the Hedging Reserve.

Management's Discussion and Analysis Report (Contd.)

3. Deferred tax Liability and Asset

We recorded deferred tax asset of ₹ 17.55 Mn (Standalone) and deferred tax liability of ₹ 17.21 Mn (consolidated) as of March 31, 2013 and deferred tax asset ₹ 63.28 Mn (consolidated) as of March 31, 2012. Deferred tax asset represents timing differences in the financial and tax books arising from depreciation on assets and provision for Bonus and others (causing deferred tax asset).

4. Other Long term Liabilities:

(₹ in Millions)

Particulars	Standalone		Consolidated	
	Current Year	Previous Year	Current Year	Previous Year
Deferred Revenue	-	-	38.11	33.08

5. Long-term Provisions:

Long term provisions of ₹ 16.79Mn (Consolidated) as of March 31, 2013 represent provision towards employee benefits due after 12 months.

6. Short-Term Borrowings:

(₹ in Millions)

Particulars	Standalone		3DPLM Software Solutions Ltd		Geometric Americas, Inc.	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Loan from Citi Bank	-	-		176.36	-	-
Loan from ICICI Bank	-	-	-	-	277.40	498.23

7. Trade Payables

Sundry creditors represent the amount payable to vendors for the supply of goods and services. The Consolidated amount of trade payables includes ₹ 0.04 Mn due to Small Scale units.

8. Other Current Liabilities

Other current liabilities consist of advance billing to customer and deferred revenue, accrued salaries and benefits payable to the staff, various statutory liabilities and amounts accrued for various other operational expenses. Unclaimed dividends represent dividends paid but not encashed by shareholders.

9. Provisions

Provision for Compensated absences represents amount calculated as per Company's leave encashment policy and provision for Gratuity represents additional provision over gratuity fund made based on actuarial valuation. Provision for mark to market loss on derivative contracts represents the amount of loss on mark-to-market valuation of the forward covers taken by the Company

Provision for dividend represents proposed dividend recommended to the shareholders by the Board and would be paid after the Annual General Meeting upon approval by the shareholders. Provision for dividend tax represents tax payable on proposed dividend.

Application of funds



Management's Discussion and Analysis Report (Contd.)

10. Fixed Assets

A statement of movement in fixed assets is given below:

(₹ in Millions)

Particulars	Current Year	Standalone Previous Year	Growth (%)	Current Year	Consolidated Previous Year	Growth (%)
Leasehold Land	10.41	10.73	(2.98)	50.51	50.84	0.66
Buildings	-	-	-	343.32	296.93	37.37
Leasehold Improvement	34.57	6.66	419.07	45.32	15.29	196.40
Computers	56.14	53.99	3.98	893.92	802.11	11.45
Electrical Installations	42.09	38.75	8.62	237.44	212.25	54.84
Office Equipment and EPABX	32.60	28.35	14.99	149.85	112.42	48.56
Furniture and Fixtures	81.62	66.95	21.91	317.93	273.78	53.72
Vehicles	-	-	-	25.22	30.25	(16.63)
Computer Software	464.12	355.60	30.52	594.00	483.35	22.89
Goodwill	-	-	-	60.89	63.40	(3.96)
Gross Block	721.55	561.03	28.61	2718.29	2340.61	26.11
Less: Accumulated Depreciation	494.78	371.28	33.26	1738.50	1278.19	36.01
Net Block	226.77	189.75	19.51	979.79	877.35	11.68
Add: Capital WIP	7.92	0.41	(1,822.33)	1.77	1.412	25.99
Net Fixed Assets	234.69	190.16	23.42	997.57	891.46	5.23

a. Capital expenditure

We incurred an amount of ₹ 262.63 Mn (₹ 232.68 Mn in the previous year) as capital expenditure comprising of additions to gross block and ₹ 12.47 Mn (₹ 1.18 Mn in the previous year) on account of increase in capital work-in-progress.

b. Additions to gross block

(₹ in Millions)

Particulars	Standalone Current Year	Standalone Previous Year	Consolidated Current Year	Consolidated Previous Year
Total Addition to Gross Block	161.07	75.19	433.51	271.81

The Company has verified the assets and where required the technology assets have been replaced, where necessary.

11. Current and Non-Current Investments

(₹ in Millions)

Particulars	Standalone Current Year	Standalone Previous Year	Consolidated Current Year	Consolidated Previous Year
Current Investments:				
Investments in Mutual Funds	249.43	465.45	775.67	695.62
Non-Current Investments:				
Investments in Subsidiaries	809.62	626.58	-	-
Other trade Investments	30.96	30.96	30.96	30.96

We have made investments in units of various debt-based liquid or floater mutual funds. This represents surplus funds of the organization parked with these mutual fund schemes, which can be recalled at very short notice.

Other trade investments represent investment made in Power way Inc. However, as the Company filed for bankruptcy under Chapter 11, we created provision for the diminution in value of investment with full investment amount.

Management's Discussion and Analysis Report (Contd.)

12. Long-term Loans and Advances

Long-term loans and advances include expenses paid in advance. The benefit of these expenses is expected to be utilized after expiry of twelve months. Sundry deposits which represent deposit towards telephone, rent, electricity, lease and other deposits.

During the year, the Company received a net repayment of loan amounting to ₹ Nil (previous year: 91.80 Mn) from Geometric Americas, Inc. Total loans outstanding from Geometric Americas, Inc. and Geometric Europe GmbH, as on March 31, 2013 stands at ₹ 942.75 Mn.

13. Other Non-Current Assets

Other Non-current assets include the amount of Long-term deposits with banks with original maturity period more than 12 months.

14. Trade Receivables

(₹ in Millions)

Particulars	Standalone (Excluding Intercompany)		Consolidated	
	Current Year	Previous Year	Current Year	Previous Year
Sundry Debtors	317	344	1,478	1,445
Days sales Outstanding (DSO)	62	83	53	65
Debtors as a % of revenue	17.09%	22.80%	15.45%	17.89%

These debtors are considered good and realizable, and provision has been made for all doubtful debts.

Provisions are generally made for all debtors outstanding for more than 180 days as also for others, depending on the management's perception of the risk. The need for provisions is assessed based on various factors including collectability of specific dues, risk perceptions of the industry in which the customer operates and general economic factors which could affect the customer's ability to settle. As on March 31, 2013, provision for doubtful debts stands at ₹ 22.69 Mn (Standalone) and ₹ 80.13 Mn (Consolidated). The provision has been made for debtors outstanding for more than 180 days and also includes debtors which we foresee unrealizable.

Cash and Bank Balances

The bank balances in India include both Rupee accounts and foreign currency accounts. The bank balances in overseas current accounts are maintained to meet the expenditure of the overseas branches and project-related overseas expenditure.

(₹ in Millions)

Particulars	Standalone		Consolidated	
	Current Year	Previous Year	Current Year	Previous Year
Cash balances	-	-	0.09	0.17
Remittance in Transit	10.97	3.68	10.97	10.41
Current Accounts(including foreign currency accounts)	18.27	344.71	313.17	531.81
Deposit Accounts	1.25	1.17	4.27	15.65
Unclaimed dividend account	3.38	3.14	3.38	3.16
Investment in liquid mutual funds reported under investments	249.43	465.45	775.67	695.62
Total cash and cash equivalent	283.31	818.16	1,107.55	1,257.13
Cash and cash equivalent/revenues	8.04%	30.33%	10.73%	15.56%

15. Short term Loans and Advances

Loans and Advances are primarily towards amounts paid in advance for value and services to be received in future. Advance payment of taxes represents payments made towards tax liability, tax deducted at source and refunds due; for years where assessment is yet to start or under progress. The Company's liability towards income tax has been fully provided in the accounts and disclosed appropriately.

Loans to employees are made to enable the purchase of assets by employees and to meet any emergency requirements.



Management's Discussion and Analysis Report (Contd.)

16. Other Current Assets

Other current assets include Interest accrued and Unbilled revenues

(II) Financial Review

1. Income

The Company derives its income mainly from software services and the sale of software products. Other income consists of dividends from mutual funds, rent, gains on foreign exchange fluctuations and income from investment of surplus funds.

Details of the business segmentation and geographical segmentation of income are given below. This segmentation is based on the Consolidated Financial Statements of the Company and its subsidiaries.

(a) Business segmentation of total sales (Consolidated)

(₹ in Millions)

Particulars	Current Year		Previous Year	
	₹	%	₹	%
Products	580.80	5.69	424.01	5.25
Services	9,622.80	94.31	7,655.07	94.75
Total	10,203.60	100.00	8,079.08	100.00

(b) Geographical Segmentation of total sales (Consolidated)

(₹ in Millions)

Particulars	Current Year		Previous Year	
	₹	%	₹	%
USA	6,642.80	65.10	5,760.45	71.30
Europe	2,437.40	23.89	1,486.51	18.40
Asia Pacific	462.30	4.53	339.31	4.20
India	661.10	6.48	492.81	6.10
Total	10,203.60	100.00	8,079.08	100.00

2. Expenditure

2.1 Operating and Other Expenses (Standalone)

(₹ in Millions)

Particulars	Current Year	% to Total Income	Previous Year	% to Total Income	Growth %
Personnel Expenses	1,955.70	52.98	1,902.20	62.26	(9.28)
Travelling and Conveyance Expenses	114.41	3.10	102.08	3.34	(0.24)
Software Tools and Packages	49.05	1.33	39.68	1.30	0.03
Royalty	31.21	0.85	37.59	1.23	(0.38)
Legal and Professional Charges	242.87	6.58	175.61	5.75	0.83
Rent and Service Charges	216.57	5.87	197.63	6.47	(0.60)
Repairs and Maintenance	16.18	0.44	14.04	0.46	(0.02)
Electricity Expenses	43.93	1.19	35.25	1.15	0.04
Computer Rental Charges	84.46	2.29	83.26	2.73	(0.44)
Sales and Marketing Expenses	9.93	0.27	7.09	0.23	0.04
Other Expenses	363.25	9.84	94.05	3.08	6.76
Total Operating and Other Expenses	3,127.56	84.72	2,688.48	87.99	(3.27)
Total Income	3,691.54	100.00	3,055.33	100.00	

Management's Discussion and Analysis Report (Contd.)

2.2 Operating and Other Expenses (Consolidated)

(₹ in Millions)

Particulars	Current Year	% to Total Income	Previous Year	% to Total Income	Growth %
Personnel Expenses	6,530.16	63.26	5,389.68	65.39	(2.13)
Travelling and Conveyance Expenses	243.32	2.36	232.99	2.83	(0.47)
Software Tools and Packages	101.11	0.98	90.77	1.10	(0.12)
Royalty	96.78	0.94	77.28	0.94	(0.00)
Legal and Professional Charges	415.35	4.02	307.62	3.73	0.29
Rent and Service Charges	346.06	3.35	289.07	3.51	(0.16)
Repairs and Maintenance	48.57	0.47	35.03	0.42	0.05
Electricity Expenses	108.88	1.05	87.48	1.06	(0.01)
Computer Rental Charges	89.79	0.87	89.35	1.08	(0.21)
Sales and Marketing Expenses	89.27	0.86	83.52	1.01	(0.15)
Other Expenses	649.44	6.29	249.37	3.03	3.26
Total Operating and Other Expenses	8,718.73	84.47	6,931.98	84.11	0.36
Total Income	10,321.97	100.00	8,241.76	100.00	

2.3 Depreciation

(₹ in Millions)

Particulars	Standalone		Consolidated	
	Current Year	Previous Year	Current Year	Previous Year
Depreciation	123.55	88.76	329.40	269.66
% to gross block of assets	17.12	15.82	12.12	12.51
% to Sales: Software Packages and Services	3.51	3.29	3.23	3.34

3. Operating Profit

(₹ in Millions)

Particulars	Standalone		Consolidated	
	Current Year	Previous Year	Current Year	Previous Year
Operating Profit (Profit Before Tax Less non-operating Income/(Loss))*	274.87	345.18	1126.07	957.39
Sales: Software Packages and Services	3,522.50	2,697.32	10,203.63	8,079.08
Operating Margin	7.80%	12.80%	11.04%	11.85%

*Includes Forex Gain/(Loss)

Provision for Tax

Provision for deferred tax liability has been made in accordance with the Accounting Standard (AS- 22) issued by the Institute of Chartered Accountants of India.

H. Material Developments in Human Resources

The Company continues its focus on attracting and retaining the best talent in the industry. Several technical and behavioral training programs were organized during the year.

Number of people employed (Consolidated):

Particulars	March 31, 2013	March 31, 2012
Operations	4,231	4,220
Support	392	347
Total	4,623	4,567

I. General

Figures for the previous year have been regrouped / restated wherever necessary to conform to current period's presentation.



CEO & CFO's Certification

We, Manu Parpia, Managing Director and Chief Executive Officer and Arvind Kakar, Chief Financial Officer of Geometric Limited, to the best of our knowledge and belief, certify that:

- a) We have reviewed financial statements and the cash flow statement for the year ended March 31, 2013 and that to the best of our knowledge and belief:
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

For Geometric Limited

Manu Parpia
Managing Director & Chief Executive Officer

Arvind Kakar
Chief Financial Officer

Mumbai

April 18, 2013



Engine for Growth

Geometric Limited

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

Regd. Office :

Plant 6, Pirojshanagar, Vikhroli (W), Mumbai 400 079, India



Independent Auditor's Report

To the Board of Directors

Geometric Limited

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

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries as noted below, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- a. in the case of the consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b. in the case of the consolidated Statement of Profit and Loss, of the profits for the year ended on that date; and
- c. in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Other Matter

We did not audit the financial statements of certain subsidiaries, whose financial statements reflect the Group's share of total assets (net) of ₹ 36,523 lakhs as at March 31, 2013, the Group's share of total revenues of ₹ 72,546 lakhs and net cash inflows amounting to ₹ 910 lakhs for the year then ended. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion is based solely on the reports of the other auditors. Our opinion is not qualified in respect of this matter.

For and on behalf of
Kalyaniwalla and Mistry
 Chartered Accountants
 Firm Reg. No. 104607W

Viraf R. Mehta
 Partner
 M. No. 32083
 Mumbai: April 29, 2013.

Consolidated Balance Sheet as at March 31, 2013

(Amount in ₹)			
	Note	As at March 31, 2013	2012
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	5	126,072,388	125,340,630
Reserves and Surplus	6	2,500,288,560	1,740,172,506
		2,626,360,948	1,865,513,136
Share Application Money pending allotment	7	313,365	386,568
Minority Interest		716,606,909	541,138,308
Non-Current Liabilities			
Deferred Tax Liabilities (Net)	8	17,207,434	3,561,685
Other Long-Term Liabilities	9	38,109,160	33,079,841
Long-Term Provisions	10	16,791,730	13,735,000
		72,108,324	50,376,526
Current Liabilities			
Short-Term Borrowings	11	277,394,657	674,583,259
Trade Payables	12	72,244,908	91,703,228
Other Current Liabilities	13	1,096,934,233	758,995,356
Short-Term Provisions	14	800,539,393	941,845,728
		2,247,113,191	2,467,127,571
TOTAL		5,662,502,737	4,924,542,109
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	15	841,785,404	732,342,251
Intangible Assets	16	138,002,104	145,005,495
Capital Work-in-Progress		17,780,205	14,111,962
Non-Current Investments	17	-	-
Deferred Tax Assets (Net)	18	63,278,396	41,777,827
Long-Term Loans and Advances	19	399,598,770	434,505,718
Goodwill (on Consolidation)		657,282,223	-
Other Non-Current Assets	20	6,963,977	6,953,814
		2,124,691,078	1,374,697,067
Current Assets			
Current Investments	21	775,669,171	695,620,325
Trade Receivables	22	1,477,795,762	1,445,051,430
Cash & Bank Balances	23	331,884,983	561,203,922
Short-Term Loans and Advances	24	331,267,562	339,989,945
Other Current Assets	25	621,194,181	507,979,420
		3,537,811,659	3,549,845,042
TOTAL		5,662,502,737	4,924,542,109

The accompanying notes are an integral part of the financial statements.

As per our Report attached

For and on behalf of

Kalyaniwalla & Mistry

Chartered Accountants

Firm Registration No. 104607W

Viraf R. Mehta

Partner

Membership No. 32083

For and on behalf of the Board

J. N. Godrej

Chairman

Manu Parpia

Managing Director & CEO

Milind Sarwate

Director

Arvind Kakar

Chief Finance Officer

Maria Monserrate

Company Secretary

Mumbai, April 29, 2013

Mumbai, April 29, 2013



Consolidated Statement of Profit and Loss for the year ended March 31, 2013

(Amount in ₹)

	Note	Year ended March 31, 2013	2012
REVENUE			
Revenue from operations	26	10,203,633,571	8,079,087,991
Other Income	27	118,332,436	162,668,143
TOTAL REVENUE		10,321,966,008	8,241,756,134
EXPENSES			
Employee Benefit Expenses	28	6,530,157,110	5,389,660,020
Other Expenses	29	2,188,568,999	1,542,474,331
Finance Costs	30	35,567,635	24,831,069
Depreciation and Amortisation Expense	31	329,397,613	269,659,482
TOTAL EXPENSES		9,083,691,357	7,226,624,902
PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX		1,238,274,650	1,015,131,232
Exceptional Items	32	6,124,634	-
PROFIT BEFORE TAX		1,244,399,284	1,015,131,232
Tax Expense			
Current Tax		383,477,554	347,900,078
Deferred Tax		(3,285,848)	(62,370,403)
Prior Year Tax Adjustment		(3,346,014)	(7,479,143)
		376,845,691	278,050,532
PROFIT AFTER TAX AND BEFORE PRIOR PERIOD ADJUSTMENTS		867,553,593	737,080,700
Prior Period Adjustments		-	(3,818,321)
PROFIT AFTER TAX AND BEFORE MINORITY INTEREST		867,553,593	733,262,379
Minority Interest in net profit of Subsidiaries		(180,085,174)	(141,684,680)
PROFIT FOR THE PERIOD		687,468,419	591,577,699
EARNINGS PER EQUITY SHARE (Not Annualised)	33		
(Nominal value per share ₹ 2 (March 31, 2013: ₹ 2))			
Basic		10.95	9.45
Diluted		10.78	9.39

The accompanying notes are an integral part of the financial statements.

As per our Report attached
For and on behalf of
Kalyaniwalla & Mistry
Chartered Accountants
Firm Registration No. 104607W

Viraf R. Mehta
Partner
Membership No. 32083

Mumbai, April 29, 2013

For and on behalf of the Board

J. N. Godrej
Chairman

Manu Parpia
Managing Director & CEO

Arvind Kakar
Chief Finance Officer

Milind Sarwate
Director

Maria Monserrate
Company Secretary

Mumbai, April 29, 2013

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

(Amount in ₹)

	Year ended March 31,	
	2013	2012
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit Before Tax	1,244,399,284	1,015,131,232
Adjustments for:		
Depreciation	329,397,613	269,659,482
(Profit)/Loss on Assets Sold/written off	(10,042,301)	(469,686)
(Profit)/Loss on Sale of Investments	(1,229,735)	(392,256)
Interest Expense	35,567,635	24,831,069
Interest Income	(1,056,869)	(3,719,685)
Dividend Income	(56,576,027)	(27,587,087)
Unrealised Foreign Exchange loss/(gains)	3,747,205	(54,717,750)
	299,807,521	207,604,087
Operating Profit Before Working Capital Changes	1,544,206,805	1,222,735,319
Working Capital Changes:		
Trade and Other Receivables	119,487,112	(181,430,872)
Long-Term/Short-Term Loans & Advances	369,390,907	(1,061,535,435)
Other Current/Non Current Assets	(117,372,764)	55,114,496
Trade Payables	(49,847,791)	49,526,648
Long-Term/Short -Term Provisions	(164,191,890)	731,508,241
Other Current/Non Current Liabilities	(167,851,788)	81,795,533
	(10,386,214)	(325,021,389)
Cash Generated from Operations	1,533,820,591	897,713,930
Income Taxes Paid	(194,481,708)	(167,508,785)
Net Cash from Operating Activities before Prior Period Adjustments	1,339,338,884	730,205,145
Prior Period Adjustments	-	(3,818,321)
Net Cash from Operating Activities	1,339,338,884	726,386,824
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	(431,200,041)	(281,771,401)
Acquisition of subsidiary	(566,683,153)	-
Proceeds from Sale of Fixed Assets	18,744,976	4,015,894
Purchase of Investments	(4,323,525,602)	(4,494,278,404)
Proceeds from Sale/Redemption of Investments	4,244,706,490	3,937,567,870
Dividend Received	56,576,027	27,587,087
Interest Received	1,876,065	5,478,761
Net Cash (used in) Investing Activities	(999,505,238)	(801,400,193)
<i>Balance carried forward</i>	339,833,646	(75,013,369)



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

(Amount in ₹)

	Year ended March 31,	
	2013	2012
<i>Balance brought forward</i>	339,833,646	(75,013,369)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Share application money received	(73,203)	151,708
Proceeds from Issue of Share Capital	14,766,502	5,061,139
Borrowings from Bank	-	833,225,005
Repayment of Bank Borrowings	(397,188,602)	(203,261,984)
Interest Paid	(35,567,635)	(24,831,069)
Dividend Paid	(150,556,192)	(111,347,028)
Dividend Tax Paid	(24,423,029)	(19,610,407)
Net Cash (used in) Financing Activities	(593,042,159)	479,387,364
NET (DECREASE) IN CASH AND CASH EQUIVALENTS	(253,208,513)	404,373,995
CASH AND CASH EQUIVALENTS:		
AT THE BEGINNING OF THE YEAR		
Cash and Bank Balances	556,873,846	101,959,943
Add : Cash and Bank taken over on acquisition of subsidiary	20,560,930	50,539,908
	577,434,776	152,499,851
CASH AND CASH EQUIVALENTS:		
AT THE END OF THE YEAR		
Cash and Bank Balances	324,223,134	554,554,786
Effect of exchange rate changes	3,129	2,319,060
	324,226,263	556,873,846
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(253,208,513)	404,373,995
COMPONENTS OF CASH AND CASH EQUIVALENTS		
Cash in hand	89,923	172,838
With Banks	313,168,035	546,291,764
Remittance in Transit	10,968,304	10,409,244
Cash & Cash Equivalents considered for Cash flow	324,226,263	556,873,846

As per our Report attached
For and on behalf of
Kalyaniwalla & Mistry
Chartered Accountants
Firm Registration No. 104607W

Viraf R. Mehta
Partner
Membership No. 32083

Mumbai, April 29, 2013

For and on behalf of the Board

J. N. Godrej
Chairman

Manu Parpia
Managing Director & CEO

Arvind Kakar
Chief Finance Officer

Milind Sarwate
Director

Maria Monserrate
Company Secretary

Mumbai, April 29, 2013

Notes to Consolidated Financial Statements

1 GROUP'S SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Accounting:

The consolidated financial statements of Geometric Limited and its Subsidiaries ("the group") have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all material aspects with the generally accepted accounting principles in India, the Accounting Standards as notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Companies Act, 1956.

b. Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Differences between the actual results and estimates are recognised in the period in which the results are known/materialized.

c. Fixed Assets and Depreciation:

Fixed Assets are stated at cost less accumulated depreciation. Cost includes all expenses related to acquisition and installation of the concerned assets and any attributable cost of bringing the asset to the condition of its intended use. Borrowing costs attributable to the acquisition or construction of a qualifying assets is also capitalised as part of the cost of the asset.

Depreciation is provided under the straight line method, based on useful lives of assets as estimated by the Management or at the rates prescribed in Schedule VI to the Companies Act 1956, whichever is higher. Depreciation is charged on a monthly pro-rata basis for assets purchased/sold during the year. Individual assets acquired for less than ₹ 5,000/- are entirely

depreciated in the year of acquisition. The Management's estimate of useful lives for various fixed assets is as under:

Asset	Useful Life of Asset in Years
Buildings	20-28
Computers	3-5
Electrical Installation	8
Office Equipment and EPABX systems	3-13
Furniture and Fixtures	3-10
Vehicles	10
Software	3-5
Goodwill	10

Leasehold land and leasehold improvements are amortised over the lease period.

In case of fixed assets of the subsidiary, Geometric Americas, Inc. (formerly known as Geometric Software Solutions, Inc.), the accelerated method of depreciation has been followed. This has no material impact on the consolidated financial statements.

d. Leases:

Lease arrangements where the risks & rewards incident to ownership of an asset substantially vest with the lessor, are recognized as operating leases. Lease rentals under operating leases are recognized in the Statement of Profit and Loss on straight line basis.

e. Asset Impairment:

The Company assesses at each reporting date using external and internal sources, whether there is an indication that an asset may be impaired. An impairment occurs where the carrying value exceeds the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. The impairment loss to be expensed is determined as the excess of the carrying amount over the higher of the asset's net sales price or present value as determined above.

f. Investments:

Investments that are readily available and intended to be held for not more than one year from the



Notes to Consolidated Financial Statements (Contd.)

date of acquisition, are classified as current investments. All other investments are classified as long-term investments.

Long-term investments are carried at cost. Provision for diminution, if any, in the value of each long term investment is made to recognise a decline, other than that of a temporary nature.

Current investments intended to be held for less than one year are stated at the lower of cost and fair value.

g. Foreign Exchange Transactions:

(i) Initial Recognition and Conversion:

Transactions in foreign currency are recorded in the reporting currency by applying the exchange rates prevailing on the date of the transaction. Monetary assets and liabilities related to foreign currency transactions, remaining unsettled at the year end, are retranslated at the exchange rate prevailing at the reporting date. Non Monetary foreign currency items like investments in foreign subsidiaries are carried at cost and expressed in Indian currency at the rate of exchange prevailing at the time of making the original investment.

Forward exchange contracts entered to hedge foreign currency risk of an existing asset/liability

The premium or discount arising at the inception of forward contract is amortised and recognised as an expense/income over the life of the contract. Exchange differences on such contracts are recognised in the statement of profit and loss in the period in which the exchange rates change. Cancellation gains or losses on such contracts are also recognised as income or expenses for the period.

The functional currency of Geometric Ltd. and 3D PLM Software Solutions Ltd. is Indian Rupee. The functional currencies for Geometric Americas Inc., Geometric Asia Pacific.Pte and Geometric Europe GmbH is their respective local currency.

(ii) Functional and Presentation Currency:

Items included in the financial statements of the Group are measured using the currency of

the primary economic environment in which the subsidiaries operate (the “functional currency”). The financial statements are presented in Indian Rupees, which is the Group’s presentation currency.

(iii) Foreign subsidiary consolidation:

Integral Operations

In respect of integral operations, monetary assets and liabilities are translated at the exchange rate prevailing at the date of the balance sheet. Non-monetary items are translated at the historical rate. The items in the statement of profit and loss are translated at the average exchange rate during the period. The differences arising out of the translation are recognised in the statement of profit and loss.

Non-integral operations:

In respect of non-integral operations, assets and liabilities are translated at the exchange rate prevailing at the date of the balance sheet. The items in the statement of profit and loss are translated at the average exchange rate during the period. The differences arising out of the translation are transferred to foreign currency translation reserve.

h. Derivative Instruments and Hedge Accounting:

The group uses foreign currency forward contracts to hedge its risk associated with foreign currency fluctuations relating to certain firm commitments and highly probable forecast transactions. The group designates these as Cash Flow Hedges.

The use of foreign currency forward contracts is governed by the Company’s policies approved by the Board of Directors, which provide written principles on the use of such forward contracts consistent with the Company’s risk management strategy. The Company does not use derivative financial instruments for speculation purpose.

Forward exchange contracts obtained to hedge firm commitments or highly probable forecast revenues are recorded using the principles of hedge accounting as recommended under Accounting Standard 30 – “Financial Instruments: Recognition and Measurement” issued by the Institute of Chartered Accountants of India. Such forward exchange contracts which qualify for cash

Notes to Consolidated Financial Statements (Contd.)

flow hedge accounting and where the conditions of AS 30 have been met are initially measured at fair value and are remeasured at subsequent reporting dates. Changes in the fair value of these derivatives that are designated and effective as hedges of the future cash flows are recognized directly under Shareholder's Funds in the Hedging Reserve and the ineffective portion is recognized immediately in the Statement of Profit and Loss.

Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognized in the Statement of Profit and Loss as they arise.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, exercised, or no longer qualifies for hedge accounting. At that time for forecasted transactions, any cumulative gain or loss on the hedging instruments recognized in the Hedging Reserve is retained there until the forecasted transaction occurs. If a hedge transaction is no longer expected to occur, the net cumulative gain or loss recognized in the Hedging Reserve is transferred to the Statement of Profit and Loss for the year.

i. Revenue Recognition:

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Services:

Revenue from time and material contracts for software development is recognized on a per hour basis as per the terms and conditions agreed with the customers or on completion of contracts or when the deliverables are dispatched to customers. In case of fixed price contracts, which are generally time bound, revenue is recognized over the life of the contract using proportionate completion method, on the basis of work completed. Foreseeable losses on such contracts are recognised when probable.

Unbilled Revenues included in other current assets represents costs in excess of billings as at the balance sheet dates. Advance Billing & Deferred Revenue included in current liabilities represents billing in excess of revenue recognized.

Products:

Revenue from sale of traded software products is recognized when the software has been delivered, in accordance with sales contract. Revenue from software upgradation fees on software developed by the Company is recognized over the period for which it is received.

Others:

Interest income is recognized on time proportion basis. Dividend income is recognized when the right to receive the dividend is established by the reporting date.

j. Borrowing Costs:

Borrowing costs that are directly attributable to the acquisition of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of that asset till the date it is put to use. Other borrowing costs are recognised as an expense in the period in which they are incurred.

k. Research and Development Expenditure:

Expenditure on in-house development of software is charged to the Statement of Profit and Loss in the year in which it is incurred.

l. Software Expenditure:

Software purchased is capitalized and written off over its useful life, which is normally three years, provided the software is regularly updated through a maintenance contract, failing which, the unamortized balance is charged to revenue. If the usage of software is discontinued, its unamortized cost is also charged to revenue.

The cost of software purchased for specific software development contracts is charged over the period of such contracts, or three years, whichever is less.

Small-value software purchases costing between ₹ 5,000 and ₹ 50,000, other than software categorized as 'Standard Software Development Tools', is written off as and when incurred. Software categorized as 'Standard Software Development Tools' is capitalized and depreciated over a period of three years.

Software costing below ₹ 5,000 is written off as and when the cost is incurred.



Notes to Consolidated Financial Statements (Contd.)

m. Goodwill and Impairment:

Goodwill is tested annually for impairment at the reporting unit level. The goodwill impairment test has two steps. The first identifies potential impairments by comparing the fair value of a reporting unit with its book value, including goodwill. If the fair value of the reporting unit exceeds the carrying amount, goodwill is not impaired and the second step is not necessary. If the carrying value exceeds the fair value, the second step calculates the possible impairment loss by comparing the implied fair value of goodwill with the carrying amount. If the implied goodwill is less than the carrying amount, a write-down is recorded.

n. Employee Stock Option Schemes:

Stock Options granted to employees are in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and are at market price calculated under the said Guidelines. The intrinsic value, being the difference, if any, between market price and exercise price is treated as Personnel Expenses and charged to the Statement of Profit and Loss. The value of the options is treated as a part of employee compensation in the financial statements and is amortised over the vesting period.

o. Warranty Obligations:

In respect of products sold by the group, which carry a specified warranty, future costs that will be incurred by the group in carrying out its obligations are estimated and accounted for on accrual basis.

p. Income-tax:

Tax expense comprise of current and deferred tax. Current income tax comprises taxes on income from operations in India and in foreign jurisdictions. Income tax payable in India is determined in accordance with the provisions of the Income Tax Act, 1961. Tax expense relating to foreign operations is determined in accordance with tax laws applicable in jurisdictions where such operations are domiciled.

Minimum alternative tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax. The group recognises MAT credit available as an asset only to the extent there is

convincing evidence that the Company will pay normal income tax after the specified period. Accordingly, MAT is recognised as an asset in the balance sheet when it is probable that the future economic benefit associated with it will flow to the group and the asset can be measured reliably.

Deferred tax is recognised on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

In the event of unabsorbed depreciation and carry forward of losses, deferred tax assets are recognised only to the extent that there is virtual certainty that sufficient future taxable income will be available to realise such assets. In other situations, deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available to realise these assets.

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance taxes paid and income tax provisions arising in the same tax jurisdiction and the group intends to settle the asset and liability on a net basis. The group offsets deferred tax assets and deferred tax liabilities if it has a legally enforceable right and these relate to taxes on income levied by the same governing taxation laws.

q. Employee Benefits:

Short-term Employee benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, performance incentives, leave encashment etc., are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the employee renders the related service.

Post Employment benefits:

Defined Contribution Plans:

Payments made to defined contribution plans such as Provident Fund and Superannuation are charged

Notes to Consolidated Financial Statements (Contd.)

as an expense in the Statement of Profit and Loss as they fall due.

Defined Benefit Plans:

The group has maintained a Group Gratuity Cum Life Assurance Scheme through a Master Policy with the Life Insurance Corporation of India towards which annual premiums as determined by actuarial valuation are paid and charged against revenue. Under the Gratuity plan, every employee is entitled to the benefit equivalent to fifteen days final salary last drawn for each completed year of service depending on the date of joining. The same is payable on termination of services or retirement whichever is earlier. The benefit vests after five years of continuous services.

r. Provision and Contingent Liabilities:

A provision is recognised when the group has a present obligation as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation in respect of which a reliable estimate of the amount of the obligation can be made. Provisions are not discounted to its present value and are determined based on current best estimate.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability not recognised but its existence is disclosed in the financial statements.

s. Earnings Per Share:

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is

adjusted for events such as bonus issue, bonus element in right issue, share split and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

t. Cash & Cash Equivalents:

Cash & Cash Equivalents comprises of cash at bank and in hand and short-term investments with an original maturity of three months or less.

2 PRINCIPLES OF CONSOLIDATION

Subsidiaries are entities over which the Group has power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date on which control ceases.

The consolidated financial statements relate to Geometric Ltd ('the Company') and its subsidiary companies. The same have been prepared using uniform accounting policies for like transactions and other events in similar circumstances except in the case of certain subsidiaries and the impact of which is not quantifiable.

The financial statements of the 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. Intra group balances, intra group transactions and unrealized profits or losses are fully eliminated.

Minority Interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the Group in the subsidiary companies and further movements in their share in the equity, subsequent to the dates of investments.

The excess or lower of cost to the Company and its subsidiaries of their investments in their subsidiaries and fellow subsidiaries is recognized in the financial statements as goodwill or capital reserve.



Notes to Consolidated Financial Statements (Contd.)

The subsidiary companies considered in the consolidated financial statements are

Name of the subsidiary	Country of Incorporation or Residence	Proportion of Ownership Interest
Geometric Americas, Inc.	USA	100%
Geometric SAS (subsidiary of Geometric Americas, Inc.)	France	100%
Geometric S.R.L (subsidiary of Geometric Americas, Inc.)	Romania	100%
Geometric Asia Pacific Pte. Ltd.	Singapore	100%
Geometric China Inc. (subsidiary of Geometric Asia Pacific Pte. Ltd)	China	100%
Geometric Japan KK. (subsidiary of Geometric Asia Pacific Pte. Ltd)	Japan	100%
Geometric Europe GmbH	Europe	100%
3Cap technologies GmbH (subsidiary of Geometric Europe GmbH)	Europe	100%
3D PLM Software Solutions Ltd.*	India	58%

*Represents company which is jointly controlled entity in terms of the shareholders' agreement. However, the same is consolidated as subsidiary in accordance with AS 21 "Consolidated Financial Statements" as company is holding in excess of 50% in the subsidiary.

3. SCHEME OF AMALGAMATION

The Karnataka High Court by its Order dated September 13, 2012 has approved the Scheme of Amalgamation ('the Scheme') between 3D PLM Software Solutions Ltd. and Delmia Solutions Private Limited, the wholly owned subsidiary of 3D PLM Software Solutions Ltd.

from the 'Appointed Date' as defined in the Scheme of April 01, 2012.

3D PLM Software Solutions Ltd. has filed the certified copies of the order sanctioning the Scheme of Amalgamation passed by the Karnataka High Court, with the Registrar of Companies - Karnataka and Maharashtra on October 08, 2012. Accordingly the Effective Date of the Scheme is October 08, 2012.

The accounting for merger is done in accordance with "the Pooling of Interest Method" referred to in Accounting Standard 14 – Accounting for Amalgamation.

4. Acquisitions

Geometric Europe GmbH has acquired 100% stake in 3Cap Technologies GmbH, a company specialized in automotive and embedded systems located in Munich, Germany for a total consideration of Euro 11 million payable in a phased manner. The transfer of control has been effected on January 01, 2013 and 3Cap Technologies GmbH has become a wholly owned subsidiary of Geometric Europe GmbH from that date. Out of the total consideration that has been agreed between the parties, an amount of Euro 7.5 million has been paid to the seller and the residual amount of Euro 3.5 million has been disclosed as a part of current liabilities in the Consolidated Balance Sheet. This amount of 3.5 million is payable in tranches based on performance/operational milestones as defined in the share purchase agreement dated December 20, 2012 which are as follows:

Euro 1.5 million is payable between September, 2013 to April, 2014 and is based on the retention of existing employees and business.
- Euro 2 million is payable between April, 2014 to April, 2016 and is based on performance targets. The consolidated financial statements of the Company include the results of 3Cap Technologies GmbH for the period from January 01, 2013 to March 31, 2013.

Notes to Consolidated Financial Statements (Contd.)

(Amount in ₹)

	As at Marh 31, 2013	2012
5. SHARE CAPITAL		
AUTHORISED:		
80,000,000 Equity shares (March 31, 2012		
80,000,000 equity shares) of ₹ 2/- each.	160,000,000	160,000,000
ISSUED, SUBSCRIBED AND PAID UP:		
63,036,194 Equity shares (March 31, 2012		
62,670,315 equity shares) of ₹ 2/- each fully paid up	126,072,388	125,340,630
TOTAL	126,072,388	125,340,630

Notes:

a) Reconciliation of Shares:

	No's March 31, 2013	No's March 31, 2012
At the beginning of year	62,670,315	62,425,570
Add: Issued during the year - ESOPs	365,879	244,745
Outstanding at the end of the year	63,036,194	62,670,315
Amount of shares :		
	March 31, 2013	March 31, 2012
At the beginning of year	125,340,630	124,851,140
Add: Issued during the year - ESOPs	731,758	489,490
Outstanding at the end of the year	126,072,388	125,340,630

b) Right /terms attached to Equity Shares:

The Company has only one class of equity shares having par value of ₹ 2 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing general meeting, except in case of interim dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Details of Shareholders holding 5% or more shares in the Company:

Name of Shareholder	As on March 31, No. of Shares (% Holding) 2013	2012
Godrej and Boyce Mfg. Co. Ltd.	11,275,000 (17.89)	11,275,000 (17.99)
Godrej Investments Pvt. Ltd.	7,579,008 (12.02)	7,579,008 (12.09)
Manu M. Parpia	4,267,925 (6.77)	4,292,925 (6.85)
Rakesh Radheshyam Jhunjunwala	11,261,250 (17.86)	4,310,000 (6.88)
IDBI Trusteeship Services Limited (India Advantage Fund-V)	2,688,920 (4.27)	3,867,075 (6.17)

d) Shares reserved for issue under options:

Refer Note no. 35 for details of shares reserved for issue under the Employee Stock Option Schemes.



Notes to Consolidated Financial Statements (Contd.)

(Amount in ₹)		
	As at March 31,	
	2013	2012
6. RESERVES AND SURPLUS		
SECURITIES PREMIUM ACCOUNT		
As per last Financial Statements	192,827,739	11,912,980
Add: Premium on shares allotted - ESOPs	14,034,744	4,571,649
Add: Premium on shares issued by Subsidiary under the Scheme of Amalgamation	-	176,343,110
	206,862,483	192,827,739
GENERAL RESERVE		
As per last Financial Statements	158,464,935	254,555,000
Add: Transfer from statement of Profit and Loss	59,353,319	41,488,000
Add: Adjustment under the Scheme of Amalgamation/Merger in Subsidiary	-	(137,578,065)
	217,818,254	158,464,935
HEDGING RESERVE		
As per last Financial Statements	(586,990,010)	124,856,234
Add: Fair value loss from derivative contracts qualifying as cash flow hedge	223,281,171	(711,846,244)
	(363,708,839)	(586,990,010)
FOREIGN CURRENCY TRANSLATION RESERVE		
As per last Financial Statements	(1,092,204)	7,867,866
Add: Amount recognised during the year	(26,277,590)	(8,960,070)
	(27,369,794)	(1,092,204)
CAPITAL REDEMPTION RESERVE		
As per last Financial Statements	580,000	-
Add: On Acquisition of Subsidiary	-	580,000
	580,000	580,000
CAPITAL RESERVE		
As per last Financial Statements	579,973	-
Add: On Acquisition of Subsidiary	-	579,973
	579,973	579,973
INVESTMENT REORGANISATION RESERVE		
As per last Financial Statements	49,359,896	49,359,896
(Reserve created pursuant to Scheme of Arrangement to undertake a financial reorganisation in accordance with Sections 391 to 393 read with Section 78 and Section 100 to 103 of the Indian Companies Act, 1956. The said reserve was created by appropriations from Securities Premium Account, General Reserve, and Surplus in Statement of Profit and Loss to be utilised for providing for diminution in the value of investments, impairment in value of Goodwill and offsetting realisation loss on sale of investments, if any. The balance in the Investment Reorganisation Reserve represents the unutilised amount as at the reporting date.)		
SURPLUS IN THE STATEMENT OF PROFIT AND LOSS		
As per last Financial Statements	1,926,442,177	1,604,315,963
Add : Net Profit for the year	687,468,419	591,577,699
Less: Translation of reserves of non-integral foreign operations	3,324,369	-
Add: Reversal of excess provision for dividend distribution tax of previous years	11,232,713	12,152,386
Less: Adjustment on Acquisition of Subsidiary	-	103,795,109
Less: Appropriations		
Final Dividend	79,688	100,443,648
Proposed Dividend on equity shares	107,161,530	-
Corporate Dividend Tax paid by Subsidiary	19,389,035	19,610,407
Dividend Tax	18,212,102	16,266,707
Transfer to General Reserve	60,810,000	41,488,000
	2,416,166,586	1,926,442,177
TOTAL	2,500,288,560	1,740,172,506

Notes to Consolidated Financial Statements (Contd.)

7. SHARE APPLICATION MONEY PENDING ALLOTMENT

Share application money received as on March 31, 2013 represents the amount received against Employee Stock Options to be allotted to employees as under:

Name of the Scheme	Amount received (₹)	Exercise Price (₹)	No. of Shares	Received towards Share Capital (₹)	Premium on Allotment (₹)
ESOP-2011	313,365	45.70	6,857	13,714	299,651

8. DEFERRED TAX LIABILITIES (NET)

(Amount in ₹)

	As at March 31,	
	2013	2012
Deferred Tax Liability		
Depreciation on Fixed Assets	41,807,420	26,907,876
Deferred Tax Asset		
Provision for Bonus	(7,014,969)	-
Provision for Employee Benefits	(17,030,300)	(11,197,462)
Provision for Doubtful Debts	(554,717)	(12,148,729)
TOTAL	17,207,434	3,561,685

9. OTHER LONG-TERM LIABILITIES

Deferred Revenue	38,109,160	33,079,841
TOTAL	38,109,160	33,079,841

10. LONG-TERM PROVISIONS

Provision for Employee benefits		
- Long Service Bonus	-	13,735,000
- Pension Liability	16,791,730	
TOTAL	16,791,730	13,735,000



Notes to Consolidated Financial Statements (Contd.)

	(Amount in ₹)	
	As at March 31, 2013	2012
11. SHORT-TERM BORROWINGS		
Short-term loan from banks - Secured	277,394,657	674,583,259
(Secured by a <i>pari-passu</i> charge on book debts of the Company, both present and future).		
TOTAL	277,394,657	674,583,259
12. TRADE PAYABLES		
- Dues to Small & Micro Enterprises (refer note 40)	42,606	108,386
- Dues to Other Creditors	72,202,302	91,594,842
TOTAL	72,244,908	91,703,228
13. OTHER CURRENT LIABILITIES		
Advance Billing to Customers & Deferred Revenue	63,097,498	63,529,049
Advance from Customers	33,304,050	57,229,100
Accrued Expenses	545,419,466	497,502,867
Statutory Liabilities	120,408,902	66,665,843
Other Liabilities	331,322,695	70,923,678
Unclaimed Dividends*	3,381,623	3,144,819
TOTAL	1,096,934,233	758,995,356
*The amount of Unclaimed Dividend reflects the position as at March 31, 2013. During the year, the Company has transferred an amount of ₹ 352,952 (March 31, 2012 ₹ 255,447); to the Investor Education and Protection Fund in accordance with the provisions of Section 205C of the Companies Act, 1956.		
14. SHORT-TERM PROVISIONS		
Provision for Employee benefits		
- Gratuity	35,680,704	30,616,032
- Compensated absences	143,063,688	51,507,974
- Long service bonus	20,638,333	-
Others		
- Proposed Dividend	107,161,530	100,272,504
- Tax on dividend	18,212,102	16,266,707
Provision for mark to market loss on derivative contracts	475,783,036	743,049,287
Provision for Income Tax (Net of Advance Tax ₹ 1,161,018,687, March 31, 2012 ₹ 893,197,532)	-	133,224
TOTAL	800,539,393	941,845,728

Notes to Consolidated Financial Statements (Contd.)

