

# Geodesic Limited

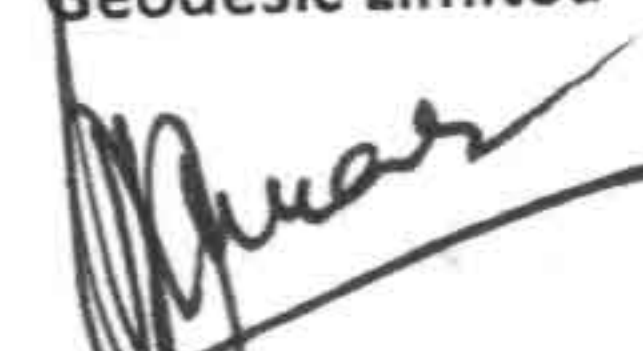
Regd Office :B-3, Lunic Industries, Cross Road No. B, MIDC, Andheri (E), Mumbai - 400093

# GEODESIC

Statement of Revised Consolidated Audited Results for the Financial Year Ended 30th June, 2012			
Particulars		**Previous year ended 30-Jun-12 (15 months)	Year ended 31-Mar-11 (12 months)
		(Audited)	(Audited)
<b>PART I</b>			
<b>1</b>	<b>Income from operations</b>	79,292.17	87,314.89
	(a) Net sales/income from operations (Net of excise duty)	-	-
	(b) Other operating income	79,292.17	87,314.89
	<b>Total income from operations (net)</b>		
<b>2</b>	<b>Expenses</b>	35,750.27	30,769.90
	(a) Software Development expenses	21,868.23	1,525.90
	(b) Purchases	(19,386.99)	(471.79)
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	4,328.34	3,216.61
	(d) Employee benefits expense	16,535.86	9,978.70
	(e) Depreciation and amortisation expense	7,030.04	5,305.20
	(f) Marketing expense	7,680.61	1,448.52
	(g) Exchange loss / (profit) on forward contracts	(7,906.33)	494.74
	(h) (Profit) / Loss due to exchange fluctuation	16,133.58	2,899.10
	(i) Other expenses	82,033.61	55,166.90
	<b>Total expenditure</b>		
	<b>Profit / (Loss) from operations before other income, finance costs and exceptional items (1-2)</b>	(2,741.45)	32,147.99
<b>3</b>	<b>Other income</b>	1,061.47	1,984.50
<b>4</b>	<b>Profit / (Loss) from ordinary activities before finance costs and exceptional items (3 + 4)</b>	(1,679.97)	34,132.49
<b>5</b>	<b>Finance costs</b>	6,644.46	4,727.88
<b>6</b>	<b>Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5 + 6)</b>	(8,324.43)	29,404.62
<b>7</b>	<b>Exceptional items</b>	(29.76)	(4.48)
<b>8</b>	<b>Profit / (Loss) from ordinary activities before tax (7 + 8)</b>	(8,294.67)	29,409.10
<b>9</b>	<b>Tax expense</b>	(85.38)	315.97
<b>10</b>	<b>Net Profit / (Loss) from ordinary activities after tax (9 + 10)</b>	(8,209.29)	29,093.13
<b>11</b>	<b>Extraordinary items (net of tax expense Rs. ____ Lakhs)</b>	(8,209.29)	29,093.13
<b>12</b>	<b>Net Profit / (Loss) for the period (11 + 12)</b>		
<b>13</b>	<b>Share of Profit / (loss) of associates</b>	(24.66)	(7.29)
<b>14</b>	<b>Minority Interest</b>	(8,184.63)	29,100.42
<b>15</b>	<b>Net Profit / (loss) after taxes, minority interest and share of profit / (loss) of Associates (13+14+15)</b>	1,802.83	1,802.83
<b>16</b>	<b>Paid-up equity share capital (Face Value Rs. 2/- each)</b>	1,33,094.48	1,13,022.86
<b>17</b>	<b>Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year</b>		
<b>18.i</b>	<b>Earnings per share (before extraordinary items) (of Rs. 2/- each) (not annualised):</b>	(9.08)	31.96
	(a) Basic	(9.07)	31.83
	(b) Diluted		
<b>18.ii</b>	<b>Earnings per share (after extraordinary items) (of Rs. 2/- each) (not annualised):</b>	(9.08)	31.96
	(a) Basic	(9.07)	31.83
	(b) Diluted		

