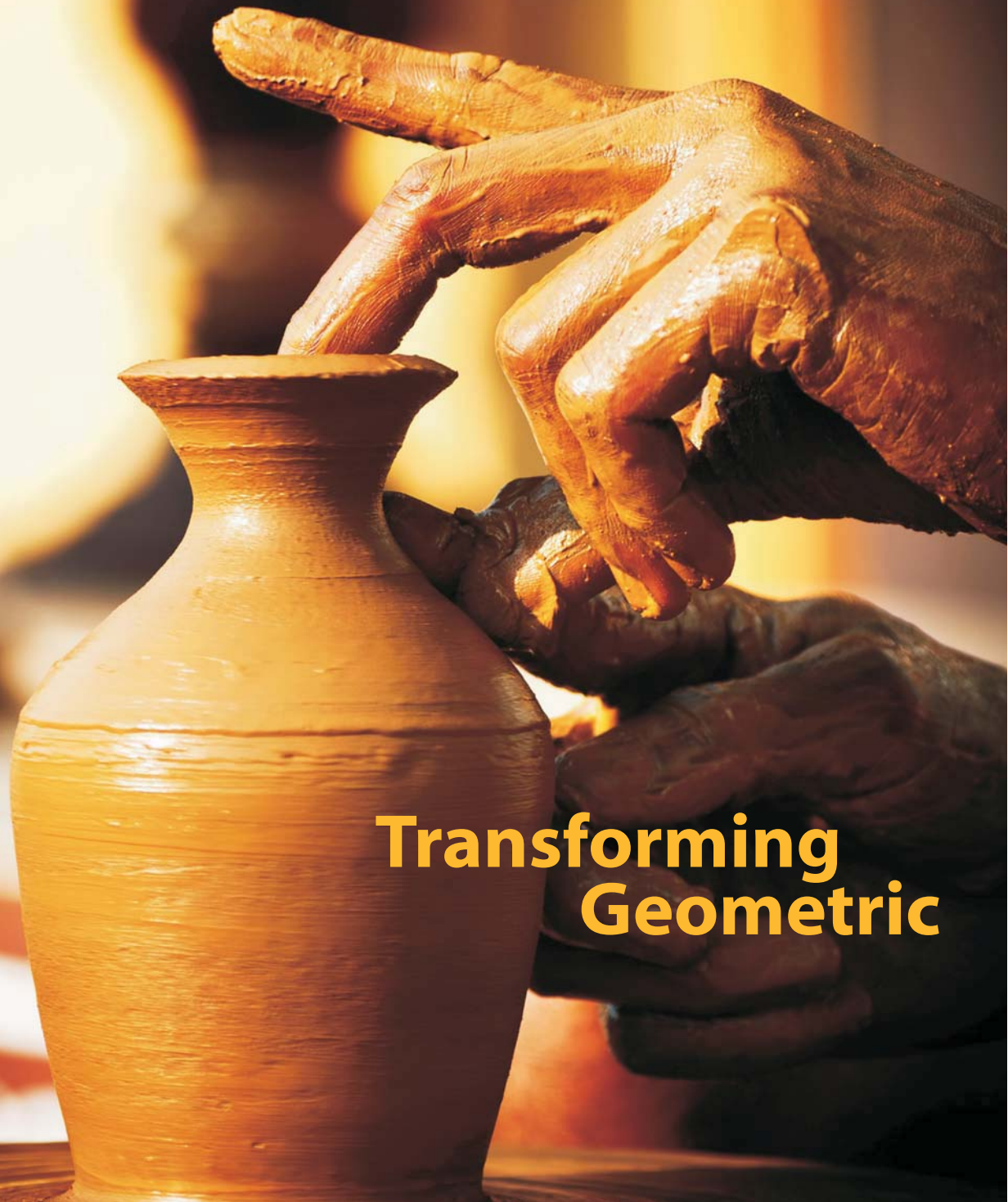




Geometric

People Building Partnerships

Annual Report 2011-12



**Transforming
Geometric**



Transforming Geometric

Transforming Geometric

The first step to any transformation is recognizing the need for change, and accepting that things that worked before, may not necessarily work today. This financial year has been all about this recognition, and as we move into the new fiscal, it is time for us to implement this change by:

- Transforming the way we solve our customers' problems
 - By bringing in a more consultative, solution-based approach
- Transforming the way we operate
 - By increasing the synergies between all functions
- Transforming the way we deliver projects
 - By building virtual COEs to ensure availability of the same expertise and process-oriented deliveries across the globe
- Transforming the career opportunities we give our employees
 - By expanding the avenues and tracks for their growth

... and essentially **Transforming Geometric** to be a world leader in all aspects of digital engineering.



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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.



Transforming Geometric

Board of Directors



Jamshyd N. Godrej
Chairman



Manu M. Parpia
Managing Director
& CEO



Dr. Richard Riff
Director



Anita Ramachandran
Director



Dr. Kyamas A. Palia
Director



Ajay Mehra
Director



Milind S. Sarwate
Director

Auditor Information

Company Secretary & Compliance Officer

Maria Monserrate

Auditors

Kalyaniwalla & Mistry
Chartered Accountants

Registrars & Share Transfer Agents

Link Intime India Pvt. Ltd.
C-13, Pannalal Silk Mills
Compound, L.B.S. Marg, Bhandup,
Mumbai 400 078, India
Tel: +91 22 2596 3838
Fax: +91 22 2594 6969

Registered Office

Geometric Ltd.
Plant 6, Pirojshanagar, Vikhroli (W),
Mumbai 400 079, India
Tel: +91 22 6705 6500
Fax: +91 22 6705 6891



Letter to the Shareholders



Dear Shareholders,

Last year, we began a journey to Transform Geometric. I would like to spend most of this note talking about what this means for the Company and its shareholders, especially how this will play out in the current fiscal.

When I was asked to take up the responsibility of leading Geometric again on the 8th of April 2011, I spent a considerable amount of time meeting customers to understand their needs and expectations, while assessing how Geometric met these needs.

What became apparent is that our Company is blessed with a growing market. The engineering space has traditionally been a laggard, when it came to outsourcing. Much of engineering was considered 'core' to any manufacturing company, and hence, not open to 'outsiders'. This is changing slowly but surely. Companies are being driven to consider newer approaches by macro factors such as demographics, demands of markets in emerging economies, competition, and technology. Indeed, the major PLM technology providers themselves, barring calendar 2009, have had stellar years with growth in double digits. So the addressable market is doing well and growing.

The question, therefore, is why has Geometric been unable to grasp this opportunity in its entirety. My analysis is that as a Company, we were unprepared to meet these growing needs. Our approach

was based on 'tell us what to do and we will do it'. Our cost structure was not competitive enough, and we were too internally focused in terms of our organization structure. Finally, our approach did not take into account the growing demand by customers for vendors to support them globally and not just in one country.

We, therefore, sought the services of a leading management consultant to help us benchmark ourselves with respect to competition and global needs, at the same time helping us prepare a focused action plan. The exercise began in earnest in October 2011 and will continue throughout this year. The initial part of the exercise focused on costs, a necessary element to build momentum for change, while creating a pool of savings, which we could invest to fund our future growth.

Our efforts are now directed at institutionalizing cost controls and benchmarking; creating a lean and productive structure for our delivery; and building a growth oriented sales engine, capable of deepening business from our existing customer base, while being able to make inroads into new customers with potential to bring in substantial business. With this in mind, we have modified our organization structure to drive closer working between sales and delivery, build a more efficient support capability, and added a small technical consulting competency to help our customers by creating technical solutions to address their evolving needs.

We have modified our organisation structure to drive closer working between sales and delivery, build a more efficient support capability and create a small technical consulting competency to help our customers by creating technical solutions to address their evolving needs.



Transforming Geometric

In FY12, we sought to better integrate our software services and engineering services businesses with a view to enabling greater collaboration within the organization, and offer end-to-end services to our customers. I'm glad to say, this has led to an increase in cross-selling. While we saw continued growth in our key verticals, viz: automotive and industrial; last year also witnessed increased traction in other industries like aerospace, ship building and oil & gas.

So what should shareholders expect at the end of FY 13? I thought it important to laydown certain specific expectations for Geometric excluding our joint venture so that you can better judge how we, the management have performed in the next twelve months.

1. **Cost of Revenue (%):** In constant currency terms, we need to see that cost of revenue continues to see an improvement, despite increases in salary. This will signify continued improvement in pyramid management and more importantly, improvement in quality / productivity
2. **G & A Costs:** As a percentage of revenue these should decline by at least 2 percentage points, despite increase in space occupied due to an expansion in manpower
3. **Scalable growth:** We must see at least 15% growth year-on-year on an average from our existing top 10 clients (excluding 3DPLM). By our fourth quarter, the run rate on the growth year-on-year for the comparable quarter should have exceeded the average signifying we have improved our traction
4. **Target accounts:** While we may not be able to share the names of new or very recent accounts, we have targeted for growth, ten key accounts from which we will generate dollar revenues of several million in the current fiscal.
5. **Attrition:** We have been losing talent at a rate slightly above that of the industry. By the last quarter, the attrition should be at least 1-2% lower than the industry average as widely circulated.

There is however one caveat. Today, the uncertainty caused by the economic environment continues. For example, the Euro zone remains a cause for concern and it is very clear that any upheaval in Europe will have global consequences. While, in my view, such a calamity will not affect the long term trend, it will certainly affect our performance in the current year. Nevertheless, the approach we follow will help us build a scalable enterprise, and will, therefore, be important over the longer term.

In closing, I would like to thank our employees, who have remained passionate and dedicated, despite changes in the top management. Our Board of Directors, who have ably guided me and given important inputs which have helped us create a plan that will enable us to scale



in the years to come. Finally, many thanks to our long term investors, who have stayed loyal to us, through the various ups and downs we have been through.

Sincerely,

Manu M. Parpia
Managing Director & CEO



Notes from the Management Team

- Transformation of an organization, as I see it, is building a culture to take the organization to its next level of maturity, to achieve higher goals. In the context of Geometric, this transformation program will help us build a culture and expertise in the areas of:

- Delivery excellence
- Lean and efficient organization as well as processes
- Delivering in a matrix organization structure
- Building teams with high level of passion towards our customers, deep understanding of the domain in which we work, as well as strong people and collaboration skills
- Creating maximum value for our stake holders



Shashank Patkar
Chief Transformation Officer

Our focus will be to bring upon transformation into the entire value stream of the organization, instead of isolated areas or functions. We plan to achieve this by freeing up resources, by right sizing, and investing these freed up resources into growth initiatives as well as in improving efficiency of our organization. For us, our primary resources are our people and money. To free up these valuable resources we need to:

- Reduce intellect waste such as people with higher level of competence working on the job requiring lesser competence
- Aligning competence and aspirations of people with business requirements
- Better utilize management bandwidth by improving systems and processes, and by providing an efficient MIS backbone for decision making
- Right size the organization by removing unnecessary levels and assigning the right people to do the job, with the required level of empowerment
- Improve our per-person realization and margins
- Bring in efficiency in collecting receivables

As I said earlier, transformation is a culture building exercise, which we plan to bring about through a very high level of employee participation and focus on sustainability.

The entire paradigm of new product introduction has become a lot more complex with products being developed through globally distributed engineering networks, at shorter cycle times, at lower price points, and with the products packing in a lot more functionality. There is also a lot more emphasis to enhance the user experience of the products. Examples include, a) Smart phones b) the new generation cars where the electronics content is now extended to comfort, engine, transmission, chassis, safety, infotainment, etc. These business and process transformations as well as technology

trends present a unique opportunity for Geometric to help our customers meet their global product demands.

Business Strategy: 2011-12 was strong year, we wish to continue to ride on this momentum further towards building the organization. Some of the major business development and operational initiatives we have embarked, include:



Kalidas Surapaneni
Global Head, Business Development

1. Continued emphasis on the ER&D markets: As per the estimates of Booz & NASSCOM, the Global ER&D spend is slated to grow to USD 1.4 trillion by 2020 with the Indian ER&D Service Exports slated to touch USD 40 billion. To address this market, we are focusing on:

- **Competencies:** We serve the automotive, industrial and aerospace markets. We will strengthen our expertise in new domains in these industry verticals, and align ourselves with the global engineering footprint of our customers.
- **Global Product Development Network:** We now have a network of 12 scaled global engineering delivery locations in both high cost and low cost geographies with robust and common delivery processes. This network provides us the ability to execute complex global engineering tasks on the global stage with speed, scale, and the right mix of price.

2. Expanding our PLM offering: The PLM technology landscape is still evolving, and there have been many changes and consolidations in this technology space, associated with the paradigm shifts of the market and product needs. There are a lot more collaboration and tighter integration needs now within the multi-disciplines in a global and extended enterprise. Customers are seeking solutions to help them improve efficiencies, reduce product cost and reduce time to market. With the formation of our Consulting Group, we will continue to strengthen our engagements with customers in the pure-play PLM space. We are also closely working with our PLM partners such as Dassault Systèmes, PTC and Siemens to address complex Engineering IT needs such as systems engineering, paperless manufacturing and BOM management, where we believe the bulk of spend will happen.

3. Innovation: We will continue to invest in our own IP on two major themes (i) product cost reduction, and (ii) improving engineering productivity and manufacturing efficiencies.

4. Increase market-reach by expanding sales and marketing teams.

A note of caution, there is some amount of anxiety with the economic crises in Europe. Markets will face challenges, however markets such as Brazil, China, and India will continue to grow; newer markets like Russia, Mexico and Turkey are emerging; and the opportunities for Geometric will grow as we are competitive and differentiated.



Notes from the Management Team



Nitin Tappe
Global Operations Head

The year gone by was a year of 'consolidation' as well as 'change' for Geometric. The integrated Global Operations delivered value to our key global customers through the successful rollout of the global engineering model. The 'change' came in the form of a transformation exercise. The year will also be marked for our focus on offerings, mainly the integrated use of our software as well as engineering solutions capabilities. We hope to realize the fruit of these offerings as we go forward.

The 'change' continues in the form of our new organization structure. While global engineering and the transformation exercise have created a good platform for scaled Global Operations; the new organization structure could not have come at a more opportune time. It will not only help us create key industry-specific horizontal solutions, but also increase the speed of response by better alignment of goals between sales and delivery. It will also ignite our employees' minds by giving a clear career growth path depending on technical or managerial competencies. Moreover, it will create a platform for standardization and sharing of best practices.

In the next year, we plan to scale up the global engineering model for our US customers and deploy the same across the globe. We also plan to extend the manpower cost optimization initiatives from India operations to our 'Global Operations'. The major focus for FY13 will be competency building and productivity improvement, through the adoption of a LEAN methodology.

With these changes, I am confident of achieving our FY13 targets and create a strong platform for a scalable enterprise.



Venkatesh Jagannath
*Global Head,
Consulting & Technology*

Based on our view of the market, we see significant opportunities available to us. Our challenge has been the ability to focus and act with speed, while providing solutions to some customer problems.

As a part of the new organization structure, we have formed a dynamic Consulting Group. The primary aim of this group is to transform the way we look at customer problems and deliver using a strong solution-oriented approach. This will transcend our current approach of viewing each problem through our offerings lens and provide the customer true benefit our consolidated experience and knowledge base. It will also help differentiate Geometric from competition, and more importantly, help us gain a foothold into related downstream services and solutions. On a more macro level, we believe, this will raise our profile as an organization in

the eyes of our customers as well as markets, and provide opportunities to our people to play strong value added customer facing roles.

The consulting practice will have strong synergies with the horizontal practice team and the Intellectual property (IP) team at two levels:

- Leveraging the competencies and capabilities of the horizontals and the IP team to provide solutions, and
- Most importantly, driving creation and incubation of new offerings/technologies based on aggregated market needs.

It is our endeavor that by doing this, we will also bring out the criticality of our IP team in bringing about sharper understanding of customer needs and in driving a solution-oriented approach. In addition, the consulting group will have a strong alignment with the Vertical and Geography teams working with our key customers to help them solve problems through a formal workshop based approach.

As a part of our latest IP-based solution offerings, we launched Glovius®, a multi-platform visualization tool that aids and enables visual decision making of engineering data by non engineering users. In the current fiscal, we will continue to make investments in enhancing our portfolio of technology-led solutions and drive a stronger integration with our Engineering Services offerings.

The Innovation and Incubation cell will continue its focus on building new offerings that Geometric can take to the market, keeping in mind technology or IP enabled differentiation.

The new financial year ushers in exciting challenges and opportunities for growth, and coupled with the initiatives taken under our long-term transformation plan, have the potential to fast track the growth of the Company. At the same time, we need to be cognizant of the uncertainties in the business and operating environment that we occupy, along with the never ending fluctuation displayed by the rupee that impacts and distorts true operational performance.



Arvind Kakar
Group CFO

The question is how do we build a scalable model and sustain growth in a dynamic situation? During the year, the company will benefit from the new organizational structure with customer centricity at its focus, and the various efficiency initiatives will provide operational sustainability as well as ability to adapt to diverse business situations.

The approach of the Finance function will be to ensure that the organizational and other transformation changes are supported by efficient financial processes. This will help improve critical operating and financial parameters resulting in a higher return on capital employed. To illustrate:

- Gear up the existing MIS framework to provide timely insights into inefficiencies, and therefore, unlock value



- Drive business performance with the help of key indicators and ensure allocation of capital to strategic areas
- Track performance at the contract level on a consistent basis, and provide timely information for course correction
- Implement incentive plans under the new organization structure for driving performance by making them more transparent through accurate capture of information
- Administer a regime that ensures best prices for transacted business
- Increase velocity of capital by having an efficient invoicing cycle, and more rigorous follow ups on collections
- Enable access to finance at competitive rates to meet any business exigencies



Ms. Rani Desai
*Vice President,
 Human Resources &
 Org. Development*

In the last fiscal, the Human Resources function played a key role in supporting the changes taking place in the organization, and creating a healthy environment for easy acceptance of change, by using multiple participative communications forums. The other projects undertaken were in the area of unifying HR practices in different geographies; therefore, we implemented a global Rewards and Recognitions scheme, introduced team bonding practices, and have initiated the implementation of our performance management system. We are also in the process of launching a common Variable Pay scheme. In addition, we launched our e-learning portal, and created some soft-skills and technical training modules that are available to our employees across the globe.

Learning and growth of our employees has been at the forefront of most activities this year. We institutionalized the Geometric Learning Institute (GLI) to bring together all our training initiatives under one umbrella, including our niche PLM institute, technical training programs and soft skills training. This institute is responsible for the overall competency development, and works closely with businesses to accurately cater to their manpower needs. GLI also conducts regular training webinars that are open to all our global employees.

We see exciting times ahead for the organization in FY13; so far we have covered the grounds by putting our systems and processes in place, and now we are on the threshold of leveraging an organization structure, which will drive growth. The new organization structure offers employees two distinct career growth paths in technical and managerial roles. The Human Resources function will now align itself with the new structure and build in opportunities for collaboration across all levels in the organization. The function will work towards:

- Increasing the responsiveness to the Verticals and Horizontals,
- Monitoring, reviewing, and implementing a career mobility

- scheme including fast track movement, and onsite offshore movements collaboratively with COE,
- Implementing competency development framework and monitoring skill development across levels, and
- Building management development program for middle level and senior level managers.

FY12 was a milestone year for 3DPLM Software Solutions Limited (3DPLM), as we completed 10 successful years of operation. 3DPLM started with less than 50 employees in 2002, and now has grown to more than 1500 employees. It is one of the very few Indian companies of this size devoted purely to software product R&D, and is a testament of Geometric's ability to build and deliver such joint ventures.



Sudarshan Mogasale
*CEO, 3DPLM Software
 Solutions Ltd*

One of the major objectives of FY12 was to integrate DSPL (DELMIA Solutions Private Limited) lab with 3DPLM. I am happy to inform you that we have been successful in this integration; this means integration of people, policies and processes. We have also moved to a new address in Bangalore as a combined entity. With this integration, 3DPLM now works on most Dassault Systèmes brands. We continue to be focused on being lean and efficient, while improving quality of deliverables, as well as working on new innovations to make Dassault Systèmes' customers successful.

PLM is a specialized area, where there is a serious shortage of skilled manpower as well as awareness in India. Our Universities have courses related to CAD, but PLM is yet to see inroads. In order to improve awareness of PLM in Indian Universities and increase the availability of trained manpower, 3DPLM started its academia collaboration initiative in 2009. In FY12, we worked closely with Pune University and Dassault Systèmes (India) to setup PLM technology centers in Pune. 3DPLM is also actively involved with a few universities and premier institutes in their Syllabus Modernization program. In order to increase interest and encourage research in the area of Geometry, 3DPLM has signed MOU with College of Engineering- Pune (COEP) and Sardar Patel Institute of Technology-Mumbai (SPIT) for setting up an ACIS Geometry kernel lab. We have also conducted elaborate training workshops for students and faculty members of these colleges.

At 3DPLM, we believe in hiring young talent and training them extensively, to become a part of a very vibrant and learning culture. In order to improve the awareness of PLM and Dassault Systèmes products in India, 3DPLM has been conducting a national level PLM competition, 'Akruti', for Engineering Students since two years, further improving our connect with universities and young talent.

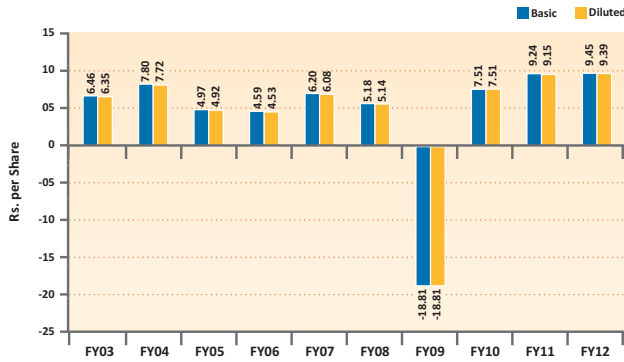
Overall, FY12 was a great year in 3DPLM history.



Transforming Geometric

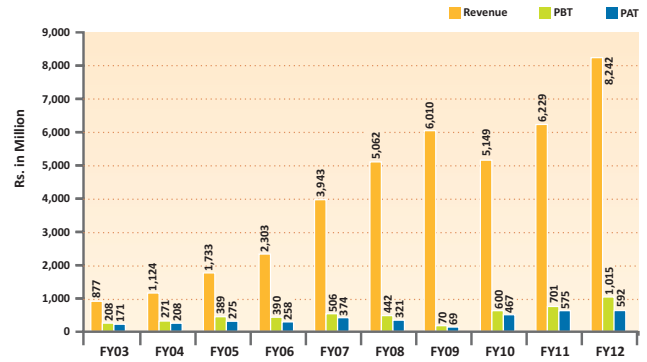
Financial Highlights (Consolidated)

EPS Consolidated

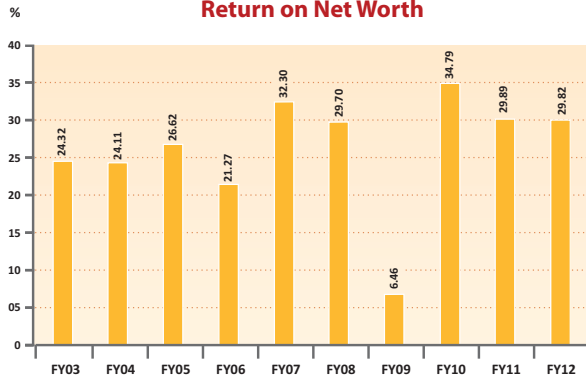


Note: For years FY03 to FY05, the face value of shares was Rs. 10 each, as against Rs.2 each in the later years. Accordingly, the EPS has been adjusted for FY03 to FY05

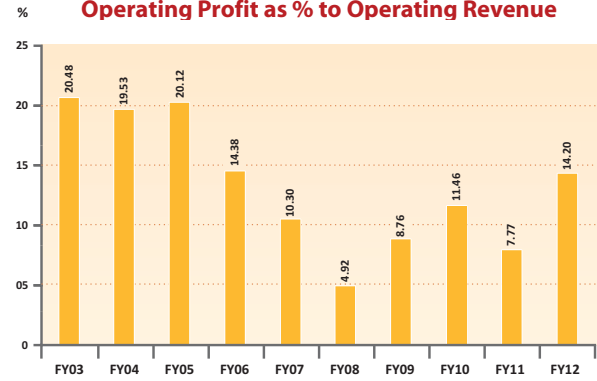
Revenue/PBT/PAT



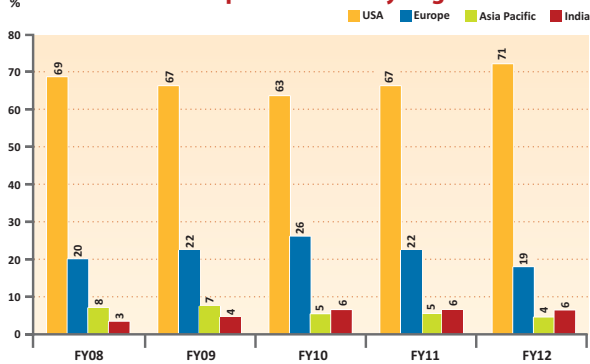
Return on Net Worth



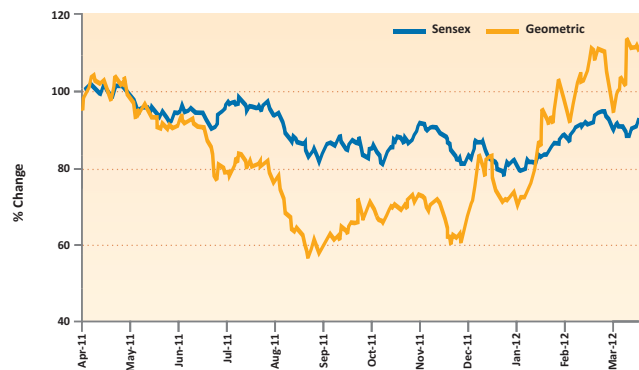
Operating Profit as % to Operating Revenue



Break up of Revenue by Region



Share Price Movement





Financial Highlights (Consolidated)

(amount in '000 except Share price)

Particulars	Year ended March 31,			
	2012		2011	
	INR	US\$	INR	US\$
Revenue	8,078,856	158,099	6,206,123	139,088
Other Income	162,900	3,188	22,989	515
Total Revenue	8,241,756	161,287	6,229,112	139,604
EBITDA	1,309,777	25,632	946,525	21,213
Depreciation	269,659	5,277	235,459	5,277
Interest Expenses	24,831	486	9,875	221
Income Tax	278,206	5,444	17,126	384
Minority Interests	141,685	2,773	108,327	2,428
Other prior period items	(3,818)	(75)	(530)	(12)
Profit After Tax (PAT)	591,578	11,577	575,208	12,891
Basic EPS	9.45	0.18	9.24	0.21
Diluted EPS	9.39	0.18	9.15	0.21
Dividend (%)	80%	80%	60%	60%
PAT as % of total income	7.18%	7.18%	9.23%	9.23%
Share Price (NSE/BSE)				
-High	77.00	1.51	87.00	1.95
-Low	34.75	0.68	57.80	1.30
-Closing	66.70	1.31	61.10	1.37
US \$ Exchange Rate (₹)		51.10		44.62

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, 2012.

1A. FINANCIAL RESULTS: (STANDALONE)

The Company's operating performance (standalone) during the year ended March 31, 2012 as compared to the previous year is summarized below:

	(₹ in Millions)	
	Current Year	Previous Year
Sale and Other Income	3,055.33	2,519.67
Profit before Interest, Depreciation and Tax	366.84	319.15
Less: Interest and Finance Charges	(3.91)	(6.14)
Less: Depreciation	(88.76)	(79.91)
Profit before Taxes	274.17	233.10
Add: Exceptional Items	243.94	-
Less: Tax adjustment in respect of earlier years	(7.48)	(1.28)
Less: Provision for Taxes	113.61	11.31
Net Profit before Extraordinary Items and Minority Interest	411.98	223.07
Add: Extraordinary Items and Prior Period Items	-	-
Net Profit	411.98	223.07
Surplus brought forward	1,213.40	1,098.03
Profit available for Appropriation	1,625.38	1,321.10
Appropriations		
Proposed Dividend	100.44	74.91
Dividend Tax	16.27	10.39
Transfer To General Reserve	41.20	22.40
Reversal of excess provision for dividend distribution tax of previous years	(12.15)	-
Surplus carried forward	1,479.63	1,213.40
Total	1,625.38	1,321.10

1B. FINANCIAL RESULTS: (CONSOLIDATED)

The Company's operating performance (consolidated) during the year ended March 31, 2012 as compared to the previous year is summarized below:

	(₹ in Millions)	
	Current Year	Previous Year
Sale and Other Income	8,241.76	6,229.11
Profit before Interest, Depreciation and Tax	1,309.78	946.52
Less: Interest and Finance Charges	24.83	9.87
Less: Depreciation	269.66	235.46
Profit before Taxes	1,015.29	701.19
Less: Provision for Taxes	278.21	17.12
Net Profit before Extraordinary Items and Minority Interest	737.08	684.07
Add: Extraordinary Items	(3.82)	(0.53)
Net Profit before Minority Interest	733.26	683.54
Less: Minority Interest	(141.68)	(108.33)
Net Profit	591.58	575.21
Surplus brought forward	1,604.32	1,201.94
Profit available for Appropriation	2,195.89	1,777.15
Appropriations		
Proposed Dividend	100.44	74.91
Dividend Tax	4.11	10.39
Transfer To General Reserve	41.49	61.90
Corporate Dividend Tax Paid by Subsidiary	19.61	25.63
Adjustments on Acquisition of Subsidiary	103.80	-
Surplus carried forward	1,926.44	1,604.32
Total	2,195.89	1,777.15



Directors' Report to the Members (Contd.)

2. DIVIDEND:

The Directors recommend payment of dividend to the shareholders for the year at the rate of ₹ 1.60 per Equity Share of ₹ 2 each, compared to ₹ 1.20 dividend per Equity Share, paid last year.

3. BUSINESS REVIEW:

The good growth witnessed on both standalone and consolidated results for the financial year 2011-12 (FY12) has reinforced our conviction in the major markets that we serve. The industry, positively recovering from the global recession, took future oriented decisions that increased the demand for our services and solutions.

The consolidated revenues for FY12 increased from USD 136.47 mn in FY11 to USD 167.51 mn, a growth of 22.7%. Revenues in rupee terms also increased from INR 6206.1 mn in FY 11 to INR 8078.9 mn in FY 12, a growth of 30.2%. For the same period, profit-after-tax increased from INR 575.2 mn to INR 591.6 mn (after adjustment for extraordinary items), a growth of 2.8%. Lower growth in profit-after-tax compared to the growth in operating revenue, is mainly due to tax on sale of asset of INR 66 mn and higher effective tax rate in FY12 at 20.9% compared to 2.4% in FY11.

The three business segments of the Company - software services, engineering services and products recorded the following trends in the year FY12:

- Software services contribution to the top line decreased from 56.9% in FY11 to 55.2% in FY12.
- Engineering services contribution to the top line increased from 36.7 % in FY11 to 39.5 % in FY12.
- Products business contribution to the top line decreased from 6.4% in FY11 to 5.3% in FY12.

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

- USA's share moved from 67% in FY11 to 71.3% in FY12; a growth of 30.5% in absolute terms.
- Europe's share of revenue decreased from 21.7% in FY11 to 18.4% in FY12; a de-growth of 4.4% in absolute terms.
- APAC's share decreased from 5.3% in FY11 to 4.2% in FY12.
- India's share increased from 5.9% in FY11 to 6.1% in FY12.

These numbers reflect the positive demand environment in North America and growing 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 reduced from 61.2% in FY11 to 60.7% in FY12. In absolute terms, this segment recorded a growth of 23.2% over the previous year. (USD 96.31 mn in FY12 Vs 78.14 mn in FY11)
- Strategic Partners: Segment share of business reduced from 7.6% in FY11 to 6.8% in FY12; still showing a growth of 11.1% in absolute terms. (USD 10.72 mn in FY12 Vs 9.65 mn in FY11)
- Software ISVs: Segment share of business increased from 31.3% in FY11 to 32.6% in FY12. In absolute terms, this segment recorded a growth of 29.2% over the previous year. (USD 51.68 mn in FY12 Vs 39.99 mn in FY11).

In the coming financial year, we will strengthen our differentiated offerings with consulting capabilities to provide comprehensive solutions for our customers' needs and focus to grow our identified key and important accounts globally.

4. INVESTMENTS

During the year, the Company has subscribed to 432 common stock with no par value of Geometric Americas Inc. aggregating to USD 10 million, with a view to infuse funds in that Company.

5. DIRECTORS:

Mr. Parth Gandhi, a nominee of ICICI Venture Funds Management Company, resigned w.e.f. July 25, 2011 and Mr. K.S. Jangbahadur was appointed in his place. Mr. K. S. Jangbahadur resigned w.e.f. August 29, 2011.

In terms of Article 131 of the Articles of Association of the Company, Dr. Kyamas Palia and Mr. Ajay Mehra retire by rotation and being eligible, offer themselves for re-appointment 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.

Directors' Report to the Members (Contd.)

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.

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:

- a) Geometric Americas, Inc., USA
- b) Geometric Asia Pacific Pte. Ltd., Singapore
- c) Geometric Europe GmbH, Germany

The Company has the following other Subsidiary Companies:

- a) 3D PLM Software Solutions Ltd., in which the Company holds 58% stake (w.e.f July 1, 2011).
- b) Delmia Solutions Pvt. Ltd. (A WOS of 3D PLM Software Solutions Ltd., w.e.f. July 1, 2011)
- c) Geometric S.R.L., Romania (A WOS of Geometric Americas, Inc.)
- d) Geometric SAS France (A WOS of Geometric Americas, Inc.)
- e) Geometric China Inc. (A WOS of Geometric Asia Pacific Pte. Ltd., Singapore)
- f) Geometric Japan K.K. (A WOS of Geometric Asia Pacific Pte. Ltd., Singapore w.e.f. April 1, 2011)

The Boards of 3D PLM Software Solutions Limited ('3DPLM') and Delmia Solutions Private Limited ('DSPL') have approved the merger of DSPL with 3D PLM subject to requisite approvals.

As required under Section 212 of the Companies Act, 1956, the subsidiaries' statements of accounts for the year ended March 31, 2012 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.

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;

- (i) that in the preparation of the annual accounts, the applicable accounting standards have been followed and there has been no material departure;
- (ii) 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, 2012 and of the profit of the Company for the year ended on that date;
- (iii) 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;
- (iv) that the annual accounts have been prepared on a going concern basis.

15. ACKNOWLEDGMENT:

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: May 25, 2012



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. As energy costs comprise a very small part of the total expenses, the financial impact of these measures is not material.

Mumbai facility has been awarded the 2nd prize in the Tata Power's Energy Conservation Awards for the second time. We were pitted against the all the industries (in Mumbai) taking a LT supply from Tata Power. The factors deciding this was the statistics on the measures and technologies adopted and deployed, and the energy saved on account of such deployment.

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	502,362,032	476,072,041
Total Foreign Exchange earned	2,330,794,967	2,099,309,321



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 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	Manu Parpia	Managing Director & CEO	62	8-Apr-11	BE (Chemical Engineering), MBA	32	9,604,213	Geometric Limited
2	Arvind Kakar	Chief Financial Officer	49	7-Oct-11	B.Com (Hons.), CA	21	4,998,485	Max Healthcare Institute Limited
3	Shashank Patkar	Chief Transformation Officer	50	1-Jan-12	BE, MBA	26	1,501,731	3D PLM Software Solutions Limited

Notes:

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

Place: Mumbai

Date: May 25, 2012



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	1,746,850
5	Options Vested	45,000	72,870	125,000	236,145	-
6	Options Exercised	-	479,900	-	76,065	-
7	Options Forfeited / Surrendered (Note 1)	1,782,500	462,750	-	127,560	76,500
8	Options Unexercised	90,000	174,300	250,000	396,375	1,670,350
9	Options Lapsed	-	-	-	-	-
10	Total Number of Options in force	90,000	174,300	250,000	396,375	1,670,350
11	Variation in terms of ESOP	NA	NA	NA	NA	NA
12	Total Number of Shares arising as a result of Exercise of Options	-	479,900	-	76,065	-
13	Money realised by exercise of Options (₹ in Lakhs)	-	93.95	-	35.90	-

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

B. Employee-wise details of options granted during the financial year 2011-12 to:

(i) Senior managerial personnel

Name	No. of options granted
Arvind Kakar	70,000
Joseph Sahiouni	53,000
Laura Wisnewski	26,000
Milind Shastri	31,000
Nambi Chandrasekaran	31,200
Nitin Tappe	53,000
Rohinirani Desai	53,000
Shashank Patkar	45,000
Sudarshan Mogasale	36,400
Surapaneni Kalidas	53,000
Venkatesh Jagannath	53,000
Vijay Soni	26,000
Vinay Kulkarni	34,000

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

Arvind Kakar	70,000
--------------	--------

(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

6.54

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

(a) Exercise price equals market price	45.94
(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	22.18
(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 2011-12 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 2011-12 would be (₹ 139,886,799). 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	411,984,263
Add: Intrinsic Value Compensation Cost	-
Less: Fair Value Compensation Cost	(139,886,799)
Adjusted Pro Forma Net Income	272,097,464
Earning Per Share: Basic	
As Reported	6.58
Adjusted Pro Forma	4.35
Earning Per Share: Diluted	
As Reported	6.54
Adjusted Pro Forma	4.32

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	22-Sep-11	8-Dec-11
1. Risk Free Interest Rate	8.33%	8.43%
2. Expected Life	4.40	4.40
3. Expected Volatility	54.96%	54.88%
4. Dividend Yield	1.60%	1.60%
5. Price of the underlying share in market at the time of the option grant.	45.70	51.75

Notes :

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



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, 2012, 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

Viraf R. Mehta
PARTNER
M. No.: 32083
Firm Reg. No. 104607W

Place: Mumbai
Date: May 25, 2012

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

Geometric's Board has an optimum combination of Executive and Non-Executive Directors, to ensure independent functioning. During the Financial Year ended March 31, 2012, 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, 2012 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 here in 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, 2012*	Committee Position in other public Ltd Companies as at March 31, 2012 #	
						Member	Chairman
Mr. J. N. Godrej	Chairman	Non-Executive; Non-Independent	4	Absent	9	2	-
Mr. Manu Parpia	MD & CEO	Promoter; Executive; Non-Independent	5	Present	3	-	-
Dr. K.A. Palia	Director	Non-Executive; Non-Independent	5	Present	4	2	-
Ms. Anita Ramachandran	Director	Non-Executive; Independent	3	Present	3	-	1
Mr. Milind Sarwate	Director	Non-Executive; Independent	5	Present	3	-	-
Dr. Richard Riff	Director	Non-Executive; Independent	4	Present	-	-	-
Mr. Ajay Mehra	Director	Non-Executive; Independent	4	Present	-	-	-
Mr. Parth Gandhi\$	Director	Non-Executive; Non-Independent	-	Absent	-	-	-
Mr. K. S. Jangbahadur+	Additional Director	Non-Executive; Non-Independent	-	N.A.	-	-	-

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

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

\$ Nominee Director of ICICI Venture Funds Management Co. Ltd. resigned w.e.f. July 25, 2011.

+ Nominee Director of ICICI Venture Funds Management Co. Ltd. appointed w.e.f. July 25, 2011 and resigned w.e.f. August 29, 2011.



Report on Corporate Governance (Contd.)

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 with the Chairman. The Chief Financial Officer/Finance Controller 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)	No. of Directors present (Teleconference)
1	08-Apr-2011	9	5	1
2	25-Apr-2011	8	6	-
3	25-Jul-2011	8	6	-
4	21-Oct-2011	7	7	-
5	23-Jan-2012	7	7	-

Equity Shares of the Company held by Directors as on March 31, 2012:

Name of Director	Number of Shares held	Percentage
Mr. J. N. Godrej	-	-
Mr. Manu Parpia	42,92,925	6.85
Dr. K. A. Palia	45,000	0.07
Ms. Anita Ramachandran	35,000	0.06
Mr. Milind Sarwate	-	-
Dr. Richard Riff	-	-
Mr. Ajay Mehra	-	-
Mr. Parth Gandhi*	-	-
Mr. K. S. Jangbahadur **	-	-

* Nominee Director of ICICI Venture Funds Management Co. Ltd. resigned w.e.f. July 25, 2011.

** Nominee Director of ICICI Venture Funds Management Co. Ltd. appointed w.e.f. July 25, 2011 and resigned w.e.f. August 29, 2011.

c) Re-appointment of Directors

Dr. Kyamas Palia and Mr. Ajay Mehra are retiring by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment 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:

i) 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.

Report on Corporate Governance (Contd.)

- ii) 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.
 - iii) 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.
 - iv) Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
 - 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 during the year 2011-12
Mr. Milind Sarwate (Chairman)	Non-Executive, Independent	4
Dr. K. A. Palia	Non-Executive, Non-Independent	4
Dr. Richard Riff*	Non-Executive, Independent	1
Ms. Anita Ramachandran	Non-Executive, Independent	3

* 3 on teleconference.

Audit Committee meetings were held on April 25, 2011, July 22, 2011, October 18, 2011 and January 20, 2012. 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 25, 2011 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 during the year 2011-12
Mr. J. N. Godrej (Chairman)	Non-Executive, Non-Independent	3
Mr. Milind Sarwate	Non-Executive, Independent	6
Ms. Anita Ramachandran	Non-Executive, Independent	6
Mr. Ajay Mehra*	Non-Executive, Independent	5

* 1 on teleconference.

Compensation Committee meetings were held on April 25, 2011, July 25, 2011, August 30, 2011, September 22, 2011, October 21, 2011, December 8, 2011 and January 23, 2012. The 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

Report on Corporate Governance (Contd.)

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 March 31, 2012, to the Non-Executive Directors, amounted to ₹ 72,00,000/-.

The details of commission payable and sitting fees paid to the Non-Executive Directors for the financial year 2011-12 are summarized as below:-

Name of the Director	Commission (₹)	Sitting Fees (₹)
Mr. J. N. Godrej	12,00,000	1,10,000
Dr. K. A. Palia	12,00,000	1,80,000
Ms. Anita Ramachandran	12,00,000	1,80,000
Dr. Richard Riff	12,00,000	1,00,000
Mr. Milind Sarwate	12,00,000	2,40,000
Mr. Ajay Mehra	12,00,000	1,30,000
Mr. Parth Gandhi*	-	-
Mr. K. S. Jangbahadur**	-	-
Total	72,00,000	9,40,000

* Nominee Director of ICICI Venture Funds Management Co. Ltd. resigned w.e.f. July 25, 2011

**Nominee Director of ICICI Venture Funds Management Co. Ltd. appointed w.e.f. July 25, 2011 and resigned w.e.f. August 29, 2011.

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, 2012, were as given below:

Name of the Director	No. of Shares held	No. of Stock Options Held*	Grant Price (in ₹)	Date of expiry
Mr. J. N. Godrej	-	-	-	-
Mr. Manu Parpia	42,92,925	-	-	-
Dr. K. A. 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 was appointed Managing Director and Chief Executive Officer w.e.f. April 8, 2011 for a period of two years consequent to the resignation of Mr. Ravishankar G., who held office till that day.



Report on Corporate Governance (Contd.)

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

The Company has made an application to the Central Government 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.

Remuneration to Executive Directors –

The details of remuneration paid to Mr. Ravishankar G., for the period April 1, 2011 to April 8, 2011 and paid/payable to Mr. Manu Parpia, for the period from April 8, 2011 to March 31, 2012, are given below:

Particulars	Amounts (₹)	
	Mr. Ravishankar G	Mr. Manu Parpia
Salary	1,25,362	9,903,485
Performance pay	-	8,628,885
Others	20,046	-
Total	1,45,408	18,532,370

C. Investor Grievances Redressal Committee

The Company has constituted an Investor Grievances Redressal Committee of Directors to look into and investigate into investor 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 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 during the year 2011-12
Mr. J. N. Godrej (Chairman)	Non-Executive, Non-Independent	3
Mr. Manu Parpia	Promoter, Executive, Non-Independent	4
Dr. K. A. Palia	Non-Executive, Non-Independent	4

Investor Grievances Redressal Committee meetings were held on April 25, 2011, July 25, 2011, October 21, 2011 and January 23, 2012. The 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. (formerly known as "Intime Spectrum Registry 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 and resolved during the year 2011-2012

Nature of Requests/ Grievances / Complaints	Opening Balance as on April 1, 2011	Received during the year	Resolved during the year	Closing Balance as on March 31, 2012
Non-receipt of Dividend warrants	NIL	13	13	NIL
Non-Receipt of Share Certificate(s)	NIL	2	2	NIL
Others	NIL	2	2	NIL
Total	NIL	17	17	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
2010-11	July 25, 2011	11.00 a.m.	Plant 6, Pirojshanagar, Vikhroli (W), Mumbai – 400 079.	<ol style="list-style-type: none"> 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
2008-09	September 25, 2009	9.30 a.m.	Plant 6, Pirojshanagar, Vikhroli (W), Mumbai – 400 079.	<ol style="list-style-type: none"> 1. Approval of issue of 3,00,000 stock options under ESOP Scheme 2009 - Directors. 2. Approval of issue of 6,00,000 stock options under ESOP Scheme 2009 - Employees. 3. To avail professional services from Mr. Manu Parpia for a period of three years w.e.f from September 1, 2009.

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.	<ol style="list-style-type: none"> 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

1. 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.)

2. 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.
3. 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.
4. 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.
5. 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.
6. The Notice convening the Annual General Meeting of the Company has necessary disclosures relating to the appointment/re-appointment of Directors.
7. Annual Report has a detailed chapter on Management Discussion and Analysis.
8. 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

1. Annual General Meeting:

Date and Time : July 23, 2012 at 11.30 a.m.

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

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

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.

3. Name and contact details of the Compliance Officer:

Ms. Maria Monserrate
 Company Secretary & Compliance Officer,
 Tel. No. : 67056500
 Fax No. : 67056891,
 E-mail: investor-relations@geometricglobal.com

4. Book Closure:

The Registrar of Members and the Share Transfer Books of the Company will remain closed from Tuesday, July 17, 2012 to Monday, July 23, 2012 (both days inclusive).

5. Dividend:

The Board has recommended Dividend on equity shares.

Report on Corporate Governance (Contd.)