15. TANGIBLE ASSETS

(Amount in ₹)

ASSET	GROSS BLOCK			DEPRECIATION/AMORTISATION			NET BLOCK	
	As at April 01, 2012	Acquisitions/ Adjustments	Disposals	As at April 01, 2012	Acquisitions/ Adjustments	On Disposals	March 31, 2013	As at March 31, 2012
- Leasehold Land	50,835,089	-	-	11,672,108	-	39,417	34,606,648	39,162,981
- Buildings	296,934,511	1,839,129	7,966,681	74,453,628	65,228	97,837	252,007,382	222,480,883
- Leasehold Improvement	15,291,939	2,121,946	-	9,335,452	462,202	-	27,984,472	5,956,487
- Computers	802,105,446	4,734,093	53,854,550	635,155,226	3,158,801	53,589,956	188,235,009	166,950,220
- Electrical Installations	212,254,319	-	25,084,300	120,341,962	-	-	95,717,491	91,912,357
- Office Equipment and EPABX System	112,416,665	3,015,421	34,414,098	44,982,668	1,132,772	10,937,418	92,793,325	67,433,997
- Furniture and Fixtures	273,776,551	1,881,539	42,274,557	150,169,841	(424,267)	-	141,112,530	123,606,710
- Vehicles	30,248,535	171,394	5,200,154	15,409,919	13,860	4,943,081	9,328,546	14,838,616
TOTAL	1,793,863,055	13,763,521	67,342,761	1,061,520,804	4,408,596	58,670,291	841,785,402	-
As at March 31, 2012	1,598,014,367	160,786,094	206,493,785	917,219,170	127,555,819	167,884,983	1,061,520,804	732,342,251

16. INTANGIBLE ASSETS

ASSET	GROSS BLOCK			DEPRECIATION/AMORTISATION			NET BLOCK	
	As at April 01, 2012	Acquisitions/ Adjustments	Disposals	As at April 01, 2012	Acquisitions/ Adjustments	On Disposals	March 31, 2013	As at March 31, 2012
- Computer Software	483,347,584	297,059	34,594	375,230,905	113,789	10,669	119,000,807	108,116,679
- Goodwill	63,400,573	(2,511,520)	-	26,511,757	-	-	19,001,296	36,888,816
TOTAL	546,748,157	(2,214,461)	34,594	401,742,662	113,789	10,669	138,002,103	-
As at March 31, 2012	477,975,506	3,456,402	65,316,249	313,257,577	3,456,401	-	-	145,005,495

Note:

- Accumulated depreciation for Computer Software includes provision for impairment of ₹ 8,630,600 (Previous year: ₹ 8,630,600) adjusted in the Investment Re-Organisation Reserve during the year 2008-09 as per the Scheme of Arrangement.
- There are no adjustments to the fixed assets on account of borrowing cost during the year.
- Adjustments in Gross Block includes Fixed Assets on acquisition of 3Cap amounting to ₹ 20,452,917 and accumulated depreciation includes an amount of ₹ 4,938,997 on account of acquisition of 3Cap.
- Adjustments in gross block includes exchange difference amounting to ₹ 581,337 and accumulated depreciation includes an amount of ₹ 242,776 on account of translation of non-integral operations.



Notes to Consolidated Financial Statements (Contd.)

(Amount in ₹)

	As at March 31,	
	2013	2012
17. NON-CURRENT INVESTMENTS		
Non trade Investments (Valued at cost, unless otherwise stated)		
Unquoted Equity Instruments-Fully paid		
1,410,176 (March 31, 2012 : 1,410,176) No par value shares of Series E Senior Preferred Stock, fully paid and non-assessable in Powerway Inc.	-	-
Net of Provision other than temporary diminution ₹ 30,959,151 (March 31, 2011: ₹ 30,959,151)		
TOTAL	-	-
Aggregate amount of quoted Investments	-	-
Aggregate amount of unquoted Investments	30,959,151	30,959,151
Aggregate amount of provision for diminution in value of Investments	(30,959,151)	(30,959,151)

(Amount in ₹)

	As at March 31,	
	2013	2012
18. DEFERRED TAX ASSETS (NET)		
Deferred Tax Liability		
Depreciation on Fixed Assets	(8,660,060)	(17,609,197)
Deferred Tax Assets		
Provision for Bonus	2,722,000	3,514,000
Provision for Employee Benefits	36,316,252	5,842,546
Others	3,434,421	-
Provision for Doubtful Debts/Advances	29,465,783	50,030,478
TOTAL	63,278,396	41,777,827
19. LONG-TERM LOANS AND ADVANCES		
Unsecured, Considered Good		
Security Deposits		
- Deposit with Godrej & Boyce Ltd., a related party	20,508,305	45,379,014
- Others	123,005,454	139,827,545
	143,513,759	185,206,559
Advance Income Tax (Net of Provision for Tax ₹ 966,202,995, March 31, 2012 ₹ 788,895,335)	194,815,691	104,435,421
MAT Credit Entitlement	43,690,720	124,142,952
Advances recoverable in cash or kind		
Considered Good	1,100,000	-
Considered Doubtful	10,985,266	-
Provision for doubtful advances	(10,985,266)	-
	-	-
Other loans & advances		
- Prepaid Expenses	4,453,990	15,331,615
- Capital advances	12,024,610	5,389,171
TOTAL	399,598,770	434,505,718

Notes to Consolidated Financial Statements (Contd.)

(Amount in ₹)

	As at March 31,	
	2013	2012
20. OTHER NON-CURRENT ASSETS		
Long-term deposits with banks with original maturity period more than 12 months *	6,963,977	6,953,814
TOTAL	6,963,977	6,953,814
* of the above held as lien by bank against bank guarantees	6,888,977	2,772,537
21. CURRENT INVESTMENTS		
Investment In Mutual Funds - Unquoted (At lower of cost and fair value)	775,669,171	695,620,325
TOTAL	775,669,171	695,620,325
Aggregate amount of quoted Investments	-	-
Aggregate amount of unquoted Investments	775,669,171	695,620,325
Aggregate amount of provision for diminution in value of Investments	-	-
22. TRADE RECEIVABLES		
(Unsecured - Considered good, unless otherwise stated)		
Outstanding for a period exceeding six months from the date they are due for payment		
Considered good	-	1,656,814
Doubtful	80,128,324	143,558,446
	80,128,324	145,215,260
Provision for doubtful receivables	(80,128,324)	(143,558,446)
(A)	-	1,656,814
Other receivables		
Considered good	1,477,795,762	1,443,394,616
Doubtful	-	1,256,662
	1,477,795,762	1,444,651,278
Provision for doubtful receivables	-	(1,256,662)
(B)	1,477,795,762	1,443,394,616
TOTAL (A + B)	1,477,795,762	1,445,051,430
23. CASH & BANK BALANCES		
Cash and Cash equivalents		
- Cash on Hand	89,923	172,838
- Remittances in Transit	10,968,304	10,409,244
Banks Balances		
- On Current Accounts	313,168,035	531,812,171
- Deposit with original maturity less than 3 months	-	14,479,593
Other Bank Balances		
- Balance with banks in Deposit account with maturity more than 3 months but less than 12 months*	4,273,789	1,174,266
Unpaid Dividend Accounts	3,384,931	3,155,810
	331,884,983	561,203,922
* The deposits are under lien with bank against bank guarantees issued	3,019,845	141,578



Notes to Consolidated Financial Statements (Contd.)

(Amount in ₹)

	As at March 31,	
	2013	2012
24. SHORT-TERM LOANS AND ADVANCES		
(Unsecured - Considered good, unless otherwise stated)		
Advances recoverable in cash or in kind		
Considered good	130,596,829	167,784,555
Doubtful	1,831,681	1,403,850
	132,428,510	169,188,405
Provision for Doubtful Advances	(1,831,681)	(1,403,850)
	130,596,829	167,784,555
Other Loans & Advances		
Prepaid Expenses	57,419,782	59,779,141
Loans and advances to employees		
Considered good	11,984,878	10,818,579
Doubtful	2,737,330	4,133,669
	14,722,208	14,952,248
Provision for doubtful advances	(2,737,330)	(4,133,669)
	11,984,878	10,818,579
Balances with Excise Authorities		
Considered good	66,608,447	52,744,652
Doubtful	15,632,000	15,632,000
	82,240,447	68,376,652
Provision for Doubtful Advances	(15,632,000)	(15,632,000)
	66,608,447	52,744,652
MAT credit entitlement	64,657,625	48,863,018
TOTAL	331,267,562	339,989,945
25. OTHER CURRENT ASSETS		
Interest Accrued on Fixed Deposits with Bank	1,143,605	1,962,801
Unbilled Revenue (Net of provision ₹ 2,861,811, March 31, 2012 ₹ Nil)	620,050,576	504,443,364
Assets held for disposal		973,470
Other Assets	-	599,785
TOTAL	621,194,181	507,979,420

Notes to Consolidated Financial Statements (Contd.)

(Amount in ₹)

	Year ended March 31,	
	2013	2012
26. REVENUE FROM OPERATIONS		
Sale of Products	546,817,717	401,725,403
Sale of Services	9,603,092,704	7,634,973,105
Others	53,723,150	42,389,483
	10,203,633,571	8,079,087,991
Details of Product Sold:		
Desktop Products	546,817,717	401,725,403
	546,817,717	401,725,403
Details of Services Rendered:		
Onsite Software Services	3,853,176,556	3,132,143,225
Offsite Software Services	889,717,086	743,264,090
Offshore Software Services	4,860,199,062	3,759,565,790
	9,603,092,704	7,634,973,105
Details of Other Operating Revenue		
Royalty Income	4,453,900	3,761,024
Reimbursement of Hardware	49,269,250	38,628,459
	53,723,150	42,389,483
27. OTHER INCOME		
Dividends on Current Investments	56,576,027	27,587,087
Interest on Advances and Deposits (Gross)	1,056,869	3,719,685
Rent Received	393,547	88,000
Profit on Sale of Current Investments (Net)	1,229,735	392,256
Provision for Doubtful Debts and Advances written back	6,402,416	-
Profit on Sale of Assets (Net)	3,917,667	469,686
Gain on foreign exchange transactions (Net)	-	104,925,893
Miscellaneous Income	48,756,175	25,485,536
TOTAL	118,332,436	162,668,143
28. EMPLOYEE BENEFIT EXPENSES		
Salaries, Bonus and Allowances	6,090,357,062	5,011,183,211
Contribution to Provident and Other Funds	148,865,412	134,460,632
Gratuity Expense	38,638,629	33,031,992
Staff Welfare Expenses	252,296,007	210,984,185
TOTAL	6,530,157,110	5,389,660,020



Notes to Consolidated Financial Statements (Contd.)

(Amount in ₹)

	Year ended March 31,	
	2013	2012
29. OTHER EXPENSES		
Software Tools and Packages	101,108,300	90,770,004
Electricity Expenses	108,880,953	87,484,654
Rates and Taxes	14,318,676	27,729,586
Rent and Service Charges	346,059,830	289,070,844
Repairs and Maintenance		
Computers	24,311,484	18,601,180
Buildings	5,007,430	1,312,645
Others	19,250,523	15,111,284
	48,569,438	35,025,109
Insurance	18,241,511	14,552,238
Travelling and Conveyance Expenses	243,315,206	232,987,614
Computer Rental Charges	89,794,805	89,352,318
Communication Expenses	51,780,924	39,195,483
Legal and Professional Charges	415,349,032	307,617,252
Auditors' Remuneration	24,395,711	15,892,271
Advertising and Publicity	28,640,771	16,394,623
Staff Recruitment Expenses	31,356,996	35,960,092
Royalty	96,776,300	77,278,140
Sales and Marketing Expenses	60,629,836	67,127,484
Commission to Non-Executive Directors	7,200,000	7,200,000
Directors' Sitting Fees	1,020,000	940,000
Loss on exchange fluctuations	470,053,385	-
Provision for Doubtful Debts and Advances	-	96,930,537
Miscellaneous Expenses	85,864,899	77,215,141
Bad Advances written off	-	3,961,165
Bad Debts written off	-	5,333,756
	2,243,356,572	1,618,018,311
Reimbursement from Customers	(54,787,573)	(75,543,980)
TOTAL	2,188,568,999	1,542,474,331

Notes to Consolidated Financial Statements (Contd.)

(Amount in ₹)

	Year ended March 31,	
	2013	2012
30. FINANCE COSTS		
Interest on bank loans	22,402,139	6,232,706
Other Interest	178,232	9,639,420
Bank Charges	12,987,264	8,958,943
TOTAL	35,567,635	24,831,069
31. DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation on Tangible assets	214,385,433	184,557,647
Depreciation on Intangible assets	115,012,180	85,101,835
	329,397,613	269,659,482
32. EXCEPTIONAL ITEMS		
Profit on Sale of Land	6,124,634	-
TOTAL	6,124,634	-
33. EARNINGS PER EQUITY SHARE (NOT ANNUALISED)		
a) Net Profit after tax	687,468,419	591,577,699
b) Number of Equity Shares:		
As at the commencement of the year	62,670,315	62,425,570
Issued during the year	365,879	244,745
As at the end of the year	63,036,194	62,670,315
Weighted Average Number of Equity Shares during the period:		
Basic	62,805,345	62,598,694
Diluted	63,793,304	63,001,627
c) Earning per Equity Share of ₹ 2/- each		
Basic	10.95	9.45
Diluted	10.78	9.39



Notes to Consolidated Financial Statements (Contd.)

34. EMPLOYEE BENEFITS APPLICABLE TO GEOMETRIC LIMITED AND 3D PLM SOFTWARE SOLUTIONS LIMITED ("The Companies")

a) DEFINED CONTRIBUTION PLANS

i) Provident Fund:

The Companies makes contributions of a specified percentage of a payroll costs towards the retirement benefit plan of its employees.

ii) Superannuation:

The Companies have maintained a Group Superannuation Scheme for its senior executives through a Master Policy with the Life Insurance Corporation of India towards which monthly premiums are paid and charged against revenue.

iii) Amounts recognised in the Statement of Profit and Loss:

(Amount in ₹)

	Year ended March 31,	
	2013	2012
Defined Contribution Plans:		
Employer's Contribution to Provident Fund	119,610,452	107,304,939
Contribution to Superannuation Fund	29,254,960	27,155,693
Contribution to Pension Fund*	31,559,813	30,648,796
	180,425,225	165,109,428

* As per Audited financials of Geometric Asia Pacific.Pte

b) DEFINED BENEFIT PLAN

i) Gratuity:

The Companies have maintained a Group Gratuity Cum Life Assurance Scheme through a Master Policy with the Life Insurance Corporation of India towards which annual premiums as determined by an actuarial valuation are paid and charged against revenue. Under the gratuity plan every employee is entitled to the benefit equivalent to fifteen days final salary last drawn for each completed year of service depending on the date of joining. The same is payable on termination of service or retirement, whichever is earlier. The benefit vests after five years of continuous service.

ii) Leave Encashment:

The Companies provides for encashment of leave subject to rules. Employees are entitled to accumulate up to a maximum of 20 days, payable within twelve months of rendering the service. Compensated absences which accrue to the employees and which can be carried forward to future period are provided for on the accrued liability method based on the number of days leave to the credit of each employee computed on the basis of the last drawn pay and are thus treated as short-term liability.

c) Basis used to determine Expected Rate of Return on Assets:

The expected return on plan assets is determined based on several factors like the composition of plan assets held, assessed risks of asset management, historical results of the the return on plan assets and the Companies' policy for plan asset management.

Notes to Consolidated Financial Statements (Contd.)

d) The status of the Companies' funded gratuity plan is as under:

(Amount in ₹)

	Year ended March 31,	
	2013	2012
i) Present Value of Obligation		
Present value of the obligation at the beginning of the Year	166,234,332	151,326,742
Current Service Cost	43,188,872	34,590,035
Interest Cost	13,534,741	10,844,748
Actuarial (Gain)/Loss on Obligation	5,334,740	(5,898,936)
Benefits Paid	(14,004,170)	(24,628,257)
Present value of the obligation at the end of the year	214,288,515	166,234,332
ii) Fair Value of Plan Assets		
Fair value of Plan Assets at the beginning of the year	135,916,908	100,067,307
Expected return on Plan Assets	11,572,635	8,742,633
Actuarial Gain/(Loss) on Plan Assets	13,636,230	(27,098)
Contributions by the Employer	31,486,208	51,762,323
Benefits Paid	(14,004,170)	(24,628,257)
Fair value of Plan Assets at the end of the year	178,607,811	135,916,908
iii) Amounts Recognised in the Balance Sheet:		
Present value of Obligation at the end of the year	214,288,515	166,234,332
Fair value of Plan Assets at the end of the year	178,607,811	135,916,908
Net Obligation at the end of the year	(35,680,704)	(30,317,424)
iv) Amounts Recognised in the Statement of Profit and Loss:		
Current Service Cost	43,188,872	34,590,035
Interest cost on Obligation	13,534,741	10,844,748
Expected return on Plan Assets	(11,572,635)	(8,742,633)
Net Actuarial (Gain)/Loss recognised in the year	(8,301,490)	(5,871,838)
Net Cost included in Employee Benefits Expense	36,849,488	30,820,312
v) Actual return on Plan Assets		
Expected return on Plan Assets	11,572,635	8,742,633
Actuarial Gain/(Loss) on Plan Assets	13,636,230	4,540,107
	25,208,865	13,282,740
vi) Actuarial Assumptions		
i) Discount Rate	8.00% P.A.	8.50% P.A.
ii) Expected Rate of Return on Plan Assets	8.00% P.A.	8.00% to 8.50% P.A.
iii) Salary Escalation Rate	7.00% to 7.50% P.A.	6.00% to 7.00% P.A.
iv) Employee Turnover:		
1) Employees who have not completed 5 years of service	12.50% P.A.	12.50% P.A.
2) Employees who have completed 5 years of service	5% P.A.	5% P.A.
v) Mortality	L.I.C 1994-96 Ultimate	L.I.C 1994-96 Ultimate
vi) Expected Average Remaining Working Lives of Employees (Years)	8.90 to 9.27	8.68
The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.		
vii) Major Category of Plan Assets as a Percentage of total Plan Assets		
Funds managed by Insurer	100%	77%
Investments with HDFC		22%
Investments with Employees Trust		1%
Others	-	-
TOTAL	100%	100%
viii) Expected Contribution to the fund in next year	35,680,704	30,317,424



Notes to Consolidated Financial Statements (Contd.)

e) Amounts recognised in the current year and previous four years

(Amount in ₹)

Experience History	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
Present Value of Obligation	214,288,515	166,234,332	128,443,905	85,994,906
Plan Assets	178,607,811	135,916,908	77,121,582	63,042,821
Surplus (Deficit)	(35,680,704)	(30,317,424)	(51,322,323)	(22,952,085)
Experience adjustment on Plan Liabilities	6,332,004	(337,161)	4,291,150	1,786,320
Experience adjustment on Plan assets	13,636,230	744,623	438,676	(4,094,408)

35. EMPLOYEE STOCK OPTIONS:

The position of the existing Employee Stock Options Schemes is summarized as under:

Sr. No.	Particulars	Scheme VII ESOP Scheme 2006	Scheme VIII ESOP Scheme 2009	Scheme IX ESOP Scheme 2009 - Directors	Scheme X ESOP Scheme 2009 - Employees	Scheme XI ESOP Scheme 2011
1	Details of the Meeting	Extraordinary General Meetings (November 21, 2006)	Extraordinary General Meetings (April 06, 2009)	Annual General Meeting (September 25, 2009)	Annual General Meeting (September 25, 2009)	Annual General Meeting (July 25, 2011)
2	Approved	1,850,000	1,000,000	300,000	600,000	1,800,000
3	The Pricing Formula	The exercise price of the options shall be the 'Market Price' on the date of grant of the options as defined in SEBI (ESOS & ESPS) Guidelines, 1999.	The exercise price of the options shall be the 'Market Price' on the date of grant of the options as defined in SEBI (ESOS & ESPS) Guidelines, 1999.	The exercise price of the options shall be the 'Market Price' on the date of grant of the options as defined in SEBI (ESOS & ESPS) Guidelines, 1999.	The exercise price of the options shall be the 'Market Price' on the date of grant of the options as defined in SEBI (ESOS & ESPS) Guidelines, 1999.	The exercise price of the options shall be the 'Market Price' on the date of grant of the options as defined in SEBI (ESOS & ESPS) Guidelines, 1999.
4	Options Granted	1,872,500	1,116,950	250,000	600,000	1,979,350
5	Options Vested	-	38,480	250,000	216,860	475,954
6	Options Exercised	-	561,900	-	213,010	146,934
7	Options Forfeited/ Surrendered (Note (a))	1,782,500	510,450	-	170,130	348,687
8	Options Unexercised	-	44,600	250,000	216,860	1,483,729
9	Options Lapsed	90,000	-	-	-	-
10	Total Number of Options in force	-	44,600	250,000	216,860	1,483,729
11	Variation in terms of ESOP	NA	NA	NA	NA	NA
12	Total Number of Shares arising as a result of Exercise of Options	-	561,900	-	213,010	146,934
13	Money realised by exercise of Options (₹ in Lakhs)	-	109.82	-	100.54	67

Notes:

- The surrendered options can be reissued as per the terms of Schemes 2006, 2009, 2009- (Directors & Employees) & 2011.
- In the event of any further rights or bonus issue of equity shares prior to conversion, the entitlement of shares shall be suitably revised. In the event of a bonus issue, the number of shares shall be increased proportionately and the price revised downwards. The options vest in the employees to whom they are granted subject to the employee being in employment of the Company and his/her performance.
- The employee share based payment plans have been accounted based on the intrinsic value method and no compensation expense has been recognized since the market price of the underlying share at the grant date is the same/less than the exercise price of the option, the intrinsic value thereof being Nil.

Notes to Consolidated Financial Statements (Contd.)

36. PROFIT SHARING PLAN

Geometric Americas, Inc. has a 401(k) plan covering substantially all employees who are 21 years of age or older. Participants may defer up to the lesser of 50% of their compensation or the maximum annual contribution set by law. In addition, the 401(k) plan provides for a discretionary matching contribution to be set by the employer. There was no 401(k) match for the years ended both March 31, 2013 and 2012.

37. OBLIGATIONS ON OPERATING LEASES

The lease rentals in respect of computers and office space charged during the year and the total future minimum lease payments under non-cancellable operating leases payable are as under:

Particulars	(Amount in ₹)	
	Year ended 2013	March 31, 2012
1. Lease Rentals paid during the period	372,289,302	333,721,818
2. Future Lease Obligations		
- Due within one year	258,552,153	323,232,741
- Due between One year & Five years	359,269,550	439,528,116
- Due after Five years	3,363,250	Nil

38. SEGMENT RESULTS

The group's primary segments consists of Products, Software Services and Engineering Services. The secondary segments are geographical area by location of customers.

Particulars	Year ended March 31	
	2013	2012
A. Segment Revenue		
Products	580,849,720	424,011,901
Software Services	5,641,711,391	4,479,739,269
Engineering Services	3,981,072,459	3,175,336,820
Total	10,203,633,571	8,079,087,991
Less : Inter Segment Revenue	-	-
Net Revenue from Operations	10,203,633,571	8,079,087,991
B. Segment Results		
Products	246,475,709	192,630,291
Software Services	2,080,743,728	1,544,619,363
Engineering Services	734,345,580	517,857,238
Total	3,061,565,016	2,255,106,892
Less: (a) Interest	35,568,000	24,831,069
(b) Other unallocable expense net of unallocable income	1,781,597,732	1,215,144,591
Profit/(Loss) from Ordinary Activities before Tax	1,244,399,284	1,015,131,232
SECONDARY GEOGRAPHICAL SEGMENTS REVENUE		
Region		
USA	6,642,821,855	5,760,456,313
EUROPE	2,437,408,019	1,486,509,508
Asia Pacific	462,301,521	339,311,953
India	661,102,175	492,810,217
	10,203,633,571	8,079,087,991

Fixed assets and other assets used in the Company's operations or liabilities contracted have not been identified to any of the reportable segments, as the assets are used interchangeably between segments; hence it is not practicable to provide segment disclosures relating to total assets & liabilities.



Notes to Consolidated Financial Statements (Contd.)

39. DERIVATIVE INSTRUMENTS

- a. The group has adopted the principles of Cash Flow Hedging as laid down in Accounting Standard AS-30 Financial Instruments: Recognition and Measurement issued by The Institute of Chartered Accountants of India. Changes in the fair value of those forward foreign exchange contracts which are designated and effective as hedges of the future cash flows are recognized directly under Shareholders' Funds in the Hedging Reserve and the ineffective portion is recognised immediately in the Statement of Profit and Loss.
- b. The group uses forward exchange contracts to hedge its foreign exchange exposure. Following are outstanding foreign exchange contracts, which have been designated as Cash Flow Hedges as on March 31, 2013 for hedge of future expected sales:

Particulars	Purpose	As at March 31, 2013		As at March 31, 2012	
		Notional Amount in Foreign Currency	Notional Amount (₹)	Notional Amount in Foreign Currency	Notional Amount (₹)
Forward Contracts to Sell USD	Hedge of firm commitment & highly probable forecast transactions	118,582,000	5,956,263,101	107,656,999	5,352,727,491
Forward Contracts to Sell Euro	Hedge of firm commitment & highly probable forecast transactions	8,400,000	646,415,000	4,245,000	290,188,200
			6,602,678,101		5,642,915,691

- c. As of the balance sheet date the following are the net foreign exposures that are not hedged by derivative instruments or otherwise:

Unhedged Foreign Currency Exposure	As at March 31, 2013		As at March 31, 2012	
	\$	₹	\$	₹
Loans	-	-	13,451,238	687,358,262
Trade payables	211,371	11,477,423	-	-
Bank	104,286	5,662,754	6,639,793	339,292,448
TOTAL	315,657	17,140,177	20,091,031	1,026,650,710

40. CURRENT LIABILITIES

The amount of dues owed to Micro, Small and Medium Enterprises as on March 31, 2013 amounted to ₹ 42,606 (Previous year ended March 31, 2012 : ₹ 108,386). This amount has not been outstanding for more than 45 days at the Balance Sheet date. The information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

Notes to Consolidated Financial Statements (Contd.)

DISCLOSURE UNDER MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

Company has sought confirmation from vendors whether they fall in the category of Micro, Small and Medium Enterprises. Based on the information available the required disclosure under Micro, Small and Medium Enterprises Development Act, 2006 is given below:

Particulars		Year Ended March 31,	
		2013	2012
A)	Principal amount remaining unpaid but not due.	42,606	108,386
B)	Interest due thereon.	-	-
C)	Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006 along with the amount of the payment made to supplier beyond the appointed day during the period.	-	-
D)	Interest due & payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	-	-
E)	Interest accrued & remaining unpaid	-	-
F)	Further Interest remaining due & payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise.	-	-

41. CAPITAL COMMITMENTS & OTHER COMMITMENTS

a. Capital Commitments:

Estimated amount of contracts remaining to be executed on capital account to the extent not provided for (net of advances) ₹ 38,526,751 (March 31, 2012 ₹ 49,334,172)

b. Others:

Estimated amount of contracts remaining to be executed on to the extent not provided for (net of advances) ₹ 10,455,947 (March 31, 2012 ₹ 36,803,888)

42. CONTINGENT LIABILITIES

- Guarantees given by the Company's bankers against counter guarantees given by the Company ₹ 3,215,744 (March 31, 2012, ₹ 4,215,744).
- Corporate guarantee of ₹ 651,600,000 (USD 12 Million) (March 31, 2012, ₹ 613,200,000 (USD 12 Million)) in respect of a loan availed by a subsidiary secured by mortgage of current assets of the said subsidiary in favour of ICICI bank.
- Claims against the Company not acknowledged as debt:
 - ₹ 442,035,392 (March 31, 2012, ₹ 301,403,012) in respect of disputed demand of income tax against which the Company has preferred an appeal.

- ₹ 5,510,510 (March 31, 2012, ₹ 4,965,290) in respect of disputed demand of excise & custom duty against which the Company has preferred an appeal.
- ₹ 8,372,875 (March 31, 2012, ₹ 8,372,875) in respect of a sales tax assessment of previous years against which the Company has applied for cancellation.
- Suit filed against the Company in India claiming damages of ₹ 1,118,000,000 (March 31, 2012, ₹ 1,118,000,000) for alleged breach of a non-recruitment provision in an agreement. A similar case has already been dismissed by a Court of Law in Virginia, USA.
- Suit filed against the Company in India for non payment of contract fee of ₹ Nil as per the agreement (March 31, 2012, ₹ 171,187).

43. GENERAL

- Figures for the previous year have been regrouped/ restated wherever necessary to conform to current year's presentation.
- Other information required by revised Schedule VI to the Companies Act, 1956, has been given only to the extent applicable.



Engine for Growth

Geometric Limited

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

Regd. Office :

Plant 6, Pirojshanagar, Vikhroli (W), Mumbai 400 079, India

Independent Auditor's Report

To the Members of Geometric Limited

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements

give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a. in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b. in the case of the Statement of Profit and Loss, of the profits for the year ended on that date; and
- c. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - e. on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of Clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

For and on behalf of

Kalyaniwalla & Mistry
Chartered Accountants
Firm Reg. No. 104607W

Viraf R. Mehta
Partner
M. No.: 32083

Mumbai: April 29, 2013.



Independent Auditor's Report (Contd.)

Annexure to the Auditor's Report

As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we further report that:

1. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) According to the information and explanations given to us, the fixed assets were physically verified by the management which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. The discrepancies noticed were not material and have been properly dealt with in the books of accounts.
- c) In our opinion, the Company has not disposed off a substantial part of its fixed assets during the year, so as to affect the going concern assumption.
2. The Company being a service company, does not have any physical inventory, thus the provisions of Clause 4(ii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
3. a) The Company has granted unsecured loans to two parties listed in the register maintained under Section 301 of the Companies Act, 1956. The maximum balance outstanding during the year and the balance outstanding as at the year-end was ₹ 935,053,498.
- b) In our opinion, the rate of interest and other terms and conditions on which the unsecured loans have been granted to the above mentioned party listed in the register maintained under section 301 of the Companies Act, 1956, are not prima facie prejudicial to the interest of the Company.
- c) According to the information and explanations given to us, the repayment of the principal amounts are to commence from 1 July 2014 and 1 January 2016 respectively or such dates as per mutually agreed terms, which schedule has not commenced till date. The parties to whom the Company has granted loans are generally regular in payment of interest thereon.
- d) As the repayment schedule has not commenced, there are no overdue amounts exceeding Rupees One lakh.
- e) The Company has not taken any loans, secured or unsecured from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchases of computers and other equipment and for the sale of software and services. Further, on the basis of our examination of the books and records and the information and explanations given to us, we have not come across any continuing failure to correct major weaknesses in the internal control system.
5. a) Based upon the audit procedures applied by us and according to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956, have been entered in the register maintained under that section.
- b) In our opinion and according to the information and explanations given to us, having regard to the explanation that many items are of a special nature and their prices cannot be compared with alternate quotations, the transactions made in pursuance of such contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 have been made at prices which are reasonable, having regard to prevailing market prices at the relevant time.
6. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 58A, 58AA, or any other relevant provisions of the Companies Act, 1956 and the rules framed there under.
7. In our opinion, the Company has an internal audit system commensurate with the size of the Company and nature of its business.

Independent Auditor's Report (Contd.)

8. According to the information and explanations given to us, the maintenance of cost records has not been prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956, for any of the activities of the Company.
9. a) According to the information and explanations given to us and the records examined by us, the Company is regular in depositing undisputed statutory dues, including dues pertaining to provident fund, investor education and protection fund, income-tax, sales tax, wealth tax, service tax, custom duty, cess and any other statutory dues with the appropriate authorities. We have been informed that there are no undisputed dues which have remained outstanding as at the end of the financial year, for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us, there are no dues of income-tax, sales tax, wealth tax, service tax, customs duty, excise duty or cess outstanding on account of any dispute, other than the following:

Name of Statute	Nature of Dues	Amount ₹	Period to which the amount relates	Forum where dispute is pending
Income-tax Act, 1956	Income-tax	337,792,715	Financial Years 2006-07 to 2009-10	Add. Commissioner of Income Tax
Service Tax	Incorrect availment of Service Tax	1,165,981	Financial Years 2007-08 to 2011-12	Commissioner of Service Tax
Central Excise and Customs Act, 1962	Wrongful availment of exemption notification on electrical fittings & computers	876,111	Financial Year 1998-99 and 2001-02	Commissioner of Central Excise (Appeals)
Central Excise and Customs Act, 1962	Wrongful availment of exemption notification for procurement of UPS system	2,394,000	Financial Year 1991-92	Add. Commissioner of Central Excise
Central Excise and Customs Act, 1962	Wrongful availment of duty exemption in respect of procurement of Modular furniture	1,069,418	Financial Year 1999-00 to 2000-01	Joint Commissioner of Central Excise
Central Sales Tax, 1956	Sales tax dues on ex-party assessment	2,126,829	Financial Years 2002-03	Deputy commissioner of sales tax
Bombay Sales Tax, 1959	Sales tax dues on sale of software	6,246,046	Financial Year 2004-05	Deputy commissioner of sales tax

10. The Company does not have accumulated losses as at the end of the financial year, nor has it incurred cash losses in the current financial year or in the immediately preceding financial year.
11. According to the information and explanations given to us and based on the documents and records produced before us, there has been no default in repayment of dues to banks. There are no dues to financial institutions or debenture holders.
12. According to the information and explanations given to us and based on the documents and records produced before us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or other securities.
13. In our opinion and according to the information and explanations given to us, the Company is not a chit fund or a nidhi mutual benefit fund/societies. Therefore, the provisions of Clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
14. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Therefore, the provisions of Clause 4 (xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
15. According to the information and explanations given to us, the Company has given guarantees for loans taken by subsidiaries from banks. In our opinion, the terms and conditions of the guarantees are not prima-facie prejudicial to the interest of the Company.



Independent Auditor's Report (Contd.)

16. The Company has not taken any term loans and therefore the provisions of Clause 4 (xvi) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet, the Cash Flow Statement and other records examined by us, the Company has not used funds raised on short term basis for long-term investment.
18. The Company has not made any preferential allotment of shares to any parties or companies covered in the register maintained under Section 301 of the Companies Act, 1956. Therefore, the provisions of Clause 4 (xviii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
19. The Company did not issue any debentures during the year. Therefore, the provisions of Clause 4 (xix) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
20. The Company has not raised any money through a public issue during the year. Therefore, the provisions of Clause 4 (xx) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
21. Based upon the audit procedures performed by us, to the best of our knowledge and belief and according to the information and explanations given to us by the Management, no fraud on, or by the Company, has been noticed or reported during the year.

Kalyaniwalla & Mistry
Chartered Accountants
Firm Reg. No. 104607W

Viraf R. Mehta
Partner
M. No.: 32083

Mumbai: April 29, 2013.

Balance Sheet as at March 31, 2013

	Note	(Amount in ₹)	
		As at March 31, 2013	2012
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	126,072,388	125,340,630
Reserves and Surplus	4	2,351,731,998	1,948,837,219
		2,477,804,386	2,074,177,849
Share Application Money Pending Allotment	5	313,365	386,568
Current Liabilities			
Trade Payables	6	15,528,031	41,343,771
Other Current Liabilities	7	309,907,601	319,790,621
Short-Term Provisions	8	445,436,551	598,661,605
		770,872,183	959,795,997
TOTAL		3,248,989,934	3,034,360,414
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	9	107,213,724	85,402,007
Intangible Assets	10	119,562,569	104,353,996
Capital Work-in-Progress		7,924,389	402,454
Non-Current Investments	11	809,622,754	626,579,754
Deferred Tax Assets (Net)	12	17,552,000	29,408,000
Long-Term Loans and Advances	13	1,087,390,208	692,596,235
Other Non-Current Assets	14	2,998,977	2,988,814
		2,152,264,621	1,541,731,260
Current Assets			
Current Investments	15	249,432,616	465,453,538
Trade Receivables	16	528,782,632	469,284,553
Cash and Bank Balances	17	33,876,786	352,706,851
Short-Term Loans and Advances	18	118,462,108	105,826,127
Other Current Assets	19	166,171,171	99,358,085
		1,096,725,313	1,492,629,154
TOTAL		3,248,989,934	3,034,360,414

The accompanying notes are an integral part of the financial statements.

As per our Report attached

For and on behalf of

Kalyaniwalla & Mistry

Chartered Accountants

Firm Registration No. 104607W

Viraf R. Mehta

Partner

Membership No. 32083

For and on behalf of the Board

J. N. Godrej

Chairman

Manu Parpia

Managing Director & Ceo

Milind Sarwate

Director

Arvind Kakar

Chief Financial Officer

Maria Monserrate

Company Secretary

Place: Mumbai

Date : April 29, 2013



Statement of Profit and Loss for the year ended March 31, 2013

(Amount in ₹)

	Note	Year ended March 31, 2013	2012
REVENUE			
Revenue from operations	20	3,522,497,153	2,697,321,305
Other Income	21	169,045,183	358,008,434
Total Revenue		3,691,542,336	3,055,329,739
EXPENSES			
Employee Benefits Expense	22	1,955,701,468	1,902,201,860
Other Expenses	23	1,171,803,281	786,291,764
Finance Costs	24	2,699,425	3,906,784
Depreciation and Amortisation Expense	25	123,550,668	88,759,774
Total Expenses		3,253,754,842	2,781,160,182
PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX		437,787,495	274,169,557
Exceptional Items	26	6,124,634	243,941,562
PROFIT BEFORE TAX		443,912,129	518,111,119
Tax Expense			
Current Tax		91,200,000	154,400,000
Deferred Tax		11,856,000	(40,794,000)
Prior Year Tax Adjustments		(3,346,014)	(7,479,143)
		99,709,986	106,126,857
PROFIT FOR THE PERIOD		344,202,143	411,984,262
EARNINGS PER EQUITY SHARE (Not Annualised)			
(Nominal value per share ₹ 2 (March 31, 2012: ₹ 2))	27		
Basic		5.48	6.58
Diluted		5.40	6.54

The accompanying notes are an integral part of the financial statements.

As per our Report attached

For and on behalf of
Kalyaniwalla & Mistry
Chartered Accountants
Firm Reg. No. 104607W

For and on behalf of the Board

Viraf R. Mehta
Partner
M. No.: 32083

J. N. Godrej
Chairman

Manu Parpia
Managing Director & CEO

Arvind Kakar
Chief Financial Officer

Milind Sarwate
Director

Maria Monserrate
Company Secretary

Place: Mumbai
Date : April 29, 2013

Cash Flow Statement for the year ended March 31, 2013

(Amount in ₹)

	Year ended March 31,	
	2013	2012
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit Before Tax	437,787,495	274,169,557
Adjustment for:		
Depreciation	123,550,668	88,759,774
(Profit) / Loss on Assets Sold/ written off	(10,237)	431,935
(Profit) / Loss on Sale of Investments	(1,224,658)	(145,539)
Interest Expense	2,699,425	3,906,784
Interest Income	(46,869,063)	(40,132,559)
Dividend Income	(104,547,127)	(101,108,707)
Unrealised Foreign Exchange loss/(gains)	7,329,331	1,578,858
	(19,071,661)	(46,709,454)
Operating Profit Before Working Capital Changes	418,715,834	227,460,103
Working Capital Changes:		
Trade and Other Receivables	(70,299,616)	725,535,943
Long-Term/Short-Term Loans and advances	607,971	(23,409,312)
Other Current / Non-Current Assets	(63,192,535)	54,558,128
Trade Payables	(25,793,372)	24,306,912
Long-Term/Short-Term Provisions	(162,059,475)	438,381,059
Other Current / Non Current Liabilities	130,608,515	(484,692,189)
	(190,128,512)	734,680,541
Cash Generated from Operations	228,587,322	962,140,644
Income Taxes Paid	(49,282,610)	(45,216,931)
Net Cash from Operating Activities	179,304,712	916,923,713
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	(168,596,597)	(74,638,401)
Proceeds from Sale of Fixed Assets	6,638,573	330,062,743
Purchase of Investments	(2,481,952,397)	(2,851,106,190)
Investment in Subsidiary Companies	(183,043,000)	(499,600,000)
Proceeds from Sale / Redemption of Investments	2,699,197,977	2,385,798,191
Loans to Subsidiaries (Given) / Repaid (net)	(424,772,496)	91,817,014
Dividend Received	104,547,127	101,108,707
(Including ₹ 69,315,400 received from subsidiary - March 31, 2012 ₹ 84,618,800)		
Interest received	42,921,867	47,970,371
Net Cash used in Investing Activities	(405,058,946)	(468,587,565)
<i>Balance carried forward</i>	(225,754,234)	448,336,148



Cash Flow Statement for the year ended March 31, 2013

(Amount in ₹)

	Year ended March 31,	
	2013	2012
<i>Balance Brought Forward</i>	(225,754,234)	448,336,148
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Share application money received	(73,203)	151,708
Proceeds from Issue of Share Capital	14,766,502	5,061,139
Repayment of Bank Borrowings	-	(44,619,449)
Interest Paid	(2,699,425)	(3,906,784)
Dividend Paid	(100,352,193)	(75,081,828)
Dividend Tax Paid	(5,033,994)	-
Net Cash used in Financing Activities	(93,392,313)	(118,395,214)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(319,146,547)	329,940,934
CASH AND CASH EQUIVALENTS:		
AT THE BEGINNING OF THE PERIOD		
Cash and Bank Balances	348,387,766	18,446,832
CASH AND CASH EQUIVALENTS:		
AT THE END OF THE PERIOD		
Cash and Bank Balances	29,241,219	345,613,876
Effect of exchange rate changes	-	2,773,890
	29,241,219	348,387,766
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(319,146,547)	329,940,934
COMPONENTS OF CASH AND CASH EQUIVALENTS		
a) Bank Balance -Current Accounts	18,272,915	344,706,779
b) Remittances in Transit	10,968,304	3,680,987
Cash & Cash Equivalents Considered For Cash Flow	29,241,219	348,387,766
Cash and Cash Equivalents in Cash Flow Statement	29,241,219	348,387,766

As per our Report attached
For and on behalf of
Kalyaniwalla & Mistry
Chartered Accountants
Firm Reg. No. 104607W

Viraf R. Mehta
Partner
M. No.: 32083

For and on behalf of the Board

J. N. Godrej
Chairman

Manu Parpia
Managing Director & CEO

Arvind Kakar
Chief Financial Officer

Milind Sarwate
Director

Maria Monserrate
Company Secretary

Place: Mumbai
Date : April 29, 2013

Notes to Financial Statements

1. GENERAL INFORMATION

Geometric Limited (the Company) is public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Headquartered in Mumbai, India, the Company was incorporated in 1994 and is listed on the Bombay Stock Exchange and National Stock Exchange. It employs 3900 people across 10 global delivery locations in the US, Romania, India, and China. The Company was assessed as CMMI 1.1 Level 5 for its software services and is ISO 9001:2008 certified for engineering operations. The Company's operations are also ISO 27001:2005 certified. The Company is a specialist in the domain of engineering solutions, services and technologies. Its portfolio of Global Engineering services and Digital Technology solutions for Product Lifecycle Management (PLM) enables companies to formulate, implement, and execute global engineering and manufacturing strategies aimed at achieving greater efficiencies in the product realization lifecycle.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Accounting:

The financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all material aspects with the generally accepted accounting principles in India, the Accounting Standards as notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Companies Act, 1956.

b) Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Differences between the actual results and estimates are recognised in the period in which the results are known / materialized.

c) Fixed Assets and Depreciation:

Fixed Assets are stated at cost less accumulated depreciation. Cost includes all expenses related to acquisition and installation of the concerned assets and any attributable cost of bringing the asset to the condition of its intended use. Borrowing costs attributable to the acquisition or construction of a

qualifying assets is also capitalised as part of the cost of the asset.

Depreciation is provided under the straight line method, based on useful lives of assets as estimated by the Management or at the rates prescribed in Schedule VI to the Companies Act 1956, whichever is higher. Depreciation is charged on a monthly pro-rata basis for assets purchased/sold during the year. Individual assets acquired for less than ₹ 5,000/- are entirely depreciated in the year of acquisition. The Management's estimate of useful lives for various fixed assets is as under:

Asset	Useful Life of Asset In Years
Buildings	28
Computers	3
Electrical Installation	8
Office Equipment	13
Furniture and Fixtures	10
EPABX Systems	10
Vehicles	10
Software	3-5

Leasehold land and leasehold improvements are amortised over the lease period.

d) Leases:

Lease arrangements where the risks and rewards incident to ownership of an asset substantially vest with the lessor, are recognized as operating leases. Lease rentals under operating leases are recognized in the profit and loss account on straight line basis.

e) Asset Impairment:

The Company assesses at each reporting date using external and internal sources, whether there is an indication that an asset may be impaired. An impairment occurs where the carrying value exceeds the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. The impairment loss to be expensed is determined as the excess of the carrying amount over the higher of the asset's net sales price or present value as determined above.

f) Investments:

Investments that are readily available and intended to be held for not more than one year from the date of acquisition, are classified as current investments. All other investments are classified as long-term investments.