<b>PART II</b>			
<b>A PARTICULARS OF SHAREHOLDING</b>			
<b>1</b>	<b>Public shareholding</b>	6,72,10,584	6,92,01,584
	- Number of shares	74.56	76.77
	- Percentage of shareholding		
<b>2</b>	<b>Promoters and Promoter Group Shareholding</b>		
	a) Pledged / Encumbered	1,37,82,290	NIL
	- Number of shares		
	- Percentage of shareholding (as a % of the total shareholding of promoter and promoter group)	60.10	NIL
	- Percentage of shares (as a % of the total share capital of the company)	15.29	NIL
	b) Non - encumbered	91,48,475	2,09,39,765
	- Number of shares	39.90	100.00
	- Percentage of shares (as a % of the total shareholding of the Promoter and Promoter group)	10.15	23.23
	- Percentage of shares (as a % of the total share capital of the company)		

For and on behalf of the Board of Directors  
Geodesic Limited

  
Pankaj Kumar  
Chairman

Place:- Mumbai

Date:- 17th April, 2014



**Geodesic Limited**

Regd Office :B-3, Lunic Industries, Cross Road No. B, MIDC, Andheri (E), Mumbai - 400093

**Statement of Revised Assets and Liabilities (Consolidated)**

(Rs. in lacs)

Particulars	As at 30/06/2012 (Audited)	As at 31/03/2011 (Audited)
<b>A. EQUITY AND LIABILITIES</b>		
<b>1. Shareholders' funds</b>		
(a) Share capital	1,802.83	1,802.83
(b) Reserves and surplus	1,33,094.48	1,13,022.86
(c) Money received against share warrants		
<b>Sub-total - Shareholders' funds</b>	<b>1,34,897.31</b>	<b>1,14,825.69</b>
<b>2. Minority Interest</b>	1,281.53	61.13
<b>3. Non-current liabilities</b>		
(a) Long-term borrowings	124.53	61,500.30
(b) Deferred tax liabilities (net)	(9.69)	119.84
(c) Other long-term liabilities	39.49	28.09
(d) Long-term provisions	12.10	22.52
<b>Sub-total - Non-current liabilities</b>	<b>166.43</b>	<b>61,670.75</b>
<b>4. Current liabilities</b>		
(a) Short-term borrowings	26,998.49	15.52
(b) Trade payables	5,971.01	28,853.44
(c) Other current liabilities	87,593.45	2,645.51
(d) Short-term provisions	2,703.61	1,318.75
<b>Sub-total - Current liabilities</b>	<b>1,23,266.56</b>	<b>32,833.22</b>
<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>2,59,611.83</b>	<b>2,09,390.80</b>
<b>B. ASSETS</b>		
<b>1. Goodwill on Consolidation</b>	1,198.20	1,198.20
<b>2. Non-current assets</b>		
(a) Fixed assets	34,956.86	27,035.88
(b) Non-current investments	350.28	439.02
(c) Deferred tax assets (net)	-	-
(d) Long-term loans and advances	3,588.92	5,408.79
(e) Other non-current assets	-	224.70
<b>Sub-total - Non-current assets</b>	<b>38,896.06</b>	<b>33,108.40</b>
<b>3. Current assets</b>		
(a) Current investments	2.71	271.32
(b) Inventories	22,975.20	1,113.95
(c) Trade receivables	53,459.14	41,730.49
(d) Cash and cash equivalents	1,14,220.64	1,28,337.96
(e) Short-term loans and advances	28,707.44	3,280.21
(f) Other current assets	152.44	350.28
<b>Sub-total - Current assets</b>	<b>2,19,517.57</b>	<b>1,75,084.20</b>
<b>Total Assets</b>	<b>2,59,611.83</b>	<b>2,09,390.80</b>