6. 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

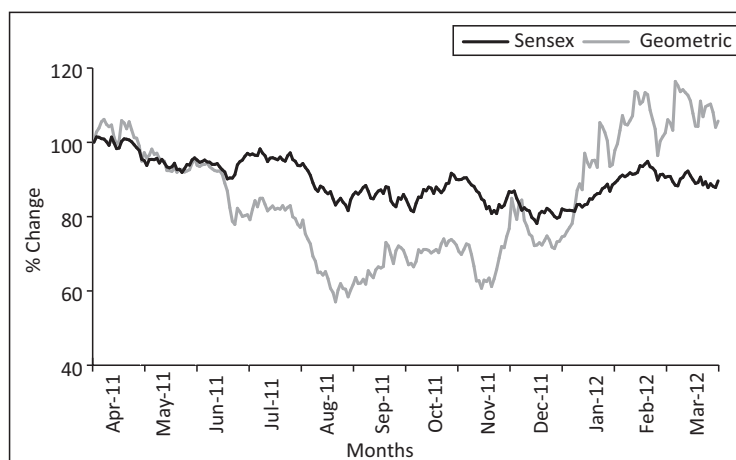
The Stock Exchange, Mumbai (BSE)	532312
National Stock Exchange Ltd. (NSE)	GEOMETRIC
ISIN Number with NSDL & CDSL	INE797A01021

7. Market Price Data:

High, Low and Volume of the Company's shares during 2011-12 at BSE & NSE

Month	Bombay Stock Exchange			National Stock Exchange		
	High	Low	Volume	High	Low	Volume
Apr-11	70.25	61.40	1,444,044	70.40	61.25	2,404,787
May-11	64.60	57.00	439,352	64.70	57.20	836,858
Jun-11	61.40	48.80	614,455	61.20	49.10	784,428
Jul-11	55.50	48.10	1,265,856	55.50	48.20	2,318,402
Aug-11	50.45	34.75	448,900	50.10	34.50	912,936
Sep-11	47.50	38.15	339,969	46.80	38.20	843,034
Oct-11	48.25	41.70	293,881	48.50	41.50	643,879
Nov-11	46.75	36.55	351,175	46.90	36.50	637,803
Dec-11	59.75	42.85	1,577,270	63.45	42.75	4,547,011
Jan-12	70.60	45.55	3,513,761	70.40	45.20	7,516,924
Feb-12	74.70	59.30	1,872,249	74.90	59.45	4,351,623
Mar-12	77.00	63.05	1,787,002	76.25	62.80	2,318,579

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





Report on Corporate Governance (Contd.)

9. Registrar and Transfer Agents Investor Service

Link Intime India Pvt. Ltd.
(Formerly known as "Intime Spectrum Registry Ltd.")
C-13, Pannalal Silk Mills Compound,
L. B. S. Marg, Bhandup (West), Mumbai - 400 078.

10. Share Transfer System

99.07% 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.

11. Distribution of Shareholding as on March 31, 2012:

Category of Shares	Number of Shareholders	Percentage of Shareholders	No. of Shares	Percentage of Total
1 – 5000	25813	96.08	7,109,903	11.34
5001 – 10000	472	1.76	1,787,740	2.85
10001 – 20000	265	0.99	1,960,108	3.13
20001 – 30000	97	0.36	1,231,942	1.97
30001 – 40000	54	0.20	957,888	1.53
40001 – 50000	33	0.12	762,506	1.22
50001 – 100000	73	0.27	2,684,617	4.28
100001 and above	58	0.22	46,175,611	73.68
Total:	26865	100	62,670,315	100

12. Categories of Shareholders as of March 31, 2012:

Category	Shares	Percent
Promoters & Promoter Group	23,478,933	37.464
Clearing Member	170,127	0.272
Other Bodies Corporate	2,691,396	4.295
Directors (Excluding Promoter Director)	80,000	0.128
Financial Institutions	2,640	0.004
Foreign Inst. Investor	5,932,488	9.466
Life Insurance Corporation of India	1,464,882	2.337
Mutual Fund	266,764	0.425
Nationalised Banks	400	0.001
Non-Nationalised Banks	7,000	0.011
Non-Resident Indians	488,371	0.779
Non-Resident (Non Repatriable)	243,529	0.389
Public	23,906,684	38.147
Trusts	3,868,075	6.172
G I C & Its Subsidiaries	69,026	0.110
Total	62,670,315	100.000

13. Dematerialization of shares and Liquidity:

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

As on March 31, 2012, 99.07% 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.)

14. 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, 2012, the conversion thereof, which may have a likely impact on equity share capital of the Company.

15. Location of offices of Company and Address of correspondence (including subsidiaries)

(Registered Office) Mumbai	Plant 6, Pirojshanagar, Vikhroli (West), Mumbai - 400 079.
Pune	Geometric Limited (SEZ), Ground Floor, Zone 3, Block IT-3. Flagship Infrastructure Pvt. Ltd., S. No. 154/6, Rajiv Gandhi Infotech Park, Phase-I, Hinjewadi, Pune - 411 057.
	Geometric Limited STPI, Embassy TechZone, Plot No. 3, Block No. 11, Nile Bldg, Rajiv Gandhi Infotech Park, MIDC, Hinjewadi, Phase-II, Village - Marunji, Pune - 411 057
Bengaluru	Geometric Limited Vikas Telecom Limited (SEZ), Vrindavan Tech Village, Ground Floor, Tower 3 of 2B, Survey No. 12/3 & 12/4 of Devarabeesanhalli Village, Varthur Hobli, Bangalore East Taluka, Bengaluru - 560 037
Chennai	Geometric Limited SP Info City, Block A, 1st Floor, Module 4, No.40, MGR Salai, Perungudi, Kandanchavadi, Chennai - 600 096
Hyderabad	Geometric Limited Q-City, 5th Floor, Block A. Survey No. 109, 110 & 111/2, Nanakrumbguda Village, Gachibowli, Serilingampally Mandal, R. R. District, Hyderabad - 500 032
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 - 560 078
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	
Delmia Solutions Pvt. Ltd.	Poonamchand Complex, Ground & 1st Floor, No. 46/B & 47, 1st Main Road, 3rd Phase, J P Nagar, Bangalore - 560078
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

16. 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.
(Formerly known as "Intime Spectrum Registry Ltd.")
C-13, Pannalal Silk Mills Compound,
L. B. S. Marg, Bhandup (West), Mumbai - 400 078.
Tel.: 022 – 25963838
Fax: 022 – 25946969



Report on Corporate Governance (Contd.)

For general correspondence:
Geometric Ltd.
Plant No. 6, Pirojshanagar,
Vikhroli (West), Mumbai - 400 079.
Tel: 022 – 67056500
Fax: 022 –67056891
E-mail: 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.

For Geometric Limited

Place : Mumbai
Date : April 23, 2012

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.

FY12 saw Geometric's major markets positively recovering from the global recession and taking forward looking decisions that had been put on hold in the preceding years. The industry saw vigor returning in global engineering resulting in a gradual increase in demand and volumes for our key offerings.

The automotive industry, an important market for Geometric, progressed ahead on strategic initiatives like selling specific brands and becoming lean. This has provided opportunities for Geometric to strengthen its engagements with leading automotive OEMs and their key suppliers. Automotive majors have settled their deconsolidation programs and have moved ahead on their engineering IT investments and sourcing engineering from India and China. As auto companies try to remain competitive by focusing on more feature rich, technologically advanced, fuel and cost-effective vehicles, it becomes imperative for them to shift production and outsourcing work from high cost countries to low cost ones including India, while continuing investment in research. The automotive industry has certainly opened up opportunities for Geometric through new and existing customers, however given the industry's sourcing maturity and the economic uncertainties that the industry is trying to balance, it would also put pressure on prices.

The Off-highway Equipment (Construction, Agriculture and Mining) industry is slated to have a very exciting year with some of the companies having the highest level of order backlog. With much of such backlog across the industry to be delivered over the next couple of years, it augurs well for Geometric to capitalize on the global engineering services and engineering productivity needs of the industry. The industry has already laid out plans for capital investment running into billions of dollar, essentially for plant modernization and global production capabilities providing us the opportunity to serve the industry locally in regions like China and India.

Aerospace and Engineering for Oil & Gas and Energy are Geometric's strategic markets. The commercial aircraft sector continued to trend upwards in 2011, building upon its production momentum. Aerospace companies achieved the highest production level in commercial aircraft history in 2011. This increase in production is driving parallel production activity increases in the aerospace supply chain, from engines, to avionics, to wiring harnesses, passenger seats and landing gear among others. Reported sales orders for the year rose to second highest in history. Commercial aircraft demand is expected to expand over the next 20 years given the economic growth in emerging markets, demand for fuel-efficient planes and engine technologies which bodes well for Geometric's core engineering offerings. To gear up towards this the major players in the industry are looking at robust IT modernization programs leading to opportunities for Geometric, though the sales cycles will continue to be stretched.

Major software products providers for the engineering domain, many of whom are also our customers or partners are also undertaking major software modernization programs to leverage the advancements in software technology, more immersive 3D and simulation capabilities. This provides strong opportunities for Geometric to partner with them on multi-year turnkey software product development programs which is clearly Geometric's strength.

In the manufacturing industry at large, the restructuring measures and process improvement programs continue to drive IT and engineering outsourcing, with focus on areas like standardization of manufacturing processes, competitive sourcing of components, and increasing integration between various enterprise level systems. 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.



Management's Discussion and Analysis Report (Contd.)

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. Major industries that Geometric operates in provide a positive outlook for FY13. It offers many opportunities to engage with our existing customers as well as acquire new customers. We see significant opportunities arising out of partnerships and alliances.
2. Our customers are increasingly seeking closer collaboration in defining requirements and demanding 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. 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 modeling 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.
4. 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. 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:

We continued to reinforce our engagements with direct industrial customers in FY 12. We also worked closely with our ISV partners to address the needs of our customers as they executed the technology change programs initiated in 2010. We maintained our focus on building process solutions and offerings that combine software and engineering capabilities. Our approach has been to simplify the PLM landscape for our customers and help them get more out of their PLM

Management's Discussion and Analysis Report (Contd.)

investments through solutions and specialized AMS (Application Management Services) for the engineering IT landscape. Multiple AMS wins this year have contributed to our revenue predictability. The business has won marquee customers in our strategic verticals of aerospace and oil & gas engineering helping our strategy of diversifying from automotive centric markets. India continued to be a growing market for the Company with promising adoption of enterprise PLM systems. Our focus on the region, strong partnerships and consulting approach has helped us to add three OEM customers to our customer list in India.

We continued to win fixed price engagements for our CAX services and solutions. Our highly differentiated capabilities in the CAX software development backed by our own IP from our Geometry Technology Solutions portfolio has helped us to extend such services to domains like ship building and apparel design through multi-year contracts. In this year we saw very good success in helping both our existing and new customers improve the efficiencies of their engineering operations by building KBE (Knowledge Based Engineering) solutions on various CAD platforms.

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. We saw good success with our key customers and won new engagements based on our true global engineering model through our engineering locations in USA, India, China and Romania. This helps us with better customer alignment with their local engineering requirements, and also helps them reach these markets with the right products and at the right price. 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. In the automotive sector, our strong track record with automotive OEMs helped us to win and grow our engineering engagements with leading tier-1 suppliers both in Europe as well as in USA. Engineering services drove the growth in our multi-million dollar accounts in the off-highway sector as we continued to add new customers in this category. Our IP lead engineering offerings like should costing saw further customer acceptance in heavy vehicles, off-highway and aerospace industries. Our traction in China, though below our initial estimates, was promising as we set-up engagements with our global customers to support their local engineering requirements in China.

Products:

Products and Technology portfolio of Geometric includes Design and Manufacturing solutions, visualization and collaboration solution, and CAM product. Portfolio also includes interoperability solutions that integrate engineering and manufacturing applications within and across PLM and other enterprise systems. On one hand, the Products business is seen as a significant differentiator for the services business, while on the other it has been able to leverage service business engagements to gain market access and improvement opportunities for its products. Keeping with the new technology trends, Geometric has launched new multi-platform visualization offering in the current year – Glovius that is available on iPad/iPhone and other popular handheld devices running Android. It will leverage cloud based infrastructure for data optimization and collaboration.

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 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 & sales operations, reduced demand for technology in our key focus areas, disruptions in telecommunication networks, liability for damages on our service contracts & 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.



Management's Discussion and Analysis Report (Contd.)

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 244,745 equity shares of ₹ 2 each have been issued under various Employee Stock Option Plans. Consequently, the issued, subscribed and outstanding shares increased to 62,670,315 from 62,425,570 and share capital increased to ₹ 125.34 Mn from ₹ 124.85 Mn.

2. Reserves and Surplus

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

(₹ in Millions)

Particulars	Unconsolidated		Consolidated	
	Current Year	Previous Year	Current Year	Previous Year
Securities Premium Account	16.48	11.91	192.83	11.91
Hedging Reserve	(423.69)	75.57	(586.99)	124.86
General Reserve	120.35	79.15	158.46	254.56
Foreign currency translation Reserve	-	-	(1.09)	7.87
Capital Redemption Reserve	-	-	0.58	-
Capital Reserve	-	-	0.58	-
Investment Reorganization Reserve	756.07	756.07	49.36	49.36
Surplus in the Statement of Profit And Loss	1,479.63	1,213.40	1,926.44	1,604.32

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.

3. Deferred tax Liability

We recorded deferred tax asset of ₹ 29.41 Mn (unconsolidated) and ₹ 38.22 Mn (consolidated) as of March 31, 2012 and deferred tax liability of ₹ 11.39 Mn (unconsolidated) and ₹ 30.40 Mn (consolidated) as of March 31, 2011. Deferred tax liability represents timing differences in the financial and tax books arising from depreciation on assets (causing deferred tax liability) and provision for Bonus and others (causing deferred tax asset).

4. Other Long term Liabilities:

(₹ in Millions)

Particulars	Unconsolidated		Consolidated	
	Current Year	Previous Year	Current Year	Previous Year
Deferred Revenue	-	-	70.76	40.89
Liability for mark to market loss on derivative contracts	221.80	-	373.44	-

Management's Discussion and Analysis Report (Contd.)

5. Long term Provisions:

Long term provisions of ₹ 13.74 Mn (Consolidated) as of March 31, 2012 represent provision towards employee benefits due after 12 months.

6. Short Term Borrowings:

(₹ in Millions)

Particulars	Unconsolidated		3D PLM Software Solutions Ltd		Geometric Americas Inc	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Loan from Citi Bank	-	44.62	176.36	-	-	-
Loan from ICICI Bank	-	-	-	-	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 ₹ 0.11 Mn due to Small Scale units.

8. Other Current Liabilities

Other current liabilities include advance billing to customer & deferred revenue, accrued salaries & benefits payable to the staff and amounts accrued for various other operational expenses. Advances from customer are retention money deposits of various contractors. Liability 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. 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 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

10. Fixed Assets

A statement of movement in fixed assets is given below:

(₹ Millions)

Particulars	Unconsolidated			Consolidated		
	Current Year	Previous Year	Growth (%)	Current Year	Previous Year	Growth (%)
Leasehold Land	10.73	15.73	(31.79)	50.18	50.84	(1.30)
Buildings	-	113.50	(100.00)	249.92	263.63	(5.20)
Leasehold Improvement	6.66	6.66	0.00	15.29	14.06	8.75
Computers	53.99	59.29	(8.94)	802.11	726.43	10.42
Electrical Installations	38.75	98.33	(60.59)	153.35	196.55	(21.98)
Office Equip. and EPABX	28.35	39.70	(28.59)	100.87	82.27	22.61
Furniture and Fixtures	66.95	135.29	(50.51)	206.82	264.22	(21.72)
Vehicles	-	-	-	30.25	-	100.00



Management's Discussion and Analysis Report (Contd.)

Particulars	Unconsolidated			Consolidated		
	Current Year	Previous Year	Growth (%)	Current Year	Previous Year	Growth (%)
Computer Software	355.60	298.48	19.14	483.35	417.09	15.89
Goodwill	-	-	-	63.40	60.89	4.12
Gross Block	561.03	766.98	(26.85)	2155.54	2075.99	3.83
Less: Accumulated Dep.	371.28	477.10	(22.18)	1278.19	1230.48	3.88
Net Block	189.75	289.88	(34.54)	877.35	845.51	3.77
Add: Capital WIP	0.41	0.96	(57.29)	14.11	1.64	760.37
Net Fixed Assets	190.16	290.84	(34.62)	891.46	847.15	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	Unconsolidated		Consolidated	
	Current Year	Previous Year	Current Year	Previous Year
Total Addition to Gross Block	75.19	114.98	262.63	232.68

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

11. Current & Non-Current Investments

(₹ in Millions)

Particulars	Unconsolidated		Consolidated	
	Current Year	Previous Year	Current Year	Previous Year
Current Investments:				
Investments in Mutual Funds	465.45	-	695.62	138.52
Non-Current Investments:				
Investments in Subsidiaries	626.58	126.98	-	-
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.

12. Long term Loans & Advances

Long term loans & 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 ₹ 91.80 Mn from Geometric Americas Inc. Total loans outstanding from Geometric Americas Inc., as on 31st March, 2012 stands at ₹ 511 Mn.

13. Other Non-Current Assets

Other Noncurrent assets include the amount of Long term deposits with banks with original maturity period more than 12 months and Mark to market gain receivable on derivative contracts.

Management's Discussion and Analysis Report (Contd.)

14. Trade Receivables

(₹ in Millions)

Particulars	Unconsolidated (Excluding Intercompany)		Consolidated	
	Current Year	Previous Year	Current Year	Previous Year
Sundry Debtors	343.66	347.36	1445.05	1183.49
Days sales Outstanding (DSO)	83	94	65	70
Debtors as a % of revenue	12.74%	14.78%	17.89%	19.07%

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, 2012, provision for doubtful debts stands at ₹ 72.43 Mn (unconsolidated) and ₹ 144.82 Mn (Consolidated). The provision has been made for debtors outstanding for more than 180 days and also includes debtors which we foresee unrealizable.

Cash & 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 expenditure overseas.

(₹ in Millions)

Particulars	Unconsolidated		Consolidated	
	Current Year	Previous Year	Current Year	Previous Year
Cash balances	-	-	0.62	0.09
Remittance in Transit	3.68	15.51	10.41	15.51
Current Accounts	9.42	1.67	190.42	59.97
Deposit Accounts	1.17	3.72	15.65	9.05
Foreign currency accounts	335.29	1.27	341.39	21.05
Unclaimed dividend account	3.14	3.02	3.16	3.03
Investment in liquid mutual funds reported under investments	465.45	-	695.62	138.52
Total cash & cash equivalent	818.16	25.18	1,257.13	244.61
Cash & cash equivalent / revenues	30.33%	1.07%	15.56%	3.94%

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 & disclosed appropriately.

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

16. Other Current Assets

Other current assets include Interest accrued, accrued sales and mark to market gain receivable on derivative contracts.



Management's Discussion and Analysis Report (Contd.)

(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.

Business segmentation of total sales (Consolidated)

a) Business segmentation of total sales (Consolidated)

(₹ Millions)

Particulars	Current Year		Previous Year	
	₹	%	₹	%
Products	401.49	4.97	361.34	5.82
Services	7,634.97	94.51	5,798.14	93.43
Projects	42.39	0.52	46.65	0.75
Total	8,078.86	100.00	6,206.12	100.00

b) Geographical Segmentation of total sales (Consolidated)

(₹ Millions)

Particulars	Current Year		Previous Year	
	₹	%	₹	%
USA	5,760.22	71.30	4,164.31	67.10
Europe	1,486.51	18.40	1,346.73	21.70
Asia Pacific	339.31	4.20	328.92	5.30
India	492.81	6.10	366.16	5.90
Total	8,078.86	100.00	6,206.12	100.00

2. Expenditure

2.1 Operating and Other Expenses (unconsolidated)

(₹ Millions)

Particulars	Current Year	% to Total Income	Previous Year	% to Total Income	Growth %
Personnel Expenses	1,902.20	62.26	1,597.80	61.11	1.15
Travelling and Conveyance Expenses	102.08	3.34	99.16	3.79	(0.45)
Software Tools and Packages	39.68	1.30	25.81	0.99	0.31
Royalty	37.59	1.23	46.86	1.79	(0.56)
Legal and Professional Charges	175.61	5.75	137.90	5.27	0.47
Rent and Service Charges	197.63	6.47	192.89	7.38	(0.91)
Repairs and Maintenance	14.04	0.46	18.00	0.69	(0.23)
Electricity Expenses	35.25	1.15	32.33	1.24	(0.08)
Computer Rental Charges	83.26	2.73	75.03	2.87	(0.14)
Advertising and Publicity	3.05	0.10	4.61	0.18	(0.08)
Other Expenses	98.09	3.21	65.13	2.49	0.72
Total Operating and Other Expenses	2,688.48	88.00	2,295.52	87.80	0.20
Total Income	3,055.33	100.00	2,614.67	100.00	

Management's Discussion and Analysis Report (Contd.)

2.2 Operating and Other Expenses (Consolidated)

(₹ Millions)

Particulars	Current Year	% to Total Income	Previous Year	% to Total Income	Growth %
Personnel Expenses	5,389.68	65.39	4,154.77	64.50	0.90
Travelling and Conveyance Expenses	232.99	2.83	224.63	3.49	(0.66)
Software Tools and Packages	90.77	1.10	54.57	0.85	0.25
Royalty	77.28	0.94	76.64	1.19	(0.25)
Legal and Professional Charges	307.62	3.73	213.45	3.31	0.42
Rent and Service Charges	289.07	3.51	257.44	4.00	(0.49)
Repairs and Maintenance	35.03	0.43	37.36	0.58	(0.15)
Electricity Expenses	87.48	1.06	72.92	1.13	(0.07)
Computer Rental Charges	89.35	1.08	81.82	1.27	(0.19)
Sales and Marketing Expenses	83.52	1.01	80.01	1.24	(0.23)
Other Expenses	249.19	3.02	241.83	3.75	(0.73)
Total Operating and Other Expenses	6,931.98	84.10	5,495.44	85.31	(1.20)
Total Income	8,241.76	100.00	6,441.95	100.00	

2.3 Depreciation

(₹ Millions)

Particulars	Unconsolidated		Consolidated	
	Current Year	Previous Year	Current Year	Previous Year
Depreciation	88.76	79.91	269.66	235.46
% to gross block of assets	15.82	10.42	12.51	11.34
% to Sales: Software Packages & Services	3.29	3.40	3.34	3.79

3. Operating Profit

Particulars	Unconsolidated		Consolidated	
	Current Year	Previous Year	Current Year	Previous Year
Operating Profit (Profit Before Tax Less non operating Income/(Loss))*	345.18	57.23	953.50	660.96
Sales: Software Packages & Services	2697.32	2,349.92	8078.76	6,206.12
Operating Margin	12.80%	2.44%	11.80%	10.65%

*Includes Forex Gain/(Loss)

4. 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	Current Year	Previous Year
Production	4,220	3,692
Support	347	373
Total	4,567	4,065

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, 2012 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 quarter 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 23, 2012



Transforming Geometric

Geometric Limited

Consolidated Financial Statements
for the year ended March 31, 2012

Regd. Office :

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



Auditors' Report on the Consolidated Financial Statements of Geometric Limited and its Subsidiaries

The Board of Directors

Geometric Limited

1. We have audited the attached Consolidated Balance Sheet of Geometric Limited (the Company) and its subsidiaries (collectively referred to as 'the Geometric Group') as at March 31, 2012, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, both annexed thereto. These consolidated financial statements are the responsibility of the Company's Management and have been prepared by the Management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the consolidated financial statements of certain subsidiaries, whose financial statements reflect the Group's share of total assets of ₹ 24,826 lakhs as at March 31, 2012, the Group's share of total revenues of ₹ 56,089 lakhs and the Group's share of net cash flows amounting to ₹ 729 lakhs for the year then ended. These financial statements of subsidiaries have been audited by other auditors whose reports have been furnished to us and our opinion, insofar as it relates to the amounts included in respect of those subsidiaries, is based solely on the report of the other auditors.
4. One subsidiary whose financial statements reflect the Group's share of total assets of ₹ 18.87 lakhs as at March 31, 2012, has not been audited and has been considered in the consolidated financial statements based solely on the unaudited separate financial statements certified by the Management.
5. We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements prescribed by the Companies (Accounting Standards) Rules, 2006.
6. Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of Geometric Limited and its aforesaid subsidiaries, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached 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 consolidated state of affairs of the Geometric Group as at March 31, 2012;
 - (b) in the case of the Consolidated Statement of Profit and Loss, of the consolidated profit of the Geometric Group for the year ended on that date; and
 - (c) in the case of the Consolidated Cash Flow Statement, of the consolidated cash flows of the Geometric Group for the year ended on that date.

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

Viraf R. Mehta
 Partner
 M. No. 32083

Mumbai, June 4, 2012

**Consolidated Balance Sheet as at March 31, 2012**

(Amount in ₹)

	Note	As at March 31, 2012	2011
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	5	125,340,630	124,851,140
Reserves And Surplus	6	1,740,172,506	2,052,867,939
		1,865,513,136	2,177,719,079
Share Application Money	7	386,568	234,860
Minority Interest		541,138,308	384,094,693
Non-Current Liabilities			
Deferred Tax Liabilities (Net)	8	-	30,397,789
Other Long-Term Liabilities	9	444,206,206	40,890,952
Long-Term Provisions	10	13,735,000	8,180,000
		457,941,206	79,468,741
Current Liabilities			
Short-Term Borrowings	11	674,583,259	44,619,476
Trade Payables	12	86,314,057	30,424,626
Other Current Liabilities	13	1,090,918,278	583,318,160
Short-Term Provisions	14	198,663,217	181,370,659
		2,050,478,811	839,732,921
TOTAL		4,915,458,029	3,481,250,294
ASSETS			
Non-Current Assets			
Fixed Assets	15		
Tangible Assets		732,342,251	680,795,197
Intangible Assets		145,005,495	164,717,929
Capital Work-in-Progress		14,111,962	1,639,075
Non-Current Investments	16	-	-
Deferred Tax Asset (Net)	17	38,216,142	-
Long-Term Loans And Advances	18	200,538,174	136,445,041
Other Non-Current Assets	19	6,953,814	26,815,205
		1,137,167,838	1,010,412,447
Current Assets			
Current Investments	20	695,620,325	138,517,535
Trade Receivables	21	1,445,051,430	1,183,491,619
Cash and Bank Balances	22	561,651,122	108,707,449
Short-Term Loans and Advances	23	568,435,094	499,972,504
Other Current Assets	24	507,532,220	540,148,740
		3,778,290,191	2,470,837,847
TOTAL		4,915,458,029	3,481,250,294

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, June 4, 2012

For and on behalf of the Board

J. N. Godrej
Chairman

Mumbai, April 23, 2012

Manu Parpia
Managing Director & Ceo

Maria Monserrate
Company Secretary

Milind Sarwate
Director

Arvind Kakar
Chief Finance Officer



Consolidated Statement of Profit and Loss for the year ended March 31, 2012

(Amount in ₹)

	Note	Year ended March 31,	
		2012	2011
REVENUE			
Revenue from operations	25	8,078,856,022	6,206,122,682
Other Income	26	162,900,112	235,827,267
TOTAL REVENUE		8,241,756,134	6,441,949,949
EXPENSES			
Employee Benefit Expenses	27	5,389,677,020	4,154,772,494
Other Expenses	28	1,542,302,331	1,340,652,662
Finance Costs	29	24,831,069	9,875,386
Depreciation and amortisation Expense	30	269,659,482	235,458,748
TOTAL EXPENSES		7,226,469,902	5,740,759,290
PROFIT BEFORE TAX		1,015,286,232	701,190,659
Tax Expense	31		
Current Tax		348,055,078	17,146,283
Deferred Tax		(62,370,403)	1,260,559
Prior Year Tax Adjustment		(7,479,143)	(1,280,514)
		278,205,532	17,126,328
PROFIT AFTER TAX AND BEFORE PRIOR PERIOD ADJUSTMENTS		737,080,700	684,064,331
Prior Period Adjustments		(3,818,321)	(530,031)
PROFIT AFTER TAX AND BEFORE MINORITY INTEREST		733,262,379	683,534,300
Minority Interest in net profit of Subsidiaries		(141,684,680)	(108,326,584)
PROFIT FOR THE PERIOD		591,577,699	575,207,716
EARNINGS PER EQUITY SHARE	32		
(Nominal value Per share ₹ 2 (March 31, 2011: ₹ 2))			
Basic		9.45	9.24
Diluted		9.39	9.15

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, June 4, 2012

For and on behalf of the Board

J. N. Godrej

Chairman

Mumbai, April 23, 2012

Manu Parpia

Managing Director & Ceo

Maria Monserrate

Company Secretary

Milind Sarwate

Director

Arvind Kakar

Chief Finance Officer

Consolidated Cash Flow Statement for the year ended March 31, 2012

(Amount in ₹)

	Year ended March 31,	
	2012	2011
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit Before Tax	1,015,286,232	701,190,659
Adjustment for:		
Depreciation	269,659,482	235,458,748
(Profit)/ Loss on Assets Sold/written off	(469,686)	5,928,579
(Profit)/ Loss on Sale of Investments	(392,256)	(205,847)
Interest Expense	24,831,069	9,875,386
Interest Income	(3,719,685)	(4,327,411)
Dividend Income	(27,587,087)	(8,290,633)
Unrealised Foreign Exchange loss/(gains)	(54,717,750)	(2,972,940)
	207,604,087	235,465,882
Operating Profit Before Working Capital Changes	1,222,890,319	936,656,541
Working Capital Changes:		
Trade and Other Receivables	(181,430,872)	(253,894,894)
Long Term/Short Term Loans and advances	(741,206,382)	45,029,606
Other Current/ Non-Current Assets	55,561,696	(114,848,459)
Trade Payables	44,137,477	(64,714,919)
Long-Term/Short-Term Provisions	(6,628,583)	45,742,404
Other Current /Non-Current Liabilities	504,837,475	26,000,312
	(324,729,189)	(316,685,950)
Cash Generated from Operations	898,161,130	619,970,591
Income Taxes Paid	(167,508,785)	(199,694,316)
Net Cash from Operating Activities before Prior Period Adjustments	730,652,345	420,276,275
Prior Period Adjustments	(3,818,321)	(530,031)
Net Cash from/(used in) Operating Activities	726,834,024	419,746,244
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	(281,771,401)	(233,859,321)
Proceeds from Sale of Fixed Assets	4,015,894	2,254,006
Purchase of Investments	(4,494,278,404)	(3,606,411,002)
Proceeds from Sale/Redemption of Investments	3,937,567,870	3,635,074,826
Dividend Received	27,587,087	8,290,633
Interest received	5,478,761	4,410,810
Net Cash (used in)/from Investing Activities	(801,400,193)	(190,240,048)
<i>Balance carried forward</i>	(74,566,169)	229,506,196



Consolidated Cash Flow Statement for the year ended March 31, 2012

	(Amount in ₹)	
	Year ended March 31,	
	2012	2011
<i>Balance Brought Forward</i>	(74,566,169)	229,506,196
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Share application money received	151,708	234,860
Proceeds from Issue of Share Capital	5,061,139	7,923,654
Borrowings from Bank	833,225,005	681,776,921
Repayment of Bank Borrowings	(203,261,984)	(822,457,429)
Interest Paid	(24,831,069)	(9,875,386)
Dividend Paid	(111,347,028)	(118,479,785)
Dividend Tax Paid	(19,610,407)	(37,669,119)
Net Cash used in Financing Activities	479,387,364	(298,546,284)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	404,821,195	(69,040,088)
CASH AND CASH EQUIVALENTS:		
AT THE BEGINNING OF THE PERIOD		
Cash and Bank Balances	101,959,943	171,000,031
Add : Cash and Bank taken over on acquisition of subsidiary	50,539,908	-
	152,499,851	171,000,031
CASH AND CASH EQUIVALENTS:		
AT THE END OF THE PERIOD		
Cash and Bank Balances	555,001,986	94,044,421
Effect of exchange rate changes	2,319,060	7,915,522
	557,321,046	101,959,943
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	404,821,195	(69,040,088)
COMPONENTS OF CASH AND CASH EQUIVALENTS		
Cash in hand	620,038	93,901
With Banks	546,291,764	86,353,534
Remittance in Transit	10,409,244	15,512,508
Cash & Cash Equivalents considered for Cash flow	557,321,046	101,959,943

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, June 4, 2012

For and on behalf of the Board

J. N. Godrej
Chairman

Manu Parpia
Managing Director & Ceo

Milind Sarwate
Director

Maria Monserrate
Company Secretary

Arvind Kakar
Chief Finance Officer

Mumbai, April 23, 2012

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.

While the revised Schedule VI has been prescribed in the context of standalone financial statements prepared under the Act, it would apply equally to consolidated financial statements. This is due to the requirement of AS 21, Consolidated Financial Statements that consolidated financial statements should be presented, to the extent possible, in the same format as adopted for the parent's standalone financial statements. Thus, the consolidated financial statements have also been prepared under revised Schedule VI.

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	3-5
Electrical Installation	8
Office Equipment	3-13
Furniture and Fixtures	3-10
EPABX Systems	10
Vehicles	10
Software	3-5

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 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 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.



Notes to Consolidated Financial Statements (Contd.)

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.

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 into 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 are their respective local currency.

On consolidation of Foreign subsidiary, revenue items except depreciation, are translated into Rupees at average rate. Monetary items are translated into Rupees using the closing rate. Non-monetary items are translated using the exchange rate at the date of the transaction. Fixed assets are translated using the rate at the date of the transaction. The net exchange difference resulting from the translation of items in financial statements of the foreign subsidiary are recognised as income or expense for the period.

(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:

Revenue items, except depreciation, are translated into Rupees at average rate. Monetary items are translated into Rupees using the closing rate. Non-monetary items are translated using the exchange rate at the date of the transaction. Fixed assets are translated using the rate at the date of the transaction. The net exchange difference resulting from the translation of items in financial statements of the foreign subsidiary are recognised as income or expense for the period.

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.

Notes to Consolidated Financial Statements (Contd.)

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 recognised directly under Shareholder’s Funds in the Hedging Reserve and the ineffective portion is recognised 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 recognised 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 recognised 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 recognised in the Hedging Reserve is transferred to the statement of Profit and Loss for the year.

i) Revenue Recognition:

Revenue is recognised 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 recognised 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 recognised 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 and Deferred Revenue included in current liabilities represents billing in excess of revenue recognised.

Products:

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

Others:

Interest income is recognised on time proportion basis. Dividend income is recognised 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 capitalised 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 unamortised balance is charged to revenue. If the usage of software is discontinued, its unamortised 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 categorised as ‘Standard Software Development Tools’, is written off as and when incurred. Software categorized as ‘Standard Software Development



Notes to Consolidated Financial Statements (Contd.)

Tools' is capitalised and depreciated over a period of three years.

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

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:

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, leave encashment etc., are recognised 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.

Notes to Consolidated Financial Statements (Contd.)

ii) Post Employment benefits:

(1) 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.

(2) 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.

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 unrealised 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



Notes to Consolidated Financial Statements (Contd.)

and fellow subsidiaries is recognised in the financial statements as goodwill or capital reserve.

The subsidiary companies considered in the consolidated financial statements are

Name of the subsidiary	Country of Incorporation or Residence	Proportion of Ownership Interest
Geometric Asia Pacific Pte. Ltd.	Singapore	100%
Geometric China Inc. (subsidiary of Geometric Asia Pacific Pte. Ltd.)	China	100%
3D PLM Software Solutions Ltd.	India	58%
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 Europe GmbH	Europe	100%

3. SCHEME OF AMALGAMATION

The High Court at Bombay, by its Order dated April 8, 2011, had approved the proposed Scheme of Amalgamation ('the Scheme') between Somero Enterprises Inc. ('Somero' or 'Transferor Company') and 3D PLM Software Solutions (or the 'Company' or 'Transferee Company') ['The Scheme']. The Foreign Investment Promotion Board vide its letter dated May 11, 2011 had approved issue and allotment of Equity Shares of the Company to the shareholders of Somero pursuant to the Merger.

Since, all approvals under the Scheme were received, the "Effective Date" and "Appointed Date", as defined in the Scheme is July 1, 2011. The Accounting for Amalgamation is done using "Pooling of Interest Method".

Pursuant to the Scheme, the Company has 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.

Based on the combined reading of the High Court order and AS 14, the Company has recorded equity shares of

₹ 10 each issued to Dassault Systemes Delmia Corp at fair value of ₹ 1,152, determined as per the valuation report obtained by the Company at (comprising of face value of ₹ 10 and securities premium of ₹ 1,142). 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.

Further, the Company has recorded assets and liabilities taken over of ₹ 7,558,217 at book value and reserves taken over of ₹ 7,111,017.

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 has been adjusted against the reserves in the books of accounts of the Company as follows:

₹ 223,150,000 against General reserve account

₹ 83,104,245 against Balance in Profit and Loss Account.

4. PROPOSED MERGER OF DELMIA SOLUTIONS PRIVATE LIMITED WITH 3D PLM SOFTWARE SOLUTIONS LTD.

The Board of directors have approved the proposal for amalgamation of Delmia Solutions Private Limited (wholly owned subsidiary of the Company) with the Company as per the resolution dated April 20, 2012. The proposed merger is envisaged under the provisions of Sections 391 to 394 and other applicable provisions of the Companies Act, 1956, and is subject to requisite approvals of the concerned persons and other regulatory and statutory approvals including approvals required under applicable law relating to the Company.

The proposed merger shall be operative from April 1, 2012 ('the appointed date') and shall be effective from date on which certified copies of orders sanctioning the Scheme of Amalgamation passed by the High Court, or such other competent authority; as may be applicable; are filed with the Registrar of Companies- Karnataka and Maharashtra, whichever is later. The accounting for merger will be done in accordance with "the Pooling of Interest Method" referred to in Accounting Standard 14 – Accounting for Amalgamation.

Notes to Consolidated Financial Statements (Contd.)

(Amount in ₹)

		As at March 31,	
		2012	2011
5	SHARE CAPITAL		
	AUTHORISED:		
80,000,000	Equity shares (previous year		
80,000,000	equity shares) of ₹ 2/- each	160,000,000	160,000,000
	ISSUED, SUBSCRIBED AND PAID UP:		
62,670,315	Equity shares of ₹ 2/- each (previous year		
62,425,570	equity shares of ₹ 2/- each) fully paid-up.	125,340,630	124,851,140
		125,340,630	124,851,140

Notes:

a) Reconciliation of Shares:

	No's March 31, 2012	No's March 31, 2011
At the beginning of period (No.'s)	62,425,570	62,114,350
Add: Issued during the period -ESOPs (No.'s)	244,745	311,220
At end of the period (No.'s)	62,670,315	62,425,570

	Amount in ₹	
	March 31, 2012	March 31, 2011
At the beginning of period (₹ 2 Per Share)	124,851,140	124,228,700
Add: Issued during the period -ESOPs (₹ 2 Per Share)	489,490	622,440
At end of the period (₹ 2 Per Share)	125,340,630	124,851,140

b) Right/terms attached to Equity Shares:

The Company has only one class of equity shares having a 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 approval of share holders 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 share capital:

Name of Shareholder	As on March 31,	
	No. of Shares	(% Holding)
	2012	2011
Godrej and Boyce Mfg. Co. Ltd.	11,275,000	11,275,000
	(17.99)	(18.06)
Godrej Investments Pvt. Ltd.	7,579,008	7,579,008
	(12.09)	(12.14)
Manu M. Parpia	4,292,925	4,242,925
	(6.85)	(6.80)
Rakesh Radheshyam Jhunjhunwala	4,310,000	3,440,000
	(6.88)	(5.51)
IDBI Trusteeship Services Limited (India)	3,867,075	3,867,075
	(6.17)	(6.20)

d) Share reserved for issue under options:

Refer Note No. 34 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,	
	2012	2011
6. RESERVES AND SURPLUS		
SECURITIES PREMIUM ACCOUNT		
As per last Financial Statements	11,912,980	4,611,766
Add: Premium on shares allotted - ESOPs	4,571,649	7,301,214
Add: Premium on Shares issued by Subsidiary under the Scheme of Amalgamation	176,343,110	-
	192,827,739	11,912,980
GENERAL RESERVE		
As per last Financial Statements	254,555,000	192,655,000
Add: Transfer from Profit and Loss Account	41,488,000	61,900,000
Add: Adjustment under the Scheme of Amalgamation	(137,578,065)	-
	158,464,935	254,555,000
HEDGING RESERVE		
As per last Financial Statements	124,856,234	200,357,311
Add: Fair value loss from forward currency contracts during the period	(711,846,244)	(75,501,077)
	(586,990,010)	124,856,234
FOREIGN CURRENCY TRANSLATION RESERVE		
As per last Financial Statements	7,867,866	6,081,230
Add: Amount recognised during the year	(8,960,070)	1,786,636
	(1,092,204)	7,867,866
CAPITAL REDEMPTION RESERVE		
As per last Financial Statements	-	-
Add: On Acquisition of Subsidiary	580,000	-
	580,000	-
CAPITAL RESERVE		
As per last Financial Statements	-	-
Add: On Acquisition of Subsidiary	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 Sections 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	1,604,315,963	1,201,941,520
Add: Net Profit/(Loss) for the year	591,577,699	575,207,716
Add: Reversal of excess provision for dividend distribution tax of previous years	12,152,386	-
Less: Adjustment on Acquisition of Subsidiary	103,795,109	-
Less: Appropriations		
Final Dividend	171,144	-
Proposed Dividend on equity shares	100,272,504	74,910,684
Corporate Dividend Tax paid by Subsidiary	19,610,407	25,630,623
Dividend Tax on proposed dividend	16,266,707	10,391,966
Transfer (from)/to General Reserve	41,488,000	61,900,000
	1,926,442,177	1,604,315,963
TOTAL	1,740,172,506	2,052,867,939

Notes to Consolidated Financial Statements (Contd.)

7. SHARE APPLICATION MONEY

Share application money received as on March 31, 2012 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-2009	386,568	47.20	8,190	16,380	370,188

8. DEFERRED TAX LIABILITIES (NET)

(Amount in ₹)

	As at March 31,	
	2012	2011
Deferred Tax Liability		
Depreciation on Fixed Assets	-	49,103,362
Deferred Tax Asset		
Provision for Employee Benefits	-	(11,280,777)
Provision for Doubtful Debts	-	-
Provision for Doubtful Advances	-	(7,424,796)
	-	(18,705,573)
TOTAL	-	30,397,789

9. OTHER LONG TERM LIABILITIES

Deferred Revenue	70,763,188	40,890,952
Liability for mark to market loss on derivative contracts	373,443,018	-
TOTAL	444,206,206	40,890,952

10. LONG-TERM PROVISIONS

Provision for Employee benefits		
- Long Service Bonus	13,735,000	8,180,000
TOTAL	13,735,000	8,180,000



Notes to Consolidated Financial Statements (Contd.)

	(Amount in ₹)	
	As at March 31, 2012	2011
11. SHORT-TERM BORROWINGS		
Short term loan from banks -Secured	674,583,259	44,619,476
(Secured by a pari-passu charge on book debts of the Company, both present and future).		
TOTAL	674,583,259	44,619,476
12. TRADE PAYABLES		
- Dues to Small & Micro Enterprises	108,386	41,595
- Dues to Other Creditors	86,205,671	30,383,031
TOTAL	86,314,057	30,424,626
13. OTHER CURRENT LIABILITIES		
Advance Billing to Customers and Deferred Revenue	25,845,702	9,448,870
Advance from Customer	63,630,465	98,266,099
Accrued Expenses	497,502,867	366,002,391
Statutory Liabilities	66,665,843	61,929,117
Other Liabilities	64,522,313	44,651,570
Liability for mark to market loss on derivative contracts	369,606,269	-
Unclaimed Dividends*	3,144,819	3,020,113
TOTAL	1,090,918,278	583,318,160
*The amount of Unclaimed Dividend reflects the position as at March 31, 2012. During the year, the Company has transferred an amount of ₹ 255,447 (Previous year ₹ 216,472); 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	30,616,032	51,322,323
- Compensated absences	51,507,974	42,985,266
Others		
- Proposed Dividend	100,272,504	74,910,684
- Tax on dividend	16,266,707	12,152,386
TOTAL	198,663,217	181,370,659

Notes to Consolidated Financial Statements (Contd.)

15 FIXED ASSETS

ASSET	GROSS BLOCK			DEPRECIATION/AMORTISATION			NET BLOCK				
	As on April 1, 2011	Acquisitions	Additions	Disposals	As on March 31, 2012	Upto April 1, 2011	Acquisitions For the Year	On Disposals	Upto March 31, 2012	As At March 31, 2012	As At March 31, 2011
Tangible Assets:											
-Leasehold Land	50,835,089	-	-	-	50,835,089	7,890,221	-	-	11,672,108	39,162,981	42,944,868
-Buildings	263,633,731	2,169,480	31,657,040	525,740	296,934,511	56,751,221	1,513,687	16,201,334	74,453,628	222,480,883	206,882,510
-Leasehold Improvement*	14,056,461	31,293,337	1,235,478	31,293,337	15,291,939	6,138,060	31,293,337	3,197,392	9,335,452	5,956,487	7,918,401
-Computers	726,434,793	71,541,193	122,047,952	117,918,492	802,105,446	574,346,415	63,389,446	115,275,320	635,155,226	166,950,220	152,088,378
-Electrical Installations	196,555,537	-	15,698,782	-	212,254,319	104,165,389	-	16,176,573	120,341,962	91,912,357	92,390,148
-Office Equipment and EPABX System*	82,274,619	14,601,305	26,469,003	10,928,262	112,416,665	36,098,912	12,393,414	6,777,533	44,982,668	67,433,997	46,175,707
-Furniture and Fixtures*	264,223,137	2,365,908	9,385,530	2,198,024	273,776,551	131,827,952	1,645,081	18,420,642	150,169,841	123,606,710	132,395,185
-Vehicles	1,000	38,814,871	-	8,567,336	30,248,535	1,000	17,320,854	4,800,117	6,712,052	14,838,616	-
Intangible Assets:											
- Computer Software	417,086,453	3,456,402	62,804,729	-	483,347,584	300,342,287	3,456,401	71,432,217	375,230,905	108,116,679	116,744,166
-Goodwill	60,889,053	-	2,511,520	-	63,400,573	12,915,290	13,596,467	-	26,511,757	36,888,816	47,973,763
TOTAL	2,075,989,873	164,242,496	271,810,034	171,431,191	2,340,611,212	1,230,476,747	131,012,220	269,659,482	1,463,263,466	877,347,746	-
As at March 31, 2011	2,007,225,199	-	232,676,055	163,911,381	2,075,989,873	1,150,746,812	-	235,458,748	1,230,476,747	-	845,513,126
Capital Work-in-Progress										14,111,962	1,639,075
TOTAL										891,459,708	847,152,201

Note: a) Accumulated depreciation for Computer Software includes provision for impairment of ₹ 8,630,600 adjusted in the Investment Re-Organisation Reserve during the year 2008-09 as per the Scheme of Arrangement.

b) There are no adjustments to the fixed assets on account of borrowing cost and exchange differences during the year.

c) Disposal includes transfer to assets* held for sale/discontinuing operations



Notes to Consolidated Financial Statements (Contd.)