Notes to Financial Statements (Contd.)

Long-term investments are carried at cost. Provision for diminution, if any, in the value of each long-term investment is made to recognise a decline, other than that of a temporary nature.

Current investments intended to be held for less than one year are stated at the lower of cost and fair value.

g) Foreign Exchange Transactions:

Transactions in foreign currency are recorded in the reporting currency by applying the exchange rates prevailing on the date of the transaction. Monetary assets and liabilities related to foreign currency transactions, remaining unsettled at the year end, are retranslated at the exchange rate prevailing at the reporting date. Non-Monetary foreign currency items like investments in foreign subsidiaries are carried at cost and expressed in Indian currency at the rate of exchange prevailing at the time of making the original investment.

Forward exchange contracts entered into to hedged foreign currency risk of an existing asset/liability.

The premium or discount arising at the inception of forward contract is amortised and recognised as an expense/income over the life of the contract. Exchange differences on such contracts are recognised in the statement of profit and loss in the period in which the exchange rates change. Cancellation gains or losses on such contracts are also recognised as income or expenses for the period.

h) Derivative Instruments and Hedge Accounting:

The Company uses foreign currency forward contracts to hedge its risk associated with foreign currency fluctuations relating to certain firm commitments and highly probable forecast transactions. The Company designates these as Cash Flow Hedges.

The use of foreign currency forward contracts is governed by the Company's policies approved by the Board of Directors, which provide written principles on the use of such forward contracts consistent with the Company's risk management strategy. The Company does not use derivative financial instruments for speculation purpose.

Forward exchange contracts obtained to hedge firm commitments or highly probable forecast revenues are recorded using the principles of hedge accounting as recommended under

Accounting Standard 30 – “Financial Instruments: Recognition and Measurement” issued by the Institute of Chartered Accountants of India. Such forward exchange contracts which qualify for cash flow hedge accounting and where the conditions of AS 30 have been met are initially measured at fair value and are remeasured at subsequent reporting dates. Changes in the fair value of these derivatives that are designated and effective as hedges of the future cash flows are recognized directly under Shareholder's Funds in the Hedging Reserve and the ineffective portion is recognized immediately in the Statement of Profit and Loss.

Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognized in the Statement of Profit and Loss as they arise.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, exercised, or no longer qualifies for hedge accounting. At that time for forecasted transactions, any cumulative gain or loss on the hedging instruments recognized in the Hedging Reserve is retained there until the forecasted transaction occurs. If a hedge transaction is no longer expected to occur, the net cumulative gain or loss recognized in the Hedging Reserve is transferred to the Statement of Profit and Loss for the year.

i) Revenue Recognition:

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Services:

Revenue from time and material contracts for software development is recognized on a per hour basis as per the terms and conditions agreed with the customers or on completion of contracts or when the deliverables are dispatched to customers. In case of fixed price contracts, which are generally time bound, revenue is recognized over the life of the contract using proportionate completion method, on the basis of work completed. Foreseeable losses on such contracts are recognised when probable.

Unbilled Revenues included in loans and advances represents costs in excess of billings as at the balance sheet dates. Advance Billing and Deferred Revenue included in current liabilities represents billing in excess of revenue recognized.

Notes to Financial Statements (Contd.)

Products:

Revenue from sale of traded software products is recognized when the software has been delivered, in accordance with sales contract. Revenue from software upgradation fees on software developed by the Company is recognized over the period for which it is received.

Others:

Interest income is recognized on time proportion basis. Dividend income is recognized when the right to receive the dividend is established by the reporting date.

j) **Borrowing Costs:**

Borrowing costs that are directly attributable to the acquisition of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of that asset till the date it is put to use. Other borrowing costs are recognised as an expense in the period in which they are incurred.

k) **Research and Development Expenditure:**

Expenditure on in-house development of software is charged to the Statement of Profit and Loss in the year in which it is incurred.

l) **Software Expenditure:**

Software purchased is capitalized and written off over its useful life, which is normally three years, provided the software is regularly updated through a maintenance contract, failing which, the unamortized balance is charged to revenue. If the usage of software is discontinued, its unamortized cost is also charged to revenue.

The cost of software purchased for specific software development contracts is charged over the period of such contracts, or three years, whichever is less.

Small-value software purchases costing between ₹ 5,000 and ₹ 50,000, other than software categorized as 'Standard Software Development Tools', is written off as and when incurred. Software categorized as 'Standard Software Development Tools' is capitalized and depreciated over a period of three years.

Software costing below ₹ 5,000 is written off as and when the cost is incurred.

m) **Employee Stock Option Schemes:**

Stock Options granted to employees are in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme)

Guidelines, 1999 and are at market price calculated under the said Guidelines. The intrinsic value, being the difference, if any, between market price and exercise price is treated as Personnel Expenses and charged to Statement of Profit and Loss. The value of the options is treated as a part of employee compensation in the financial statements and is amortised over the vesting period.

n) **Warranty Obligations:**

In respect of products sold by the Company, which carry a specified warranty, future costs that will be incurred by the Company in carrying out its obligations are estimated and accounted for on accrual basis.

o) **Income-tax:**

Tax expense comprise of current and deferred tax. Current income tax comprises taxes on income from operations in India and in foreign jurisdictions. Income tax payable in India is determined in accordance with the provisions of the Income Tax Act, 1961. Tax expense relating to foreign operations is determined in accordance with tax laws applicable in jurisdictions where such operations are domiciled.

Minimum alternative tax (MAT) paid in a year is charged to the Statement of Profit & Loss as current tax. The Company recognises MAT credit available as an asset only to the extent there is convincing evidence that the Company will pay normal income tax after the specified period. Accordingly, MAT is recognised as an asset in the balance sheet when it is probable that the future economic benefit associated with it will flow to the Company and the asset can be measured reliably.

Deferred tax is recognised on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

In the event of unabsorbed depreciation and carry forward of losses, deferred tax assets are recognised only to the extent that there is virtual certainty that sufficient future taxable income will be available to realise such assets. In other situations, deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available to realise these assets.



Notes to Financial Statements (Contd.)

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance taxes paid and income tax provisions arising in the same tax jurisdiction and the Company intends to settle the asset and liability on a net basis. The Company offsets deferred tax assets and deferred tax liabilities if it has a legally enforceable right and these relate to taxes on income levied by the same governing taxation laws.

p) Segment Reporting:

As per AS-17 Segment Reporting if a single financial report contains both consolidated financial statements and the separate financial statement of the parent, segment information need be presented only on the basis of the consolidated financial statements. Accordingly information required to be presented under AS-17 Segment Reporting has been given in the consolidated financial statements.

q) Employee Benefits:

Short-term Employee benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, performance incentives, leave encashment etc., are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the employee renders the related service.

Post Employment benefits:

Defined Contribution Plans:

Payments made to defined contribution plans such as Provident Fund and Superannuation are charged as an expense in the Statement of Profit and Loss as they fall due.

Defined Benefit Plans:

The Company has maintained a Group Gratuity Cum Life Assurance Scheme through a Master Policy with the Life Insurance Corporation of India towards which annual premiums as determined by actuarial valuation are paid and charged against revenue. Under the Gratuity plan, every employee is entitled to the benefit equivalent to fifteen days final salary last drawn for each completed year of service depending on the date of joining. The same is payable on termination of services or retirement whichever is earlier. The benefit vests after five years of continuous services.

r) Provision and Contingent Liabilities:

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation in respect of which a reliable estimate of the amount of the obligation can be made. Provisions are not discounted to its present value and are determined based on current best estimate.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability is/not recognised but its existence is disclosed in the financial statements.

s) Earnings Per Share:

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in right issue, share split and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

t) Cash and Cash Equivalents:

Cash & Cash Equivalents comprises of cash at bank and in hand and short term investments with an original maturity of three months or less.

Notes to Financial Statements (Contd.)

(Amount in ₹)

	As at March 31, 2013	2012
3. SHARE CAPITAL		
AUTHORISED:		
80,000,000 Equity shares (March 31, 2012		
80,000,000 equity shares) of ₹ 2/- each.	160,000,000	160,000,000
ISSUED, SUBSCRIBED AND PAID UP:		
63,036,194 Equity shares (March 31, 2012		
62,670,315 equity shares) of ₹ 2/- each fully paid up.	126,072,388	125,340,630
TOTAL	126,072,388	125,340,630

Notes:

a) Reconciliation of shares:

	No's March 31, 2013	No's March 31, 2012
No. of shares :		
At the beginning of year	62,670,315	62,425,570
Add: Issued during the year - ESOPs	365,879	244,745
Outstanding at the end of the year	63,036,194	62,670,315
	Amount in ₹ March 31, 2013	Amount in ₹ March 31, 2012
Amount of shares :		
At the beginning of year	125,340,630	124,851,140
Add: Issued during the year - ESOPs	731,758	489,490
Outstanding at the end of the year	126,072,388	125,340,630

b) Right /terms attached to Equity Shares:

The company has only one class of equity shares having par value of ₹ 2 per share. Each share holder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing general meeting, except in case of interim dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Details of Shareholders holding 5% or more shares in the company:

Name of Shareholder	As on March 31, No. of Shares (% Holding) 2013	2012
Godrej and Boyce Mfg Co. Ltd.	11,275,000 (17.89)	11,275,000 (17.99)
Godrej Investments Pvt. Ltd.	7,579,008 (12.02)	7,579,008 (12.09)
Manu M. Parpia	4,267,925 (6.77)	4,292,925 (6.85)
Rakesh Radheshyam Jhunjunwala	11,261,250 (17.86)	4,310,000 (6.88)
IDBI Trusteeship Services Limited (India Advantage Fund-V)	2,688,920 (4.27)	3,867,075 (6.17)

d) Shares reserved for issue under options:

Refer Note No. 29 for details of shares reserved for issue under the Employee Stock Option Schemes.



Notes to Financial Statements (Contd.)

	(Amount in ₹)	
	As at March 31, 2013	2012
4. RESERVES AND SURPLUS		
SECURITIES PREMIUM ACCOUNT		
As per last financial statements	16,484,629	11,912,980
Add: Premium on shares allotted - ESOPs	14,034,744	4,571,649
	30,519,373	16,484,629
GENERAL RESERVE		
As per last financial statements	120,350,000	79,150,000
Add: Transfer from Statement of Profit and Loss	34,420,000	41,200,000
	154,770,000	120,350,000
HEDGING RESERVE		
As per last financial statements	(423,690,117)	75,573,570
Add : Fair value (loss)/gain from derivative contracts qualifying as cash from Hedge	158,878,502	(499,263,687)
	(264,811,615)	(423,690,117)
INVESTMENT REORGANISATION RESERVE		
As per last financial statements	756,067,149	756,067,149
(Reserve created pursuant to Scheme of Arrangement to undertake a financial reorganisation in accordance with Sections 391 to 393 read with Section 78 and Section 100 to 103 of the Indian Companies Act, 1956. The said reserve was created by appropriations from Securities Premium Account, General Reserve and Surplus in Statement of Profit and Loss to be utilised for providing for diminution in the value of investments, impairment in value of Goodwill and offsetting realisation loss on sale of investments, if any. The balance in the Investment Reorganisation Reserve represents the unutilised amount as at the reporting date.)		
SURPLUS IN THE STATEMENT OF PROFIT AND LOSS		
As per last financial statements	1,479,625,555	1,213,399,265
Add: Net Profit for the year	344,202,143	411,984,262
Add: Reversal of excess provision for dividend distribution tax of previous year	11,232,713	12,152,386
Less: Appropriations		
Final Dividend	(79,688)	(100,443,648)
Proposed Dividend on equity shares	(107,161,530)	-
Dividend Tax	(18,212,102)	(16,266,707)
Interim Dividend Tax	-	-
Transfer to General Reserve	(34,420,000)	(41,200,000)
	1,675,187,091	1,479,625,558
TOTAL	2,351,731,998	1,948,837,219

Notes to Financial Statements (Contd.)

5. SHARE APPLICATION MONEY

Share application money received as on March 31, 2013 represents the amount received against Employee Stock Options to be allotted to employees as under:

Name of the Scheme	Amount received (₹)	Exercise Price (₹)	No. of Shares	Received towards Share Capital (₹)	Premium on Allotment (₹)
ESOP-2011	313,365	45.70	6,857	13,714	299,651

6. TRADE PAYABLES

(Amount in ₹)

	As at March 31,	
	2013	2012
- Dues to Small and Micro Enterprises (refer Note 40)	42,606	108,386
- Dues to Other Creditors	15,485,425	41,235,385
TOTAL	15,528,031	41,343,771

7. OTHER CURRENT LIABILITIES

Advance Billing to Customers and Deferred Revenue	14,380,821	25,973,761
Advances from Customers	5,314,547	4,718,393
Accrued Expenses	221,569,722	239,672,927
Statutory Liabilities	60,920,152	36,862,013
Other Liabilities	4,340,735	9,418,708
Unclaimed Dividends*	3,381,624	3,144,819
TOTAL	309,907,601	319,790,621

*The amount of Unclaimed Dividend reflects the position as at March 31, 2013. During the year, the Company has transferred an amount of ₹ 352,952 (March 31, 2012 ₹ 255,447); to the Investor Education and Protection Fund in accordance with the provisions of Section 205C of the Companies Act, 1956.

8. SHORT-TERM PROVISIONS

Provision for Employee benefits		
- Gratuity	18,968,868	17,267,547
- Compensated absences	15,060,567	16,373,875
Others		
- Proposed Dividend	107,161,530	100,272,504
- Tax on dividend	18,212,102	16,266,707
Provision for mark to market loss on derivative contracts	286,033,484	448,480,972
TOTAL	445,436,551	598,661,605



Notes to Financial Statements (Contd.)

9. TANGIBLE ASSETS

ASSET	GROSS BLOCK			DEPRECIATION / AMORTISATION				NET BLOCK		(Amount in ₹)
	As on April 1, 2012	Additions	Disposals	As on March 31, 2013	Upto April 1, 2012	For the Year	On Disposals	Upto March 31, 2013	As at March 31, 2013	
Tangible Assets:										
- Leasehold Land	10,729,415	-	321,376	10,408,039	1,299,505	102,700	39,417	1,362,788	9,045,251	9,429,910
- Buildings	-	-	-	-	-	-	-	-	-	-
- Leasehold Improvement	6,659,867	27,906,884	-	34,566,751	3,699,926	6,740,736	-	10,440,662	24,126,089	2,959,941
- Computers	53,993,243	2,349,696	198,263	56,144,676	47,621,723	3,970,911	445	51,592,189	4,552,486	6,371,520
- Electrical Installations	38,748,634	3,341,687	-	42,090,321	24,399,677	5,065,020	-	29,464,697	12,625,624	14,348,957
- Office Equipment and EPABX System	28,348,718	4,248,955	-	32,597,673	11,930,446	3,425,670	-	15,356,116	17,241,557	16,418,272
- Furniture and Fixtures	66,954,674	14,669,326	-	81,624,000	31,081,267	10,920,014	-	42,001,281	39,622,719	35,873,407
TOTAL	205,434,551	52,516,548	519,639	257,431,459	120,032,544	30,225,051	39,862	150,217,733	107,213,726	-
Previous Year	468,517,169	18,050,633	281,133,251	205,434,551	291,535,512	23,077,167	194,580,135	120,032,544	-	85,402,007

10. INTANGIBLE ASSETS:

ASSET	GROSS BLOCK			DEPRECIATION/AMORTISATION				NET BLOCK		
	As on April 1, 2012	Additions	Disposals	As on March 31, 2013	Upto April 1, 2012	For the Year	On Disposals	Upto March 31, 2013	As at March 31, 2013	As At March 31, 2012
- Computer Software	355,600,619	108,558,114	34,594	464,124,139	251,246,623	93,325,617	10,669	344,561,571	119,562,569	104,353,996
TOTAL	355,600,619	108,558,114	34,594	464,124,139	251,246,623	93,325,617	10,669	344,561,571	119,562,569	-
Previous Year	298,458,932	57,141,687	-	355,600,619	185,564,016	65,682,607	-	251,246,623	-	104,353,996

Note:

- Accumulated depreciation for Computer Software includes provision for impairment of ₹ 8,630,600 (March 31, 2012 ₹ 8,630,600).
- There are no adjustments to the fixed assets on account of borrowing cost and exchange differences during the year.

Notes to Financial Statements (Contd.)

(Amount in ₹)

			As at March 31,	
			2013	2012
11. NON-CURRENT INVESTMENTS				
Trade Investments (Valued at cost, unless otherwise stated)				
Unquoted Equity Instruments - Fully paid				
Investment in Subsidiaries				
900,200	(March 31, 2012: 900,200) Equity shares of 3D PLM Software Solutions Ltd.	₹10	9,002,000	9,002,000
100,000	(March 31, 2012: 100,000) Ordinary Shares of Geometric Asia Pacific Pte. Ltd., Singapore	S\$ 1	2,742,000	2,742,000
1	(March 31, 2012: 1) Share of Geometric Europe GmbH, Germany in the nominal amount of Euro 2,550,000 (March 31, 2012: nominal amount of Euro 25,000)	-	184,929,775	1,886,775
1,432	(March 31, 2012: 1,000) Non-assessable shares of the Capital Stock of Geometric Americas, Inc., U.S.A	\$1	612,948,979	612,948,979
TOTAL			809,622,754	626,579,754
OTHERS				
Long-Term (At Cost)				
Unquoted Trade, Fully paid				
1,410,176	(March 31, 2012 : 1,410,176) No par value shares of Series E Senior Preferred Stock, fully paid and non-assessable in Powerway Inc.		-	-
	(Net of Provision other than temporary diminution ₹ 30,959,151 (March 31, 2012: ₹ 30,959,151)			
TOTAL			809,622,754	626,579,754
Aggregate amount of quoted investments			-	-
Market value of quoted investments			-	-
Aggregate amount of unquoted investments			840,581,905	657,538,905
Aggregate Provision for diminution in value of investments			30,959,151	30,959,151



Notes to Financial Statements (Contd.)

(Amount in ₹)		
	As at March 31,	
	2013	2012
12. DEFERRED TAX ASSETS (NET)		
Depreciation on Fixed Assets	1,655,000	(2,918,000)
Provision for Bonus	2,722,000	3,514,000
Provision for Employee Benefits	4,886,000	5,313,000
Provision for Doubtful Debts	8,289,000	23,499,000
TOTAL	17,552,000	29,408,000
13. LONG-TERM LOANS AND ADVANCES		
(Unsecured - Considered good, unless otherwise stated)		
Capital advances	3,301,181	35,826
Security Deposits		
- Deposit with Godrej & Boyce Ltd., a related party	17,961,643	34,489,225
- Others	85,023,831	74,127,931
	102,985,474	108,617,156
Loan to Subsidiary Companies		
- Geometric Americas, Inc.	542,999,998	511,000,000
- Geometric Europe GmbH	392,053,500	-
Advance Income Tax (Net of Provision for Tax ₹ 359,203,933, March 31, 2012 ₹ 409,618,353)	40,496,065	56,511,638
Advances recoverable in cash or kind		
Considered good	1,100,000	1,100,000
Doubtful	10,985,266	-
	12,085,266	1,100,000
Provision for doubtful advances	(10,985,266)	-
	1,100,000	1,100,000
Other loans and advances		
- Prepaid Expenses	4,453,990	15,331,615
TOTAL	1,087,390,208	692,596,235
14. OTHER NON CURRENT ASSETS		
Long-term deposits with banks with original maturity period more than 12 months*	2,998,977	2,988,814
TOTAL	2,998,977	2,988,814
* The deposits are under lien with bank against bank guarantees issued.	2,923,977	2,772,537

Notes to Financial Statements (Contd.)

(Amount in ₹)

	Face Value	As at March 31,	
		2013	2012
15. CURRENT INVESTMENTS			
INVESTMENT IN MUTUAL FUNDS - UNQUOTED			
(At lower of cost and fair value)			
(Unquoted, Non-trade, Fully Paid)			
(March 31, 2012: 3,726,775) Tata Fixed income Portfolio Fund B2	₹ 10	-	37,316,572
(March 31, 2012: 4,046,499) Taurus Fixed Maturity Plan - 91 days Series N	₹ 10	-	40,464,986
(March 31, 2012: 5,992,270) Reliance Quarterly Interval Fund Series III	₹ 10	-	60,000,000
(March 31, 2012: 80,206) Tata Liquidity Management Fund-Daily Dividend	₹ 1,000	-	80,414,943
(March 31, 2012: 6,300,000) IDFC Quarterly Fixed Maturity Plan Series 71	₹ 10	-	63,000,000
(March 31, 2012: 580,802) ICICI Prudential Money Market Fund - Cash Option - Daily Dividend	₹ 100	-	58,086,884
(March 31, 2012: 901,626) Birla Sun Life Floating Rate Fund - STP - IP - Daily Dividend	₹ 100	-	90,180,682
(March 31, 2012: 2,354,192) Reliance Liquid Fund - Treasury Plan - Institutional Option - Daily Dividend	₹ 1000	-	35,989,471
53,248 (March 31, 2012: Nil) Religare Liquid Fund Sup. IP - Direct	₹ 1000	53,289,309	
23,133 (March 31, 2012: Nil) Kotak Floater St Direct	₹ 1000	23,402,119	
469,976 (March 31, 2012: Nil) Birla Sun Life Saving Direct	₹ 100	47,042,110	
8,007,639 DWSUltra Short-Term Fund Direct	₹ 10	80,219,731	
1,492,909 (March 31, 2012: Nil) Kotak Flexi direct	₹ 10	15,000,000	
19,941 (March 31, 2012: Nil) Reliance Liquid Fund Treasury plan IP- Direct	₹ 10	30,479,347	-
TOTAL		249,432,616	465,453,538
Aggregate amount of quoted Investments		-	-
Aggregate amount of unquoted Investments		249,432,616	465,453,538
Aggregate amount of provision for diminution in value of Investments		-	-
Repurchase Price of units of Mutual Funds		-	-



Notes to Financial Statements (Contd.)

		(Amount in ₹)	
		As at March 31,	
		2013	2012
16. TRADE RECEIVABLES			
(Unsecured - Considered good, unless otherwise stated)			
Outstanding for a period exceeding six months from the date they are due for payment			
Considered good		-	-
Doubtful		22,687,428	71,169,022
		22,687,428	71,169,022
Provision for doubtful receivables		(22,687,428)	(71,169,022)
	(A)	-	-
Other Receivables			
Considered good		528,782,632	469,284,553
Doubtful		-	1,256,662
		528,782,632	470,541,215
Provision for doubtful receivables		-	(1,256,662)
	(B)	528,782,632	469,284,553
TOTAL	(A + B)	528,782,632	469,284,553
17. CASH AND BANK BALANCES			
Cash and Cash Equivalents			
Remittances in Transit		10,968,304	3,680,987
Banks Balances			
- On current accounts		18,272,915	344,706,779
		18,272,915	344,706,779
Other Bank balances			
- Balance with banks in deposit account with maturity more than 3 months but less than 12 months		1,253,944	1,174,266
Unpaid Dividend accounts		3,381,623	3,144,819
TOTAL		33,876,786	352,706,851
18. SHORT-TERM LOANS AND ADVANCES			
(Unsecured - Considered good, unless otherwise stated)			
Advances recoverable in cash or in kind		56,402,500	44,923,413
Prepaid Expenses		22,316,224	27,894,872
Loans and Advances to employees			
Considered good		16,577,704	10,961,867
Doubtful		1,744,531	1,744,531
		18,322,235	12,706,398
Provision for doubtful advances		(1,744,531)	(1,744,531)
		16,577,704	10,961,867
Balances with Excise Authorities			
Considered good		23,165,680	22,045,975
Doubtful		14,000,000	14,000,000
		37,165,680	36,045,975
Provision for Doubtful Advances		(14,000,000)	(14,000,000)
		23,165,680	22,045,975
TOTAL		118,462,108	105,826,127
19. OTHER CURRENT ASSETS			
Interest accrued on loan to			
- Geometric Americas, Inc. (Wholly Owned Subsidiary)		7,692,463	3,783,086
Interest accrued on fixed deposits with bank		233,796	195,977
Unbilled Revenue (Net of provision ₹ 2,861,811, March 31, 2012 ₹ Nil)		158,244,912	95,379,022
TOTAL		166,171,171	99,358,085

Notes to Financial Statements (Contd.)

(Amount in ₹)

	Year ended March 31,	
	2013	2012
20. REVENUE FROM OPERATIONS		
Sale of Products	158,617,904	127,234,374
Sale of Services	3,311,804,060	2,526,677,067
Other Operating Revenue	52,075,189	43,409,864
TOTAL	3,522,497,153	2,697,321,305
Details of Product Sold:		
Desktop Products	158,617,904	127,234,374
	158,617,904	127,234,374
Details of Services Rendered:		
Onsite Software Services	2,039,955,901	1,441,654,220
Offsite Software Services	508,896,279	411,417,000
Offshore Software Services	762,951,880	673,605,847
	3,311,804,060	2,526,677,067
Details of Other Operating Revenue:		
Royalty Income	51,834,557	43,160,166
Reimbursement of Hardware	240,632	249,698
	52,075,189	43,409,864
21. OTHER INCOME		
Dividend from subsidiary company	69,315,400	84,618,800
Dividend on current investments	35,231,727	16,489,907
Interest on advances and deposits (Tax Deducted at Source ₹ 56,279; March 31, 2012 ₹ 42,130)	450,286	338,490
Interest on loan to subsidiary (On Loan Given to Geometric Americas, Inc., a wholly owned Subsidiary)	46,418,777	39,794,069
Rent received	-	40,000
Rent received from subsidiary	3,174,143	3,918,248
Profit on sale of current investments (net)	1,224,658	145,539
Provision for doubtful debts and advances written back (net of bad debts written off ₹24,791,120)	11,100,059	-
Profit on Sale of Assets (net)	10,237	-
Gain on foreign exchange transactions (net)	-	185,077,513
Miscellaneous income	2,119,896	27,585,868
TOTAL	169,045,183	358,008,434
22. EMPLOYEE BENEFITS EXPENSE		
Salaries, Bonus and Allowances	1,786,047,584	1,762,518,369
Contribution to Provident and Other Funds (Refer Note 28)	82,632,601	77,664,663
Gratuity expense (Refer Note 28)	19,977,586	18,196,104
Staff Welfare expenses	67,043,697	43,822,724
TOTAL	1,955,701,468	1,902,201,860



Notes to Financial Statements (Contd.)

(Amount in ₹)

	Year ended March 31,	
	2013	2012
23. OTHER EXPENSES		
Software Tools and Packages	49,050,185	39,679,103
Electricity expenses	43,932,639	35,247,746
Rates and Taxes	7,829,987	1,882,863
Rent and Service charges	216,509,883	197,631,333
Repairs and Maintenance		
Computers	10,709,462	9,146,591
Buildings	104,479	77,694
Others	5,362,486	4,818,958
	16,176,427	14,043,243
Insurance	2,625,122	1,246,573
Travelling and Conveyance expenses	114,412,722	102,084,026
Computer Rental charges	84,462,373	83,261,392
Communication expenses	24,751,409	20,695,264
Legal and Professional charges	242,866,832	175,609,941
Auditor's Remuneration (Refer Note 35)	4,655,428	4,624,415
Advertising and Publicity	8,313,666	3,054,630
Staff Recruitment Expenses	22,035,124	26,492,295
Royalty	31,207,247	37,586,043
Sales and Marketing Expenses	1,618,060	4,035,623
Commission to Non-Executive Directors	7,200,000	7,200,000
Directors' Sitting Fees	1,020,000	940,000
Loss on Assets sold/written off	-	431,935
Loss on Exchange Fluctuations (net)	290,728,076	-
Provision for doubtful debts and advances	-	50,260,190
Miscellaneous expenses	30,717,087	28,759,062
Deposits written off	1,512,821	-
	1,201,625,087	834,765,677
Reimbursement from Customers & Subsidiaries	(29,821,806)	(48,473,913)
TOTAL	1,171,803,281	786,291,764

Notes to Financial Statements (Contd.)

(Amount in ₹)

	Year ended March 31,	
	2013	2012
24. FINANCE COSTS		
Interest on bank loans	-	936,833
Other Interest	-	22,248
Bank Charges	2,699,425	2,947,703
TOTAL	2,699,425	3,906,784
25. DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation on Tangible assets	30,224,220	23,077,167
Depreciation on Intangible assets	93,326,448	65,682,607
TOTAL	123,550,668	88,759,774
26. EXCEPTIONAL ITEMS		
Profit on Sale of Land and Buildings	6,124,634	243,941,562
(The company has sold a piece of land out of its pune premises for a consideration of ₹ 6,406,593. The profit thereof, of ₹ 6,124,634 has been treated as an exceptional item. (In the previous year the Company had sold its Red Fort premises to its subsidiary, 3D PLM for a consideration of ₹ 335,800,000. The profit thereof, of ₹ 243,941,562 was attributable towards sale of land and building and certain other assets, which had been treated as an exceptional item)		
TOTAL	6,124,634	243,941,562
27. EARNINGS PER EQUITY SHARE (NOT ANNUALISED)		
a) Net Profit after tax	344,202,143	411,984,262
b) Number of Equity Shares:		
As at the commencement of the period	62,670,315	62,425,570
Issued during the period	365,879	244,745
As at the end of the period	63,036,194	62,670,315
Weighted average number of equity shares during the period:		
Basic	62,805,345	62,598,694
Diluted	63,793,304	63,001,627
c) Earning per Equity Share of ₹ 2/- each		
Basic	5.48	6.58
Diluted	5.40	6.54



Notes to Financial Statements (Contd.)

28. EMPLOYEE BENEFITS

a) Defined contribution plans

i) Provident Fund:

The Company makes contributions of a specified percentage of a payroll costs towards the retirement benefit plan of its employees.

ii) Superannuation:

The Company has maintained a Group Superannuation Scheme for its senior executives through a Master Policy with the Life Insurance Corporation of India towards which monthly premiums are paid and charged against revenue.

iii) Amounts Recognized in the Statement of Profit and Loss:

	Year ended March 31,	
	2013	2012
Defined Contribution Plans:		
Employer's Contribution to Provident Fund	65,711,031	61,412,158
Contribution to Superannuation Fund	16,921,570	16,252,505
	82,632,601	77,664,663

b) Defined benefit plan

i) Gratuity:

The Company has maintained a Group Gratuity Cum Life Assurance Scheme through a Master

Policy with the Life Insurance Corporation of India towards which annual premiums as determined by an actuarial valuation are paid and charged against revenue. Under the gratuity plan every employee is entitled to the benefit equivalent to fifteen days final salary last drawn for each completed year of service depending on the date of joining. The same is payable on termination of service or retirement, whichever is earlier. The benefit vests after five years of continuous service.

ii) Leave Encashment:

The Company provides for encashment of leave subject to rules. Employees are entitled to accumulate up to a maximum of 20 days, payable within twelve months of rendering the service. Compensated absences which accrue to the employees and which can be carried forward to future period are provided for on the accrued liability method based on the number of days leave to the credit of each employee computed on the basis of the last drawn pay and are thus treated as short-term liability.

c) Basis used to determine Expected Rate of Return on Assets:

The expected return on plan assets is determined based on several factors like the composition of plan assets held, assessed risks of asset management, historical results of the return on plan assets and the Company's policy for plan asset management.

Notes to Financial Statements (Contd.)

EMPLOYEE BENEFITS (Contd...)

d) The status of the Company's funded gratuity plan is as under:

		(Amount in ₹)	
		Year ended March 31,	
		2013	2012
i) Present Value Of Obligation			
Present value of the obligation at the beginning of the		81,993,282	74,857,292
Current Service Cost		24,341,766	20,821,065
Interest Cost		6,669,637	5,447,755
Actuarial (Gain) / Loss on Obligation		1,228,230	(3,930,711)
Benefits Paid		(7,053,929)	(15,202,119)
Present value of the obligation at the end of the		107,178,986	81,993,282
ii) Fair value of Plan Assets			
Fair value of Plan Assets at the beginning of the		64,725,735	44,730,518
Expected return on Plan Assets		5,586,604	4,175,428
Actuarial Gain / (Loss) on Plan Assets		7,684,161	895,134
Contributions by the Employer		17,267,547	30,126,774
Benefits Paid		(7,053,929)	(15,202,119)
Fair value of Plan Assets at the end of the		88,210,118	64,725,735
iii) Amounts Recognised in the Balance Sheet:			
Present value of Obligation at the end of the		107,178,986	81,993,282
Fair value of Plan Assets at the end of the		88,210,118	64,725,735
Net Obligation at the end of the		(18,968,868)	(17,267,547)
iv) Amounts Recognised in the statement of Profit and Loss:			
Current Service Cost		24,341,766	20,821,065
Interest cost on Obligation		6,669,637	5,447,755
Expected return on Plan Assets		(5,586,604)	(4,175,428)
Net Actuarial (Gain) / Loss recognised in the		(6,455,931)	(4,825,845)
Net Cost Included in Employee Benefits Expense		18,968,868	17,267,547
v) Actual return on Plan Assets			
Expected return on Plan Assets		5,586,604	4,175,428
Actuarial Gain/ (Loss) on Plan Assets		7,684,161	895,134
		13,270,765	5,070,562
vi) Actuarial Assumptions			
i) Discount Rate		8.00% P.A.	8.50% P.A.
ii) Expected Rate of Return on Plan Assets		8.00% P.A.	8.00% P.A.
iii) Salary Escalation Rate		7.00% P.A.	7.00% P.A.
iv) Employee Turnover:			
1) Employees who have not completed 5 years of service		12.50 % P.A	12.50 % P.A
2) Employees who have completed 5 years of service		5% P.A.	5% P.A.
v) Mortality		L.I.C 1994-96 Ultimate	L.I.C 1994-96 Ultimate
vi) Expected Average Remaining Working Lives of Employees (Years)		8.90	8.68



Notes to Financial Statements (Contd.)

(Amount in ₹)

	Year ended March 31,	
	2013	2012
The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.		
vii) Major Category of Plan Assets as a Percentage of total Plan Assets		
Funds managed by Insurer	100%	100%
Others	-	-
TOTAL	100%	100%
viii) Expected Contribution To The Fund In Next Year	(18,968,868)	(17,267,547)

e) Amounts Recognized in the current quarter and previous four years

(Amount in ₹)

Experience History	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009
Present Value of Obligation	107,178,986	81,993,282	74,857,292	51,241,162	47,276,487
Plan Assets	88,210,118	64,725,735	44,730,518	37,567,217	33,848,967
Surplus (Deficit)	(18,968,868)	(17,267,547)	(30,126,774)	(13,673,945)	(13,427,520)
Experience adjustment on plan Liabilities (loss)/gain	3,693,686	847,079	4,291,150	1,786,320	(4,089,922)
Experience adjustment on plan assets (loss)/gain	7,684,161	895,134	438,676	(4,094,408)	1,893,952

Notes to Financial Statements (Contd.)

29. EMPLOYEE STOCK OPTIONS:

The position of the existing Employee Stock Options Schemes is summarized as under:

Sr No.	Particulars	Scheme VII ESOP Scheme 2006	Scheme VIII ESOP Scheme 2009	Scheme IX ESOP Scheme 2009 - Directors	Scheme X ESOP Scheme 2009 - Employees	Scheme XI ESOP Scheme 2011
1	Details of the Meeting	Extraordinary General Meetings (November 21, 2006)	Extraordinary General Meetings (April 6, 2009)	Annual General Meeting (September 25, 2009)	Annual General Meeting (September 25, 2009)	Annual General Meeting (July 25, 2011)
2	Approved	1,850,000	1,000,000	300,000	600,000	1,800,000
3	The Pricing Formula	The exercise price of the options shall be the 'Market Price' on the date of grant of the options as defined in 'SEBI (ESOS & ESPS) Guidelines, 1999.	The exercise price of the options shall be the 'Market Price' on the date of grant of the options as defined in 'SEBI (ESOS & ESPS) Guidelines, 1999.	The exercise price of the options shall be the 'Market Price' on the date of grant of the options as defined in 'SEBI (ESOS & ESPS) Guidelines, 1999.	The exercise price of the options shall be the 'Market Price' on the date of grant of the options as defined in 'SEBI (ESOS & ESPS) Guidelines, 1999.	The exercise price of the options shall be the 'Market Price' on the date of grant of the options as defined in 'SEBI (ESOS & ESPS) Guidelines, 1999.
4	Options Granted	1,872,500	1,116,950	250,000	600,000	1,979,350
5	Options Vested	-	38,480	250,000	216,860	475,954
6	Options Exercised	-	561,900	-	213,010	146,934
7	Options Forfeited / Surrendered (Note 1)	1,782,500	510,450	-	170,130	348,687
8	Options Unexercised	-	44,600	250,000	216,860	1,483,729
9	Options Lapsed	90,000	-	-	-	-
10	Total Number of Options in force	-	44,600	250,000	216,860	1,483,729
11	Variation in terms of ESOP	NA	NA	NA	NA	NA
12	Total Number of Shares arising as a result of Exercise of Options	-	561,900	-	213,010	146,934
13	Money realised by exercise of Options (₹ in Lakhs)	-	109.82	-	100.54	67.15

Notes:

- The surrendered options can be reissued as per the terms of Scheme 2006, 2009, 2009 - (Directors and Employees) and 2011.
- In the event of any further rights or bonus issue of equity shares prior to conversion, the entitlement of shares shall be suitably revised. In the event of a bonus issue, the number of shares shall be increased proportionately and the price revised downwards. The options vest in the employees to whom they are granted subject to the employee being in employment of the Company and his/her performance.
- The employee share based payment plans have been accounted based on the intrinsic value method and no compensation expense has been recognized since the market price of the underlying share at the grant date is the same/less than the exercise price of the option, the intrinsic value thereof being Nil.



Notes to Financial Statements (Contd.)

		(Amount in ₹)	
		Year ended March 31,	
		2013	2012
30. VALUE OF IMPORTS ON C.I.F. BASIS			
Capital Goods		42,881,677	60,665,978
TOTAL		42,881,677	60,665,978
31. EARNINGS IN FOREIGN CURRENCY			
Income from Software Development and Sale of Software		2,976,273,474	2,264,991,169
Reimbursement of Expenses		21,257,346	26,009,729
Interest and Dividend		46,418,777	39,794,069
TOTAL		3,043,949,597	2,330,794,967
32. EXPENDITURE IN FOREIGN CURRENCY			
Travelling Expenses		54,078,749	50,853,474
Professional Fees		16,041,595	11,593,221
Sales and Marketing Services		-	208,520
Royalty		34,005,728	37,519,386
Salary - On Site Employees		291,182,082	263,320,637
Exhibition Expenses		1,225,378	858,193
Software Packages and Tools		104,636,815	100,403,670
Others		38,929,665	37,604,931
TOTAL		540,100,012	502,362,032
33. MANAGERIAL REMUNERATION			
1) Managing Director and CEO			
Salary and Allowances		11,464,167	10,028,847
Contribution to Provident fund and Super Annuation Fund		-	20,046
Performance & Service Bonus		14,504,000	8,628,885
Ex-gratia		46,976	-
Perquisites		1,420,421	-
		27,435,564	18,677,778
Note:			
The above does not include provision for Gratuity as separate Actuarial valuation is not available for the Managing Director & CEO			
2) Non-wholetime Directors:			
Commission to Non-Executive Directors		7,200,000	7,200,000
Directors' Sitting Fees		1,020,000	940,000
		8,220,000	8,140,000
TOTAL		30,655,564	26,817,778

Notes to Financial Statements (Contd.)

(Amount in ₹)

	Year ended March 31,	
	2013	2012
34. The remuneration payable to the Managing Director and CEO as approved by the Board of Directors and shareholders is in excess of the maximum amount payable under the provisions of Sections 198 and 309 of the Companies Act, 1956. The excess amount of ₹ 2,961,391 is payable subject to the approval of the Central Government for which an application has been made.		
35. AUDITOR'S REMUNERATION		
a) Statutory Audit Fees	3,000,000	3,000,000
b) Audit Under Other Statutes	400,000	400,000
c) In Other Capacity:		
Taxation Matters	969,105	1,106,000
Certification	194,938	100,000
d) Reimbursement of Expenses	91,385	18,415
TOTAL	4,655,428	4,624,415

36. OBLIGATIONS ON OPERATING LEASES

The lease rentals in respect of computers and office space charged during the year and the total future minimum lease payments under non-cancellable operating leases payable are as under:

(Amount in ₹)

Particulars	Year ended March 31,	
	2013	2012
1. Lease Rentals paid during the period	264,193,290	250,978,978
2. Future Lease Obligations		
- Due within one year	153,985,141	234,471,582
- Due between One year and Five years	136,988,995	157,352,784
- Due after Five years	3,363,250	Nil

37. RELATED PARTY TRANSACTIONS:

A. Related Parties and their Relationships:

- | | |
|---|--|
| a) Subsidiary Companies: | <ol style="list-style-type: none"> 1. 3D PLM Software Solutions Ltd. 2. Geometric Asia Pacific Pte. Ltd. 3. Geometric China Inc. 4. Geometric Japan KK 5. Geometric Americas, Inc. 6. Geometric SAS. 7. Geometric Romania SRL 8. Geometric Europe GmbH 9. 3cap technologies GmbH
(w.e.f. January, 01, 2013) |
| b) Associates: | <ol style="list-style-type: none"> 1. Godrej & Boyce Mfg. Co. Ltd. 2. Godrej Infotech Ltd. |
| c) Key Management Personnel: | <ol style="list-style-type: none"> 1. Mr. Manu Parpia, Managing Director & CEO
(w.e.f. April 08, 2011) |
| d) Directors having Substantial Interest: | <ol style="list-style-type: none"> 1. Cerebrus Consultants Pvt. Ltd. |



Notes to Financial Statements (Contd.)

B. Transactions with Related Parties for the Year ended March 31, 2013

(Amount in ₹)

Sr. No.	Nature of Transaction	Subsidiary Companies	Associates	Key Management Personnel	Directors Having Substantial Interest
a)	Sales – Software Services	1,614,743,247 (1,146,960,809)	- -	- -	- -
b)	Software Development Charges – Sub-contract	89,246,418 (53,548,219)	- -	- -	- -
c)	Rent Income	3,174,143 (3,918,248)	- -	- -	- -
d)	Royalty income	51,834,557 (43,160,166)	- -	- -	- -
e)	Other Income	79,430 -	- -	- -	- -
f)	Interest Received on Loans	46,418,777 (39,794,069)	- -	- -	- -
g)	Dividend Received	69,315,400 (84,618,800)	- -	- -	- -
h)	Reimbursement of Expenses received/(Paid) (Net)	88,408,272 (64,371,517)	(281,716) (-2,926,486)	- -	- -
i)	Compensation for Services	1,618,060 (4,035,623)	- -	- -	- -
j)	Rent Paid towards Leased Premises	568,512 (451,201)	30,966,255 (36,477,190)	- -	- -
k)	Managerial Remuneration	- -	- -	22,435,563 (18,677,778)	- -
l)	Purchase of Fixed Assets	174,305 (1,221,313)	8,837,219 (14,768,567)	- -	- -
m)	Loan Given	392,053,499 (527,000,000)	- -	- -	- -
n)	Loan Repayment Recd	- (618,771,114)	- -	- -	- -
o)	Dividends Paid	- -	30,166,413 (22,624,810)	6,828,680 -	- -
p)	Sale of Fixed Assets	- (329,957,000)	- -	- -	- -
q)	Deposits Refunded	- -	19,683,032 (5,193,768)	- -	- -
r)	Advance Given	- -	- (41,782)	- -	- -

Notes to Financial Statements (Contd.)

