



rebuilding  
trust

GEODESIC

Geodesic Limited | Annual Report 2012-13

## forward-looking statement

In this Annual Report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements – written and oral – that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward looking statements will be realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

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# rebuilding trust

**At Geodesic Limited**, we recognise that we are in business to enhance value for all those who own shares in our Company. The Company has performed poorly in this regard.

From a peak market capitalisation of ₹840 crore in 2005, our Company's market capitalisation declined to a low of ₹23 crore in 2013.

However, the Geodesic management wishes to communicate to its various stakeholders that we are actively engaged in reversing this reality, restoring faith and returning the company to erstwhile value.



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## Corporate information

### Registered & corporate office

#### Geodesic Limited

B-3, Lunic Industries, Opp. State Bank of India, Cross Road 'B', MIDC, Andheri East, Mumbai - 400 093. Maharashtra, India.

Tel: +91-22-28306804 / 28311849

Fax: +91-22-28200832

Visit us: [www.geodesic.com](http://www.geodesic.com)

Email: [invrel@geodesic.com](mailto:invrel@geodesic.com)

### Auditors

M/s Borkar & Muzumdar  
Chartered Accountants

### Principal bankers

- DBS Bank Limited
- Deutsche Bank
- HSBC Limited

- State Bank of India
- Union Bank of India

#### FOREIGN BANKS

- HSBC Private Bank (C.I) Limited, Jersey Branch
- Barclays Bank PLC - London

### Registrar & transfer agent

#### M/s Universal Capital Securities Private Limited

21, Shakil Niwas, Opp Satya Saibaba Temple, Mahakali Caves Road, Andheri (E), Mumbai - 400 093  
Tel. No: +91-22-28207203-05 / 28257641

Fax No: +91-22-28207207

Email: [info@uniseq.in](mailto:info@uniseq.in)

Website: [www.uniseq.in](http://www.uniseq.in)

### Other offices

#### Geodesic Limited

Unit No.51, SDF-II, SEEPZ SEZ, MIDC, Andheri East, Mumbai - 400 096. Maharashtra. India.

#### Geodesic Limited

#58, HMT Layout, 2nd Floor, Behind R.T Nagar Police Station, R. T. Nagar, Bangalore - 560032. Karnataka. India.

### Factory

#### Geodesic Limited

Khasra No. 1118, Salempur Industrial Area, Rajputan Pargana, Near Radhaswami Satsang Bahavan, Roorkee. Dist.: Haridwar 247667 (Uttarkhand)

## Company subsidiaries

### Domestic subsidiaries

#### **Chandamama India Limited**

B-3 Lunic Industries, opp. State Bank of India, Cross Road 'B', MIDC, Andheri East, Mumbai - 400 093. Maharashtra, India  
Tel: +91-22-28306804 / 28311849  
Fax: +91-22-28200832  
www.chandamama.com

#### **Filmorbit.com India Private Limited**

B-3 Lunic Industries, Opp. State Bank of India, Cross Road 'B', MIDC, Andheri East, Mumbai - 400 093. Maharashtra, India.  
Tel: +91-22-28306804 / 28311849  
Fax: +91-22-28200832  
www.filmorbit.com

#### **Geodesic Gridpoint Energy Private Limited**

B-3 Lunic Industries, opp. State Bank of India, Cross Road 'B', MIDC, Andheri East, Mumbai - 400 093, Maharashtra, India.  
Tel: +91-22-28306804 / 28311849  
Fax: +91-22-28200832

### Associate company

#### **Republique Media Private Limited**

B-3 Lunic Industries, opp. State Bank of India, Cross Road 'B', MIDC, Andheri East, Mumbai - 400 093, Maharashtra, India.  
Tel: +91-22-28306804 / 28311849  
Fax: +91-22-28200832

### International subsidiaries

#### **Geodesic Holdings Limited**

C/o: Premier Financial Services Ltd.  
Premier Business Centre, 10th Floor,  
Sterling Tower, 14 Poudriere Street, Port  
Louis, Mauritius

#### **Geodesic Technology Solutions Limited**

7/F, Man On Commercial Building, 12-13,  
Jubilee Street, Central, Hong Kong.