	(Amount in ₹)	
	As at March 31,	
	2012	2011
16. NON-CURRENT INVESTMENTS		
Trade Investments (Valued at cost, unless otherwise stated)		
Unquoted Equity Instruments-Fully paid		
1,410,176 (March 31, 2011 : 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 dimunition ₹ 30,959,151 (March 31, 2011: ₹ 30,959,151)		
	-	-
Aggregate amount of quoted Investments	-	-
Aggregate amount of unquoted Investments	30,959,151	30,959,151
Aggregate amount of provision for dimunition in value of Investments	(30,959,151)	(30,959,151)

	(Amount in ₹)	
	As at March 31,	
	2012	2011
17. DEFERRED TAX ASSET (NET)		
Deferred Tax Liability		
a) Depreciation on Fixed Assets	(17,456,049)	-
Deferred Tax Asset		
a) Provision for Bonus	14,711,462	-
b) Provision for Employee Benefits	17,461,729	-
c) Provision for Doubtful Debts	-	-
d) Provision for Doubtful Advances	23,499,000	-
	55,672,191	-
TOTAL	38,216,142	-

18. LONG-TERM LOANS AND ADVANCES		
Unsecured, Considered Good		
Security Deposits	185,206,559	133,894,545
Other loans and advances		
- Prepaid Expenses	15,331,615	2,550,496
TOTAL	200,538,174	136,445,041

19. OTHER NON-CURRENT ASSETS		
Long-term deposits with banks with original maturity period more than 12 months*	6,953,814	-
Mark to market gain receivable on derivative contracts	-	26,815,205
TOTAL	6,953,814	26,815,205
* of the above held as lien by bank against bank guarantees	2,772,537	291,061

Notes to Consolidated Financial Statements (Contd.)

(Amount in ₹)

	As at March 31,	
	2012	2011
20. CURRENT INVESTMENTS		
Investment In Mutual Funds -Unquoted (At lower of cost and fair value)	695,620,325	138,517,535
TOTAL	695,620,325	138,517,535
Aggregate amount of quoted Investments	-	-
Aggregate amount of unquoted Investments	695,620,325	138,517,535
Aggregate amount of provision for dimunition in value of Investments	-	-
21. 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	143,558,446	50,340,610
	145,215,260	50,340,610
Provision for doubtful receivables	(143,558,446)	(50,340,610)
	(A) 1,656,814	-
Other receivables		
Considered good	1,443,394,616	1,183,491,619
Doubtful	1,256,662	-
	1,444,651,278	1,183,491,619
Provision for doubtful receivables	(1,256,662)	-
	(B) 1,443,394,616	1,183,491,619
TOTAL	1,445,051,430	1,183,491,619
22. CASH & BANK BALANCES		
Cash and Cash equivalents		
- Cash on Hand	620,038	93,901
- Remittances in Transit	10,409,244	15,512,508
Banks Balances		
- On Current Accounts	531,812,171	81,022,473
- Deposit with original maturity less than 3 months	14,479,593	5,331,061
Other Bank Balances		
- Balance with banks in Deposit Account with maturity more than 3 months but less than 12 months*	1,174,266	3,716,402
Unpaid Dividend Accounts	3,155,810	3,031,104
TOTAL	561,651,122	108,707,449
* of the above held as lien by bank against bank guarantees	141,578	2,614,500



Notes to Consolidated Financial Statements (Contd.)

(Amount in ₹)

	As at March 31,	
	2012	2011
23. SHORT-TERM LOANS AND ADVANCES		
(Unsecured – Considered good, unless otherwise stated)		
Advances recoverable in cash or in kind		
Considered good	167,784,555	101,670,881
Doubtful	1,403,850	4,262,462
	169,188,405	105,933,343
Provision for Doubtful Advances	(1,403,850)	(4,262,462)
	167,784,555	101,670,881
Other Loans and Advances		
- Prepaid Expenses	59,779,141	46,035,944
Advances to employees		
Considered good	10,818,579	8,579,102
Doubtful	4,133,669	3,046,622
	14,952,248	11,625,724
Provision for Doubtful Advances	(4,133,669)	(3,046,622)
	10,818,579	8,579,102
Balances with Excise Authorities		
Considered good	52,744,652	49,891,951
Doubtful	15,632,000	14,000,000
	68,376,652	63,891,951
Provision for Doubtful Advances	(15,632,000)	(14,000,000)
	52,744,652	49,891,951
Advance Income Tax (Net of Provision for Tax ₹ 788,895,335, previous year ₹ 279,158,980)	277,308,167	293,794,626
TOTAL	568,435,094	499,972,504
24. OTHER CURRENT ASSETS		
Interest Accrued		
- Interest Accrued on Fixed Deposits with Bank	1,962,801	1,896,231
Unbilled Revenue	504,443,364	419,091,588
Mark to Market gain receivable on derivative contracts	-	119,160,921
Assets held for disposal	973,470	-
Other Assets	152,585	-
TOTAL	507,532,220	540,148,740

Notes to Consolidated Financial Statements (Contd.)

(Amount in ₹)

	Year ended March 31,	
	2012	2011
25. REVENUE FROM OPERATIONS		
Sale of Products	401,493,434	361,335,546
Sale of Services	7,634,973,105	5,798,136,632
Others	42,389,483	46,650,504
TOTAL	8,078,856,022	6,206,122,682
Details of Product Sold:		
Desktop Products	401,493,434	361,335,546
	401,493,434	361,335,546
Details of Services Rendered:		
Onsite Software Services	3,132,143,225	2,415,854,991
Offsite Software Services	743,264,090	671,989,429
Offshore Software Services	3,759,565,790	2,710,292,212
	7,634,973,105	5,798,136,632
Details of Other Operating Revenue		
Royalty Income	3,761,024	3,178,634
Reimbursement of Hardware	38,628,459	43,471,870
	42,389,483	46,650,504
26. OTHER INCOME		
Dividends on current investments	27,587,087	8,290,633
Interest on Advances and Deposits (Gross)	3,719,685	4,327,411
Rent Received	88,000	86,206
Profit on Sale of current Investments (Net)	392,256	205,847
Provision for Doubtful Debts and Advances written back	-	16,717,151
Profit on Sale of Assets (Net)	469,686	-
Gain on foreign exchange transactions (Net)	104,925,893	196,121,106
Miscellaneous Income	25,717,505	10,078,913
TOTAL	162,900,112	235,827,267
27. EMPLOYEE BENEFIT EXPENSES		
Salaries, Bonus and Allowances	5,011,200,211	3,841,639,348
Contribution to Provident and Other Funds (Refer Note 33)	134,460,632	102,532,615
Gratuity Expense (Refer Note 33)	33,031,992	46,211,502
Staff Welfare Expenses	210,984,185	164,389,029
TOTAL	5,389,677,020	4,154,772,494



Notes to Consolidated Financial Statements (Contd.)

	(Amount in ₹)	
	Year ended March 31,	
	2012	2011
28. OTHER EXPENSES		
Software Tools and Packages	90,770,004	54,565,256
Electricity Expenses	87,484,654	72,915,640
Rates and Taxes	27,574,586	9,816,232
Rent and Service Charges	289,070,844	257,436,472
<i>Repairs and Maintenance</i>		
Computers	18,601,180	17,137,121
Buildings	1,312,645	3,103,807
Others	15,111,284	17,116,155
	35,025,109	37,357,083
Insurance	14,552,238	12,321,524
Travelling and Conveyance Expenses	232,987,614	224,629,975
Computer Rental Charges	89,352,318	81,818,307
Communication Expenses	39,195,483	52,449,838
Legal and Professional Charges	307,617,252	213,449,635
Auditor's Remuneration (Refer Note 36)	15,892,271	10,262,462
Advertising and Publicity	16,394,623	18,973,779
Staff Recruitment Expenses	35,960,092	52,820,210
Royalty	77,278,140	76,640,385
Sales and Marketing Expenses	67,127,484	61,035,321
Commission to Non-Executive Directors	7,200,000	8,240,000
Directors' Sitting Fees	940,000	1,010,000
Loss on Assets sold/written off	-	5,928,579
Provision for Doubtful Debts and Advances	96,930,537	-
Miscellaneous Expenses	77,198,141	62,958,897
Bad Debts writtenoff	9,294,921	28,144,062
	1,617,846,311	1,342,773,657
Reimbursement from Customers	(75,543,980)	(2,120,995)
TOTAL	1,542,302,331	1,340,652,662

Notes to Consolidated Financial Statements (Contd.)

(Amount in ₹)

	Year ended March 31,	
	2012	2011
29. FINANCE COSTS		
Interest on bank loans	6,232,706	3,266,410
Other Interest	9,639,420	801,645
Bank Charges	8,958,943	5,807,331
TOTAL	24,831,069	9,875,386
30. DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation on Tangible assets	85,101,835	70,515,327
Depreciation on Intangible assets	184,557,647	164,943,421
TOTAL	269,659,482	235,458,748
31. CURRENT TAX		
Current Tax	348,055,078	103,432,112
MAT Credit Entitlement	-	(86,285,829)
TOTAL	348,055,078	17,146,283
32. EARNINGS PER EQUITY SHARE		
a) Net Profit after tax	591,577,699	575,207,716
b) Number of Equity Shares:		
As at the commencement of the period	62,425,570	62,114,350
Issued during the period	244,745	311,220
As at the end of the period	62,670,315	62,425,570
Weighted Average Number of Equity Shares during the year:		
Basic	62,598,694	62,251,210
Diluted	63,001,627	62,867,372
c) Earning per Equity Share of ₹ 2/- each		
Basic	9.45	9.24
Diluted	9.39	9.15



Notes to Consolidated Financial Statements (Contd.)

33. 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,	
	2012	2011
Defined Contribution Plans:		
Employer's Contribution to Provident Fund	134,460,632	102,532,615
Contribution to Superannuation Fund	33,031,992	46,211,502
Contribution to Pension Fund*	30,648,836	24,510,410
	198,141,460	173,254,527

* As per Audited financials of Geometric Asisa 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.)

EMPLOYEE BENEFITS (Contd...)

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

	(Amount in ₹)	
	Year ended March 31,	
	2012	2011
i) Present Value of Obligation		
Present value of the obligation at the beginning of the Year	151,326,742	85,994,906
Current Service Cost	34,590,035	29,539,768
Interest Cost	10,844,748	6,425,325
Past Service cost		18,813,308
Actuarial (Gain) / Loss on Obligation	(5,898,936)	10,363,716
Benefits Paid	(24,628,257)	-
Present value of the obligation at the end of the year	166,234,332	151,137,023
ii) Fair value of Plan Assets		
Fair value of Plan Assets at the beginning of the year	100,067,307	63,042,821
Expected return on Plan Assets	8,742,633	5,192,643
Actuarial Gain/(Loss) on Plan Assets	(27,098)	5,155,672
Contributions by the Employer	51,762,323	17,841,264
Benefits Paid	(24,628,257)	(14,110,818)
Fair value of Plan Assets at the end of the year	135,916,908	77,121,582
iii) Amounts Recognised in the Balance Sheet:		
Present value of Obligation at the end of the year	166,234,332	128,443,905
Fair value of Plan Assets at the end of the year	135,916,908	77,121,582
Net Obligation at the end of the year	(30,317,424)	(51,322,323)
iv) Amounts Recognised in the statement of Profit and Loss:		
Current Service Cost	34,590,035	29,539,768
Interest cost on Obligation	10,844,748	6,425,325
Past Service Cost		18,813,308
Expected return on Plan Assets	(8,742,633)	(5,192,643)
Net Actuarial (Gain)/Loss recognised in the year	(5,871,838)	(3,374,256)
Net Cost Included in Employee Benefits Expense	30,820,312	46,211,502
v) Actual return on Plan Assets		
Expected return on Plan Assets	8,742,633	5,192,643
Actuarial Gain/(Loss) on Plan Assets	4,540,107	5,155,672
	13,282,740	10,348,315
vi) Actuarial Assumptions		
i) Discount Rate	8.50% P.A.	8.00% to 8.10% P.A.
ii) Expected Rate of Return on Plan Assets	8.00% to 8.50% P.A.	8.00% P.A.
iii) Salary Escalation Rate	6.00% to 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)	8.68	8.67



Notes to Consolidated Financial Statements (Contd.)

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	77%	77%
Investments with HDFC	22%	22%
Investments with Employees Trust	1%	1%
Others	-	-
Total	100%	100%
viii) Expected Contribution to the fund in next year	30,317,424	51,322,323

e) Amounts Recognised in the current years and previous four years

Experience History	(Amount in ₹)			
	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009
Present Value of Obligation	166,234,332	128,443,905	85,994,906	75,830,122
Plan Assets	135,916,908	77,121,582	63,042,821	54,288,640
Surplus (Deficit)	(30,317,424)	(51,322,323)	(22,952,085)	(21,541,482)
Experience adjustment on plan Liabilities (loss)/gain	(337,161)	4,291,150	1,786,320	(4,089,922)
Experience adjustment on plan assets (loss)/gain	744,623	438,676	(4,094,408)	1,893,952

Note: Corresponding amounts for the year ended March 31, 2008 are not available in the Actuary's report and have not been disclosed.

Notes to Consolidated Financial Statements (Contd.)

34. 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	1,746,850
5	Options Vested	45,000	72,870	125,000	236,145	-
6	Options Exercised	-	479,900	-	76,065	-
7	Options Forfeited / Surrendered (Note a)	1,782,500	462,750	-	127,560	76,500
8	Options Unexercised	90,000	174,300	250,000	396,375	1,670,350
9	Options Lapsed	-	-	-	-	-
10	Total Number of Options in force	90,000	174,300	250,000	396,375	1,670,350
11	Variation in terms of ESOP	NA	NA	NA	NA	NA
12	Total Number of Shares arising as a result of Exercise of Options	-	479,900	-	76,065	-
13	Money realised by exercise of Options (₹ in Lakhs)	-	93.95	-	35.90	-

Notes :

- The surrendered options can be reissued as per the terms of Scheme 2006, 2009, 2009- (Directors & 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 Consolidated Financial Statements (Contd.)

35. 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, 2012 and 2011.

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:

Particulars	(Amount in ₹)	
	Year ended 2012	March 31, 2011
1. Lease Rentals paid during the period	333,721,818	288,474,745
2. Future Lease Obligations		
- Due within one year	323,232,741	256,823,543
- Due between One year and Five years	439,528,116	358,698,051
- Due after Five years	Nil	Nil

37. SEGMENT RESULTS

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

Particulars	(Amount in ₹)	
	Year ended 2012	March 31, 2011
A. Segment Revenue		
Products	424,011,901	404,911,828
Software Services	4,479,507,300	3,575,488,677
Engineering Services	3,175,336,820	2,225,722,172
Total	8,078,856,022	6,206,122,677
Less: Inter Segment Revenue	-	-
Net Revenue from Operations	8,078,856,022	6,206,122,677
B. Segment Results		
Products	192,630,291	134,003,172
Software Services	1,544,619,363	999,428,641
Engineering Services	517,857,238	483,248,466
Total	2,255,106,892	1,616,680,279
Less: (a) Interest	24,831,069	9,875,384
(b) Other unallocable expense net of unallocable income	1,214,989,591	905,614,236
Profit/(Loss) from Ordinary Activities before Tax	1,015,286,232	701,190,659
SECONDARY GEOGRAPHICAL SEGMENTS REVENUE		
Region		
USA	5,760,224,344	4,505,170,677
EUROPE	1,486,509,508	990,099,600
Asia Pacific	339,311,953	346,557,600
India	492,810,217	364,294,800
	8,078,856,022	6,206,122,677

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 and liabilities.

Notes to Consolidated Financial Statements (Contd.)

38. 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, 2012 for hedge of future expected sales:

Foreign Currency	As at March 31, 2012			Foreign Currency	As at March 31, 2011		
	No. of Contracts	Notional Amount in Foreign Currency	Fair Value (₹) Gain/(Loss)		No. of Contracts	Notional Amount in Foreign Currency	Fair Value (₹) Gain/(Loss)
USD	218	186,512,003	3,487,335,015	USD	224	162,112,008	157,274,434
EURO	20	4,245,000	(3,136,811)	EURO	36	11,400,000	(11,270,470)
TOTAL	238		3,484,198,204		260		146,003,964

- 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, 2012		As at March 31, 2011	
	\$	₹	\$	₹
Loans	13,451,238	687,358,262	11,062,557	493,611,293
Receivables (Net)	-	-	26,855,903	1,198,310,391
Bank	6,639,793	339,292,448	1,711,370	76,361,319
TOTAL	20,091,031	1,026,650,710	39,629,830	1,768,283,003

39. CURRENT LIABILITIES

The amount of dues owed to Micro, Small and Medium Enterprises as on March 31, 2012 amounted to ₹ 108,386 (previous year ended March 31, 2011 : ₹ 41,595). 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:

(Amount in ₹)

		Year ended March 31,	
		2012	2011
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.	-	-



Notes to Consolidated Financial Statements (Contd.)

40. CAPITAL COMMITMENTS

a) Tangible Assets:

Estimated amount of contracts remaining to be executed on capital account to the extent not provided for (net of advances) ₹ 74,820 (previous year ended March 31, 2011 ₹ 21,224,775).

b) Intangible Assets:

Estimated amount of contracts remaining to be executed on capital account to the extent not provided for (net of advances) ₹ 12,455,464 (previous year ended March 31, 2011 ₹ Nil).

c) Others:

Estimated amount of contracts remaining to be executed on to the extent not provided for (net of advances) ₹ 36,803,888 (previous year ended March 31, 2011 ₹ Nil).

41. CONTINGENT LIABILITIES

a) Guarantees given by the Company's bankers against counter guarantees given by the Company ₹ 4,215,744 (previous year ended March 31, 2011 ₹ 4,215,744).

b) Corporate guarantee of ₹ 613,200,000 (USD 12 Million)(previous year ended March 31, 2011 ₹ Nil (USD Nil)) 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) ₹ 301,403,012 (previous year ended March 31, 2011, ₹ 202,062,137) in respect of disputed

demand of income tax against which the Company has preferred an appeal.

ii) ₹ 4,965,290 (previous year ended March 31,2011, ₹ 5,016,619) in respect of disputed demand of excise and customs duty against which the Company has preferred an appeal.

iii) ₹ 8,372,875 (previous year ended March 31, 2011, ₹ 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 (previous year ended March 31, 2011, ₹ 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 ₹ 171,187 as per the agreement. (previous year ended March 31, 2011, ₹ 171,187)

42. GENERAL

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

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



Transforming Geometric

Geometric Limited

Standalone Financial Statements
for the year ended March 31, 2012

Regd. Office :

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



Report of the Auditors to the members of Geometric Limited

1. We have audited the attached Balance Sheet of **GEOMETRIC LIMITED** as at March 31, 2012, Statement of Profit and Loss and the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. 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 annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Without qualifying our opinion, we draw attention to note 43 to the Financial Statements regarding loans to subsidiary amounting to ₹ 514,783,086 (previous year ended March 31, 2011 - ₹ 538,231,292) and debts due from subsidiary aggregating ₹ 84,829,614 (previous year ended March 31, 2011 - ₹ 879,661,684). As stated in the said note, the above loans and debts due from subsidiary are considered to have a value on realization in the ordinary course of business at least equal to the amount at which they are stated.
5. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 such 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 dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - e) in our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2012;
 - ii) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
 - iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.
6. On the basis of the written representations received from the directors as on March 31, 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2012, 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 23, 2012.

Report of the Auditors (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 are being physically verified by the management in a phased manner. In our opinion the frequency of such verification is reasonable having regard to the size of the Company and the nature of its assets. The discrepancies noticed on physical verification 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 a party listed in the register maintained under section 301 of the Companies Act, 1956. The maximum balance outstanding during the year was ₹ 1,104,300,201 and balance outstanding as at the year end was ₹ 514,783,086.
- 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 amount is to commence as per mutually agreed terms, which schedule has not been finalised till date. The party to whom the Company has granted loans is generally regular in payment of interest thereon.
- d) As the repayment schedule is not finalised, there are no overdue amounts exceeding ₹ 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 fixed assets and for the sale of software and services. Further, on the basis of our examination of the books and records and the information and explanation 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 section 58A, 58AA, or any other relevant provisions of the Companies Act, 1956 and the rules framed thereunder.
7. In our opinion, the Company has an internal audit system commensurate with the size of the Company and nature of its business.
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 explanation 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:



Report of the Auditors (Contd.)

Name of Statute	Nature of Dues	Amount (₹)	Period to which the amount relates	Forum where dispute is pending
Income-tax Act, 1956	Income-tax	219,847,132	Financial Years 2005-06 to 2009-10	Add. Commissioner of Income Tax
Central Excise and Customs Act, 1962	Duty Payable removal of batteries without permission.	363,761	Financial Year 2000-01	Commissioner of Central Excise (Appeals)
Central Excise and Customs Act, 1962	Wrongful availment of exemption notification on electrical and light fittings.	1,138,111	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.
16. In our opinion and according to the information and explanations given to us, the term loan obtained by the Company was applied for the purpose for which the loan was obtained.
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.

For and on behalf of

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

Viraf R. Mehta
Partner
M. No.: 32083
Mumbai: April 23, 2012.

Balance Sheet as at March 31, 2012

(Amount in ₹)

	Note	As at March 31, 2012	2011
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	125,340,630	124,851,140
Reserves And Surplus	4	1,948,837,220	2,136,102,964
		2,074,177,850	2,260,954,104
Share Application Money	5	386,568	234,860
Non-Current Liabilities			
Deferred Tax Liabilities (Net)	6	-	11,386,000
Other Long Term Liabilities	7	221,803,243	-
		221,803,243	11,386,000
Current Liabilities			
Short-Term Borrowings	8	-	44,619,449
Trade Payables	9	41,343,771	17,067,139
Other Current Liabilities	10	545,599,835	268,767,909
Short-Term Provisions	11	150,180,633	130,804,405
		737,124,239	461,258,902
TOTAL		3,033,491,900	2,733,833,866
ASSETS			
Non-Current Assets			
Fixed Assets	12		
Tangible Assets		85,402,007	176,981,657
Intangible Assets		104,353,996	112,894,916
Capital Work-in-Progress		402,454	956,373
Non-Current Investments	13	626,579,754	126,979,754
Deferred Tax Asset (Net)	14	29,408,000	-
Long-Term Loans and Advances	15	634,948,771	640,950,983
Other Non-Current Assets	16	2,988,814	22,945,190
		1,484,083,796	1,081,708,873
Current Assets			
Current Investments	17	465,453,539	-
Trade Receivables	18	469,284,553	1,247,957,348
Cash and Bank Balances	19	352,706,851	25,183,347
Short-Term Loans and Advances	20	162,605,076	164,030,509
Other Current Assets	21	99,358,085	214,953,789
		1,549,408,104	1,652,124,993
TOTAL		3,033,491,900	2,733,833,866

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

Maria Monserrate
Company Secretary

Arvind Kakar
Chief Finance Officer

Place: Mumbai
Date: April 23, 2012



Statement of Profit and Loss for the year ended March 31, 2012

	Note	(Amount in ₹)	
		Year ended March 31, 2012	2011
REVENUE			
Revenue from operations	22	2,697,321,305	2,349,923,159
Other Income	23	358,008,434	264,748,188
TOTAL REVENUE		3,055,329,739	2,614,671,347
EXPENSES			
Employee Benefits Expense	24	1,902,201,860	1,597,804,054
Other Expenses	25	786,291,763	697,719,315
Finance Costs	26	3,906,784	6,140,034
Depreciation and Amortisation Expense	27	88,759,774	79,909,513
TOTAL EXPENSES		2,781,160,181	2,381,572,916
PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX		274,169,558	233,098,431
Exceptional Items	28	243,941,562	-
PROFIT BEFORE TAX		518,111,120	233,098,431
Tax Expense			
Current Tax	29	154,400,000	10,533,680
Deferred Tax		(40,794,000)	776,000
Prior Year Tax Adjustments		(7,479,143)	(1,280,514)
PROFIT FOR THE PERIOD		411,984,263	223,069,265
EARNINGS PER EQUITY SHARE	30		
(Nominal value per share ₹ 2 (March 31, 2011: ₹ 2))			
Basic		6.58	3.58
Diluted		6.54	3.55

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

Viraf R. Mehta
Partner
M. No.: 32083

Place: Mumbai
Date: April 23, 2012

For and on behalf of the Board

J. N. Godrej
Chairman

Manu Parpia
Managing Director & CEO

Maria Monserrate
Company Secretary

Milind Sarwate
Director

Arvind Kakar
Chief Financial Officer

Cash Flow Statement for the year ended March 31, 2012

(Amount in ₹)

	Year ended March 31,	
	2012	2011
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit Before Tax	274,169,558	233,098,431
Adjustment for:		
Depreciation	88,759,774	79,909,513
(Profit)/Loss on Assets Sold/written off	431,935	5,149,304
(Profit)/Loss on Sale of Investments	(145,539)	(3,492)
Interest Expense	3,906,784	6,140,034
Interest Income	(40,132,559)	(38,856,125)
Dividend Income	(101,108,707)	(120,733,833)
(Including ₹ 16,187,634 Reinvested; - previous year ₹ 3,707,834)		
Unrealised Foreign Exchange loss/(gains)	1,578,858	(1,748,515)
	(46,709,454)	(70,143,114)
Operating Profit Before Working Capital Changes	227,460,104	162,955,317
Working Capital Changes:		
Trade and Other Receivables	725,669,380	(228,570,350)
Long-Term/Short Term Loans and advances	44,424,198	43,256,423
Other Current/Non-Current Assets	54,558,128	(62,325,560)
Trade Payables	24,306,912	(18,646,417)
Long-Term/Short-Term Provisions	(10,099,913)	19,484,519
Other Current/Non-Current Liabilities	(104,178,164)	(28,919,510)
	734,680,541	(275,720,895)
Cash Generated from Operations	962,140,645	(112,765,578)
Income Taxes Paid	(45,216,931)	(46,117,866)
Net Cash from/(used in) Operating Activities	916,923,714	(158,883,444)
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	(74,638,401)	(115,492,457)
Proceeds from Sale of Fixed Assets	330,062,743	875,839
Purchase of Investments	(2,851,106,190)	(1,459,813,885)
Investment in Subsidiary Companies	(499,600,000)	-
Proceeds from Sale/Redemption of Investments	2,385,798,190	1,606,716,545
Loans to Subsidiaries (Given)/Repaid (net)	91,817,014	50,806,230
Dividend Received	101,108,707	120,733,833
(Including ₹ 84,618,800 received from subsidiary - previous year ₹ 117,026,000)		
Interest received	47,970,371	43,919,984
Net Cash (used in)/from Investing Activities	(468,587,566)	247,746,089
<i>Balance carried forward</i>	448,336,148	88,862,645



Cash Flow Statement for the year ended March 31, 2012

	(Amount in ₹)	
	Year ended March 31,	
	2012	2011
<i>Balance Brought Forward</i>	448,336,148	88,862,645
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Share application money received	151,708	234,860
Proceeds from Issue of Share Capital	5,061,139	7,923,654
Borrowings from Bank	-	152,117,977
Repayment of Bank Borrowings	(44,619,449)	(185,139,328)
Interest Paid	(3,906,784)	(6,140,034)
Dividend Paid	(75,081,828)	(68,325,785)
Dividend Tax Paid	-	(9,852,939)
Net Cash used in Financing Activities	(118,395,214)	(109,181,595)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	329,940,934	(20,318,950)
CASH AND CASH EQUIVALENTS:		
AT THE BEGINNING OF THE PERIOD		
Cash and Bank Balances	18,446,832	38,765,782
CASH AND CASH EQUIVALENTS:		
AT THE END OF THE PERIOD		
Cash and Bank Balances	345,613,876	18,441,978
Effect of exchange rate changes	2,773,890	4,854
	348,387,766	18,446,832
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	329,940,934	(20,318,950)
COMPONENTS OF CASH AND CASH EQUIVALENTS		
a) With Banks - On Current Accounts	344,706,779	2,934,325
b) Remittances in Transit	3,680,987	15,512,507
Cash and Cash Equivalents considered for Cash flow	348,387,766	18,446,832

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

Place: Mumbai
Date: April 23, 2012

For and on behalf of the Board

J. N. Godrej
Chairman

Manu Parpia
Managing Director & CEO

Maria Monserrate
Company Secretary

Milind Sarwate
Director

Arvind Kakar
Chief Financial Officer

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.

During the year ended March 31, 2012, the revised Schedule VI notified under the Companies Act, 1956 has become applicable to the Company, for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements, however, it has significant impact on the presentation and disclosures made in the financial statements. The previous year's figures have also been reclassified in accordance with the requirements applicable to the current year.

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 recognized 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



Notes to Financial Statements (Contd.)

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.

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 recognized as an expense/income over the life of the contract. Exchange differences on such contracts are recognized 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 recognized 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 recognized when probable.

Notes to Financial Statements (Contd.)

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.

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 capitalized as part of the cost of that asset till the date it is put to use. Other borrowing costs are recognized 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 and 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 recognized 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 recognized 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 recognized only to the extent that there is virtual



Notes to Financial Statements (Contd.)

certainty that sufficient future taxable income will be available to realise such assets. In other situations, deferred tax assets are recognized 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 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 recognized 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 recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability is/not recognized 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.

Notes to Financial Statements (Contd.)

(Amount in ₹)

	As at March 31,	
	2012	2011
3. SHARE CAPITAL		
AUTHORISED:		
80,000,000 Equity shares (previous year		
80,000,000 equity shares) of ₹ 2/- each.	160,000,000	160,000,000
ISSUED, SUBSCRIBED AND PAID UP:		
62,670,315 Equity shares of ₹ 2/- each (previous year		
62,425,570 equity shares of ₹ 2/- each) fully paid up.	125,340,630	124,851,140
TOTAL	125,340,630	124,851,140

Notes:

a) Reconciliation of shares:

	No's March 31, 2012	No's March 31, 2011
At the beginning of period (No's)	62,425,570	62,114,350
Add: Issued during the period - ESOPs (No's)	244,745	311,220
Outstanding at the end of the period (No's)	62,670,315	62,425,570
	Amount in ₹ March 31, 2012	Amount in ₹ March 31, 2011
At the beginning of period (₹ 2 Per Share)	124,851,140	124,228,700
Add: Issued during the period - ESOPs (₹ 2 Per Share)	489,490	622,440
Outstanding at the end of the period (₹ 2 Per Share)	125,340,630	124,851,140

b) Right/terms attached to Equity Shares:

The Company has only one class of equity shares having a 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 share capital:

Name of Shareholder	As on March 31, No. of Shares (% Holding)	
	2012	2011
Godrej and Boyce Mfg. Co. Ltd.	11,275,000 (17.99)	11,275,000 (18.06)
Godrej Investments Pvt. Ltd.	7,579,008 (12.09)	7,579,008 (12.14)
Manu M. Parpia	4,292,925 (6.85)	4,242,925 (6.80)
Rakesh Radheshyam Jhunjunwala	4,310,000 (6.88)	3,440,000 (5.51)
IDBI Trusteeship Services Limited (India)	3,867,075 (6.17)	3,867,075 (6.20)

d) Share reserved for issue under options:

Refer Note No. 32 for details of shares reserved for issue under the Employee Stock Option Schemes.



Notes to Financial Statements (Contd.)

	(Amount in ₹)	
	As at March 31,	
	2012	2011
4. RESERVES AND SURPLUS		
SECURITIES PREMIUM ACCOUNT		
As per last financial statements	11,912,980	4,611,766
Add: Premium on shares allotted- ESOPs	4,571,649	7,301,214
	16,484,629	11,912,980
GENERAL RESERVE		
As per last financial statements	79,150,000	56,750,000
Add: Transfer from Statement of Profit and Loss	41,200,000	22,400,000
	120,350,000	79,150,000
HEDGING RESERVE		
As per last financial statements	75,573,570	122,882,711
Add: Fair value (loss)/gain from forward currency contracts during the period	(499,263,687)	(47,309,141)
	(423,690,117)	75,573,570
INVESTMENT REORGANISATION RESERVE		
As per last financial statements	756,067,149	756,067,149
<p>(Reserve created pursuant to Scheme of Arrangement to undertake a financial reorganisation in accordance with Sections 391 to 393 read with Section 78 and Sections 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.)</p>		
SURPLUS IN THE STATEMENT OF PROFIT AND LOSS		
As per last financial statements	1,213,399,265	1,098,032,650
Add: Net Profit/(Loss) for the year	411,984,263	223,069,265
Add: Reversal of excess provision for dividend distribution tax of previous years	12,152,386	
Less: Appropriations		
Final Dividend	(171,144)	(74,910,684)
Proposed Dividend on equity shares	(100,272,504)	-
Dividend Tax on proposed dividend	(16,266,707)	(10,391,966)
Transfer to General Reserve	(41,200,000)	(22,400,000)
	1,479,625,559	1,213,399,265
	1,948,837,220	2,136,102,964

Notes to Financial Statements (Contd.)

5. SHARE APPLICATION MONEY

Share application money received as on March 31, 2012 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-2009	386,568	47.20	8,190	16,380	370,188

6. DEFERRED TAX LIABILITIES (NET)

(Amount in ₹)

	As at March 31,	
	2012	2011
Deferred Tax Liability		
a) Depreciation on Fixed Assets	-	21,750,367
Deferred Tax Asset		
a) Provision for Employee Benefits	-	(2,939,571)
b) Provision for Doubtful Debts	-	(7,424,796)
	-	(10,364,367)
TOTAL	-	11,386,000

7. OTHER LONG-TERM LIABILITIES

Liability for mark to market loss on derivative contracts	221,803,243	-
TOTAL	221,803,243	-

8. SHORT-TERM BORROWINGS

Short term loan from banks - Secured	-	44,619,449
(Secured by a pari-passu charge on book debts of the Company, both present and future)		
TOTAL	-	44,619,449

9. TRADE PAYABLES

- Dues to Small and Micro Enterprises	108,386	41,595
- Dues to Other Creditors	41,235,385	17,025,544
TOTAL	41,343,771	17,067,139



Notes to Financial Statements (Contd.)

(Amount in ₹)

	As at March 31,	
	2012	2011
10. OTHER CURRENT LIABILITIES		
Advance Billing to Customers and Deferred Revenue	25,973,761	9,812,798
Advances from Customer	10,253,235	8,602,328
Accrued Expenses	239,672,927	202,143,794
Statutory Liabilities	36,860,021	42,143,638
Other Liabilities	3,017,343	3,045,238
Liability for mark to market loss on derivative contracts	226,677,729	-
Unclaimed Dividends*	3,144,819	3,020,113
TOTAL	545,599,835	268,767,909
<p>*The amount of Unclaimed Dividend reflects the position as at March 31, 2012. During the year, the Company has transferred an amount of ₹ 255,447 (previous year ₹ 216,472); to the Investor Education and Protection Fund in accordance with the provisions of section 205C of the Companies Act, 1956.</p>		
11. SHORT-TERM PROVISIONS		
Provision for Employee benefits		
- Gratuity	17,267,547	30,126,774
- Compensated absences	16,373,875	13,614,561
Others		
- Proposed Dividend	100,272,504	74,910,684
- Tax on dividend	16,266,707	12,152,386
TOTAL	150,180,633	130,804,405

Notes to Financial Statements (Contd.)

12. FIXED ASSETS

ASSET	GROSS BLOCK		DEPRECIATION/AMORTISATION				NET BLOCK	
	As on April 1, 2011	As on March 31, 2012	Upto April 1, 2011	For the Year	On Disposals	Upto March 31, 2012	As at March 31, 2012	As at March 31, 2011
Tangible Assets:								
- Leasehold Land	15,729,415	10,729,415	1,822,529	134,871	657,895	1,299,505	9,429,910	13,906,886
- Buildings	113,500,631	-	42,432,181	1,693,692	44,125,873	-	-	71,068,450
- Leasehold Improvement	6,659,867	6,659,867	1,124,778	2,575,148	-	3,699,926	2,959,941	5,535,089
- Computers	59,292,543	53,993,243	52,757,031	4,269,469	9,404,777	47,621,723	6,371,520	6,535,512
- Electrical Installations	98,335,121	38,748,634	79,460,602	4,917,551	59,978,476	24,399,677	14,348,957	18,874,519
- Office Equipment and EPABX System	39,703,300	28,348,718	21,559,372	2,447,578	12,076,504	11,930,446	16,418,272	18,143,928
- Furniture and Fixtures	135,295,292	66,954,674	92,378,019	7,038,858	68,335,610	31,081,267	35,873,407	42,917,273
- Vehicles	1,000	-	1,000	-	1,000	-	-	-
Intangible Assets:								
- Computer Software	298,458,932	355,600,619	185,564,016	65,682,607	-	251,246,623	104,353,996	112,894,916
TOTAL	766,976,101	561,035,170	477,099,528	88,759,774	194,580,135	371,279,167	189,756,003	-
As at March 31, 2011	751,424,528	766,976,101	490,590,251	79,909,513	93,400,236	477,099,528	-	289,876,573
Capital Work-in-Progress	-	-	-	-	-	-	402,454	956,373
TOTAL	-	-	-	-	-	-	190,158,457	290,832,946

Notes:

- Accumulated depreciation for Computer Software includes provision for impairment of ₹ 8,630,600 (Previous year ₹ 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,	
		2012	2011
13	NON-CURRENT INVESTMENTS		
	Trade Investments (Valued at cost, unless otherwise stated)		
	Unquoted Equity Instruments - Fully paid		
	Investment in Subsidiaries		
900,200	(March 31, 2011: 900,200) Equity shares of 3D PLM Software Solutions Ltd. ₹10	9,002,000	9,002,000
100,000	(March 31, 2011: 100,000) Ordinary Shares of Geometric Asia Pacific Pte. Ltd., Singapore. S\$ 1	2,742,000	2,742,000
1	(March 31, 2011: 1) Share of Geometric Europe GmbH, Germany. € 25,000	1,886,775	1,886,775
1,432	(March 31, 2011: 1,000) Non-assessable shares of the Capital Stock of Geometric Americas, Inc., U.S.A. \$1	612,948,979	113,348,979
		626,579,754	126,979,754
	OTHERS		
	<i>Unquoted Trade, Fully paid</i>		
1,410,176	(March 31, 2011 : 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 dimunition ₹ 30,959,151 (March 31, 2011: ₹ 30,959,151)	-	-
	TOTAL	626,579,754	126,979,754
	Aggregate amount of quoted investments	-	-
	Market value of quoted investments	-	-
	Aggregate amount of unquoted investments	657,538,905	157,938,905
	Aggregate Provision for dimunition in value of investments	30,959,151	30,959,151
14.	DEFERRED TAX ASSET (NET)		
	Deferred Tax Liability		
	a) Depreciation on Fixed Assets	(2,918,000)	-
	Deferred Tax Asset		
	a) Provision for Bonus	3,514,000	-
	b) Provision for Employee Benefits	5,313,000	-
	c) Provision for Doubtful Debts	23,499,000	-
		32,326,000	-
	TOTAL	29,408,000	-
15.	LONG-TERM LOANS AND ADVANCES		
	Unsecured, Considered Good		
	Security Deposits	108,617,156	111,700,966
	Loan to Subsidiary		
	- To Geometric Americas Inc.	511,000,000	526,699,521
	Other loans and advances		
	- Prepaid Expenses	15,331,615	2,550,496
	TOTAL	634,948,771	640,950,983

Notes to Financial Statements (Contd.)

(Amount in ₹)

		As at March 31,	
		2012	2011
16. OTHER NON-CURRENT ASSETS			
Long-term deposits with banks with original maturity period more than 12 months*		2,988,814	366,061
Mark to market gain receivable on derivative contracts		-	22,579,129
TOTAL		2,988,814	22,945,190
* of the above held as lien by bank against bank guarantees	-	2,772,537	291,061
17. CURRENT INVESTMENTS			
INVESTMENT IN MUTUAL FUNDS - UNQUOTED			
(At lower of cost and fair value)			
3,726,775 (March 31, 2011: Nil) Tata Fixed income Portfolio Fund B2	₹ 10	37,316,572	-
4,046,499 (March 31, 2011: Nil) Taurus Fixed Maturity Plan -91 days Series N	₹ 10	40,464,986	-
5,992,270 (March 31, 2011: Nil) Reliance Quaterly Interval Fund Series III	₹ 10	60,000,000	-
80,206 (March 31, 2011: Nil) Tata Liquidity Management Fund-Daily Dividend	₹ 1,000	80,414,943	-
6,300,000 (March 31, 2011: Nil) IDFC Quarterly Fixed Maturity Plan Series 71	₹ 10	63,000,000	-
580,802 (March 31, 2011: Nil) ICICI Prudential Money Market Fund - Cash Option-Daily Dividend	₹ 100	58,086,884	-
901,626 (March 31, 2011: Nil) Birla Sun Life Floating Rate Fund - STP - IP- Daily Dividend	₹ 100	90,180,682	-
2,354,192 (March 31, 2011: Nil) Reliance Liquid Fund - Treasury Plan - Institutional Option - Daily Dividend	₹ 10	35,989,471	-
TOTAL		465,453,539	-
Aggregate amount of quoted Investments		-	-
Aggregate amount of unquoted Investments		465,453,539	-
Aggregate amount of provision for diminution in value of Investments		-	-
18. 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		-	826,624,400
Doubtful		71,169,022	22,352,061
		71,169,022	848,976,461
Provision for doubtful receivables		(71,169,022)	(22,352,061)
	(A)	-	826,624,400
Other Receivables			
Considered good		469,284,553	421,332,948
Doubtful		1,256,662	-
		470,541,215	421,332,948
Provision for doubtful receivables		(1,256,662)	-
	(B)	469,284,553	421,332,948
Total	(A + B)	469,284,553	1,247,957,348



Notes to Financial Statements (Contd.)

	(Amount in ₹)	
	As at March 31,	
	2012	2011
19. CASH AND BANK BALANCES		
Cash and Cash Equivalents		
Remittances in Transit	3,680,987	15,512,507
Banks Balances		
- On current accounts	344,706,779	2,934,325
- Deposits with original maturity less than 3 months	-	-
Other Bank balances		
- Balance with banks in Deposit Account with maturity more than 3 months but less than 12 months*	1,174,266	3,716,402
Unpaid Dividend account	3,144,819	3,020,113
TOTAL	352,706,851	25,183,347
* of the above held as lien by bank against bank guarantees	141,578	2,614,500
20. SHORT-TERM LOANS AND ADVANCES		
(Unsecured - Considered good, unless otherwise stated)		
Advances recoverable in cash or in kind	46,057,247	27,658,242
Prepaid Expenses	27,894,872	25,550,362
Loans and Advances to employees		
Considered good	10,095,344	8,937,285
Doubtful	1,744,531	1,557,964
	11,839,875	10,495,249
Provision for doubtful advances	(1,744,531)	(1,557,964)
	10,095,344	8,937,285
Balances with Excise Authorities	36,045,975	44,970,624
Provision for Doubtful Advances	(14,000,000)	(14,000,000)
	22,045,975	30,970,624
Advance Income Tax (Net of Provision for Tax ₹ 409,618,353, previous year ₹ 223,461,304)	56,511,638	70,913,996
TOTAL	162,605,076	164,030,509
21. OTHER CURRENT ASSETS		
Interest Accrued		
Interest accrued on loan to		
- Geometric Americas Inc. (Wholly Owned Subsidiary)	3,783,086	11,531,771
Interest accrued on fixed deposits with bank	195,977	285,104
Unbilled Revenue	95,379,022	150,142,473
Mark to market gain receivable on derivative contracts	-	52,994,441
TOTAL	99,358,085	214,953,789

Notes to Financial Statements (Contd.)

(Amount in ₹)

	Year ended March 31,	
	2012	2011
22. REVENUE FROM OPERATIONS		
Sale of Products	127,234,374	131,591,667
Sale of Services	2,526,677,067	2,178,817,918
Other Operating Revenue	43,409,864	39,513,574
TOTAL	2,697,321,305	2,349,923,159
Details of Product Sold:		
Desktop Products	127,234,374	131,591,667
	127,234,374	131,591,667
Details of Services Rendered:		
Onsite Software Services	1,441,654,220	1,289,600,808
Offsite Software Services	411,417,000	316,385,505
Offshore Software Services	673,605,847	572,831,605
	2,526,677,067	2,178,817,918
Details of Other Operating Revenue		
Royalty Income	43,160,166	38,746,778
Reimbursement of Hardware	249,698	766,796
	43,409,864	39,513,574
23. OTHER INCOME		
Dividend from subsidiary company	84,618,800	117,026,000
Dividends on current investments	16,489,907	3,707,833
Interest on advances and deposits	338,490	2,946,293
Interest on loan to subsidiary	39,794,069	35,909,832
Rent received	40,000	86,206
Rent received from subsidiary	3,918,248	4,932,453
Profit on sale of current investments (net)	145,539	3,492
Provision for doubtful debts and advances written back	-	9,878,241
Gain on foreign exchange transactions (net)	185,077,513	88,877,035
Miscellaneous income	27,585,868	1,380,803
TOTAL	358,008,434	264,748,188
24. EMPLOYEE BENEFITS EXPENSE		
Salaries, Bonus and Allowances	1,762,518,369	1,453,740,586
Contribution to Provident and Other Funds (Refer Note 31)	77,664,663	64,540,583
Gratuity expense (Refer Note 31)	18,196,104	27,084,438
Staff Welfare expenses	43,822,724	52,438,447
TOTAL	1,902,201,860	1,597,804,054



Notes to Financial Statements (Contd.)

	(Amount in ₹)	
	Year ended March 31, 2012	2011
25. OTHER EXPENSES		
Software Tools and Packages	39,679,103	25,810,811
Electricity expenses	35,247,746	32,334,203
Rates and Taxes	1,882,863	1,106,082
Rent and Service charges	197,631,333	192,891,949
Repairs and Maintenance		
Computers	9,146,591	9,870,790
Buildings	77,694	1,799,025
Others	4,818,958	6,328,219
	14,043,243	17,998,034
Insurance	1,246,573	2,258,988
Travelling and Conveyance expenses	102,084,026	99,156,523
Computer Rental charges	83,261,392	75,030,962
Communication expenses	20,695,264	22,874,696
Legal and Professional charges	175,609,941	137,901,647
Auditor's Remuneration (Refer note 37)	4,624,415	4,070,421
Advertising and Publicity	3,054,630	4,610,364
Staff Recruitment Expenses	26,492,295	39,541,587
Royalty	37,586,043	46,856,973
Commission to Non Executive Directors	7,200,000	8,239,000
Directors' Sitting Fees	940,000	1,010,000
Loss on Assets sold/written off	431,935	5,149,304
Provision for doubtful debts and advances	50,260,190	-
Miscellaneous expenses	28,759,061	24,902,852
	834,765,676	741,744,396
Reimbursement from Customers and Subsidiaries	(48,473,913)	(44,025,081)
TOTAL	786,291,763	697,719,315
26. FINANCE COSTS		
Interest on bank loans	936,833	3,262,504
Other Interest	22,248	84,194
Bank Charges	2,947,703	2,793,336
TOTAL	3,906,784	6,140,034
27. DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation on Tangible assets	23,077,167	32,980,593
Depreciation on Intangible assets	65,682,607	46,928,920
TOTAL	88,759,774	79,909,513

Notes to Financial Statements (Contd.)