(Amount in ₹)

Sr. No.	Nature of Transaction	Subsidiary Companies	Associates	Key Management Personnel	Directors Having Substantial Interest
s)	Commission Received	-	-	-	-
		(3,816,321)	-	-	-
t)	Investment in Subsidiary	-	-	-	-
		(499,600,000)	-	-	-
u)	Transfer of Electricity Deposit	2,190,600	-	-	-
		-	-	-	-
Balances as on Balance Sheet Date					
a)	Receivables including loan	1,289,483,069	-	-	-
		(723,778,826)	(450,829)	-	-
b)	Payables	135,163,718	4,902	-	-
		(83,372,503)	(18,212,540)	-	-
c)	Deposits	-	17,961,643	-	-
		-	(34,489,225)	-	-

*Figures in brackets indicate amounts for the year ended March 31, 2012

C. The material related party transactions are as under:

(Amount in ₹)

Nature of Transaction		Year ended March 31,	
		2013	2012
a)	Sales – Software Services: Geometric Americas, Inc.	1,486,579,284	1,074,608,605
b)	Software Development Charges – Sub-contract : Geometric Americas, Inc.	35,488,544	29,782,359
	Geometric SAS	53,075,601	23,765,860
c)	Rent Income: 3D PLM Software Solutions Ltd.	3,174,143	3,918,248
d)	Royalty income: Geometric Americas, Inc.	51,834,557	43,160,166
e)	Other Income Geometric SRL	79,430	-
f)	Interest Received on Loans: Geometric Americas, Inc.	46,377,907	39,794,069
g)	Dividend Received: 3D PLM Software Solutions Ltd.	69,315,400	84,618,800
h)	Reimbursement of Expenses: (Recd/(Paid)) 3DPLM Software Solutions Ltd.	33,986,973	50,194,338
	Geometric Americas, Inc.	49,556,402	17,856,598
i)	Compensation for Services: Geometric Americas, Inc.	1,618,060	4,035,623



Notes to Financial Statements (Contd.)

(Amount in ₹)

Nature of Transaction		Year ended March 31,	
		2013	2012
j)	Rent Paid towards Leased Premises: Godrej & Boyce Mfg. Co. Ltd.	30,966,255	36,477,190
k)	Managerial Remuneration: Mr. Manu Parpia	22,435,563	18,532,370
l)	Purchase of Fixed Assets: Godrej Infotech Ltd	8,837,219	13,816,786
m)	Loan Given: Geometric Europe GmbH	392,053,499	-
	Geometric Americas, Inc.	-	527,000,000
n)	Loan Repayment Recd: Geometric Americas, Inc.	-	618,771,114
o)	Dividends Paid: Godrej & Boyce Mfg. Co. Ltd.	30,166,413	22,624,810
	Mr. Manu Parpia	6,828,680	-
p)	Deposits Refunded: Godrej & Boyce Mfg. Co. Ltd.	19,683,032	5,193,768
q)	Sale of Fixed Assets: 3DPLM Software Solutions Ltd.	-	329,957,000
r)	Advance Given: Godrej & Boyce Mfg. Co. Ltd.	-	41,782
s)	Commission Received: Geometric Americas, Inc.	-	3,816,321
t)	Investment in Subsidiary: Geometric Americas, Inc.	-	499,600,000
u)	Transfer of Electricity Deposit 3DPLM Software Solutions Ltd.	2,190,600	-
Balances as on Balance Sheet Date			
a)	Receivables including loan: Geometric Americas, Inc.	776,637,669	681,353,441
	Geometric Europe GmbH	392,053,499	-
b)	Payables: Geometric Americas, Inc.	119,350,678	83,363,424
c)	Deposits: Godrej & Boyce Mfg. Co. Ltd.	17,961,643	34,489,225

Notes to Financial Statements (Contd.)

38. SEGMENT REPORTING

Accounting Standard - 17 'Segment Reporting' issued by the Institute of Chartered Accountants of India prescribes that where a financial report contains both consolidated financial statements and the separate financial statements of the parent, segment information need be presented only on the basis of the consolidated financial statements. Accordingly, segment information has been provided only in the consolidated financial statements.

39. DERIVATIVE INSTRUMENTS

- a) The Company has adopted the principles of Cash Flow Hedging as laid down in Accounting Standard AS-30 Financial Instruments: Recognition and Measurement issued by The Institute of Chartered Accountants of India. Changes in the fair value of those forward foreign exchange contracts which are designated and effective as hedges of the future cash flows are recognized directly under Shareholder's Funds in the Cash Flow Hedging Reserve and the ineffective portion is recognised immediately in the Statement of Profit and Loss.
- b) The Company uses forward exchange contracts to hedge its foreign exchange exposure. Following are outstanding foreign exchange contracts, which have been designated as Cash Flow Hedges as on March 31, 2013 for hedge of future expected sales:

Particulars	Purpose	As at March 31, 2013		As at March 31, 2012	
		Notional Amount in Foreign Currency	Notional Amount (₹)	Notional Amount in Foreign Currency	Notional Amount (₹)
Forward Contracts to Sell USD	Hedge of firm commitment and highly probable forecast transactions	55,137,000	2,544,340,493	107,656,999	5,352,727,491
Forward Contracts to Sell Euro	Hedge of firm commitment and highly probable forecast transactions	-	-	4,245,000	290,188,200
		2,544,340,493		5,642,915,691	

- c) As of the balance sheet date the following are the net foreign exposures that are not hedged by derivative instruments or otherwise:

Unhedged Foreign Currency Exposure	As at March 31, 2013		As at March 31, 2012	
	\$	₹	\$	₹
Loans	17,232,000	935,053,499	10,000,000	511,000,000
Bank	72,599.45	3,942,150	6,520,227.00	333,183,600
TOTAL	17,304,599	938,995,649	16,520,227	844,183,600

40. CURRENT LIABILITIES

The amount of dues owed to Micro, Small and Medium Enterprises as on March 31, 2013 amounted to ₹ 42,606 (March 31, 2012 : ₹ 108,386). This amount has not been outstanding for more than 45 days at the Balance sheet date. The information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

DISCLOSURE UNDER MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

Company has sought confirmation from vendors whether they fall in the category of Micro, Small and Medium Enterprises. Based on the information available the required disclosure under Micro, Small and Medium Enterprises Development Act, 2006 is given below:



Notes to Financial Statements (Contd.)

(Amount in ₹)

Particulars	Year ended March 31,	
	2013	2012
A) Principal amount remaining unpaid but not due.	42,606	108,386
B) Interest due thereon.	-	-
C) Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006 along with the amount of the payment made to supplier beyond the appointed day during the period.	-	-
D) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	-	-
E) Interest accrued and remaining unpaid .	-	-
F) Further Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise.	-	-

41. AMOUNTS DUE FROM SUBSIDIARIES:

(a) Loans given to Subsidiaries:

(Amount in ₹)

Name	Closing Balance As at March 31,		Maximum Debit Balance Year ended March 31,	
	2013	2012	2013	2012
Geometric Europe GmbH	392,053,500	-	408,313,370	-
Geometric Americas, Inc.	550,692,461	514,783,086	573,380,171	1,104,300,201

The above figures are including interest accrued and due thereon.

(b) Debts due from/(to) Subsidiaries:

(Amount in ₹)

Name	Closing Balance As at March 31,		Maximum Debit Balance Year ended March 31,	
	2013	2012	2013	2012
3D PLM Software Solutions Limited	1,635,565	1,619,485	12,285,677	9,703,312
Geometric Americas, Inc.	141,837,142	83,206,931	287,058,269	888,542,350
Geometric Asia Pacific Pte. Ltd.	47,360,439	40,796,819	60,026,580	45,110,948
Geometric Europe GMBH	20,740,245	-	22,170,078	-

In the opinion of the Board, the aforesaid loans to subsidiaries and debts due from the subsidiaries have a value on realization in the ordinary course of business at least equal to the amount at which they are stated, based on the improvements observed in the working of the subsidiaries pursuant to the cost reduction measures implemented and revamping of the business. The management is confident of restructuring the investments and repatriation of the dues within a reasonable period.

Notes to Financial Statements (Contd.)

42. DISCLOSURES REQUIRED BY CLAUSE 32 OF THE LISTING AGREEMENT

(Amount in ₹)

Name of the company	Balance as at		Maximum outstanding balance during the period ended	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
(a) Loans and advances in the nature of loans given to subsidiaries				
Geometric Europe GmbH (including accrued interest thereon)	392,053,500	-	408,313,370	-
Geometric Americas, Inc. (including accrued interest thereon)	550,692,461	514,783,086	573,380,171	1,104,300,201
TOTAL	942,745,961	514,783,086	981,693,541	1,104,300,201
(b) Loans and advances in the nature of loans given to associate				
Godrej & Boyce Mfg. Co. Ltd	Nil	Nil	Nil	Nil
Godrej Infotech Ltd	Nil	Nil	Nil	Nil
TOTAL	Nil	Nil	Nil	Nil
(c) Loans and advances in the nature of loans where repayment schedule is not specified/is beyond 7 years				
Geometric Europe GmbH (including accrued interest thereon)	Nil	Nil	Nil	Nil
Geometric Americas, Inc. (including accrued interest thereon)	Nil	Nil	Nil	Nil
TOTAL	Nil	Nil	Nil	Nil
(d) Loans and advances in the nature of loans where interest is not charged or charged below bank rate				
Geometric Europe GmbH	Nil	Nil	Nil	Nil
Geometric Americas, Inc.	Nil	Nil	Nil	Nil
TOTAL	Nil	Nil	Nil	Nil
(e) Loans and advances in the nature of loans to companies in which directors are interested.				
Geometric Europe GmbH (including accrued interest thereon)	392,053,500	-	408,313,370	-
Geometric Americas, Inc. (including accrued interest thereon)	550,692,461	514,783,086	573,380,171	1,104,300,201
TOTAL	942,745,961	514,783,086	981,693,541	1,104,300,201
(f) Investments in subsidiaries				
3DPLM Software Solutions Ltd.	9,002,000	9,002,000	9,002,000	9,002,000
Geometric Asia Pacific Pte. Ltd.	2,742,000	2,742,000	2,742,000	2,742,000
Geometric Europe, GmbH	184,929,775	1,886,775	184,929,775	1,886,775
Geometric Americas, Inc.	612,948,979	612,948,979	612,948,979	612,948,979
TOTAL	809,622,754	626,579,754	809,622,754	626,579,754



Notes to Financial Statements (Contd.)

43. CAPITAL AND OTHER COMMITMENTS

(a) Tangible Assets:

Estimated amount of contracts remaining to be executed on capital account to the extent not provided for (net of advances) ₹ 10,010,283 (March 31, 2012 ₹ 74,820)

(b) Intangible Assets:

Estimated amount of contracts remaining to be executed on capital account to the extent not provided for (net of advances) ₹ 537,900 (March 31, 2012 ₹ 12,455,464)

(c) Estimated amount of contracts remaining to be executed on capital account to the extent not provided for (net of advances) ₹ 9,492,597 (March 31, 2012 ₹ Nil)

44. CONTINGENT LIABILITIES

(a) Guarantees given by the Company's bankers against counter guarantees given by the Company ₹ 3,215,744 (March 31, 2012 ₹ 4,215,744)

(b) Corporate guarantee of ₹ 651,600,000 (USD 12 Million)(March 31, 2012 ₹ 613,200,000 (USD 12 Million)) in respect of a loan availed by a subsidiary secured by mortgage of current assets of the said subsidiary in favour of ICICI bank.

(c) Claims against the Company not acknowledged as debt:

i) ₹ 337,792,715 (March 31, 2012, ₹ 219,847,132) in respect of disputed demand of income tax against which the Company has preferred an appeal.

ii) ₹ 5,510,510 (March 31, 2012, ₹ 4,965,290) in respect of disputed demand of excise and customs duty against which the Company has preferred an appeal.

iii) ₹ 8,372,875 (March 31, 2012, ₹ 8,372,875) in respect of a sales tax assessment of previous years against which the Company has applied for cancellation.

iv) Suit filed against the Company in India claiming damages of ₹ 1,118,000,000 (March 31, 2012, ₹ 1,118,000,000) for alleged breach of a non-recruitment provision in an agreement. A similar case has already been dismissed by a Court of law in Virginia, USA.

v) Suit filed against the Company in India for non payment of contract fee of ₹ Nil as per the agreement. (March 31, 2012, ₹ 171,187)

45. GENERAL

(a) Figures for the previous year have been regrouped/ restated wherever necessary to conform to current period's presentation.

(b) Other information required by revised Schedule VI to the Companies Act, 1956, has been given only to the extent applicable.



Engine for Growth

3D PLM Software Solutions Ltd.

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

Regd. Office
Plant 6, Pirojshanagar, Vikhroli (W), Mumbai 400 079, India



Directors' Report to the Members

The Directors have pleasure in presenting their Report on the business and operations of the Company for the year ended March 31, 2013.

1. FINANCIAL RESULTS:

The Company's operating performance (standalone) during the year ended March 31, 2013, as compared to the previous year is summarized below:

(Amount ₹)		
PARTICULARS	Current Year	Previous Year
Sales and Other Income	2,770,694,821	1,920,896,026
Profit Before Interest, Depreciation and Tax	830,800,700	623,318,530
Interest	1,496,448	5,295,873
Depreciation	167,338,241	138,131,039
PROFIT BEFORE TAX:	661,966,011	479,891,618
Prior Period And Extraordinary Items	-	-
Provision For Taxes	213,802,753	144,543,509
PROFIT AFTER TAX:	448,163,258	335,348,109
Surplus Brought Forward	1,059,162,310	973,901,836
Surplus Transferred from Delmia Solutions Private Limited	123,536,564	-
Add: Reserves of Somero Enterprises Inc taken over	-	7,111,017
Less : Adjustment pursuant to merger of Somero Enterprises Inc.	-	83,104,245
PROFIT AVAILABLE FOR APPROPRIATION:	1,630,862,132	1,233,256,717
APPROPRIATIONS:		
Dividend		
- Interim	119,519,400	120,884,000
- Final	-	-
Dividend Tax	19,389,035	19,610,407
Transfer To General Reserve	45,500,000	33,600,000
Surplus Carried Forward	1,446,453,697	1,059,162,310
TOTAL	1,630,862,132	1,233,256,717

2. DIVIDEND:

The Board of Directors recommends that the interim dividend of Rs. 77 per share (770%) declared on July 17, 2012 and paid during the year be the final dividend for the financial year 2012-13.

3. BUSINESS PROSPECTS:

3DPLM has completed successfully eleven years of operation and continues to add value to Dassault Systemes (DS). We have been continuing to work to strengthen global R&D activities in India and creating stronger synergies between all R&D teams across different DS location. During FY 13, we have added one more brand i.e. GEOVIA. With this 3DPLM now works on 7 major Brands of DS, viz, ENOVIA, CATIA, 3DVIA, SIMULIA, SOLIDWORKS, DELMIA and GEOVIA.

3D PLM continues to focus on substantially enhancing productivity, promoting innovation while being lean and effective.

4. MERGER:

The Scheme of Amalgamation of Delmia Solutions Private Limited, the wholly owned subsidiary of the Company with the Company was sanctioned by the Karnataka High Court on September 13, 2012. The Appointed Date of the Scheme is April 1, 2012 and the Effective Date is October 8, 2012.

5. AUDITORS:

M/s. S. R. Batliboi & Associates LLP, Chartered Accountants, Mumbai will retire as the Auditors of the Company at the conclusion of the Annual General Meeting and being eligible offer themselves for re-appointment.

6. DEPOSITS:

During the year under review the Company has not accepted any deposits from the public under section 58A and 58AA of the Companies Act, 1956 read with Companies (Acceptance of Deposit) Rules, 1975.

7. PARTICULARS OF EMPLOYEES:

As required by the provisions of sub-section (2A) of Section 217 of the Companies Act, 1956, as amended, read with Companies (Particulars of Employees) Rules, 1975, the names and other particulars of the employees are set out in Annexure 'B' to the Directors Report.

8. COMPLIANCE CERTIFICATE:

Compliance Certificate received from a Practicing Company Secretary under Section 383A of the Companies Act, 1956 is attached with this report.

9. DIRECTORS RESPONSIBILITY STATEMENT:

The Board of Directors of the Company confirms:

- I. that in the preparation of the annual accounts, the applicable accounting standards had been followed alongwith proper explanation relating to material departures;
- II. that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2013 and of the profit of the Company for the year ended on that date;

III. that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

IV. that the annual accounts have been prepared on a going concern basis.

10. CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

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

11. ACKNOWLEDGEMENTS:

The Directors gratefully acknowledge the contribution made by the employees towards the success of the Company.

On behalf of the Board of Directors,

Manu Parpia
Chairman

April 17, 2013
Mumbai



Annexure 'A' to the Directors' Report

Particulars as prescribed under section 217 (1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988.

1) Conservation of Energy:

We are operating from three different locations. We have successfully implemented power saving initiatives like VRF, LED Lights in Bangalore location. We will continue to focus on energy conservation in other centers also.

Currently, we use CFL fittings to reduce the power consumption of fluorescent tubes. Air conditioners with energy-efficient screw compressors for central air conditioning and air conditioners with split air conditioning for localized areas are used.

We also use virtualization to reduce Computer Hardware requirement.

3D PLM have a "Green Committee" with a focus on conservation of energy and reducing waste.

2) Technology Absorption:

The disclosure of particulars with respect to Technology Absorption is given below:-

FORM B

Disclosure of particulars with respect to Technology Absorption

Research and development (R & D)

1. Specific areas in which R & D carried out by the Company:

R&D for software product development in the following brands of DS: CATIA, ENOVIA, 3DVIA, SolidWorks, SIMULIA, DELMIA & GEOVIA.

2. Benefits derived as a result of the above R & D:

Product quality has improved.

3. Future plan of action:

Continue to focus on productivity and quality.

4. Expenditure on R & D:

Company's R & D activities are part of its normal software development process. There is no separate R & D department and hence there is no specific capital or recurring R & D expenditure. It is not practicable to identify R & D expenditure out of the total expenditure incurred by the Company.

Technology Absorption, Adaptation and Innovation

1. Efforts, in brief, made towards Technology Absorption, Adaptation and Innovation:

3DPLM is an Offshore Development Center working exclusively for Dassault Group of companies. It works as an extension of the DS R&D. The main focus is on building expertise in DS products so that higher productivity and quality can be delivered and product development cycles can be reduced. Towards this objective, training sessions, workshops, visits are organized within 3D PLM and between 3D PLM and DS.

(a) Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution, etc:

High Product quality and increased business potential.

2. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished:

a. Technology imported:

b. Year of import:

c. Has technology been fully absorbed?

d. If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action.

Not Applicable as no imported technology is put to use.

3) Foreign Exchange Earnings and Outgo:

i) Activities relating to exports; initiatives taken to increase exports; development of new export markets for products and services; and export plans:

The Company is in the business of software exports. All efforts of the Company are geared to increase the business of software exports in different products and markets.

ii) Total Foreign Exchange Earnings used and earned:

	Current Year (₹)	Previous year (₹)
Total Foreign Exchange used	6,979,594	11,615,464
Total Foreign Exchange earned	2,740,071,598	1,896,738,832

Annexure 'B' to the Directors' Report

Information as per Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year ended March 31, 2013.

Sr. No.	Name	Designation	Qualification	Age	Date of Joining	Total Exp Years	Gross Remuneration in Rs.	Previous employment
1	Sudarshan Mogasale	Manager & CEO	BE	43	16-Dec-1996	18	6,363,828	ISRO
2	Milind Shastri	Senior Vice President	MTECH	49	01-Jul-1994	19	6,520,775	Godrej & Boyce Mfg. Co. Ltd.

Notes:

1. The Gross remuneration shown above is subject to tax and comprises salary, allowances, monetary value of perquisites as per Income tax rules and Company's contribution to Provident Fund & Superannuation Fund.
2. In addition to the above remuneration, employee is entitled to gratuity, medical benefits etc., in accordance with the Company's rules.
3. The remuneration as indicated above includes performance linked payments for the employee for the previous year, which were approved by the Management during the year.
4. The above appointment is non-contractual except of Manager & CEO of the company.
5. The employee is not related to any Director of the Company.



Secretarial Compliance Certificate

[In terms of Section 383A(1) of the Companies Act, 1956.]

To,
The Members,
3D PLM Software Solutions Ltd,
Plant 6, Pirojshanagar,
Vikhroli (West), Mumbai -400079.

I have examined the registers, records, books and papers of 3D PLM Software Solutions Ltd, as required to be maintained under the Companies Act, 1956 (the Act), and the Rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the Financial Year ended 31st March, 2013.

In my opinion, and to the best of my information, and according to the examinations carried out by me and the explanations furnished to me by the company, its officers and agents, I certify, that in respect of the aforesaid Financial Year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made thereunder and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made thereunder.
3. The Company, being a Public Limited Company, has the minimum prescribed Paid-up Share Capital.
4. The Board of Directors duly met five (5) times on 20/04/2012, 17/07/2012, 18/10/2012, 17/01/2013 and 25/03/2013, in respect of which meetings proper notices were given and the proceedings were properly recorded and signed, including the Circular Resolutions passed, in the Minutes Book maintained for the purpose.
5. The Company has not closed its Register of Members and/or Debenture holders during the Financial Year.
6. The Annual General Meeting for the Financial Year ended 31st March, 2012 was held on 20th July, 2012, after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
7. No Extra Ordinary General Meeting was held during the Financial Year.
8. The Company has not advanced any loans to its directors or persons or firms or companies referred to in Section 295 of the Act.
9. The Company has not entered into any contracts falling within the purview of Section 297 of the Act.
10. The Company has made the necessary entries in the Register maintained under Section 301 of the Act.
11. As there were no instances falling with the purview of Section 314 of the Act, the company has not obtained any approvals from the Board of Directors, members or the Central Government, as the case may be.
12. The company has not issued any duplicate share certificates during the financial year.
13. (i) The company has delivered the certificate on transfer of a share and lodgment thereof in accordance with the provisions of the Act. There was no allotment or transmission of securities of the company during the year under review.
(ii) The company declared Final Dividend on 20th April, 2012 and Interim Dividend on 17th July, 2012, during the Financial Year ended 31st March, 2013, which was deposited in a separate Bank Account within five days from the date of declaration of such Interim Dividend.
(iii) The company declared Final Dividend on 20th April, 2012 and Interim Dividend on 17th July, 2012, during the Financial Year ended 31st March, 2013, in respect of which the dividend has been remitted to all the members within the prescribed time. As on the date of this report there were no amounts outstanding under the head 'Unpaid/ Unclaimed Dividend'.
(iv) The company has duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. There was no appointment of additional directors, alternate directors and director/s to fill any casual vacancy/vacancies during the Financial Year.
15. The Company has not appointed any Managing Director or Whole-time Director during the financial year.
16. The Company has not appointed any Sole Selling Agents during the financial year.
17. There was no such activity for which the company was required to obtain any approval of the Central Government, Company Law Board, Regional Director, Registrar of Companies and/or such authorities prescribed under the various provisions of the Act.

18. The directors have disclosed their interest in other firms/ companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The Company has not issued any shares, debentures or other securities during the Financial Year.
20. The Company has not bought back any shares during the Financial Year.
21. The Company has not issued any Preference Shares or Debentures and hence there was no redemption of Preference Shares or Debentures during the financial year.
22. There were no transactions necessitating the company to keep in abeyance the rights to dividend, Rights Shares and Bonus Shares pending registration of transfer of shares.
23. The Company has not invited/accepted any deposits including any unsecured loans falling within the purview of Section 58A of the Act, during the financial year.
24. The amount borrowed by the Company from directors, members, public, financial institutions, banks and others during the Financial Year ended 31st March, 2013 is within the borrowing limits of the company and that necessary resolutions as per Section 293(1)(d) of the Act have been passed in the duly convened Annual/ Extra-ordinary General Meeting.
25. The Company has not made any loans or advances or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose.
26. The Company has not altered the provisions of the Memorandum with respect to the situation of the Registered Office of the Company from one State to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the Objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to the name of the Company during the year under scrutiny.
29. The Share Capital of the Company was enhanced during the year under scrutiny pursuant to the Order passed by the High Court of Karnataka at Bangalore on 13/09/2012, in Company Petition No.126/2012, approving the Scheme of Amalgamation between the company and M/s Delmia Solutions Pvt Ltd.
30. The Company has not altered its Articles of Association during the Financial Year.
31. There was no prosecution initiated against the Company, or Show Cause Notices received by the Company, for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. The company has deposited both the employees' and the employers' contributions to Provident Fund with the prescribed authorities pursuant to Section 418 of the Act.

Sd /-
(A. J. Gandhi)
C.P. No.2095

Place : Mumbai.
Date : May 16, 2013.



ANNEXURE A

List of Registers maintained by 3D PLM Software Solutions Ltd.

1. Register of Members under Section 150 and Share Ledger.
2. Register of Application and Allotment of Shares.
3. Register of Share Transfers.
4. Register of Directors, Managing Director under Section 303.
5. Register of Directors' Shareholdings under Section 307.
6. Register of Contracts in which directors are interested under Section 301(3).
7. Investment Register.
8. Register of Loans.
9. Board Meetings Minutes Book.
10. General Meeting Minutes Book

ANNEXURE B

Forms and Returns filed by 3D PLM Software Solutions Ltd with the Registrar of Companies, Regional Director, Central Government of other prescribed authorities during the Financial Year ended March 31, 2013..

Sr. No.	Document & date	Applicable provision of Companies Act.	Challan No./Service Request No. & date
1.	Form No.66 in respect of the Secretarial Compliance Certificate for the year ended 31.03.2012.	Section 383A(1)	P88272281 dated 06/08/2012
2.	Form No.20B for Annual Return (as per Schedule V) as on 15.07.2012.	Section 159	P88686878 dated 31/08/2012
3.	Form No.21 for filing Order of the High Court with the Registrar.	Section 394(1)	B59104810 dated 08/10/2012
4.	Form No.23ACXBRL and 23ACAXBRL, in respect of the Annual Accounts for the year ended 31.03.2012.	Section 220	Q05564877 dated 07/01/2013

Sd /-
(A. J. Gandhi)
C.P. No.2095

Place : Mumbai.
Date : May 16, 2013.

Auditors' Report

To

The Members of 3DPLM Software Solutions Limited

Report on the Financial Statements

We have audited the accompanying financial statements of 3DPLM Software Solutions Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Act;
 - (e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

For S.R. Batliboi & Associates LLP

Chartered Accountants

Firm's Registration Number: 101049W

per Govind Ahuja

Partner

Membership Number: 48966

Place: Mumbai

Date: April 17, 2013



Annexure referred to in paragraph 3 of our report of even date

Re: 3DPLM Software Solutions Limited ('the Company')

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) There was no substantial disposal of fixed assets during the year.
- (ii) The Company is in the business of providing software development services to customers and it does not have any inventory. Consequently, the provisions of clause 4 (ii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Act. Accordingly, the provisions of clause 4(iii)(a) to (d) of the Order are not applicable to the Company and hence not commented upon.
- (b) According to information and explanations given to us, the Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Act. Accordingly, the provisions of clause 4(iii)(e) to (g) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets and for rendering of services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas. The activities of the Company do not involve purchase of inventory and the sale of goods.
- (v) (a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Act that need to be entered into the register maintained under section 301 of the Act have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees five lakhs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the public.
- (vii) In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
- (viii) To the best of our knowledge and as explained, the Central Government has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Act, for the products of the Company.
- (ix) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, cess and other material statutory dues applicable to it. The provisions relating to excise duty are not applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions relating to excise duty are not applicable to the Company.
- (c) According to the information and explanation given to us, there are no dues of sales-tax, wealth tax, service tax, customs duty and cess which have not been deposited on account of any dispute. The provisions relating to excise duty are not applicable to the Company. According to the records of the Company, details of income tax dues, which have not been deposited on account of a dispute are as under:

Name of the statute	Nature of dues	Amount (₹)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	7,742,167	Assessment Year 2005-06	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income tax	485,878	Assessment Year 2005-06	Income tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	2,772,592	Assessment Year 2006-07	Income Tax Appellate Tribunal (ITAT)
Income Tax Act, 1961	Income Tax	12,730,687	Assessment Year 2007-08	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Tax deducted at source	17,641,590	Assessment Year 2008-09	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Tax deducted at source	5,250,926	Assessment Year 2008-09	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income tax	27,169	Assessment Year 2009-10	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	12,733,656	Assessment Year 2008-09	Income Tax Appellate Tribunal (ITAT)

- (x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a bank. The Company has not issued any debentures or availed any loan from financial institutions.
- (xii) According to the information and explanations given to us and based on the documents and records produced before us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Order are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) Based on the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Act.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised any money by way of public issue during the year.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For S.R. Batliboi & Associates LLP
Chartered Accountants
Firm's Registration Number: 101049W

per Govind Ahuja
Partner
Membership Number: 48966

Place: Mumbai
Date: April 17, 2013



Balance Sheet as at March 31, 2013

(All amounts in Indian Rupees unless otherwise stated)

Particulars	Notes to Accounts	As at March 31, 2013	As at March 31, 2012
EQUITY AND LIABILITIES			
Shareholder's Funds			
Share Capital	4	15,522,000	15,522,000
Reserves and Surplus	5	1,690,684,927	1,123,434,735
		1,706,206,927	1,138,956,735
Non-Current Liabilities			
Deferred tax liabilities (Net)	6	17,207,434	15,338,681
Other Long term liabilities	7	40,505,104	184,309,264
Long term provisions	8	1,132,642	14,994,580
Current Liabilities			
Short-term borrowings	9	-	176,358,262
Trade payables	10	328,471	13,296,295
Other current liabilities	11	440,218,715	307,366,459
Short-term provisions	12	70,742,188	42,022,406
Total Equity and Liabilities		2,276,341,481	1,892,642,682
ASSETS			
Non-current assets			
Fixed assets	13		
Tangible assets		1,223,437,265	1,091,864,697
Intangible assets		2,113,605	1,464,210
Capital work-in-progress		9,855,816	73,653,115
Non-current investments	14	-	7,311,720
Long term loans and advances	15	126,702,956	162,721,901
Other non-current assets	16	3,965,000	3,965,000
Current assets			
Current investments	17	526,236,555	230,166,786
Trade receivables	18	186,345,279	195,756,982
Cash and Bank Balances	19	20,880,395	13,005,063
Short-term loans and advances	20	157,524,869	111,353,917
Other current assets	21	19,279,741	1,379,291
Total Assets		2,276,341,481	1,892,642,682

Summary of Significant Accounting Policies

3

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For and on behalf of the Board of Directors of 3D PLM Software Solutions Limited

For S.R. Batliboi & Associates LLP

Firm Registration Number: 101049W

Chartered Accountants

per Govind Ahuja

Partner

Membership No. 48966

Manu Parpia

Chairman

David de MUER

Director

Sudarshan Mogasale

CEO & Manager

Place: Mumbai

Date: April 17, 2013

Statement of Profit and Loss for year ended March 31, 2013

(All amounts in Indian Rupees unless otherwise stated)

Particulars	Notes to Accounts	Year Ended	
		March 31, 2013	March 31, 2012
INCOME			
Revenue from Operations			
Revenue from software services		2,740,166,369	1,903,648,228
Other income	22	30,528,452	17,247,798
Total Revenue		2,770,694,821	1,920,896,026
EXPENDITURE			
Employee benefit expenses	23	1,446,660,892	1,071,865,022
Operating and other expenses	24	492,634,926	224,693,369
Finance costs	25	2,094,751	6,314,978
Depreciation and amortization expense	13	167,338,241	138,131,039
Total Expenses		2,108,728,810	1,441,004,408
PROFIT BEFORE TAX		661,966,011	479,891,618
Tax Expense			
Current Taxes		200,000,000	146,800,000
Wealth Taxes		157,004	-
Deferred tax (credit)/expense		13,645,749	(2,256,491)
Total tax expense		213,802,753	144,543,509
PROFIT FOR THE YEAR		448,163,258	335,348,109

EARNINGS PER EQUITY SHARE

Basic and Diluted [Nominal value of the shares ₹ 10 (March 31, 2012 : ₹ 10)]	288.73	225.59
Weighted average number of equity shares	1,552,200	1,486,562

Summary of Significant Accounting Policies

3

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For and on behalf of the Board of Directors of 3D PLM Software Solutions Limited

For S.R. Batliboi & Associates LLP

Firm Registration Number: 101049W

Chartered Accountants

per Govind Ahuja
Partner
Membership No. 48966

Manu Parpia
Chairman

David de MUER
Director

Sudarshan Mogasale
CEO & Manager

Place: Mumbai
Date: April 17, 2013



Cash Flow Statement for the year ended March 31, 2013

(All amounts in Indian Rupees unless otherwise stated)

Particulars	For the year ended	
	March 31, 2013	March 31, 2012
CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax	661,966,011	479,891,618
Adjustment for:		
Depreciation and amortisation	167,338,241	138,131,039
Sundry Balances of Somero W/off	246,497	-
(Profit) / Loss on Sale of Fixed Assets	(4,521,610)	(4,401,013)
(Profit) / Loss on Sale of Investments	(5,077)	(246,717)
Interest Expense	1,496,448	5,295,873
Interest Income	(954,235)	(1,343,758)
Dividend Income	(21,344,301)	(10,330,785)
Unrealised (gain)/loss	2,091,436	13,943,405
Operating Cash Flows Before Working Capital Changes	806,313,410	620,939,662
Movement in working capital		
Increase/ (Decrease) in Long Term Liabilities	5,439,671	23,679,391
Increase/ (Decrease) in Long Term Provisions	(13,861,938)	6,814,580
Increase/ (Decrease) in Trade Payables	(18,541,699)	11,691,117
Increase/ (Decrease) in Other Current Liabilities	59,866,779	50,044,940
Increase/ (Decrease) in Short Term Provisions	13,921,211	(1,883,940)
Decrease/ (Increase) in Long Term Loans and Advances	(15,888,978)	(17,914,929)
Decrease/ (Increase) in Trade Receivables	43,577,060	16,940,494
Decrease/ (Increase) in Short Term Loans and Advances	35,232,262	(5,609,357)
Decrease/ (Increase) in Other Current Assets	(6,068,898)	97,228
Cash Generated from Operations	909,988,880	704,799,186
Income Taxes Paid	(142,803,351)	(98,241,259)
Net Cash Flow from Operating Activities (A)	767,185,529	606,557,927
CASH FLOW FROM/ (USED IN) INVESTING ACTIVITIES		
Purchase of Fixed Assets including CWIP and Capital advances	(200,724,605)	(573,193,786)
Proceeds from Sale of Fixed Assets	5,825,224	4,401,013
Purchase of Investments	(1,841,573,205)	(1,643,172,214)
Proceeds from Sale/Redemption of Investments	1,545,508,513	1,551,769,680
Fixed Deposit Placed	(125,000,000)	-
Fixed Deposit Matured	136,459,748	-
Dividend Received	21,344,301	10,330,785
Interest Received	1,084,996	2,632,294
Net Cash Used in Investing Activities (B)	(457,075,028)	(647,232,228)

Cash Flow Statement for the year ended March 31, 2013

(All amounts in Indian Rupees unless otherwise stated)

Particulars	For the year ended	
	March 31, 2013	March 31, 2012
CASH FLOW FROM FINANCING ACTIVITIES:		
Borrowings from Bank	-	539,195,032
Repayment of Short Term Bank Borrowings	(172,320,313)	(366,874,719)
Interest Paid	(1,807,960)	(4,984,361)
Dividend Paid including dividend tax	(138,908,435)	(140,494,407)
Net Cash used in Financing Activities (C)	(313,036,708)	26,841,545
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(2,926,207)	(13,832,756)
Effect of exchange difference on Cash and Cash Equivalents	3,129	(49,483)
Cash and Cash equivalents at the beginning of the year	12,054,546	25,887,302
Cash and Cash equivalents taken over from Delmia Solutions Private Limited	8,729,082	-
Cash and Cash equivalents at the end of the year	17,860,550	12,005,063
Components of cash and cash equivalents		
Cash and cheques on hand	-	-
Remittance in Transit	-	6,728,257
Balances with Banks		
In Current Accounts	17,860,550	5,276,806
Cash and Cash equivalents as per Note 19	17,860,550	12,005,063

Summary of Significant Accounting Policies 3

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For and on behalf of the Board of Directors of 3D PLM Software Solutions Limited

For S.R. Batliboi & Associates LLP

Firm Registration Number: 101049W

Chartered Accountants

per Govind Ahuja
Partner
Membership No. 48966

Manu Parpia
Chairman

David de MUER
Director

Sudarshan Mogasale
CEO & Manager

Place: Mumbai
Date: April 17, 2013



Notes to Financial Statement

1. NATURE OF OPERATIONS

3D PLM Software Solutions Limited ('the Company') is a 58:42, joint venture between Geometric Limited and Dassault Systemes. The Company is engaged in product development, industrialisation, maintenance, documentation and market support for Product Lifecycle Management (PLM) softwares of DassaultSystemes.

2. BASIS OF PREPARATION

The financial statements have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified by Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

b) Tangible Fixed Assets

Fixed Assets are stated at cost less accumulated depreciation, amortization and impairment losses if any. Cost includes all expenses related to acquisition and installation of the concerned assets and any attributable cost of bringing the asset to the condition of its intended use. Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure

and cost of replacing parts, are changed to the statement of profit and loss for the period during which such expenses are incurred. Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

c) Depreciation on Tangible Fixed Assets

Depreciation is provided using the Straight Line Method as per the useful lives of the assets estimated by the management, or at the rates prescribed under schedule XIV of the Companies Act, 1956 whichever is higher. Individual assets acquired for less than ₹ 5,000 are entirely depreciated in the year of acquisition.

The Management's estimate of useful lives for various fixed assets which is higher than the useful lives as per the rates prescribed under schedule XIV of the Companies Act, 1956 is as under:

	Years of useful life
Building	20-28
Computers	3
Electrical Installation	8
Office Equipment	2-13
Furniture and Fixtures	5-10
Vehicles	5

Leasehold land is depreciated over the period of lease.

d) Intangible Assets and related amortization

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets are amortized on a straight line basis over the estimated useful economic life. Intangible assets consist of computer software and are amortized over 3 to 5 year period.

e) Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

Notes to Financial Statement (Contd.)

f) Borrowing costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

g) Impairment of tangible and intangible assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

h) 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.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost.

However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

i) Foreign Exchange Transactions

(i) Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

(iii) Exchange Differences

Exchange differences arising on the settlement of monetary items, or on reporting such monetary items of company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

(iv) Forward Exchange Contracts

The Company records forward exchange contracts obtained to hedge firm commitments or highly probable forecast revenues using the principles of hedge accounting as recommended under the Accounting Standards 30 – "Financial Instruments: Recognition and Measurement" issued by the Institute of Chartered Accountants of India.

In accordance with AS 30, such forward exchange contracts, which qualify for cash flow hedge accounting and where Company has met all the conditions of AS 30, are fair valued at balance sheet date and the resultant exchange gain/loss is credited/debited to the



Notes to Financial Statement (Contd.)

hedging reserve included in the Reserves and Surplus. This gain/loss would be recorded in the statement of profit and loss when the underlying transactions affect earnings. In case, these forward contracts do not meet the criteria for hedge accounting, the gain/loss on fair valuation is recorded in the statement of profit and loss.

Hedge accounting is discontinued from the last testing date when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Cumulative gain or loss on such hedging instrument recognized in shareholder's funds is retained there until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognized in shareholders' funds is transferred to statement of profit and loss for the year. Exchange differences on such contracts are recognized in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or as expense for the year.

j) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Income from Services

Revenue from time and material contracts for software development is recognized on completion of contracts or statements of work or at stages as per the applicable terms and conditions agreed with the customers and when the deliverables are dispatched to customers.

Income from reimbursable assets

Revenue for reimbursable assets is recognized over the useful life of the assets.

Interest

Revenue is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend

Revenue is recognized when the right to receive payment is established by the balance sheet date.

k) Income Tax

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each reporting date the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. MAT credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the Minimum Alternative tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance Note issued by the Institute of Chartered Accountants of India, the said asset

Notes to Financial Statement (Contd.)

is created by way of a credit to the profit and loss account and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

l) Employee Benefits

(i) Short Term Employee Benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, performance incentives, etc., are recognized as an expense at the undiscounted amount in the statement of Profit and Loss of the year in which the employee renders the related service.

(ii) Post-Employment benefits

Post-employment benefits in the form of Provident Fund and Superannuation are defined contribution schemes and the contributions are charged to the statement of Profit and Loss of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable.

Post-employment benefits in the form of Gratuity is a defined benefit obligations and is provided for on the basis of an actuarial valuation made as at the balance sheet date, using the projected unit credit method. Actuarial gain and losses, if any, are recognized immediately in the statement of Profit and Loss as income or expense.

(iii) Other Employment benefits

The Company has classified compensated absences as short-term benefits which are measured using estimates of amount; the Company expects to pay to its employees towards the accumulated compensated absences as at the balance sheet date.

m) Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions

are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Provision for expenditure relating to voluntary retirement is made when the employee accepts the offer of early retirement.

n) Business Segment

The Company is exclusively engaged in the business of Software Development for Dassault Systemes and its affiliates. Accordingly, in terms of AS 17 on Segment Reporting, its operations are considered to constitute one single primary segment. The Secondary segments are geographical areas by location of customers.

o) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

p) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

q) Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.



Notes to Financial Statement (Contd.)

(All amounts in Indian Rupees unless otherwise stated)

	Amount in ₹	
	As at March 31, 2013	2012
4. SHARE CAPITAL		
<u>Authorised :</u>		
2,700,000 (March 31, 2012: 1,700,000) Equity Shares of ₹ 10 each and	27,000,000	17,000,000
300,000 (March 31, 2012: 300,000) Class 'A' and Class 'B' Equity Shares of ₹ 10 each with differential voting rights	3,000,000	3,000,000
	30,000,000	20,000,000
<u>Issued, Subscribed and Paid Up :</u>		
1,373,246 (March 31, 2012: 1,373,246) Equity Shares of ₹ 10 each fully paid	13,732,460	13,732,460
72,965 (March 31, 2012: 72,965) Class 'A' Equity Shares of ₹ 10 each fully paid	729,650	729,650
105,989 (March 31, 2012: 105,989) Class 'B' Equity Shares of ₹ 10 each fully paid	1,059,890	1,059,890
	15,522,000	15,522,000
a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period		
Reconciliation of Equity Share		
Equity Shares outstanding at the beginning of the year	1,373,246	1,286,000
Equity Shares issued during the year	-	87,246
Shares outstanding at the end of the year	1,373,246	1,373,246
Reconciliation of Class 'A' Equity Shares		
Equity Shares outstanding at the beginning of the year	72,965	-
Equity Shares issued during the year	-	72,965
Shares outstanding at the end of the year	72,965	72,965
Reconciliation of Class 'B' Equity Shares		
Equity Shares outstanding at the beginning of the year	105,989	-
Equity Shares issued during the year	-	105,989
Shares outstanding at the end of the year	105,989	105,989

Notes to Financial Statement (Contd.)

(All amounts in Indian Rupees unless otherwise stated)

	Amount in ₹	
	As at March 31, 2013	2012
b. Terms/rights attached to equity shares		
1,373,246 equity shares of the face value of ₹ 10 each fully paid carry a single voting right (1 vote for every single share held)		
72,965 Class 'A' equity shares of ₹ 10 each fully paid have differential voting rights of 2 votes for every one such share held.		
105,989 Class 'B' equity shares of ₹ 10 each fully paid have differential voting rights of 2 votes for every one share held and one additional vote each on:		
i. a change in control that has occurred due to actions by any person regarded as a Dassault Systemes Competitor as defined in the Shareholder's Agreement; or		
ii. Upon issuance of the "Notice of Increase" as defined in the Shareholders Agreement.		
Each equity share carries equal dividend rights irrespective of the class of shares to which it belongs.		
The dividend proposed by the Board of Directors is subject to approval of shareholders in the ensuing General Meeting.		
In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company.		
The distribution will be in proportion to the number of equity shares held by the shareholders.		
c. Shares held and Percentage of Holding:		
<u>Geometric Limited (Holding Company)</u>		
Number of shares held	900,200	900,200
Percentage of holding	58%	58%
<u>Dassault Systemes</u>		
Number of shares held	385,800	385,800
Percentage of holding	25%	25%
<u>Dassault Systemes Delmia Corp</u>		
Number of shares held	266,200	266,200
Percentage of holding	17%	17%
	1,552,200	1,552,200



Notes to Financial Statement (Contd.)

(All amounts in Indian Rupees unless otherwise stated)

		Amount in ₹	
		As at March 31,	
		2013	2012
d.	Details of shareholders holding more than 5%		
(i)	Equity Shares		
	Geometric Limited (Holding Company)		
	Number of shares held	900,200	900,200
	Percentage of holding in the class	66%	66%
	Dassault Systemes		
	Number of shares held	385,800	385,800
	Percentage of holding in the class	28%	28%
	Dassault Systemes Delmia Corp		
	Number of shares held	87,246	87,246
	Percentage of holding in the class	6%	6%
		1,373,246	1,373,246
(ii)	Class 'A' Equity Shares		
	Dassault Systemes Delmia Corp		
	Number of shares held	72,965	72,965
	Percentage of holding in the class	100%	100%
(iii)	Class 'B' Equity Shares		
	Dassault Systemes Delmia Corp		
	Number of shares held	105,989	105,989
	Percentage of holding in the class	100%	100%
e.	Aggregate number of shares issued for consideration other than cash and during the period of five years immediately preceding the reporting date:		
	Equity shares	87,246	87,246
	Class 'A' Equity Shares	72,965	72,965
	Class 'B' Equity Shares	105,989	105,989
		266,200	266,200

Notes to Financial Statement (Contd.)