For and on behalf of the Board of Directors of  
Geodesic Limited



Pankaj Kumar  
Chairman

Place:- Mumbai  
Date:- 17th April, 2014



## Consolidated and Standalone Notes to Accounts

1. The Board of Directors have adopted Audited Financial Results for the year ended 30<sup>th</sup> June, 2013 Audited Results for the quarter ended 30<sup>th</sup> June, 2013 and Unaudited Results for quarters ended 30<sup>th</sup> September, 2013 and 31<sup>st</sup> December, 2013 in their meeting held on 14<sup>th</sup> February, 2014.
2. The Standalone and Consolidated Unaudited results for the quarters ended 30<sup>th</sup> September, 2013 and 31<sup>st</sup> December, 2013 of the Company on standalone basis, have been subjected to a limited review by the statutory auditors of the Company.
3. The focus of the Company and its Management is now on strategizing and planning its operations to rebuild itself from the situation it is going through.
4. In view of the difficulty in arranging working capital finances and delay in receivables, the Company is attempting innovative/new solutions to satisfy the demands for its products.
5. The Company has revised its Financial Accounts for the Financial Year 2011-12 to give effect to the entries regarding sales and purchase reversals pertaining to that year. The revised Standalone Annual Results for the FY 2011-12 with the Revised Standalone Auditors Report were adopted by the Board of Directors in their meeting held on 14<sup>th</sup> February, 2014. The Board of Directors, in their meeting held on 17<sup>th</sup> April, 2014 has adopted the revised Consolidated Annual Results for the FY 2011-12 with the Revised Consolidated Auditors Report.
6. Company's Response to Audit Qualifications for FY 2011-12 and FY 2012-13
  - a) *We are unable to verify the correctness of the write off of Rs.36,972.96lakhs in respect of software licences sold to the customers, as stated in Note no.1 to the consolidated financial statements of the Company for the Period. (June 2012 qualification)*
  - b) *The Company has shown receipts from the debtors (Geodesic Technology Solutions Limited, wholly owned subsidiary) of Rs. 40,544.83 lac and payments to the various creditors of Rs. 40,472.55 lac. It was informed to us by the management that the cheques were not processed and therefore were not realised till December 3<sup>rd</sup> 2012. All these cheques have become stale the same have been subsequently reversed. Consequently the debtors and creditors are understated by Rs. 40,544.83 and Rs. 40,472.55 respectively and the bank is overstated by Rs. 16.72 lac. These debtors and creditors have been reversed till June 2013. (June 2012 qualification)*
  - c) *We are unable to verify the correctness of the write off of Rs.21,300.03 lakhs (USD 3,88,12,000) reversed in respect of software licences sold to the customer's as stated in Note no. 1 to the consolidated financial statements of the Company for the year. (June 2013 qualification)*
  - d) *We are unable to verify the correctness of the write back of Rs. 43,700.54 lakhs, reversed in respect of software licences returned to the suppliers, as stated in Note no. 1to the consolidated financial statements of the Company for the year. Consequently the loss for the year has been understated to that extent. (June 2013 qualification)*

In April 2011, the Company developed a new version of one of their product with additional features to keep up with the latest changes in technology. However, the revised version developed certain problems with all the customers.

The Company had put lot of efforts to solve the problems and to provide improved services to the customers, in spite of all its efforts the Company was unable to offer a permanent solution to the problems faced by the customers. Finally, in July 2013, the Company agreed to reverse all sales made to the customers of the said product from April 2011 to avoid further legal action from the customers

This has given a very big set back to the Company so far as the recoveries are concerned. Due to this action the Company had started negotiations with the parties from whom these input licenses were purchased. During this negotiation the Company has taken help of the clause mentioned in the agreement entered in to by the Company with the vendors. Ultimately the vendors have agreed for write off of the amount receivable them. The Company had prepared the Deed of Settlement based on the above mentioned clause and got it notarised. These deeds are kept on the record by the Company to avoid any future litigation, which may arise.



- e) *During the year Company has not made the provision for Bad and Doubtful debts, as stated in Note no. 2 to the consolidated financial statements of the Company for the year, as per the accounting policy the amount shown as Trade Receivable amounting to USD38,812,000. The loss for the year has consequently been understated to that extent.*

No provision has been made for the amount, shown as trade receivables which is due for over two years from the Company's wholly-owned subsidiary GTSL in respect of supplies made to them by the Company, which GTSL in turn had supplied to its end customers, since the Company is in the process factorisation of the said dues.