(Amount in ₹)

	Year ended March 31,	
	2012	2011
28. EXCEPTIONAL ITEMS		
Profit on Sale of Land and Buildings	243,941,562	-
(The Company has sold its Red Fort premises to its subsidiary, 3D PLM for a consideration of ₹ 335,800,000. The profit thereof, of ₹ 243,941,562 is attributable towards sale of land and building and certain other assets, which has been treated as an exceptional item)		
TOTAL	243,941,562	-
29. CURRENT TAX		
Current Tax	154,400,000	20,420,000
MAT Credit Entitlement	-	(9,886,320)
TOTAL	154,400,000	10,533,680
30. EARNINGS PER EQUITY SHARE		
a) Net Profit after tax	411,984,263	223,069,265
b) Number of Equity Shares:		
As at the commencement of the period	62,425,570	62,114,350
Issued during the period	244,745	311,220
As at the end of the period	62,670,315	62,425,570
Weighted average number of equity shares during the year:		
Basic	62,598,694	62,251,210
Diluted	63,001,627	62,867,372
c) Earning per Equity Share of ₹ 2/- each		
Basic	6.58	3.58
Diluted	6.54	3.55



Notes to Financial Statements (Contd.)

31. 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,	
	2012	2011
Defined Contribution Plans:		
Employer's Contribution to Provident Fund	61,412,158	49,317,807
Contribution to Superannuation Fund	16,252,505	15,222,776
	77,664,663	64,540,583

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,	
	2012	2011
i) Present Value of Obligation		
Present value of the obligation at the beginning of the Year	74,857,292	51,241,162
Current Service Cost	20,821,065	18,742,460
Interest Cost	5,447,755	3,864,790
Past Service cost	-	12,355,439
Actuarial (Gain)/Loss on Obligation	(3,930,711)	4,291,150
Benefits Paid	(15,202,119)	7,055,409
Present value of the obligation at the end of the year	81,993,282	97,550,410
ii) Fair value of Plan Assets		
Fair value of Plan Assets at the beginning of the year	44,730,518	37,567,217
Expected return on Plan Assets	4,175,428	3,148,425
Actuarial Gain/(Loss) on Plan Assets	895,134	438,676
Contributions by the Employer	30,126,774	10,631,609
Benefits Paid	(15,202,119)	(7,055,409)
Fair value of Plan Assets at the end of the year	64,725,735	44,730,518
iii) Amounts Recognized in the Balance Sheet:		
Present value of Obligation at the end of the year	81,993,282	74,857,292
Fair value of Plan Assets at the end of the year	64,725,735	44,730,518
Net Obligation at the end of the year	(17,267,547)	(30,126,774)
iv) Amounts Recognized in the statement of Profit and Loss:		
Current Service Cost	20,821,065	18,742,460
Interest cost on Obligation	5,447,755	3,864,790
Past Service Cost	-	12,355,439
Expected return on Plan Assets	(4,175,428)	(3,148,425)
Net Actuarial (Gain)/Loss recognized in the year	(4,825,845)	(4,729,826)
Net Cost Included in Employee Benefits Expense	17,267,547	27,084,438
v) Actual return on Plan Assets		
Expected return on Plan Assets	4,175,428	3,148,425
Actuarial Gain/(Loss) on Plan Assets	895,134	438,676
	5,070,562	3,587,101
vi) Actuarial Assumptions		
i) Discount Rate	8.50% P.A.	8.10% 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)	8.68	8.67



Notes to Financial Statements (Contd.)

(Amount in ₹)

	Year ended March 31,	
	2012	2011
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	(17,267,547)	(30,126,774)

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

(Amount in ₹)

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

Note: Corresponding amounts for the year ended March 31, 2008 are not available in the Actuary's report and have not been disclosed.

Notes to Financial Statements (Contd.)

32. 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	1,746,850
5	Options Vested	45,000	72,870	125,000	236,145	-
6	Options Exercised	-	479,900	-	76,065	-
7	Options Forfeited / Surrendered (Note 1)	1,782,500	462,750	-	127,560	76,500
8	Options Unexercised	90,000	174,300	250,000	396,375	1,670,350
9	Options Lapsed	-	-	-	-	-
10	Total Number of Options in force	90,000	174,300	250,000	396,375	1,670,350
11	Variation in terms of ESOP	NA	NA	NA	NA	NA
12	Total Number of Shares arising as a result of Exercise of Options	-	479,900	-	76,065	-
13	Money realised by exercise of Options (₹ in Lakhs)	-	93.95	-	35.90	-

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, 2012	2011
33. VALUE OF IMPORTS ON C.I.F. BASIS		
Capital Goods	60,665,978	58,365,773
TOTAL	60,665,978	58,365,773
34. EARNINGS IN FOREIGN CURRENCY		
Income from Software Development and Sale of Software	2,264,991,169	2,048,229,183
Reimbursement of Expenses	26,009,729	15,170,306
Interest and Dividend	39,794,069	35,909,832
TOTAL	2,330,794,967	2,099,309,321
35. EXPENDITURE IN FOREIGN CURRENCY		
Travelling Expenses	50,853,474	43,875,032
Professional Fees	11,593,221	20,710,952
Sales and Marketing Services	208,520	1,951,390
Royalty	37,519,386	44,193,003
Salary On-Site Employees	263,320,637	255,968,816
Exhibition Expenses	858,193	1,088,779
Software Packages and Tools	100,403,670	89,905,116
Others	37,604,931	18,378,953
TOTAL	502,362,032	476,072,041
36. MANAGERIAL REMUNERATION		
1) Managing Director and CEO		
Salary and Allowances	10,028,847	6,607,018
Contribution to Provident fund and Super Annuation Fund	20,046	406,045
Performance Bonus	8,628,885	7,200,000
Ex-gratia	-	5,705,100
	18,677,778	19,918,163
Notes:		
a) The above does not include provision for Gratuity as separate Actuarial valuation is not available for the Managing Director & CEO		
b) The above managerial remuneration includes remuneration of ₹ 145,408 paid to the previous Managing Director for the period April 1, 2011 to April 8, 2011		
2) Non-wholetime Directors		
Commission to Non-Executive Directors	7,200,000	8,239,000
Directors' Sitting Fees	940,000	1,010,000
	8,140,000	9,249,000
TOTAL	26,817,778	29,167,163

- 3) Remuneration by way of commission payable to the Non-Executive Directors amounting to ₹ 7,200,000 is subject to the approval of Central Government. The Company has made an application to the Central Government dated September 2, 2011 for approval of the amount of commission in excess of 1% of the eligible profits for the year.

Notes to Financial Statements (Contd.)

(Amount in ₹)

	Year ended March 31,	
	2012	2011
37. AUDITOR'S REMUNERATION		
a) Statutory Audit Fees	3,000,000	2,550,000
b) Audit Under Other Statutes	400,000	400,000
c) In Other Capacity:		
Taxation Matters	1,106,000	1,008,000
Certification	100,000	92,000
d) Reimbursement of Expenses	18,415	20,421
TOTAL	4,624,415	4,070,421

38. 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,	2011
	2012	
1. Lease Rentals paid during the period	250,978,978	236,075,058
2. Future Lease Obligations		
- Due within one year	234,471,582	220,381,091
- Due between One year and Five years	157,352,784	316,062,565
- Due after Five years	Nil	Nil

39. 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. Delmia Software Solutions Pvt. Ltd 3. Geometric Asia Pacific Pte. Ltd. 4. Geometric China Inc. 5. Geometric Americas Inc. 6. Geometric SAS. 7. Geometric Romania SRL. 8. Geometric Europe GmbH. |
| 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. Ravishankar. G., Managing Director & CEO
(Till April 08, 2011) 2. Mr. Manu Parpia, Managing Director & CEO
(w.e.f. April 08, 2011) |
| d) Directors having Substantial Interest: | Cerebrus Consultants Pvt. Ltd. |



Notes to Financial Statements (Contd.)

B. Transactions with Related Parties for the Year ended March 31, 2012

(Amount in ₹)

Sr. No.	Nature of Transaction	Subsidiary Companies	Associates	Key Management Personnel	Directors Having Substantial Interest
a)	Sales – Software Services	1,146,960,809.00 (964,445,794)	Nil (Nil)	Nil (Nil)	Nil (Nil)
b)	Software Development Charges – Sub-contract	53,548,219 (68,414,696)	Nil (81,600)	Nil (Nil)	Nil (Nil)
c)	Rent Income	3,918,248 (4,932,453)	Nil (Nil)	Nil (Nil)	Nil (Nil)
d)	Royalty income	43,160,166 (38,746,778)	Nil (Nil)	Nil (Nil)	Nil (Nil)
e)	Interest Received on Loans	39,794,069 (35,909,832)	Nil (Nil)	Nil (Nil)	Nil (Nil)
f)	Dividend Received	84,618,800 (117,026,000)	Nil (Nil)	Nil (Nil)	Nil (Nil)
g)	Reimbursement of Expenses received/(Paid) (Net)	64,371,517 (103,154,141)	(2,926,486) (588,644)	Nil (Nil)	Nil (9,219 Cr.)
h)	Compensation for Services	4,035,623 (Nil)	Nil (913,081)	Nil (Nil)	Nil (624,141)
i)	Rent Paid towards Leased Premises	451,201 (451,200)	36,477,190 (34,901,999)	Nil (Nil)	Nil (Nil)
j)	Managerial Remuneration	(Nil) (Nil)	Nil (Nil)	18,677,778 (19,918,163)	Nil (Nil)
k)	Purchase of Fixed Assets	1,221,313 (Nil)	14,768,567 (6,767,592)	Nil (Nil)	Nil (Nil)
l)	Loan Given	527,000,000 (23,690,000)	Nil (Nil)	Nil (Nil)	Nil (Nil)
m)	Management Consultancy Charges	Nil (Nil)	Nil (Nil)	Nil (3,600,000)	Nil (Nil)
n)	Directors' sitting fees	Nil (Nil)	Nil (Nil)	Nil (120,000)	Nil (Nil)
o)	Commission to Non-Executive Directors'	Nil (Nil)	Nil (Nil)	Nil (1,946,588)	Nil (Nil)
p)	Loan Repayment Received	618,771,114 (71,318,837)	Nil (Nil)	Nil (Nil)	Nil (Nil)
q)	Dividends Paid	Nil (Nil)	22,624,810 (20,739,409)	Nil (Nil)	Nil (Nil)
r)	Sale of Fixed Assets	329,957,000 (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
s)	Deposits Refunded	Nil (Nil)	5,193,768 (5,193,768)	Nil (Nil)	Nil (Nil)
t)	Advance Given	Nil (Nil)	41,782 (Nil)	Nil (Nil)	Nil (Nil)

Notes to Financial Statements (Contd.)

(Amount in ₹)

Sr. No.	Nature of Transaction	Subsidiary Companies	Associates	Key Management Personnel	Directors Having Substantial Interest
u)	Deposit Given	Nil (Nil)	Nil (3,842,070)	Nil (Nil)	Nil (Nil)
v)	Commission Received	3,816,321 (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
w)	Investment in Subsidiary	499,600,000 (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
x)	Receivables including loan	723,778,826 (985,507,610)	450,829 (75,588)	Nil (Nil)	Nil (Nil)
y)	Payables	83,372,503 (79,949,253)	18,212,540 (Nil)	Nil (Nil)	Nil (Nil)
z)	Deposits	Nil (Nil)	34,489,225 (39,682,983)	Nil (Nil)	Nil (Nil)
Balances as on Balance Sheet Date		640 755 712 Dr (905,558,357 Dr)	16,727,504 Dr (39,758,571 Dr)	(Nil)	(Nil)

C. The material related party transactions are as under:

(Amount in ₹)

Nature of Transaction	Year ended March 31,	
	2012	2011
a) Sales – Software Services: Geometric Americas Inc.	1,074,608,605	890,477,552
b) Software Development Charges- Sub-contract: Geometric Americas Inc. Geometric SAS	29,782,359 23,765,860	61,132,659 7,282,037
c) Rent Income: 3D PLM Software Solutions Ltd.	3,918,248	4,932,453
d) Royalty income: Geometric Americas Inc.	43,160,166	38,746,778
e) Interest Received on Loans : Geometric Americas Inc.	39,794,069	35,909,832
f) Dividend Received: 3D PLM Software Solutions Ltd.	84,618,800	117,026,000
g) Reimbursement of Expenses: 3DPLM Software Solutions Ltd. Geometric Asia Pacific Pte. Geometric Americas, Inc.	50,194,338 6,991,752 17,856,598	52,052,392 4,486,562 50,317,567
h) Compensation for Services: Geometric Americas Inc. Godrej & Boyce Mfg. Co. Ltd. Cerebrus Consultants Pvt. Ltd.	4,035,623 Nil Nil	Nil 913,081 624,141
i) Rent Paid towards Leased Premises: Godrej & Boyce Mfg. Co. Ltd.	36,477,190	34,901,999



Notes to Financial Statements (Contd.)

		(Amount in ₹)	
Nature of Transaction	Year ended 2012	March 31, 2011	
j) Managerial Remuneration:			
Mr. Ravishankar. G	Nil	19,918,163	
Mr. Manu Parpia	18,532,370	Nil	
k) Purchase of Fixed Assets:			
Godrej Infotech Ltd.	13,816,786	6,767,591	
l) Loan Given:			
Geometric Americas Inc.	527,000,000	23,690,000	
m) Management Consultancy Charges:			
Mr. Manu M. Parpia	Nil	3,600,000	
n) Directors' sitting fees:			
Mr. Manu M. Parpia	Nil	120,000	
o) Commission to Non executive Directors':			
Mr. Manu M. Parpia	Nil	1,946,588	
p) Loan Repayment Recd:			
Geometric Americas Inc.	618,771,114	71,318,837	
q) Dividends Paid:			
Godrej & Boyce Mfg. Co. Ltd.	22,624,810	20,739,409	
r) Deposits Refunded:			
Godrej & Boyce Mfg. Co. Ltd.	5,193,768	5,193,768	
s) Sale of Fixed Assets:			
3DPLM Software Solutions Ltd.	329,957,000	Nil	
t) Advance Given:			
Godrej & Boyce Mfg. Co. Ltd.	41,782	Nil	
u) Deposit Given:			
Godrej & Boyce Mfg. Co. Ltd.	Nil	3,842,070	
v) Commission Received :			
Geometric Americas Inc.	3,816,321	Nil	
w) Investment in Subsidiary:			
Geometric Americas Inc.	499,600,000	Nil	
x) Receivables including loan:			
Geometric Americas Inc.	681,353,441	945,588,049	
y) Payables:			
Geometric Americas Inc.	83,363,424	74,838,512	
Geometric SAS	Nil	847,227	
z) Deposits:			
Godrej & Boyce Mfg. Co. Ltd.	34,489,225	39,682,983	

40. 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.

Notes to Financial Statements (Contd.)

41. 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 recognized immediately in the Profit and Loss Account.
- 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, 2012 for hedge of future expected sales:

As at March 31, 2012				As at March 31, 2011			
Foreign Currency	No. of Contracts	Notional Amount in Foreign Currency	Fair Value (₹) Gain \ (Loss)	Foreign Currency	No. of Contracts	Notional Amount in Foreign Currency	Fair Value (₹) Gain \ (Loss)
USD	161	107,656,999	(444,815,411)	USD	152	92,112,000	86,870,628
EURO	20	4,245,000	(3,136,811)	EURO	36	11,400,000	(11,270,470)
TOTAL	181		(447,952,222)		188		75,600,158

- 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, 2012		As at March 31, 2011	
	\$	₹	\$	₹
Loans	10,000,000	511,000,000	11,062,557	493,611,293
Receivables (Net)	-	-	26,855,903	1,198,310,391
Bank	6,520,227	333,183,600	1,267,983	56,577,401
TOTAL	16,520,227	844,183,600	39,186,443	1,748,499,085

42. CURRENT LIABILITIES

The amount of dues owed to Micro, Small and Medium Enterprises as on March 31, 2012 amounted to ₹ 108,386 (previous year ended March 31, 2011 : ₹ 41,595). 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:

Particulars	(Amount in ₹)	
	Year Ended March 31, 2012	2011
A) Principal amount remaining unpaid but not due.	108,386	41,595
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.	-	-



Notes to Financial Statements (Contd.)

43. 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,	
	2012	2011	2012	2011
Geometric Americas, Inc.	514,783,086	538,231,292	1,104,300,201	624,303,939

The above figures are including interest accrued and due thereon.

(b) Debts due from Subsidiaries:

(Amount in ₹)

Name	Closing Balance As at March 31,		Maximum Debit Balance Year ended March 31,	
	2012	2011	2012	2011
3D PLM Software Solutions Limited	1,619,485	-	9,703,312	10,406,977
Geometric Americas, Inc.	83,206,931	879,618,346	888,542,350	1,234,362,863
Geometric Asia Pacific Pte. Ltd.	40,796,819	20,995,708	45,110,948	20,461,894

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.

44. 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, 2012	March 31, 2011	March 31, 2012	March 31, 2011
(a) Loans and advances in the nature of loans given to subsidiaries				
Geometric Americas Inc. (including accrued interest thereon)	514,783,086	538,231,292	1,104,300,201	624,303,939
Total	514,783,086	538,231,292	1,104,300,201	624,303,939
(b) Loans and advances in the nature of loans given to associate				
Godrej & Boyce Mfg. Co. 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 Americas Inc. (including accrued interest thereon)	514,783,086	538,231,292	1,104,300,201	624,303,939
Total	514,783,086	538,231,292	1,104,300,201	624,303,939
(d) Loans and advances in the nature of loans where interest is not charged or charged below bank rate				
Geometric Americas Inc.	Nil	Nil	Nil	Nil
Total	Nil	Nil	Nil	Nil

Notes to Financial Statements (Contd.)

(Amount in ₹)

Name of the Company	Balance as at		Maximum outstanding balance during the period ended	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
(e) Loans and advances in the nature of loans to companies in which directors are interested.				
Geometric Americas Inc. (including accrued interest thereon)	514,783,086	538,231,292	1,104,300,201	624,303,939
Total	514,783,086	538,231,292	1,104,300,201	624,303,939
(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	1,886,775	1,886,775	1,886,775	1,886,775
Geometric Americas Inc.	612,948,979	113,348,979	612,948,979	113,348,979
Total	626,579,754	126,979,754	626,579,754	126,979,754

45. CAPITAL COMMITMENTS

(a) Tangible Assets:

Estimated amount of contracts remaining to be executed on capital account to the extent not provided for (net of advances) ₹ 74,820 (previous year ended March 31, 2011 ₹ 8,462,473)

(b) Intangible Assets:

Estimated amount of contracts remaining to be executed on capital account to the extent not provided for (net of advances) ₹ 12,455,464 (previous year ended March 31, 2011 ₹ Nil)

46. CONTINGENT LIABILITIES

(a) Guarantees given by the Company's bankers against counter guarantees given by the Company ₹ 4,215,744 (previous year ended March 31, 2011 ₹ 4,215,744)

(b) Corporate guarantee of ₹ 613,200,000 (USD 12 Million)(previous year ended March 31, 2011 ₹ Nil (USD Nil)) 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) ₹ 219,847,132 (previous year ended March 31, 2011, ₹ 178,109,364) in respect of

disputed demand of income tax against which the Company has preferred an appeal.

ii) ₹ 4,965,290 (previous year ended March 31,2011, ₹ 5,016,619) in respect of disputed demand of excise and customs duty against which the Company has preferred an appeal.

iii) ₹ 8,372,875 (previous year ended March 31, 2011, ₹ 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 (previous year ended March 31, 2011, ₹ 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 ₹ 171,187 as per the agreement. (previous year ended March 31, 2011, ₹ 171,187)

47. 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.



Transforming Geometric

3D PLM Software Solutions Ltd.

Consolidated Financial Statements
for the year ended March 31, 2012

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, 2012.

1A. FINANCIAL RESULTS: STANDALONE

The Company's operating performance (standalone) during the year ended March 31, 2012, as compared to the previous year is summarized below:

PARTICULARS	(Amount ₹)	
	Current Year	Previous Year
Sales and Other Income	1,920,896,026	1,549,109,717
Profit Before Interest, Depreciation and Tax	623,318,530	518,567,359
Interest	5,295,873	3,906
Depreciation	138,131,039	128,028,104
PROFIT BEFORE TAX:	479,891,618	390,535,349
Prior Period And Extraordinary Items	–	–
Provision For Taxes	144,543,509	(1,647,781)
PROFIT AFTER TAX:	335,348,109	392,183,130
Surplus Brought Forward	973,901,836	801,169,329
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:	1,233,256,717	1,193,352,459
APPROPRIATIONS:		
Dividend		
-Interim	120,884,000	154,320,000
-Final	–	–
Dividend Tax	19,610,407	25,630,623
Transfer To General Reserve	33,600,000	39,500,000
Surplus Carried Forward	1,059,162,310	973,901,836
TOTAL	1,233,256,717	1,193,352,459

1B. FINANCIAL RESULTS: (CONSOLIDATED)

The Company's operating performance (consolidated) during the year ended March 31, 2012 is summarized below:

PARTICULARS	Current Year
Sales and Other Income	2,226,353,019
Profit Before Interest, Depreciation and Tax	686,703,841
Interest	5,295,873
Depreciation	148,847,163
PROFIT BEFORE TAX:	532,560,805
Prior Period And Extraordinary Items	
Provision For Taxes	161,729,741
PROFIT AFTER TAX:	370,831,064
Surplus Brought Forward	973,901,836
Add : Brought forward balances of Delmia Solutions Private Limited	85,453,617
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:	1,354,193,289
APPROPRIATIONS:	
Dividend	
-Interim	120,884,000
-Final	
Dividend Tax	19,610,407
Transfer To General Reserve	33,600,000
Surplus Carried Forward	1,180,098,882
TOTAL	1,354,193,289



Directors' Report to the Members (Contd.)

2. Dividend:

The Board of Directors recommends that the interim dividend of ₹ 94 per share (940%) declared on June 22, 2011 and paid during the year be the final dividend for the financial year 2011-12.

3. Business Prospects:

3D PLM has completed ten years of operation and continues to add value to Dassault Systemes (DS). Last year in the context of strengthening global R&D activities in India and creating stronger synergies between all R&D teams, Dassault Systemes and Geometric have signed an agreement to combine DS R&D labs in Bangalore with 3D PLM. With this 3D PLM now works on 6 major Brands of DS, viz, ENOVIA, CATIA, 3DVIA, SIMULIA, SOLIDWORKS and DELMIA.

3D PLM continues to focus on substantially enhancing their productivity, promoting innovation while being lean and effective. Over the years, 3D PLM has charted an impressive growth by delivering highly innovative products and supporting DS in forging successful relationships with its customers worldwide.

4. Purchase of Property:

With a view to support the expansion plans of the Company in future, during the year, the Company has purchased the 'Red Fort Building' alongwith furniture and fixtures at Plot No. 4, Pune Infotech Park, Hinjewadi, Pune for a consideration of ₹ 34 crores.

5. Merger:

The Board of Directors of the Company has approved the Scheme of Amalgamation of Delmia Solutions Private Limited, the wholly owned subsidiary of the Company with the Company.

6. Directors:

Mr. Mukul Agarwal resigned as an Alternate Director to Mr. David de Muer w.e.f. October 10, 2011. Mr. Basil Almeida resigned as a Director of the Company w.e.f. December 16, 2011. Mr. Shashank Patkar was appointed as an Additional Director of the Company w. e. f. January 1, 2012 and he holds office until the forthcoming Annual General Meeting of the Company. A notice has been received from a member of the Company, under section 257 of the Companies Act, 1956 for the appointment of Mr. Shashank Patkar as Director of the Company. A resolution seeking approval of the members for his appointment as Director according to

the principle of proportional representation by system of cumulative voting in accordance with the section 265 of the Companies Act, 1956 for a period of three years effective from the date of forthcoming Annual General Meeting is included in the Notice.

7. Auditors:

M/s. S. R. Batliboi & Associates., 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.

8. 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.

9. 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.

10. Compliance Certificate:

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

11. 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, 2012 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.

12. 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.

13. 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 20, 2012
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:

Our operations are not energy intensive. However, significant measures are taken to reduce energy consumption by using energy-efficient computers and purchasing energy-efficient equipment. We constantly evaluate new technologies and invest to make our infrastructure more energy-efficient. Currently, we use 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 air conditioners with split air conditioning for localized areas are used. As energy costs comprise a very small part of our total expenses, the financial impact of these measures is not material.

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 (includes VPLM, SmarTeam and MatrixOne), Spatial, SolidWorks, SIMULIA

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:

3D PLM 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. We have also started an initiative with an educational institute in Pune wherein DS has shared SolidWorks licenses with them. The institute runs a training course (i) for popularizing SolidWorks amongst the student community and (ii) for making them ready for a possible employment in 3D PLM subject to their performance.

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:

- Technology imported:
- Year of import:
- Has technology been fully absorbed?
- 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:

(Amount ₹)

	Current Year	Previous year
Total Foreign Exchange used	30,812,877	4,786,901
Total Foreign Exchange earned	1,903,568,023	1,443,524,548

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, 2012.

Sr. No.	Name	Designation	Qualification	Age	DOJ	Total Exp Years	Gross Remuneration in ₹	Previous employment
1.	Shashank Patkar	Sr. VP & CEO	BE, MBA	50	1-Jul-94	26	85,01,333*	Godrej & Boyce Mfg. Co. Ltd.

* The above remuneration is upto December 31, 2011.

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 contractual.
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 March 31, 2012.

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 eight (8) times on April 14, 2011, June 22, 2011, July 1, 2011, July 15, 2011, September 5, 2011, October 12, 2011, January 17, 2012 and March 2, 2012, 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 March 31, 2011 was held on July 15, 2011, 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. One Extra-ordinary General Meeting was held during the Financial Year on July 1, 2011, 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.
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 all the certificates on allotment of securities and lodgment thereof for transfer in accordance with the provisions of the Act. There was no transmission of shares of the Company during the year under review.
(ii) The Company declared Interim Dividend during the Financial Year ended March 31, 2012, on June 22, 2011, which was deposited in a separate Bank Account within five days from the date of declaration of such Interim Dividend.
(iii) The Company declared Interim Dividend during the Financial Year ended March 31, 2012, on June 22, 2011, 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, and the appointment of director/s to fill a casual vacancy and the appointment of alternate directors and additional directors during the Financial Year have been duly made. During the year under review, Mr. Didier Michel Henri Gaillot was appointed as a director in a casual vacancy and Mr. Basil Almeida was appointed as Additional Director on April 14, 2011. On that date, Mr. Jean Philippe Grare ceased to be a Director and Mr. Didier Michel Henri Gaillot ceased to be Alternate Director to Mr. Jean Philippe Grare. Mr. Ravishankar Gopalakrishnan ceased to be a Director



w.e.f April 08, 2011. Mr. Mukul Chandra Agarwal ceased to be Alternate Director to Mr. David Claude de Muer on October 10, 2011. Mr. Basil Almeida resigned from directorship on December 16, 2011 and Mr. Shashank Patkar was appointed Additional Director w.e.f January 1, 2012.

15. The Company has not appointed any Managing Director or Whole-time Director during the financial year. Mr. Shashank Patkar ceased to be the Manager of the Company on December 31, 2011 on the completion of his term. Mr. Sudarshan Mogasale was appointed as Manager of the Company w.e.f. January 1, 2012.
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 issued 2,66,200 (two lakhs sixty-six thousand two hundred) equity shares during the Financial Year with differential voting rights (of which 87,246 are equity shares, 72,965 are Class 'A' equity shares and 105,989 are Class 'B' equity shares) and complied with the provisions of the Act. It has not issued any 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 March 31, 2012 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/Extraordinary 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 Company has altered the provisions of the Memorandum with respect to the Share Capital of the Company during the year under scrutiny at its Extraordinary General Meeting held on July 1, 2011 and complied with the provisions of the Act.
30. The Company has altered its Articles of Association by adopting a new set of Articles of Association after obtaining the approval of members at its Extraordinary General Meeting held on July 1, 2011 and the amendments to the Articles have been duly registered with the Registrar of Companies.
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 17, 2012..



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.
2. Register of Directors' Shareholdings under Section 307.
3. Register of Contracts in which directors are interested under Section 301(3).
4. Investment Register.
5. Register of Loans.
5. Board Meetings Minutes Book.
6. 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 or other prescribed authorities during the financial year ended March 31, 2012.

Sr. No.	Document & date	Applicable provision of Companies Act.	Challan No./Service Request No. & date
1.	Form No.32, in respect of the resignation of Mr.Ravishankar Gopalakrishnan and Mr. Jean Philippe Grare from directorship, resignation of Mr. Didier Michel Henri Gaillot as Alternate Director and the appointment of Mr. Basil Almeida as Additional Director.	Section 303 (2)	B10240620 dated April 19, 2011.
2.	Form No.32, in respect of the appointment Mr. Didier Michel Henri Gaillot as Director appointed in casual vacancy.	Section 303 (2)	B11668324 dated May 6, 2011
3.	Form No.21 along with the Order of the Bombay High Court in Company Petition No.84/2011 under Section 394(1)	Section 17(1)	B11668993 dated May 6, 2011.
4.	Form No.17 in respect of the satisfaction of the charge bearing Charge Identification No.10181485 of Citibank N.A.	Section 138	B13378955 dated June 2, 2011.
5.	Form No.23 for filing of resolutions for – 1. Re-classification of Capital in Clause V(a) of the Memorandum of Association. 2. Adoption of new Articles of Association. 3. Issue of shares with differential voting rights.	Section 192	B17240888 dated July 30, 2011.
6.	Form No.32 in respect of change in designation of Mr. Basil Almeida	Section 303 (2)	B17241050 dated July, 30, 2011.
7.	Form No.2 in respect of the allotment of Class 'A' and Class 'B' shares with differential voting rights.	Section 75(1)	S05597059 dated August 1, 2011.
8.	Form No.20B for Annual Return (as per Schedule V) as on 15.07.2011.	Section 159	P70096219 dated September 8, 2011.
9.	Form No.32 in respect of resignation of Mr. Mukul Chandra Agarwal	Section 303 (2)	B23300452 dated October 21, 2011.
10.	Form No.66 in respect of the Secretarial Compliance Certificate for the year ended 31.03.2011.	Section 383A(1)	P68820992 dated July 29, 2011
11.	Form No.23ACXBRL and 23ACAXBRL, in respect of the Annual Accounts for the year ended 31.03.2011.	Section 220	P81973869 dated December 1, 2011.
12.	Form No.32 in respect of resignation of Mr. Basil Almeida	Section 303 (2)	B29061645 dated January 9, 2012.
13.	Form No.32 in respect of appointment of Mr. Shashank Patkar as Director and Mr. Sudarshan Mogasale as Manager	Section 303 (2)	B31371610 dated February 7, 2012.
14.	Form No.32 in respect of resignation of Mr. Shashank Patkar as Manager	Section 303 (2)	B31328834 dated February 7, 2012
15.	Form No.25C in respect of appointment of Mr. Sudarshan Mogasale as Manager.	Section 269(2)	B31854912 dated February 13, 2012.

Auditors' Report

To the Board of Directors of

3D PLM Software Solutions Limited

1. We have audited the attached consolidated balance sheet of 3D PLM Software Solutions Limited Group comprising of 3D PLM Software Solutions Limited ("the Company") and its subsidiaries (together 'the Group') as at March 31, 2012, and the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standards (AS) 21, Consolidated financial statements notified pursuant to the Companies (Accounting Standards) Rules, 2006, (as amended)
4. In our opinion and to the best of our information and according to the explanations given to us, the consolidated 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 consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2012;
 - (b) in the case of the consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
 - (c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

For S. R. BATLIBOI & ASSOCIATES

Firm registration number:101049W

Chartered Accountants

per Govind Ahuja

Partner

Membership No.: 48966

Place: Mumbai

Date: April 20, 2012



Consolidated Balance Sheet as at March 31, 2012

(All amounts in Indian Rupees unless otherwise stated)

Particulars	Notes to Accounts	As at March 31, 2012
EQUITY AND LIABILITIES		
Shareholder's Funds		
Share Capital	4	15,522,000
Reserves and Surplus	5	1,272,902,544
		1,288,424,544
Non-Current Liabilities		
Deferred tax liabilities (Net)	6	3,561,685
Other Long term liabilities	7	184,309,264
Long term provisions	8	13,735,000
Current Liabilities		
Short-term borrowings	9	176,358,262
Trade Payables	10	25,753,880
Other current liabilities	11	331,887,092
Short-term provisions	12	58,080,557
		Total Equity and Liabilities
		2,082,110,284
ASSETS		
Non-current assets		
Fixed assets	13	
Tangible assets		1,126,667,606
Intangible assets		3,975,731
Capital work-in-progress		73,653,115
Long term loans and advances	14	168,544,840
Other non-current assets	15	3,965,000
Current assets		
Current investments	20	230,166,786
Trade receivables	16	229,871,087
Cash and Bank Balances	17	35,213,739
Short-term loans and advances	18	206,751,569
Other current assets	19	3,300,811
		Total Assets
		2,082,110,284

Summary of Significant Accounting Policies

3

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

As per our report of even date

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

S.R. Batliboi & Associates

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 20, 2012

Consolidated Statement Profit and Loss for the year ended March 31, 2012

(All amounts in Indian Rupees unless otherwise stated)

Particulars	Notes to Accounts	Year Ended March 31, 2012
INCOME		
Revenue from Operations		
Revenue from software services		2,162,451,850
Other income	21	22,155,045
Total Revenue		2,184,606,895
EXPENDITURE		
Employee benefit expenses	22	1,221,455,212
Operating and other expenses	23	282,455,278
Financial costs	24	6,441,907
Depreciation and amortization expense	13	148,847,163
Total Expenses		1,659,199,560
PROFIT BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX		525,407,335
Add : Exceptional Items (Bonus)		11,153,470
PROFIT BEFORE TAX		536,560,805
Tax Expense		
Current Taxes		156,642,109
Wealth Taxes		155,000
Deferred tax (credit)/expense		6,332,632
PROFIT FOR THE YEAR		373,431,064

EARNING PER EQUITY SHARE

Basic and Diluted [Nominal value of the shares Rs 10 (March 31, 2012 : ₹ 10)]	251.20
Weighted average number of equity shares	1,486,562
Summary of Significant Accounting Policies	3

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

As per our report of even date For and on behalf of the Board of Directors of 3D PLM Software Solutions Limited

S.R. Batliboi & Associates

Firm Registration Number: 101049W
Chartered Accountants

per Govind Ahuja
Partner
Membership No. 48966

Manu Parpia **David de MUER**
Chairman Director

Sudarshan Mogasale
CEO & Manager

Place: Mumbai
Date: April 20, 2012



Consolidated Cash Flow Statement for the year ended March 31, 2012

(All amounts in Indian Rupees unless otherwise stated)

Particulars	As at March 31, 2012
CASH FLOW FROM OPERATING ACTIVITIES	
Profit Before Tax	536,560,805
Adjustment for:	
Depreciation and amortisation	148,847,156
(Profit)/Loss on Sale of Fixed Assets	(6,684,021)
(Profit)/Loss on Sale of Investments	(246,717)
Unrealized (Profit)/Loss on Hedges	17,221,999
Creditors written off	(43,616)
Interest Expense	5,295,873
Interest Income	(2,745,930)
Dividend Income	(11,097,180)
Unrealised (gain)/loss	72,418
Operating Cash Flows Before Working Capital Changes	687,180,787
Movement in working capital	
Increase/(Decrease) in Deferred Revenue	23,679,391
Increase/(Decrease) in Long-term Provisions	5,555,000
Increase/(Decrease) in Trade Payables	9,049,913
Increase/(Decrease) in Other Current Liabilities	49,923,053
Increase/(Decrease) in Short-term Provisions for compensated absences	(44,132,977)
Decrease/(Increase) in Long-term Loans and Advances	(20,853,308)
Decrease/(Increase) in Trade Receivables	9,215,024
Decrease/(Increase) in Short-term Loans and Advances	(11,787,867)
Decrease/(Increase) in Other Current Assets	(6,313,472)
Cash Generated from Operations	701,515,544
Income Taxes Paid	(115,427,837)
Net Cash Flow from Operating Activities	586,087,707
CASH FLOW FROM/(USED IN) INVESTING ACTIVITIES	
Purchase of Fixed Assets including CWIP and Capital advances	(588,415,742)
Sale of Fixed Assets	8,643,741
Purchase of Investments	(1,739,691,731)
Sale/Redemption of Investments	1,648,289,197
Fixed Deposit Matured	27,220,407
Dividend Received	11,097,180
Interest Received	4,933,458
Net Cash Used in Investing Activities	(627,923,490)

Consolidated Cash Flow Statement for the year ended March 31, 2011

(All amounts in Indian Rupees unless otherwise stated)

Particulars	As at March 31, 2012
CASH FLOW FROM FINANCING ACTIVITIES:	
Borrowings from Bank	539,195,032
Repayment of Bank Borrowings	(366,874,719)
Interest Paid	(4,984,361)
Dividend Paid	(120,884,000)
Dividend Tax Paid	(19,610,407)
Net Cash From/(Used in) Financing Activities	26,841,545
NET CHANGE IN CASH AND CASH EQUIVALENTS	(14,994,238)
Effect of exchange difference on Cash and Cash Equivalents	1,173
CASH AND CASH EQUIVALENTS, beginning of the year	26,887,301
Add: Cash and Bank taken over from Delmia Solutions Private Limited	9,839,909
CASH AND CASH EQUIVALENTS, end of the year	21,734,145
Components of cash and cash equivalents	
Cash and cheques on hand	12,294
Remittance in Transit	6,728,257
With Banks - In Current Accounts	13,993,594
- In Deposit Account	1,000,000
Cash and Bank Balance as per Note 17	21,734,145

Summary of Significant Accounting Policies 3

As per our report of even date

For S.R. Batliboi & Associates

Firm Registration Number: 101049W

Chartered Accountants

per Govind Ahuja

Partner

Membership No. 48966

For and on behalf of the Board of Directors of

3DPLM Software Solutions Limited

Manu Parpia

Chairman

David de MUER

Director

Sudarshan Mogasale

CEO & Manager

Place: Mumbai

Date: April 20, 2012



Notes to Accounts

(All amounts in Indian Rupees unless otherwise stated)

	Amount in ₹
	March 31, 2012
4. SHARE CAPITAL	
Authorised :	
1,700,000 (March 31, 2011: 2,000,000) Equity shares of Rs 10 each and	17,000,000
300,000 (March 31, 2011: Nil) Class 'A' and Class 'B' Equity Shares of ₹ 10 each with differential voting rights	3,000,000
	20,000,000
Issued, Subscribed and Paid Up :	
1,373,246 (March 31, 2011: 1,286,000) Equity shares of Rs 10 each fully paid	13,732,460
72,965 (March 31, 2011: Nil) Class 'A' Equity Shares of Rs 10 each fully paid	729,650
105,989 (March 31, 2011: Nil) Class 'B' Equity Shares of Rs 10 each fully paid up	1,059,890
	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	1,286,000
Equity Shares issued during the year	87,246
Shares outstanding at the end of the year	1,373,246

Reconciliation of Class 'A' Equity Shares

Equity Shares outstanding at the beginning of the year	-
Equity Shares issued during the year	72,965
Shares outstanding at the end of the year	72,965

Reconciliation of Class 'B' Equity Shares

Equity Shares outstanding at the beginning of the year	-
Equity Shares issued during the year	105,989
Shares outstanding at the end of the year	105,989

b. Terms/rights attached to equity shares

Since inception the company had 1,286,000 equity shares of the face value ₹ 10 each fully paid. Each equity shareholder was entitled to one vote per share.

Post merger as on July 1, 2011, the company has issued additional shares as follows:

87,246 Equity shares with a single voting right (.i.e. 1 vote for every single share held) of ₹ 10 each fully paid;

72,965 Class 'A' equity shares with differential voting rights (.i.e. 2 votes for every one such share held) of ₹ 10 each fully paid

105,989 Class 'B' equity shares with differential voting rights (.i.e. 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) of the face value of ₹ 10 each fully paid.

Each equity share carries equal dividend rights irrespective of the class of shares to which it belongs.

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.

Notes to Accounts

(All amounts in Indian Rupees unless otherwise stated)

Amount in ₹
March 31, 2012

c. Shares held and Percentage of Holding:		
Geometric Limited (Holding Company)		
Number of shares held		900,200
Percentage of holding		58%
Dassault Systemes (Company having substantial Interest)		
Number of shares held		385,800
Percentage of holding		25%
Dassault Systemes Delmia Corp (Parties having significant influence)		
Number of shares held		266,200
Percentage of holding		17%
		1,552,200
d. Details of shareholders holding more than 5%		
(i) Equity Shares		
Geometric Limited		
Number of shares held		900,200
Percentage of holding in the class		66%
Dassault Systemes		
Number of shares held		385,800
Percentage of holding in the class		28%
Dassault Systemes Delmia Corp		
Number of shares held		87,246
Percentage of holding in the class		6%
		1,373,246
(ii) Class 'A' Equity Shares		
Dassault Systemes Delmia Corp		
Number of shares held		72,965
Percentage of holding in the class		100%
(iii) Class 'B' Equity Shares		
Dassault Systemes Delmia Corp		
Number of shares held		105,989
Percentage of holding in the class		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
Class 'A' Equity Shares		72,965
Class 'B' Equity Shares		105,989
		266,200

5. RESERVES AND SURPLUS

General Reserve

As per last Balance Sheet	223,150,000
Add : Transferred from Delmia Solutions Private Limited	32,115,402
Add: Transfer from profit and loss account	33,600,000
Less: Adjustment pursuant to merger of Somero Enterprises Inc.	(223,150,000)
	65,715,402



Notes to Accounts

(All amounts in Indian Rupees unless otherwise stated)

	Amount in ₹
	March 31, 2012
Cash Flow Hedging Reserve	
As per last Balance Sheet	70,403,806
Add: Gain/(Loss) on Derivative contracts qualifying as cash flow hedge	(351,955,345)
	(281,551,539)
Securities Premium	
As per last Balance Sheet	-
Add: Transferred from Delmia Solutions Private Limited	400
Add: Premium on shares issued to Somero Enterprises Inc for amalgamation	304,039,445
	304,039,845
Capital Redemption Reserve	
As per last Balance Sheet	-
Add: Transferred from Delmia Solutions Private Limited	1,000,000
	1,000,000
Capital Reserve	
As per last Balance Sheet	-
Add: Transferred from Delmia Solutions Private Limited	999,954
	999,954
Profit and Loss Account	
As per last Balance Sheet	973,901,836
Add : Brought forward balances of Delmia Solutions Private Limited	85,453,617
Add : Net Profit for the year	373,431,064
Less : Interim Dividend	120,884,000
Less : Dividend Distribution Tax	19,610,407
Add: Reserves of Somero Enterprises Inc taken over	7,111,017
Less : Adjustment pursuant to merger of Somero Enterprises Inc. (Refer Note 35)	83,104,245
Less : Transfer to Reserves	33,600,000
	1,182,698,882
	1,272,902,544
6. DEFERRED TAX LIABILITY (net)	
Deferred Tax Liability	
Difference in depreciation of tax books and financial books	26,907,876
Deferred Tax Asset	
Effect of expenditure debited to profit and loss account in the current year but allowed for tax purposes in following years	(23,346,191)
	3,561,685
7. OTHER LONG TERM LIABILITIES	
Deferred Revenue	32,669,489
Forward Contract Payable	151,639,775
	184,309,264
8. LONG TERM PROVISIONS	
Provision for employee benefits	13,735,000
	13,735,000



Notes to Accounts

(All amounts in Indian Rupees unless otherwise stated)

	Amount in ₹
	March 31, 2012
9. SHORT TERM BORROWINGS (secured)	
Borrowings from Banks (secured)	
Preshipment Finance	176,358,262
(Foreign Currency Loan carries interest @ LIBOR plus 2%	
The loan taken is a Packing Credit loan repayable after 180 days	
The loan is secured by a sole charge over the debtors of the Company)	
	176,358,262
10. TRADE PAYABLES	
Trade Payables (Refer Note 33)	25,753,880
	25,753,880
11. OTHER CURRENT LIABILITIES	
Deferred Revenue	37,698,595
Retention Money	466,740
Forward Contracts Payable	142,928,540
Accrued Expenses	110,356,010
Statutory Liabilities	23,004,420
Deposit from Vendors	40,000
Others	17,392,787
	331,887,092
12. SHORT TERM PROVISIONS	
Provision for employee benefits	
Compensated Absences	26,678,516
Gratuity	14,348,485
Others	15,920,914
Fringe Benefit Tax (Net of Advance Tax : ₹ 18,559,413)	1,132,642
	58,080,557



Notes to Accounts

13. FIXED ASSETS

ASSET	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK					
	As at March 31, 2011	Adjustments pursuant to merger of Somero	Additions	Disposals/ Other Adjustments	Transfer to Assets held for Sale	As at March 31, 2012	Adjustments pursuant to merger of Somero	For the Year	On Disposals/ Other Adjustments	Transfer to Assets held for Sale	Upto March 31, 2012	Upto March 31, 2012	As at March 31, 2011	As at March 31, 2012
Tangible Assets:														
- Leasehold Land	265,036,766	-	123,400,000	-	388,436,766	6,067,692	-	3,647,016	-	-	9,714,708	9,714,708	378,722,058	258,969,074
- Leasehold Land Improvements	-	31,293,337	-	31,293,337	-	-	31,293,337	-	31,293,337	-	-	-	-	-
- Buildings	193,399,716	2,169,480	218,858,628	-	414,427,824	14,319,040	1,513,687	11,607,392	-	-	27,440,119	27,440,119	386,987,705	179,080,676
- Computers	597,208,870	71,541,194	110,746,521	108,487,275	671,009,310	473,627,252	63,389,446	99,692,378	108,451,181	-	528,257,895	528,257,895	142,751,415	123,581,618
- Electrical Installations	92,169,712	-	20,367,532	-	112,537,244	24,704,787	-	12,333,290	-	-	37,038,077	37,038,077	75,499,167	67,464,925
- Office Equipment and EPBAX System	31,504,235	14,601,305	27,202,397	25,219	62,741,836	5,797,434	12,393,415	4,352,327	22,763	10,039,725	12,480,688	12,480,688	50,261,148	25,706,801
- Furniture and Fixtures	101,484,079	2,365,908	10,412,659	-	112,066,501	23,389,246	1,645,081	11,148,509	-	1,723,832	34,459,004	34,459,004	77,607,497	78,094,833
- Vehicles	-	38,814,871	-	8,566,336	30,248,535	-	17,320,854	4,734,225	6,645,160	-	15,409,919	15,409,919	14,838,616	-
Total A	1,280,803,378	160,786,095	510,987,737	117,078,830	1,791,468,016	547,905,451	127,555,820	147,515,137	115,119,104	43,056,894	664,800,410	664,800,410	1,126,667,606	732,897,927
Intangible Assets:														
- Goodwill on consolidation	-	-	2,511,520	-	2,511,520	-	-	-	-	-	-	-	2,511,520	-
- Computer Software	11,554,531	3,456,402	1,748,646	-	16,759,579	10,506,940	3,456,402	1,332,026	-	-	15,295,368	15,295,368	1,464,211	1,047,591
Total B	11,554,531	3,456,402	4,260,166	-	19,271,099	10,506,940	3,456,402	1,332,026	-	-	15,295,368	15,295,368	3,975,731	1,047,591
Grand Total (A+B)	1,292,357,909	164,242,497	515,247,903	117,078,830	1,810,739,115	558,412,391	131,012,222	148,847,163	115,119,104	43,056,894	680,095,778	680,095,778	1,130,643,337	733,945,518
Previous year	1,261,788,323	-	92,146,111	61,576,525	1,292,357,909	489,801,173	-	128,028,104	59,416,886	-	558,412,391	558,412,391	733,945,518	771,987,150
Capital Work-in-Progress	-	-	-	-	-	-	-	-	-	-	-	-	73,653,115	682,702

Notes to Accounts

(All amounts in Indian Rupees unless otherwise stated)

Amount in ₹

March 31, 2012

14. LONG TERM LOANS AND ADVANCES	
<u>Rental Deposit to Related Parties</u>	
Godrej and Boyce Manufacturing Company Limited.	9,199,853
<u>Others</u>	
Capital Advances	5,353,345
Sundry Deposits	29,848,690
MAT credit entitlement	124,142,952
	168,544,840
15. OTHER NON CURRENT ASSETS	
Deposits in Note Banks	3,965,000
	3,965,000
16. TRADE RECEIVABLES (unsecured, considered good)	
Debts outstanding for a period less than six months from the date they are due for payment	228,214,273
Debts outstanding for a period exceeding six months from the date they are due for payment	1,656,814
	229,871,087
17. CASH AND BANK BALANCES	
<u>Cash and Cash Equivalents</u>	
Cash in Hand	12,294
Remittance in Transit	6,728,257
<u>Balances with Noted Banks</u>	
In Current Accounts	13,993,595
<u>Others - Balances with Noted Banks</u>	
In Deposit Accounts	14,479,593
(Pledged with bankers for obtaining bank guarantees ₹ 4,965,000)	
	35,213,739
18. SHORT TERM LOANS AND ADVANCES	
Unsecured, considered good	
<u>Advances/ Deposits to related parties</u>	
Godrej and Boyce Manufacturing Company Limited.	1,689,936
Geometric Americas Inc.	1,936,305
Advance Tax (Net of Provision for tax ₹ 489,757,158)	36,832,081
MAT credit entitlement	48,863,018
Service tax receivable	34,712,062
Others	82,718,167
	a 206,751,569
Unsecured , considered doubtful	
Advances recoverable in cash or kind	4,021,138
Less : Provision for doubtful advances	4,021,138
	b -
	(a + b) 206,751,569
19. OTHER CURRENT ASSETS	



Notes to Accounts

(All amounts in Indian Rupees unless otherwise stated)

	Amount in ₹ March 31, 2012
Accrued Interest	1,040,571
Assets held for sale	973,470
Unbilled Revenue	686,985
Other Receivables	599,785
	3,300,811

	Units	Face Value	As at March 31, 2012
20. 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
Religare Liquid Fund - Institutional Daily Dividend	36,916.11	1,000.00	36,945,083
JM High Liquidity Fund - Institutional Plan	4,056,722.90	10.00	40,634,165
Kotak Liquid Institutional Premium Plan - DDR	77,025.84	10.00	941,880
ICICI Prudential Money Market Fund - Cash Opt	621,120.82	100.00	62,119,225
			230,166,786
Aggregate value of unquoted investments			230,166,786
Aggregate value of quoted investments			-

Notes to Accounts

(All amounts in Indian Rupees unless otherwise stated)

	Year Ended March 31, 2012
21. OTHER INCOME	
Dividend Income on current investments	11,097,180
Interest Income	
-Interest on Bonds	910,895
-Interest on Deposits	1,835,035
Gain on sale of current investments	246,717
Other Operating Income	
-Gain on Sale of Assets	6,684,021
-Miscellaneous Income	1,381,197
	22,155,045
22. EMPLOYEE BENEFIT EXPENSES	
Salaries, Bonus and Allowances	1,115,856,005
Gratuity Expenses	14,835,888
Contribution to Provident and Other Funds	56,795,972
Staff Welfare Expenses	33,967,347
	1,221,455,212
23. OPERATING AND OTHER EXPENSES	
Electricity Expenses	47,954,717
Facility Charges	33,028,816
Rates and Taxes	3,023,081
Rent	35,382,182
Lease Rent - Computers	4,177,522
Repairs and Maintenance:	
Computers	16,797,727
Buildings	1,234,951
Others	4,848,593
Insurance	21,921,672
Travelling and Conveyance Expenses	10,461,478
Communication Expenses	3,841,143
Legal and Professional Charges	21,820,026
Staff Recruitment Expenses	5,266,313
Loss on Exchange Fluctuation (Net)	27,038,996
Management Charges	34,160,518
Miscellaneous Expenses	11,497,543
	282,455,278
24. FINANCE COST	
Interest Expense	5,295,873
Bank Charges	1,146,034
	6,441,907



Notes to Accounts

1. NATURE OF OPERATIONS

3D PLM Software Solutions Limited ('3DPLM' or 'the Company') along with its subsidiary Delmia Solutions Private Limited ('Delmia') collectively referred to as the 'The Group' is engaged in product development, industrialisation, maintenance, documentation and market support for Product Lifecycle Management (PLM) softwares of DassaultSystemes. Pursuant to merger with Somero Enterprise Inc. (see Note 35 below) with effect from July 1, 2011 the share of Geometric Limited and Dassault Systemes has changed from 70:30 to 58:42 during the year.