(All amounts in Indian Rupees unless otherwise stated)

	Amount in ₹	
	As at March 31, 2013	2012
5. RESERVES AND SURPLUS		
General Reserve		
As per last Balance Sheet	33,600,000	223,150,000
Add: Transferred from Delmia Solutions Private Limited (Refer Note 35)	32,115,406	-
Add: Transfer from profit and loss account	45,500,000	33,600,000
Less: Adjustment pursuant to merger of Somero Enterprises Inc. (Refer Note 34)	-	(223,150,000)
Less: Adjustment pursuant to merger of Delmia Solutions Private Limited (Refer Note 35)	(2,511,520)	-
	108,703,886	33,600,000
Cash Flow Hedging Reserve		
As per last Balance Sheet	(273,367,020)	70,403,806
Add: Transferred from Delmia Solutions Private Limited (Refer Note 35)	(8,184,519)	-
Add/Less: Movement during the year (net)	111,039,084	(343,770,826)
	(170,512,455)	(273,367,020)
Securities Premium		
As per last Balance Sheet	304,039,445	-
Add: Transferred from Delmia Solutions Private Limited (Refer Note 35)	400	-
Add: Premium on shares issued to Somero Enterprises Inc. for amalgamation	-	304,039,445
	304,039,845	304,039,445
Capital Redemption Reserve		
As per last Balance Sheet	-	-
Add: Transferred from Delmia Solutions Private Limited (Refer Note 35)	1,000,000	-
	1,000,000	-
Capital Reserve		
As per last Balance Sheet	-	-
Add: Transferred from Delmia Solutions Private Limited (Refer Note 35)	999,954	-
	999,954	-
Surplus in the statement of Profit and Loss		
As per last Balance Sheet	1,059,162,310	973,901,836
Add: Transferred from Delmia Solutions Private Limited (Refer Note 35)	123,536,564	-
Add: Net Profit for the year	448,163,258	335,348,109
Less: Interim Dividend	(119,519,400)	(120,884,000)
Less: Dividend Distribution Tax	(19,389,035)	(19,610,407)
Add: Reserves of Somero Enterprises Inc taken over (Refer Note 34)	-	7,111,017
Less: Adjustment pursuant to merger of Somero Enterprises Inc. (Refer Note 34)	-	(83,104,245)
Less: Transfer to General Reserve	(45,500,000)	(33,600,000)
Net Surplus in the Statement of Profit & Loss	1,446,453,697	1,059,162,310
	1,690,684,927	1,123,434,735



Notes to Financial Statement (Contd.)

(All amounts in Indian Rupees unless otherwise stated)

	Amount in ₹	
	As at March 31, 2013	2012
6. DEFERRED TAX LIABILITY (net)		
Deferred Tax Liability		
Difference in depreciation of tax books and financial books	41,807,420	33,429,171
Deferred Tax Asset		
Effect of expenditure debited to Statement of Profit and Loss account in the current year but allowed for tax purposes in following year	(24,599,986)	(18,090,490)
	17,207,434	15,338,681
7. OTHER LONG TERM LIABILITIES		
Deferred Revenue	38,109,160	32,669,489
Forward Contract Payable	2,395,944	151,639,775
	40,505,104	184,309,264
8. LONG TERM PROVISIONS		
Fringe Benefit Tax [Net of Advance Tax : ₹ 18,559,413 (March 31, 2012 : ₹ 7,778,923)]	1,132,642	1,259,580
Provision for employee benefits		
Long Service Bonus	-	13,735,000
	1,132,642	14,994,580
9. SHORT TERM BORROWINGS		
Preshipment Finance	-	176,358,262
(Secured by hypothecation of book debts and a corporate guarantee from the Holding Company)		
	-	176,358,262
10. TRADE PAYABLES		
Trade Payables (Refer Note 36)	328,471	13,296,295
	328,471	13,296,295
11. OTHER CURRENT LIABILITIES		
Deferred Revenue	45,816,670	37,698,595
Retention Money	2,141,873	466,740
Forward Contracts Payable	187,353,609	134,009,838
Accrued Expenses	158,633,377	104,106,380
Statutory Liabilities	22,789,667	15,404,995
Deposits from Vendors	60,000	40,000
Advances from customers	226,799	221,920
Others Payables	23,196,720	15,417,991
	440,218,715	307,366,459
12. SHORT TERM PROVISIONS		
Provision for employee benefits		
Compensated Absences	33,392,019	24,095,588
Gratuity	16,711,836	13,348,485
Long Service Bonus	20,638,333	4,578,333
	70,742,188	42,022,406

Notes to Financial Statement (Contd.)

13. FIXED ASSETS

ASSET	GROSS BLOCK				DEPRECIATION / AMORTISATION					NET BLOCK		(Amount in ₹)
	As at April 1, 2012	Adjustments pursuant to merger of Delmia Solutions Private Limited	Additions	Disposals/ Other Adjustments	As at March 31, 2013	Upto March 31, 2012	Adjustments pursuant to merger of Delmia Solutions Private Limited	For the Year	On Disposals/ Other Adjustments	Upto March 31, 2013	As at March 31, 2013	
Tangible Assets:												
- Leasehold Land	388,436,766	-	-	-	388,436,766	9,714,708	-	4,171,674	-	13,886,382	374,550,384	378,722,058
- Buildings	412,258,344	2,169,480	52,513,696	-	466,941,520	25,845,081	1,595,038	16,859,645	-	44,299,764	422,641,756	386,413,263
- Computers	588,198,800	82,810,511	132,940,040	53,656,287	750,293,064	464,001,832	64,256,067	103,037,364	53,583,231	577,712,032	172,581,032	124,196,968
- Electrical Installations	112,537,244	-	21,742,613	-	134,279,857	37,038,077	-	16,214,146	-	53,252,223	81,027,634	75,499,167
- Office Equipment and EPBAX System	58,664,138	4,059,591	29,512,265	-	92,235,994	9,225,743	3,254,943	7,008,362	-	19,489,048	72,746,946	49,438,395
- Furniture and Fixtures	111,896,738	187,870	26,815,418	-	138,900,026	34,301,892	157,112	13,737,250	-	48,196,254	90,703,772	77,594,846
- Vehicles	-	30,248,535	-	5,200,154	25,048,381	-	15,409,920	5,395,801	4,943,081	15,862,640	9,185,741	-
Total	1,671,992,030	119,475,987	263,524,032	58,856,441	1,996,135,608	580,127,333	84,673,080	166,424,242	58,526,312	772,698,343	1,223,437,265	1,091,864,697
Previous year	1,280,803,378	-	495,765,782	104,577,130	1,671,992,030	547,905,451	-	136,799,012	104,577,130	580,127,333	1,091,864,697	-
Intangible Assets:												
- Computer Software	13,303,177	3,456,402	1,563,393	-	18,322,972	11,838,967	3,456,402	913,998	-	16,209,367	2,113,605	1,464,210
Total	13,303,177	3,456,402	1,563,393	-	18,322,972	11,838,967	3,456,402	913,998	-	16,209,367	2,113,605	1,464,210
Previous year	11,554,531	-	1,748,646	-	13,303,177	10,506,940	-	1,332,027	-	11,838,967	1,464,210	-
Grand Total	1,685,295,207	122,932,389	265,087,425	58,856,441	2,014,458,580	591,966,300	88,129,482	167,338,240	58,526,312	788,907,710	1,225,550,870	1,093,328,907
Previous year	1,292,357,909	-	497,514,428	104,577,130	1,685,295,207	558,412,391	-	138,131,039	104,577,130	591,966,300	1,093,328,907	-
Capital Work in Progress											9,855,816	73,653,115



Notes to Financial Statement (Contd.)

(All amounts in Indian Rupees unless otherwise stated)

	Amount in ₹	
	As at March 31,	
	2013	2012
14. NON CURRENT INVESTMENTS		
Investment in Subsidiary Company		
Unquoted Trade, Fully paid (At cost)		
Nil, (March 31, 2012 : 480,020 Equity Shares of Delmia Solutions Private Limited of Face Value ₹ 10 each)	-	7,311,720
	-	7,311,720
15. LONG TERM LOANS AND ADVANCES (unsecured, considered good)		
Capital Advances		
Godrej and Boyce Manufacturing Company Limited	3,935,605	-
Others	4,787,824	5,353,345
Security Deposits	28,181,680	16,533,467
Advance Tax [Net of Provision for Tax : 689,757,158 (March 31, 2012 : ₹ 376,833,766)]	43,981,113	7,492,284
Rental Deposit to Related Parties		
Godrej and Boyce Manufacturing Company Limited	2,126,014	9,199,853
Others		
MAT credit entitlement	43,690,720	124,142,952
Less : Provision for Doubtful Advances		-
	126,702,956	162,721,901
16. OTHER NON CURRENT ASSETS		
Deposits in Banks (with original maturity greater than twelve months)	3,965,000	3,965,000
[Pledged with bankers for obtaining bank guarantees ₹ 3,965,000 (March 31, 2012: ₹ 3,965,000)]		
	3,965,000	3,965,000

Notes to Financial Statement (Contd.)

(All amounts in Indian Rupees unless otherwise stated)

Amount in ₹

	Units	Face Value	As at March 31, 2013	2012
17. CURRENT INVESTMENTS				
OTHER THAN TRADE, UNQUOTED, FULLY PAID UP (at lower of cost or fair value)				
Investments in Mutual Funds				
Reliance Liquid Fund - Treasury-IP-DDR	5,856,223.71	10.00	-	89,526,433
	30,898.28	1,000.00	47,237,165	
JM High Liquidity Fund - Institutional Plan	4,056,722.90	10.00	-	40,634,165
	1,985,832.42	10.00	20,712,630	
Kotak Liquid Institutional Premium Plan - DDR	77,025.84	10.00	-	941,880
	1,630.39	1,000.00	1,002,220	
Religare Liquid Fund - Institutional Daily Dividend	36,916.11	1,000.00	-	36,945,083
Religare Ultra Short Term Fund - Institutional Dividend	60,155.16	1,000.00	60,258,327	-
ICICI Prudential Blended Plan -B	6,087,578.22	10.00	61,004,692	-
Religare Liquid Fund Super IP DDR	5,210.80	1,000.00	5,214,887	-
Sundaram Money Fund - Super IP	6,104,083.26	10.00	61,622,552	-
Reliance Liquid Fund Treasury Plan IP-Direct	16,417.80	1,000.00	25,098,550	-
Religare Liquid Fund Super IP - Direct	7,628.91	1,000.00	7,634,896	-
Kotak Floater - ST Direct	39,910.36	1,000.00	40,374,121	-
UTI Fixed Income Interval Fund VI QIP DDR	6,152,419.24	10.00	61,562,415	-
Birla Floating Rate Long Term Plan - DDR-Dire	561,012.26	100.00	56,192,615	-
Kotak Flexi Debt Scheme Plan A direct	2,786,762.88	10.00	28,000,000	-
ICICI Prudential Liquid Plan Direct	503,101.15	100.00	50,321,485	-
ICICI Prudential Money Market Fund - Cash Opt	621,120.82	100.00	-	62,119,225
			526,236,555	230,166,786
Aggregate value of unquoted investments			526,236,555	230,166,786
Aggregate value of quoted investments			-	-



Notes to Financial Statement (Contd.)

(All amounts in Indian Rupees unless otherwise stated)

	Amount in ₹	
	As at March 31,	
	2013	2012
18. TRADE RECEIVABLES (unsecured, considered good)		
Debts outstanding for a period exceeding six months from the date they are due for payment	-	1,656,814
Other Debts	186,345,279	194,100,168
	186,345,279	195,756,982
19. CASH AND BANK BALANCES		
<u>Cash and Cash Equivalents</u>		
Cash in Hand	-	-
Remittance in Transit	-	6,728,257
<u>Balances with Banks</u>		
In Current Accounts	17,860,550	5,276,806
Total- Cash and Cash Equivalents	17,860,550	12,005,063
<u>Other bank balances</u>		
In Deposit Accounts with original maturity for less than twelve months	3,019,845	1,000,000
[Pledged with bankers for obtaining bank guarantees ₹ 3,019,845 (March 31, 2012: 1,000,000)]		
	20,880,395	13,005,063
20. SHORT TERM LOANS AND ADVANCES (Unsecured, considered good)		
Unsecured, considered good		
Advances/Deposits to Related Parties		
Godrej and Boyce Manufacturing Company Limited	420,648	1,689,936
Geometric Americas, Inc.	1,213,272	1,936,305
Geometric Limited	39,961	-
MAT credit entitlement	64,657,625	48,863,018
Service tax Receivable	46,663,647	19,218,806
Others	44,529,716	39,645,852
a	157,524,869	111,353,917
Unsecured, considered doubtful		
Advances recoverable in cash or kind	2,624,799	2,389,138
Less : Provision for doubtful advances	2,624,799	2,389,138
b	-	-
(a + b)	157,524,869	111,353,917
21. OTHER CURRENT ASSETS (Unsecured, considered good)		
Accrued Interest	909,810	92,521
Unbilled Revenue	9,286,261	686,985
Other Receivables	9,083,670	599,785
	19,279,741	1,379,291

Notes to Financial Statement (Contd.)

(All amounts in Indian Rupees unless otherwise stated)

	Amount in ₹	
	As at March 31,	
	2013	2012
22. OTHER INCOME		
Dividend Income on current investments	21,344,301	10,330,785
Interest Income		
- Interest on Bonds	-	910,895
- Interest on Bank Deposits	954,235	432,863
Gain on sale of current investments	5,077	246,717
Other Non Operating Income		
- Gain on Sale of Assets	4,521,610	4,401,013
- Miscellaneous Income	1,179,688	925,525
- Excess Provision written back	2,523,541	-
	30,528,452	17,247,798
23. EMPLOYEE BENEFIT EXPENSES		
Salaries, Bonus and Allowances	1,323,302,148	980,954,924
Gratuity Expenses (Refer Note 31)	17,880,620	14,020,888
Contribution to Provident and Other Funds	66,232,817	47,094,613
Staff Welfare Expenses	39,245,307	29,794,597
	1,446,660,892	1,071,865,022



Notes to Financial Statement (Contd.)

(All amounts in Indian Rupees unless otherwise stated)

	Amount in ₹	
	As at March 31,	
	2013	2012
24. OPERATING AND OTHER EXPENSES		
Electricity Expenses	59,172,598	40,488,267
Facility Charges	40,092,001	29,848,935
Rates and Taxes	3,023,259	2,099,377
Rent	53,404,172	21,756,908
Lease Rent - Computers	4,052,736	4,177,522
Repairs and Maintenance:		
Computers	18,263,877	13,694,590
Buildings	4,902,951	1,234,951
Others	7,431,312	3,766,284
Insurance	22,533,122	19,654,147
Travelling and Conveyance Expenses	14,005,619	8,704,946
Advertising and Publicity	5,000	-
Communication Expenses	4,292,591	2,573,023
Legal and Professional Charges	13,604,679	16,981,557
Staff Recruitment Expenses	4,946,482	4,612,460
Deposits Written off	795,753	-
Loss on Exchange Fluctuation (Net)	206,010,254	17,535,032
Shared Service Cost	26,326,952	29,737,234
Miscellaneous Expenses	9,771,568	7,828,136
	492,634,926	224,693,369
25. FINANCE COST		
Interest Expense	1,496,448	5,295,873
Bank Charges	598,303	1,019,105
	2,094,751	6,314,978

Notes to Financial Statement (Contd.)

26. CAPITAL & OTHER COMMITMENTS

Estimated amount of contracts remaining to be executed, net of advances to the extent not provided for ₹ 28,941,918 (March 31, 2012: ₹ 36,803,888).

For commitments relating to lease arrangements, please refer note 28.

27. CONTINGENT LIABILITIES

Claims against the Company not acknowledged as debt in respect of Income Tax Assessments which have been disputed by the Company:

Particulars	As at March 31,	
	2013	2012
	₹	₹
Income Tax Assessment Year for A.Y. 2005-06	746,421	746,421
Income Tax Assessment Year for A.Y. 2009-10	1,750,135	-
Assessment Year 2008-09 (TDS 24Q)	17,641,590	17,641,590
Assessment Year 2008-09 (TDS 26Q)	5,250,926	5,250,926
Assessment Year 2010-11 (TDS 26Q)	30,600	30,600
Assessment Year 2011-12 (TDS 26Q)	766,812	766,812
Income Tax Assessment for A.Y. 2005-06	13,750,883	-
Income Tax Assessment for A.Y. 2006-07	13,054,322	-
Income Tax Assessment for A.Y. 2007-08	15,289,969	15,289,969
Income Tax Assessment for A.Y. 2008-09	15,770,778	-
Income Tax Assessment for A.Y. 2009-10 on matter, pending with dispute resolution panel	20,190,241	-
Total	104,242,677	39,726,318

Pending the settlement of the dispute and based on management estimate of likelihood of outcome, of the Company has not provided these amounts in books.

28. ACCOUNTING FOR LEASES

The Company has taken equipment, cars and various office premises, under operating lease arrangements for terms ranging from 1 to 5 years.

These are generally renewable by mutual consent. There are no specific restrictions imposed by the lease arrangements except that the leased premises cannot be sub leased any further in case of certain premises. There are escalation clauses in agreements with some parties. There are no sub leases. The rentals stated in the lease agreement are given below in accordance with the Accounting Standard (AS-19) on "Leases".

Operating Lease	Year Ended March 31,	
	2013	2012
	₹	₹
Lease payments	59,877,840	27,370,306

Operating Lease	As at March 31,	
	2013	2012
Minimum Lease Payments		
Not later than one year	57,420,298	39,962,765
Later than one year but not later than five years	119,679,465	110,738,270



Notes to Financial Statement (Contd.)

29. DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURE

Purpose		As at March 31, 2013		As at March 31, 2012	
		Foreign Currency	INR Amount	Foreign Currency	INR Amount
Hedge of highly probable foreign currency sales	USD	63,445,000	3,411,922,608	73,035,004	3,637,008,276
	EUR	8,400,000	646,415,000	-	-
Unhedged Foreign Currency Exposure					
Bank Balance	USD	31,687	1,720,604	23,334	1,192,343
Term Loan	USD	-	-	3,451,238	176,358,262
Trade Payables	USD	211,371	11,477,423	-	-

30. RELATED PARTY TRANSACTIONS

A. Related parties and their Relationships

Names of related parties where control exists irrespective of whether transactions have occurred or not.

Holding Company	Geometric Limited
Subsidiary Company	Delmia Solutions Private Limited (from July 01, 2011 to March 31, 2012)
Parties having substantial interest and exercising significant influence	Dassault Systemes SA France
Fellow Subsidiaries	Geometric Americas, Inc.

Names of other related parties with whom transactions have taken place during the period

Parties exercising significant influence	Dassault Data Services Suresness
	Dassault Systemes Deutschland GmbH
	Dassault Systemes Delmia Corp.
	Dassault Systemes Enovia Corp.
	Dassault Systemes India Pvt. Ltd.
	Dassault Systemes Italia, Srl
	Dassault Systemes K.K.
	Abaqus Inc.
	Dassault Systemes UK Ltd.
	Dassault Systemes Canada Innovation Technologies Inc
	Dassault Systemes of America Corp.
	Dassault Systemes Service, LLC
	Dassault Systemes Simulia Corp.
	Dassault Systemes (Shanghai) Information Technology Co. Ltd.
	Dassault Systemes Innovation Tech. Korea
	SmarTeam Corp. Ltd.
	SolidWorks Corporation
	Spatial Corporation
	Godrej and Boyce Manufacturing Company Limited
Key Management Personnel	Shashank Patkar (C.E.O. & Manager)
	(Up to December 31, 2011)
	Sudarshan Mogasale (C.E.O. & Manager)
	(with effect from January 01, 2012)

Notes to Financial Statement (Contd.)

Related Party Transactions

Note: Corresponding previous year figures are given in brackets

Nature of transaction	Year ended March 31, 2013				
	Holding Company	Subsidiary	Fellow Subsidiaries	Parties Having Substantial Interest	Parties Exercising Significant Influence
Revenue	-	-	-	1,318,989,066	1,421,177,301
	(-)	(-)	(-)	(979,537,724)	(924,110,504)
Purchase of Fixed Assets	-	-	-	-	11,594,698
	(345,011,000)	(-)	(-)	(-)	(7,299,270)
Dividend Paid	69,315,400	-	-	29,706,600	20,497,400
	(84,618,800)	(-)	(-)	(36,265,200)	(-)
Rent towards Leased Premises	3,174,143	-	-	-	5,642,778
	(3,918,249)	(-)	(-)	(-)	(9,458,406)
Rent Income	568,512	-	-	-	-
	(451,200)	(-)	(-)	(-)	(-)
Reimbursement of Expenses	37,086,999	-	549,432	-	-
	(50,294,338)	(816,474)	(34,414)	(-)	(112,535)
Recovery of Expenses	3,059,453	-	8,070,723	51,072,689	41,661,841
	(5,879,000)	(4,860,069)	(4,934,712)	(47,510,123)	(32,959,675)
Recovery of Tax Demand	-	-	-	4,957,691	5,311,291
	(-)	(-)	(-)	(-)	(-)
Advance Repaid	-	-	-	-	2,224,438
	(500,000)	(-)	(-)	(-)	(530,342)
Advance Given	-	-	-	-	3,970,659
	(500,000)	(-)	(-)	(-)	(2,611,772)
Security Deposit Recovered	-	-	-	-	6,597,856
	(-)	(-)	(-)	(-)	(-)
Security Deposit Written Off	-	-	-	-	795,753
	(-)	(-)	(-)	(-)	(-)
Deposit of MSEB transferred	2,190,600	-	-	-	-
	(-)	(-)	(-)	(-)	(-)
Other Expenses	-	-	-	-	152,456
	(-)	(-)	(-)	(-)	(112,810)

Nature of transaction	Year ended March 31,	
	2013	2012
Managerial Remuneration:		
Key Management Personnel		
Shashank Patkar	-	8,238,633
Sudarshan Mogasale	5,556,805	1,150,917



Notes to Financial Statement (Contd.)

Out of the above items transactions with Holding Companies, Parties Having Substantial Interest and Parties Exercising Significant Influence in the excess of 10% of the total related party transactions are as under:

Transactions and Related Parties	Year Ended March 31,	
	2013	2012
Revenue		
Dassault Systemes SA France	1,318,989,066	979,537,724
Dassault Systemes Enovia Corp.	516,487,080	324,690,920
SolidWorks Corporation	280,987,838	198,665,762
Purchase of Fixed Assets		
Godrej and Boyce Manufacturing Company Limited	11,594,698	-
Geometric Limited	-	345,011,000
Dividend Paid		
Geometric Limited	69,315,400	84,618,800
Dassault Systemes SA France	29,706,600	36,265,200
Dassault Systemes Delmia Corp.	20,497,400	-
Rent Expenses		
Geometric Limited	3,174,143	3,918,249
Godrej and Boyce Manufacturing Company Limited	5,642,778	9,458,406
Rent Income		
Geometric Limited	568,512	451,200
Recovery of Expenses		
Dassault Systemes SA France	51,072,689	47,510,123
Solidworks Corporation	10,434,090	13,244,893
Recovery of Tax Demand		
Dassault Systemes SA France	4,957,691	-
Dassault Systemes Delmia Corp.	5,311,291	-
Reimbursement of Expenses		
Geometric Limited	37,086,999	50,294,338
Advances Given		
Godrej and Boyce Manufacturing Company Limited	3,970,659	2,611,772
Advance Repaid		
Geometric Limited	-	500,000
Godrej & Boyce Manufacturing Company Limited	2,224,438	530,342
Other Expenses		
Godrej and Boyce Manufacturing Company Limited	152,456	112,810
Security Deposit Recovered		
Godrej and Boyce Manufacturing Company Limited	6,597,856	-
Deposit of MSEB transferred		
Geometric Limited	2,190,600	-
Security Deposit Written Off		
Godrej and Boyce Manufacturing Company Limited	795,753	-

Notes to Financial Statement (Contd.)

Outstanding Balances	As on March 31,	
	2013	2012
1. Holding Company:		
a. Trade Payable/Other Payables		
Geometric Limited	2,707,860	4,491,216
b. Trade Receivable/Other Receivables		
Geometric Limited	39,961	-
2. Fellow Subsidiaries:		
a. Advances Receivable		
Geometric Americas, Inc.	1,213,272	1,936,305
b. Advances Payable		
Geometric Americas, Inc.	586,962	33,215
3. Parties having substantial interest:		
a. Trade Receivables/Other Receivables		
Dassault Systemes SA France	108,142,707	96,509,288
b. Trade Payables/Other Payables		
Dassault Systemes SA France	11,457,710	-
c. Unbilled Revenue		
Dassault Systemes SA France	1,499,261	-
4. Parties exercising significant influence:		
a. Trade Receivables/Other Receivables		
Abaqus Inc.	-	9,200,661
Dassault Data Services Suresness	2,344,403	9,539,252
Dassault Systemes Delmia Corp.	-	132,860
Dassault Systemes Deutschland GMBH	543,000	747,338
Dassault Systemes Delmia Corp.	-	29,977,314
Dassault Systemes K.K.	-	531,440
Dassault Systemes Service, LLC	10,411,903	9,829,085
Dassault Systemes Canada Innovation Technologies Inc.	543,000	1,082,446
Dassault Systems Innovation Technologies Inc.	128,813	155,829
Dassault Systemes Italia, Srl	5,215,776	4,924,156
SmarTeam Corp. Ltd.	25,908,299	5,866,178
SolidWorks Corporation	-	21,926,044
Dassault Systemes India Private Limited	327,598	-
Dassault Systemes Taiwan Branch	583,936	-
Dassault Systemes Israel	293,220	-
Dassault Systemes Enovia Corp.	40,925,038	-
Spatial Corporation	-	5,335,091



Notes to Financial Statement (Contd.)

Outstanding Balances	As on March 31,	
	2013	2012
b. Deposits		
Godrej and Boyce Manufacturing Company Limited	2,546,662	10,889,789
c. Advance Given		
Godrej and Boyce Manufacturing Company Limited	3,970,659	8,941,510
d. Advance Received		
Dassault Data Services Suresness	-	8,951
e. Trade Payables and Other Liabilities		
Godrej and Boyce Manufacturing Company Limited	-	-
Dassault Systemes Delmia Corp.	5,311,291	
Spatial Corporation	11,978	-
f. Unbilled Revenue		
Dassault Data Services Suresness	135,750	-
Dassault Systemes Service, LLC	7,549,438	-
Dassault Systemes K.K.	61,088	-
SolidWorks Corporation	40,725	-

31. EMPLOYEE BENEFITS

a. Defined Contribution Plan

Contribution to defined contribution plan, recognised in the statement of profit and loss under Employee cost, Contribution to provident and other funds, in Note 23 for the period are as under:

Particulars	Year ended March 31,	
	2013	2012
Contribution to Provident Fund	48,709,607	34,102,072
Contribution to Superannuation Fund	12,333,390	9,437,142

b. Defined Benefit Plan

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

Particulars	As at March 31,	
	2013	2012
Gratuity		
I Reconciliation of opening and closing balances of Defined Benefit obligation		
Present Value of Defined Benefit obligation as at the beginning of the period/year	63,425,402	53,586,613
Present Value of Defined Benefit obligation taken over from Delmia Solutions Private Limited	20,815,648	-
Interest Cost	6,865,104	4,049,349
Current Service Cost	18,847,106	12,512,927
Benefits paid	(6,950,241)	(5,939,502)
Net Actuarial Loss/(Gain)	4,106,510	(783,985)
Present Value of Defined Benefit obligation as at the end of the period/year	107,109,529	63,425,402

Notes to Financial Statement (Contd.)

Particulars	As at March 31,	
	2013	2012
Gratuity (Contd.)		
II Reconciliation of fair value of plan assets		
Fair value of plan assets as at the beginning of the period/year	50,076,917	32,391,064
Plan Assets taken over from Delmia Solutions Private Limited	21,114,256	-
Expected return on plan assets	5,986,031	3,201,527
Net Actuarial Gain/(Loss)	5,952,069	(771,721)
Employer's contribution	14,218,661	21,195,549
Benefits paid	(6,950,241)	(5,939,502)
Fair value of plan assets as at the end of the period/year	90,397,693	50,076,917
III Net Liability recognised in Balance Sheet		
Present Value of Defined Benefit obligation	107,109,529	63,425,402
Fair value of plan assets	90,397,693	50,076,917
Net liability recognised in Balance Sheet	16,711,836	13,348,485
IV Component of employer's expenses		
Current Service Cost	18,847,106	12,512,927
Past Service Cost	-	-
Interest Cost	6,865,104	4,049,349
Expected Return on Plan Asset	(5,986,031)	(3,201,527)
Net Actuarial Loss/(Gain)	(1,845,559)	(12,264)
Total expenses recognised in the Statement of Profit and Loss, under Employee benefit expense	17,880,620	13,348,485
V Actual return on plan assets	11,938,100	2,429,806
VI Actuarial assumptions		
Mortality Table:	L.I.C 1994-96 ULTIMATE	L.I.C 1994-96 ULTIMATE
Discount rate	8.00% p.a.	8.50% p.a.
Expected rate of return on Plan Assets	8.00% p.a.	8.00% p.a.
Salary escalation	7.50% p.a.	7.00% p.a.

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

Plan Assets:

Particulars	As at March 31,	
	2013	2012
Investments with Insurer	90,397,693	50,076,917

Amounts for the current period and previous four years are as follows:

Particulars	Gratuity				
	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009
Defined Benefit Obligation	107,109,529	63,425,402	53,586,613	34,753,744	28,553,635
Plan Assets	90,397,693	50,076,917	32,391,064	25,475,604	20,439,673
Surplus/(Deficit)	(16,711,836)	(13,348,485)	(21,195,549)	(9,278,140)	(8,113,962)
Experience adjustments on plan liabilities - (loss)/gain	2,638,318	-	-	-	-
Experience adjustments on plan assets - (loss)/gain	5,952,069	-	-	-	-



Notes to Financial Statement (Contd.)

32. ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF PARAGRAPH 5 OF PART II OF REVISED SCHEDULE VI TO THE COMPANIES ACT, 1956

Particulars	Year Ended March 31,	
	2013	2012
Expenditure in foreign currency (Accrual basis)		
Onsite Salary	5,825,483	7,647,180
Others	1,154,111	3,968,284
	6,979,594	11,615,464
Value of imports (C.I.F basis)		
Capital goods	91,142,779	43,165,593
	91,142,779	43,165,593
Earnings in foreign exchange (Accrual basis)		
Income from Software Development and Sale of Software	2,740,071,598	1,896,738,832
	2,740,071,598	1,896,738,832

b. AUDITORS' REMUNERATION (As Auditors)

Particulars	Year ended March 31,	
	2013	2012
a) As Auditors		
Audit fees	2,950,000	2,250,000
b) In Other Capacity		
Other services (Certification Fees)	520,000	512,500
c) Reimbursement of expenses	330,693	99,875
	3,800,693	2,862,375

c. DIVIDEND REMITTED IN FOREIGN CURRENCY

Particulars	Year ended March 31,	
	2013	2012
	Amounts in USD	Amounts in USD
Dividend Remitted in foreign currency		
Number of non-resident Shareholders	2	1
Number of equity shares held on which dividend was due	652,000	385,800
Amount remitted	890,142	810,940

33. SECONDARY GEOGRAPHICAL SEGMENTS

Revenue

The following table shows the distribution of the Company's consolidated revenue by Geographical Market.

Region	Year ended March 31,	
	2013	2012
	₹	₹
US	1,397,249,147	897,065,983
Europe	1,334,557,947	993,581,640
Asia Pacific (excluding India)	7,972,418	6,091,211
Middle East	292,087	-
India	94,770	6,909,394
Total	2,740,166,369	1,903,648,228

Notes to Financial Statement (Contd.)

The following table shows the carrying amount of segment assets and addition to segment assets by geographical area in which assets are located.

Particulars	Carrying amount of segment assets		Addition to fixed assets and intangible assets	
	As at March 31,		For the year ended March 31,	
	2013	2012	2013	2012
US	81,333,936	94,816,287	-	-
Europe	113,901,483	102,180,781	-	-
Middle East	293,220	-	-	-
Asia (excluding India)	1,040,346	687,269	-	-
India	1,401,206,483	1,276,981,585	265,087,425	497,514,428
Total	1,597,775,468	1,474,665,922	265,087,425	497,514,428

34. SCHEME OF AMALGAMATION

In the previous year ended March 31, 2012 the High Court at Bombay had approved the Scheme of Amalgamation ('Somero Scheme') between Somero Enterprises Inc. ('Somero' or 'Transferor Company') and 3D PLM Software Solutions (or the 'Company' or 'Transferee Company') ['Somero Scheme'] from the "Appointed Date", as defined in the Scheme of July 1, 2011. The Accounting for Amalgamation was recorded using "Pooling of Interest Method".

The difference in fair value and face value of shares on issue of shares pursuant to Demerger is shown as addition to Securities Premium of ₹ 304,039,445.

Pursuant to the Somero Scheme, the Company allotted 266,200 equity shares of ₹ 10/- each, comprising of 87,246 equity shares, 72,965 Class 'A' Equity Shares and 105,989 Class 'B' Equity Shares to Dassault Systemes Delmia Corp., the holding Company of Somero.

The difference between the recorded book value of net assets over the aggregate recorded value of reserves in the books of accounts of the Company and the fair value of the shares issued was adjusted against the reserves of the Company as follows:

- ₹ 223,150,000 against General Reserve Account
- ₹ 83,104,245 against Balance in Statement of Profit and Loss.

35. SCHEME OF MERGER OF DELMIA SOLUTIONS PRIVATE LIMITED WITH THE COMPANY

The Karnataka High Court by its Order dated September 13, 2012 has approved the Scheme of Amalgamation ('Delmia Scheme') between Delmia Solutions Private

Limited ('Transferor Company' or 'DSPL'), the wholly owned subsidiary of the Company and the Company from the 'Appointed Date' as defined in the Delmia Scheme of April 01, 2012.

The Company has filed the certified copies of the order sanctioning the Scheme of Amalgamation passed by the Karnataka High Court, with the Registrar of Companies - Karnataka and Maharashtra on October 08, 2012. Accordingly the Effective Date of the Delmia Scheme is October 08, 2012.

Pursuant to the Delmia Scheme, on the appointed date the authorized share capital of the Transferor Company has been combined with the authorized share capital of the Company and the revised authorized capital of the company is ₹ 30,000,000 divided into 2,700,000 Equity Shares of ₹ 10 each and 300,000 Class A and Class B Equity Shares of ₹ 10 each with differential rights as to voting".

The accounting for merger is done in accordance with "the Pooling of Interest Method" referred to in Accounting Standard 14 – Accounting for Amalgamation.

Pursuant to the Delmia Scheme on the appointed date, the Company has recorded assets taken over of ₹ 203,978,220, liabilities taken over of ₹ 49,710,215 at book value and reserves of DSPL of ₹ 149,467,804. Further, the Investments of ₹ 7,311,720 of the Company in DSPL stands cancelled.

The difference between the Company's recorded book value of net assets over the recorded value of reserves taken over and the cost of Investment in DSPL of ₹ 2,511,520 has been adjusted with the General Reserve Account of the Company.



Notes to Financial Statement (Contd.)

36. DUES TO MICRO, SMALL AND MEDIUM SCALE ENTERPRISES

Based on the information available with the Company, no creditors have been identified as "supplier" within the meaning of "Micro, Small and Medium Enterprises Development (MSMED) Act, 2006".

37. EMPLOYEE STOCK OPTIONS

Certain employees of the Company have been allotted Employee Stock Options in Geometric Limited. The

Company has not incurred any expenses for issuing such options.

38. PREVIOUS YEAR COMPARATIVES

As indicated in Note 35, the Company has merged Delmia Solutions Private Limited with itself from April 01, 2012. Hence the comparative figures for the year ended March 31, 2013 are not comparable. The Company has reclassified previous year figures to conform to current period classification.

As per our report of even date

For S.R. Batliboi & Associates LLP

Firm Registration Number: 101049W

Chartered Accountants

per Govind Ahuja

Partner

Membership No. 48966

Place: Mumbai

Date: April 17, 2013

For and on behalf of the Board of Directors of 3D PLM Software Solutions Limited

Manu Parpia

Chairman

David de MUER

Director

Sudarshan Mogasale

CEO & Manager



Engine for Growth

Geometric Americas, Inc.

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

Regd. Office
50 Kirts Blvd, Suite A, Troy, MI 48084, USA



Independent Auditor's Report

Board of Directors and Stockholders
Geometric Americas, Inc. and Subsidiaries
Troy, Michigan

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Geometric Americas, Inc. and Subsidiaries, which comprise the consolidated balance sheet as of March 31, 2013, and the related consolidated statements of comprehensive income, stockholder's equity, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated

financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Geometric Americas, Inc. and Subsidiaries as of March 31, 2013, and the results of their operations and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

The consolidated financial statements as of and for the year ended March 31, 2012 were audited by other auditors whose report dated June 1, 2012 expressed an unqualified opinion on those statements.

Crowe Horwath LLP
Grand Rapids, Michigan

April 23, 2013

Consolidated Balance Sheet as at March 31, 2013

	2013		2012	
	US\$	Equivalent INR	US\$	Equivalent INR
ASSETS				
Current assets				
Cash	3,288,563	178,568,971	1,599,399	81,729,289
Accounts receivable - trade, net	14,310,617	777,066,503	13,856,834	708,084,217
Accounts receivable - related party	3,291,130	178,708,359	2,457,012	125,553,313
Unbilled work in process, net	8,631,500	468,690,450	9,425,436	481,639,780
Other receivables including loans to employees, net	614,624	33,374,083	1,518,626	77,601,789
Prepaid expenses	426,025	23,133,158	443,616	22,668,778
Deferred income tax	1,117,861	60,699,852	623,023	31,836,475
Note receivable - current portion	-	-	154,000	7,869,400
Refundable income tax	1,517,296	82,389,173	250,043	12,777,197
Total current assets	33,197,616	1,802,630,549	30,327,989	1,549,760,238
NOTE RECEIVABLE, LESS CURRENT PORTION	-	-	104,000	5,314,400
PROPERTY AND EQUIPMENT, NET	487,497	26,471,087	785,559	40,142,065
Other assets				
Goodwill	2,828,090	153,565,287	2,828,090	144,515,399
Deferred income tax	78,499	4,262,496	-	-
Other	116,259	6,312,864	120,035	6,133,789
Total other assets	3,022,848	164,140,646	2,948,125	150,649,188
Total assets	36,707,961	1,993,242,282	34,165,673	1,745,865,890
LIABILITIES AND STOCKHOLDER'S EQUITY				
Current liabilities				
Revolving credit agreement	5,108,557	277,394,645	9,750,000	498,225,000
Accounts payable and accrued expenses	1,772,813	96,263,746	1,777,857	90,848,493
Accounts payable - related party	6,010,434	326,366,566	3,349,680	171,168,648
Deferred revenue	3,293,215	178,821,575	3,116,506	159,253,457
Accrued wages and payroll taxes	2,849,415	154,723,235	819,473	41,875,070
Total current liabilities	19,034,434	1,033,569,766	18,813,516	961,370,668
Long-term liabilities				
Note payable to related party	10,000,000	543,000,000	10,000,000	511,000,000
Deferred income tax	-	-	41,940	2,143,134
Total long-term liabilities	10,000,000	543,000,000	10,041,940	513,143,134
Total liabilities	29,034,434	1,576,569,766	28,855,456	1,474,513,802
STOCKHOLDER'S EQUITY				
Common stock, no par value, 10,000 shares authorized; 1,432 shares issued and outstanding	12,062,771	655,008,465	12,062,771	616,407,598
Accumulated deficit	(4,302,309)	(233,615,379)	(6,819,684)	(348,485,852)
Accumulated other comprehensive income	(86,935)	(4,720,571)	67,130	3,430,343
Total stockholder's equity	7,673,527	416,672,516	5,310,217	271,352,089
Total liabilities and stockholder's equity	36,707,961	1,993,242,282	34,165,673	1,745,865,890
Exchange rate used for translation : 1 US\$ =		54.30		51.10



Consolidated Statement of Profit and Loss for the year ended March 31, 2013

	2013		2012	
	US\$	Equivalent INR	US\$	Equivalent INR
Revenue	93,782,832	5,092,407,778	88,066,618	4,500,204,180
Cost of revenue				
Software costs and services provided by related company	30,661,795	1,664,935,469	26,222,964	1,339,993,460
Payroll, payroll taxes and other labor costs	46,245,103	2,511,109,093	42,142,958	2,153,505,154
Indirect cost of revenue	2,249,044	122,123,089	2,941,701	150,320,921
Total cost of revenue	79,155,942	4,298,167,651	71,307,623	3,643,819,535
Gross profit	14,626,890	794,240,127	16,758,995	856,384,645
Operating expenses				
Selling, general and administrative expenses	9,425,611	511,810,677	8,326,761	425,497,487
Depreciation	394,205	21,405,332	375,004	19,162,704
Total operating expenses	9,819,816	533,216,009	8,701,765	444,660,192
Other income (expense)				
Interest income	105	5,702	12,042	615,346
Interest expense	(1,237,790)	(67,211,997)	(1,025,837)	(52,420,271)
Other	75,606	4,105,406	223,706	11,431,377
Total other expense, net	(1,162,079)	(63,100,890)	(790,089)	(40,373,548)
Net income before taxes	3,644,995	197,923,229	7,267,141	371,350,905
Income tax expense	1,127,620	61,229,766	386,567	19,753,574
Net income before other comprehensive loss	2,517,375	136,693,463	6,880,574	351,597,331
Other comprehensive loss – translation adjustment	(154,065)	(8,365,730)	(97,606)	(4,987,667)
Comprehensive income	2,363,310	128,327,733	6,782,968	346,609,665
Exchange rate used for translation : 1 US\$ =		54.30		51.10

Consolidated Statement of Stockholder's (Deficit)/Equity

	Capital Stock		Accumulated Deficit		Accumulated Other Comprehensive Income		Total	
	US\$	Equivalent INR	US\$	Equivalent INR	US\$	Equivalent INR	US\$	Equivalent INR
Balance, April 1, 2011	2,062,771	105,407,598	(13,700,258)	(700,083,184)	164,736	8,418,010	(11,472,751)	(586,257,576)
Net income	-	-	6,880,574	351,597,331	-	-	6,880,574	351,597,331
Translation adjustment	-	-	-	-	(97,606)	(4,987,667)	(97,606)	(4,987,667)
Issuance of stock	10,000,000	511,000,000	-	-	-	-	10,000,000	511,000,000
Balance, March 31, 2012	12,062,771	616,407,598	(6,819,684)	(348,485,853)	67,130	3,430,343	5,310,217	271,352,088
Net income	-	-	2,517,375	136,693,463	-	-	2,517,375	136,693,463
Translation adjustment	-	-	-	-	(154,065)	(8,365,730)	(154,065)	(8,365,730)
Balance, March 31, 2013	12,062,771	616,407,598	(4,302,309)	(211,792,390)	(86,935)	(4,935,387)	7,673,527	399,679,821
Exchange rate used for translation : 1 US\$ =								
March 31, 2012	51.10							
March 31, 2013	54.30							



Consolidated Statements of Cash Flows for the year ended March 31, 2013

	2013		2012	
	US\$	Equivalent INR	US\$	Equivalent INR
CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES				
Net income	2,517,375	136,693,463	6,880,574	351,597,331
Adjustments to reconcile net income to net cash flows provided (used) by operating activities:				
Depreciation	394,205	21,405,332	375,004	19,162,704
Allowance for doubtful accounts	(352,921)	(19,163,610)	704,607	36,005,418
Deferred income taxes	(615,277)	(33,409,541)	(263,658)	(13,472,924)
Changes in operating assets and liabilities:				
Accounts receivable and unbilled work in process	693,074	37,633,918	(5,737,915)	(293,207,457)
Accounts receivable from related party	(834,118)	(45,292,607)	5,676,371	290,062,558
Prepaid expenses and other assets	21,367	1,160,228	(122,971)	(6,283,818)
Refundable income tax	(1,267,253)	(68,811,838)	-	-
Other receivables including loans to employees	904,002	49,087,309	(508,979)	(26,008,827)
Accounts payable and accrued expenses	(159,109)	(8,639,619)	(108,767)	(5,557,994)
Accounts payable to related party	2,660,754	144,478,942	(23,766,007)	(1,214,442,958)
Deferred revenue	176,709	9,595,299	590,303	30,164,483
Accrued income tax	-	-	(291,329)	(14,886,912)
Accrued wages and payroll taxes	2,029,942	110,225,851	-	-
Net cash provided (used) by operating activities	6,168,750	334,963,125	(16,572,767)	(846,868,394)
CASH FLOWS PROVIDED (USED) BY INVESTING ACTIVITIES				
Net activity on note receivable	258,000	14,009,400	(58,000)	(2,963,800)
Acquisition of property and equipment	(96,143)	(5,220,565)	(360,887)	(18,441,326)
Net cash provided (used) by investing activities	161,857	8,788,835	(418,887)	(21,405,126)
CASH FLOWS PROVIDED (USED) BY FINANCING ACTIVITIES				
Proceeds from revolving credit facility	500,000	27,150,000	9,750,000	498,225,000
Repayment of revolving credit facility	(5,141,443)	(279,180,355)	-	-
Payments on notes payable to related party	-	-	(1,804,113)	(92,190,174)
Proceeds from issuance of capital stock	-	-	10,000,000	511,000,000
Net cash provided (used) by financing activities	(4,641,443)	(252,030,355)	17,945,887	917,034,826
NET CHANGE IN CASH	1,689,164	91,721,605	954,233	48,761,306
Cash at beginning of year	1,599,399	86,847,366	645,166	32,967,983
Cash at end of year	3,288,563	178,568,971	1,599,399	81,729,289
Supplemental disclosures of cash flow information				
Cash paid for income taxes	2,901,864	157,571,215	810,000	41,391,000
Cash paid for interest	1,166,957	63,365,765	1,210,248	61,843,673
Exchange rate used for translation : 1 US\$ =		54.30		51.10

Notes to Consolidated Financial Statement

NOTE 1 - NATURE OF BUSINESS AND ORGANIZATION

Geometric Americas, Inc. ("GAI") was incorporated on August 18, 1997 as a Massachusetts corporation. GAI's primary operations are in the Midwestern United States, where it is principally engaged in providing engineering services to major automotive, agricultural, construction equipment manufacturers and related tier one suppliers. Additionally, GAI provides marketing assistance and promotes software products as well as provides software consulting services. GAI has wholly-owned subsidiaries in Romania and France, Geometric SRL, Romania and Geometric SAS, France, which provide similar services outside the United States of America.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of Geometric Americas, Inc. and Subsidiaries is presented to assist in understanding the consolidated financial statements. The consolidated financial statements and notes are representations of Geometric Americas, Inc. and Subsidiaries management who is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America.