- f) *In the absence of confirmations from any of the third parties (including Company's foreign subsidiary) in respect of correctness of amount due from/to the Company, including debtors, creditors, trade advances, other liabilities etc. we are unable state correctness thereof.*

The Company is in the process of obtaining and providing the required documents and confirmations to the Statutory Auditors

- g) *During the year, the Company defaulted in repayment of loans/dues to the financial institutions to the tune of Rs.8,005.29 lac. Some of the financial institutions have filed winding up petitions against the Company. The litigation is still pending and we are informed in a few cases the Company has made a counter claim against the same. However, the ultimate impact is presently unascertainable as stated in note no. 4 to the consolidated financial statements of the Company for the year..*

The financial charges include amounts aggregating to Rs. 3,528.16 lac demanded by Barclays Bank and Standard Chartered Bank towards interest and loss on hedging contracts on a conservative basis although the same are disputed by the Company. However, the Company has made counterclaims against both the above Banks for excess charges/profit on hedging contracts aggregating to Rs.9,300 lac. The Company has also disputed amounts claimed by ICICI and HDFC Bank against the hedging contracts. The Company is in process of filling a counter claim against the aforementioned banks also.

- h) *The Company has raised funds through FCCBs during the year 2008; the same were due for repayment in the month of January, 2013. Till date of the Balance Sheet, the Company has not been able to discharge this liability. The foreign currency convertible bond (FCCB) holders have, through their Trustees, filed a winding up petition against the Company for defaulting on the dues. Bombay High Court has in a decision given on 7th April, 2014 asked the Company to deposit the amount of Rs.972 crores before 28th April, 2014 in a Citibank branch at London or Singapore. However, we are unable to ascertain financial impact thereof in view of the Company's inability to give relevant information in this regard.*

The Company has made provision for interest on the said bonds at 9% amounting to Rs 2,890.11 lac in accordance with the agreement with bondholders from the date of maturity till the Balance Sheet date and also for the interest payable during the life of the said bonds.

- i) *No provision has been made for depletion in the value of Company's investment to the extent of Rs. 6,161.32 lac in Geodesic Technology Solutions Ltd GTSL, due to losses incurred during the year as stated in Note no. 6 to the consolidated financial statements of the Company for the year..*

During the year the Company's foreign subsidiaries GTSL and GHL incurred losses. This resulted in depletion of the Company's resources in terms of investment in the said subsidiaries. However considering the potential of both the subsidiaries the management does not consider it necessary to provide for any depletion in the value of its investments in the said subsidiaries.

- j) *During the year all the independent directors have resigned from the post of directorship. As on the date of financials the Company has not complied with the conditions as mentioned in clause 49. Non-compliance with the provisions of corporate governance in clause 49 could invite penalties such as fine, suspension of trading and delisting from the stock exchange.*

The Company is in the process of identifying and appointing Independent Directors. However, with the obligations cast on such Directors under the Companies Bill, the eligibility criteria being narrowed and Section



149 of the Companies Act, 2013 being notified shortly, individuals shy away from accepting such positions. Thus it has become an uphill task to identify an independent Director who complies with Section 149 of the Companies Act, 2013.

- k) *In the absence of any confirmations in that regard we were unable to verify the correctness of Company's Bank Balances including Deposits at their subsidiaries Geodesic Technology Solutions Ltd (GTSL) and Geodesic Holdings Ltd (GHL),, amounting to Rs.3.62 lakhs. & Rs.207.80 lakhs respectively nor are we able to verify whether these are free of any encumbrances.*
- l) *In the absence of any confirmations in that regard we were unable to verify the correctness of Company's Bank Balances including Deposits at their foreign subsidiaries Geodesic Technology Solutions Ltd (GTSL) and GHL amounting to Rs.46,069.50 lakhs & Rs.67,713.18 lakhs respectively nor are we able to verify whether these are free of any encumbrances as such we are unable to ascertain the recoverability thereof. (June 2012 qualification)*

The Company had submitted the bank statements to the Auditors for the purpose. However, the Auditors require the statements to be sent directly to them from the respective banks of the subsidiaries. The Company has already made an application in this regards to the respective banks to forward the statements to the Auditors.