2. BASIS OF PREPARATION

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

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, adopted by the company and its subsidiary.

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) Basis of Consolidation

The consolidated financial statements ("CFS") are related to the Company and its subsidiary company namely Delmia Solutions Private Limited (or 'Delmia'). (collectively referred to as 'the Group'),

1) Basis of Accounting:

The CFS has been prepared in accordance with Accounting Standard 21 (AS 21)– "Consolidated Financial Statements" notified by Companies (Accounting Standard) Rules, 2006 (as amended).

2) Principles of consolidation:

The CFS has been prepared using uniform accounting policies and on the following basis:

- i) The financial statements of the Company and its subsidiary companies have been combined on a line to line basis by adding together like items of assets, liabilities, income and expenses. The intra group balances and intra group transactions and unrealized profits or losses have been fully eliminated unless cost cannot be recovered.
- ii) The excess of the cost to the Company of its investment in a subsidiary over the Company's portion of equity of the subsidiary, at the date on which the investment in the subsidiary is made, is accounted as goodwill; when the cost to the Company of its investment in the subsidiary is less than the Company's portion of equity of the subsidiary, at the date on which investment in the subsidiary is made, the difference is accounted as capital reserve.
- iii) The consolidated financial statements are presented, to the extent possible, in the same format as that adopted by the parent for its separate financial statements.
- iv) The consolidated financial statements are prepared using uniform accounting policies to the extent practicable across the Group. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by Group, except in case of the accounting policies mentioned in note 3(j) (iv) below, where there exists variance between Parent and the subsidiary.

Notes to Accounts

v) The CFS are based, in so far as they are related to amounts included in respect of subsidiaries, on the audited financial statements prepared for consolidation in accordance with the requirements of notified AS 21 by each of the included entities.

vi) **Goodwill arising on consolidation**

The excess of cost to the parent, of its investment in subsidiary over its portion of equity in the subsidiary at the respective dates on which investment in the subsidiary was made, is recognized in the financial statements as goodwill and in the case where equity exceeds the cost; the same is being adjusted in the said goodwill. The parent's portion of equity in the subsidiary is determined on the basis of the value of assets and liabilities as per the financial statements of the subsidiary as on the date of investment.

c) List of subsidiaries which are more than 50% owned or controlled and included in the Consolidated Financials:

The subsidiaries considered in the preparation of the CFS and the shareholding of the Company in these companies is as follows:

Sr. No	Name of Subsidiary Companies	Country of Incorporation	Percentage of Ownership interest as at March 31, 2012
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1.	Delmia Solutions Private Limited (From July 1, 2011)	India	100%
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c) **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.

d) **Depreciation & Amortisation**

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:

Particulars	Useful life (Years)
Building	20 to 28
Computers	3
Electrical Installation	8
Office Equipment	2 to 13
Furniture and Fixtures	5 to 10
Motor Vehicles	5

Leasehold land is depreciated over the period of lease.

e) **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.

f) **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 Profit and Loss account on a straight-line basis over the lease term.



Notes to Accounts

g) 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.

h) 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.

i) 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.

j) Foreign Exchange Transactions Initial Recognition

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 Group 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 Group 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 Accounts

hedging reserve included in the Reserves and Surplus. This gain/loss would be recorded in profit and loss account 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 profit and loss account.

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 recognised 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 recognised in shareholders' funds is transferred to profit and loss account for the year.

Exchange differences on such contracts are recognised 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 recognised as income or as expense for the year.

In case of Delmia, in respect of Contracts entered upto September 30, 2011, the premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the contract. 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 recognised as income or as expense for the year.

k) Revenue Recognition

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

Income from Services

Revenue from time and material contracts for software development is recognised 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.

Interest

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

Dividends

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

l) 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 Group 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



Notes to Accounts

it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

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 is created by way of a credit to the profit and loss account and shown as MAT Credit Entitlement. The Group 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 Group will pay normal Income Tax during the specified period.

m) 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 Profit and Loss Account 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 Profit and Loss Account 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 Account as income or expense.

(iii) Other Employment benefits

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

n) 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.

o) Business Segment

The Group is exclusively engaged in the business of Software Development for Dassault Systemes. 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.

p) 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 a 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

Notes to Accounts

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.

q) 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.

r) 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.

25. TOTAL COMMITMENTS

Estimated amount of contracts remaining to be executed, net of advances to the extent not provided for Rs 36,803,888 (March 31, 2011: ₹ 16,483,222).

For commitments relating to lease arrangements, please refer note 27.

26. CONTINGENT LIABILITIES

Claims against the Group not acknowledged as debt in respect of:

Particulars	As at March 31, 2012 ₹
Income Tax Assessment which have been disputed by the company	
For 3D PLM Software Solutions Limited	
IT Assessment for A.Y. 2008-09 (TDS 24Q)	17,641,590
IT Assessment for A.Y. 2008-09 (TDS 26Q)	5,250,926
IT Assessment for A.Y. 2010-11 (TDS 26Q)	30,600
IT Assessment for A.Y. 2011-12 (TDS 26Q)	766,812
For Delmia Solutions Private Limited	
TP 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
Income Tax Assessment for A.Y. 2007-08	15,770,778
Total	81,555,880

Pending the settlement of the dispute, the Group has not paid the amount to the tax authorities. Based on Judicial pronouncements the Group's claim is likely to be accepted by Appellate Authorities.

27. ACCOUNTING FOR LEASES

The Group 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 subleased 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".



Notes to Accounts

Operating Leases	For the year ended March 31, 2012 ₹
Lease payments	41,256,390

Operating Leases	As at March 31, 2012
Minimum Lease Payments:	
Not later than one year	60,847,408
Later than one year but not later than five years	198,721,980

28. DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURE

Purpose		As at March 31, 2012	
		Foreign Currency	INR Amount
Hedge of highly probable foreign currency sales	USD	78,855,004	3,932,150,426
Unhedged Foreign Currency Exposure			
Bank Balance	USD	114,390	5,845,321
	EUR	3,863	263,527
Term Loan	USD	3,451,238	176,358,262

29. EMPLOYEE STOCK OPTIONS

Certain employees of the Group have been allotted Employee Stock Options in Geometric Limited. The Group has not incurred any expenses for issuing such options.

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
Parties having substantial interest and exercising significant influence	DassaultSystemes SA France
Fellow Subsidiaries	Geometric Americas Inc.

Notes to Accounts

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

Parties exercising significant Influence	<p>Dassault Data Services Suresnes</p> <p>Dassault Systemes Deutschland GmbH</p> <p>Dassault Systemes Delmia Corp.</p> <p>Dassault Systemes Enovia Corp. (formerly Matrixone Inc)</p> <p>Dassault Systemes India Pvt. Ltd.</p> <p>Dassault Systemes Italia, Srl</p> <p>Dassault Systemes K.K.</p> <p>Abaqus Inc.</p> <p>Dassault Systemes UK Ltd.</p> <p>Dassault Systemes Canada Innovation Technologies Inc.</p> <p>Dassault Systemes of America Corp.</p> <p>Dassault Systemes Services, LLC</p> <p>Dassault Systemes Simulia Corp.</p> <p>Dassault Systemes Innovation Tech.Korea</p> <p>Godrej and Boyce Manufacturing Company Limited.</p> <p>Godrej Industries Ltd.</p> <p>SmarTeam Corp Ltd.</p> <p>SolidWorks Corporation</p> <p>Spatial Corporation</p>
Key Management Personnel in 3DPLM Software Solutions Limited	Shashank Patkar (C.E.O. & Manager)
Key Management Personnel in Delmia Solutions Private Limited	Anand Udemane (Director – Delmia India R&D) (with effect from July 1, 2011)

For the year ended March 31, 2012

Nature of transactions	Holding Company	Fellow Subsidiaries	Parties Having Substantial Interest	Parties Exercising Significant Influence
Revenue	-	-	1,061,067,716	1,101,384,134
Purchase of Fixed Assets	345,011,000	-	-	7,299,270
Dividend Paid	84,618,800	-	36,265,200	-
Rent towards Leased Premises	3,918,249	-	-	9,458,406
Rent Income	451,200	-	-	-
Reimbursement of Expenses	54,848,180	34,414	-	490,605
Recovery of Expenses	5,949,576	4,934,712	55,574,449	39,538,823
Recovery of Tax Demand	-	-	6,473,501	-
Advance Given	500,000	-	-	2,611,772
Advance Repaid	500,000	-	-	530,342
Other Expenses	-	-	-	112,810



Notes to Accounts

Managerial Remuneration : Key Management Personnel	Year ended March 31, 2012
Sudarshan Mogasale	1,150,917
Shashank Patkar	8,238,633
Anand Undemane	4,423,122

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, 2012
Revenue	
Dassault Systemes SA France	1,061,067,716
Dassault Systemes Enovia Corp.	364,116,589
Purchase of Fixed Assets	
Geometric Limited	345,011,000
Dividend Paid	
Geometric Limited	84,618,800
Dassault Systemes SA France	36,265,200
Rent & Expenses	
Geometric Limited	3,918,249
Godrej & Boyce Manufacturing Company Limited	9,458,406
Rent Income	
Geometric Limited	451,200
Recovery of expenses	
Dassault Systemes SA France	55,574,449
SolidWorks Corporation	13,244,893
Dassault Systemes Enovia Corp.	11,045,926
Recovery of Tax Demand	
Dassault Systemes SA France	6,473,501
Reimbursement of Expenses	
Geometric Limited	54,848,280
Advances Given	
Geometric Limited	500,000
Godrej & Boyce Manufacturing Company Limited	9,158,217
Advances Repaid	
Geometric Limited	500,000
Godrej & Boyce Manufacturing Company Limited	530,342
Other Expenses	
Godrej & Boyce Manufacturing Company Limited	112,810

Notes to Accounts

	Outstanding Balances	As on March 31, 2012
1. Holding Company		
a. Other Payables		
Geometric Limited		4,491,216
b. Other Receivables		
Geometric Limited		349,390
2. Fellow Subsidiaries :		
a. Advances Receivable		
Geometric Americas Inc.		1,936,305
b. Advances Payable		
Geometric Americas Inc.		33,215
3. Parties having substantial interest:		
a. Trade Receivables/Other Receivables		
Dassault Systemes SA France		121,664,164
b. Trade Payables		
Dassault Systemes SA France		4,180,072
4. Parties exercising significant influence :		
a. Trade Receivables/ Other Receivables		
Abaqus Inc.		9,200,661
Dassault Data Services Suresnes		9,530,303
Dassault Systemes Delmia Corp.		14,157,204
Dassault Systemes Deutschland GmbH		747,338
Dassault Systemes Enovia Corp.		34,601,046
Dassault Systemes K.K.		531,440
Dassault Systemes Service, LLC		9,829,085
Dassault Systemes Canada Innovation Technologies Inc		1,716,086
Dassault Systemes Innovation Tech. Korea		302,793
Dassault Systemes Italia, Srl		4,924,156
SmarTeam Corp. Ltd.		5,866,178
SolidWorks Corporation		21,926,044
Spatial Corporation		5,493,501
b. Deposits		
Godrej & Boyce Manufacturing Company Limited		10,889,789
c. Advance Given		
Godrej & Boyce Manufacturing Company Limited		8,941,510
d. Trade Payables		
DassaultSystemes Deutschland GmbH		600,248

31. EMPLOYEE BENEFITS

a. Defined Contribution Plan

Contribution to defined contribution plan, recognised in the statement of profit and loss account under Employee cost, Contribution to provident and other funds, in Note22for the yearare as under:

Particulars	Year Ended March 31, 2012
Contribution to Provident Fund	42,337,386
Contribution to Superannuation Fund	10,903,188



Notes to Accounts

b. Defined Benefit Plan

The Group 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.

Gratuity		March 31, 2012
I	Reconciliation of opening and closing balances of Defined Benefit obligation	
	Present Value of Defined Benefit obligation as at the beginning of the year	76,469,450
	Interest Cost	5,396,993
	Past Service Cost	-
	Current Service Cost	13,768,970
	Benefits paid	(9,426,138)
	Net Actuarial Loss / (Gain)	(1,968,225)
	Present Value of Defined Benefit obligation as at the end of the year	84,241,050
II	Reconciliation of fair value of plan assets	
	Fair value of plan assets as at the beginning of the year	55,336,789
	Expected return on plan assets	4,567,205
	Net Actuarial Gain / (Loss)	(922,232)
	Employer's contribution	21,635,549
	Benefits paid	(9,426,138)
	Fair value of plan assets as at the end of the year	71,191,173
III	Net Liability recognised in Balance Sheet	
	Present Value of Defined Benefit obligation	84,241,050
	Fair value of plan assets	71,191,173
	Net liability recognised in Balance Sheet (unfunded)	13,049,877
IV	Component of employer's expenses	
	Current Service Cost	13,768,970
	Past Service Cost	-
	Interest Cost	5,396,993
	Expected Return on Plan Asset	(4,567,205)
	Net Actuarial Loss / (Gain)	(1,045,993)
	Total expenses recognised in the Profit and Loss Account in Note 22, under Employee cost	13,552,765
V	Actual return on plan assets	3,644,973
VI	Actuarial assumptions	
	Mortality Table:	L.I.C 1994-96 ULTIMATE
	Discount rate	8.50% P.A.
	Expected rate of return on Plan Assets	8% to 8.50%P.A.
	Salary escalation	6% to 7% P.A

Notes to Accounts

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	3DLPM	%	Delmia	%	Consolidated
	March 31, 2012		March 31, 2012		March 31, 2012
Investments with LIC	50,076,917	100%	4,809,713	23%	54,886,630
Investments with HDFC			15,864,543	75%	15,864,543
Investments with Employees Trust			440,000	2%	440,000
	50,076,917		21,114,256		71,191,173

Amounts for the current and previous four periods are as follows:

Particulars	Gratuity			
	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009
Defined Benefit Obligation	84,241,050	53,586,613	34,753,744	28,553,635
Plan Assets	71,191,173	32,391,064	25,475,604	20,439,673
Surplus/ (Deficit)	(13,049,877)	(21,195,549)	(9,278,140)	(8,113,962)
Experience adjustments on plan liabilities	(1,184,240)	-	-	-
Experience adjustments on plan assets	(150,511)	-	-	-

32. SECONDARY GEOGRAPHICAL SEGMENTS – REVENUE

Region	Year ended March 31, 2012 ₹
US	1,067,783,081
Europe	1,075,111,633
Asia Pacific	13,000,604
Canada	6,556,532
Total	2,162,451,850

Particulars	Carrying amount of segment assets and intangible assets	Addition to fixed assets and intangible assets
	As at March 31, 2012	Year ended March 31, 2012
US	114,256,413	-
Europe	127,335,637	-
Asia (excluding India)	833,763	-
India	1,644,658,472	512,736,384

33. 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”.



Notes to Accounts

34. EXCEPTIONAL ITEM

During the nine months ended March 31, 2012 Delmia has written back provision for merger bonus amounting to ₹ 11,153,470/- on account of revision in estimates of merger/ retention bonus payable to the employees of the Company on the acquisition of Somero Enterprises Inc (the erstwhile holding company) as at July 1, 2011.

35. SCHEME OF AMALGAMATION

The High Court at Bombay, by its Order dated April 8, 2011, had approved the proposed Scheme of Amalgamation ('the Scheme') between Somero Enterprises Inc. ('Somero' or 'Transferor Company') and 3D PLM Software Solutions (or the 'Company' or 'Transferee Company') ['The Scheme']. The Foreign Investment Promotion Board vide its letter dated May 11, 2011 had approved issue and allotment of Equity Shares of the Company to the shareholders of Somero pursuant to the Merger.

Since, all approvals under the Scheme were received, the "Effective Date" and "Appointed Date", as defined in the Scheme is July 1, 2011. The Accounting for Amalgamation is done using "Pooling of Interest Method".

Pursuant to the Scheme, the Company has 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 DassaultSystemes Delmia Corp., the holding company of Somero.

Based on the combined reading of the High Court order and AS 14, the Company has recorded equity shares of ₹ 10 each issued to DassaultSystemes Delmia Corp at fair value of Rs 1,152, determined as per the valuation report obtained by the Company at (comprising of face value of ₹ 10 and securities premium of ₹ 1,142). 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.

Further, the Company has recorded assets and liabilities taken over of ₹ 7,558,217 at book value and reserves taken over of ₹ 7,111,017.

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 has been adjusted against the reserves in the books of accounts of the Company as follows:

- Rs 223,150,000 against General reserve account
- Rs 83,104,245 against Balance in Profit & Loss Account

36. PROPOSED MERGER OF DELMIA SOLUTIONS PRIVATE LIMITED WITH THE COMPANY

The Board of directors have approved the proposal for amalgamation of Delmia Solutions Private Limited (wholly owned subsidiary of the Company) with the Company as per the resolution dated April 20, 2012 . The proposed merger is envisaged under the provisions of sections 391 to 394 and other applicable provisions of the Companies Act, 1956, and is subject to requisite approvals of the concerned persons and other regulatory and statutory approvals including approvals required under applicable law relating to the Company.

The proposed merger shall be operative from April 1, 2012 ('the appointed date') and shall be effective from date on which certified copies of orders sanctioning the Scheme of Amalgamation passed by the High Court, or such other competent authority; as may be applicable; are filed with the Registrar of Companies- Karnataka and Maharashtra, whichever is later. The accounting for merger will be done in accordance with "the Pooling of Interest Method" referred to in Accounting Standard 14 – Accounting for Amalgamation.

37. Since this is the first time the Company has presented consolidated financial statements in accordance with Accounting Standard 21. Hence,previous year comparatives have not been presented.

As per our report of even date

S.R. Batliboi & Associates

Firm Registration Number: 101049W

Chartered Accountants

per Govind Ahuja

Partner

Membership No. 48966

Place: Mumbai

Date: April 20, 2012

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

Manu Parpia

Chairman

David de MUER

Director

Sudarshan Mogasale

CEO & Manager



Transforming Geometric

3D PLM Software Solutions Ltd.

Standalone Financial Statements
for the year ended March 31, 2012

Regd. Office :

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



Auditors' Report

To

The Members of 3DPLM Software Solutions Limited

1. We have audited the attached Balance Sheet of 3DPLM Software Solutions Limited ('the Company') as at March 31, 2012 and also the Statement of Profit and Loss and Cash Flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956('the Act'), we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - ii. 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;
 - iii. The balance sheet, statement of profit and loss and the cash flow statement dealt with by this report are in agreement with the books of account;
 - iv. In our opinion, the balance sheet, statement of profit and loss and the cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Act;
 - v. On the basis of the written representations received from the directors, as on March 31, 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act;
 - vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - a) in the case of the balance sheet, of the state of affairs of the Company as at March 31, 2012;
 - 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 cash flow statement, of the cash flows for the year ended on that date.

For S.R. BATLIBOI & ASSOCIATES

Firm registration number: 101049W
Chartered Accountants

per Govind Ahuja

Partner
Membership No.: 48966

Place: Mumbai
Date: April 20, 2012

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) All fixed assets were physically verified by the management in the previous year in accordance with a planned program of verifying them once in two years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed 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 Companies (Auditor's Report) Order, 2003 (as amended) (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 Companies Act, 1956 (or '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 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, custom duty, income-tax, service tax, cess and other material statutory dues applicable to it. The provisions relating to investor education and protection fund, employees' state insurance, sales tax, wealth tax and excise duty are not applicable to the Company.
- i) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, custom duty, income-tax, service tax, cess and other material statutory dues applicable to it were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions relating to investor education and protection fund, employees' state insurance, sales tax, wealth tax and excise duty are not applicable to the Company.
- ii) According to the information and explanation given to us, there are no dues of service tax, customs duty and cess which have not been deposited on account of any dispute. The provisions relating to sales tax, wealth tax and 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 (Rs)	Period to which the amount relates	Forum where dispute is pending
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	4,960,480	Assessment Year 2008-09	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income tax	485,878	Assessment Year 2005-06	Income tax Appellate Tribunal

- (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
Firm registration number: 101049W
Chartered Accountants

per Govind Ahuja
Partner
Membership No.: 48966

Place: Mumbai
Date: April 20, 2012

Balance Sheet as at March 31, 2012

(All amounts in Indian Rupees unless otherwise stated)

Particulars	Notes to Accounts	As at March 31,	
		2012	2011
EQUITY AND LIABILITIES			
Shareholder's Funds			
Share Capital	4	15,522,000	12,860,000
Reserves and Surplus	5	1,123,434,735	1,267,455,642
		1,138,956,735	1,280,315,642
Non-Current Liabilities			
Deferred tax liabilities (Net)	6	15,338,681	17,595,172
Other Long term liabilities	7	184,309,264	8,990,098
Long term provisions	8	13,735,000	8,180,000
Current Liabilities			
Short-term borrowings	9	176,358,262	-
Trade payables	10	13,296,295	1,603,979
Other current liabilities	11	307,366,459	122,646,881
Short-term provisions	12	43,281,986	43,906,346
		1,892,642,682	1,483,238,118
ASSETS			
Non-current assets			
Fixed assets	13		
Tangible assets		1,091,864,697	732,897,927
Intangible assets		1,464,210	1,047,591
Capital work-in-progress		73,653,115	682,702
Non-current investments	14	7,311,720	-
Long term loans and advances	15	155,229,617	190,961,045
Other non-current assets	16	3,965,000	9,201,076
Current assets			
Current investments	17	230,166,786	138,517,535
Trade receivables	18	195,756,982	210,676,254
Cash and Bank Balances	19	13,005,063	25,481,955
Short-term loans and advances	20	118,846,201	105,440,283
Other current assets	21	1,379,291	68,331,750
		1,892,642,682	1,483,238,118

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

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 20, 2012



Profit and Loss Account for the year ended March 31, 2012

(All amounts in Indian Rupees unless otherwise stated)

Particulars	Notes to Accounts	Year Ended March 31,	
		2012	2011
INCOME			
Revenue from Operations			
Revenue from software services		1,903,648,228	1,445,388,021
Other Operating revenue (Net exchange gain on foreign currency)		-	89,890,895
Other income	22	17,247,798	13,830,801
Total Revenue		1,920,896,026	1,549,109,717
EXPENDITURE			
Employee benefit expenses	23	1,071,865,022	855,092,081
Operating and other expenses	24	224,693,369	174,912,605
Finance costs	25	6,314,978	541,578
Depreciation and amortization expense	13	138,131,039	128,028,104
Total Expenses		1,441,004,408	1,158,574,368
PROFIT BEFORE TAX		479,891,618	390,535,349
Tax Expense			
Current Taxes		146,800,000	76,922,273
MAT credit entitlement		-	(76,399,509)
Deferred tax (credit)/expense		(2,256,491)	(2,170,545)
Total Tax Expense		144,543,509	(1,647,781)
PROFIT FOR THE YEAR		335,348,109	392,183,130
EARNINGS PER EQUITY SHARE			
Basic and Diluted [Nominal value of the shares Rs 10 (March 31, 2011 : Rs.10)]		225.59	304.96
Weighted average number of equity shares		1,486,562	1,286,000
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

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 20, 2012

Cash Flow Statement for the year ended March 31, 2012

(All amounts in Indian Rupees unless otherwise stated)

Particulars	Year ended March 31,	
	2012	2011
CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax	479,891,618	390,535,349
Adjustment for:		
Depreciation and amortisation	138,131,039	128,028,104
(Profit) / Loss on Sale of Fixed Assets	(4,401,013)	779,275
(Profit) / Loss on Sale of Investments	(246,717)	(202,354)
Unrealized (Profit) / Loss on Hedges	12,281,343	(11,250)
Interest Expense	5,295,873	49,376
Interest Income	(1,343,758)	(1,095,069)
Dividend Income	(10,330,785)	(352,740)
Unrealised (gain)/loss	1,662,062	(1,290,360)
Operating Cash Flows Before Working Capital Changes	620,939,662	516,440,331
Movement in working capital		
Increase/ (Decrease) in Deferred Revenue	23,679,391	(50,125,806)
Increase/ (Decrease) in Long Term Provisions	5,555,000	(163,248,136)
Increase/ (Decrease) in Trade Payables	11,691,117	(1,847,790)
Increase/ (Decrease) in Other Current Liabilities	50,044,940	37,456,202
Increase/ (Decrease) in Short Term Provisions for compensated absences	(624,360)	26,549,023
Decrease/ (Increase) in Long Term Loans and Advances	(10,422,645)	237,672,980
Decrease/ (Increase) in Trade Receivables	16,940,494	(22,828,095)
Decrease/ (Increase) in Short Term Loans and Advances	(13,101,641)	(77,020,023)
Decrease/ (Increase) in Other Current Assets	97,228	(764,458)
Cash Generated from Operations	704,799,186	502,284,228
Income Taxes Paid	(98,241,259)	(79,360,082)
Net Cash Flow from Operating Activities	606,557,927	422,924,146
CASH FLOW FROM/ (USED IN) INVESTING ACTIVITIES		
Purchase of Fixed Assets including CWIP and Capital advances	(573,193,786)	(94,404,376)
Proceeds from Sale of Fixed Assets	4,401,013	1,380,364
Purchase of Investments	(1,643,172,214)	(2,123,360,947)
Sale/Redemption of Investments	1,551,769,680	2,005,122,114
Fixed Deposit Matured	-	5,000
Dividend Received	10,330,785	352,740
Interest Received	2,632,294	731,542
Net Cash Used in Investing Activities	(647,232,228)	(210,173,563)



Cash Flow Statement for the year ended March 31, 2012

(All amounts in Indian Rupees unless otherwise stated)

Particulars	Year ended March 31,	
	2012	2011
CASH FLOW FROM FINANCING ACTIVITIES:		
Borrowings from Bank	539,195,032	-
Repayment of Bank Borrowings	(366,874,719)	-
Interest Paid	(4,984,361)	(49,376)
Dividend Paid	(120,884,000)	(167,180,000)
Dividend Tax Paid	(19,610,407)	(27,816,180)
Net Cash From / (Used in) Financing Activities	26,841,545	(195,045,556)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(13,832,756)	17,705,027
Effect of exchange difference on cash and cash equivalents	(49,483)	(405,347)
Cash and Cash equivalents at the beginning of the year	26,887,302	8,182,275
Cash and Cash equivalents at the end of the year	13,005,063	25,481,955
Components of cash and cash equivalents		
Remittance in Transit	6,728,257	-
With Banks - In Current Accounts	5,276,806	25,481,955
- In Deposit Account	1,000,000	-
Cash and Bank Balance as per Note 19	13,005,063	25,481,955
Summary of Significant Accounting Policies	3	

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

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 20, 2012

NOTES TO ACCOUNTS

1. NATURE OF OPERATIONS

3D PLM Software Solutions Limited ('the Company') is a 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 Dassault Systemes. Pursuant to merger with Somero Enterprise Inc. (see Note 35 below) with effect from July 1, 2011 the share of Geometric Limited and Dassault Systemes has changed from 70:30 to 58:42 during the year.

2. BASIS OF PREPARATION

The financial statements of the Company 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 under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy explained below:

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Change in accounting policy

Presentation and disclosure of financial statements

During the year ended 31 March 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the Company, for preparation and presentation of its financial statements. Except accounting for dividend on investments in subsidiary companies (see below), the adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

b) 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.

c) 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 charged 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.

d) 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	28
Computers	3
Electrical Installation	8
Office Equipment	13
Furniture and Fixtures	10
EPABX Systems	10

Leasehold land is depreciated over the period of lease.



NOTES TO ACCOUNTS

e) 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.

f) 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 Profit and Loss account on a straight-line basis over the lease term.

g) 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.

h) 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.

i) 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.

j) 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.

NOTES TO ACCOUNTS

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 hedging reserve included in the Reserves and Surplus. This gain/loss would be recorded in profit and loss account 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 profit and loss account.

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 profit and loss account 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.

k) 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.

Interest

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

Dividends

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

l) 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.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

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



NOTES TO ACCOUNTS

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 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.

m) 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 Profit and Loss Account 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 Profit and Loss Account 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 Account 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.

n) 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.

o) 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.

p) 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 a 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 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.

q) 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.

r) 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 ACCOUNTS

	Amount in ₹	
	As at March 31, 2012	2011
4. SHARE CAPITAL		
<u>Authorised:</u>		
1,700,000 (March 31, 2011: 2,000,000) Equity shares of Rs 10 each and	17,000,000	20,000,000
300,000 (March 31, 2011: Nil) Class 'A' and Class 'B' Equity Shares of ₹10 each with differential voting rights	3,000,000	-
	20,000,000	20,000,000
<u>Issued, Subscribed and Paid Up :</u>		
1,373,246 (March 31, 2011: 1,286,000) Equity shares of Rs 10 each fully paid	13,732,460	12,860,000
72,965 (March 31, 2011: Nil) Class 'A' Equity Shares of Rs 10 each fully paid	729,650	-
105,989 (March 31, 2011: Nil) Class 'B' Equity Shares of Rs 10 each fully paid up	1,059,890	-
	15,522,000	12,860,000

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	1,286,000	1,286,000
Equity Shares issued during the year	87,246	-
Shares outstanding at the end of the year	1,373,246	1,286,000

Reconciliation of Class 'A' Equity Shares

Equity Shares outstanding at the beginning of the year	-	-
Equity Shares issued during the year	72,965	-
Shares outstanding at the end of the year	72,965	-

Reconciliation of Class 'B' Equity Shares

Equity Shares outstanding at the beginning of the year	-	-
Equity Shares issued during the year	105,989	-
Shares outstanding at the end of the year	105,989	-



NOTES TO ACCOUNTS

(All amounts in Indian Rupees unless otherwise stated)

	Amount in ₹	
	As at March 31, 2012	2011
b. Terms/rights attached to equity shares		
<p>Since inception the company had issued 1,286,000 equity shares of the face value ₹ 10 each fully paid. Each equity shareholder was entitled to one vote per share.</p> <p>Post merger as on July 1, 2011, the company has issued additional shares as follows:</p> <p>87,246 Equity shares with a single voting right (.i.e. 1 vote for every single share held) of ₹ 10 each fully paid;</p> <p>72,965 Class 'A' equity shares with differential voting rights (.i.e. 2 votes for every one such share held) of ₹ 10 each fully paid</p> <p>105,989 Class 'B' equity shares with differential voting rights (.i.e. 2 votes for every one share held and one additional vote each on:</p> <ol style="list-style-type: none"> 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) of the face value of ₹ 10 each fully paid. <p>Each equity share carries equal dividend rights irrespective of the class of shares to which it belongs.</p> <p>In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company.</p> <p>The distribution will be in proportion to the number of equity shares held by the shareholders.</p>		
c. Shares held and Percentage of Holding:		
Geometric Limited (Holding Company)		
Number of shares held	900,200	900,200
Percentage of holding	58%	70%
Dassault Systemes (Company having substantial Interest)		
Number of shares held	385,800	385,800
Percentage of holding	25%	30%
Dassault Systemes Delmia Corp (Parties having significant influence)		
Number of shares held	266,200	-
Percentage of holding	17%	-
	1,552,200	1,286,000

NOTES TO ACCOUNTS

(All amounts in Indian Rupees unless otherwise stated)

	Amount in ₹	
	As at March 31, 2012	2011
d. Details of shareholders holding more than 5%		
(i) Equity Shares		
Geometric Limited		
Number of shares held	900,200	900,200
Percentage of holding in the class	66%	70%
Dassault Systemes		
Number of shares held	385,800	385,800
Percentage of holding in the class	28%	30%
Dassault Systemes Delmia Corp		
Number of shares held	87,246	-
Percentage of holding in the class	6%	-
	1,373,246	1,286,000
(ii) Class 'A' Equity Shares		
Dassault Systemes Delmia Corp		
Number of shares held	72,965	-
Percentage of holding in the class	100%	-
(iii) Class 'B' Equity Shares		
Dassault Systemes Delmia Corp		
Number of shares held	105,989	-
Percentage of holding in the class	100%	-
3D PLM SOFTWARE SOLUTIONS LIMITED		
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	-
Class 'A' Equity Shares	72,965	-
Class 'B' Equity Shares	105,989	-
	266,200	-



NOTES TO ACCOUNTS

(All amounts in Indian Rupees unless otherwise stated)

	Amount in ₹	
	As at March 31, 2012	2011
5. RESERVES AND SURPLUS		
General Reserve		
As per last Balance Sheet	223,150,000	183,650,000
Add: Transfer from profit and loss account	33,600,000	39,500,000
Less: Adjustment pursuant to merger of Somero Enterprises Inc. (Refer Note 35)	(223,150,000)	-
	33,600,000	223,150,000
Cash Flow Hedging Reserve		
As per last Balance Sheet	70,403,806	110,678,000
Add: Gain/(Loss) on Derivative contracts qualifying as cash flow hedge	(343,770,826)	(40,274,194)
	(273,367,020)	70,403,806
Securities Premium		
As per last Balance Sheet	-	-
Add: Additions during the year (Refer Note 35)	304,039,445	-
	304,039,445	-
Surplus in the Statement of Profit and Loss		
As per last Balance Sheet	973,901,836	801,169,329
Add : Net Profit for the period/year	335,348,109	392,183,130
Less : Interim Dividend	(120,884,000)	(154,320,000)
Less : Dividend Distribution Tax	(19,610,407)	(25,630,623)
Add: Reserves of Somero Enterprises Inc taken over (Refer Note 35)	7,111,017	-
Less : Adjustment pursuant to merger of Somero Enterprises Inc. (Refer Note 35)	(83,104,245)	-
Less : Transfer to general reserve	(33,600,000)	(39,500,000)
Net Surplus in the statement of Profit & Loss	1,059,162,310	973,901,836
	1,123,434,735	1,267,455,642
6. DEFERRED TAX LIABILITY (net)		
Deferred Tax Liability		
Difference in depreciation of tax books and financial books	33,429,171	27,352,995
Deferred Tax Asset		
Effect of expenditure debited to profit and loss account in the current year but allowed for tax purposes in following period/year	(18,090,490)	(9,757,823)
	15,338,681	17,595,172
7. OTHER LONG TERM LIABILITIES		
Deferred Revenue	32,669,489	8,990,098
Forward Contract Payable	151,639,775	-
	184,309,264	8,990,098

NOTES TO ACCOUNTS

(All amounts in Indian Rupees unless otherwise stated)

	Amount in ₹	
	As at March 31,	
	2012	2011
8. LONG TERM PROVISIONS		
Long Service Bonus	13,735,000	8,180,000
	13,735,000	8,180,000
9. SHORT TERM BORROWINGS		
Borrowings in Foreign Currency from Banks (secured)		
Preshipment Finance	176,358,262	-
(Foreign Currency Loan carries interest @ LIBOR plus 2%		
The loan taken is a Packing Credit loan repayable after 180 days		
The loan is secured by a sole charge over the debtors of the Company)		
	176,358,262	-
10. TRADE PAYABLES		
Trade Payables (Refer Note 34)	13,296,295	1,603,979
	13,296,295	1,603,979
11. OTHER CURRENT LIABILITIES		
Deferred Revenue	37,698,595	31,417,681
Retention Money	466,740	690,042
Forward Contracts Payable	134,009,838	-
Accrued Expenses	104,106,380	75,896,201
Statutory Liabilities	15,404,995	12,441,209
Deposits from Vendors	40,000	-
Others	15,639,911	2,201,748
	307,366,459	122,646,881
12. SHORT TERM PROVISIONS		
Provision for employee benefits		
Compensated Absences	24,095,588	21,451,217
Gratuity	13,348,485	21,195,549
Others		
Long Service Bonus	4,578,333	-
Fringe Benefit Tax [Net of Advance Tax : ₹7,778,923	1,259,580	1,259,580
(March 31, 2011 : ₹ 7,778,923)]		
	43,281,986	43,906,346



NOTES TO ACCOUNTS

13. FIXED ASSETS

ASSET	GROSS BLOCK			DEPRECIATION / AMORTISATION			NET BLOCK			
	As at April 1, 2011	Additions	Dispsals/ Other Adjustments	As at March 31, 2012	Upto March 31, 2011	For the Period	On Dispsals/ Other Adjustments	Upto March 31, 2012	As at March 31, 2012	As at March 31, 2011
Tangible Assets:										
- Leasehold Land	265,036,766	123,400,000	-	388,436,766	6,067,692	3,647,016	-	9,714,708	378,722,058	258,969,074
- Buildings	193,399,716	218,858,628	-	412,258,344	14,319,040	11,526,041	-	25,845,081	386,413,263	179,080,676
- Computers	597,208,870	95,567,060	104,577,130	588,198,800	473,627,252	94,951,710	104,577,130	464,001,832	124,196,968	123,581,618
- Electrical Installations	92,169,712	20,367,532	-	112,537,244	24,704,787	12,333,290	-	37,038,077	75,499,167	67,464,925
- Office Equipment and EPBAX System	31,504,235	27,159,903	-	58,664,138	5,797,434	3,428,309	-	9,225,743	49,438,395	25,706,801
- Furniture and Fixtures	101,484,079	10,412,659	-	111,896,738	23,389,246	10,912,646	-	34,301,892	77,594,846	78,094,833
Total	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	732,897,927
Previous year	1,246,553,772	92,146,111	57,896,505	1,280,803,378	478,742,451	124,913,376	55,750,376	547,905,451	732,897,927	-
Intangible Assets:										
- Computer Software	11,554,531	1,748,646	-	13,303,177	10,506,940	1,332,027	-	11,838,967	1,464,210	1,047,591
Total	11,554,531	1,748,646	-	13,303,177	10,506,940	1,332,027	-	11,838,967	1,464,210	1,047,591
Previous year	15,234,551	-	3,680,020	11,554,531	11,058,722	3,114,728	3,666,510	10,506,940	1,047,591	-
Grand Total	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	733,945,518
Previous year	1,261,788,323	92,146,111	61,576,525	1,292,357,909	489,801,173	128,028,104	59,416,886	558,412,391	733,945,518	-
Capital Work in Progress									73,653,115	682,702

NOTES TO ACCOUNTS

(All amounts in Indian Rupees unless otherwise stated)

	Amount in ₹	
	As at March 31,	
	2012	2011
14. NON CURRENT INVESTMENTS		
Investment In Subsidiary Company		
Unquoted Trade, Fully paid (At cost)		
480,020, equity shares (March 31, 2011 : NIL) 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	5,353,345	2,644,400
Security Deposits	16,533,467	4,420,886
<u>Security Deposit to Related Parties</u>		
Godrej and Boyce Manufacturing Company Limited.	9,199,853	10,889,789
<u>Others</u>		
MAT credit entitlement	124,142,952	173,005,970
	155,229,617	190,961,045
16. OTHER NON CURRENT ASSETS		
Deposits in Banks	3,965,000	4,965,000
[Pledged with bankers for obtaining bank guarantees ₹ 3,965,000 (March 31, 2011: Rs 4,965,000)]		
Forward Contracts Receivable	-	4,236,076
	3,965,000	9,201,076



NOTES TO ACCOUNTS

(All amounts in Indian Rupees unless otherwise stated)

	Units	Face Value	Amount in ₹	
			As at March 31, 2012	March 31, 2011
17. CURRENT INVESTMENTS				
OTHER THAN TRADE, UNQUOTED, FULLY PAID UP (at lower of cost or fair value)				
Investments in Bonds				
10% PUNJ LOYD Bonds 10/03/2014	230.00	100,000.00	-	25,055,664
10.20% SREI Bonds 23/03/2020	5.00	1,000,000.00	-	5,033,500
11.35%Tata Motors Fin Ltd. Perpetual Bonds	2.00	500,000.00	-	1,040,138
			-	31,129,302
Investments in Mutual Funds				
Reliance Liquid Fund - Treasury-IP-DDR	5,856,223.71	10.00	89,526,433	-
Religare Liquid Fund - Institutional Daily Dividend	36,916.11	1,000.00	36,945,083	-
JM High Liquidity Fund - Institutional Plan	4,056,722.90	10.00	40,634,165	-
Kotak Liquid Institutional Premium Plan - DDR	77,025.84	10.00	941,880	-
ICICI Prudential Money Market Fund - Cash Opt	621,120.82	100.00	62,119,225	-
JM Financial Regular Plan-45-FMP	1,811,894.32	10.00	-	18,139,236
Kotak Qtr.	1,999,460.15	10.00	-	20,000,000
Reliance Fixed Horizon Fund -XVIII- Series	1,300,247.85	10.00	-	13,002,478
ICICI Interval Plan B	1,500,315.00	10.00	-	15,000,000
ICICI Blended Plan B	2,506,792.61	10.00	-	25,086,727
Kotak Floater Long Term	545,645.75	10.00	-	5,500,000
IDFC Saving Advantage Fund	10,057.28	1,000.00	-	10,058,845
Kotak Liquid Institutional Premium Plan - DDR	74,507.17	10.00	-	600,947
			230,166,786	107,388,233
Aggregate value of unquoted investments			230,166,786	138,517,535
Aggregate value of quoted investments			-	-

NOTES TO ACCOUNTS

(All amounts in Indian Rupees unless otherwise stated)

	Amount in ₹	
	As at March 31,	
	2012	2011
18. TRADE RECEIVABLES (unsecured, considered good)		
Debts outstanding for a period less than six months from the date they are due for payment	194,100,168	210,676,254
Debts outstanding for a period exceeding six months from the date they are due for payment	1,656,814	-
	195,756,982	210,676,254
19. CASH AND BANK BALANCES		
<u>Cash and Cash Equivalents</u>		
Remittance in Transit	6,728,257	-
<u>Balances with Banks (in current account)</u>		
In Current Accounts	5,276,806	25,481,955
<u>Others - Balances with Banks</u>		
In Deposit Accounts with original maturity more than twelve months [Pledged with bankers for obtaining bank guarantees ₹ 1,000,000 (March 31, 2011: Nil)]	1,000,000	-
	13,005,063	25,481,955
20. SHORT TERM LOANS AND ADVANCES (Unsecured, considered good)		
<u>Advances/ Deposits to Related Parties</u>		
Godrej and Boyce Manufacturing Company Limited.	1,689,936	1,689,936
Geometric Americas Inc.	1,936,305	1,579,125
Advance Tax [Net of Provision for Tax : ₹376,833,766 (March 31, 2011 : ₹ 230,033,766)]	7,492,284	7,188,007
MAT credit entitlement	48,863,018	48,863,018
Service tax Receivable	19,218,806	19,533,160
Others	39,645,852	26,587,037
	a 118,846,201	105,440,283
Unsecured , considered doubtful		
Advances recoverable in cash or kind	2,389,138	1,488,658
Less : Provision for doubtful advances	2,389,138	1,488,658
	b -	-
	(a + b) 118,846,201	105,440,283



NOTES TO ACCOUNTS

(All amounts in Indian Rupees unless otherwise stated)

	Amount in ₹	
	As at March 31,	
	2012	2011
21. OTHER CURRENT ASSETS (Unsecured, considered good)		
Accrued Interest	92,521	1,381,057
Forward Contracts Receivable	-	66,166,480
Unbilled Revenue	686,985	784,213
Other Receivables	599,785	-
	1,379,291	68,331,750
22. OTHER INCOME		
Dividend Income on current investments	10,330,785	4,582,800
Interest Income		
-Interest on Bonds	910,895	-
-Interest on Deposits	432,863	1,095,069
Gain on sale of current investments	246,717	205,075
Other Non Operating Income		
-Gain on Sale of Assets	4,401,013	1,380,364
-Miscellaneous Income	925,525	6,567,493
	17,247,798	13,830,801
23. EMPLOYEE BENEFIT EXPENSES		
Salaries, Bonus and Allowances	980,954,924	781,868,786
Gratuity Expenses (Note 31)	14,020,888	19,127,063
Contribution to Provident and Other Funds	47,094,613	37,992,032
Staff Welfare Expenses	29,794,597	16,104,200
	1,071,865,022	855,092,081

NOTES TO ACCOUNTS

(All amounts in Indian Rupees unless otherwise stated)

	Amount in ₹	
	As at March 31,	
	2012	2011
24. OPERATING AND OTHER EXPENSES		
Electricity Expenses	40,488,267	31,451,061
Facility Charges	29,848,935	20,313,977
Rates and Taxes	2,099,377	1,281,453
Rent	21,756,908	19,005,541
Lease Rent - Computers	4,177,522	3,973,933
Repairs and Maintenance:		
Computers	13,694,590	12,390,383
Buildings	1,234,951	1,304,783
Others	3,766,284	3,898,544
Insurance	19,654,147	12,928,165
Travelling and Conveyance Expenses	8,704,946	5,542,479
Advertising and Publicity	-	486,840
Communication Expenses	2,573,023	2,371,352
Legal and Professional Charges	16,981,557	9,650,490
Staff Recruitment Expenses	4,612,460	4,410,043
Loss on Sale of Investments	-	2,721
Loss on Exchange Fluctuation (Net)	17,535,032	-
Assets written off	-	2,159,639
Management Charges	29,737,234	37,312,728
Miscellaneous Expenses	7,828,136	6,428,473
	224,693,369	174,912,605
25. FINANCE COST		
Interest Expense	5,295,873	49,376
Bank Charges	1,019,105	492,202
	6,314,978	541,578



26. CAPITAL & OTHER COMMITMENTS

Estimated amount of contracts remaining to be executed, net of advances to the extent not provided for ₹36,803,888 (March 31, 2011: ₹16,483,222).