Principles of Consolidation

The consolidated financial statements include the accounts of GAI and its wholly-owned subsidiaries (collectively the "Company"). All material intercompany accounts and transactions have been eliminated upon consolidation.

Fair Value of Financial Instruments

The Company's carrying amounts for its financial instruments, which include cash, accounts receivable, accounts payable and long-term debt, approximate fair value.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For the purpose of the statement of cash flows, cash includes cash and cash equivalents with original maturities of 90 days or less. Effective January 1, 2013, deposits held in noninterest-bearing accounts are aggregated with any interest-bearing

deposits, and the combined total is insured up to at least \$250,000.

Concentration of Credit Risk

For the year ended March 31, 2013, sales to one customer totaled \$22,544,588 which represented 24% of sales. Total accounts receivable from this customer at March 31, 2013 was \$3,195,940.

For the year ended March 31, 2012, sales to two customers totaled \$17,360,570 which represented 27% of sales. Total accounts receivable from these customers at March 31, 2012 was \$1,735,624.

Accounts Receivable and Allowance for Doubtful Accounts

Accounts and notes receivable are stated at the amount management expects to collect from outstanding accounts. Management provides for probable uncollectible accounts for doubtful accounts through a provision for bad debt expense and an adjustment to an allowance for doubtful accounts based on its assessment of the current status of individual accounts and loan balances. Accounts outstanding after management has used reasonable collection efforts are written off through a charge to the allowance for doubtful accounts and a credit to accounts receivable. The allowance for doubtful accounts at March 31, 2013 and 2012 for both accounts receivable and unbilled work in process was \$1,025,484 and \$1,378,405, respectively. The Company does not require collateral from its customers.

Property and Equipment

Property and equipment is stated at cost less accumulated depreciation. Depreciation is provided using accelerated methods over an estimated useful life of the asset. Expenditures for maintenance and repairs are charged to expense as incurred. The estimated lives for various categories of the assets are as follows:

Computer software	3 years
Computer equipment	3 years
Furniture and fixtures	10 years
Machinery and equipment	13 years
Leasehold improvements	Over the term of the lease

Goodwill

The Company evaluates the carrying value of goodwill as of March 31st of each fiscal year and between annual evaluations if events occur or circumstances change that would more likely than not reduce the fair value of the reporting unit below its carrying amount. Such circumstances could include,



Notes to Consolidated Financial Statement (Contd.)

but are not limited to: (1) a significant adverse change in legal factors or in business climate, (2) unanticipated competition or (3) an adverse action or assessment by a regulator.

During the fiscal year 2012, the Company elected to adopt Accounting Standards Update ("ASU") No. 2011-08, Intangibles - Goodwill and Other (Topic 350): Testing Goodwill for Impairment. The objective of this ASU permits entities to first assess qualitative factors of a reporting unit to determine if it is more likely than not that the fair value of a reporting unit is less than the carrying amount as a basis for determining whether it is necessary to perform the two-step goodwill impairment test. Management did not identify any events or circumstances that led it to believe goodwill should be assessed for impairment as of March 31, 2013 and 2012.

Revenue Recognition

Fixed fee projects: Revenue is recognized using the percentage-of-completion method. The percentage of completion is determined by comparing the actual costs incurred to date to an estimate of total costs to be incurred on each contract. If a loss is indicated on any contract in process, a provision is made currently for the entire loss. The Company's contracts generally provide for billing of customers upon the attainment of certain milestones specified in each contract. Revenue earned on contracts in process in excess of billings is classified as unbilled work in process and amounts billed in excess of revenue earned are classified as deferred revenue and later recognized as revenue when service is provided to the customer.

Time and Material Projects: Revenue is recognized on a per hour basis as determined by the contract. All costs associated with the generation of revenue are expensed as incurred.

Product and Services: Revenue is recognized at the time the software program is sold.

Foreign Currency Translations/Transactions

A United States subsidiary of the Company is located and operates in Romania and keeps its books and records in Romanian leu ("RL"). The functional currency is the US Dollars ("USD"), the currency of the US parent company, as this entity is considered an extension of the US parent. Gains and losses that arise from translation from RL to USD are included as other income (expense) in the statements of operations.

A French subsidiary of the Company is located in France and keeps its books and records in Euros ("EU"). The functional currency is the EU, the currency of the primary economic environment in which it operates. Gains and losses that arise from translation from EU to USD are included in other

comprehensive income within the consolidated statements of stockholder's equity.

Advertising Expense

The Company expenses advertising costs as incurred. Advertising expenses during the years ended March 31, 2013 and 2012 were \$212,287 and \$115,580, respectively.

Income Taxes

The Company accounts for income taxes using the liability method whereby deferred tax asset and liability account balances are determined based on differences between the financial reporting and tax basis of assets and liabilities and are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse. The Company provides a valuation allowance, if necessary, to reduce deferred tax assets to their estimated realizable value.

Uncertain tax positions are recognized and measured under provisions of FASB ASC 740. These provisions require the Company to recognize a tax benefit only if it is "more likely than not" that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the "more likely than not" test, no tax benefit is recorded.

The Company and its subsidiaries are subject to U.S. federal income tax as well as income tax of the state of Michigan as well as various other state income taxes. The Company is no longer subject to examination by taxing authorities for years before December 31, 2008 in respect to U.S. federal income tax and December 31, 2007 in respect to state taxes. The Company does not expect the total amount of unrecognized tax benefits to significantly change in the next 12 months.

The Company recognizes interest and/or penalties related to income tax matters in income tax expense. The Company did not have any amounts accrued for interest and penalties at March 31, 2013 and 2012.

Comprehensive Income

Comprehensive income consists of net income and other comprehensive income. Other comprehensive income reflects changes in the cumulative foreign currency translation adjustment, net of tax, which is recognized as a separate component of stockholders' equity.

Reclassifications

Certain prior period amounts have been reclassified to conform to the current period presentation. The

Notes to Consolidated Financial Statement (Contd.)

reclassifications had no effect on net income or stockholder's equity.

Subsequent Events: Management has performed an analysis of activities and transactions subsequent to March 31, 2013 to determine the need for any adjustments to and/or disclosures within these financial statements for the year ended March 31, 2013. Management has performed an analysis through April 23, 2013, which was the date that the financial statements were available for issuance and has determined that there are no subsequent events to disclose.

NOTE 3 - NOTE RECEIVABLE

The note receivable consists of the following:

	March 31	
	2013	2012
Note receivable from an unrelated company. The note bore interest at 5.5% and was secured by all unencumbered assets. The note had a maturity date of October 2013 and was guaranteed by an officer of the unrelated company. Monthly payments ranged from \$8,000 to \$16,000 plus interest. The note was paid in full by the customer during the year ended March 31, 2013.	\$ -	\$ 258,000
Less current portion of note receivable	-	154,000
	\$ -	\$ 104,000

NOTE 4 - PROPERTY AND EQUIPMENT, NET

Property and equipment consists of the following:

	March 31	
	2013	2012
Machinery and equipment	\$ 263,421	\$ 255,933
Computer equipment and software	4,353,371	4,265,621
Furniture and fixtures	546,984	546,075
Leasehold improvements	193,348	193,348
	5,357,124	5,260,977
Less accumulated depreciation	4,869,627	4,475,418
	\$ 487,497	\$ 785,559

NOTE 5 - REVOLVING CREDIT AGREEMENT

At March 31, 2013 and 2012, the Company had drawn \$5,108,557 and \$9,750,000, respectively, under a revolving credit facility with a bank. At March 31, 2013, the Company was able to borrow up to \$10,000,000 with interest at the six month LIBOR rate plus 425 basis points (the six month LIBOR rate at March 31, 2013 was .46%). At March 31, 2012, the Company was able to borrow up to \$12,000,000 with interest at the six month LIBOR rate plus 350 basis points (six month LIBOR as on March 31, 2012 was 0.74%). The agreement, amended in August 2012, expires in September 2013, is secured by the current assets of the Company and is guaranteed by Geometric, Ltd., the parent company.

NOTE 6 - NOTE PAYABLE TO RELATED PARTY

At March 31, 2013 and 2012, the Company had a note payable to a related party of \$10,000,000 with quarterly interest payments at 8.5% per annum. Under the terms of the note, principal payments are to be made in 36 monthly installments of \$277,778 starting in July 2014. The interest rate, number of installments, and date of the first payment may be varied upon the agreement of the Company and the related party. At March 31, 2013 and 2012, the Company classified the note as long-term.

Principal payments on the note payable for the years ended March 31 are as follows:

Years ended March 31,	Amount
2014	\$ -
2015	2,500,002
2016	3,333,336
2017	3,333,336
2018	833,326

NOTE 7 - DEFERRED REVENUE

Engineering Services

Amounts billed in excess of revenue earned under fixed fee contracts are deferred and recognized as revenue when service is provided to the customer. At March 31, 2013 and 2012, deferred revenue for engineering services totaled \$2,016,796 and \$1,885,677, respectively.

Product Services

Revenue is deferred and recognized for program maintenance agreements sold in conjunction with the software programs over the term of the agreement. At March 31, 2013 and 2012,



Notes to Consolidated Financial Statement (Contd.)

deferred revenue for product services totaled \$1,276,419 and \$1,230,829, respectively.

NOTE 8 – STOCKHOLDER’S EQUITY

During the year ended March 31, 2012, the Board of Directors approved a subscription agreement with the parent company to purchase 432 shares of no par common stock of the Company for \$10,000,000. The proceeds were received and the stock was issued at March 31, 2012.

NOTE 9 - CONTINGENCIES AND COMMITMENTS

Lease Commitment

The Company conducts operations from facilities and has various pieces of equipment that are leased under non-cancelable operating lease agreements. Total rent expense under these leases was \$724,906 and \$715,487 for the years ended March 31, 2013 and 2012, respectively.

Minimum future rental payments under non-cancelable operating leases having initial or remaining terms in excess of one year as of March 31, 2013 for each of the next five years are:

Years ended March 31,	Amount
2014	\$ 721,147
2015	682,295
2016	640,004
2017	437,256
2018	44,083
	\$ 2,524,785

NOTE 10 - INCOME TAXES

Income tax expense consists of the following:

	2013	2012
Current expense - federal	\$ 1,364,020	\$ 2,410,378
Current expense - state	293,087	202,360
Deferred benefit – federal	(454,530)	(2,175,090)
Deferred benefit - state	(74,957)	(51,081)
	\$ 1,127,620	\$ 386,567

The provision for income taxes for the fiscal year ended March 31, 2012 differs from applying statutory rates to pre-tax amounts primarily due to the Company being able to utilize the tax benefit of prior net operating losses for which a full valuation was taken in prior periods.

The deferred tax assets and liabilities are as follows:

	2013	2012
Deferred tax assets - current	\$ 1,139,733	\$ 692,836
Deferred tax assets – noncurrent	192,657	159,447
Deferred tax liabilities - current	21,872	69,813
Deferred tax liabilities – noncurrent	114,158	201,387

No valuation allowance was provided on deferred tax assets. Management believes that the realization of the deferred tax assets is more likely than not based on the expectation that the Company will generate the necessary taxable income in future periods. Significant temporary differences between financial statements and tax returns are accumulated depreciation, accrued vacation pay, allowance for doubtful accounts and various other accrued expenses.

NOTE 11 - PROFIT SHARING PLAN

The Company has a 401(k) plan covering substantially all employees who are 21 years of age or older. Participants may defer up to the lesser of 50% of their compensation or the maximum annual contribution set by law. In addition, the 401(k) plan provides for a discretionary matching contribution to be set by the employer. There was no 401(k) match for the years ended March 31, 2013 and 2012.

NOTE 12 - RELATED PARTY TRANSACTIONS

The related parties of Geometric Americas, Inc. (GAI) are as follows:

- (i) Geometric LTD (GLTD-Parent)
- (ii) Geometric China, Inc. (China-Common Ownership)
- (iii) 3D PLM Software Solutions Limited (3DPLM-Common Ownership)
- (iv) Geometric Asia Pacific Pte Limited (GAP-Common Ownership)

Notes to Consolidated Financial Statement (Contd.)

Following are the related party transactions as of and for the years ended March 31, 2013 and 2012:

Description	GLTD	China	3DPLM	GAP
2013				
Outstanding billed to GAI	\$ 5,233,793	\$ 658,598	\$ 22,344	\$ 95,699
Software services provided by GAI	650,738	-	-	-
Loan to GAI	10,000,000	-	-	-
Interest on loan to GAI	849,996	-	-	-
Software services billed to GAI	28,315,376	2,233,268	-	113,151
Outstanding billed due to GAI	2,452,768	827,552	10,810	-
2012				
Outstanding billed to GAI	\$ 1,630,513	\$ 650	\$ -	\$ -
Software services provided by GAI	704,247	-	-	-
Loan to GAI	10,074,033	-	-	-
Interest on loan to GAI	825,620	-	-	-
Loan from GAI	-	825,849	-	-
Software services billed to GAI	23,581,117	2,072,484	-	274,719
Outstanding billed due to GAI	3,220,681	187,903	37,893	2,977

In addition to the above related party transactions, employees relocating from India to the United States are entitled to a \$10,000 interest free relocation loan that is ordinarily repaid over 12 months. Employee loans outstanding at March 31, 2013 and 2012 were \$325,164 and \$293,580, respectively, with a related allowance for doubtful accounts against the employee advances of \$33,733 and \$27,473, respectively.

NOTE 13 - BOARD OF DIRECTORS APPROVAL

The Board of Directors approved the consolidated financial statements for Geometric Americas, Inc. and Subsidiaries on April 18, 2013.



Engine for Growth

Geometric Americas, Inc.

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

Regd. Office
50 Kirts Blvd, Suite A, Troy, MI 48084, USA

Directors' Report

To The Members

The Directors hereby present their Report of the Company for the year ended March 31, 2013.

1. OPERATIONS

On a consolidated basis the Company has registered total revenue of USD 93,782,832 and a Net Profit of USD 2,517,375. The Company has initiated the transfer of its subsidiaries in France and Romania to Geometric Europe GmbH, the European subsidiary of its holding company which will be effective April 01, 2013 or later.

2. Share Capital

During the year, there was no change in the share capital of the Company.

3. Dividends

The Directors do not recommend any Dividend.

4. Future Outlook

The Company continues to see strong demand from its customer base and plans to remain profitable in the year ahead.

By Order of the Board

Manu Parpia

April 18, 2013

Independent Auditor's Report

Board of Directors and Stockholders
Geometric Americas, Inc.
Troy, Michigan

Report on the Financial Statements

We have audited the accompanying financial statements of Geometric Americas, Inc. (the "Company"), which comprise the balance sheet as of March 31, 2013, and the related statements of income, stockholder's equity, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and 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 control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal

control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Basis for Qualified Opinion

As described in Note 1, the Company has not consolidated the operations of its wholly owned foreign subsidiaries Geometric S.R.L., Romania and Geometric SAS, France that, in our opinion, is required under accounting principles generally accepted in the United States of America. Geometric S.R.L., Romania and Geometric SAS, France have total assets, liabilities, revenue, net income, and comprehensive income of \$1,440,394, \$3,235,213, \$2,986,269, \$309,549 and \$155,484, respectively, as of and for the year ended March 31, 2013. If the Company had consolidated the operations of Geometric S.R.L., Romania and Geometric SAS, France, total assets, liabilities, and stockholder's equity would have increased by \$1,006,657, \$665,126 and \$341,531, respectively, at March 31, 2013. Net income and comprehensive income would have increased by \$309,549 and \$155,484, respectively, for the year ended March 31, 2013.

Qualified Opinion

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of Geometric Americas, Inc. as of March 31, 2013, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Crowe Horwath LLP
Grand Rapids, Michigan

June 14, 2013



Balance Sheet as at March 31, 2013

	2013	
	US\$	Equivalent INR
ASSETS		
CURRENT ASSETS		
Cash	2,839,318	154,174,967
Accounts receivable – trade, net	14,225,061	772,420,812
Accounts receivable – related party	3,035,645	164,835,524
Unbilled work in process, net	8,596,932	466,813,408
Other receivables including loans to employees, net	513,700	27,893,910
Prepaid expenses	426,025	23,133,157
Deferred income tax	1,117,861	60,699,852
Refundable income tax	1,517,296	82,389,173
Note receivable – current portion	-	-
Total current assets	32,271,838	1,752,360,803
NOTE RECEIVABLE	-	-
PROPERTY AND EQUIPMENT, NET	424,001	23,023,254
OTHER ASSETS		
Goodwill	2,828,090	153,565,287
Deferred income tax	78,499	4,262,496
Other	98,876	5,368,967
Total other assets	3,005,465	163,196,750
Total assets	35,701,304	1,938,580,807
LIABILITIES AND STOCKHOLDER'S EQUITY		
CURRENT LIABILITIES		
Revolving credit agreement	5,108,557	277,394,645
Accounts payable and accrued expenses	1,728,319	93,847,722
Accounts payable – related party	5,348,509	290,424,039
Accounts payable – unconsolidated subsidiary	391,351	21,250,359
Deferred revenue	3,293,215	178,821,575
Accrued wages and payroll taxes	2,499,357	135,715,085
Total current liabilities	18,369,308	997,453,425
LONG-TERM LIABILITIES		
Note payable to related party	10,000,000	543,000,000
Deferred income tax	-	-
Total non-current liabilities	10,000,000	543,000,000
Total liabilities	28,369,308	1,540,453,425
STOCKHOLDER'S EQUITY		
Common stock, no par value, 10,000 shares authorized; 1,432 shares issued and outstanding	12,062,771	655,008,465
Amounts due from unconsolidated subsidiaries	(2,191,120)	(118,977,816)
Accumulated deficit	(2,539,655)	(137,903,267)
Total stockholder's equity	7,331,996	398,127,382
Total liabilities and stockholder's equity	35,701,304	1,938,580,807
Exchange rate used for translation : 1 US\$ =		54.30

Statements of Profit and Loss for the year ended March 31, 2013

	2013	
	US\$	Equivalent INR
Revenue	92,764,949	5,037,136,731
Cost of revenue		
Software costs and services provided by related company	30,601,715	1,661,673,125
Software costs and services provided by unconsolidated subsidiaries	1,242,274	67,455,478
Payroll, payroll taxes and other labor costs	44,187,007	2,399,354,480
Indirect cost of revenue	2,911,792	158,110,306
Total cost of revenue	78,942,788	4,286,593,389
Gross profit	13,822,161	750,543,342
Operating expenses		
Selling, general and administrative expenses	8,973,726	487,273,322
Depreciation	337,219	18,310,992
Total operating expenses	9,310,945	505,584,314
Other income (expense)		
Interest income	-	-
Interest expense	(1,237,790)	(67,211,997)
Other	62,020	3,367,686
Total other expense, net	(1,175,770)	(63,844,311)
Net income before taxes	3,335,446	181,114,717
Income tax expense	1,127,620	61,229,766
Net income before other comprehensive loss	2,207,826	119,884,951
Exchange rate used for translation : 1 US\$ =		54.30



Statement of Stockholder's (Deficit)/Equity

	Capital Stock		Amounts Due From Unconsolidated Subsidiaries		Accumulated Deficit		Total	
	US\$	Equivalent INR	US\$	Equivalent INR	US\$	Equivalent INR	US\$	Equivalent INR
Balance, April 1, 2012	12,062,771	655,008,465	(2,191,120)	(118,977,816)	(4,747,481)	(257,788,218)	5,124,170	278,242,431
Net income	-	-	-	-	2,207,826	119,884,952	2,207,826	119,884,952
Balance, March 31, 2013	12,062,771	655,008,465	(2,191,120)	(118,977,816)	(2,539,655)	(137,903,267)	7,331,996	398,127,383
Exchange rate used for translation : 1 US\$ =								
March 31, 2013								54.30

Statements of Cash Flows for the year ended March 31, 2013

	2013	
	US\$	Equivalent INR
Cash flows provided (used) by operating activities		
Net income	2,207,826	119,884,952
Adjustments to reconcile net income to net cash flows provided (used) by operating activities:		
Depreciation	337,219	18,310,992
Allowance for doubtful accounts	(352,668)	(19,149,872)
Deferred income taxes	(615,277)	(33,409,541)
Changes in operating assets and liabilities:		
Accounts receivable and unbilled work in process	677,535	36,790,151
Accounts receivable from related party	(840,546)	(45,641,648)
Prepaid expenses and other assets	17,591	955,191
Refundable income tax	(1,267,253)	(68,811,838)
Other receivables including loans to employees	860,628	46,732,100
Accounts payable and accrued expenses	(20,252)	(1,099,684)
Accounts payable to related party	2,469,885	134,114,756
Accounts payable to unconsolidated subsidiary	380,335	20,652,191
Deferred revenue	176,709	9,595,299
Accrued wages and payroll taxes	1,947,352	105,741,214
Net cash provided (used) by operating activities	5,979,084	324,664,263
Cash flows provided (used) by investing activities		
Net activity on note receivable	258,000	14,009,400
Acquisition of property and equipment	(70,503)	(3,828,313)
Net cash provided (used) by investing activities	187,497	10,181,087
Cash flows provided (used) by financing activities		
Proceeds from revolving credit facility	500,000	27,150,000
Repayment of revolving credit facility	(5,141,443)	(279,180,355)
Payments on notes payable to related party	-	-
Proceeds from issuance of capital stock	-	-
Net cash provided (used) by financing activities	(4,641,443)	(252,030,355)
NET CHANGE IN CASH	1,525,138	82,814,995
Cash at beginning of year	1,314,180	71,359,974
Cash at end of year	2,839,318	154,174,969
Supplemental disclosures of cash flow information		
Cash paid for income taxes	2,901,864	157,571,215
Cash paid for interest	1,166,957	63,365,765
Exchange rate used for translation : 1 US\$ =		54.30



Notes to Financial Statement

NOTE 1 - NATURE OF BUSINESS AND ORGANIZATION

Geometric Americas, Inc. (the "Company") was incorporated on August 18, 1997 as a Massachusetts corporation. The Company's primary operations are in the Midwestern United States, where it is principally engaged in providing engineering services to major automotive, agricultural, construction equipment manufacturers and related tier one suppliers. Additionally, the Company provides marketing assistance and promotes software products as well as provides software consulting services.

The Company has wholly-owned subsidiaries in Romania and France, Geometric S.R.L., Romania and Geometric SAS, France, which provide similar services outside the United States of America. The financial statements do not include financial information for these subsidiaries. No transactions between these entities and the Company have been eliminated, and these balances are recorded in accounts payable – unconsolidated subsidiary and amounts due from unconsolidated subsidiaries on the balance sheet and software costs and services provided by unconsolidated subsidiaries on the statement of income. This is a departure from accounting principles generally accepted in the United States of America.

Geometric S.R.L., Romania and Geometric SAS, France have total assets, liabilities, revenue, net income, and comprehensive income of \$1,440,394, \$3,235,213, \$2,986,269, \$309,549, and \$155,484, respectively, as of and for the year ended March 31, 2013. If the Company had consolidated the operations of Geometric S.R.L., Romania and Geometric SAS, France, total assets, liabilities, and stockholder's equity would have increased by \$1,006,657, \$665,126 and \$341,531, respectively, at March 31, 2013. Net income and comprehensive income would have increased by \$309,549 and \$155,484, respectively, for the year ended March 31, 2013.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of Geometric Americas, Inc. is presented to assist in understanding the financial statements. The financial statements and notes are representations of Geometric Americas, Inc. management who is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America except as noted above in Note 1.

Fair Value of Financial Instruments: The Company's carrying amounts for its financial instruments, which include cash, accounts receivable, accounts payable and long-term debt, approximate fair value.

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents: For the purpose of the statement of cash flows, cash includes cash and cash equivalents with original maturities of 90 days or less. Effective January 1, 2013, deposits held in non interest-bearing accounts are aggregated with any interest-bearing deposits, and the combined total is insured up to at least \$250,000.

Concentration of Credit Risk: For the year ended March 31, 2013, sales to one customer totaled \$22,544,588 which represented 24% of sales. Total accounts receivable from this customer at March 31, 2013 was \$3,195,940.

Accounts Receivable and Allowance for Doubtful Accounts: Accounts and notes receivable are stated at the amount management expects to collect from outstanding accounts. Management provides for probable uncollectible accounts for doubtful accounts through a provision for bad debt expense and an adjustment to an allowance for doubtful accounts based on its assessment of the current status of individual accounts and loan balances. Accounts outstanding after management has used reasonable collection efforts are written off through a charge to the allowance for doubtful accounts and a credit to accounts receivable. The allowance for doubtful accounts at March 31, 2013 for both accounts receivable and unbilled work in process was \$1,011,835. The Company does not require collateral from its customers.

Property and Equipment: Property and equipment is stated at cost less accumulated depreciation. Depreciation is provided using accelerated methods over an estimated useful life of the asset. Expenditures for maintenance and repairs are charged to expense as incurred. The estimated lives for various categories of the assets are as follows:

Computer software	3 years
Computer equipment	3 years
Furniture and fixtures	10 years
Machinery and equipment	13 years
Leasehold improvements	Over the term of the lease

Notes to Financial Statement (Contd.)

Goodwill:

The Company evaluates the carrying value of goodwill as of March 31st of each fiscal year and between annual evaluations if events occur or circumstances change that would more likely than not reduce the fair value of the reporting unit below its carrying amount. Such circumstances could include, but are not limited to: (1) a significant adverse change in legal factors or in business climate, (2) unanticipated competition or (3) an adverse action or assessment by a regulator.

During the fiscal year 2012, the Company elected to adopt Accounting Standards Update ("ASU") No. 2011-08, Intangibles - Goodwill and Other (Topic 350): Testing Goodwill for Impairment. The objective of this ASU permits entities to first assess qualitative factors of a reporting unit to determine if it is more likely than not that the fair value of a reporting unit is less than the carrying amount as a basis for determining whether it is necessary to perform the two-step goodwill impairment test. Management did not identify any events or circumstances that led it to believe goodwill should be assessed for impairment as of March 31, 2013.

Revenue Recognition:

Fixed fee projects: Revenue is recognized using the percentage-of-completion method. The percentage of completion is determined by comparing the actual costs incurred to date to an estimate of total costs to be incurred on each contract. If a loss is indicated on any contract in process, a provision is made currently for the entire loss. The Company's contracts generally provide for billing of customers upon the attainment of certain milestones specified in each contract. Revenue earned on contracts in process in excess of billings is classified as unbilled work in process and amounts billed in excess of revenue earned are classified as deferred revenue and later recognized as revenue when service is provided to the customer.

Time and Material Projects:

Revenue is recognized on a per hour basis as determined by the contract. All costs associated with the generation of revenue are expensed as incurred.

Product and Services:

Revenue is recognized at the time the software program is sold.

Advertising Expense:

The Company expenses advertising costs as incurred. Advertising expense during the year ended March 31, 2013 was \$212,287.

Income Taxes:

The Company accounts for income taxes using the liability method whereby deferred tax asset and liability account balances are determined based on differences between the financial reporting and tax basis of assets and liabilities and are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse. The Company provides a valuation allowance, if necessary, to reduce deferred tax assets to their estimated realizable value.

Uncertain tax positions are recognized and measured under provisions of FASB ASC 740. These provisions require the Company to recognize a tax benefit only if it is "more likely than not" that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the "more likely than not" test, no tax benefit is recorded.

The Company is subject to U.S. federal income tax as well as income tax of the state of Michigan as well as various other state income taxes. The Company is no longer subject to examination by taxing authorities for years before December 31, 2008 in respect to U.S. federal income tax and December 31, 2007 in respect to state taxes. The Company does not expect the total amount of unrecognized tax benefits to significantly change in the next 12 months.

The Company recognizes interest and/or penalties related to income tax matters in income tax expense. The Company did not have any amounts accrued for interest and penalties at March 31, 2013.

Reclassification: Amounts due from unconsolidated subsidiaries at March 31, 2012 have been reclassified to conform with the current year presentation.

Subsequent Events: Management has performed an analysis of activities and transactions subsequent to March 31, 2013 to determine the need for any adjustments to and/or disclosures within these financial statements for the year ended March 31, 2013. Management has performed an analysis through ??, which was the date that the financial statements were available for issuance and has determined that there are no subsequent events to disclose.



Notes to Financial Statement (Contd.)

NOTE 3 - PROPERTY AND EQUIPMENT, NET

Property and equipment consists of the following:

	2013	2012
Machinery and equipment	\$ 263,421	\$ 255,933
Computer equipment and software	4,012,860	3,950,755
Furniture and fixtures	538,617	537,707
Leasehold improvements	193,348	193,348
	5,008,246	4,937,743
Less accumulated depreciation	4,584,245	4,247,026
	\$ 424,001	\$ 690,717

NOTE 4 - REVOLVING CREDIT AGREEMENT

At March 31, 2013, the Company had drawn \$5,108,557 under a revolving credit facility with a bank. At March 31, 2013, the Company was able to borrow up to \$10,000,000 with interest at the six month LIBOR rate plus 425 basis points (the six month LIBOR rate at March 31, 2013 was .46%). The agreement, amended in August 2012, expires in September 2013, is secured by the current assets of the Company and is guaranteed by Geometric Ltd., the parent company.

NOTE 5 - NOTE PAYABLE TO RELATED PARTY

At March 31, 2013, the Company had a note payable to a related party of \$10,000,000 with quarterly interest payments at 8.5% per annum. Under the terms of the note, principal payments are to be made in 36 monthly installments of \$277,778 starting in July 2014. The interest rate, number of installments, and date of the first payment may be varied upon the agreement of the Company and the related party. At March 31, 2013, the Company classified the note as long-term.

Principal payments on the note payable for the years ended March 31 are as follows:

Years ended March 31,	Amount
2014	\$ -
2015	2,500,002
2016	3,333,336
2017	3,333,336
2018	833,326

NOTE 6 - DEFERRED REVENUE

Engineering Services

Amounts billed in excess of revenue earned under fixed

fee contracts are deferred and recognized as revenue when service is provided to the customer. At March 31, 2013, deferred revenue for engineering services totaled \$2,016,796.

Product Services

Revenue is deferred and recognized for program maintenance agreements sold in conjunction with the software programs over the term of the agreement. At March 31, 2013, deferred revenue for product services totaled \$1,276,419.

NOTE 7 - CONTINGENCIES AND COMMITMENTS

Lease Commitment

The Company conducts operations from facilities and has various pieces of equipment that are leased under non-cancelable operating lease agreements. Total rent expense under these leases was \$629,218 for the year ended March 31, 2013.

Minimum future rental payments under non-cancelable operating leases having initial or remaining terms in excess of one year as of March 31, 2013 for each of the next five years are:

Years ended March 31,	Amount
2014	\$ 621,114
2015	623,518
2016	581,227
2017	378,479
2018	-
	\$ 2,204,338

NOTE 8 - INCOME TAXES

Income tax expense consists of the following:

	2013	2012
Current expense – federal	\$ 1,364,020	\$ 2,410,378
Current expense – state	293,087	202,360
Deferred benefit – federal	(454,530)	(2,175,090)
Deferred benefit – state	(74,957)	(51,081)
	\$ 1,127,620	\$ 386,567

The deferred tax assets and liabilities are as follows:

	2013
Deferred tax assets – current	\$ 1,139,733
Deferred tax assets – noncurrent	192,657
Deferred tax liabilities – current	21,872
Deferred tax liabilities – noncurrent	114,158

Notes to Financial Statement (Contd.)

No valuation allowance was provided on deferred tax assets. Management believes that the realization of the deferred tax assets is more likely than not based on the expectation that the Company will generate the necessary taxable income in future periods. Significant temporary differences between financial statements and tax returns are accumulated depreciation, accrued vacation pay, allowance for doubtful accounts and various other accrued expenses.

NOTE 9 - PROFIT SHARING PLAN

The Company has a 401(k) plan covering substantially all employees who are 21 years of age or older. Participants may defer up to the lesser of 50% of their compensation or the maximum annual contribution set by law. In addition, the

401(k) plan provides for a discretionary matching contribution to be set by the employer. There was no 401(k) match for the years ended March 31, 2013.

NOTE 10 - RELATED PARTY TRANSACTIONS

The related parties of Geometric Americas, Inc. (GAI) are as follows:

- (i) Geometric Limited (GL Ltd-Parent)
- (ii) Geometric China Inc. (China-Common Ownership)
- (iii) 3D PLM Software Solutions Limited (3DPLM-Common Ownership)
- (iv) Geometric Asia Pacific Pte Limited (GAP-Common Ownership)

Following are the related party transactions as of and for the years ended March 31, 2013 and 2012:

Description	GLTD	China	3DPLM	GAP
2013				
Outstanding billed to GAI	\$ 4,571,868	\$ 658,598	\$ 22,344	\$ 95,699
Software services provided by GAI	649,751	-	-	-
Loan to GAI	10,000,000	-	-	-
Interest on loan to GAI	849,996	-	-	-
Software services billed to GAI	28,368,447	2,233,268	-	113,151
Outstanding billed due to GAI	2,197,283	827,552	10,810	-
2012				
Outstanding billed to GAI	\$ 1,630,513	\$ 650	\$ -	\$ -
Software services provided by GAI	704,247	-	-	-
Loan to GAI	10,074,033	-	-	-
Interest on loan to GAI	825,620	-	-	-
Loan from GAI	-	825,849	-	-
Software services billed to GAI	23,581,117	2,072,484	-	274,719
Outstanding billed due to GAI	3,220,681	187,903	37,893	2,977

In addition to the above related party transactions, employees relocating from India to the United States are entitled to a \$10,000 interest free relocation loan that is ordinarily repaid over 12 months. Employee loans outstanding at March 31, 2013 were \$325,164 with a related allowance for doubtful accounts against the employee advances of \$33,733.



Engine for Growth

Geometric SRL, Romania

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

Regd. Office
Parcul Mic Street 19-21, Brasov, RM 500386

Financial Statement of Geometric SRL, Romania

Directors' Report

To The Members

The Directors hereby present their Report of the Company for the year ended March 31, 2013.

1. OPERATIONS

Total Revenue of the Company during the year was RON 6,897,703 and Net Profit for the year was RON 1,132,085.

2. DIVIDENDS

The Directors do not recommend payment of any dividend.

3. FUTURE OUTLOOK

The Company expects to perform better in the coming financial year, once the overall global economy recovers.

By Order of the Board
Manu Parpia

April 17, 2013

Balance Sheet as at March 31, 2013

	March 31, 2013		March 31, 2012	
	RON*	Equivalent ₹	US Dollar*	Equivalent ₹
ASSETS AND LIABILITIES				
Non-current Assets				
Plant and Equipment	167,684	2,644,377	86,258	4,407,772
Current Assets				
Trade and Other Receivables	1,658,417	26,153,236	173,297	8,855,481
Cash and bank balance	297,009	4,683,832	54,565	2,788,288
Total Current Assets	1,955,426	30,837,068	227,862	11,643,769
Current Liabilities				
Trade and Other Payable	483,598	7,626,340	173,684	8,875,273
Notes Payable	1,378,200	21,734,214	400,000	20,440,000
Total Current Liabilities	1,861,798	29,360,554	573,684	29,315,273
Net Current Assets	93,628	1,476,514	(345,822)	(17,671,505)
Net Assets	261,312	4,120,890	(259,564)	(13,263,733)
EQUITY	261,312	4,120,890	(259,564)	(13,263,733)
Total Equity	261,312	4,120,890	(259,564)	(13,263,733)
Exchange rate used for translation : 1RON =				
		15.77		51.10



Statement of Profit and Loss for the year ended March 31, 2013

	March 31, 2013		March 31, 2012	
	RON*	Equivalent ₹	US Dollar*	Equivalent ₹
Sales	7,035,278	110,946,337	1,348,571	68,911,984
Other Income	(137,575)	(2,169,563)	64,995	3,321,236
Total Income	6,897,703	108,776,774	1,413,566	72,233,220
Cost of Expenses				
Cost of Sales	4,217,756	66,514,008	1,022,619	52,255,826
Depreciation	193,328	3,048,787	37,769	1,929,997
Other Operating Expenses	1,354,534	21,361,007	275,287	14,067,170
Total Expenses	5,765,618	90,923,802	1,335,675	68,252,993
Profit/(Loss) from operations	1,132,085	17,852,973	77,891	3,980,227
Finance costs	-	-	-	-
Profit/(Loss) before Taxation	1,132,085	17,852,973	77,891	3,980,227
Taxation	-	-	-	-
Net Profit/(Loss) for the year	1,132,085	17,852,973	77,891	3,980,227

* March 12 financials were converted from USD to INR, where as in March 13 it is from RON to INR.

Notes to Financial Statements

NOTE 1 - BASIS OF ACCOUNTING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Following is a summary of certain accounting policies followed in the preparation of these financial statement. The policies confirms to the generally accepted accounting principles and have been consistently applied in the preparation of the financial statement.

NOTE 2 - BASIS OF ACCOUNTING

The financial statement are prepared using the accrual method of accounting

NOTE 3 - USE OF ESTIMATES

Preparation of financial statement in conformity with the generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements and reported amount of income and expenses during the reporting periods. Actual result could differ from those estimates.

NOTE 4 - REVENUE RECOGNITION

Fixed Price Projects:

Revenue is recognised using the percentage of completion method up to the amount specified on the customer contract . On a monthly basis, percentage of completion is determined and revenue is recognised based on that percentage . The corresponding entry is a debit to Unbilled Accounts receivable. Upon invoicing the project, the balance in unbilled Accounts Receivable is transferred to Billed accounts receivable. All costs associates with the revenue generation are expensed, matching revenues and expenses. Invoicing schedules vary from project to

project but include billed upon completion and progress or milestone billings.

Time and Material Projects:

Revenue is recognized on per hour basis. The revenue rate per hour is determined by the customer contract value or specification. Each hour of time incurred is multiplied by the per hour rate. The corresponding entry to revenue recognition is a debit to Unbilled Accounts Receivable. Upon invoicing the project, the balance in unbilled accounts Receivable is transferred to Billed Accounts Receivable.

All costs associated with the revenue generation is expensed, matching revenues and expenses. Invoicing schedules vary from project-to-project but include weekly and monthly billings.

NOTES 5 - FIXED ASSETS AND DEPRECIATION

Fixed Assets are stated at cost less accumulated depreciation. Cost of acquisition is inclusive of freight, duties, taxes, incidental expenses and financing cost of borrowed funds of fixed assets up to the date of commissioning/commercial exploitation of assets.

Depreciation of fixed assets is charged on the straight line basis on a pro-rata basis from the month the assets are put to use using the estimated lives specified by management. The estimated lives for various categories of the assets are as follows:

Computer Software	3 years
Computer Equipment	3 years
Office Equipment	13 years
Furniture and Fixture	10 years
Machinery and Equipment	13 years
Leasehold Improvements	Over the term of the lease



Engine for Growth

Geometric SAS, France

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

Regd. Office

Parc Technologique METROTECH, Immeuble 642650, Saint Jean Bonnefonds, France



Financial Statement of Geometric SAS, France

Directors' Report to the Members

The Directors hereby present their report for the year ended March 31, 2013

1. OPERATIONS

Total Revenue of the Company during the year was € 1,571,931 and Net Loss for the year was € 28,333.

2. DIVIDEND

The Directors do not recommend payment of any dividend.

3. FUTURE OUTLOOK

The Company expects to perform better in the coming financial year, once the overall global economy recovers.

By Order of the Board
Manu Parpia

Date: April 17, 2013

Balance Sheet as at March 31, 2013

	March 31, 2013		March 31, 2012	
	€ *	Equivalent ₹	US \$ *	Equivalent ₹
ASSETS AND LIABILITIES				
Non-current Assets				
Plant and Equipment	1,230	85,350	8,583	438,591
Current Assets				
Trade and Other Receivables	353,454	24,526,173	445,264	22,752,990
Cash and bank balance	283,496	19,671,787	230,654	11,786,419
Total Current Assets	636,950	44,197,961	675,918	34,539,410
Current Liabilities				
Trade and Other Payable	1,944,162	134,905,401	2,375,237	121,374,611
Total Current Liabilities	1,944,162	134,905,401	2,375,237	121,374,611
Net Current Assets	(1,307,212)	(90,707,441)	(1,699,319)	(86,835,201)
Net Assets	(1,305,982)	(90,622,091)	(1,690,736)	(86,396,610)
EQUITY				
Share Capital	37,000	2,567,430	54,734	2,796,907
Reserves and Surplus	(1,342,982)	(93,189,521)	(1,745,470)	(89,193,517)
Total Equity	(1,305,982)	(90,622,091)	(1,690,736)	(86,396,610)
Exchange rate used for translation : 1EUR =		69.39		51.10

Statement of Profit and Loss for the year ended March 31, 2013

	March 31, 2013		March 31, 2012	
	€ *	Equivalent ₹	US \$ *	Equivalent ₹
Sales	759,187	52,679,979	573,162	39,771,719
Other Income	812,744	56,396,294	159,543	11,070,723
Total Income	1,571,931	109,076,273	732,706	50,842,442
Cost of Expenses				
Cost of Sales	653,745	45,363,334	632,882	43,915,684
Depreciation	973	67,493	1,261	87,479
Other Operating Expenses	945,547	65,611,508		
Total Expenses	1,600,264	111,042,335	634,143	44,003,163
Profit/(Loss) from operations	(28,333)	(1,966,062)	98,563	6,839,278
Finance costs		-		-
Profit/(Loss) before Taxation	(28,333)	(1,966,062)	98,563	6,839,278
Taxation	-	-	-	-
Net Profit/(Loss) for the year	(28,333)	(1,966,062)	98,563	6,839,278

* March 12 financials were converted from USD to INR, where as in March 13 it is from EUR to INR

Notes to Financial Statements

NOTE 1-BASIS OF ACCOUNTING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Following is a summary of certain accounting policies followed in the preparation of these financial statement. The policies confirms to the generally accepted accounting principles and have been consistently applied in the preparation of the financial statement.

NOTE 2 - BASIS OF ACCOUNTING

The financial statement are prepared using the accrual method of accounting

NOTE 3 - USE OF ESTIMATES

Preparation of financial statement in conformity with the generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements and reported amount of income and expenses during the reporting periods. Actual result could differ from those estimates.

NOTE 4 - REVENUE RECOGNITION

Fixed Price projects:

Revenue is recognised using the percentage of completion method up to the amount specified on the customer contract. On a monthly basis, percentage of completion is determined and revenue is recognised based on that percentage. The corresponding entry is a debit to Unbilled Accounts receivable. Upon invoicing the project, the balance in unbilled Accounts Receivable is transferred to Billed accounts receivable. All costs associates with the revenue generation are expensed,

matching revenues and expenses. Invoicing schedules vary from project to project but include billed upon completion and progress or milestone billings.

Time and Material projects:

Revenue is recognized on per hour basis. The revenue rate per hour is determined by the customer contract value or specification. Each hour of time incurred is multiplied by the per hour rate. The corresponding entry to revenue recognition is a debit to Unbilled Accounts Receivable. Upon invoicing the project, the balance in unbilled accounts Receivable is transferred to Billed Accounts Receivable.

All costs associated with the revenue generation is expensed, matching revenues and expenses. Invoicing schedules vary from project-to-project but include weekly and monthly billings.

NOTES 5 - FIXED ASSETS AND DEPRECIATION

Fixed Assets are stated at cost less accumulated depreciation. Cost of acquisition is inclusive of freight, duties, taxes, incidental expenses and financing cost of borrowed funds of fixed assets up to the date of commissioning/commercial exploitation of assets.