- m) *In the case of the Hong Kong Subsidiary certain changes were effected in the accounts for the financial year ended 31st March, 2011 to give effect to changes made in the final audited accounts for the financial year ended 31st March, 2010 after the figures were taken in the original accounts for the period ended 30th June, 2012. Consequently the previous year figures in this Recast Consolidated Financial Statements of the Company show difference as compared to the original accounts adopted by the AGM on 11th Feb;2013, as under:*

- i) *Net Profit higher by Rs.1,752.45 lakhs*
- ii) *Other Income higher by Rs.70.32 lakhs*
- iii) *Administrative and Operating Expenses lower by Rs.1,682.13 lakhs*

Due to occurrence of certain events post adoption of accounts in the AGM held on 11<sup>th</sup> February, 2013, the Company's subsidiary in Hongkong was required to effect certain changes in the accounts for the financial year ended 31st March, 2011 to give effect to changes made in the final audited accounts for the financial year ended 31st March, 2010.

- n) *An amount of Rs.17,332.70 lakhs. (USD 29,033,000) shown in the audited accounts of Mauritius subsidiary Geodesic Holding Ltd (GHL) under Loans and Advances (as due from Audrain Commercial Corporation). However, in the absence of any confirmation in that respect we are unable to state recoverability thereof.*

The loan has been given in due course of business.

## Operational Highlights


7. Geodesic received order from Airtel for GeoAmida for Delhi Police e-Challan Project. The project has been implemented successfully.
8. Geodesic received order from Wipro for GeoAmida to be deployed by a Public Sector bank for its Financial Inclusion Project.
9. Geodesic has successfully bagged Mumbai Municipality's Web Pay and Park project for its Geoamida devices. Currently the devices are being used at 3 locations of Mumbai Municipality's Pay and Park locations. The Company's devices will be used at another 90+ locations in next one month.
10. Geodesic received order to supply Geoamida device from Housing Finance Bank Ltd from Uganda.
11. Geodesic completed pilot project using GeoAmida devices on Micro Insurance with Ferns IT, UK for a client in Nigeria. Web Pay and Park solution in Kenya is also under trial with Ferns IT, UK.



12. Geodesic has completed online Utility Meter Reading PoC using Geoamida device with one of the vendor in Bangalore
13. The Company is receiving repeated orders for its GeoAmida devices from its existing customers like TCS, Fullerton and PSU Banks.
14. The Final Dividend for FY 2011-12 will be paid to the shareholders on obtaining requisite approvals from the banks/bondholders. We are confident that the said Dividend will be paid soon.
15. Geodesic is committed to implementing the share buyback plan announced in the month of November 2012. The dates of implementing the buyback will be announced post the repayment of convertible bonds and other bank borrowings. Geodesic sincerely wish to thank shareholders/ investors for their patience and support.
16. Previous period figures have been regrouped and reclassified wherever necessary.
17. As per the revised guidelines from SEBI dated July 10, 2007, the Company is submitting both the consolidated and standalone results, but will be publishing only consolidated results. The consolidated results along with standalone results will be displayed on the Company's website [www.geodesic.com](http://www.geodesic.com).
18. The consolidated financial results are prepared in accordance with Accounting Standard (AS) 21 on consolidated financial statements issued by the Institute of Chartered Accountants of India.
19. Minority interest in subsidiaries is adjusted while consolidating above figures.
20. There are no primary reportable segments in the period as per AS-17.
21. Investor Grievance

B	Particulars	3 months ended (30-Jun-13)	3 months ended (30-Sep-13)	3 months ended (31-Dec-13)
	INVESTOR COMPLAINTS			
	Pending at the beginning of the quarter	0	2	14
	Received during the quarter	71	32	10
	Disposed of during the quarter	69	20	23
	Remaining unresolved at the end of the quarter	2	14	1