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	As at March
	31, 2012	31, 2011
	₹	₹
Assessment Year 2007-08	-	1,350,703
Assessment Year 2008-09 (TDS 24Q)	17,641,590	17,641,590
Assessment Year 2008-09 (TDS 26Q)	5,250,926	4,960,480
Assessment Year 2010-11 (TDS 26Q)	30,600	-
Assessment Year 2011-12 (TDS 26Q)	766,812	-
Total	23,689,928	23,952,773

Pending the settlement of the dispute, the Company has not paid these amounts to the tax authorities.

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,	
	2012	2011
	₹	₹
Lease payments	27,370,306	24,165,082

Operating Lease	As at March 31,	
	2012	2011
Minimum Lease Payments		
Not later than one year	39,962,765	25,521,239
Later than one year but not later than five years	110,738,270	32,823,378

29. DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURE

Purpose		As at		As at	
		March 31, 2012		March 31, 2011	
		Foreign Currency	INR Amount	Foreign Currency	INR Amount
Hedge of highly probable foreign currency sales	USD	73,035,004	3,637,008,276	70,000,008	3,389,774,637
Unhedged Foreign Currency Exposure					
Bank Balance	USD	23,334	1,192,343	443,387	19,783,918
Term Loan	USD	3,451,238	176,358,262	-	-

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 1, 2011)
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
	Dassault Systemes Deutschland GMBH
	Dassault Systemes Delmia Corp.
	Dassault Systemes Enovia (formerly Matrixone Inc)
	Dassault Systemes India Pvt. Ltd.
	Dassault Systemes Italia
	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 Innovation Tech. Korea
	SmarTeam Corp Ltd.
	Solid works Corporation
	Spatial Corporation
	Godrej and Boyce Manufacturing Company Limited.
	Godrej Industries Ltd.
Key Management Personnel	Shashank Patkar C.E.O. & Manager (Upto December 31, 2011)
	Sudarshan Mogasale C.E.O. & Manager (from January 1, 2012)



Related Party Transactions

Nature of Transaction	Year Ended March 31,				Parties Exercising Significant Influence
	Holding Company	Subsidiary	Fellow Subsidiaries	Parties Having Substantial Interest	
Revenue	-	-	-	979,537,724	924,110,504
	(-)	(-)	(-)	(805,210,874)	(640,177,147)
Purchase of Fixed Assets (including CWIP)	345,011,000	-	-	-	7,299,270
	(-)	(-)	(-)	(-)	(2,647,868)
Dividend Paid	84,618,800	-	-	36,265,200	-
	(117,026,000)	(-)	(-)	(50,154,000)	(-)
Rent towards Leased Premises	3,918,249	9,458,406			
	(4,932,452)	(-)	(-)	(-)	(9,104,731)
Rent Income	451,200				
	(451,200)	(-)	(-)	(-)	(-)
Reimbursement of Expenses	50,294,338	816,474	34,414	112,535	
	(52,478,274)	(-)	(-)	(-)	(-)
Recovery of Expenses	5,879,000	4,860,069	4,934,712	47,510,123	32,959,675
	(425,881)	(-)	(4,623,402)	(43,217,558)	(35,189,187)
Advance Given	500,000	2,611,772			
	(-)	(-)	(-)	(-)	(-)
Advance repaid	500,000	530,342			
	(-)	(-)	(-)	(-)	(-)
Other Expenses	112,810				
	(-)	(-)	(-)	(-)	(163,719)

Note: Corresponding previous year figures are given in brackets

Nature of transaction	Year Ended March 31,	
	2012	2011

Managerial Remuneration :

Key Management Personnel

Shashank Patkar 8,238,633 8,330,937

Sudarshan Mogasale 1,150,917 -

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,	
	2012	2011
Revenue		
Dassault Systemes	979,537,724	805,210,874
Dassault Systemes Enovia	324,690,920	241,187,277
DS Solidworks Corporation	198,665,762	-
Purchase of Fixed Assets		
Godrej & Boyce Manufacturing Company Limited	-	2,647,868
Geometric Limited	345,011,000	-
Dividend Paid		
Geometric Limited	84,618,800	117,026,000
Dassault Systemes	36,265,200	50,154,000
Dividend Proposed		
Geometric Limited	-	-
Dassault Systemes	-	-
Rent & Expenses		
Geometric Limited	3,918,249	4,932,452
Godrej & Boyce Manufacturing Company Limited	9,458,406	9,104,731
Rent Income		
Geometric Limited	451,200	451,200
Recovery of expenses		
Dassault Systemes	47,510,123	43,217,558
Solidworks Corporation	13,244,893	15,199,504
Dassault Systemes of Enovia	-	9,172,055
Reimbursement of Expenses		
Geometric Limited	50,294,338	52,478,274
Advances Given		
Geometric Limited	-	-
Godrej & Boyce Manufacturing Company Limited	2,611,772	-
Advance Repaid		
Geometric Limited	500,000	-
Godrej & Boyce Manufacturing Company Limited	530,342	-
Other Expenses		
Godrej & Boyce Manufacturing Company Limited	112,810	145,890
Godrej Industries Limited	-	17,820



Outstanding Balances	As on March 31, 2012	As on March 31, 2011
1. Holding Company (Geometric Limited) :		
a. Trade Receivables	-	15,262
b. Trade Payables	4,491,216	-
2. Fellow Subsidiaries (Geometric Americas Inc.):		
a. Advances Receivable	1,936,305	1,579,125
b. Advances Payable	33,215	-
3. Parties having substantial interest:		
a. Trade Receivables Dassault Systemes	96,509,288	137,035,541
4. Parties exercising significant influence :		
a. Trade Receivables		
Abaqus Inc.	9,200,661	6,442,749
Dassault Data Services Suresness	9,539,252	7,865,621
Dassault Systemes Delmia Corp.	132,860	220,869
Dassault Systemes Deutsch	747,338	276,086
Dassault Systemes Enovia Corp.	29,977,314	20,551,077
Dassault Systemes K.K.	531,440	662,607
Dassault Systemes of America Corp.	-	12,181
Dassault Systemes Services	9,829,085	13,968,465
Dassault Systemes Simulia Corp	-	162,412
Dassault Systemes Canada Innovation Tech.	1,082,446	294,492
Dassault Systemes Innovation Technologies Inc.	155,829	155,969
Dassault Systemes UK Ltd.	-	1,104,345
Dassault Systemes Italia, Srl	4,924,156	-
Delmia Solutions Private Limited-DS	-	2,055,410
Smarteam Corp. Ltd.	5,866,178	4,536,292
Solidworks Corporation	21,926,044	11,521,831
Spatial Corporation	5,335,091	3,587,993
b. Deposits		
Godrej & Boyce Manufacturing Company Limited	10,889,789	12,579,725
c. Advance Given		
Godrej & Boyce Manufacturing Company Limited	8,941,510	313,635
d. Advance received		
Dassault Data Services Suresness	8,951	

31. EMPLOYEE BENEFITS

a. Defined Contribution Plan

Contribution to defined contribution plan, recognised in the statement of profit and loss account under Employee cost, Contribution to provident and other funds, in Note20 for the period are as under:

Particulars	Year Ended March 31,	
	2012	2011
Contribution to Provident Fund	34,102,072	27,650,288
Contribution to Superannuation Fund	9,437,142	7,430,896

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,	
	2012	2011
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	53,586,613	34,753,744
Interest Cost	4,049,349	2,560,535
Past Service Cost	-	6,457,869
Current Service Cost	12,512,927	10,797,308
Benefits paid	(5,939,502)	(7,055,409)
Net Actuarial Loss / (Gain)	(783,985)	6,072,566
Present Value of Defined Benefit obligation as at the end of the period/year	63,425,402	53,586,613
II Reconciliation of fair value of plan assets		
Fair value of plan assets as at the beginning of the period/year	32,391,064	25,475,604
Expected return on plan assets	3,201,527	2,044,218
Net Actuarial Gain / (Loss)	(771,721)	4,716,996
Employer's contribution	21,195,549	7,209,655
Benefits paid	(5,939,502)	(7,055,409)
Fair value of plan assets as at the end of the period/year	50,076,917	32,391,064
III Net Liability recognised in Balance Sheet		
Present Value of Defined Benefit obligation	63,425,402	53,586,613
Fair value of plan assets	50,076,917	32,391,064
Net liability recognised in Balance Sheet (unfunded)	13,348,485	21,195,549
IV Component of employer's expenses		
Current Service Cost	12,512,927	10,797,308
Past Service Cost	-	6,457,869
Interest Cost	4,049,349	2,560,535
Expected Return on Plan Asset	(3,201,527)	(2,044,218)
Net Actuarial Loss / (Gain)	(12,264)	1,355,570
Total expenses recognised in the Profit and Loss Account in Schedule 20, under Employee cost	13,348,485	19,127,064
V Actual return on plan assets	2,429,806	6,761,214



Particulars Gratuity	As at March 31,	
	2012	2011
VI Actuarial assumptions		
Mortality Table:	L.I.C 1994-96 ULTIMATE	L.I.C 1994-96 ULTIMATE
Discount rate	8.50% P.A.	8.00% P.A.
Expected rate of return on Plan Assets	8% P.A.	8% P.A.
Salary escalation	7% P.A.	7% 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,	
	2012	2011
Investments with LIC (100% of plan assets)	50,076,917	32,391,064

Amounts for the current and previous four periods are as follows:

Particulars	Gratuity			
	March 31, 2012	March 31, 2011	31-Mar-10	31-Mar-09
Defined Benefit Obligation	63,425,402	53,586,613	34,753,744	28,553,635
Plan Assets	50,076,917	32,391,064	25,475,604	20,439,673
Surplus/ (Deficit)	(13,348,485)	(21,195,549)	(9,278,140)	(8,113,962)
Experience adjustments on plan liabilities	-	-	-	-
Experience adjustments on plan assets	-	-	-	-

32. a. ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF PARAGRAPH 50F PART II OF REVISED SCHEDULE VI TO THE COMPANIES ACT, 1956

Particulars	Year Ended March 31,	
	2012	2011
Expenditure in foreign currency (Accrual basis)		
Onsite Salary	7,647,180	4,033,186
Others	3,968,284	753,714
	11,615,464	4,786,901
Value of imports (C.I.F basis)		
Capital goods	43,165,593	34,485,273
	43,165,593	34,485,273
Earnings in foreign exchange (Accrual basis)		
Income from Software Development and Sale of Software	1,896,738,832	1,443,524,548
	1,896,738,832	1,443,524,548

b. AUDITORS' REMUNERATION (As Auditors')

Particulars	Year Ended March 31,	
	2012	2011
a) As Auditors		
Audit fees	2,250,000	1,550,000
b) In Other Capacity		
Other services (Certification Fees)	512,500	73,333
c) Reimbursement of expenses	99,875	87,002
	2,862,375	1,710,335

c. DIVIDEND REMITTED IN FOREIGN CURRENCY

Particulars	Year Ended March 31,	
	2012	2011
	Amounts in USD	Amounts in USD
Dividend Remitted in foreign currency		
Number of non-resident Shareholders	1	1
Number of equity shares held on which dividend was due	385,800	385,800
Amount remitted	810,940	1,123,716

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,	
	2012	2011
	₹	₹
US	897,065,983	622,862,240
Europe	993,581,640	815,325,439
Asia(including India)	13,000,604	7,200,341
Total	1,903,648,228	1,445,388,021

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 and intangible assets		Addition to fixed assets and intangible assets	
	As at Mar'12	As at Mar'11	For the year ended Mar'12	For the year ended Mar'11
US	94,816,287	70,743,108	-	-
Europe	102,180,781	138,415,972	-	-
Asia (excluding India)	687,269	818,576	-	-
India	1,514,460,091	1,044,203,467	497,514,428	92,146,111

34. 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".

and allotment of Equity Shares of the Company to the shareholders of Somero pursuant to the Merger.

Since, all approvals under the Scheme were received, the "Effective Date" and "Appointed Date", as defined in the Scheme is July 1, 2011. The Accounting for Amalgamation is done using "Pooling of Interest Method".

35. SCHEME OF AMALGAMATION

The High Court at Bombay, by its Order dated April 8, 2011, had approved the proposed Scheme of Amalgamation ('the Scheme') between Somero Enterprises Inc. ('Somero' or 'Transferor Company') and 3D PLM Software Solutions (or the 'Company' or 'Transferee Company') ['The Scheme']. The Foreign Investment Promotion Board vide its letter dated May 11, 2011 had approved issue

Pursuant to the Scheme, the Company has 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.

Based on the combined reading of the High Court order and AS 14, the Company has recorded equity shares of ₹ 10 each issued to Dassault Systemes Delmia Corp at fair



value of Rs 1,152, determined as per the valuation report obtained by the Company at (comprising of face value of ₹ 10 and securities premium of ₹ 1,142). 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.

Further, the Company has recorded assets and liabilities taken over of ₹ 7,558,217 at book value and reserves taken over of ₹ 7,111,017.

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 has been adjusted against the reserves in the books of accounts of the Company as follows:

- Rs 223,150,000 against General reserve account
- Rs 83,104,245 against Balance in Profit & Loss Account

36. PROPOSED MERGER OF DELMIA SOLUTIONS PRIVATE LIMITED WITH THE COMPANY

The Board of Directors have approved the proposal for amalgamation of Delmia Solutions Private Limited (wholly owned subsidiary of the Company) with the Company as per the resolution dated April 20, 2012. The proposed merger is envisaged under the provisions of sections 391 to 394 and other applicable provisions of the Companies Act, 1956.

The proposed merger shall be operative from April 1,

2012 ('the Appointed Date') and shall be effective from date on which certified copies of orders sanctioning the Scheme of Amalgamation passed by the High Court, or such other competent authority; as may be applicable; are filed with the Registrar of Companies- Karnataka and Maharashtra, whichever is later. The accounting for merger will be done in accordance with "the Pooling of Interest Method" referred to in Accounting Standard 14 – Accounting for Amalgamation.

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

Till the year ended March 31, 2011, the Company was using pre-revised Schedule VI to the Companies Act 1956, for preparation and presentation of its financial statements. During the year ended March 31, 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the company. The company has reclassified previous year figures to conform to this year's classification. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it significantly impacts presentation and disclosures made in the financial statements, particularly presentation of balance sheet.

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

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 20, 2012



Transforming Geometric

Delmia Solutions Private Limited

Financial Statements
for the year ended March 31, 2012

Regd. Office :

Poonamchand Complex, Ground & 1st Floor,
No. 46/B & 47, 1st Main Road, 3rd Phase, JP Nagar,
Bengaluru - 560078



Directors' Report to the Members

The Directors have pleasure in presenting their report on the business and operations of the Company for the 9 months ended March 31, 2012.

1. FINANCIAL RESULTS:

The Company's operating performance during the 9 months ended March 31, 2012, is summarized below:

PARTICULARS	Current Period July 11 to March 12 (In ₹)
Sales and Other Income	263,441,959
Profit Before Interest, Depreciation and Tax	51,894,058
Interest	-
Depreciation	10,716,117
PROFIT BEFORE TAX:	41,177,941
Prior Period and Extraordinary Items	11,153,470
Provision for Taxes	17,186,232
PROFIT AFTER TAX:	35,145,179
Surplus Brought Forward	101,092,905
PROFIT AVAILABLE FOR APPROPRIATION:	120,936,558
APPROPRIATIONS:	
Dividend	
-Interim	-
-Final	-
Dividend Tax	-
Transfer To General Reserve	-
Surplus Carried Forward	120,936,558
TOTAL	120,936,558

2. DIVIDEND:

In order to conserve resources, the Directors of the Company have not recommended any dividend.

3. BUSINESS PROSPECTS:

The Company is a wholly owned subsidiary of 3D PLM Software Solutions Limited ('3D PLM') w.e.f July 1, 2011 consequent to the merger of Somero Enterprises Inc. with 3D PLM.

The Company is working primarily on DELMIA products which allow manufacturers in any industry to virtually define, plan, create, monitor and control all production processes. DELMIA also assist companies to achieve maximum production efficiency, lower cost, improve quality and reduce time to market.

4. DIRECTORS:

During the year, Mr. Christian Nardin, Mr. Hermen Xavier, Mr. Nandkishore Kalambi and Mr. Vishwanath Seth resigned as Directors of the Company. Mr. Manu Parpia, Mr. Shashank Patkar and Mr. Anand Undemane were appointed as Directors w.e.f July 1, 2011.

5. MERGER:

The Board of Directors of the Company has approved the Scheme of Amalgamation of the Company with 3D PLM.

6. AUDITORS:

M/s. S R B C & Co., Chartered Accountants, Mumbai will retire as the Auditors of the Company at the conclusion of the Annual General Meeting and are eligible for re-appointment.

7. 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.

8. 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, there is no employee in receipt of remuneration which has been prescribed.

9. COMPLIANCE CERTIFICATE:

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

10. 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 along with 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, 2012 and of the profit of the Company for the 9 months 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;

Directors' Report to the Members (Contd.)

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

11. 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.

12. 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
Director

Place : Mumbai
Date : April 20, 2012

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:

Our operations are not energy intensive. However, significant measures are taken to reduce energy consumption by using energy-efficient computers and purchasing energy-efficient equipment. We constantly evaluate new technologies and invest to make our infrastructure more energy-efficient. Currently, we use 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 air conditioners with split air conditioning for localized areas are used. As energy costs comprise a very small part of our total expenses, the financial impact of these measures is not material.

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 Dassault Systems (DS): DELMIA, CATIA and ENOVIA

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

Product enhanced and 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:

Company continues working on DELMIA's Digital Manufacturing and Production solutions. The main focus is to support DS on R&D. Towards this objective, training sessions, workshops, visits are organized between the Company and 3DPLM/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: |] Not Applicable as no imported technology is put to use. |
| 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. | |

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 Period (₹)
Total Foreign Exchange used	12,170,522
Total Foreign Exchange earned	249,241,662



Secretarial Compliance Certificate

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

To,
The Members,
Delmia Solutions Private Ltd,
Bangalore.

I have examined the registers, records, books and papers of Delmia Solutions Private 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 period ended March 31, 2012.

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 period:

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 Private Limited Company, has the minimum prescribed Paid-up Share Capital and its maximum number of members during the period ended March 31, 2012 is 2 (two), excluding its present and past employees and the Company during the period under scrutiny:
 - (i) has not invited the public to subscribe for its shares or debentures; and
 - (ii) has not invited or accepted any deposits from persons other than its members, directors or their relatives.
4. The Board of Directors duly met 5 (five) times on March 31, 2011, June 30, 2011, July 1, 2011, October 12, 2011 and January 17, 2012, 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 year ended December 31, 2010 was held on June 20, 2011, 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 period ended March 31, 2012.
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) There was no allotment/transfer/transmission of shares of the Company during the year under review.
 - (ii) As the Company had only two shareholders during the period under review, the Interim Dividend declared during that period was not deposited in a separate Bank Account.
 - (iii) As the Company had only two shareholders during the period under review, the Interim Dividend declared during that period 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, and the appointment of director/s to fill a casual vacancy and the appointment of alternate directors and additional directors during the financial year have been duly made. Mr. Anand Narayan Undemane, Mr. Shashank Anant Patkar and, Mr. Manu Mahmud Parpia were appointed Additional Directors on July 1, 2011. Mr. Nandkishore Manohar Kalambi, Mr. Christian Nardin, Mr. Vishwanath Kundapur Shet and Mr. Xavier Herman resigned as directors on July 1, 2011.

Secretarial Compliance Certificate (Contd.)

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 period under review.
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 period under review.
20. The Company has not bought back any shares during the period under review.
21. The Company has not issued any Preference Shares or Debentures and hence there was no redemption of Preference Shares or Debentures during the period under review.
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 Company has not made any borrowings during the period ended March 31, 2012.
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 period under scrutiny. However, during the period under review, on March 26, 2012, the Registered Office the Company was shifted within the limits of the same city.
27. The Company has not altered the provisions of the Memorandum with respect to the Objects of the Company during the period under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to the name of the Company during the period under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to the Share Capital of the Company during the period under scrutiny and complied with the provisions of the Act.
30. The Company has not altered its Articles of Association during the period under scrutiny.
31. The Company did not file its Letter of Offer and Declaration of Solvency as required under Section 77A of the Act, before the opening date of the buy-back of shares in the previous year. Consequently, it filed an application for compounding of offences in Form No. 61. 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.

(A.J. Gandhi)
C.P. No.2095.

Place: Mumbai.
Date: May 17, 2012.



Secretarial Compliance Certificate (Contd.)

ANNEXURE A

List of Registers maintained by Delmia Solutions Private 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 Delmia Solutions Private Ltd with the Registrar of Companies, Regional Director, Central Government of other prescribed authorities during the period ended March 31, 2012.

Sr. No.	Document & date	Applicable provision of Companies Act	Challan No./Service Request No. & date
1.	Form No.61 - Application for compounding of offences	Section 621A	B05946306 dated February 18, 2011.
2.	Form No.62 - form 4A	Section 77A	B06242895 dated February 23, 2011.
3.	Form No.4C- Return in respect of Buy- back of shares.	Section 77A	B09682782 dated April 9, 2011.
4.	Form No.66 for the year ended December 31, 2010.	Section 383A	P68118348 dated June 30, 2011.
5.	Form No.20B for the year ended December 31, 2010.	Section 159	P68118496 dated June 30, 2011.
6.	Form No.23AC and 23ACA, in respect of the Annual Accounts for the year ended December 31, 2010.	Section 220	P68122860 dated July 01, 2011.
7.	Form No.32 in respect of the appointment of directors- Mr. Anand Narayan Undermane, Mr.Shashank Anant Patkar and and Mr. Manu Mahmud Parpia	Section 303	B17084161 dated July 28, 2011.
8.	Form No.32 in respect of the resignation of directors - Mr. Nandkishore Manohar Kalambi, Mr. Christian Nardin, Mr. Vishwanath Kundapur Shet and Mr. Xavier Herman	Section 303	B17423880 dated August 03, 2011.



Auditors' Report

To the Board of Directors of Delmia Solutions Private Limited

1. At the request of Board of Directors of Delmia Solutions Private Limited ('the Company'), we have audited the accompanying balance sheet of the Company at March 31, 2012 and the statement of profit and loss and cash flows for the period from July 1, 2011 to March 31, 2012, prepared in conformity with the accounting principles generally accepted in India and presented in the format prescribed under revised Schedule VI to the Companies Act, 1956. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purposes of our audit.
4. In our opinion, and to the best of our information and according to the explanations given to us, the accompanying financial statements have been prepared, in all material respects, in accordance with the presentation and disclosure requirements of revised Schedule VI of the Act.
5. The accompanying financial statements have been prepared, and this report thereon issued, solely for the purpose of submission to 3D PLM Software Solutions Limited, the holding Company. Accordingly, this report should not be used, referred to or distributed for any other purpose without our prior written consent.

For S R B C & Co

Firm registration number: 324982E
Chartered Accountants

Per Vikram Mehta

Partner
Membership No: 105938
Mumbai: April 20, 2012



Balance Sheet as at March 31, 2012

(All amounts in Indian Rupees unless otherwise stated)

Particulars	Notes to Accounts	As At March 31, 2012
Shareholder's Funds		
Share Capital	4	4,800,200
Reserves and Surplus	5	149,467,805
		154,268,005
Current Liabilities		
Trade payables (Refer Note 28)		5,591,266
Other current liabilities	6	29,193,440
Short-term provisions	7	14,925,509
Total Equity and Liabilities		203,978,220
ASSETS		
Non-current assets		
Fixed assets (Tangible assets)	8	34,802,908
Long term loans and advances	9	13,315,223
Deferred tax assets	10	11,776,996
Current assets		
Trade receivables	11	34,114,105
Cash and Bank Balances	12	23,156,725
Short-term loans and advances	13	74,224,730
Other current assets	14	12,587,533
Total Assets		203,978,220
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 S R B C & CO.

Firm registration number: 324982E
Chartered Accountants

per Vikram Mehta

Partner
Membership No: 105938
Mumbai, April 20, 2012

For and on behalf of the Board

Manu Parpia
Director

Sudarshan Mogasale
Director

Mumbai, April 20, 2012

Profit and Loss Statement for Nine Months Period Ended March 31, 2012

(All amounts in Indian Rupees unless otherwise stated)

Particulars	Notes to Accounts	Nine months ended March 31, 2012
REVENUE FROM OPERATIONS		
Revenue from software services		258,803,622
Other income	15	4,638,037
Total Revenue		263,441,659
EXPENDITURE		
Employee benefit expense	16	149,119,446
Operating and other expenses	17	58,850,762
Depreciation and amortization expense	8	10,716,117
Total Expenses		218,686,325
PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX		44,755,334
Add/(Less): Exceptional Item (Bonus) (Refer Note 29)		11,153,470
PROFIT BEFORE TAX		55,908,804
Provision for Tax		
Current Tax		9,574,502
Deferred tax charge		8,589,123
PROFIT FOR THE PERIOD		37,745,179
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 S R B C & CO.

Firm registration number: 324982E
Chartered Accountants

per Vikram Mehta

Partner
Membership No: 105938
Mumbai, April 20, 2012

For and on behalf of the Board

Manu Parpia

Director

Sudarshan Mogasale

Director

Mumbai, April 20, 2012



Cash Flow Statement for Nine Months Period Ended March 31, 2012

(All amounts in Indian Rupees unless otherwise stated)

	Nine months ended March 31, 2012
CASH FLOW FROM OPERATING ACTIVITIES	
Profit/(Loss) Before Tax	55,908,804
Adjustment for:	
Depreciation and amortization	10,716,117
(Profit)/Loss on Sale of Fixed Assets	(2,283,008)
Unrealized (Profit)/Loss on Hedges	4,940,656
Creditors written off	(43,616)
Interest Income	(1,402,172)
Dividend Income	(766,395)
Unrealized (gain)/loss	(829,261)
Operating Cash Flows Before Working Capital Changes	66,241,125
Changes in operating assets and liabilities	
Trade Payables	(2,641,204)
Other Current Liabilities	(121,887)
Short-term Provisions	(43,508,617)
Long-term Loans and Advances	(10,430,663)
Trade Receivables	(7,725,470)
Short-term Loans and Advances	1,313,774
Other Current Assets	(6,410,700)
Cash Generated from Operations	(3,283,642)
Income Taxes Paid	(17,186,578)
Net Cash Flow from Operating Activities	(20,470,220)
CASH FLOW FROM/(USED IN) INVESTING ACTIVITIES	
Purchase of Fixed Assets including CWIP	(15,221,956)
Sale of Fixed Assets	4,242,728
Purchase of Investments	(96,519,517)
Sale/Redemption of Investments	96,519,517
Fixed Deposit Matured	27,220,407
Dividend Received	766,395
Interest Received	2,301,164
Net Cash Used in Investing Activities	19,308,738
NET CHANGE IN CASH AND CASH EQUIVALENTS	(1,161,482)
Effect of exchange difference on Cash and Cash Equivalents	50,656
CASH AND CASH EQUIVALENTS, beginning of the period	9,839,908
CASH AND CASH EQUIVALENTS, end of the period	8,729,082
Components of cash and cash equivalents	
Cash and cheques on hand	12,294
With Banks - In Current Accounts	8,716,788
- In Deposit Account	14,427,643
Cash and Bank Balance as per Note 12	23,156,725
Less Fixed Deposits - not considered as Cash and Cash Equivalents	14,427,643
Cash & Cash Equivalents in Cash Flow Statement	8,729,082

As per our report of even date

For S R B C & CO.

Firm registration number: 324982E
Chartered Accountants

per Vikram Mehta

Partner

Membership No: 105938

Mumbai, April 20, 2012

For and on behalf of the Board

Manu Parpia
Director

Sudashan Mogasale
Director

Mumbai, April 20, 2012

Notes to Accounts for the Nine Months Period Ended March 31, 2012

(All amounts in Indian Rupees unless otherwise stated)

1. NATURE OF OPERATIONS

Delmia Solutions Private Limited ('the Company') is a fully owned subsidiary of 3D PLM Software Solutions Limited. The Company operates as a research and development laboratory engaged in product development, industrialisation, maintenance and documentation for Product Lifecycle Management (PLM) softwares of Dassault Systemes and its affiliates.

2. Basis of preparation

The financial statements have been prepared in all material respects 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 accounting standards notified pursuant to the Companies (Accounting Standards) Rules, 2006, (as amended) and has presented these financial statements in the format prescribed under revised Schedule VI 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 and except for the changes in accounting policy discussed more fully below, are consistent with those used in the previous year.

These financial statements have been prepared for the purpose of consolidation by 3D PLM Software Solutions Limited, the parent company.

3. SIGNIFICANT ACCOUNTING POLICIES

a) Changes in Accounting Policies

In the current year, the Company with prospective effect from October 1, 2011, changed its method of recognising & measuring the gain & loss arising out of purchase & sale of forward contracts obtained to hedge firm commitments or highly probable forecast revenues as given in notes to (i) (iv) below. The management has aligned the policy with parent company and believes that such change will result in a more appropriate presentation of the forward contracts.

The impact on financials had the Company continued to use the earlier policy is not determinable.

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 and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

c) Tangible Fixed Assets

Fixed Assets are stated at cost less accumulated depreciation, amortisation 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. Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to 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 charged 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.

d) Depreciation & Amortisation

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:



Notes to Accounts for the Nine Months Period Ended March 31, 2012 (Contd.)

	Years of useful life
Building	20
Computers	3
Office Equipment	5
Office equipment (Cellphones)	2
Furniture and Fixtures	5
Motor Vehicles	5

e) Impairment

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.

f) 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.

g) Investments

Investments that are readily realizable and intended to be held for not more than a year 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.

h) 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 premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised 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 recognised as income or as expense for the year.

From October 1, 2011 the Company has changed its accounting policy for

Notes to Accounts for the Nine Months Period Ended March 31, 2012 (Contd.)

recognition and measurement of 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 hedging reserve included in the Reserves and Surplus. This gain/loss would be recorded in profit and loss when the underlying the statement of 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 profit and loss account.

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 recognised 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 recognised in shareholders' funds is transferred to profit and loss account for the year. Exchange differences on such contracts are recognised 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 recognised as income or as expense 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.

Income from Services

Revenue from time and material contracts for

software development is recognised 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.

Interest

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

Dividends

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

j) 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 recognised 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 realised.

At each reporting date the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised 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 realised.

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.



Notes to Accounts for the Nine Months Period Ended March 31, 2012 (Contd.)

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

k) 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 Profit and Loss Account 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 Profit and Loss Account 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.

l) 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.

m) Business Segment

The Company is exclusively engaged in the business of Software Development for Dassault Systemes. 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.

n) Earning 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.

o) Contingent Liability

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.

p) 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 Accounts for the Nine Months Period Ended March 31, 2012 (Contd.)**

	As at March 31, 2012		As at March 31, 2012
4. SHARE CAPITAL		Cash Flow Hedging Reserve	
Authorised:		As at July 1, 2011	-
1,000,000 Equity shares of Rs 10 each	10,000,000	Add: Gain/(Loss) on derivatives contracts qualifying as cash flow hedge.	(8,184,519)
Issued, Subscribed and Paid Up :	4,800,200		(8,184,519)
4,80,020 equity shares of Rs 10 each fully paid up.	4,800,200	General Reserve	
		As at July 1, 2011	33,115,360
Number of shares outstanding at the Jul 1, 2011 and end of the reporting period ended March 31, 2012 is the same		Add: Transferred from Profit & Loss A/c	-
Percentage of Holding:		Less: Transferred to Capital Redemption Reserve (Refer Note 30)	999,954
Name of the Shareholder: 3DPLM Software Solutions Limited (Holding Company) and its joint holder			32,115,406
Number of shares held	480,020	Surplus in the Statement of Profit and Loss	
Percentage of holding	100%	As at July 1, 2011	85,791,385
		Add : Net Profit for the period	37,745,179
5. RESERVES AND SURPLUS		Net Surplus in the Statement of Profit and Loss	123,536,564
Securities Premium	400		149,467,805
Capital Redemption Reserve		6. OTHER CURRENT LIABILITIES	
As at July 1, 2011	46	Forward Contracts Payable	8,918,702
Add: Transferred during the period/year (Refer Note 30)	999,954	Statutory Liabilities	7,444,485
	1,000,000	Salary Payable	120,876
Capital Reserve		Accrued expenses	6,263,543
As at July 1, 2011	999,954	Other	6,445,834
Add: Transferred during the period/year	-		29,193,440
	999,954	7. SHORT-TERM PROVISIONS	
		Provision for employee benefits	14,925,509
			14,925,509



Notes to Accounts for the Nine Months Period Ended March 31, 2012 (Contd.)

Description	Amount in ₹										
	Gross Block - At Cost Opening Balance as at 01-07-2011	Additions	Deletions	Transfer to Assets held for Sale	Closing Balance as at 31-03-2012	Depreciation Opening Balance as at 01-07-2011	Additions	Deletions	Transfer to Assets held for Sale	Closing Balance as at 31-03-2012	Net Block as at 31-03-2012
Tangible Assets											
Land & Buildings	2,169,480	-	-	-	2,169,480	1,513,687	81,351	-	-	1,595,038	574,442
Leasehold Improvements	31,293,336	-	-	31,293,336	-	31,293,336	-	-	31,293,336	-	-
Computer Equipment*	71,541,194	15,179,462	3,910,145	10,540,882	72,269,629	63,389,448	4,740,659	3,874,041	-	64,256,067	8,013,562
Office Equipment	14,583,198	42,494	25,219	2,196,145	12,404,328	12,393,415	924,016	22,763	10,039,725	3,254,943	9,149,385
Furniture and Fixtures	2,384,015	-	-	-	2,384,015	1,645,081	235,863	-	1,723,832	157,112	2,226,903
Motor Vehicles	38,814,871	-	8,566,336	-	30,248,535	17,320,853	4,734,228	6,645,161	-	15,409,920	14,838,615
	160,786,094	15,221,956	12,501,700	44,030,363	119,475,987	127,555,820	10,716,117	10,541,965	43,056,893	84,673,079	34,802,908
Intangible Assets											
Software	3,456,402	-	-	-	3,456,402	3,456,402	-	-	-	3,456,402	-
TOTAL	164,242,496	15,221,956	12,501,700	44,030,363	122,932,389	131,012,222	10,716,117	10,541,965	43,056,893	88,129,481	34,802,908

*Does not include certain computers and peripherals valued at basic cost as per assessable value declared by the Company in the Bill of entry aggregating to ₹ 1,226,760 received from Delmia Corporation, USA and Dassault Systemes, France on free of cost basis.

Notes to Accounts for the Nine Months Period Ended March 31, 2012 (Contd.)

	As at March 31, 2012		As at March 31, 2012
9. LONG-TERM LOANS AND ADVANCES		14. OTHER CURRENT ASSETS	
Sundry Deposits	13,315,223	Expenses recoverable	11,614,048
	13,315,223	Assets held for sale	973,485
10. DEFERRED TAX ASSET			12,587,533
Difference in depreciation of tax books and financial books	6,521,295		
Effect of expenditure debited to profit and loss account in the current year but allowed for tax purposes in following years	5,255,701		
	11,776,996		
11. TRADE RECEIVABLES (unsecured, considered good)			Nine months ended March 31, 2012
Debts outstanding for a period exceeding six months from the date they are due for payment	-	15. OTHER INCOME	
Other Debts	34,114,105	Interest on Deposits [Tax deducted at source ₹ 1,82,343]	1,402,172
	34,114,105	Profit on Sale of Assets	2,321,568
		Miscellaneous Income	74,286
		Dividend Income	766,395
		Liability No Longer Required Written Back	73,616
			4,638,037
12. CASH AND BANK BALANCES		16. EMPLOYEE BENEFIT EXPENSES	
Cash and cash equivalents		Salaries, Bonus and Allowances	124,826,425
Cash in Hand	12,294	Gratuity Expenses	815,000
Balances with Schedule Banks (in Current Accounts)	8,716,788	Contribution to Provident and Other Funds	9,701,361
Others - Balance with schedule banks		Staff Welfare Expenses	13,776,660
Deposits with original maturity for more than 12 months	2,398,523		149,119,446
Deposits with original maturity for more than 3 months but less than 12 months [Of the above deposits pledged with bankers for obtaining bank guarantees ₹ 14,427,643]	12,029,120	17. OPERATING AND OTHER EXPENSES	
	23,156,725	Electricity Expenses	7,262,581
		Facility Charges	3,404,253
		Rates and Taxes	766,204
		Rent	13,886,084
		<u>Repairs and Maintenance:</u>	
13. SHORT-TERM LOANS AND ADVANCES		Computers	3,103,137
Secured, considered good		Buildings	1,870,291
Vehicle loan to employees	135,414	Others	1,685,907
Unsecured, considered good		Insurance	311,192
Advance Tax (Net of Provision ₹ 109,610,212)	29,184,857	Travelling and Conveyance Expenses	4,114,657
Fringe Benefit Tax (Net of provision)	126,938	Communication Expenses	2,183,512
Service Tax Receivable	13,861,256	Legal and Professional Charges	2,059,838
Others	30,916,265	Loss on Sale of Assets	38,560
	a	Bank Charges	126,930
	74,224,730	Exchange Loss (net)	9,503,964
Unsecured, considered doubtful		Management Charges	8,020,915
Advances recoverable in cash or kind (Service Tax receivable)	1,632,000	Miscellaneous Expenses	512,738
Less: Provision for doubtful advances	1,632,000		58,850,762
	b		
	-		
	(a + b)		
	74,224,730		



Notes to Accounts for the Nine Months Period Ended March 31, 2012 (Contd.)

18. CAPITAL AND OTHER COMMITMENTS

Estimated amount of contracts remaining to be executed, net of advances to the extent not provided for ₹ Nil (December 31, 2010: ₹ NIL).

19. CONTINGENT LIABILITIES

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

Particulars	Nine Months ended on March 31, 2012 ₹
Assessment Year 2005-06	13,750,883
Assessment Year 2006-07	13,054,322
Assessment Year 2007-08	15,289,969
Assessment Year 2008-09	15,770,778
Total	57,865,952

The Company is contesting the demands and the management, including its tax advisors, believe that its position will likely be upheld in the appellate process. No tax expense has been accrued in the financial statements for the tax demand raised.

20. ACCOUNTING FOR LEASES

The Company has entered into operating lease arrangements for office premises along with other facilities, these lease have a period of 11 to 60 months and renewable by mutual consent of both parties. The lease has a lock in period of three years. There are no subleases.

Rent expenses include lease rentals payments for office & other facilities which are as follows:

Particulars	Nine months ended on March 31, 2012
Rent	13,886,084*

*Net of reimbursement for the period nine months ended March 31, 2012 ₹ 35,200.

Future Minimum Lease Payments are as follows

Particulars	As at March 31, 2012
Not later than one year	20,884,643
Later than one year but not later than five years	87,983,710

21. DERIVATIVE INSTRUMENT AND UNHEDGED FOREIGN CURRENCY EXPOSURE

	As at March 31, 2012		
	Foreign Currency	INR	Amount
Forward Contracts Outstanding			
Hedge of highly probable foreign currency sales	USD	5,820,000	295,142,150
Unhedged Foreign Currency Exposure			
Bank Balance	USD	91,056	4,652,978
	EURO	3,863	263,527

22. EMPLOYEE STOCK OPTIONS

The employees of the Company have been allotted options in the ultimate holding Company. The Company has not incurred any expenses for issuing such options.

23. RELATED PARTY TRANSACTIONS

A. Related parties and their Relationships

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

Ultimate Holding Company	Geometric Limited
Holding Company	3D PLM Software Solutions Limited

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

Parties exercising significant Influence	Dassault Systemes SA, France Dassault Systemes Deutschland GMBH Dassault Systemes Delmia Corp., USA Dassault Systemes Enovia Corp (formerly Matrixone Inc), USA Dassault Systemes India Pvt. Ltd. Dassault Systemes Canada Innovation Inc (formerly Safework Inc) Dassault Systemes of America Corp. Spatial Corporation, USA Dassault Systemes Innovation Tech Korea Ltd Dassault Systemes (Shanghai) Information Technology
Key Management Personnel	Anand Undemane (Director – Delmia India R&D) (with effect from July 1, 2011)

Notes to Accounts for the Nine Months Period Ended March 31, 2012 (Contd.)

Nature of Transaction	Nine months ended March 31, 2012		
	Ultimate Holding Company	Holding Company	Parties Exercising Significant Influence
Revenue	-	-	258,803,622
Reimbursement of Expenses	4,553,942	4,860,069	378,070
Reimbursement of tax	-	-	6,473,501
Recovery of Expenses	70,576	816,474	14,643,474

Nature of transaction	Nine Months ended March 31, 2012
Managerial Remuneration: Payment to Directors	4,423,122

Party wise details of related party transactions are as under :

Transactions and Related Parties	Nine months ended March 31, 2012
Revenue	
Dassault Systemes SA, France	81,529,993
Dassault Systemes Delmia Corp	129,652,295
Dassault Systemes Enovia Corp	39,425,669
Dassault Systemes Canada Innovation Inc	6,556,532
Spatial Corporation	1,639,133
Recovery of expenses	
Dassault Systemes SA, France	8,064,326
Dassault Systemes Delmia Corp	4,567,396
Dassault Systemes Enovia Corp	1,746,905
Geometric Limited	70,576
3D PLM Software Solutions Ltd.	816,474
Dassault Systemes India Pvt. Ltd.	13,790
Dassault Systemes (Shanghai) Information Technology	83,735
Dassault Systemes Innovation Tech Korea Ltd	167,322
Reimbursement of Expenses	
Geometric Limited	4,553,942
3D PLM Software Solutions Ltd.	4,860,069
Dassault Systemes Deutschland GMBH	378,070
Reimbursement of tax demand	
Parties Exercising Significant Influence	
Dassault Systemes SA	6,473,501

Outstanding Balances	March 31, 2012
2. <u>Parties exercising significant influence:</u>	
a. <u>Trade Receivables</u>	
Dassault Systemes SA, France	16,956,717
Dassault Systemes Delmia Corp.	12,088,267
Dassault Systemes Deutschland GMBH	
Dassault Systemes Enovia Corp.	4,277,070
Dassault Systemes Canada Innovation Inc	633,640
Spatial Corporation	158,410
b. <u>Other Receivables</u>	
Dassault Systemes SA, France	8,198,159
Dassault Systemes Delmia Corp.	1,936,077
Dassault Systemes Enovia Corp.	346,662
Dassault Systemes Innovation Tech Korea Ltd.	146,964
Geometric Limited	349,390
c. <u>Trade Payables</u>	
Dassault Systemes SA	4,180,072
Dassault Systemes Deutschland GMBH	600,248

24. EMPLOYEE BENEFITS

a. Defined Contribution Plan

Contribution to defined contribution plan, recognised in the statement of profit and loss account under Employee cost, Contribution to provident and other funds, in Note 16 for the period are as under:

Particulars	Nine Months ended March 31, 2012
Contribution to Provident Fund	8,235,314
Contribution to Superannuation Fund	1,466,046

b. Defined Benefit Plan

The Company has a defined benefit gratuity plan. Every employee gets a gratuity on departure



Notes to Accounts for the Nine Months Period Ended March 31, 2012 (Contd.)

(by way of resignation, death or disablement or retirement) at 15 days salary (last drawn salary) for each completed year of service in terms of the Gratuity Act, 1972. The scheme is funded with an insurance company in the form of a qualifying insurance.