Depreciation of fixed assets is charged on the straight line basis on a pro-rata basis from the month the assets are put to use using the estimated lives specified by management. The estimated lives for various categories of the assets are as follows:

Computer Software	3 years
Computer Equipment	3 years
Office Equipment	13 years
Furniture and Fixture	10 years
Machinery and Equipment	13 years
Leasehold Improvement	Over the term of the lease



Engine for Growth

Geometric Asia Pacific Pte. Ltd.

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

Regd. Office
78 Shenton Way #26-02A, Singapore 079210

Directors' Report

The directors are pleased to present their report to the members together with the audited consolidated financial statements of Geometric Asia Pacific Pte. Ltd. ("the Company") and its subsidiaries (collectively "the Group") for the financial year ended March 31, 2013.

1. DIRECTORS

The directors of the Company in office at the date of this report are:

Parpia Manu Mahmud
Low Tiak Huan

2. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Neither at the end nor at any time during the financial year was the Company a party to any arrangement whose object is to enable the directors of the Company to acquire benefits through the acquisition of shares in or debentures of the Company or any other body corporate.

3. DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

The directors holding office at the end of the financial year and their interests in the shares of the Company and related corporations as recorded in the register kept by the Company for the purposes of Section 164 of the Companies Act, Cap. 50 were as follows:

	Holding in the name of the Directors		Other holdings in which Directors are deemed to have an interest	
Name of Directors	Ordinary shares @ INR 2			
	At 01.04.12	At 31.03.13	At 01.04.12	At 31.03.13
Holding Company				
- Geometric Limited				
Parpia Manu Mahmud	4,242,925	4,267,925	210,000	210,000
Low Tiak Huan	27,110	27,110	-	-

* Options convertible into shares of INR 2 each.

Geometric Limited has issued stock option to the above directors of the Company. The holding company has not incurred any cost for issuing such options. By virtue of Section 7 of the Companies Act, the above directors with shareholdings are deemed to have an interest in the shares the Company and of its subsidiaries in the Group.

Except as disclosed above, no director who held office at the end of the financial year had interest in shares, debentures or share options of the Company, or of related corporations, either at beginning or at the end of the financial year.

4. DIRECTORS' CONTRACTUAL BENEFITS

Since the end of the previous financial year, no director of the Company has received or become entitled to receive a benefit (except as disclosed in the financial statements and in this report) by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

5. SHARE OPTIONS

There were no options granted during the financial year to subscribe for unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

There were no unissued shares of the Company under option at the end of the financial year.



Directors' Report (Contd.)

6. AUDITORS

The auditors, Messrs. Rohan · Mah & Partners, Certified Public Accountants, have expressed their willingness to accept re-appointment.

On behalf of the Board

Parpia Manu Mahmud
Director

Low Tiak Huan
Director

Singapore,
April 22, 2013

Statement by Directors

In the opinion of the directors, the accompanying consolidated financial statements together with the notes thereto are drawn up so as to give a true and fair view of the state of affairs of Geometric Asia Pacific Pte Ltd ("the Company") and its subsidiaries (collectively "the Group") as at March 31, 2013 and of the results of the business, changes in equity and statement of cash flows of the Group and of the Company for the year ended on that date, and at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

On behalf of the Board

Parpia Manu Mahmud
Director

Low Tiak Huan
Director

Singapore,
April 22, 2013

Independent Auditors' Report to the members of Geometric Asia Pacific Pte. Ltd. (Incorporated in the Republic of Singapore) and its Subsidiaries

Report on the Financial Statements

We have audited the accompanying financial statements of Geometric Asia Pacific Pte. Ltd. ("the Company") and its subsidiaries (collectively "the Group"), which comprise the balance sheets of the Group and the Company as at March 31, 2013, and consolidated statement of comprehensive income, statement of changes in equity of the Group and of the Company and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Cap 50 ("the Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, 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 control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the consolidated financial statements of the Group and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and the Company as at March 31, 2013 and the results, changes in equity and cash flows of the Group and the changes in equity of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

ROHAN • MAH & PARTNERS

Public Accountants and
Certified Public Accountants

Singapore, 22 April 2013
(RK/AJ/MA/JG/na)



Balance Sheet as at March 31, 2013

	Note	The Group				The Company			
		Current Year		Previous Year		Current Year		Previous Year	
		S\$	Equivalent INR	S\$	Equivalent INR	S\$	Equivalent INR	S\$	Equivalent INR
ASSETS LESS LIABILITIES									
Non-Current Asset									
Plant and equipment	4	20,820	911,083	23,135	942,289	6,673	292,010	10,837	441,391
Goodwill on acquisition	5	-	-	-	-	-	-	-	-
Investment in subsidiary	6	-	-	-	-	75,500	3,303,880	75,500	3,075,115
		20,820	911,083	23,135	942,289	82,173	3,595,890	86,337	3,516,506
Current Assets									
Trade receivables	7	3,140,009	137,406,794	2,151,583	87,633,976	1,532,112	67,045,221	1,574,205	64,117,370
Other receivables, deposits and prepayments	8	261,101	11,425,780	197,466	8,042,790	622,532	27,242,000	493,380	20,095,367
Cash and cash equivalents	9	1,417,140	62,014,046	1,514,593	61,689,373	977,008	42,753,870	1,095,210	44,607,903
		4,818,250	210,846,620	3,863,642	157,366,139	3,131,652	137,041,092	3,162,795	128,820,640
Current Liabilities									
Trade and other payables	10	3,093,408	135,367,534	2,558,461	104,206,117	1,468,173	64,247,250	1,275,245	51,940,729
Provision for taxation		71,969	3,149,363	25,246	1,028,270	921	40,303	10,979	447,175
		3,165,377	138,516,898	2,583,707	105,234,386	1,469,094	64,287,553	1,286,224	52,387,904
Net Current Assets		1,652,873	72,329,722	1,279,935	52,131,753	1,662,558	72,753,538	1,876,571	76,432,737
Net Assets		1,673,693	73,240,806	1,303,070	53,074,041	1,744,731	76,349,429	1,962,908	79,949,243
EQUITY									
Capital and reserve attributable to equity holders of the company									
Share capital	11	100,000	4,376,000	100,000	4,073,000	100,000	4,376,000	100,000	4,073,000
Retained earnings		1,151,471	50,388,371	777,695	31,675,517	1,644,731	71,973,429	1,862,908	75,876,243
Translation exchange reserve		422,222	18,476,435	425,375	17,325,524		0		0
Total Equity		1,673,693	73,240,806	1,303,070	53,074,041	1,744,731	76,349,429	1,962,908	79,949,243
Exchange rate used for translation 1 SGD = Rs.			43.76		40.73		43.76		40.73

Statement of Profit and Loss for the year ended March 31, 2013

	Note	The Group				The Company			
		Current Year		Previous Year		Current Year		Previous Year	
		S\$	Equivalent INR	S\$	Equivalent INR	S\$	Equivalent INR	S\$	Equivalent INR
Continuing operations									
Revenue	12	11,275,140	493,400,126	9,847,140	401,074,012	6,912,456	302,489,075	6,345,644	258,458,080
Cost of services	13	(4,773,976)	(208,909,190)	(4,025,855)	(163,973,074)	(4,598,352)	(201,223,884)	(3,927,608)	(159,971,474)
Gross profit		6,501,164	284,490,937	5,821,285	237,100,938	2,314,104	101,265,191	2,418,036	98,486,606
Other income	14	105,944	4,636,109	172,375	7,020,834	50,357	2,203,622	(173,789)	(7,078,426)
Administration expenses	15	(5,678,532)	(248,492,560)	(5,264,951)	(214,441,454)	(2,148,691)	(94,026,718)	(2,506,365)	(102,084,246)
Other operating expenses	17	(397,419)	(17,391,055)	(280,511)	(11,425,213)	(394,861)	(17,279,117)	(7,586)	(308,978)
Profit/(Loss) before taxation		531,157	23,243,430	448,198	18,255,105	(179,091)	(7,837,022)	(269,704)	(10,985,044)
Taxation	18	(157,381)	(6,886,993)	(9,693)	(394,796)	(39,086)	(1,710,408)	-	-
Profit/(Loss) from operations		373,776	16,356,438	438,505	17,860,309	(218,177)	(9,547,430)	(269,704)	(10,985,044)
Total Profit/(Loss)		373,776	16,356,438	438,505	17,860,309	(218,177)	(9,547,430)	(269,704)	(10,985,044)
Other comprehensive income									
Currency translation differences arising from consolidation		(3,153)	(137,975)	(36,535)	(1,488,071)	-	-	-	-
Other comprehensive income, net tax		(3,153)	(137,975)	(36,535)	(1,488,071)	-	-	-	-
Total comprehensive income		370,623	16,218,462	401,970	16,372,238	(218,177)	(9,547,430)	(269,704)	(10,985,044)
Profit/(Loss) attributable to:									
Equity holders of the Company		373,776	16,356,438	438,505	17,860,309	(218,177)	(9,547,430)	(269,704)	(10,985,044)
Total comprehensive income attributable to:									
Equity holders of the Company		370,623	16,218,462	401,970	16,372,238	(218,177)	(9,547,430)	(269,704)	(10,985,044)
Exchange rate used for translation									
1 SGD = Rs.			43.76		40.73		43.76		40.73



Change in Equity for the year ended March 31, 2013

	Share Capital		Translation Exchange Reserve		Retained Earnings		Total	
	S\$	Equivalent INR	S\$	Equivalent INR	S\$	Equivalent INR	S\$	Equivalent INR
The Group								
As at 1 April 2011	100,000	4,376,000	461,910	20,213,182	339,190	14,842,954	901,100	39,432,136
Total comprehensive loss for the year	-	-	(36,535)	(1,598,772)	438,505	19,188,979	401,970	17,590,207
As at 31 March 2012	100,000	4,376,000	425,375	18,614,410	777,695	34,031,933	1,303,070	57,022,343
Total comprehensive income for the year	-	-	(3,153)	(137,975)	373,776	16,356,438	370,623	16,218,462
As at 31 March 2013	100,000	4,376,000	422,222	18,476,435	1,151,471	50,388,371	1,673,693	73,240,806
Exchange rate used for translation 1 SGD = Rs.		43.76						

	Share Capital		Retained Earnings		Total	
	S\$	Equivalent INR	S\$	Equivalent INR	S\$	Equivalent INR
The Company						
As at 1 April 2011	100,000	4,376,000	2,137,596	93,541,201	2,237,596	97,917,201
Total comprehensive loss for the year	-	-	(274,688)	(12,020,347)	(274,688)	(12,020,347)
As at 31 March 2012	100,000	4,376,000	1,862,908	81,520,854	1,962,908	85,896,854
Total comprehensive income for the year	-	-	(218,177)	(9,547,426)	(218,177)	(9,547,426)
As at 31 March 2013	100,000	4,376,000	1,644,731	71,973,429	1,744,731	76,349,429
Exchange rate used for translation 1 SGD = Rs.		43.76				

Statement of Cash Flows for the year ended March 31, 2013

	The Group		Previous Year	
	Current Year S\$	Equivalent INR	S\$	Equivalent INR
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	531,157	23,243,430	448,198	18,255,105
Adjustments for:				
Depreciation of plant and equipment	11,587	507,047	12,295	500,775
Exchange difference on plant and equipment	991	43,366	(1,060)	(43,174)
Allowance for doubtful debts	(7,352)	(321,724)	22,791	928,277
Interest income	(858)	(37,546)	(42)	(1,711)
Operating (loss)/profit before working capital changes	535,525	23,434,574	482,182	19,639,273
Trade and other receivables	(1,106,069)	(48,401,579)	279,762	11,394,706
Trade and other payables	595,242	26,047,790	170,301	6,936,360
Cash generated from operations	24,698	1,080,784	932,245	37,970,339
Interest received	858	37,546	42	1,711
Taxation paid	(110,587)	(4,839,287)	413	16,821
Net cash (used in)/generated from operating activities	(85,031)	(3,720,957)	932,700	37,988,871
CASH FLOWS FROM INVESTING ACTIVITY				
Acquisition of plant and equipment	(10,324)	(451,778)	(12,031)	(490,023)
Net cash (used in)/generated from investing activities	(10,324)	(451,778)	(12,031)	(490,023)
Net (decrease)/increase in cash and cash equivalents	(95,355)	(4,172,735)	921,669	37,539,578
Cash and cash equivalents at end of year (Note 9)	1,514,593	66,278,590	597,367	24,330,758
Effect of exchange rate on cash held	(2,098)	(91,808)	(4,443)	(180,963)
Cash and cash equivalents at end of year (Note 9)	1,417,140	62,014,046	1,514,593	61,689,373
Exchange rate used for translation 1 SGD = ₹		43.76		40.73

The accompanying notes form an integral part of these financial statements.



Notes to Financial Statements

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. CORPORATE INFORMATION

Geometric Asia Pacific Pte. Ltd. ("the Company") is a limited liability company incorporated in Singapore with its registered office at 78 Shenton Way, #26-02A, Singapore 079120 and the principal place of business at Blk 231 Yishun Street 21, #12-408, Singapore 760231. The consolidated financial statements of the Company for the year ended March 31, 2013 relate to the Company and its subsidiaries (collectively "the Group").

The principal activities of the Company in the course of the financial year are those of software development services and sale of software products. There have been no significant changes in the nature of these activities during the financial year.

The principal activities of the subsidiary are developing, designing, marketing and selling of engineering solutions, services and technologies for vehicle and heavy-duty equipment and supplying related after sales service and technical consultation.

The Company is a wholly-owned subsidiary of Geometric Limited, a company incorporated in India, which is also the Company's ultimate holding corporation.

The financial statements of the Group for the year ended March 31, 2013 were authorised for issue in accordance with a resolution of the Directors on April 22, 2013.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

The financial statements are prepared in accordance with Singapore Financial Reporting Standards ("FRS"). The financial statements, expressed in Singapore Dollar ("SGD or S\$") are prepared based on the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the recognition of applying the Group's accounting policies. It also requires the use of accounting estimates and assumptions that affect the reporting amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best

knowledge of current events and actions, actual results may ultimately differ from those estimates. There are no critical accounting estimates and assumptions used that are significant to the financial statements, and areas involving a higher degree of judgement or complexity except as disclosed in Note 3.s

In the current financial year, the Group has adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual years beginning on or after April 1, 2012. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the Group's accounting policies except as disclosed in Note 3 and has no material effect on the amounts reported for the current or prior years.

The Group has not applied any new standard or interpretation that has been issued but is not yet effective. The new standards that have been issued and not yet effective do not have any impact on the result of current or prior years.

2.2 Group Accounting

2.2.1 Subsidiaries

(i) Consolidation

Subsidiaries are entities (including special purpose entities) over which the Group has power to govern the financial and operating policies so as to obtain benefits from its activities, generally accompanied by a shareholding giving rise to a majority of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date on which control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated but are considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Notes to Financial Statements (Contd.)

Non-controlling interests are that part of the net results of operations and of net assets of a subsidiary attributable to the interests which are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and balance sheet. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

(ii) Acquisitions

The acquisition method of accounting is used to account for business combinations by the Group.

The consideration transferred for the acquisition of a subsidiary or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any noncontrolling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of (i) the consideration transferred, the amount of any noncontrolling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the (ii) fair value of the net identifiable assets acquired is recorded as goodwill. Please refer to note 2.3 for the accounting policy on goodwill.

(iii) Disposals

When a change in the Group ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific Standard.

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

Please refer to Note 2.4 for the accounting policy on investment in subsidiary.

2.2.2 Transactions with non-controlling interests

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with equity owners of the Company. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised within equity attributable to the equity holders of the Company.

2.3 Goodwill

Goodwill on acquisitions of subsidiaries and businesses on or after January 1, 2012 represents the excess of (i) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over (ii) the fair value of the net identifiable assets acquired.

Goodwill on acquisition of subsidiaries and businesses prior to January 1, 2012 and on acquisition of joint ventures and associated companies represents the excess of the cost of the acquisition over the fair value of the Group's share of the net identifiable assets acquired.

Goodwill on subsidiaries and joint ventures is recognised separately as intangible assets and carried at cost less accumulated impairment losses.



Notes to Financial Statements (Contd.)

Goodwill on associated companies is included in the carrying amount of the investments.

Gains and losses on the disposal of subsidiaries, joint ventures and associated companies include the carrying amount of goodwill relating to the entity sold, except for goodwill arising from acquisitions prior to January 1, 2001. Such goodwill was adjusted against retained profits in the year of acquisition and is not recognised in profit or loss on disposal.

2.4 Investments in subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses in the Group's balance sheet. On disposal of investments in subsidiaries, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

2.5 Plant and Equipment

2.5.1 Measurement

All other items of plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

2.5.2 Components Of Costs

The cost of an item of plant and equipment includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

2.5.3 Depreciation

Depreciation is provided on the straight-line basis so as to write off the cost of plant and equipment over their estimated useful lives as follows:

	Years
Computer	3 – 5
Building fixtures	10
Furniture and fittings	3 – 5

The useful lives of plant and equipment are reviewed and adjusted as appropriate at each balance sheet date.

Fully depreciated assets are retained in the financial statements until they are no longer in use.

2.5.4 Subsequent Expenditure

Subsequent expenditure relating to plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Other subsequent expenditure is recognised as repair and maintenance expense in the statement of comprehensive income during the financial year in which it is incurred.

2.5.5 Disposal

On disposal of an item of plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to the statement of comprehensive income. Any amount in revaluation reserve relating to that asset is transferred to retained earnings directly.

2.6 Revenue Recognition

Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in the statement of comprehensive income as follows:

2.6.1 Time and Material Contracts

Revenue from time and material contracts for software development is recognised on completion of contracts or at stages as per the applicable terms and conditions agreed with the customers and when the deliverables are dispatched to customers.

2.6.2 Fixed Price Contracts

In case of fixed price contracts, revenue is recognised on milestones achieved as specified in the contracts on the proportionate completion method on the basis of work completed.

2.6.3 Other Revenue

Revenue from sale of traded software products and software upgrading fee is recognised when the sale has been completed with the passing of the title. Revenue from software upgrading fees on software developed by the Group is recognised over the period for which it is received.

Notes to Financial Statements (Contd.)

2.6.4 Interest Income

Interest income is measured using the effective interest method.

2.7 Foreign Currency

2.7.1 Functional and Presentation Currency

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the Group operates (the “functional currency”). The financial statements are presented in Singapore Dollar, which is the Group’s functional and presentation currency.

2.7.2 Foreign Currencies Transactions

Foreign currency transactions during the year are translated into recording currencies at the exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated into Singapore Dollar at the exchange rates ruling at the balance sheet date. Exchange gains and losses are dealt with in the statement of comprehensive income.

2.7.3 Translation of Group entities’ financial statements

The results and financial position of group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (a) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- (b) income and expenses for each statement of comprehensive incomes are translated at average exchange rates (unless this average is not reasonable approximation of the cumulative effect of the rates prevailing on the translation dates, in which case income and expenses are translated at the dates of the transactions); and commitment all resulting exchange differences are taken to the foreign currency translation reserve within equity.

Goodwill and fair value adjustments arising on acquisition of a foreign entity on or after January 1, 2005 are treated as assets and liabilities of the foreign entity and translated at the closing rate.

2.8 Fair Value Estimation

The fair values of financial instruments traded in active markets are based on quoted market prices at the balance sheet date. The quoted market prices used for financial assets held by the Group are the current bid prices; the appropriate quoted market prices for financial liabilities are the current ask prices.

The fair values of financial instruments that are not traded in an active market are determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. Quoted market prices or dealer quotes for similar instruments are used where appropriate. Other techniques, such as estimated discounted cash flows, are also used to determine the fair values of the financial instruments.

The carrying amounts of current receivables and payables are assumed to approximate their fair values. The fair values of non-current receivables for disclosure purposes are estimated by discounting the future contractual cash flows at the current market interest rates that are available to the Group for similar financial instruments.

2.9 Related Parties

A related party is defined as follows:

- (a) **A person or a close member of that person’s family is related to the Group and Company if that person:**
 - (i) Has control or joint control over the Company;
 - (ii) Has significant influence over the Company; or
 - (iii) Is a member of the key management personnel of the Group or Company or of a parent of the Company.
- (b) **An entity is related to the Group and the Company if any of the following conditions applies:**



Notes to Financial Statements (Contd.)

- (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or and associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;
- (vi) The entity is controlled or jointly controlled by a person identified in (a);
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

2.10 Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, bank deposits and short-term, highly liquid investments which are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts which are repayable on demand and which form an integral part of the Group's cash management.

2.11 Impairment of Non-Financial Assets

2.11.1 Goodwill

Goodwill is tested annually for impairment, as well as when there is any indication that the goodwill may be impaired.

For the purpose of impairment testing of goodwill, goodwill is allocated to each of the Group's cash-generating-units (CGU)

expected to benefit from synergies of the business combination.

An impairment loss is recognised in the income statement when the carrying amount of CGU, including the goodwill, exceeds the recoverable amount of the CGU. Recoverable amount of the CGU is the higher of the CGU's fair value less cost to sell and value in use.

The total impairment loss is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

Impairment loss on goodwill is not reversed in a subsequent period.

2.11.2 Plant and Equipment

Plant and equipment are reviewed for impairment whenever there is any indication that these assets may be impaired. If any such indication exists, the recoverable amount (i.e. the higher of the fair value less cost to sell and value in use) of the asset is estimated to determine the amount of impairment loss.

For the purpose of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the CGU to which the asset belongs to.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. The impairment loss is recognised in the income statement unless the asset is carried at revalued amount, in which case, such impairment loss is treated as a revaluation decrease.

An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the assets' recoverable amount since the last impairment loss was recognised. The carrying amount of an asset is increased to its revised recoverable amount, provided

Notes to Financial Statements (Contd.)

that this amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset is recognised in the income statement, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase.

2.12 Financial Assets

2.12.1 Initial Recognition and Measurement

Financial assets are recognised on the balance sheet when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured as fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

2.12.2 Subsequent Measurement

The subsequent measurement of financial assets depends on their classification as follows:

- (i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by FRS 39. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

The Group has not designated any financial assets upon initial recognition

at fair value through profit or loss.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial assets are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss include exchange differences, interest and dividend income.

Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required.

- (ii) Loans and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

- (iii) Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold the investment to maturity. Subsequent to initial recognition, held-to-maturity investments are measured at amortised



Notes to Financial Statements (Contd.)

cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the held-to-maturity investments are derecognised or impaired, and through the amortisation process.

(iv) Available-for-sale financial assets

Available for-sale financial assets include equity and debts securities. Equity investments classified as available-for-sale are those, which are neither classified as held for trading nor designated at fair value through profit or loss. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in the market conditions.

After initial recognition, available-for-sale financial assets are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial asset are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

2.12.3 Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been

recognised in other comprehensive income is recognised in profit or loss.

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

2.13 Impairment of Financial Assets

The Group assesses at each end of the reporting period whether there is any objective evidence that a financial asset is impaired.

2.13.1 Financial Assets Carried at Amortised Cost

For financial assets carried at amortised cost, the Group first assesses individually whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial

Notes to Financial Statements (Contd.)

assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

2.13.2 Financial Assets Carried Cost

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

2.13.3 Available-For-Sale Financial Assets

In the case of equity investments classified as available-for-sale, objective evidence of impairment include

- (i) significant financial difficulty of the issuer or obligor,
- (ii) information about significant changes with an adverse effect that have taken place in the technological, market, economic or legal environment in which the issuer operates, and indicates that

the cost of the investment in equity instrument may not be recovered; and

- (iii) a significant or prolonged decline in the fair value of the investment below its costs. 'Significant' is to be evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its acquisition cost (net of any principal repayment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from other comprehensive income and recognised in profit or loss. Reversals of impairment losses in respect of equity instruments are not recognised in profit or loss; increase in their fair value after impairment are recognised directly in other comprehensive income.

In the case of debt instruments classified as available-for-sale, impairment is assessed based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in profit or loss. Future interest income continues to be accrued based on the reduced carrying amount of the asset and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income. If, in a subsequent year, the fair value of a debt instrument increases and the increases can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed in profit or loss.



Notes to Financial Statements (Contd.)

2.14 Financial Liabilities

2.14.1 Initial Recognition and Measurement

Financial liabilities are recognised on the balance sheet when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value and in the case of other financial liabilities, plus directly attributable transaction costs.

2.14.2 Subsequent Measurement

The measurement of financial liabilities depends on their classification as follows:

- (i) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss includes financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial liabilities are recognised in profit or loss.

The Group has not designated any financial liabilities upon initial recognition at fair value through profit or loss.

- (ii) Other financial liabilities

After initial recognition, other financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Gains and losses

are recognised in profit or loss when the liabilities are derecognised, and through the amortization process.

2.14.3 Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2.15 Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

2.16 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is more likely than not that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as finance costs.

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

Notes to Financial Statements (Contd.)

2.17 Operating Leases

Leases of assets in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are taken to the statement of comprehensive income on a straight-line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

2.18 Finance Costs

Interest expense and similar charges are expensed in the profit and loss account in the period in which they are incurred, except to the extent that they are recognised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use or sale. The interest component of finance lease payments is recognised in the statement of comprehensive income using the effective interest rate method.

2.19 Employee Benefits

2.19.1 Defined Contribution Pension Costs

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund, and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. The Group's contribution to defined contribution plans are recognised in the financial year to which they relate.

2.19.2 Employee Leave Entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for leave as a result of services rendered by employees up to balance sheet date.

2.20 Income Taxes

Current income tax liabilities (and assets) for the current and prior periods are recognised at the amounts expected to be paid to (or recovered

from) the tax authorities. The tax rates and tax laws used to compute the amounts are those that are enacted or substantively enacted by the balance sheet date.

Deferred income tax assets/liabilities are recognised for all deductible/taxable temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax assets/liabilities arise from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting nor taxable profit or loss.

Deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be recognised.

Deferred income tax assets and liabilities are measured at:

- (i) the tax rates that are expected to apply when the related deferred income tax asset is recognised or the deferred income tax liability is settled, based on tax rates (and tax laws) that have been enacted or substantially enacted by the balance sheet date; and
- (ii) the tax consequence that would follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expenses in the statement of comprehensive income for the year, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax on temporary differences arising from the revaluation gains and losses on land and buildings, fair value gains and losses on available-for-sale financial assets and cash flow hedges, and the liability component of convertible debts are charged or credited directly to equity in the same period the temporary differences arise. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

2.21 Government Grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be



Notes to Financial Statements (Contd.)

received and the Group will comply with all the attached conditions.

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income.

Where the grant relates to an asset, the fair value is recognized as deferred government grant on the balance sheet and is amortised as income on a systematic and rational basis over the useful life of the asset.

Jobs credit grants, which are government grants given to match staff and business costs, are recognised in the month of payment only as certain conditions have to be fulfilled before payment.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENT

Estimates and judgement are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Depreciation of plant and equipment

The costs of plant and equipment are depreciated on straight-line basis over their estimated useful lives. Management estimates the useful lives of these plant and equipment to be within 3 to 5 years. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets therefore future depreciation charges could be revised.

(ii) Income taxes

The Group has exposure to income taxes in numerous jurisdictions. Significant judgement is

involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognised liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(iii) Impairment of advance costs

The Group determines the recoverability of the costs incurred on contracts that cannot be billed. This determination requires significant judgement. The Group exercises its judgement using historical and industry trends, general market conditions, forecasts and other available information. An error in the judgement may impact the amount of advance cost to be carried in the balance sheet.

(iv) Impairment of trade and receivables

The Group assesses at each balance sheet date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics.

(v) Revenue

Included in revenue is estimated revenue amounting to S\$370,415 (2012: \$442,320) for the Company.

In making its judgement, the management considered the detailed criteria for the recognition of revenue from the rendering of services set out in FRS 18 Revenue and in particular, whether the Group has measured reliably the amount of revenue and it is probable that the economic benefits associated with the transaction will flow to the entity.

The Group reviews and when necessary, revises the estimates of revenue as the service is performed. The need for such revisions does not necessarily indicate that the outcome of the transactions cannot be estimated reliably.

Notes to Financial Statements (Contd.)

4. PLANT AND EQUIPMENT

The Group

2013	Building Fixtures S\$	Computer S\$	Furniture and Fittings S\$	Total S\$
Cost				
At 01.04.12	13,098	98,209	28,162	139,469
Additions	-	10,324	-	10,324
Reclassification	-	8,796	(8,796)	-
Translation adjustment	(1,780)	6,994	(3,790)	1,424
At 31.03.13	11,318	124,323	15,576	151,217
Accumulated Depreciation				
At 01.04.12	9,239	79,274	27,821	116,334
Depreciation for the year	957	11,543	-	11,587
Reclassification	-	8,480	(8,480)	-
Translation adjustment	(1,396)	7,637	(3,765)	2,476
At 31.03.13	8,800	106,934	15,576	130,397
Carrying Amount				
At 31.03.13	2,518	18,302	-	20,820

2012	Building Fixtures S\$	Computer S\$	Furniture and Fittings S\$	Total S\$
Cost				
At 01.04.11	13,098	83,446	28,162	124,706
Additions	-	12,031	-	12,031
Translation adjustment	-	2,732	-	2,732
At 31.03.12	13,098	98,209	28,162	139,469
Accumulated Depreciation				
At 01.04.11	7,918	67,506	26,669	102,093
Depreciation for the year	1,363	9,744	1,188	12,295
Translation adjustment	(42)	2,024	(36)	1,946
At 31.03.12	9,239	79,274	27,821	116,334
Carrying Amount				
At 31.03.12	3,859	18,935	341	23,135



Notes to Financial Statements (Contd.)

4. PLANT AND EQUIPMENT - cont'd

The Company

2013	Building Fixtures S\$	Computer S\$	Furniture and Fittings S\$	Total S\$
Cost				
At 01.04.12	13,098	21,920	28,162	63,180
Additions	-	4,018	-	4,018
Reclassification	-	8,796	(8,796)	-
Exchange difference	(1,780)	(2,018)	(3,790)	(7,588)
At 31.03.13	11,318	32,716	15,576	59,610
Accumulated Depreciation				
At 01.04.12	9,239	15,283	27,821	52,343
Depreciation for the year	957	6,140	-	7,097
Reclassification	-	8,480	(8,480)	-
Exchange difference	(1,396)	(1,342)	(3,765)	(6,503)
At 31.03.13	8,800	28,561	15,576	52,937
Carrying Amount				
At 31.03.13	2,518	4,155	-	6,673

2012	Building Fixtures S\$	Computer S\$	Furniture and Fittings S\$	Total S\$
Cost				
At 01.04.11	13,098	12,048	28,162	53,308
Additions	-	9,737	-	9,737
Exchange difference	-	135	-	135
At 31.03.12	13,098	21,920	28,162	63,180
Accumulated Depreciation				
At 01.04.11	7,918	10,381	26,669	44,968
Depreciation for the year	1,363	5,035	1,188	7,586
Exchange difference	(42)	(133)	(36)	(211)
At 31.03.12	9,239	15,283	27,821	52,343
Carrying Amount				
At 31.03.12	3,859	6,637	341	10,837

Notes to Financial Statements (Contd.)

5. GOODWILL ON ACQUISITION

The Group	2013 S\$	2012 S\$
Cost		
At March 31, 2013 and March 31, 2012	953,123	953,123
Impairment losses		
At March 31, 2013 and March 31, 2012	953,123	953,123
Carrying amount		
At March 31, 2013 and March 31, 2012	-	-

6. INVESTMENT IN SUBSIDIARIES

	2013 S\$	2012 S\$
Unquoted equity, at cost		
Balance at beginning of the year	86,448	10,948
Addition during the year	-	75,500
	86,448	86,448
Less: Impairment loss	(10,948)	(10,948)
Balance at end of the year	75,500	75,500

Details of the subsidiaries are as follows:

Name of Company	Principal activities	Country of incorporation	Effective equity held by the Group		Cost of investment	
			2013 %	2012 %	2013 S\$	2012 S\$
You Hua Engineering Machinery Design Corporation *	Designing of automobiles and their spare parts.	China	100	100	10,948	10,948
Nihon Geometric Kabusiki Kaisya ^	Computer software development, operation & maintenance control	Japan	100	100	75,500	75,500

* On January 18, 2008, the Company had entered into an agreement with Mr Michael, Mr Connell, CEO of Geometric Engineering Inc. in USA to acquire the entire equity of USD140,000 free of charge. The effective date of the share transfer is on February 1, 2008. The cost of investment of S\$10,948 relates to the professional fees for the share transfer.

* Audited by My Whole Way Certified Public Accountants, Shanghai, the People's Republic of China.

^ The subsidiary was incorporated on April 1, 2012 and has not been active since incorporation.



Notes to Financial Statements (Contd.)

7. TRADE RECEIVABLES

	The Group		The Company	
	2013	2012	2013	2012
	S\$	S\$	S\$	S\$
Trade receivables	1,803,979	1,312,758	1,141,488	1,110,222
Less: impairment				
Balance at beginning of year	47,531	24,740	47,531	24,740
Allowance made during the year	-	22,791	-	22,791
Allowance written back	(7,352)	-	(7,352)	-
Balance at end of year	40,179	47,531	40,179	47,531
	1,763,800	1,265,227	1,101,309	1,062,691
Amount due from related party - trade	1,063,904	444,036	118,498	69,194
Unbilled revenue	312,305	442,320	312,305	442,320
	3,140,009	2,151,583	1,532,112	1,574,205

Trade receivables are non-interest bearing and are generally on 30 days' terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

The aging of trade receivables (outside party and related party) at the reporting date is:

The Group	Impairment		Impairment	
	Gross	losses	Gross	losses
	2013	2013	2012	2012
	S\$	S\$	S\$	S\$
Not past due	973,351	-	912,662	-
Past due 31 - 60 days	1,676,346	-	434,791	-
Past due 61 - 90 days	15,923	-	116,286	-
More than 90 days	202,263	40,179	293,055	47,531
	2,867,883	40,179	1,756,794	47,531

The Company	Impairment		Impairment	
	Gross	losses	Gross	losses
	2013	2013	2012	2012
	S\$	S\$	S\$	S\$
Not past due	733,799	-	912,662	-
Past due 31 - 60 days	292,591	-	151,326	-
Past due 61 - 90 days	64,796	-	-	-
More than 90 days	168,800	40,179	115,428	47,531
	1,259,986	40,179	1,179,416	47,531

Notes to Financial Statements (Contd.)

7. TRADE RECEIVABLES - cont'd

Based on historical default rates, the Group and the Company believes that no impairment allowance is necessary in respect of trade receivables not past due and past due up to 90 days. These receivables are mainly arising by customers that have good record with the Group and the Company.

The carrying amounts of trade receivables approximate their fair values.

The Company and the Group does not have concentration of credit risk in respect of a customer or a group of customers.

Trade receivables are denominated in the following currencies:

	The Group		The Company	
	2013	2012	2013	2012
	S\$	S\$	S\$	S\$
Japanese Yen	675,771	812,053	676,372	812,053
Singapore Dollar	291,241	56,771	291,241	56,771
United States Dollar	1,550,685	1,127,754	604,678	752,912
China Renminbi	662,491	202,536	-	-
	3,180,188	2,199,114	1,572,291	1,621,736

8. OTHER RECEIVABLES, deposits and prepayments

	The Group		The Company	
	2013	2012	2013	2012
	S\$	S\$	S\$	S\$
Amount due from subsidiaries	-	-	450,121	358,871
Deposits	82,391	73,295	72,711	64,312
Prepayment	42,852	40,748	42,852	40,748
Amount due from staff	54,193	9,805	54,193	9,805
Other receivables	81,665	73,618	2,655	19,644
	261,101	197,466	622,532	493,380

Amounts due from subsidiaries and staff are unsecured, non-interest bearing and have no fixed term of repayment.

The carrying amounts of other receivables, deposits and prepayments approximate their fair values and are denominated in the following currencies:

	The Group		The Company	
	2013	2012	2013	2012
	S\$	S\$	S\$	S\$
Japanese Yen	84,789	107,836	84,789	107,836
Singapore Dollar	118,050	20,504	79,388	36,384
United States Dollar	-	-	450,121	353,991
Korean Won	8,234	6,169	8,234	6,169
China Renminbi	50,028	62,957	-	-
	261,101	197,466	622,532	493,380



Notes to Financial Statements (Contd.)

9. CASH AND CASH EQUIVALENTS

	The Group		The Company	
	2013	2012	2013	2012
	S\$	S\$	S\$	S\$
Cash and bank balances	1,417,140	1,514,593	977,008	1,095,210

The carrying amounts of cash and cash equivalents approximate their fair values and are denominated in the following currencies:

	The Group		The Company	
	2013	2012	2013	2012
	S\$	S\$	S\$	S\$
Japanese Yen	759,279	871,276	687,904	870,521
Singapore Dollar	741	12,334	741	12,334
United States Dollar	291,701	404,610	282,089	205,552
Korean Won	6,274	6,803	6,274	6,803
China Renminbi	359,145	219,570	-	-
	1,417,140	1,514,593	977,008	1,095,210

10. TRADE AND OTHER PAYABLES

	The Group		The Company	
	2013	2012	2013	2012
	S\$	S\$	S\$	S\$
Trade payables	1,953	1,963	1,953	1,963
Advance from customers	40,558	-	40,558	-
Advance billings	103,118	16,593	103,118	16,593
Amount due to holding corporation - trade	1,130,699	732,992	933,332	732,992
Amount due to related companies - trade	1,171,269	1,214,557	-	-
Accrued operating expenses	234,430	307,740	234,430	307,740
Amount due to subsidiary	-	-	-	75,500
Other payables	411,381	284,616	154,782	140,457
	3,093,408	2,558,461	1,468,173	1,275,245

These amounts are non-interest bearing. Trade payables are normally settled on 30-day terms while other payables have an average term of six months.

Amount due to related companies and subsidiary are unsecured, non-interest bearing and repayable on demand.

The carrying amounts of trade and other payables approximate their fair values and are denominated in the following currencies:

	The Group		The Company	
	2013	2012	2013	2012
	S\$	S\$	S\$	S\$
Japanese Yen	550,021	397,004	550,022	397,004
Singapore Dollar	377,252	226,783	377,252	204,904
United States Dollar	1,882,695	1,833,067	514,059	653,870
Korean Won	26,840	19,517	26,840	19,517
China Renminbi	256,600	82,090	-	-
	3,093,408	2,558,461	1,468,173	1,275,245

Notes to Financial Statements (Contd.)

11. SHARE CAPITAL

	2013		2012	
	No. of shares	S\$	No. of shares	S\$
Ordinary shares issued and fully paid				
At beginning and end of the year	100,000	100,000	100,000	100,000

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction and have no par value.

12. REVENUE

Revenue represents the software development services and sale of software products.

13. COST OF SERVICES

Cost of services include the following:	The Group	
	2013 S\$	2012 S\$
Staff costs (Note 16)		
Wages, salaries and related costs	1,742,013	1,656,148
Defined contribution pension costs	528,867	444,929
	2,270,880	2,144,913

14. OTHER INCOME

	The Group	
	2013 S\$	2012 S\$
Interest income	858	1,492
Commission accrued written back	-	87,701
CPF refunds	-	16,597
Miscellaneous income	54,799	1,627
Reimbursement of expenses	45,287	59,958
SME grants	5,000	5,000
	105,944	172,375

15. ADMINISTRATION EXPENSES

Administration expenses include:

	The Group	
	2013 S\$	2012 S\$
Accountancy fees	99,300	111,941
Bad debts	-	81,288
Doubtful debts	-	22,791
Reversal of doubtful debts	(7,352)	-
Professional fees	58,527	65,131
Sales commission	189,042	372,255
Staff costs (Note 16)	4,260,514	3,518,940
Transport expenses	96,436	91,619
Travelling expenses	292,749	277,461



Notes to Financial Statements (Contd.)

16. STAFF COSTS

Staff costs (including executive directors)

	The Group	
	2013	2012
	S\$	S\$
Salaries, bonus and other related costs	5,810,192	4,911,365
Defined contribution pension costs	721,202	752,488
	6,531,394	5,663,853
Less: included in cost of services (Note 13)	(2,270,880)	(2,144,913)
	4,260,514	3,518,940

17. OTHER OPERATING EXPENSES

Other operating expenses include:

	The Group	
	2013	2012
	S\$	S\$
Depreciation	11,587	12,295
Foreign exchange loss	385,832	268,216
	397,419	280,511

18. TAXATION

Major components of income tax expense are as follows:

	The Group	
	2013	2012
	S\$	S\$
Current Taxation		
- Singapore	14,620	9,005
- Foreign	118,295	5,848
Under/(Over) provision in prior years		
- Singapore	24,466	(10,301)
- Foreign tax	-	741
	157,381	9,693

A reconciliation between the tax expense and the product of accounting profit or loss multiplied by the applicable tax rate are as follows:

	The Group	
	2013	2012
	S\$	S\$
Profit before taxation	531,157	448,198
Tax expense on profit before tax at 17%	90,297	53,391
Non-deduction expenses	11,871	918
Unutilised tax losses	47,121	-
Utilised tax losses	-	(81,722)
Under/(Over) provision in prior years	24,466	(10,301)
Tax exemption	-	(9,855)
Non-taxable items	-	(21,976)
Reduction in tax rate	4,702	-
Foreign tax suffered	(21,076)	52,036
Tax expense	157,381	9,693

Notes to Financial Statements (Contd.)

18. TAXATION – cont'd

	The Group	
Unrecognised deferred tax assets:	2013	2012
	S\$	S\$

Deferred tax assets have not been recognised in respect of the following items:

Tax losses	47,121	-
------------	--------	---

Deferred tax assets in Singapore are not recognised as it is not probable that these tax losses will be utilised in the foreseeable future. As at year end, the Company estimates unrecognised tax effect on the Company's losses from its operations in Singapore to be approximately S\$47,121 (2012: Nil), available for set-off against future taxable profits. The use of these tax losses and capital allowances are subject to agreement of the tax authorities and compliance with relevant provisions of the Singapore tax legislation.

19. SIGNIFICANT RELATED PARTIES TRANSACTIONS

Significant related parties transactions are as follows:

	The Group		The Company	
	2013	2012	2013	2012
	S\$	S\$	S\$	S\$
Holding company				
- services rendered from	2,326,139	1,604,631	2,326,139	1,604,631
Related companies				
- services rendered to	(2,721,736)	(2,806,999)	(111,405)	-
- services rendered from	151,159	42,296	29,551	54,023

Balances with related parties at the balance sheet date are set out in Note 7, 8 and 10.

Director's compensation and benefits

	The Group and Company	
	2013	2012
	S\$	S\$
Remuneration	222,177	211,156

20. OPERATING LEASE COMMITMENT

Rental expenses for offices and equipment for the Company and the Group were S\$79,666 (2012: S\$84,416) and S\$121,565 (2012: S\$124,499). The leases have varying terms, escalation clauses and renewal rights. Future minimum rental under non-cancellable leases contracted for at balance sheet date but not recognised as liabilities are as follow as at March 31:

	The Group		The Company	
	2013	2012	2013	2012
	S\$	S\$	S\$	S\$
Payable within 1 year	182,551	100,844	138,656	81,320
Payable within 2 - 5 years	106,571	52,632	40,729	56,632
	289,122	153,476	179,385	137,952



Notes to Financial Statements (Contd.)

21. FINANCIAL INSTRUMENTS

Categories of Financial Instruments

The carrying amounts presented in the balance sheet relate to the following categories of financial assets and financial liabilities:

	The Group	
	2013	2012
	S\$	S\$
Financial assets		
Loans and receivables:		
Trade receivables	3,140,009	2,151,583
Other receivables and deposits	218,249	156,718
Cash and cash equivalents	1,417,140	1,514,593
	4,775,398	3,822,894
Financial liabilities		
Financial liabilities measured at amortised cost:		
Trade and other payables	3,093,408	2,558,461

Financial Risk Management Objectives and Policies

The main risks arising from the Group's financial instruments are credit, foreign currency, interest rate and liquidity risks. The policies of managing each of these risks are summarised below:

Credit Risk

The credit risk refers to the risk that counter parties may default on their contractual obligations resulting in a financial loss to the Group. The Group's customer portfolio is diversified and there is no reliance on any customer. These exposures are monitored and provision for potential credit losses is adjusted when necessary. The aggregate amount of its trade and other receivables and bank balance represents the Group maximum exposure to credit risk.

Cash and bank balances are placed with reputable local financial institutions. Therefore, credit risk arises mainly from the inability of the Group's customers to make payments when due. The amounts presented in the balance sheet are net of allowances for impairment of trade receivables, estimated by management based on prior experience and the current economic environment.

Information regarding financial assets that are either past due or impaired is disclosed in Note 7 (Trade Receivables).

Foreign Currency Risk

Foreign currency risk arises from change in foreign exchange rates that may have an adverse effect on the Group in the current reporting period and in the future years. The Group relies on natural hedges of matching foreign currency denominated assets and liabilities. Consistent effort has also been employed by the Group to keep track of exchange rate fluctuations such that funds are converted at favourable exchange rates.