**For and on behalf of the Board of Directors of  
Geodesic Limited**

  
**Pankaj Kumar**  
Chairman

Place: Mumbai  
Date: 17<sup>th</sup> April, 2014



## Consolidated and Standalone Notes to Accounts

1. The Board of Directors have adopted Audited Financial Results for the year ended 30<sup>th</sup> June, 2013 Audited Results for the quarter ended 30<sup>th</sup> June, 2013 and Unaudited Results for quarters ended 30<sup>th</sup> September, 2013 and 31<sup>st</sup> December, 2013 in their meeting held on 14<sup>th</sup> February, 2014.
2. The Standalone and Consolidated Unaudited results for the quarters ended 30<sup>th</sup> September, 2013 and 31<sup>st</sup> December, 2013 of the Company on standalone basis, have been subjected to a limited review by the statutory auditors of the Company.
3. The focus of the Company and its Management is now on strategizing and planning its operations to rebuild itself from the situation it is going through.
4. In view of the difficulty in arranging working capital finances and delay in receivables, the Company is attempting innovative/new solutions to satisfy the demands for its products.
5. The Company has revised its Financial Accounts for the Financial Year 2011-12 to give effect to the entries regarding sales and purchase reversals pertaining to that year. The revised Standalone Annual Results for the FY 2011-12 with the Revised Standalone Auditors Report were adopted by the Board of Directors in their meeting held on 14<sup>th</sup> February, 2014. The Board of Directors, in their meeting held on 17<sup>th</sup> April, 2014 has adopted the revised Consolidated Annual Results for the FY 2011-12 with the Revised Consolidated Auditors Report.
6. Company's Response to Audit Qualifications for FY 2011-12 and FY 2012-13
  - a) *We are unable to verify the correctness of the write off of Rs.36,972.96lakhs in respect of software licences sold to the customers, as stated in Note no.1 to the consolidated financial statements of the Company for the Period. (June 2012 qualification)*
  - b) *The Company has shown receipts from the debtors (Geodesic Technology Solutions Limited, wholly owned subsidiary) of Rs. 40,544.83 lac and payments to the various creditors of Rs. 40,472.55 lac. It was informed to us by the management that the cheques were not processed and therefore were not realised till December 3<sup>rd</sup> 2012. All these cheques have become stale the same have been subsequently reversed. Consequently the debtors and creditors are understated by Rs. 40,544.83 and Rs. 40,472.55 respectively and the bank is overstated by Rs. 16.72 lac. These debtors and creditors have been reversed till June 2013. (June 2012 qualification)*
  - c) *We are unable to verify the correctness of the write off of Rs.21,300.03 lakhs (USD 3,88,12,000) reversed in respect of software licences sold to the customer's as stated in Note no. 1 to the consolidated financial statements of the Company for the year. (June 2013 qualification)*
  - d) *We are unable to verify the correctness of the write back of Rs. 43,700.54 lakhs, reversed in respect of software licences returned to the suppliers, as stated in Note no. 1to the consolidated financial statements of the Company for the year. Consequently the loss for the year has been understated to that extent. (June 2013 qualification)*

In April 2011, the Company developed a new version of one of their product with additional features to keep up with the latest changes in technology. However, the revised version developed certain problems with all the customers.

The Company had put lot of efforts to solve the problems and to provide improved services to the customers, in spite of all its efforts the Company was unable to offer a permanent solution to the problems faced by the customers. Finally, in July 2013, the Company agreed to reverse all sales made to the customers of the said product from April 2011 to avoid further legal action from the customers

This has given a very big set back to the Company so far as the recoveries are concerned. Due to this action the Company had started negotiations with the parties from whom these input licenses were purchased. During this negotiation the Company has taken help of the clause mentioned in the agreement entered in to by the Company with the vendors. Ultimately the vendors have agreed for write off of the amount receivable them. The Company had prepared the Deed of Settlement based on the above mentioned clause and got it notarised. These deeds are kept on the record by the Company to avoid any future litigation, which may arise.



- e) *During the year Company has not made the provision for Bad and Doubtful debts, as stated in Note no. 2 to the consolidated financial statements of the Company for the year, as per the accounting policy the amount shown as Trade Receivable amounting to USD38,812,000. The loss for the year has consequently been understated to that extent.*

No provision has been made for the amount, shown as trade receivables which is due for over two years from the Company's wholly-owned subsidiary GTSL in respect of supplies made to them by the Company, which GTSL in turn had supplied to its end customers, since the Company is in the process factorisation of the said dues.