EMPLOYEE BENEFITS - Defined Benefit Plan	Gratuity
Gratuity & Leave	March 31, 2012
I. Reconciliation of opening and closing balances of	
Defined Benefit obligation	
Value of D B obligation as at 30.06.2011	22,882,837
Interest Cost	1,347,644
Past Service Cost	-
Current Service Cost	1,256,043
Benefits paid	(3,486,636)
Net Actuarial Loss/(Gain)	(1,184,240)
Present Value of obligation as at 31.03.2012	20,815,648
Current Liability (within 12 months)	1,730,245
Non Current Liability	19,085,403
II. Reconciliation of fair value of plan assets	
Fair value of plan assets as at the beginning of the year	22,945,725
Difference in opening balance	
Expected return on plan assets	1,365,678
Net Actuarial Gain/(Loss)	(150,511)
Employer's contribution	440,000
Benefits paid	(3,486,636)
Fair value of plan assets as at the end of the year	21,114,256
III. Net Liability recognised in Balance Sheet	
Present Value of Defined Benefit obligation	20,815,648
Fair value of plan assets	21,114,256
Net asset/(liability) recognised in Balance Sheet	298,608
IV. Component of employer's expenses	
Current Service Cost	1,256,043
Past Service Cost	-
Interest Cost	1,347,644
Expected Return on Plan Asset	(1,365,678)
Net Actuarial Loss/(Gain)	(1,033,729)
Total expenses recognised in the P& L account	204,280
V. Actual return on plan assets	1,215,167
VI. Actuarial assumptions	

Mortality Table:

Discount rate	8.50%
Expected rate of return on Plan Assets	8.50%
Salary escalation	6.00%

The estimates of salary increase take into account inflation, promotions, employment market, etc.

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, 2012	%
Investments in LIC	4,809,713	23%
Investments in HDFC	15,864,543	75%
Investments in Employee Trust	513,913	2%
	21,188,169	100%

Particulars	As at	
	March 31, 2012	
Defined Benefit Obligation	20,815,648	
Plan Assets	21,114,256	
Surplus/(Deficit)	(298,608)	
Experience adjustments on plan liabilities	(65,127)	
Experience adjustments on plan assets	1,803,268	

Actuarial gain/loss is recognised immediately

The estimates of salary increase take into account inflation, promotions, etc.

25. AUDITORS' REMUNERATION

Particulars	Nine Months ended March 31, 2012
Audit fees	637,500
Other services	-
Reimbursement of expenses	6,693
	644,193

Notes to Accounts for the Nine Months Period Ended March 31, 2012 (Contd.)

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

Particulars	Nine Months ended March 31, 2012
Expenditure in foreign currency (Accrual basis)	
Software Maintenance	864,753
Travel expenses	92,145
	956,698
Value of imports (C.I.F basis)	
Capital goods	14,169,092
	14,169,092
Earnings in foreign exchange (Accrual basis)	
Income from Software Development	258,803,622
	258,803,622

27. SECONDARY GEOGRAPHICAL SEGMENTS

Revenue

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

Region	Nine Months Ended March 31, 2012
US & Canada	177,273,629
Europe	81,529,993
Total	258,803,622

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 and intangible assets Nine Months ended March 31, 2012	Addition to fixed assets and intangible assets Nine Months ended March 31, 2012
US & Canada	19,440,126	-
Europe	25,154,856	-
Asia (excluding India)	146,964	-
India	129,924,479	15,221,956
	174,666,425	15,221,956

28. 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".

29. EXCEPTIONAL ITEM

During the nine months ended March 31, 2012 the Company has written back provision for merger bonus amounting to ₹ 11,153,470/- on account of revision in estimates of merger/retention bonus payable to the employees of the Company on the amalgamation of Somero Enterprises Inc (the erstwhile holding company) as at July 1, 2011.

30. Transfer to Capital Redemption reserves is on account of buy-back of shares (100,000 shares of ₹ 10/- each) in the previous year for total consideration of ₹ 46/- on which amount was shortly transferred, hence further ₹ 999,954/- has been transferred from general reserves to Capital redemption reserve in pursuant to Section 77AA of the Companies Act, 1956.

31. The Board of Directors have approved the proposal for amalgamation of Delmia Solutions Private Limited (wholly owned subsidiary of the Company) with the Company as per the resolution dated April 20, 2012. The proposed merger is envisaged under the provisions of sections 391 to 394 and other applicable provisions of the Companies Act, 1956.

The proposed merger shall be operative from April 1, 2012 ('the Appointed Date') and shall be effective from date on which certified copies of orders sanctioning the Scheme of Amalgamation passed by the High Court, or such other competent authority; as may be applicable; are filed with the Registrar of Companies - Karnataka and Maharashtra, whichever is later. The accounting for merger will be done in accordance with "the Pooling of Interest Method" referred to in Accounting Standard 14 – Accounting for Amalgamation.

32. Previous period comparatives

Since, these accounts are special purpose accounts for the purpose of consolidation by 3DPLM Solutions Limited, parent company, post acquisition, previous period comparatives are not applicable.

As per our report of even date

For S R B C & CO. For and on behalf of the Board

Firm registration number: 324982E
Chartered Accountants

per Vikram Mehta
Partner
Membership No: 105938

Manu Parpia
Director
Sudarshan Mogasale
CEO & Director

Mumbai, April 20, 2012 Mumbai, April 20, 2012



Transforming Geometric

Geometric Americas Inc.

Consolidated Financial Statements
for the year ended March 31, 2012

Regd. Office :

50 Kirts Blvd, Suite A,
Troy, MI 48084, USA

AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF GEOMETRIC AMERICAS INC.

To the Board of Directors and Stockholders
of Geometric Americas, Inc. and Subsidiaries

We have audited the accompanying consolidated balance sheets of Geometric Americas, Inc. and Subsidiaries as of March 31, 2012 and March 31, 2011, and the related consolidated statements of operations, stockholder's equity and cash flows for the three months and year ended March 31, 2012. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion these consolidated financial statements based on our audits.

We conducted our audits 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Geometric Americas, Inc. and Subsidiaries as of March 31, 2012 and March 31, 2011, and the results of its operations and its cash flows for the three months and year ended March 31, 2012 in conformity with accounting principles generally accepted in the United States of America.

The consolidated financial statements for the periods ended March 31, 2011 were compiled. We did not audit or review those consolidated financial statements and, accordingly, express no opinion or other form of assurance on them.

Farmington Hills, Michigan
June 1, 2012



Consolidated Balance Sheet

	2012		2011	
	US\$	Equivalent INR	US\$	Equivalent INR
ASSETS				
CURRENT ASSETS				
Cash	1,599,399	81,729,289	645,166	28,787,307
Accounts receivable, trade - net	13,856,834	708,084,217	11,042,311	492,707,917
Accounts receivable, trade - related party	2,457,012	125,553,313	8,133,383	362,911,549
Unbilled work in process - net	9,425,436	481,639,780	7,272,926	324,517,958
Other receivables including loans to employees - net	1,518,626	77,601,789	943,372	42,093,259
Prepaid expenses	443,616	22,668,778	382,188	17,053,229
Refundable Income Tax	250,043	12,777,197	-	-
Deferred income tax	623,023	31,836,475	-	-
Prepaid corporate income tax	154,000	7,869,400	34,000	1,517,080
Total current assets	30,327,989	1,549,760,238	28,453,346	1,269,588,299
NOTE RECEIVABLE	104,000	5,314,400	166,000	7,406,920
PROPERTY AND EQUIPMENT	785,559	40,142,065	794,776	35,462,905
DEFERRED TAX ASSET		-	317,425	14,163,504
OTHER ASSETS				
Goodwill	2,828,090	144,515,399	2,828,090	126,189,376
Other	120,035	6,133,789	58,492	2,609,913
Total assets	34,165,673	1,745,865,890	32,618,129	1,666,786,392
LIABILITIES AND STOCKHOLDER'S EQUITY				
CURRENT LIABILITIES				
Revolving credit agreement	9,750,000	498,225,000	-	-
Accounts payable and accrued expenses	1,777,857	90,848,493	1,921,842	85,752,590
Advance from related party	3,349,680	171,168,648	27,115,687	1,209,901,954
Deferred revenue	3,116,506	159,253,457	2,526,203	112,719,178
Accrued wages and payroll taxes	819,473	41,875,070	681,749	30,419,640
Accrued income tax	-	-	41,286	1,842,181
Total current liabilities	18,813,516	961,370,668	32,286,767	1,649,853,794
NON-CURRENT LIABILITIES				
Note payable to related party	10,000,000	511,000,000	11,804,113	526,699,522
Deferred income tax	41,940		-	-
Total non-current liabilities	10,041,940	513,143,134	11,804,113	603,190,174
Total liabilities	28,855,456	1,474,513,802	44,090,880	2,253,043,968
STOCKHOLDER'S EQUITY				
Common stock, no par value, 10,000 shares authorised; 1,432 shares issued as of March 31, 2012 and 1,000 shares issued as of March 31, 2011	12,062,771	616,407,598	2,062,771	92,040,842
Accumulated deficit	(6,819,684)	(348,485,852)	(13,700,258)	(611,305,512)
Accumulated other comprehensive income	67,130	3,430,343	164,736	7,350,520
Total stockholder's equity	5,310,217	271,352,089	(11,472,751)	(586,257,576)
Total liabilities & stockholder's equity	34,165,673	1,745,865,890	32,618,129	1,666,786,392

Exchange rate used for translation : 1 US\$ =

51.10

44.62

Consolidated Statement of Operations

	2012		2011	
	US\$	Equivalent INR	US\$	Equivalent INR
Revenue	88,066,618	4,500,204,180	72,088,633	3,216,594,804
Cost of revenue		-		
Software costs and services provided by related company	26,222,964	1,339,993,460	18,941,294	845,160,538
Payroll, payroll taxes and other labour costs	42,142,958	2,153,505,154	33,339,397	1,487,603,894
Indirect costs of revenue	2,941,701	150,320,921	6,142,085	274,059,833
Total cost of revenue	71,307,623	3,643,819,535	58,422,776	2,606,824,265
Gross profit	16,758,995	856,384,645	13,665,857	609,770,539
Operating expenses				
Selling, general and administrative expenses	8,326,761	425,497,487	8,148,953	363,606,283
Depreciation	375,004	19,162,704	588,667	26,266,322
Total operating expenses	8,701,765	444,660,192	8,737,620	389,872,604
	8,057,230	411,724,453	4,928,237	219,897,935
Other income (expense)				
Interest income	12,042	615,346	27,024	1,205,811
Interest expense	(1,025,837)	(52,420,271)	(785,428)	(35,045,797)
Other	223,706	11,431,377	23,199	1,035,139
Total other income (expense)	(790,089)	(40,373,548)	(735,205)	(32,804,847)
Net (loss) before income taxes	7,267,141	371,350,905	4,193,032	187,093,088
Less income taxes	386,567	19,753,574	90,093	4,019,950
Net income	6,880,574	351,597,331	4,102,939	183,073,138
Exchange rate used for translation : 1 US\$ =		51.10		44.62



Consolidated Statement of Stockholder's (Deficit)/Equity

	Capital Stock		Retained Earnings (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 (Loss)	-	-	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)	(348,485,852)	67,130	3,430,343	5,310,217	271,352,089

Exchange rate used for translation : 1 US\$ = 51.10

Consolidated Statement of Cash Flows

	2012		2011	
	US\$	Equivalent INR	US\$	Equivalent INR
CASH FLOWS FROM OPERATING ACTIVITIES				
Net (loss)	6,880,574	351,597,331	4,102,939	183,073,138
Adjustments to reconcile net (loss) to net cash flows provided by operating activities				
Depreciation	375,004	19,162,704	725,430	32,368,687
Allowance for doubtful accounts	704,607	36,005,418	(56,976)	(2,542,269)
Deferred income taxes	(263,658)	(13,472,924)	27,000	1,204,740
Changes in operating assets and liabilities:				
Accounts receivable and unbilled work in process	(5,737,915)	(293,207,457)	(6,199,890)	(276,639,092)
Advances from related party	5,676,371	290,062,558	(7,279,733)	(324,821,686)
Prepaid expense and security deposits	(122,971)	(6,283,818)	201,374	8,985,308
Loans to employees	(508,979)	(26,008,827)	(484,589)	(21,622,361)
Accounts payable and accrued expenses	(11,161)	(570,327)	829,137	36,996,093
Accounts payable to related party	(23,766,007)	(1,214,442,958)	10,581,471	472,145,236
Deferred revenue	590,303	30,164,483	1,959,869	87,449,355
Accrued income tax	(291,329)	(14,886,912)	81,286	3,626,981
Net cash provided by operating activities	(16,475,161)	(841,880,727)	4,487,318	200,224,129
INVESTING ACTIVITIES				
Net activity on note receivable	(58,000)	(2,963,800)	532,360	23,753,903
Acquisition of minority interest	-	-	(2,828,090)	(126,189,376)
Acquisition of property, plant and equipment	(360,887)	(18,441,326)	(1,084,281)	(48,380,618)
Net cash provided by investing activities	(418,887)	(21,405,126)	(3,380,011)	(150,816,091)
FINANCING ACTIVITIES				
Proceeds from revolving credit agreement	9,750,000	498,225,000	-	-
Payments on notes payable to related party	(1,804,113)	(92,190,174)	(3,757,032)	(167,638,768)
Proceeds from issuance of capital stock	10,000,000	511,000,000	2,062,771	92,040,842
Net cash provided by (used in) financing activities	17,945,887	917,034,826	(1,694,261)	(75,597,926)
Effect of changes in exchange rate of cash	(97,606)	(4,987,667)	20,649	921,358
NET CHANGE IN CASH	954,233	48,761,306	(566,305)	(25,268,529)
CASH, Beginning	645,166	32,967,983	1,211,471	54,055,836
CASH, Ending	1,599,399	81,729,289	645,166	28,787,307
Supplemental Disclosures of Cash Flow Information				
Cash paid (refunded) for income taxes	810,000	41,391,000	(48,193)	(2,150,372)
Cash paid for interest	1,210,248	61,843,673	574,459	25,632,361
Exchange rate used for translation : 1 US\$ =		51.10		44.62



Notes to Consolidated Financial Statements year ended March 31, 2012 and 2011

NOTE 1 – NATURE OF BUSINESS AND ORGANIZATION

Geometric Americas, Inc. (“GAI”) 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, they provide marketing assistance and promote software products as well as provide software consulting services. GAI has wholly-owned subsidiaries in Romania, Geometric SRL, Romania and France, 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 the 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.

Principals 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 between them have been eliminated upon consolidation.

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, 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.

Concentration of Credit Risk

The Company from time to time during the period covered by these financial statements may have bank balances in excess of its insured limits. Management has deemed this as a normal business risk.

For the year ended March 31, 2012 sales to one customer totaled \$17,360,570 which represented 27% of sales. Total

accounts receivable from this customer at March 31, 2012 was \$1,735,624.

For the year ended March 31, 2011 sales to two customer totaled \$19,618,279 which represented 27% of sales. Total accounts receivable from these customers at March 31, 2011 was \$1,341,902.

Accounts Receivable and Allowance for Doubtful Accounts

Accounts and loans 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, 2012 and 2011 for both accounts receivable and unbilled work in process was \$1,378,405 and \$607,523, 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
Office Equipment	13 Years
Furniture & Fixtures	10 Years
Machinery & Equipment	13 Years
Leasehold Improvements	Over the term of the lease

Goodwill

The Company evaluates the carrying value of goodwill during the fourth quarter of each 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 early

Notes to Consolidated Financial Statements year ended March 31, 2012 and 2011

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. The Company is able to conclude based on the qualitative assessment, the fair value is greater than the carrying amount and the two-step test is not required.

For the years ended March 31, 2012 and 2011, respectively, no impairment of goodwill was identified during the annual impairment testing.

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 are 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 loss 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, 2012 and 2011 were \$115,580 and \$128,061, respectively.

Income Taxes

Income taxes are provided at the applicable rates on the basis of items included in determination of income for income tax purposes. The Company’s effective income tax rate is different than what would be expected if the Federal statutory rate were applied to net income before income taxes primarily because of expenses deductible for financial reporting purposes that are not deductible for tax purposes.

Effective January 1, 2012, the State of Michigan has replaced the Michigan Business Tax with a corporate income tax. Through December 31, 2011, the Michigan Business Tax was a tax on net income and gross receipts and was reported as an income tax expense. Flow through entities (S-corporations, limited liability companies, and partnerships) will not be subject to the new Michigan Corporate Tax.

The Company adopted ASC guidance regarding accounting for uncertainty in income taxes. This guidance clarifies the accounting for income taxes by prescribing the minimum recognition threshold an income tax position is required to meet before being recognized in the financial statements and applies to all income tax positions. Each income tax position is assessed using a two-step process. A determination is first made as to whether it is more likely than not that the income tax position will be sustained, based upon technical merits, upon examination by the taxing authorities. If the income tax position is expected to meet the more likely than not criteria, the benefit recorded in the financial statements equals the largest amount that is greater than 50% likely to be realized upon its ultimate settlement. At March 31, 2012 and 2011, there were no uncertain tax positions that require accrual.

None of the Company’s Federal or state income tax returns is currently under examination by the Internal Revenue Service (“IRS”) or state authorities. However, fiscal years 2008 and later remain subject to examination by the IRS and various states

Deferred Income Taxes

Deferred income taxes are provided for temporary differences between financial statement income and tax return income under the provisions of ASC topic Income Taxes which requires recognition, in the form of deferred tax liabilities and assets, of the future tax consequences of transactions and events that have been recognized in the Company’s financial statements. The principal temporary differences arise from net operating loss carry-forwards, allowance estimates,



Notes to Consolidated Financial Statements year ended March 31, 2012 and 2011

accrued vacation and goodwill amortization. The tax effect of such differences is included quarterly on the statement of operations and on the balance sheet as an adjustment to deferred income taxes.

As of March 31, 2012 and 2011, deferred income taxes were as follows:

	March 31, 2012		March 31, 2011	
	Short-Term	Long-Term	Short-Term	Long-Term
Assets	\$ 623,023	\$ -	-\$ -	\$ 317,425
Liabilities	-	(41,940)	-	-
	\$ 623,023	\$ (41,940)	-\$ -	\$ 317,425

Subsequent Events

The Company has performed a review of events subsequent to the balance sheet date through June 1, 2012, the date the consolidated financial statements were available to be issued.

NOTE 3 – NOTE RECEIVABLE

The note receivable consists of the following:

	March 31	
	2012	2011
Note receivable from an unrelated company. The note bears interest at 5.5%, is secured by all unencumbered assets, matures October, 2013 and is guaranteed by an officer of the Company. Monthly payments range from \$8,000 to \$16,000 plus interest.	\$ 258,000	\$ 200,000
Less current portion of note receivable	154,000	34,000
	\$ 104,000	\$ 166,000

NOTE 4 – PROPERTY AND EQUIPMENT, net

Property and equipment consists of the following:

	March 31	
	2012	2011
Machinery and equipment	\$ 255,933	\$ 163,465
Computer equipment and software	4,265,621	4,044,897
Furniture and fixtures	546,075	445,219
Leasehold improvements	193,348	165,641
Office equipment	-	80,484
	5,260,977	4,899,706
Less accumulated depreciation	4,475,418	4,104,930
	\$ 785,559	\$ 794,776

NOTE 5 – NOTE PAYABLE TO BANK

At March 31, 2012 and 2011, the Company had drawn \$9,750,000 and \$-0-, respectively under a revolving credit agreement with a bank. The Company may borrow up to \$12,000,000 with interest at the six month LIBOR plus 350 basis points (six month LIBOR at March 31, 2012 was 0.7413%). The note will mature in September 2012, 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, 2012 and 2011, the Company had a note payable to a related party of \$10,000,000 and \$11,804,113, respectively, with quarterly interest payments ranging from 6% to 8.5% per annum. Under the terms of the note, principal payments are to be made upon the agreement of the Company and the related party. At March 31, 2012 and 2011, both parties considered the note to be non-current.

NOTE 7 – DEFERRED REVENUE

Engineering Services

Revenue under fixed fee contracts is deferred and recognized over the term of the contract. At March 31, 2012 and 2011, deferred revenue totaled \$1,885,677 and \$1,651,192 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, 2012 and 2011, deferred revenue totaled \$1,230,829 and \$875,011, respectively.

NOTE 8 – stockholder's Equity

During fiscal year ended March 31, 2012, the Board of Directors' approved a subscription agreement with the Indian parent company to purchase 432 shares of no par common stock of Geometric Americas, Inc. 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 that are leased under non-cancelable operating leases expiring at various dates through July 2016. Total rent expense under these leases was \$715,487 and \$736,488 for the years ended March 31, 2012 and 2011, respectively.

Notes to Consolidated Financial Statements year ended March 31, 2012 and 2011

Minimum future rental payments under non-cancelable operating leases having initial or remaining terms in excess of one year as of March 31, 2012 for each of the next five years and in aggregate are:

Years ended March 31,	Amount
2013	\$ 544,310
2014	474,860
2015	449,668
2016	530,707
2017	177,903
	\$ 2,177,448

Contingent State Unemployment Tax Liability

During the quarter ended March 31, 2012, it was discovered that there is an ongoing dispute with a tax authority involving the Michigan State Unemployment Tax pertaining to the fiscal 2008 and 2009 year ends. Management is investigating the matter and intends to vigorously defend against this action. The amount of liability, if any, from this dispute cannot be determined with certainty; however, management is of the opinion that the outcome of the dispute will not have a material adverse impact on the consolidated financial position.

NOTE 10 – INCOME TAXES

INCOME TAX EXPENSES CONSIST OF THE FOLLOWING:

	Years ended March 31,	
Current expense - Federal	\$ 2,410,378	\$ 26,991
Current expense - State	202,360	6,102
Deferred benefit - Federal	(2,175,090)	30,000

Following are the related party transactions as of and for the years ended March 31, 2012 and 2011:

March 31, 2012

Particulars	GLTD	China	3DPLM	GAP
Outstanding AR Billed	\$ 1,630,513	\$ 650	\$ -	\$ -
Outstanding AR Unbilled	\$ -	\$ -	\$ -	\$ -
Software Services from GAI	\$ 704,247	\$ -	\$ -	\$ -
Loan to GAI	\$ 10,074,033	\$ -	\$ -	\$ -
Interest on loan to GAI	\$ 825,620	\$ -	\$ -	\$ -
Loan from GAI	\$ -	\$ 825,849	\$ -	\$ -
Interest on loan from GAI	\$ -	\$ -	\$ -	\$ -
Billed to GAI	\$ 23,581,117	\$ 2,072,484	\$ -	\$ 274,719
Unbilled to GAI	\$ -	\$ -	\$ -	\$ -
Billed Outstanding	\$ 3,220,681	\$ 187,903	\$ 37,893	\$ 2,977

Deferred benefit- State	(51,081)	27,000
Total	\$ 386,567	\$ 90,093

For the fiscal year ending March 31, 2012 the Company was able to utilize the tax benefit of prior net operating losses for which a full valuation was taken in prior periods.

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 both March 31, 2012 and 2011.

NOTE 12 – SELF INSURANCE

The Company provides all full-time employees health and life insurance under a qualified sponsored plan. Under the plan, the Company is liable for the first \$100,000 of health insurance claims for each individual. Claims submitted in excess of \$100,000 per individual are then covered by catastrophe insurance.

NOTE 13 – 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 Statements year ended March 31, 2012 and 2011

March 31, 2011

Particulars	GLTD	China	3DPLM	GAP
Outstanding AR Billed	\$ 1,823,791	\$ -	\$ -	\$ -
Outstanding AR Unbilled	\$ 76,249	\$ -	\$ -	\$ -
Software Services from GAI	\$ 1,501,310	\$ -	\$ -	\$ -
Loan to GAI	\$ 12,062,557	\$ -	\$ -	\$ -
Interest on loan to GAI	\$ 788,988	\$ -	\$ -	\$ -
Loan from GAI	\$ -	\$ 795,380	\$ -	\$ -
Interest on loan from GAI	\$ -	\$ -	\$ -	\$ -
Billed to GAI	\$ 20,647,310	\$ 1,394,737	\$ -	\$ -
Unbilled to GAI	\$ -	\$ -	\$ -	\$ -
Billed Outstanding	\$ 21,680,960	\$ 286,791	\$ 35,391	\$ 68,461

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 twelve months. Employee loans outstanding at March 31, 2012 and 2011 were \$293,580 and \$368,055, respectively with a related allowance for doubtful accounts against the employee advances of \$27,473 and \$93,748, respectively.

NOTE 14 – BOARD OF DIRECTORS APPROVAL

The board of directors approved the consolidated financial statements for Geometric Americas, Inc. and Subsidiaries on April 23, 2012.



Transforming Geometric

Geometric Americas, Inc.

Financial Statements
for the year ended March 31, 2012

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, 2012.

1. OPERATIONS

The financial year 2011-12 was a good year. On a consolidated basis the Company has registered total revenue of USD 24,458,063 and a Net Profit of USD 1,086,835.

2. Share Capital

During the year, the Company issued 432 common stock with no par value to Geometric Limited, the holding 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 23, 2012

Independent Auditor's Report

To the Board of Directors and Stockholders of Geometric Americas, Inc.

We have audited the accompanying balance sheet of Geometric Americas, Inc. (the "Company") as of March 31, 2012 and the related statement of operations, stockholder's equity and cash flows for year ended March 31, 2012. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Note 1 to the financial statements, the Company did not consolidate two of its wholly owned foreign subsidiaries. In our opinion, accounting principles generally accepted in the United States of America require that all majority-owned subsidiaries be accounted for as

consolidated subsidiaries. If the financial statements of Geometric Americas, Inc. had been consolidated with those of Geometric SRL, Romania and Geometric SAS, France, total assets and total liabilities and stockholder's equity would be increased by \$998,623 as of March 31, 2012, and revenues and expenses would be increased by \$1,921,733 for the year ended March 31, 2012.

In our opinion, except for the effects of not consolidating all majority-owned subsidiaries, as discussed in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of Geometric Americas, Inc. as of March 31, 2012 and the results of its operations and its cash flows for the year ended March 31, 2012 in conformity with accounting principles generally accepted in the United States of America.

The financial statements as of and for the period ended March 31, 2011 were compiled. We did not audit or review those financial statements and, accordingly, express no opinion or other form of assurance on them. These financial statements were compiled under accounting principles generally accepted in India, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Farmington Hills, Michigan
June 1, 2012

Balance Sheet as at

	March 31, 2012		March 31, 2011	
	US\$	Equivalent INR	US\$	Equivalent INR
ASSETS				
CURRENT ASSETS				
Cash	1,314,180	67,154,598	415,182	18,525,421
Accounts receivable, trade - net	13,721,424	701,164,766	11,143,532	497,224,398
Accounts receivable, trade - related party	2,139,317	109,319,099	3,453,757	154,106,637
Unbilled work in process - net	9,425,436	481,639,780	6,104,307	272,374,178
Other receivables including loans to employees - net	1,374,328	70,228,161	649,155	28,965,296
Prepaid expenses	443,616	22,668,778	340,586	15,196,947
Refundable Income Tax	250,043	12,777,197	-	-
Deferred income tax	623,023	31,836,475	612	27,307
Prepaid corporate income tax	154,000	7,869,400	-	-
Total current assets	29,445,367	1,504,658,254	22,107,131	986,420,185
NOTE RECEIVABLE	104,000	5,314,400	400,000	17,848,000
PROPERTY AND EQUIPMENT	690,717	35,295,639	630,200	28,119,511
DEFERRED TAX ASSET	-	-	-	-
OTHER ASSETS				
Goodwill	2,828,090	144,515,399	1,131,236	50,475,750
Other	98,876	5,052,564	205,547	9,171,488
Total assets	33,167,050	1,694,836,255	24,474,113	1,092,034,934
LIABILITIES AND STOCKHOLDER'S EQUITY				
CURRENT LIABILITIES				
Revolving credit agreement	9,750,000	498,225,000	-	-
Accounts payable and accrued expenses	1,748,571	89,351,978	1,376,309	61,410,908
Advance from related party	642,738	32,843,912	21,014,572	937,670,203
Deferred revenue	3,116,506	159,253,457	329,950	14,722,369
Accrued wages and payroll taxes	552,005	28,207,456	295,782	13,197,793
Accrued income tax	-	-	396,054	17,671,929
Total current liabilities	15,809,820	807,881,802	23,412,667	1,044,673,202
NON-CURRENT LIABILITIES				
Note payable to related party	10,000,000	511,000,000	12,062,557	538,231,293
Deferred income tax	41,940	2,143,134	-	-
Total non-current liabilities	10,041,940	513,143,134	12,062,557	538,231,293
Total liabilities	25,851,760	1,321,024,936	35,475,224	1,582,904,495
STOCKHOLDER'S EQUITY				
Common stock, no par value, 10,000 shares authorized; 1,432 shares issued as of March 31, 2012 and 1,000 shares issued as of March 31, 2011	12,062,771	616,407,598	2,062,771	92,040,842
Accumulated deficit	(4,662,910)	(238,274,701)	(13,063,882)	(582,910,415)
Accumulated other comprehensive income	(84,571)	(4,321,578)	-	-
Total stockholder's equity	7,315,290	373,811,319	(11,001,111)	(490,869,573)
Total liabilities & stockholder's equity	33,167,050	1,694,836,255	24,474,113	1,092,034,922
Exchange rate used for translation : 1 US\$ =		51.10		44.62



Statement of Operations

	March 31, 2012		March 31, 2011	
	US\$	Equivalent INR	US\$	Equivalent INR
Revenue	86,144,885	4,402,003,624	72,045,172	3,214,655,575
Cost of revenue		-		
Software costs and services provided by related company	25,924,382	1,324,735,920	18,941,294	845,160,538
Payroll, payroll taxes and other labour costs	42,087,189	2,150,655,358	31,494,954	1,405,304,847
Indirect costs of revenue	3,360,018	171,696,920	5,025,367	224,231,876
Total cost of revenue	71,371,589	3,647,088,198	55,461,615	2,474,697,261
Gross profit	14,773,296	754,915,426	16,583,557	739,958,313
Operating expenses				
Selling, general and administrative expenses	6,332,188	323,574,807	7,634,609	340,656,254
Travel Expenses			2,583,964	115,296,474
Depreciation	335,974	17,168,271	578,213	25,799,864
Total operating expenses	6,668,162	340,743,078	10,796,786	481,752,591
	8,105,134	414,172,347	5,786,771	258,205,722
Other income (expense)				
Interest income	11,725	599,148	15,948	711,600
Interest expense	(1,025,659)	(52,411,175)	(785,428)	(35,045,797)
Other	(515)	(26,317)		-
Total other income (expense)	(1,014,449)	(51,838,344)	(769,480)	(34,334,198)
Net (loss) before income taxes	7,090,685	362,334,004	5,017,291	223,871,524
Less income taxes	386,567	19,753,574	151,780	6,772,424
Net income	6,704,118	342,580,430	4,865,511	217,099,101
Exchange rate used for translation : 1 US\$ =		51.10		44.62

Statement of Stockholder's (Deficit)/Equity March 31, 2012

	Capital Stock		Retained Earnings (Deficit)		Accumulated Other Comprehensive Income		Total	
	US\$	Equivalent INR	US\$	Equivalent INR	US\$	Equivalent INR	US\$	Equivalent INR
Balance, March 31, 2011	2,062,771	105,407,598	(11,367,028)	(580,855,131)	(84,571)	(4,321,578)	(9,388,828)	(479,769,111)
Net(Loss)	-	-	6,704,118	342,580,430	-	-	6,704,118	342,580,430
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	(4,662,910)	(238,274,701)	(84,571)	(4,321,578)	7,315,290	373,811,319

Exchange rate used for translation : 1 US\$ = 51.10



Statements of Cash Flows for the year ended

	March 31, 2012		March 31, 2011	
	US\$	Equivalent INR	US\$	Equivalent INR
CASH FLOWS FROM OPERATING ACTIVITIES				
Net (loss)	6,880,574	351,597,331	4,102,939	183,073,138
Adjustments to reconcile net (loss) to net cash flows provided by operating activities				
Depreciation	375,004	19,162,704	725,430	32,368,687
Allowance for doubtful accounts	704,607	36,005,418	(56,976)	(2,542,269)
Deferred income taxes	(263,658)	(13,472,924)	27,000	1,204,740
Changes in operating assets and liabilities:				
Accounts receivable and unbilled work in process	(5,737,915)	(293,207,457)	(6,199,890)	(276,639,092)
Advances from related party	5,676,371	290,062,558	(7,279,733)	(324,821,686)
Prepaid expense and security deposits	(122,971)	(6,283,818)	201,374	8,985,308
Loans to employees	(508,979)	(26,008,827)	(484,589)	(21,622,361)
Accounts payable and accrued expenses	(11,161)	(570,327)	829,137	36,996,093
Accounts payable to related party	(23,766,007)	(1,214,442,958)	10,581,471	472,145,236
Deferred revenue	590,303	30,164,483	1,959,869	87,449,355
Accrued income tax	(291,329)	(14,886,912)	81,286	3,626,981
Net cash provided by operating activities	(16,475,161)	(841,880,727)	4,487,318	200,224,129
INVESTING ACTIVITIES				
Net activity on note receivable	(58,000)	(2,963,800)	532,360	23,753,903
Acquisition of minority interest	-	-	(2,828,090)	(126,189,376)
Acquisition of property, plant and equipment	(360,887)	(18,441,326)	(1,084,281)	(48,380,618)
Net cash provided by investing activities	(418,887)	(21,405,126)	(3,380,011)	(150,816,091)
FINANCING ACTIVITIES				
Proceeds from revolving credit agreement	9,750,000	498,225,000	-	-
Payments on notes payable to related party	(1,804,113)	(92,190,174)	(3,757,032)	(167,638,768)
Proceeds from issuance of capital stock	10,000,000	511,000,000	2,062,771	92,040,842
Net cash provided by (used in) financing activities	17,945,887	917,034,826	(1,694,261)	(75,597,926)
Effect of changes in exchange rate of cash	(97,606)	(4,987,667)	20,649	921,358
NET CHANGE IN CASH	954,233	48,761,306	(566,305)	(25,268,529)
CASH, Beginning	645,166	32,967,983	1,211,471	54,055,836
CASH, Ending	1,599,399	81,729,289	645,166	28,787,307
Supplemental Disclosures of Cash Flow Information				
Cash paid (refunded) for income taxes	810,000	41,391,000	(48,193)	(2,150,372)
Cash paid for interest	1,210,248	61,843,673	574,459	25,632,361

Exchange rate used for translation : 1 US\$ =

51.10

44.62

Notes to Financial Statements years ended March 31, 2012 and 2011

NOTE 1 – NATURE OF BUSINESS AND ORGANIZATION

Geometric Americas, Inc. (“GAI” or 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, they provide marketing assistance and promote software products as well as provide software consulting services.

GAI has wholly-owned subsidiaries in Romania, Geometric SRL, Romania and France, Geometric SAS, France, which provide similar services outside the United States of America. The financial statements do not include financial information from these subsidiaries. No transactions between these entities and GAI have been eliminated and the related balance sheet accounts are included in investments and advances in unconsolidated subsidiaries. This is a departure from accounting principles generally accepted in the United States of America.

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 the 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 for as noted above in Note 1.

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, 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.

Concentration of Credit Risk

The Company from time to time during the period covered by these financial statements may have bank balances in excess of its insured limits. Management has deemed this as a normal business risk.

For the year ended March 31, 2012 sales to one customer totaled \$17,360,570 which represented 27% of sales. Total accounts receivable from this customer at March 31, 2012 was \$1,735,624. For the year ended March 31, 2011 sales to

two customer totaled \$19,618,279 which represented 27% of sales. Total accounts receivable from these customers at March 31, 2011 was \$1,341,902.

Accounts Receivable and Allowance for Doubtful Accounts

Accounts and loans 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, 2012 and 2011 for both accounts receivable and unbilled work in process was \$1,364,503 and \$607,523, 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
Office Equipment	13 Years
Furniture & Fixtures	10 Years
Machinery & Equipment	13 Years
Leasehold Improvements	Over the term of the lease

Goodwill

The Company evaluates the carrying value of goodwill during the fourth quarter of each 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 early 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



Notes to Financial Statements years ended March 31, 2012 and 2011

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. The Company is able to conclude based on the qualitative assessment, the fair value is greater than the carrying amount and the two-step test is not required.

For the years ended March 31, 2012 and 2011, respectively, no impairment of goodwill was identified during the annual impairment testing.

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 are 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 expenses during the years ended March 31, 2012 and 2011 were \$115,580 and \$128,061, respectively.

Income Taxes

Income taxes are provided at the applicable rates on the basis of items included in determination of income for income tax purposes. The Company's effective income tax rate is different than what would be expected if the Federal statutory rate were applied to net income before income taxes primarily because of expenses deductible for financial reporting purposes that are not deductible for tax purposes. Effective January 1, 2012, the State of Michigan has replaced the Michigan Business Tax with a corporate income tax. Through December 31, 2011, the Michigan Business Tax was a tax on net income and gross receipts and was reported as an income

tax expense. Flow through entities (S-corporations, limited liability companies, and partnerships) will not be subject to the new Michigan Corporate Tax.

The Company adopted ASC guidance regarding accounting for uncertainty in income taxes. This guidance clarifies the accounting for income taxes by prescribing the minimum recognition threshold an income tax position is required to meet before being recognized in the financial statements and applies to all income tax positions. Each income tax position is assessed using a two-step process. A determination is first made as to whether it is more likely than not that the income tax position will be sustained, based upon technical merits, upon examination by the taxing authorities. If the income tax position is expected to meet the more likely than not criteria, the benefit recorded in the financial statements equals the largest amount that is greater than 50% likely to be realized upon its ultimate settlement. At March 31, 2012 and 2011, there were no uncertain tax positions that require accrual. None of the Company's Federal or state income tax returns is currently under examination by the Internal Revenue Service ("IRS") or state authorities. However, fiscal years 2008 and later remain subject to examination by the IRS and various states.

Deferred Income Taxes

Deferred income taxes are provided for temporary differences between financial statement income and tax return income under the provisions of ASC topic Income Taxes which requires recognition, in the form of deferred tax liabilities and assets, of the future tax consequences of transactions and events that have been recognized in the Company's financial statements. The principal temporary differences arise from net operating loss carry-forwards, allowance estimates, accrued vacation and goodwill amortization.

As of March 31, 2012 and 2011, deferred income taxes were as follows:

	March 31, 2012		March 31, 2011	
	Short-Term	Long-Term	Short-Term	Long-Term
Assets	\$ 623,023	\$ -	\$ 612	\$ -
Liabilities	-	(41,940)	\$ -	-
	\$ 623,023	\$ (41,940)	612	\$ -

Subsequent Events

The Company has performed a review of events subsequent to the balance sheet date through June 1, 2012, the date the financial statements were available to be issued.

Notes to Financial Statements year ended March 31, 2012 and 2011

NOTE 3 – NOTE RECEIVABLE

The note receivable consists of the following:

	March 31	
	2012	2011
Note receivable from an unrelated company. The note bears interest at 5.5%, is secured by all unencumbered assets, matures October, 2013 and is guaranteed by an officer of the Company. Monthly payments range from \$8,000 to \$16,000 plus interest.	\$ 258,000	\$ 400,000
Less current portion of note receivable	154,000	-
	\$ 104,000	\$ 400,000

NOTE 4 – PROPERTY AND EQUIPMENT, net

Property and equipment consists of the following:

	March 31	
	2012	2011
Machinery and equipment	\$ 255,933	\$ 163,465
Computer equipment and software	3,950,755	3,850,175
Furniture and fixtures	537,707	436,814
Leasehold improvements	193,348	165,641
Office equipment	-	80,484
	4,937,743	4,696,579
Less accumulated depreciation	4,247,026	4,066,379
	\$ 690,717	\$ 630,200

NOTE 5 – NOTE PAYABLE TO BANK

At March 31, 2012 and 2011, the Company had drawn \$9,750,000 and \$-0-, respectively under a revolving credit agreement with a bank. The Company may borrow up to \$12,000,000 with interest at the six month LIBOR plus 350 basis points (six month LIBOR at March 31, 2012 was 0.7413%). The note will mature in September 2012, 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, 2012 and 2011, the Company had a note payable to a related party of \$10,000,000 and \$12,062,557, respectively, with quarterly interest payments ranging from 6% to 8.5% per annum. Under the terms of the note, principal payments are to be made upon the agreement of the Company and the related party. At March 31, 2012 and 2011, both parties considered the note to be non-current.

NOTE 7 – DEFERRED REVENUE

Engineering Services

Revenue under fixed fee contracts is deferred and recognized over the term of the contract. At March 31, 2012 and 2011, deferred revenue totaled \$1,885,677 and \$329,950 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, 2012 and 2011, deferred revenue totaled \$1,230,829 and \$-0-, respectively. Deferred revenue for program maintenance agreements at March 31, 2011 is included in accrued expenses.

NOTE 8 – STOCKHOLDER'S EQUITY

During fiscal year ended March 31, 2012, the Board of Directors' approved a subscription agreement with the Indian parent company to purchase 432 shares of no par common stock of Geometric Americas, Inc. for \$10,000,000. The proceeds were received and the stock was issued at March 31, 2012.

The financial statements as of and for the year ended March 31, 2011 were compiled under accounting principles generally accepted in India (Indian GAAP), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America (US GAAP). Due to this, the ending equity balances as of March 31, 2011 reported on the compiled balance sheet do not agree with the beginning equity balances reported on the audited statement of stockholder's equity as of April 1, 2011. The significant difference between Indian GAAP and US GAAP is that Indian GAAP allows for amortization of goodwill, whereas US GAAP does not allow for amortization of goodwill.



Notes to Financial Statements year ended March 31, 2012 and 2011

NOTE 9 – CONTINGENCIES AND COMMITMENTS

Lease Commitment

The Company conducts operations from facilities that are leased under non-cancelable operating leases expiring at various dates through July 2016. Total rent expense under these leases was \$567,401 and \$665,136 for the years ended March 31, 2012 and 2011, respectively.

Minimum future rental payments under non-cancelable operating leases having initial or remaining terms in excess of one year as of March 31, 2012 for each of the next five years and in aggregate are:

Years ended March 31,	Amount
2013	\$ 544,310
2014	474,860
2015	449,668
2016	530,707
2017	177,903
	\$ 2,177,448

Contingent State Unemployment Tax Liability

During the quarter ended March 31, 2012, it was discovered that there is an ongoing dispute with a tax authority involving the Michigan State Unemployment Tax pertaining to the fiscal 2008 and 2009 year ends. Management is investigating the matter and intends to vigorously defend against this action. The amount of liability, if any, from this dispute cannot be determined with certainty; however, management is of the opinion that the outcome of the dispute will not have a material adverse impact on the consolidated financial position.

NOTE 10 – INCOME TAXES

Income tax expenses consist of the following:

	Years ended March 31,	
	2012	2011
Current expense - Federal	\$ 2,410,378	\$ 94,780
Current expense - State	202,360	-
Deferred benefit - Federal	(2,175,090)	30,000
Deferred benefit - State	(51,081)	27,000
Total	\$ 386,567	\$ 151,780

For the fiscal year ending March 31, 2012 the Company was able to utilize the tax benefit of prior net operating losses for which a full valuation was taken in prior periods.

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 both March 31, 2012 and 2011.

NOTE 12 – SELF INSURANCE

The Company provides all full-time employees health and life insurance under a qualified sponsored plan. Under the plan, the Company is liable for the first \$100,000 of health insurance claims for each individual. Claims submitted in excess of \$100,000 per individual are then covered by catastrophe insurance.

Notes to Financial Statements year ended March 31, 2012 and 2011

NOTE 13 – 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)

Following are the related party transactions as of and for the years ended March 31, 2012 and 2011:

March 31, 2012

Particulars	GLTD	China	3DPLM	GAP
Outstanding AR Billed	\$ 1,630,513	\$ 650	\$ -	\$ -
Outstanding AR Unbilled	\$ -	\$ -	\$ -	\$ -
Software Services from GAI	\$ 704,247	\$ -	\$ -	\$ -
Loan to GAI	\$ 10,074,033	\$ -	\$ -	\$ -
Interest on loan to GAI	\$ 825,620	\$ -	\$ -	\$ -
Loan from GAI	\$ -	\$ 825,849	\$ -	\$ -
Interest on loan from GAI	\$ -	\$ -	\$ -	\$ -
Billed to GAI	\$ 23,581,117	\$ 2,072,484	\$ -	\$ 274,719
Unbilled to GAI	\$ -	\$ -	\$ -	\$ -
Billed Outstanding	\$ 3,220,681	\$ 187,903	\$ 37,893	\$ 2,977

March 31, 2011

Particulars	GLTD	China	3DPLM	GAP
Outstanding AR Billed	\$ 1,823,791	\$ -	\$ -	\$ -
Outstanding AR Unbilled	\$ 76,249	\$ -	\$ -	\$ -
Software Services from GAI	\$ 1,501,310	\$ -	\$ -	\$ -
Loan to GAI	\$ 12,062,557	\$ -	\$ -	\$ -
Interest on loan to GAI	\$ 788,988	\$ -	\$ -	\$ -
Loan from GAI	\$ -	\$ 795,380	\$ -	\$ -
Interest on loan from GAI	\$ -	\$ -	\$ -	\$ -
Billed to GAI	\$ 20,647,310	\$ 1,394,737	\$ -	\$ -
Unbilled to GAI	\$ -	\$ -	\$ -	\$ -
Billed Outstanding	\$ 21,680,960	\$ 286,791	\$ 35,391	\$ 68,461

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 twelve months. Employee loans outstanding at March 31, 2012 and 2011 were \$293,580 and \$368,055, respectively with a related allowance for doubtful accounts against the employee advances of \$27,473 and \$93,748, respectively.

NOTE 14 – BOARD OF DIRECTORS APPROVAL

The Board of Directors approved the financial statements for Geometric Americas, Inc. on April 23, 2012.



Transforming Geometric

Geometric SRL, Romania

Financial Statements
for the year ended March 31, 2012

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 for the year ended March 31, 2012.

1. OPERATIONS

Total Revenue of the Company during the year was USD 1,348,571 and Net Profit for the year was USD 77,891.

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, 2012

Balance Sheet as at March 31, 2012

	March 31, 2012		March 31, 2011	
	US Dollar	Equivalent ₹	US Dollar	Equivalent ₹
ASSETS AND LIABILITIES				
Non current Assets				
Plant and Equipment	86,258	4,407,784	3,532	157,598
Current Assets				
Trade and Other Receivables	173,297	8,855,477	172,287	7,687,446
Cash and bank balance	54,565	2,788,271	34,912	1,557,773
Total Current Assets	227,862	11,643,748	207,199	9,245,219
Current Liabilities				
Trade and Other Payable	173,684	8,875,252	148,224	6,613,710
Notes Payable	400,000	20,440,000	400,000	17,848,000
Total Current Liabilities	573,684	29,315,252	548,224	24,461,710
Net Current Assets	(345,822)	(17,671,504)	(341,024)	(15,216,491)
Net Assets	(259,564)	(13,263,720)	(337,492)	(15,058,893)
EQUITY				
Total Equity	(259,564)	(13,263,720)	(337,492)	(15,058,893)
Exchange rate used for translation : 1USD =		51.10		44.62



Profit and Loss Account for the period ended March 31, 2012

	March 31, 2012		March 31, 2011	
	US Dollar	Equivalent ₹	US Dollar	Equivalent ₹
The Directors hereby present their report for the year ended March 31,2012				
Sales	1,348,571	68,911,978	1,222,317	54,539,785
Other Income	64,995	3,321,245	618	27,575
Total Income	1,413,566	72,233,223	1,222,935	54,567,360
Cost of Expenses				
Cost of Sales	1,022,619	52,255,831	1,000,938	44,661,854
Depreciation	37,769	1,929,996	6,728	300,203
Other Operating Expenses	275,287	14,067,166	228,039	10,175,100
Total Expenses	1,335,675	68,252,993	1,235,705	55,137,157
Profit/(Loss) from operations	77,891	3,980,230	(12,769)	(569,797)
Finance costs	-	-	-	-
Profit/(Loss) before Taxation	77,891	3,980,230	(12,769)	(569,797)
Taxation	-	-	1,991	88,838
Net Profit/(Loss) for the year	77,891	3,980,230	(14,760)	(658,636)

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



Transforming Geometric

Geometric SAS, France

Financial Statements
for the year ended March 31, 2012

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, 2012

1. OPERATIONS

Total Revenue of the Company during the year was USD 573,162 and Net Profit for the year was USD 98,563.