The Group's exposures to major foreign currency are as follows:

2013	JPY S\$	USD S\$	RMB S\$	KRW S\$
Trade receivables	675,771	1,550,685	662,491	-
Other receivables	84,789	-	50,028	8,234
Cash and cash equivalents	759,279	291,701	359,145	6,274
Trade and other payables	(550,021)	(1,882,695)	(256,600)	(26,840)
	969,818	(40,309)	815,064	(12,332)

Notes to Financial Statements (Contd.)

2012	JPY S\$	USD S\$	RMB S\$	KRW S\$
Trade receivables	812,053	1,127,754	202,536	-
Other receivables	107,836	-	62,957	6,169
Cash and cash equivalents	871,276	404,610	219,570	6,803
Trade and other payables	(397,004)	(1,833,067)	(82,090)	(19,517)
	1,394,161	(300,703)	402,973	(6,545)

Sensitivity analysis

A 5% strengthening of Singapore Dollar against the following currencies at the reporting date would increase/(decrease) equity and profit or loss (before tax) by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

As at March 31, 2013	Statement of comprehensive income S\$
Japanese Yen	(48,490)
United States Dollar	2,015
Chinese Renminbi	(40,753)
Korean Won	616
	(86,612)

As at March 31, 2012	Statement of comprehensive income S\$
Japanese Yen	(69,708)
United States Dollar	15,035
Chinese Renminbi	(20,149)
Korean Won	327
	(74,495)

A 5% weakening of Singapore Dollar against the above currencies would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. As the Group has no significant interest-bearing assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates.

Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

To manage liquidity risk, the Company monitors its net operating cash flow and maintains an adequate level of cash and cash equivalent.



Notes to Financial Statements (Contd.)

The table below summarises the maturity profile of the Company's financial assets and liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

2013	Within 1 year S\$	Within 1 to 5 years S\$	More than 5 years S\$	Total S\$
The Group				
Financial Assets				
Trade receivables	3,140,009	-	-	3,140,009
Other receivables and deposits	218,249			218,249
Cash and cash equivalents	1,417,140	-	-	1,417,140
Total undiscounted financial assets	4,775,398	-	-	4,775,398
Financial liabilities				
Trade and other payables	3,093,408			3,093,408
Total undiscounted financial liabilities	3,093,408	-	-	3,093,408
Total net undiscounted financial assets/(liabilities)	1,681,990	-	-	1,681,990

Liquidity Risk

2012	Within 1 year S\$	Within 1 to 5 years S\$	More than 5 years S\$	Total S\$
The Group				
Financial Assets				
Trade receivables	2,151,583	-	-	2,151,583
Other receivables and deposits	156,718			156,718
Cash and cash equivalents	1,514,593	-	-	1,514,593
Total undiscounted financial assets	3,822,894	-	-	3,822,894
Financial liabilities				
Trade and other payables	2,558,461			2,558,461
Total undiscounted financial liabilities	2,558,461	-	-	2,558,461
Total net undiscounted financial assets/(liabilities)	1,684,433	-	-	1,684,433

Fair Value of Financial Instruments

As at the end of the financial year, the Company has no financial assets or financial liabilities that are carried at fair value measurements.

The carrying amounts of financial assets and financial liabilities of the Company recorded at amortised cost in the financial statements approximate their fair values due to their short-term nature.

22. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to maximize shareholder's value.

The Group manages its capital structure and make adjustments to it, in light of changes in the working capital requirements, business performance and economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended March 31, 2013 and March 31, 2012.

Notes to Financial Statements (Contd.)

23. Comparative figures

Certain comparative figures have been reclassified so as to conform to the current financial year presentation.

The Group

Balance sheet as at March 31, 2012	Balance as previously stated S\$	Current year reclassification S\$	Balance restated S\$
Trade receivables (Note 7)			
Trade receivables	1,755,078	(442,320)	1,312,758
Unbilled revenue	-	442,320	442,320

The Company

Balance sheet as at March 31, 2012	Balance as previously stated S\$	Current year reclassification S\$	Balance restated S\$
Trade receivables (Note 7)			
Trade receivables	1,552,545	(442,320)	1,110,222
Unbilled revenue	-	442,320	442,320

The Group

Statement of comprehensive income for the year ended at March 31, 2012	Balance as previously stated S\$	Current year reclassification S\$	Balance restated S\$
Other income (Note 14)			
(Loss) on foreign exchange	(268,216)	268,216	-
Others	170,883	(170,883)	-
Commission accrued written back	-	87,701	87,701
CPF refunds	-	16,597	16,597
Miscellaneous income	-	1,627	1,627
Reimbursement of expenses	-	59,958	59,958
SME grants	-	5,000	5,000
Other operating expenses (Note 17)			
Loss on foreign exchange	-	268,216	268,216



Detailed Income Statement for the year ended March 31, 2013

The Company	2013 S\$
Revenue	6,912,456
COST OF SALES	
COS – CPF/House Funds	298,632
COS – Insurance	230,236
COS – Salaries	1,607,999
COS – Software services	2,326,139
COS – Staff accommodation	134,014
COS – Others	1,332
	4,598,352
Gross profit	2,314,104
Other Income	
Interest income	48
Miscellaneous income	22
Reimbursement of expenses	45,287
SME grants	5,000
	50,357
	2,364,461
Less:	
Administration expenses	2,148,691
Other operating expenses	394,861
	2,543,552
Loss before taxation	(179,091)

The accompanying notes form an integral part of these financial statements.

Schedule of Operating Expenditure for the year ended March 31, 2013

	2013 S\$
Administration expenses	
Accountancy fees	99,300
Accrued leave	3,168
Advertisement	16,412
AMC Software soft package	43,958
Audit fee	33,297
Auto expenses	4,362
Bank charges	13,538
Defined contribution pension cost	60,262
Director sales commission	83,234
Director's accommodation	10,100
Directors' emoluments	120,000
Entertainment	20,779
Freight charges	3,214
General expenses	75,642
Insurance	64,262
Late payment	91
Office rental	79,666
Office supplies	1,497
Postage and courier	8,227
Printing and stationery	11,256
Professional fees	58,527
Provision for doubtful debts - reversal	(7,208)
Provision for severance indemnities	8,848
Repair and maintenance of office equipment	2,697
Salaries, allowances and bonus	903,263
Sales commission	189,042
Secretarial and filing fees	13,956
Staff welfare and benefits	6,183
Tax fee	2,346
Telephone charges	33,451
Transport charges	96,436
Travelling expenses	83,939
Utilities	4,946
	2,148,691
Other operating expenses	
Depreciation of plant and equipment	7,097
Loss on foreign exchange	387,764
	394,861
Total operating expenses	2,543,552

This schedule does not form part of the statutory audited financial statements.



Engine for Growth

Geometric China, Inc

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

Regd. Office :

23B, 855 South Pudong Rd Pudong New Area, Shanghai, PRC.

Statement by Director

In the opinion of the director, the accompanying financial statements are drawn up so as to give a true and fair view of the state of affairs of the company as at 31 March 2013 and the results, changes in equity and cash flows of the company for the year then ended and at the date of this statement

there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due.

MANU MAHMUD PARPIA

Executive Director / Legal Representative

Date: 22 April 2013

Independent Auditors' Report to the Members of Geometric China, Inc

We have audited the accompanying financial statements of GEOMETRIC CHINA INC., which comprise the balance sheet as at 31 March 2013 and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

MANAGEMENT' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

INDEPENDENT AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and 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 control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by 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.

OPINION

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of International Financial Reporting Standards so as to give a true and fair view of the state of affairs of the company as at 31 March 2013 and the results, changes in equity and cash flows of the company for the year then ended.

This report has been prepared for the purpose of preparation of consolidated financial statements of Geometric Asia Pacific Pte. Ltd. for the year ended 31 March 2013.

My Whole Way CPAs
Shanghai, The People's Republic of China
22 April 2013



Balance Sheet as at March 31, 2013

	NOTE	March 31, 2013		March 31, 2012	
		RMB	equivalent INR	RMB	Equivalent INR
Assets					
Property, plant and equipment	4	70,702	619,350	61,645	501,174
TOTAL NON-CURRENT ASSETS		70,702	619,350	61,645	501,174
Trade receivables	5	8,035,466	70,390,682	2,894,126	23,529,244
Other receivables, deposits and prepayments	6	250,013	2,190,114	315,576	2,565,633
Cash and bank balances	7	1,842,866	16,143,506	2,098,387	17,059,886
Total current assets		10,128,345	88,724,302	5,308,089	43,154,763
Total assets		10,199,047	89,343,652	5,369,734	43,655,937
Liabilities					
Trade and other payable	8	10,178,384	89,162,644	8,585,000	69,796,050
Tax payable		355,060	3,110,326	71,516	581,425
Total current liabilities		10,533,444	92,272,970	8,656,516	70,377,475
Owners' equity					
Paid-up capital	9	1,125,552	9,859,835	1,125,552	9,150,738
Accumulated losses		(1,459,949)	(12,789,153)	(4,412,334)	(35,872,275)
Total owners' equity		(334,397)	(2,929,318)	(3,286,782)	(26,721,537)
Total liabilities and owners' equity		10,199,047	89,343,652	5,369,734	43,655,937
Exchange rate used for translation 1 RMB = ₹			8.76		8.13

The accompanying notes are an integral part of these financial statements.

Statement of Profit and Loss for the year ended March 31, 2013

	Note	March 31, 2013		March 31, 2012	
		RMB	Equivalent INR	RMB	Equivalent INR
Revenue	10	21,759,020	190,609,015	17,846,564	145,092,565
Cost of sales		(606,526)	(5,313,168)	(215,574)	(1,752,617)
Business tax		(269,402)	(2,359,962)	(285,175)	(2,318,473)
Gross profit		20,883,092	182,935,885	17,345,815	141,021,475
Administrative and general expenses		(17,563,925)	(153,859,983)	(13,997,355)	(113,798,496)
Marketing and Distribution Expenses		(57,600)	(504,576)	(57,600)	(468,288)
Operating Income	11	3,261,567	28,571,326	3,290,860	26,754,692
Finance (expenses)/income	12	7,617	66,725	389,193	3,164,139
Non-Operating Income		273,200	2,393,232	-	-
Profit before taxation		3,542,384	31,031,283	3,680,053	29,918,831
Income tax	13	(590,000)	(5,168,400)	(24,000)	(195,120)
Net income		2,952,384	25,862,883	3,656,053	29,723,711
Exchange rate used for translation 1 RMB = ₹			8.76		8.13

The accompanying notes are an integral part of these financial statements.

Change in Owner's Equity

	Paid-in capital		Accumulated losses		Total	
	RMB	Equivalent INR	RMB	Equivalent INR	RMB	Equivalent INR
Balance at April 1, 2011	1,125,552	9,859,836	(8,068,386)	(70,679,061)	(6,942,834)	(60,819,226)
Net profit for the year ended March 31, 2012	-	-	3,656,053	32,027,024	3,656,053	32,027,024
Balance at March 31, 2012	1,125,552	9,859,836	(4,412,333)	(38,652,037)	(3,286,781)	(28,792,202)
Net profit for the year ended March 31, 2013	-	-	2,952,384	25,862,884	2,952,384	25,862,884
Balance at March 31, 2013	1,125,552	9,859,836	(1,459,949)	(12,789,153)	(334,397)	(2,929,318)
Exchange rate used for translation 1 RMB = ₹			8.76			

The accompanying notes are an integral part of these financial statements.



Cash flow for the year ended March 31, 2013

	March 31, 2013		March 31, 2012	
	RMB	Equivalent INR	RMB	Equivalent INR
Cash flows from operating activities:				
Profit before taxation	3,542,384	31,031,284	3,680,053	29,918,831
Adjustments to reconcile net profit to net cash generated from operating activities:				
Depreciation of fixed assets	22,393	196,163	24,002	195,136
Finance Costs	5,623	49,257	8,097	65,829
Interest income	(3,982)	(34,882)	(7,392)	(60,097)
Operating loss before working capital changes	3,566,418	31,241,822	3,704,760	30,119,699
Net Decrease/(increase) in trade and other receivables	(5,075,776)	(44,463,798)	426,894	3,470,648
Net (Decrease)/increase in trade and other payables	1,286,927	11,273,481	(3,221,961)	(26,194,543)
Cash generated from operations	(222,431)	(1,948,496)	909,693	7,395,804
Interest income (net)	(1,640)	(14,366)	(705)	(5,732)
Net cash generated from operating activities	(224,071)	(1,962,862)	908,988	7,390,072
Cash flows from investing activities:				
Purchase equipment	(31,450)	(275,502)	(11,500)	(93,495)
Net cash used in investing activities	(31,450)	(275,502)	(11,500)	(93,495)
Net Increased in cash and cash equivalents	(255,521)	(2,238,364)	897,488	7,296,577
Cash and cash equivalents at the beginning of the year	2,098,387	18,381,866	1,200,899	9,763,309
Cash and cash equivalents at the end of the year	1,842,866	16,143,502	2,098,387	17,059,886
Exchange rate used for translation 1 RMB = ₹		8.76		8.13

The accompanying notes are an integral part of these financial statements.

Notes to Financial Statements

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1 CORPORATE INFORMATION

GEOMETRIC CHINA INC..(the “Company”) is a wholly foreign owned enterprise registered in Shanghai Pudong New Area Municipal People’s Government on 12 December 2005. The registered capital of the Company is USD 140,000. On 25 February 2008, the ownership of the USD 140,000 of paid up capital was transferred from Michael Mc Connell to Geometric Asia Pacific Pte. Ltd.

The principal activities of the Company are developing, designing, marketing and selling of engineering solutions, services and technologies for vehicle and heavy-duty equipment; supplying related after sales service and technical consultation. The address is 23 B, 855 South Pudong Road, Shanghai, China.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

The financial statements are prepared based on the management accounts of the Company. The principal accounting policies adopted in the preparation of the management accounts are in conformity with the Accounting Standards for Business Enterprises and the Accounting Regulations for Business Enterprises issued by the Ministry of Finance of the People Republic of China (the “MOF”), which differ in certain respects from International Financial Reporting Standards (“IFRS”). These financial statements have incorporated adjustments made to the management accounts in order to conform with IFRS.

The amounts shown in these financial statements are presented in Renminbi (“RMB”).

2.2 Accounting Year

The accounting year of the Company is from 1 April 2012 to 31 March 2013.

2.3 Plant and Equipment

2.3.1 Plant and Equipment

All other items of property, plant and equipment are initially recognized at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

2.3.2 Components Of Costs

The cost of an item of plant and equipment includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

2.3.3 Depreciation

Depreciation is provided on the straight-line basis so as to write off the cost of plant and equipment less residual value over their estimated useful lives as follows:

	Years
Computer	5
Office equipments	5

The useful lives of plant and equipment are reviewed and adjusted as appropriate at each balance sheet date.

2.3.4 Subsequent Expenditure

Subsequent expenditure relating to plant and equipment that has already been recognized is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Other subsequent expenditure is recognized as repair and maintenance expense in the income statement during the financial year in which it is incurred.

2.3.5 Disposal

On disposal of an item of plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to the income statement. Any amount in revaluation reserve relating to that asset is transferred to retained earnings directly.

2.4 Revenue Recognition

Provided it is probable that the economic benefits will flow to the Company and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in the income statement as follows:

2.4.1 Time and Material Contracts

Revenue from time and material contracts



Notes to Financial Statements (Contd.)

for software development is recognised on completion of contracts or at stages as per the applicable terms and conditions agreed with the customers and when the deliverables are dispatched to customers.

2.4.2 Fixed Price Contracts

In case of fixed price contracts, revenue is recognised on milestones achieved as specified in the contracts on the proportionate completion method on the basis of work completed.

2.4.3 Other Revenue

Revenue from sale of traded software products and software upgrading fee is recognised when the sale has been completed with the passing of the title. Revenue from software upgrading fees on software developed by the Group is recognised over the period for which it is received.

2.4.4 Interest Income

Interest income is measured on a time proportion basis using the effective interest method.

2.5 Foreign Currency

2.5.1 Functional and Presentation Currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the "functional currency"). The financial statements are presented in RMB, which is the Company's functional and presentation currency.

2.5.2 Foreign Currencies Transactions

The functional currency is the Renminbi ("RMB") as it reflects the primary economic environment in which the entity operates. Transactions in foreign currencies are recorded in the functional currency at the rates ruling at the dates of the transactions. At each end of the reporting year, recorded monetary balances and balances measured at fair value that are denominated in non-functional currencies are reported at the rates ruling at the balance sheet and fair value dates respectively.

All realised and unrealised exchange adjustment gains and losses are dealt with in the income statement except when deferred in equity as qualifying cash flow hedges. The presentation is in the functional currency.

2.6 Fair Value Estimation

The fair values of financial instruments traded in active markets are based on quoted market prices at the balance sheet date. The quoted market prices used for financial assets held by the Company are the current bid prices; the appropriate quoted market prices for financial liabilities are the current ask prices.

The fair values of financial instruments that are not traded in an active market are determined by using valuation techniques. The Company uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. Quoted market prices or dealer quotes for similar instruments are used where appropriate. Other techniques, such as estimated discounted cash flows, are also used to determine the fair values of the financial instruments.

The carrying amounts of current receivables and payables are assumed to approximate their fair values. The fair values of non-current receivables for disclosure purposes are estimated by discounting the future contractual cash flows at the current market interest rates that are available to the Group for similar financial instruments.

2.7 Related Parties

A related party is an entity or person that directly or indirectly through one or more intermediaries controls, is controlled by, or is under common or joint control with, the entity in governing the financial and operating policies, or that has an interest in the entity that gives it significant influence over the entity in financial and operating decisions. It also includes members of the key management personnel or close members of the family of any individual referred to herein and others who have the ability to control, jointly control or significantly influence by or for which significant voting power in such entity resides with, directly or indirectly, any such individual. This includes parents, subsidiaries, fellow subsidiaries, associates, joint ventures and post-employment benefit plans, if any.

Notes to Financial Statements (Contd.)

The Company is a subsidiary of Geometric Asia Pacific Pte. Ltd. incorporated in Singapore.

There are transactions and arrangements between the Company and members of the group and the effects of these on the basis determined between the parties are reflected in these financial statements. The current inter-company balances are unsecured without fixed repayment terms and interest unless stated otherwise.

2.8 Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, bank deposits and short-term, highly liquid investments which are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. For the purpose of the cash flow statement, cash and cash equivalents are presented net of bank overdrafts which are repayable on demand and which form an integral part of the Company's cash management.

2.9 Impairment of Non-Financial Assets

Irrespective of whether there is any indication of impairment, an annual impairment test is performed at the same time every year on an intangible asset with an indefinite useful life or an intangible asset not yet available for use. The carrying amount of other non-financial assets is reviewed at each reporting date for indications of impairment and where an asset is impaired, it is written down through the income statement to its estimated recoverable amount. The impairment loss is the excess of the carrying amount over the recoverable amount and is recognised in the income statement. The recoverable amount of an asset or a cash-generating unit ("CGU") is the higher of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). At each reporting date non-financial assets other than goodwill with impairment loss recognised in prior periods are assessed for possible reversal of the impairment. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would

have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.10 Impairment of Financial Assets

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset is impaired. If there is objective evidence that an impairment loss on loans and receivables has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in the income statement.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in the income statement, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

2.11 Trade and Other Receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment. An allowance for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of the allowance is recognised in the income statement.

Other receivable are stated at fair value and subsequently measured at amortised cost, using effective interest method.

Liabilities for trade and other payables are initially recognised at fair value and subsequently measured



Notes to Financial Statements (Contd.)

at amortised cost using the effective interest method. Interest-bearing liabilities are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing liabilities are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowing on an effective interest basis.

Gains and losses are recognised in the income statement when the liabilities are derecognised as well as through the amortisation process.

2.12 Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

2.13 Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is more likely than not that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as finance costs.

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

2.14 Operating Leases

Leases of assets in which a significant portion of the risks and rewards of ownership are retained

by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are taken to the income statement on a straight-line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognized as an expense in the period in which termination takes place.

2.15 Finance Costs

Interest expense and similar charges are expensed in the profit and loss account in the period in which they are incurred, except to the extent that they are capitalized as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use or sale. The interest component of finance lease payments is recognized in the income statement using the effective interest rate method.

2.16 Employee Benefits

Pursuant to the relevant regulations of the PRC government, the company has participated in a local municipal government retirement benefit and housing schemes (the "Schemes"), whereby the company is required to contribute a certain percentage of the basic salaries of its employees to the Schemes to fund their retirement and housing benefits. The local municipal government undertakes to assume the retirement and housing benefits obligations of all existing and future employees of the company. The only obligation of the company with respect to the Schemes is to pay the ongoing required contributions under the Schemes mentioned above. Contributions under the Schemes are charged to the income statement as and when they are incurred.

For employee leave entitlement the expected cost of short-term employee benefits in the form of compensated absences is recognized in the case of accumulating compensated absences, when the employees render service that increases their entitlement to future compensated absences; and in the case of non-accumulating compensated absences, when the absences occur. A liability for bonuses is recognized where the entity is contractually obliged or where there is constructive obligation based on past practice.

Notes to Financial Statements (Contd.)

2.17 Income Taxes

Current income tax liabilities (and assets) for the current and prior periods are recognized at the amounts expected to be paid to (or recovered from) the tax authorities. The tax rates and tax laws used to compute the amounts are those that are enacted or substantively enacted by the balance sheet date.

Deferred income tax assets/liabilities are recognized for all deductible/taxable temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax assets/liabilities arise from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting nor taxable profit or loss.

Deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax assets and liabilities are measured at:

- (i) the tax rates that are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date; and
- (ii) the tax consequence that would follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognized as income or expenses in the income statement for the period, except to the extent that the tax arises from a business combination or a transaction which is recognized directly in equity. Deferred tax on temporary differences arising from the revaluation gains and losses on land and buildings, fair value gains and losses on available-for-sale financial assets and cash flow hedges, and the liability component of convertible debts are charged or credited directly to equity in the same period the temporary differences arise. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

3 CRITICAL JUDGEMENTS, ASSUMPTION AND ESTIMATION UNCERTAINTIES

The critical judgments made in the process of applying the accounting policies that have the most significant effect on the amounts recognized in the financial statements and the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. These estimates and assumptions are periodically monitored to ensure they incorporate all relevant information available at the date when financial statements are prepared. However, this does not prevent actual figures differing from estimates.

Allowance for doubtful accounts:

An allowance is made for doubtful accounts for estimated losses resulting from the subsequent inability of the customers to make required payments. If the financial conditions of the customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required in future periods. Management generally analyses accounts receivables and analyses historical bad debt, customer concentrations, customer creditworthiness, current economic trends and changes in customer payment terms when evaluating the adequacy of the allowance for doubtful accounts. To the extent that it is feasible impairment and uncollectability is determined individually for each item. In cases where that process is not feasible, a collective evaluation of impairment is performed. At the end of the reporting year, the receivables carrying amount approximates the fair value and the carrying amounts might change materially within the next financial year but these changes would not arise from assumptions or other sources of estimation uncertainty at the end of the reporting year.

Deferred tax estimation:

Management judgment is required in determining the provision for income taxes, deferred tax assets and liabilities and the extent to which deferred tax assets can be recognized. A deferred tax asset is recognized if it is probable that sufficient taxable income will be available in the future against which the temporary differences and unused tax losses can be utilized. Management also considers future taxable income and tax planning strategies in assessing whether deferred tax assets should be recognized in order to reflect changed circumstances as well as tax regulations.



Notes to Financial Statements (Contd.)

As a result, due to their inherent nature, it is likely that deferred tax calculation relates to complex fact patterns for which assessments of likelihood are judgmental and not susceptible to precise determination.

Impairment of advance costs

The Company determines the recoverability of the costs incurred on contracts that cannot be billed. This determination requires significant judgment. The Company exercises its judgment using historical and industry trends, general market conditions, forecasts and other available information. An error in the judgment may impact the amount of advance cost to be carried in the balance sheet.

4 PROPERTY, PLANT AND EQUIPMENT

	Computer and office equipment RMB	Total RMB
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Cost:

As at 1 April 2012	382,400	382,400
Additions	31,450	31,450
As at 31 March 2013	413,850	413,850

Accumulated depreciation:

As at 1 April 2012	(320,755)	(320,755)
Additions	(22,393)	(22,393)
As at 31 March 2013	(343,148)	(343,148)

Net book value:

As at 31 March 2013	70,702	70,702
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	Computer and office equipment RMB	Total RMB
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Cost:

As at 1 April 2011	370,900	370,900
Additions	11,500	11,500
As at 31 March 2012	382,400	382,400

Accumulated depreciation:

As at 1 April 2011	(296,753)	(296,753)
Additions	(24,002)	(24,002)
As at 31 March 2012	(320,755)	(320,755)

Net book value:

As at 31 March 2012	61,645	61,645
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5 TRADE RECEIVABLES

	2013 RMB	2012 RMB
Trade receivables		
Third parties	3,310,798	1,015,220
Amount due from related company	4,724,668	1,878,906
	8,035,466	2,894,126
Less: impairment		
Balance at beginning	-	-
Allowance made during the year	-	-
Allowance no longer required	-	-
Balance at end	8,035,466	2,894,126

The carrying amounts of trade receivables approximate their fair values. No provision for impairment of trade debt for the Company.

Amount due from related company is unsecured, non-interest bearing and no fixed term of repayment.

The Company does not have concentration of credit risk in respect of a customer or a group of customers.

Trade receivables are denominated in the following currencies:

	2013 RMB	2012 RMB
Renminbi	3,310,798	1,015,220
United States Dollar	4,724,668	1,878,906
	8,035,466	2,894,126

Aging of trade receivables at the reporting date is:

	2013 RMB	2012 RMB
Past due 0 - 60 days	7,272,282	1,420,876
Past due 61 - 90 days	-	582,889
Past due 90-180 days	-	211,125
More than 180 days	763,184	679,237
	8,035,466	2,894,126

6 OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2013 RMB	2012 RMB
Other receivables	201,639	270,547
Deposits	48,374	45,029
	250,013	315,576

Notes to Financial Statements (Contd.)

The carrying amounts of other receivables approximate their fair values and dominated by Renminbi currency.

7 CASH AND CASH EQUIVALENTS

	2013 RMB	2012 RMB
Cash and bank balances	1,842,866	2,098,387

The carrying amounts of cash and cash equivalents approximate their fair values.

Cash and cash equivalents are denominated in the following currencies:

	2013 RMB	2012 RMB
Renminbi	1,794,830	1,100,599
United States Dollar	48,036	997,788
	1,842,866	2,098,387

8 TRADE AND OTHER PAYABLES

	2013 RMB	2012 RMB
Trade and other payables		
Amount due to holding company	2,056,268	2,262,757
Amount due to related companies	6,839,757	6,088,006
Other payables	1,282,359	234,237
	10,178,384	8,585,000

The amount due to the holding company was payments made on behalf of the Company. The amount is unsecured, interest free and payable on demand

Amount due to related companies are unsecured, non-interest bearing and repayable on demand.

The carrying amounts of trade and other payables approximate their fair values and are denominated in the following currencies:

	2013 RMB	2012 RMB
Renminbi	1,282,359	411,477
United States Dollar	8,896,025	8,173,523
	10,178,384	8,585,000

9 SHARE CAPITAL

	2013 USD	2012 USD
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Registered capital and paid-in capital:

Balance at end of year	140,000	140,000
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The Company's paid-in capital is RMB 1,125,552 (USD 140,000) and is certified by an independent Certified Public Accountants. The report is dated as 9 June 2006.

10 REVENUE

	2013 RMB	2012 RMB
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Revenue:

Contract Revenue	21,759,020	17,846,564
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11 OPERATING PROFIT

	2013 RMB	2012 RMB
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Profit from operations is after charging:

Depreciation and amortization	22,393	24,002
Director's remuneration	-	-
Rental of premises and equipment	208,974	199,020
Staff cost	15,379,829	12,162,547
Travelling expenses	1,041,446	645,392

Director's remuneration

There is no director remuneration offer to the directors during the financial year

12 FINANCE (EXPENSES)/INCOME

	2013 RMB	2012 RMB
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Finance costs	(6,060)	(8,097)
Interest income	4,038	7,392
Profit on foreign exchange	9,638	389,898



Notes to Financial Statements (Contd.)

13 TAXATION

Reconciliation between the tax expenses of accounting profit multiplied by the applicable tax rate as per China tax requirement for the year ended 31 March 2013 was as follows:

	2013 RMB	2012 RMB
Profit before taxation	3,542,384	3,680,053
Adjustment of accrued audit fee	15,448	-
Entertainment expenses	-	3,508
Adjustment of accrued salary/bonus	366,910	(750,000)
Taxable income	3,924,742	2,933,561
Less: Utilised tax losses brought forward	-	(2,776,842)
Tax losses carried forward	3,924,742	156,719
Tax rate	15%	15%
Tax for the financial year	590,000	24,000

The Company was granted the status of Advance Technology Servicing Enterprise on 12 March 2013 and enjoy the tax rate of 15% from 1 January 2012 to 31 December 2013.

14 SIGNIFICANT RELATED COMPANY/PARTIES TRANSACTIONS

Significant related companies/parties transactions on terms agreed between the Company and its related parties are as follows:

	2013 RMB	2012 RMB
Related companies transaction:		
Contract Revenue	13,019,107	12,552,995
Cost of sales	(606,526)	(215,574)
	12,412,581	12,337,421

Director's remuneration

There is no director remuneration offer to the directors during the financial year.

15 OPERATING LEASE COMMITMENT

Rental expenses for offices and equipment for the Company were RMB 208,974 (2012: RMB 199,020). The leases have varying terms, escalation clauses and renewal rights. Future minimum rental under

non-cancellable leases contracted for at balance sheet date but not recognised as liabilities are as follow as at 31 March:

	2013 RMB	2012 RMB
Payable with 1 year	218,928	99,510
Payable with 2-5 years	328,392	-

16 FINANCIAL INSTRUMENTS

Financial Risk Management Objectives and Policies

The main purpose for holding or issuing financial instruments is to raise and manage the finances for the entity's operating, investing and financing activities. There is exposure to the financial risks on the financial instruments such as credit risk, liquidity risk and market risk comprising interest rate, currency risk and price risk exposures. The management has certain practices for the management of financial risks. However these are not documented in formal written documents. The following guidelines are followed: All financial risk management activities are carried out and monitored by senior management staff. All financial risk management activities are carried out following good market practices.

The Company is exposed to currency and interest rate risks. There are no arrangements to reduce such risk exposures through derivatives and other hedging instruments.

Credit Risk

Financial assets that are potentially subject to concentrations of credit risk and failures by counterparties to discharge their obligations in full or in a timely manner consist principally of cash balances with banks, cash equivalents and receivables. The maximum exposure to credit risk is the fair value of the financial instruments at the end of the reporting year. Credit risk on cash balances with banks is limited because the counter-parties are banks with acceptable credit ratings. For credit risk on receivables an ongoing credit evaluation is performed of the debtors' financial condition and a loss from impairment is recognised in the income statement. There is no significant concentration of credit risk, as the exposure is spread over a large number of counter-parties and customers unless otherwise disclosed in the notes to the financial statements. The exposure to credit risk is controlled by setting limits on the exposure to individual customers and these are disseminated to the relevant persons concerned and compliance is monitored by management.

Notes to Financial Statements (Contd.)

The average credit period generally granted to trade receivable customers is about 30 days. But some customers take a longer period to settle the amounts. The table below illustrates the ageing analysis:

	2013-3-31	2012-3-31
	RMB	RMB
Trade receivables:		
Less than 90 days	7,272,282	2,003,764
Over 90 days	763,184	890,362
Total	8,035,466	2,894,126

Foreign Currency Risk

Analysis of amounts denominated in non-functional currencies:

Financial assets:

	Trade and other Receivables RMB	Cash and cash equivalents RMB
At 31 March 2013:		
United States Dollar	4,724,668	48,036
At 31 March 2012:		
United States Dollar	1,878,906	997,788

Financial liabilities:

	Trade and other Payables RMB
At 31 March 2013:	
United States Dollar	8,896,025
At 31 March 2012:	
United States Dollar	8,173,523

Sensitivity analysis

A 5% strengthening of RMB against the US dollar would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

Interest Rate Risk

The interest rate risk exposure is mainly from changes in interest rates. The interest rate risk on financial assets is not significant.

Liquidity Risk

The liquidity risk is managed on the basis of expected maturity dates of the financial liabilities.

The following table analyses financial liabilities by remaining contractual maturity:

	2013-3-31	2012-3-31
	RMB	RMB
Trade and other payables:		
Within 1 year	1,282,359	445,110

Fair Value of Financial Instruments

There are no other differences between the book value and the fair value of the Company's financial assets and liabilities. The Company does not engage in transactions involving financial derivatives.

17 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorized for issue by the Company on 22 April 2013.



Engine for Growth

Geometric Japan K.K.

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

Regd. Office

Hikari Bldg 9F, 1-43-7 Yoyogi, Shibuya-Ku, Tokyo 151-0053, Japan

Directors' Report to the Members

The Directors hereby present their report for the year ended March 31, 2013

1. OPERATIONS

The Company was incorporated on April 1, 2011 and has not yet commenced business.

2. FUTURE OUTLOOK

The Company is expected to start its operations once the overall business restructuring is finalised.

By Order of the Board
Manu Parpia

April 22, 2013

Balance Sheet as at March 31, 2013

	As at March 31, 2013		As at March 31, 2012	
	Japanese Yen	INR	Japanese Yen	INR
SOURCES OF FUNDS:				
1. SHAREHOLDERS' FUNDS				
a) Share Capital	5,000,000	2,883,500	5,000,000	3,114,000
TOTAL	5,000,000	2,883,500	5,000,000	3,114,000
APPLICATION OF FUNDS:				
2. CURRENT ASSETS, LOANS AND ADVANCES				
a) Receivable	5,000,000	2,883,500	5,000,000	3,114,000
TOTAL	5,000,000	2,883,500	5,000,000	3,114,000
Exchange rate used for translation : 1 Japanese Yen =				
		0.58		0.62



Engine for Growth

Geometric Europe GmbH

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

Regd. Office
Friedrichstrasse 15 70174, Stuttgart, Germany

Financial Statement of Geometric Europe GmbH

Directors' Report

To The Members

The Directors hereby present their Report of the Company for the year ended March 31, 2013.

1. OPERATIONS

The Company commenced operations w.e.f. October 1, 2012. On a consolidated basis the Company has registered total revenue of € 2,433,543 and a Net Loss of € 348,323.

The Company acquired 3cap technologies GmbH (3cap), a specialist in electronics engineering, primarily for the automotive industry w.e.f. January 1, 2013 should be in line with financial results preferably.

With a view of consolidating its operations in Europe, the transfer of the subsidiaries in France and Romania of Geometric Americas, Inc. to the Company has been initiated.

2. SHARE CAPITAL

During the year, the holding company has subscribed to share capital of € 2,525,000 of the Company.

3. FUTURE OUTLOOK

The Company expects to be profitable in the year ahead.

By Order of the Board

Amit Patkar

Date: April 19, 2013



Balance Sheet as at March 31, 2013

	March 31, 2013		March 31, 2012	
	€	Equivalent ₹	€	Equivalent ₹
ASSETS AND LIABILITIES				
Non-current Assets				
Advance towards acquisition of 3cap technologies, Inc.	11,320,590	785,535,754	-	-
Current Assets				
Trade and Other Receivables	38,427	2,666,421	-	-
Advances - Staff Salary	15,709	1,090,030	-	-
Expenses Recoverable from Customer	150,000	10,408,500	-	-
Unbilled Revenue	274,499	19,047,486	-	-
Cash and bank balance	14,653	1,016,779	25,000	1,705,250
Total Current Assets	493,287	34,229,216	25,000	1,705,250
Current Liabilities				
Trade and Other Payable	478,586	33,209,122	-	-
Escrow Liability	3,500,000	242,865,000	-	-
Total Current Liabilities	3,978,586	276,074,122	-	-
Net Current Assets	(3,485,299)	(241,844,905)	25,000	1,705,250
Net Assets	7,835,291	543,690,849	25,000	1,705,250
EQUITY & DEBT				
Share Capital	2,550,000	176,944,500	25,000	1,705,250
Loan taken from Geometric Limited	5,650,000	392,053,500		
Retained Earning	(364,709)	(25,307,151)	-	-
Total Equity	7,835,291	543,690,849	25,000	1,705,250
Exchange rate used for translation : € 1 =		69.39		68.21

Statement of Profit and Loss for year ended March 31, 2013

	31-Mar-13	
	€	Equivalent INR
Sales	306,202	21,247,323
Other Income	22,484	1,560,144
Total Income	328,685	22,807,467
Cost Of Expenses		
Cost of Sales	342,161	23,742,524
Depreciation	-	-
Other Operating Expenses	350,097	24,293,238
Total Exapenses	692,258	48,035,762
Profit / (Loss) from operations	(363,572)	(25,228,294)
Finance costs	1,136	78,857
Profit / (Loss) before Taxation	(364,709)	(25,307,151)
Taxation	-	-
Net Profit / (Loss) for the year	(364,709)	(25,307,151)
Exchange rate used for translation : € 1 =		69.39



Engine for Growth

3cap technologies GmbH

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

Regd. Office

Dachauer Strasse 15, 85764 Oberschleissheim, Germany

Financial Statement of 3cap technologies GmbH

Directors' Report

To The Members

The Directors hereby present their Report of the Company for the period ended March 31, 2013.

1. OPERATIONS

The Company is a wholly owned subsidiary of Geometric Europe GmbH w.e.f January 1, 2013. The Company has registered total revenue of Euro 2,127,341 and a Net Profit of Euro 16,386 for the period under review.

2. DIVIDENDS

The Directors do not recommend any Dividend.

3. FUTURE OUTLOOK

The Company expects to continue to be profitable in the year ahead.

By Order of the Board

Henri Sadoune

April 19, 2013



Balance Sheet as at March 31, 2013

	31-Mar-13	
	EURO	Equivalent Rs.
ASSETS AND LIABILITIES		
Non current Assets		
Fixed assets	112,471	7,804,363
(Tangible and Intangible assets)		
Current Assets		
Trade And Other Receivables	1,895,559	131,532,842
Prepaid expenses	40,504	2,810,600
Cash And cash equivalents	517,597	35,916,037
Other assets	234,652	16,282,500
Total Current Assets	2,688,312	186,541,979
Current Liabilities		
Trade and Other Payable	216,974	15,055,857
Other liabilities & Provisions	719,123	49,899,946
Total Current Liabilities	936,097	64,955,803
Net Current Assets	1,752,215	121,586,176
Net Assets	1,864,686	129,390,539
EQUITY & DEBT		
Share Capital	25,000	1,734,750
Retained Earning	1,839,686	127,655,789
Total Equity	1,864,686	129,390,539
Exchange rate used for translation : 1EURO =		69.39

Statement of Profit and Loss for the three months ended March 31, 2013

	31-Mar-13	
	EURO	Equivalent Rs.
Sales	2,127,341	147,616,194
Other Income	20,061	1,392,039
Total Income	2,147,402	149,008,233
Cost Of Expenses		
Cost of Sales	1,871,872	129,889,221
Depreciation	17,533	1,216,588
Other Operating Expenses	229,402	15,918,214
Total Expenses	2,118,807	147,024,023
Profit / (Loss) from operations	28,595	1,984,210
Finance costs	5,459	378,799
Profit / (Loss) before Taxation	23,136	1,605,411
Taxation	6,750	468,390
Net Profit / (Loss) for the year	16,386	1,137,021

Statement Pursuant to Section 212 of the Companies Act, 1956, relating to the Subsidiary Companies

A. Name of The Subsidiary	Geometric America, Inc	Geometric SRL, Romania	Geometric SAS, France	Geometric Asia Pacific Pte Ltd.	Geometric China, Inc.	Geometric Japan K. K.	3D PLM Software Solutions Ltd.	Delmia Solutions Pvt. Ltd. (Merged with 3D PLM w.e.f April 01, 2012)	Geometric Europe GmbH	3cap technologies GmbH
B. Financial year of the subsidiary ended on	March 31, 2013	March 31, 2013	March 31, 2013	March 31, 2013	March 31, 2013	March 31, 2013	March 31, 2013	March 31, 2013	March 31, 2013	March 31, 2013
C. The company's interest in the subsidiary on the aforesaid date										
a) Numbers of shares held	Geometric Ltd held the entire stock of aggregate value of US \$ 12,062,771	Geometric Americas, Inc. held the entire stock	Geometric Americas, Inc. held the entire stock of aggregate value of US \$ 54,734	Geometric Ltd held the entire stock of aggregate value of Singapore \$100,000	Geometric Asia Pacific Pte Ltd held the entire stock of aggregate value of RMB 1,125,552	Geometric Asia Pacific Pte Ltd held the entire stock of aggregate value of JPY 5,000,000	Geometric Limited held 900,200 Equity Shares	3D PLM Held the entire stock of aggregate value of ₹ 7,311,720	Geometric Ltd held the entire stock of aggregate value of Euros 2,550,000	Geometric Europe GmbH held the entire stock of aggregate value Euro 25,000
b) Face Value per share	US \$ 1	Common stock - No face value	Common stock - No face value	\$ \$ 1	Common stock - No face value	Common stock - No face value	₹ 10	₹ 10	Common Stock- No Face Value	Common Stock- No Face Value
c) Extent of Holdings Profits/(Losses) of the subsidiary so far it concerns the members of the company.	100%	100%	100%	100%	100%	100%	58%	100%	100%	100%
a) Not dealt with in the accounts of the company amounted to										
1. For the Subsidiary's financial year ended as in "B" above	US\$ 2,036,183	US\$ 339,309	US\$ (29,762)	(\$\$ 218,177)	\$ \$ 591,953	-	₹ 448,163,258	₹ Nil	EURO (862,194)	EURO 16,386
Equivalent INR*	110,564,737	18,424,479	(1,616,077)	9,547,426	25,903,863	-	₹ 448,163,258	₹ Nil	(25,132,642)	1,137,025
2. For the previous financial years of the subsidiary since it became the company's subsidiary	US\$ 6,704,118	US \$77,891	US\$ 98,563	(\$\$ 274,688)	\$ \$ 729,751	-	₹ 335,348,109	₹ 37,745,179	-	-
Equivalent INR*	342,580,430	3,980,230	5,036,569	(11,188,042)	29,722,758	-	₹ 335,348,109	₹ 37,745,179	-	-
b) dealt with in the accounts of the company amounted to										
1. For the Subsidiary's financial year ended as in "B" above	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Equivalent INR*	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
2. For the previous financial years of the subsidiary since it became the company's subsidiary	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Equivalent INR*	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
* Exchange Rate used: 1 USD = ₹ 54.30, 1 SGD = ₹ 40.73 and 1 EURO= ₹ 69.39										

Disclaimer:
We have translated the foreign currency amounts in the financial data derived from our subsidiaries' financial statements at the closing rate as on March 31, 2013. The translations should not be considered as a representation that such foreign currency amounts have been, could have been or could be converted into Rupees at any particular rate, the rate stated above, or at all.

For and behalf of the Board

J. N. GODREJ
Chairman

Date: April 29, 2013

MANU PARIPIA
Managing Director & CEO

MILIND SARWATE
Director



Ratio Analysis for the year ended March 31, 2013

	FY 13	FY 12
Ratio - Growth compared to previous year		
Growth in Operating revenue	26.30%	21.32%
Growth in Total revenue	26.85%	21.10%
Growth in PBT	22.57%	16.82%
Growth in PAT	16.21%	23.28%
Ratio - Financial Performance		
Export revenue/Total Revenue	93.56%	94.97%
Domestic(india) Revenue/ total Revenue	5.29%	4.66%
Other Income/Total revenue	1.15%	0.37%
Manpower cost/Total Revenue	63.26%	66.85%
Other operating Expenses/Total Revenue	21.20%	17.95%
Operating & Other expenses/Total Revenue	84.47%	84.80%
Interest Costs/total revenue	0.34%	0.16%
Depreciation/Total Revenue	3.19%	3.78%
PBT/Total Revenue	12.06%	11.26%
PBT/Average Net Worth	56.10%	36.44%
ROCE(PBIT/Average capital Employed)	43.59%	30.49%
Capital Output Ratio (Total Revenue/Average Capital Employed)	3.52	2.67
Payout Ratio (Dividend paid/PAT)	15.60%	13.02%
Ratio - Balance Sheet		
Debt/ Equity Ratio	0.11	0.02
Current Ratio	1.57	2.94
Cash & Bank Balances/ Total Assets	11.27%	4.12%
Cash & Bank Balances/ Total Revenue	3.22%	1.75%
Sundry Debtors/Total Revenue	14.32%	19.00%
Depreciation for the year/Average gross block of assets	13.52%	11.53%
Per Share Data		
Earning per share (Basic) (Rs.)	10.95	9.24
Cash Earnings per share(Basic) (Rs.)	16.19	13.02
Dividend %	85%	60%
Dividend per share	1.71	1.20
Book Value per share	41.51	34.22

** previous year figures reinstated wherever classification changes to make it comparable*



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