- f) *In the absence of confirmations from any of the third parties (including Company's foreign subsidiary) in respect of correctness of amount due from/to the Company, including debtors, creditors, trade advances, other liabilities etc. we are unable state correctness thereof.*

The Company is in the process of obtaining and providing the required documents and confirmations to the Statutory Auditors

- g) *During the year, the Company defaulted in repayment of loans/dues to the financial institutions to the tune of Rs.8,005.29 lac. Some of the financial institutions have filed winding up petitions against the Company. The litigation is still pending and we are informed in a few cases the Company has made a counter claim against the same. However, the ultimate impact is presently unascertainable as stated in note no. 4 to the consolidated financial statements of the Company for the year..*

The financial charges include amounts aggregating to Rs. 3,528.16 lac demanded by Barclays Bank and Standard Chartered Bank towards interest and loss on hedging contracts on a conservative basis although the same are disputed by the Company. However, the Company has made counterclaims against both the above Banks for excess charges/profit on hedging contracts aggregating to Rs.9,300 lac. The Company has also disputed amounts claimed by ICICI and HDFC Bank against the hedging contracts. The Company is in process of filling a counter claim against the aforementioned banks also.

- h) *The Company has raised funds through FCCBs during the year 2008; the same were due for repayment in the month of January, 2013. Till date of the Balance Sheet, the Company has not been able to discharge this liability. The foreign currency convertible bond (FCCB) holders have, through their Trustees, filed a winding up petition against the Company for defaulting on the dues. Bombay High Court has in a decision given on 7th April, 2014 asked the Company to deposit the amount of Rs.972 crores before 28th April, 2014 in a Citibank branch at London or Singapore. However, we are unable to ascertain financial impact thereof in view of the Company's inability to give relevant information in this regard.*

The Company has made provision for interest on the said bonds at 9% amounting to Rs 2,890.11 lac in accordance with the agreement with bondholders from the date of maturity till the Balance Sheet date and also for the interest payable during the life of the said bonds.

- i) *No provision has been made for depletion in the value of Company's investment to the extent of Rs. 6,161.32 lac in Geodesic Technology Solutions Ltd GTSL, due to losses incurred during the year as stated in Note no. 6 to the consolidated financial statements of the Company for the year..*

During the year the Company's foreign subsidiaries GTSL and GHL incurred losses. This resulted in depletion of the Company's resources in terms of investment in the said subsidiaries. However considering the potential of both the subsidiaries the management does not consider it necessary to provide for any depletion in the value of its investments in the said subsidiaries.

- j) *During the year all the independent directors have resigned from the post of directorship. As on the date of financials the Company has not complied with the conditions as mentioned in clause 49. Non-compliance with the provisions of corporate governance in clause 49 could invite penalties such as fine, suspension of trading and delisting from the stock exchange.*

The Company is in the process of identifying and appointing Independent Directors. However, with the obligations cast on such Directors under the Companies Bill, the eligibility criteria being narrowed and Section



149 of the Companies Act, 2013 being notified shortly, individuals shy away from accepting such positions. Thus it has become an uphill task to identify an independent Director who complies with Section 149 of the Companies Act, 2013.

- k) *In the absence of any confirmations in that regard we were unable to verify the correctness of Company's Bank Balances including Deposits at their subsidiaries Geodesic Technology Solutions Ltd (GTSL) and Geodesic Holdings Ltd (GHL),, amounting to Rs.3.62 lakhs. & Rs.207.80 lakhs respectively nor are we able to verify whether these are free of any encumbrances.*
- l) *In the absence of any confirmations in that regard we were unable to verify the correctness of Company's Bank Balances including Deposits at their foreign subsidiaries Geodesic Technology Solutions Ltd (GTSL) and GHL amounting to Rs.46,069.50 lakhs & Rs.67,713.18 lakhs respectively nor are we able to verify whether these are free of any encumbrances as such we are unable to ascertain the recoverability thereof. (June 2012 qualification)*

The Company had submitted the bank statements to the Auditors for the purpose. However, the Auditors require the statements to be sent directly to them from the respective banks of the subsidiaries. The Company has already made an application in this regards to the respective banks to forward the statements to the Auditors.