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, 2012

Balance Sheet as at March 31, 2012

	March 31, 2012		March 31, 2011	
	US Dollar	Equivalent ₹	US Dollar	Equivalent ₹
ASSETS AND LIABILITIES				
Non Current Assets				
Plant and Equipment	8,583	438,591	10,233	456,597
Current Assets				
Trade and Other Receivables	445,264	22,752,990	319,947.93	14,276,080
Cash and bank balance	230,654	11,786,419	195,071.72	8,704,112
Total Current Assets	675,918	34,539,410	515,020	22,980,192
Current Liabilities				
Trade and Other Payable	2,375,237	121,374,611	2,216,948	98,920,220
Provision for Taxation	-	-	-	-
Total Current Liabilities	2,375,237	121,374,611	2,216,948	98,920,220
Net Current Assets	(1,699,319)	(86,835,201)	(1,701,928)	(75,940,028)
Net Assets	(1,690,736)	(86,396,610)	(1,691,695)	(75,483,431)
EQUITY				
Share Capital	54,734	2,796,907	54,734	2,442,231
Reserves & Surplus	(1,745,470)	(89,193,517)	(1,746,429)	(77,925,662)
Total Equity	(1,690,736)	(86,396,610)	(1,691,695)	(75,483,431)
Exchange rate used for translation : 1USD =		51.10		44.62

Profit and Loss Account for the period ended March 31, 2012

	March 31, 2012		March 31, 2011	
	US Dollar	Equivalent ₹	US Dollar	Equivalent ₹
The Directors hereby present their report for the year ended March 31, 2012				
Sales	573,162	29,288,584	878,662	39,205,893
Other Income	159,543	8,152,672	-	-
Total Income	732,706	37,441,256	878,662	39,205,893
Cost of Expenses				
Cost of Sales	632,882	32,340,272	777,475	34,690,938
Depreciation	1,261	64,421	3,729	166,393
Total Expenses	634,143	32,404,693	781,204	34,857,331
Profit / (Loss) from operations	98,563	5,036,563	97,458	4,348,563
Finance costs	-	-	-	-
Profit / (Loss) before Taxation	98,563	5,036,563	97,458	4,348,563
Taxation	-	-	-	-
Net Profit / (Loss) for the year	98,563	5,036,563	97,458	4,348,563

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 RECOGNIITION

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	13years
Furniture And Fixture	10 years
Machinery And Equipment	13 years
Leasehold Improviment	Over the term of the lease



Transforming Geometric

Geometric Asia Pacific Pte. Ltd.

Financial Statements
for the year ended March 31, 2012

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, 2012.

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:

Name of Directors	Holding in the name of the Directors		Other holdings in which Directors are deemed to have an interest	
	Ordinary shares @ INR 2			
	At 01.04.11	At 31.03.12	At 01.04.11	At 31.03.12
Holding Company				
- Geometric Limited				
Parpia Manu Mahmud	4,242,925	4,292,925	210,000	210,000
Low Tiak Huan	27,110		-	-

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 16, 2012

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, 2012 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 16, 2012

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, 2012, and consolidated statement of comprehensive income, consolidated statement of changes in equity 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.

Auditors' 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, 2012 and the results, changes in equity and cash flows of the Group 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, 16 April 2012
(RK/AJ/MA/AA/na)



Consolidated Balance Sheet as at March 31, 2012

	Note	The Group				The Company			
		Current Year S\$	Equivalent INR	Previous Year S\$	Equivalent INR	Current Year S\$	Equivalent INR	Previous Year S\$	Equivalent INR
ASSETS LESS LIABILITIES									
Non-Current Asset									
Plant and equipment	4	23,135	942,289	22,613	801,405	10,837	441,391	8,340	295,570
Goodwill on acquisition	5	-	-	-	-	-	-	-	-
Investment in subsidiary	6	-	-	-	-	75,500	3,075,115	-	-
		23,135	942,289	22,613	801,405	86,337	3,516,506	8,340	295,570
Current Assets									
Trade receivables	7	2,151,583	87,633,976	2,459,858	87,177,368	1,574,205	64,117,370	1,807,806	64,068,645
Other receivables, deposits and prepayments	8	197,466	8,042,790	252,590	8,951,790	493,380	20,095,367	1,132,994	40,153,307
Cash and cash equivalents	9	1,514,593	61,689,373	597,367	21,170,686	1,095,210	44,607,903	366,194	12,977,915
		3,863,642	157,366,139	3,309,815	117,299,844	3,162,795	128,820,640	3,306,994	117,199,867
Current Liabilities									
Trade and other payables	10	2,558,461	104,206,117	2,417,091	85,661,705	1,275,245	51,940,729	1,068,536	37,868,916
Provision for taxation		25,246	1,028,270	14,237	504,559	10,979	447,175	9,202	326,119
		2,583,707	105,234,386	2,431,328	86,166,264	1,286,224	52,387,904	1,077,738	38,195,035
Net Current Assets		1,279,935	52,131,753	878,487	31,133,579	1,876,571	76,432,737	2,229,256	79,004,833
Net Assets		1,303,070	53,074,041	901,100	31,934,984	1,962,908	79,949,243	2,237,596	79,300,402
EQUITY									
Capital and reserve attributable to equity holders of the Company									
Share capital	11	100,000	4,073,000	100,000	3,544,000	100,000	4,073,000	100,000	3,544,000
Retained earnings		777,695	31,675,517	339,190	12,020,894	1,862,908	75,876,243	2,137,596	75,756,402
Translation exchange reserve		425,375	17,325,524	461,910	16,370,090	-	-	-	-
Total Equity		1,303,070	53,074,041	901,100	31,934,984	1,962,908	79,949,243	2,237,596	79,300,402
Exchange rate used for translation 1 SGD = ₹			40.73		35.44		40.73		35.44

Profit & Loss Account for the Year Ended March 31, 2012

	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	9,847,140	401,074,012	8,206,184	290,827,161	6,345,644	258,458,080	5,732,080	203,144,915
Cost of services	13	(4,025,855)	(163,973,074)	(4,152,202)	(147,154,039)	(3,927,608)	(159,971,474)	(4,088,397)	(144,892,790)
Gross profit		5,821,285	237,100,938	4,053,982	143,673,122	2,418,036	98,486,606	1,643,683	58,252,126
Other income	14	(95,841)	(3,903,604)	410,191	14,537,169	(173,789)	(7,078,426)	324,977	11,517,185
Administration expenses	16	(5,264,951)	(214,441,454)	(4,132,659)	(146,461,435)	(2,506,365)	(102,084,246)	(2,136,195)	(75,706,751)
Other operating expenses	17	(12,295)	(500,775)	(17,451)	(618,463)	(7,586)	(308,978)	(4,572)	(162,032)
Loss before taxation		448,198	18,255,105	314,063	11,130,393	(269,704)	(10,985,044)	(172,107)	(6,099,472)
Taxation	18	(9,693)	(394,796)	(49,714)	(1,761,864)	-	-	(49,714)	(1,761,864)
Profit/(Loss) from operations		438,505	17,860,309	264,349	9,368,529	(269,704)	(10,985,044)	(221,821)	(7,861,336)
Total Profit/(Loss)		438,505	17,860,309	264,349	9,368,529	(269,704)	(10,985,044)	(221,821)	(7,861,336)
Other comprehensive income									
Currency translation differences arising from consolidation		(36,535)	(1,488,071)	100,154	3,549,458	-	-	-	-
Other comprehensive income, net tax		(36,535)	(1,488,071)	100,154	3,549,458	-	-	-	-
Total comprehensive income		401,970	16,372,238	364,503	12,917,986	(269,704)	(10,985,044)	(221,821)	(7,861,336)
Loss attributable to:									
Equity holders of the Company		438,505	17,860,309	264,349	9,368,529	(269,704)	(10,985,044)	(221,821)	(7,861,336)
Total comprehensive income attributable to:									
Equity holders of the Company		438,505	17,860,309	264,349	9,368,529	(269,704)	(10,985,044)	(221,821)	(7,861,336)
Exchange rate used for translation 1 SGD = ₹			40.73		35.44		40.73		35.44



Change in Equity for the year ended March 31, 2012

	Share Capital		Translation Exchange Reserve		Retained Earnings		Total	
	S\$	Equivalent INR	S\$	Equivalent INR	S\$	Equivalent INR	S\$	Equivalent INR
The Group								
As at April 1, 2010	100,000	4,073,000	361,756	14,734,322	74,841	3,048,274	536,597	21,855,596
Total comprehensive loss for the year	-	-	100,154	4,079,272	264,349	10,766,935	364,503	14,846,207
As at March 31, 2011	100,000	4,073,000	461,910	18,813,594	339,190	13,815,209	901,100	36,701,803
Total comprehensive income for the year	-	-	(36,535)	(1,488,071)	438,505	17,860,309	401,970	16,372,238
As at March 31, 2012	100,000	4,073,000	425,375	17,325,524	777,695	31,675,517	1,303,070	53,074,041
Exchange rate used for translation		40.73						
1 SGD = Rs.								

Cash Flow for the year ended March 31, 2012

	The Group			
	Current Year S\$	Equivalent INR	Previous Year S\$	Equivalent INR
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	448,198	18,255,105	(1,118,699)	(39,646,693)
Adjustments for:				
Depreciation of plant and equipment	12,295	500,775	31,635	1,121,144
Exchange difference on plant and equipment	(1,060)	(43,174)	(1,491)	(52,841)
Allowance for doubtful debts	22,791	928,277	-	-
Interest income	(42)	(1,711)	(2,134)	(75,629)
Operating (loss)/profit before working capital changes	482,182	19,639,273	(137,566)	(4,875,339)
Trade and other receivables	279,762	11,394,706	355,231	12,589,387
Trade and other payables	170,301	6,936,360	(110,532)	(3,917,254)
Cash generated from operations	932,245	37,970,339	107,133	3,796,794
Interest received	42	1,711	2,134	75,629
Taxation paid	1,413	57,551	(635,664)	(22,527,932)
Net cash (used in)/generated from operating activities	933,700	38,029,601	(526,397)	(18,655,510)
CASH FLOWS FROM INVESTING ACTIVITY				
Acquisition of plant and equipment	(12,031)	(490,023)	(22,330)	(791,375)
Net cash (used in)/generated from investing activities	(12,031)	(490,023)	(22,330)	(791,375)
Net (decrease)/increase in cash and cash equivalents	921,669	37,539,578	(548,727)	(19,446,885)
Cash and cash equivalents at beginning of year	597,367	24,330,758	1,822,771	64,599,004
Effect of exchange rate on cash held	(4,443)	(180,963)	(7,900)	(279,976)
Cash and cash equivalents at end of year (Note 9)	1,514,593	61,689,373	1,266,144	44,872,143
Exchange rate used for translation 1 SGD = ₹		40.73		35.44



Notes to the Financial Statements - March 31, 2012

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, 2012 relate to the Company and its subsidiaries (together referred to as 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, 2012 were authorised for issue in accordance with a resolution of the Directors on April 16, 2012.

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.

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, 2011. 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

Notes to the Financial Statements - March 31, 2012

policies adopted by the Group.

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 1 January 2010 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, 2010 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.

Goodwill on associated companies is included in



Notes to the Financial Statements - March 31, 2012

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 1 January 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
Office equipments	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 the Financial Statements - March 31, 2012

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 1 January 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 the Financial Statements - March 31, 2012

- (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

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to its revised recoverable amount, provided 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 subsequent measurement of financial assets depends on their classification as follows:

- (ii) 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.



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(iii) 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.

(iv) 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 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.

(v) 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

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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.

2.13.2 Financial Assets Carried at Cost

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 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.

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



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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.

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.

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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:

- (iv) 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
- (v) 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 the Financial Statements - March 31, 2012

received and the Company 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.

Government grants relating to assets are deducted against the carrying amount of the assets.

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 judgment 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 judgment. The Group 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.

(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 \$442,320 (2011: \$302,120) for the Company.

In making its judgment, 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.

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4 PLANT AND EQUIPMENT

The Group

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
2011	Building Fixtures S\$	Computer S\$	Furniture and Fittings S\$	Total S\$
Cost				
At 01.04.10	13,089	86,268	28,143	127,500
Additions	-	2,000	-	2,000
Translation adjustment	9	(4,822)	19	(4,796)
At 31.03.11	13,098	83,446	28,162	124,706
Accumulated Depreciation				
At 01.04.10	6,142	57,890	24,292	88,324
Depreciation for the year	1,791	13,212	2,448	17,451
Translation adjustment	(15)	(3,596)	(71)	(3,682)
At 31.03.11	7,918	67,506	26,669	102,093
Carrying Amount				
At 31.03.11	5,180	15,940	1,493	22,613



Notes to the Financial Statements - March 31, 2012

4 PLANT AND EQUIPMENT - cont'd

The Company

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
2011				
Cost				
At 01.04.10	13,089	10,048	28,143	51,280
Additions	-	2,000	-	2,000
Exchange difference	9	-	19	28
At 31.03.11	13,098	12,048	28,162	53,308
Accumulated Depreciation				
At 01.04.10	6,142	10,048	24,292	40,482
Depreciation for the year	1,791	333	2,448	4,572
Exchange difference	(15)	-	(71)	(86)
At 31.03.11	7,918	10,381	26,669	44,968
Carrying Amount				
At 31.03.11	5,180	1,667	1,493	8,340

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5 GOODWILL ON ACQUISITION

The Group	2012	2011
	S\$	S\$
Cost		
At March 31, 2012 and March 31, 2011	953,123	953,123
Impairment losses		
At beginning and end of the year	953,123	953,123
Carrying amount		
At March 31, 2012 and March 31, 2011	-	-

6 INVESTMENT IN SUBSIDIARIES

	2012	2011
	S\$	S\$
Unquoted equity, at cost		
Balance at beginning of the year	10,948	10,948
Addition during the year	75,500	-
Less: Impairment loss	(10,948)	(10,948)
Balance at end of the year	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	
			2012	2011	2012	2011
			%	%	S\$	S\$
You Hua Engineering Machinery Design Corporation *	Designing of automobiles and their spare parts.	China	100	100	110,948	10,948
Nihon Geometric Kabusiki Kaisya ^	Computer software development, operation & maintenance control	Japan	100	-	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 USD 140,000 free of charge. The effective date of the share transfer is on February 1, 2008. The cost of investment of S\$ 10,948 relate 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, 2011 and has not been active since incorporation.



Notes to the Financial Statements - March 31, 2012

7 TRADE receivables

	The Group		The Company	
	2012	2011	2012	2011
	S\$	S\$	S\$	S\$
Trade receivables	1,755,078	1,898,014	1,552,542	1,820,849
Less: impairment				
Balance at beginning of year	24,740	24,740	24,740	24,740
Allowance made during the year	22,791	-	22,791	-
Allowance no longer required	-	-	-	-
Balance at end of year	47,531	24,740	47,531	24,740
Amount due from related party - trade	444,036	586,584	69,194	11,697
	2,151,583	2,459,858	1,574,205	1,807,806

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 at the reporting date is:

The Group	Gross	Impairment losses	Gross	Impairment losses
	2012	2012	2011	2011
	S\$	S\$	S\$	S\$
Not past due	1,354,982	-	1,955,936	-
Past due 31 - 60 days	434,791	-	150,197	-
Past due 61 - 90 days	116,286	-	11,962	-
More than 90 days	293,055	47,531	366,503	24,740
	2,199,114	47,531	2,484,598	24,740

The Company	Gross	Impairment losses	Gross	Impairment losses
	2012	2012	2011	2011
	S\$	S\$	S\$	S\$
Not past due	1,354,982	-	1,490,980	-
Past due 31 - 60 days	151,326	-	150,197	-
Past due 61 - 90 days	-	-	11,962	-
More than 90 days	115,428	47,531	179,407	24,740
	1,621,736	47,531	1,832,546	24,740

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.

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7 TRADE receivables - cont'd

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	
	2012	2011	2012	2011
	S\$	S\$	S\$	S\$
Japanese Yen	811,021	452,230	811,021	452,230
Singapore Dollar	10,272	181,091	10,272	181,091
United States Dollar	1,127,754	1,774,113	752,912	1,199,225
China Renminbi	202,536	77,164	-	-
	2,151,583	2,484,598	1,574,205	1,832,546

8 OTHER RECEIVABLES, deposits and prepayments

	The Group		The Company	
	2012	2011	2012	2011
	S\$	S\$	S\$	S\$
Amount due from subsidiaries	-	-	358,871	964,662
Deposits	73,295	69,902	64,312	61,234
Prepayment	40,748	46,084	40,748	46,084
Amount due from staff	9,805	36,012	9,805	36,012
Other receivables	73,618	91,022	19,644	15,432
Tax refundable	-	9,570	-	9,570
	197,466	252,590	493,380	1,132,994

Amount due from subsidiaries and staff are unsecured, non-interest bearing and 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	
	2012	2011	2012	2011
	S\$	S\$	S\$	S\$
Japanese Yen	107,836	117,175	107,836	293,423
Singapore Dollar	20,504	36,203	36,384	82,553
United States Dollar	-	-	353,991	742,064
Korean Won	6,169	14,954	6,169	14,954
China Renminbi	62,957	84,258	-	-
	197,466	252,590	493,380	1,132,994



Notes to the Financial Statements - March 31, 2012

9 CASH AND CASH EQUIVALENTS

	The Group		The Company	
	2012	2011	2012	2011
	S\$	S\$	S\$	S\$
Cash and bank balances	1,514,593	597,367	1,095,210	366,194

The carrying amounts of cash and cash equivalents approximate their fair values and are denominated in the following currencies:

	The Group		The Company	
	2012	2011	2012	2011
	S\$	S\$	S\$	S\$
Japanese Yen	871,276	280,479	870,521	280,479
Singapore Dollar	12,334	12,853	12,334	12,853
United States Dollar	404,610	66,424	205,552	66,402
Korean Won	6,803	6,460	6,803	6,460
China RMB	219,570	231,151	-	-
	1,514,593	597,367	1,095,210	366,194

10 TRADE AND OTHER PAYABLES

	The Group		The Company	
	2012	2011	2012	2011
	S\$	S\$	S\$	S\$
Trade payables	1,963	2,078	1,963	2,078
Advance from customers	-	183,537	-	183,537
Advance billings	16,593	59,725	16,593	59,725
Amount due to holding corporation - trade	732,992	463,980	732,992	463,980
Amount due to related companies	1,214,557	1,193,063	-	-
Accrued operating expenses	307,740	287,650	307,740	287,650
Amount due to subsidiary	-	-	75,500	-
Other payables	284,616	227,058	140,457	71,566
	2,558,461	2,417,091	1,275,245	1,068,536

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	
	2012	2011	2012	2011
	S\$	S\$	S\$	S\$
Japanese Yen	397,004	235,361	397,004	235,361
Singapore Dollar	226,783	498,405	204,904	498,405
United States Dollar	1,833,067	1,518,738	653,870	330,654
Korean Won	19,517	4,116	19,517	4,116
China Renminbi	82,090	160,471	-	-
	2,558,461	2,417,091	1,275,245	1,068,536

Notes to the Financial Statements - March 31, 2012

11 SHARE CAPITAL

	2012		2011	
	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	
	2012	2011
	S\$	S\$
Staff costs (Note 15)		
Wages, salaries and related costs	1,656,148	1,773,859
Defined contribution pension costs	488,765	444,929
	2,144,913	2,218,788

14 OTHER INCOME

	The Group	
	2012	2011
	S\$	S\$
Interest income	1,492	686
(Loss)/Gain on foreign exchange	(268,216)	360,709
Other	170,883	48,796
	(95,841)	410,191

15 STAFF COSTS

Staff costs (including executive directors)

	The Group	
	2012	2011
	S\$	S\$
Salaries, bonus and other related costs	4,911,365	4,276,484
Defined contribution pension costs	752,488	691,603
	5,663,853	4,968,087
Less: included in cost of services (Note 13)	(2,144,913)	(2,218,788)
	3,518,940	2,749,299

16 ADMINISTRATION EXPENSES

Administration expenses include:

	The Group	
	2012	2011
	S\$	S\$
Accountancy fees	111,941	111,254
Bad debts	81,288	-
Doubtful debts	22,791	-
Professional fees	65,131	137,331
Sales commission	372,255	214,860
Staff cost (Note 15)	3,518,940	2,749,299
Travelling expenses	277,461	208,956



Notes to the Financial Statements - March 31, 2012

17 OTHER OPERATING EXPENSES

Other operating expenses include:

	The Group	
	2012	2011
	S\$	S\$
Depreciation	12,295	17,451

18 TAXATION

Major components of income tax expense are as follows:

	The Group	
	2012	2011
	S\$	S\$
Current Taxation		
- Singapore	9,005	8,137
- Foreign	5,848	1,066
Over provision in prior year		
- Singapore	(5,901)	(10,301)
Foreign tax	741	50,812
	9,693	49,714

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	
	2012	2011
	S\$	S\$
Profit before taxation	448,198	314,063
Tax expense on profit before tax at 17%	76,193	53,391
Non-deduction expenses	918	73
Utilisation of recognised tax losses	-	(159,655)
Unutilised tax losses	(81,722)	-
Over provision in prior years	(5,901)	(10,301)
Tax exemption	(9,855)	(11,021)
Non-taxable items	(21,976)	(115)
Utilisation of capital allowances	-	(1,360)
Tax rebate	-	(2,034)
Foreign tax suffered	52,036	180,736
Tax expense	9,693	49,714
Unrecognised deferred tax assets:		
Deferred tax assets have not been recognised in respect of the following items:		
Tax losses	-	136,204

Deferred tax assets in respect of the above items had not been recognised in the financial statements as the probability of future taxable profits being available to utilise such benefits cannot be reliably established.

Notes to the Financial Statements - March 31, 2012

19 SIGNIFICANT RELATED PARTIES TRANSACTIONS

Significant related parties transactions on terms agreed between the Company and its related parties are as follows:

	The Group		The Company	
	2012	2011	2012	2011
	S\$	S\$	S\$	S\$
Holding company				
- services rendered from	876,606	1,869,609	836,245	1,885,935

Director's remuneration

The Company director's remuneration amounts to S\$286,519 (2011: S\$251,530).

Rental Paid to a Director

Rental paid to a director amount to S\$20,067 (2011: S\$11,298).

20 OPERATING LEASE COMMITMENT

Rental expenses for offices for the Company and the Group were S\$84,416 (2011: S\$81,194) and S\$123,464 (2011: S\$121,277). 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	
	2012	2011	2012	2011
	S\$	S\$	S\$	S\$
Payable within 1 year	57,381	68,297	37,857	48,256
Payable within 2 - 5 years	-	-	-	-
	57,381	68,297	37,857	48,256

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	
	2012	2011
	S\$	S\$
Financial assets		
Loans and receivables:		
Trade receivables	2,151,583	2,459,858
Other receivables and deposits	156,718	206,506
Cash and cash equivalents	1,514,593	597,367
	3,822,894	3,263,731
Financial liabilities		
Financial liabilities measured at amortised cost:		
Trade and other payables	2,250,721	2,129,441
Current tax liabilities	25,246	14,237
	2,275,967	2,143,678

Financial Risk Management Objectives and Policies

The main risks arising from the Group's financial instruments are credit, foreign currency, and interest rate and liquidity risks. The policies of managing each of these risks are summarised below:



Notes to the Financial Statements - March 31, 2012

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:

	JPY S\$	USD S\$	CNY S\$	KRW S\$
2012				
Trade and other receivables	918,857	1,127,754	265,493	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)
	1,393,129	(300,703)	402,973	6,545
2011				
Trade and other receivables	569,405	1,774,113	161,422	14,954
Cash and cash equivalents	280,479	66,424	231,151	6,460
Trade and other payables	(235,361)	(1,518,738)	(160,471)	(4,116)
	614,523	321,799	232,102	17,298

Sensitivity analysis

A 5% strengthening of Singapore Dollar against the following currencies at the reporting date would increase/(decrease) 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, 2012	Statement of comprehensive income S\$
Japanese Yen	(69,656)
United States Dollar	15,035
Chinese Renminbi	(20,149)
Korean Won	327
	(74,443)

Notes to the Financial Statements - March 31, 2012

As at March 31, 2011	Statement of comprehensive income S\$
Japanese Yen	(30,726)
United States Dollar	(16,090)
Chinese Renminbi	(11,605)
Korean Won	(865)
	(59,286)

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 refers to the risk that the Group is unable to meet its obligations when fall due. The Group monitors its cash flow and it's collections on a regular basis as a means of managing liquidity risk.

The following are the expected contractual undiscounted cash outflows of financial liabilities, including interest payments and excluding the impact of netting agreements:

The Group Non-derivative financial liabilities	Carrying amount	Contractual cash flows	Cash flows		
			Within 1 year	Within 1 to 5 years	More than 5 years
	S\$	S\$	S\$	S\$	S\$
2012					
Trade and other payables	2,558,461	2,558,461	2,558,461	-	-
Current tax liabilities	25,246	25,246	25,246	-	-
	2,583,707	2,583,707	2,583,707	-	-

The Group Non-derivative financial liabilities	Carrying amount	Contractual cash flows	Cash flows		
			Within 1 year	Within 1 to 5 years	More than 5 years
	S\$	S\$	S\$	S\$	S\$
2011					
Trade and other payables	2,417,091	2,417,091	2,417,091	-	-
Current tax liabilities	14,237	14,237	14,237	-	-
	2,431,328	2,431,328	2,431,328	-	-

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.



Notes to the Financial Statements - March 31, 2012

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, 2012 and March 31, 2011.

23 Comparative figures

Certain comparative figures have been reclassified so as to conform to the current financial year presentation.

Statement of Comprehensive Income for the year ended March 31, 2012	Balance as previously stated The Group S\$	Current year reclassification	Balance restated The Group S\$
Administrative expenses	(4,131,178)	1,481	(4,132,659)
Other operating expenses	(18,932)	(1,481)	(17,451)

Detailed Income Statement for the year ended March 31, 2012

	2012 S\$
The Company	
Revenue	6,345,644
COST OF SALES	
COS - CPF/House Funds	272,849
COS - Insurance	215,916
COS - Salaries	1,552,346
COS - Software services	1,782,695
COS - Staff accommodation	103,802
	3,927,608
Gross profit	2,418,036
Other Incomes	
Interest income	42
Other income	110,925
Gain on foreign exchange	(344,714)
Reimbursement of expenses	59,958
	(173,789)
	2,244,247
Less:	
Administration expenses	2,506,365
Other operating expenses	7,586
	2,513,951
Loss before taxation	(269,704)

Schedule of Operating Expenditure for the year ended March 31, 2012

	2012 S\$
Administration expenses	
Accountancy fees	111,941
Accrued leave	5,434
Advertisement	30,596
AMC Software soft package	7,770
Audit fee – current year	71,659
Auto expenses	4,487
Bad debts	81,288
Bank charges	13,181
Defined contribution pension cost	65,608
Director sales commission	80,369
Director’s accommodation	19,718
Directors’ emoluments	100,817
Entertainment	40,336
Freight charges	1,955
General expenses	57,478
Insurance	63,256
Late payment charges	-
Office rental	84,416
Office supplies	1,280
Postage and courier	9,700
Printing and stationery	8,545
Professional fees	65,131
Provision for doubtful debts	22,867
Provision for severance indemnities	25,289
Repair and maintenance of office equipment	2,863
Salaries, allowances and bonus	866,412
Sales commission	372,255
Secretarial and filing fees	2,673
Staff accommodation	-
Staff welfare	5,111
Tax fee	3,126
Telephone charges	37,508
Training expense	-
Transport charges	91,619
Travelling expenses	146,152
Utilities	5,525
	2,506,365
Other operating expenses	
Depreciation of plant and equipment	7,586
	7,586
Total operating expenses	2,513,951



Transforming Geometric

Geometric China, Inc

Financial Statements
for the year ended March 31, 2012

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 2012 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 Parpia

Executive Director / Legal Representative

Date: 16 April, 2012

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 2012 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 2012 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 2012.

My Whole Way CPAs
Shanghai, The People's Republic of China
16 April 2012



Balance Sheet as at

	Note	March 31, 2012		March 31, 2011	
		RMB	Equivalent INR	RMB	Equivalent INR
Assets					
Property, plant and equipment	4	61,645	501,174	74,147	505,683
Total non-current assets		61,645	501,174	74,147	505,683
Trade receivables	5	2,894,126	23,529,244	3,387,283	23,101,270
Other receivables, deposits & prepayments	6	315,576	2,565,641	249,314	1,700,315
Cash and bank balances	7	2,098,387	17,059,886	1,200,899	8,190,131
Total current assets		5,308,089	43,154,763	4,837,496	32,991,722
Total assets		5,369,734	43,655,945	4,911,642	33,497,399
Liabilities					
Trade and other payable	8	8,585,000	69,796,050	11,828,322	80,669,156
Tax payable		71,516	581,425	26,154	178,370
Total current liabilities		8,656,516	70,377,475	11,854,476	80,847,526
Owners' equity					
Paid-up capital	9	1,125,552	9,150,738	1,125,552	7,676,265
Accumulated losses		(4,412,333)	(35,872,268)	(8,068,386)	(55,026,392)
Total owners' equity		(3,286,781)	(26,721,530)	(6,942,834)	(47,350,127)
Total liabilities and owners' equity		5,369,734	43,655,945	4,911,642	33,497,399
Exchange rate used for translation 1 RMB = ₹			8.13		6.82

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

Profit & Loss Account for the year ended

	Note	March 31, 2012		March 31, 2011	
		RMB	Equivalent INR	RMB	Equivalent INR
Revenue	10	17,846,564	145,092,565	12,284,527	83,780,474
Cost of sales		(215,574)	(1,752,617)	(84,897)	(578,998)
Business tax		(285,175)	(2,318,473)	(231,910)	(1,581,626)
Gross Profit		17,345,815	141,021,475	11,967,720	81,619,850
Administrative and general expenses		(13,997,355)	(113,798,496)	(9,911,922)	(67,599,308)
Marketing and Distribution Expenses		(57,600)	(468,288)	(57,600)	(392,832)
Operating Loss	11	3,290,860	26,754,691	1,998,198	13,627,710
Finance (expenses)/income	12	389,193	3,164,139	415,757	2,835,463
Loss before taxation		3,680,053	29,918,830	2,413,955	16,463,173
Income tax	13	(24,000)	(195,120)	-	-
Net loss		3,656,053	29,723,710	2,413,955	16,463,173
Exchange rate used for translation 1 RMB = ₹			8.13		6.82

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 1 April 2010	1,125,552	9,150,738	(10,482,343)	(85,221,449)	(9,356,791)	(76,070,711)
Net profit for the year 2011	-	-	2,413,956	19,625,462	2,413,956	19,625,462
Balance at 31 March 2011	1,125,552	9,150,738	(8,068,387)	(65,595,987)	(6,942,835)	(56,445,249)
Net profit for the year 2012	-	-	3,656,053	29,723,711	3,656,053	29,723,711
Balance at 31 March 2012	1,125,552	9,150,738	(4,412,334)	(35,872,276)	(3,286,782)	(26,721,538)
Exchange rate used for translation 1 RMB = ₹		8.13				

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



Cash flow for the year ended

	March 31, 2012		March 31, 2011	
	RMB	Equivalent INR	RMB	Equivalent INR
Cash flows from operating activities:				
Profit before taxation	3,680,053	29,918,831	2,413,956	16,463,180
Adjustments to reconcile net profit to net cash generated from operating activities:				
Depreciation of fixed assets	24,002	195,136	63,948	436,125
Finance Costs	8,097	65,829	7,573	51,648
Interest income	(7,392)	(60,097)	(2,756)	(18,796)
Operating loss before working capital changes	3,704,760	30,119,699	2,482,721	16,932,157
Net Decrease/(increase) in trade and other receivables	426,894	3,470,648	(1,415,078)	(9,650,832)
Net (Decrease)/increase in trade and other payables	(3,221,961)	(26,194,544)	(337,816)	(2,303,905)
Cash generated from operations	909,693	7,395,803	729,827	4,977,420
Interest income (net)	(705)	(5,732)	(4,817)	(32,852)
Net cash generated from operating activities	908,988	7,390,071	725,010	4,944,568
Cash flows from investing activities:				
Purchase equipment	(11,500)	(93,495)	-	-
Net cash used in investing activities	(11,500)	(93,495)	-	-
Net Increase in cash and cash equivalents	897,488	7,296,576	725,010	4,944,568
Cash and cash equivalents at the beginning of the year	1,200,899	9,763,309	475,889	3,245,563
Cash and cash equivalents at the end of the year	2,098,387	17,059,886	1,200,899	8,190,131
Exchange rate used for translation 1 RMB = ₹		8.13		6.82

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 23B, 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 2011 to 31 March 2012.

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 recognized in the income statement as follows:



Notes to Financial Statements (Contd.)

2.4.1 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.

2.4.2 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

Notes to Financial Statements (Contd.)

with, directly or indirectly, any such individual. This includes parents, subsidiaries, fellow subsidiaries, associates, joint ventures and post-employment benefit plans, if any.

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 recognized 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 amortization, if no impairment loss had been recognized.

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 recognized 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 recognized, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognized in the income statement, to the extent that the carrying value of the asset does not exceed its amortized cost at the reversal date.

2.11 Trade and Other Receivables

Trade and other receivables are recognized initially at fair value and subsequently measured at amortized 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 recognized in the income statement.



Notes to Financial Statements (Contd.)

Other receivable are stated at fair value and subsequently measured at amortized cost, using effective interest method.

Liabilities for trade and other payables are initially recognized at fair value and subsequently measured at amortised cost using the effective interest method. Interest-bearing liabilities are recognized initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing liabilities are stated at amortized cost with any difference between cost and redemption value being recognized in the income statement over the period of the borrowing on an effective interest basis.

Gains and losses are recognized in the income statement when the liabilities are derecognized as well as through the amortization 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

Notes to Financial Statements (Contd.)

for bonuses is recognized where the entity is contractually obliged or where there is constructive obligation based on past practice.

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 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 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 JUDGMENTS, 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



Notes to Financial Statements (Contd.)

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. 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
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
	Computer and office equipment RMB	Total RMB
Cost:		
As at 1 April 2010	370,900	370,900
Additions	-	-
As at 31 March 2011	370,900	370,900
Accumulated depreciation:		
As at 1 April 2010	(232,806)	(232,806)
Additions	(63,948)	(63,948)
As at 31 March 2011	(296,753)	(296,753)
Net book value:		
As at 31 March 2011	74,147	74,147

5 TRADE RECEIVABLES

	2012 RMB	2011 RMB
Trade receivables		
Third parties	1,015,220	400,856
Amount due from related company	1,878,906	2,986,427
	2,894,126	3,387,283
Less: impairment		
Balance at beginning	-	-
Allowance made during the year	-	-
Allowance no longer required	-	-
Balance at end	-	-
	2,894,126	3,387,283

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:

	2012 RMB	2011 RMB
Renminbi	1,015,220	400,856
United States Dollar	1,878,906	2,986,427
	2,894,126	3,387,283

Aging of trade receivables at the reporting date is:

	2012 RMB	2011 RMB
Past due 0 - 60 days	1,420,876	2,415,356
Past due 61 - 90 days	582,889	-
Past due 90 - 180 days	211,125	-
More than 180 days	679,237	971,927
	2,894,126	3,387,283

6 OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2012 RMB	2011 RMB
Other receivables	270,547	204,285
Deposits	45,029	45,029
	315,576	249,314

The carrying amounts of other receivables approximate their fair values and dominated by Renminbi currency.

Notes to Financial Statements (Contd.)

7 CASH AND CASH EQUIVALENTS

	2012	2011
	RMB	RMB
Cash and bank balances	2,098,387	1,200,899

The carrying amounts of cash and cash equivalents approximate their fair values.

Cash and cash equivalents are denominated in the following currencies:

	2012	2011
	RMB	RMB
Renminbi	1,100,599	1,200,785
United States Dollar	997,788	114
	2,098,387	1,200,899

8 TRADE AND OTHER PAYABLES

	2012	2011
	RMB	RMB
Trade and other payables		
Amount due to holding company	2,262,757	4,822,842
Amount due to related companies	6,088,006	6,197,730
Other payables	234,237	807,750
	8,585,000	11,828,322

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:

	2012	2011
	RMB	RMB
Renminbi	411,477	883,618
United States Dollar	8,173,523	10,944,704
	8,585,000	11,828,322

9 SHARE CAPITAL

	2012	2011
	USD	USD
Registered capital and paid-in capital:		
Balance at end of year	140,000	140,000

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

	2012	2011
	RMB	RMB
Revenue:		
Contract Revenue	17,846,564	12,284,527

11 OPERATING PROFIT

	2012	2011
	RMB	RMB
Profit from operations is after charging:		
Depreciation and amortization	24,002	63,948
Director's remuneration	-	-
Rental of premises & equipment	199,020	199,020
Staff cost	12,162,547	8,431,707
Travelling expenses	645,392	160,210

Director's remuneration

There is no director's remuneration offer to the directors during the financial year.

12 FINANCE (EXPENSES)/INCOME

	2012	2011
	RMB	RMB
Finance costs	(8,097)	(7,353)
Interest income	7,392	2,756
Profit on foreign exchange	389,898	420,354

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 2012 was as follows:

	2012	2011
	RMB	RMB
Profit before taxation	3,680,053	2,413,956
Accrued salary/bonus	-	750,000
Entertainment expenses	3,508	6,950
Prior year's accrued salary/bonus paid in current year	(750,000)	-
Taxable income	2,933,561	3,170,906
Less: Utilized tax losses brought forward	(2,776,842)	(5,947,749)
Tax losses carried forward	156,719	(2,776,842)
Tax rate	15%	25%
Tax for the financial year	24,000	-

The Company was granted the status of Advance Technology Servicing Enterprise on 12 March 2012 and enjoy the tax rate of 15% from 1 January 2011 to 31 December 2012.



Notes to Financial Statements (Contd.)

14 SIGNIFICANT RELATED COMPANY/PARTIES TRANSACTIONS

Significant related companies/parties transactions on terms agreed between the Company and its related parties are as follows:

	2012	2011
	RMB	RMB
Related companies transaction:		
Contract Revenue	12,552,995	8,607,295
Cost of sales	(215,574)	(84,897)
	12,337,421	8,522,398

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 199,020 (2011: 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:

	2012	2011
	RMB	RMB
Payable within 1 year	99,510	99,510
Payable within 2-5 years	-	-

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 counterparties 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 counterparties 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.

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 aging analysis:

	2012-3-31	2011-3-31
	RMB	RMB
Trade receivables:		
Less than 90 days	2,003,764	2,415,356
Over 90 days	890,362	971,927
Total	2,894,126	3,387,283

Foreign Currency Risk

Analysis of amounts denominated in non-functional currencies:

Financial assets:

	Trade and other Receivables	Cash and cash equivalents
	RMB	RMB
At 31 March 2012:		
United States Dollar	1,878,906	997,788
At 31 March 2011:		
United States Dollar	2,986,427	114

Notes to Financial Statements (Contd.)

Financial liabilities:

	Trade and other Payables RMB
At 31 March 2012:	
United States Dollar	8,173,523
At 31 March 2011:	
United States Dollar	10,944,704

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:

	2012-3-31 RMB	2011-3-31 RMB
Trade and other payables:		
Within 1 year	445,110	11,828,322

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 16 April 2012.



Transforming Geometric

Geometric Japan K.K.

Financial Statements
for the year ended March 31, 2012

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 31,2012

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

Date: April 16, 2012

Balance Sheet as on

	As at March 31,2012	
	Japanese Yen	₹
SOURCES OF FUNDS:		
1. SHAREHOLDERS' FUNDS		
a) Share Capital	5,000,000	3,114,000
TOTAL	5,000,000	3,114,000
APPLICATION OF FUNDS:		
2. CURRENT ASSETS, LOANS AND ADVANCES		
a) Receivable	5,000,000	3,114,000
TOTAL	5,000,000	3,114,000
Exchange rate used for translation : 100 Yen =		62.28



Transforming Geometric

Geometric Europe GmbH

Financial Statements
for the year ended March 31, 2012

Regd. Office :

Friedrichstrasse 15 70174
Stuttgart, Germany

Financial Statement of Geometric Europe GmbH

Directors' Report

The Directors hereby present their Report for the year ended March 31, 2012

1. OPERATIONS

A Germany-based company was acquired by Geometric Ltd. and later renamed as Geometric Europe GmbH. This wholly-owned subsidiary has not yet commenced business.

2. FUTURE OUTLOOK

The Company is expected to start its operations once the overall business re-structuring is finalised.

By Order of the Board
Manu Parpia

Date: April 23, 2012

Balance Sheet as on

	As at March 31, 2010		As at March 31, 2010	
	€	₹	€	₹
SOURCES OF FUNDS:				
1. Shareholders' Funds				
a) Share Capital	25,000	1,705,250	25,000	1,576,250
TOTAL	25,000	1,705,250	25,000	1,576,250
APPLICATION OF FUNDS:				
2. Current Assets, Loans and Advances				
a) Cash And Bank Balances	25,000	1,705,250	25,000	1,576,250
TOTAL	25,000	1,705,250	25,000	1,576,250
Exchange rate used for translation : 1 Euro =		68.21		63.05



Statement Pursuant to Section 212 of the Companies Act, 1956, relating to the Subsidiary Companies

A. Name of the Subsidiary	Geometric Americas, Inc	Geometric SRL, Romania	Geometric SAS, France	Geometric Asia Pacific Pte Ltd.	Geometric China, Inc.	Geometric Japan K.K	3D PLM Software Solutions Ltd.	Deimia Solutions Pvt. Ltd.	Geometric Europe GmbH
B. Financial year of the subsidiary ended on	March 31, 2012	March 31, 2012	March 31, 2012	March 31, 2012	March 31, 2012	March 31, 2012	March 31, 2012	March 31, 2012	March 31, 2012
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 INR 7,311,720	Geometric Ltd. held the entire stock of aggregate value of Euros 27,500
b) Face Value per share	US \$ 1	Common stock - No face value	Common stock - No face value	S \$ 1	Common stock - No face value	Common stock - No face value	₹ 10	₹ 10	Common Stock- No Face Value
c) Extent of Holdings	100%	100%	100%	100%	100%	100%	58%	100%	100%
D. The net aggregate of the Profits/(Losses) of the subsidiary so far it concerns the members of the Company.									
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\$ 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	-
2. For the previous financial years of the subsidiary since it became the Company's subsidiary	US\$ (13,785,426)	US\$ (837,492)	US\$ (1,746,429)	SS2,137,596	SS (1,610,456)	-	₹ 973,901,840	₹ 85,791,385	-
Equivalent INR*	(704,435,269)	(17,245,841)	(89,242,522)	87,064,285	(65,593,885)	-	₹ 973,901,840	₹ 85,791,385	-
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
Equivalent INR*	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
Equivalent INR*	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
* Exchange Rate used: 1 USD = ₹ 51.10, 1 SGD = ₹ 40.73									

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, 2012. 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

MANU PARIJA
 Managing Director & CEO

MILIND SARWATE
 Director

Date: April 23, 2012

Ratio Analysis for the year ended March 31, 2011

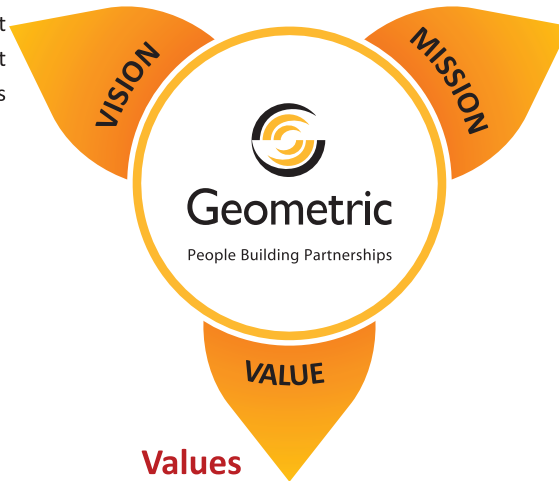
	FY 12	FY 11
Ratio - Growth compared to previous year		
Growth in Operating revenue	30.18%	21.32%
Growth in Total revenue	30.63%	21.10%
Growth in PBT	44.79%	16.82%
Growth in PAT	2.85%	23.28%
Ratio - Financial Performance		
Export revenue/Total Revenue	93.26%	94.97%
Domestic (India) Revenue/ Total Revenue	6.03%	4.66%
Other Income/Total revenue	0.71%	0.37%
Manpower cost/Total Revenue	66.24%	66.85%
Other Operating Expenses/Total Revenue	17.67%	17.95%
Operating & Other Expenses/Total Revenue	83.90%	84.80%
Interest Costs/Total revenue	0.31%	0.16%
Depreciation/Total Revenue	3.31%	3.78%
PBT/Total Revenue	12.48%	11.26%
PBT/Average Net Worth	51.30%	36.44%
ROCE (PBIT/Average Capital Employed)	40.65%	30.49%
Capital Output Ratio (Total Revenue/Average Capital Employed)	3.18	2.67
Payout Ratio (Dividend paid/PAT)	16.96%	13.02%
Ratio - Balance Sheet		
Debt/ Equity Ratio	0.36	0.02
Current Ratio	1.84	2.94
Cash & Bank Balances/ Total Assets	19.60%	4.12%
Cash & Bank Balances/ Total Revenue	6.90%	1.75%
Sundry Debtors/Total Revenue	17.76%	19.00%
Depreciation for the year/Average gross block of assets	12.75%	11.53%
Per Share Data		
Earning per share (Basic) (₹)	9.45	9.24
Cash Earnings per share(Basic) (₹)	13.76	13.02
Dividend %	80%	60%
Dividend per share	1.60	1.20
Book Value per share	29.21	34.22

* previous year figures reinstated wherever classification changes to make it comparable.



Vision

To be the world's most innovative provider of product realization solutions



Mission

Our mission is to help our customers achieve their business goals through excellence in global product realization. We will enable this through solutions based on innovative technologies, efficient processes and world-class competencies in our people.

Values

Our corporate values are reflected in all our people and in everything we do

- Unyielding Integrity
- Valuing the Individual
- Passion for Excellence
- Global Mindset
- Customer Focus



INDIA

Bengaluru

3D PLM Software Solutions Ltd.
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J P Nagar, Bengaluru - 560078 India

Delmia Solutions Pvt. Ltd.
Poonamchand Complex, Ground & 1st Floor,
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Vikas Telecom Limited (SEZ)
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Bengaluru 560 037 India

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Chennai 600 096 India

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