- m) *In the case of the Hong Kong Subsidiary certain changes were effected in the accounts for the financial year ended 31st March, 2011 to give effect to changes made in the final audited accounts for the financial year ended 31st March, 2010 after the figures were taken in the original accounts for the period ended 30th June, 2012. Consequently the previous year figures in this Recast Consolidated Financial Statements of the Company show difference as compared to the original accounts adopted by the AGM on 11th Feb;2013, as under:*

- i) *Net Profit higher by Rs.1,752.45 lakhs*
- ii) *Other Income higher by Rs.70.32 lakhs*
- iii) *Administrative and Operating Expenses lower by Rs.1,682.13 lakhs*

Due to occurrence of certain events post adoption of accounts in the AGM held on 11<sup>th</sup> February, 2013, the Company's subsidiary in Hongkong was required to effect certain changes in the accounts for the financial year ended 31st March, 2011 to give effect to changes made in the final audited accounts for the financial year ended 31st March, 2010.

- n) *An amount of Rs.17,332.70 lakhs. (USD 29,033,000) shown in the audited accounts of Mauritius subsidiary Geodesic Holding Ltd (GHL) under Loans and Advances (as due from Audrain Commercial Corporation). However, in the absence of any confirmation in that respect we are unable to state recoverability thereof.*

The loan has been given in due course of business.

### Operational Highlights


7. Geodesic received order from Airtel for GeoAmida for Delhi Police e-Challan Project. The project has been implemented successfully.
8. Geodesic received order from Wipro for GeoAmida to be deployed by a Public Sector bank for its Financial Inclusion Project.
9. Geodesic has successfully bagged Mumbai Municipality's Web Pay and Park project for its Geoamida devices. Currently the devices are being used at 3 locations of Mumbai Municipality's Pay and Park locations. The Company's devices will be used at another 90+ locations in next one month.
10. Geodesic received order to supply Geoamida device from Housing Finance Bank Ltd from Uganda.
11. Geodesic completed pilot project using GeoAmida devices on Micro Insurance with Ferns IT, UK for a client in Nigeria. Web Pay and Park solution in Kenya is also under trial with Ferns IT, UK.



12. Geodesic has completed online Utility Meter Reading PoC using Geoamida device with one of the vendor in Bangalore
13. The Company is receiving repeated orders for its GeoAmida devices from its existing customers like TCS, Fullerton and PSU Banks.
14. The Final Dividend for FY 2011-12 will be paid to the shareholders on obtaining requisite approvals from the banks/bondholders. We are confident that the said Dividend will be paid soon.
15. Geodesic is committed to implementing the share buyback plan announced in the month of November 2012. The dates of implementing the buyback will be announced post the repayment of convertible bonds and other bank borrowings. Geodesic sincerely wish to thank shareholders/ investors for their patience and support.
16. Previous period figures have been regrouped and reclassified wherever necessary.
17. As per the revised guidelines from SEBI dated July 10, 2007, the Company is submitting both the consolidated and standalone results, but will be publishing only consolidated results. The consolidated results along with standalone results will be displayed on the Company's website [www.geodesic.com](http://www.geodesic.com).
18. The consolidated financial results are prepared in accordance with Accounting Standard (AS) 21 on consolidated financial statements issued by the Institute of Chartered Accountants of India.
19. Minority interest in subsidiaries is adjusted while consolidating above figures.
20. There are no primary reportable segments in the period as per AS-17.
21. Investor Grievance

B	Particulars	3 months ended (30-Jun-13)	3 months ended (30-Sep-13)	3 months ended (31-Dec-13)
	INVESTOR COMPLAINTS			
	Pending at the beginning of the quarter	0	2	14
	Received during the quarter	71	32	10
	Disposed of during the quarter	69	20	23
	Remaining unresolved at the end of the quarter	2	14	1

**For and on behalf of the Board of Directors of  
Geodesic Limited**

  
**Pankaj Kumar**  
Chairman

Place: Mumbai  
Date: 17<sup>th</sup> April, 2014