#### **Geodesic Hong Kong Limited**

(Subsidiary of Geodesic Holdings Limited)  
3/F, Well View Commercial Building, B-12  
Morrison Street, Sheung Wan, Hong Kong.

#### **Geodesic Information Systems Inc**

(Subsidiary of Geodesic Holdings Limited)  
19925 Stevens Creek Boulevard,  
Cupertino, CA 95014. USA .

#### **Interactive Networks International Inc**

(Subsidiary of Geodesic Holdings Limited)  
Akara Building 24 De Castro Street,  
Wickhams Cay 1, Road Town, Tortola,  
British Virgin Islands.

#### **Publicidad Digital S.A.**

(Subsidiary of Interactive Networks  
International Inc)  
Rio Negro, 1320, Montevideo, CP 11100,  
Uruguay.

#### **Emiloto Associated Inc**

(Subsidiary of Geodesic Holdings Limited)  
53rd E Street, MMG Tower, Urbanisacion  
Marbella, 16th Floor, Panama City,  
Panama.

#### **Zomo Technologies Limited**

(Subsidiary of Geodesic Holdings Limited)  
Trident Trust Company (BVI) Ltd., Trident  
Chambers, P.O. Box 146, Road Town,  
Tortola, British Virgin Islands.

#### **Spokn Communications Pte. Limited**

(Subsidiary of Geodesic Holdings Limited)  
1 North Bridge Road, #19-40/05 High  
Street Centre, Singapore - 179094

"Our immediate priority is to restore stakeholder faith."

## *Dear fellow shareholders*

This is an honest open communication with you all.

We reported a 47.5 per cent decline in revenues in 2012-13 (12 months) over the previous financial year. We reported a loss of ₹812.16 crore in 2012-13 (12 months) against the previous accounting period of 2011-12 (15 months, ending 30th June, 2012).

This decline in our performance was the result of a number of concurrent adversities. At a time when this reality was unfolding, we became increasingly uncommunicative. Even as we re-engaged in various initiatives to turn the Company around, we gave no inkling to our stakeholders on the prevailing realities. The enforced silence worked against us worse than we could have visualised; we were accused of deliberate financial irregularities; we were accused of regulatory non-compliances; we were accused of having deliberately run the Company into the ground.

I write to you to explain where the Company has come from, where it is and all the initiatives that are presently underway to return the Company to erstwhile health. For the sake of communication clarity, I have segregated my overview across specific statements that I wish to highlight.

### **The delay in financial reporting**

There are some reasons why this financial report of 2012-13 is being presented to shareholders more than nine months beyond the statutory deadline. During September 2013, the sales and purchases registers were taken into custody by government departments, which delayed the exercise of preparing our accounts and related compliances.

### **What could have gone wrong actually did**

At Geodesic, we were impacted by the external technology environment as well as the overall economic slowdown. However, we hold ourselves responsible for our weaker performance: we spread our managerial attention thin across a large number of products, we under-achieved the rich potential in each of our products, we failed to cover the investments made in them and we made investment and acquisition errors.

### **Our technology capabilities are deep and enduring**

At Geodesic, we are optimistic of our prospects because a number of our products continue to address unmet customer needs, are protected by high entry barriers, are disruptive in that they provide significant savings over competing options, represent long-term annuity revenue prospects, leverage longstanding technology competencies,

enjoy attractively low break even points and can be extended from standalone products to a complementary suite. Best of all, the emerging industry reality is being catalysed by lifestyle changes on the one hand and government-inspired policy changes on the other, both these realities combining to create an encouraging industry environment.

### **Our customer relationships are enduring**

At Geodesic, even as our revenues declined, we succeeded in retaining a number of brand-enhancing customers across our various product lines. For instance, the Company continued to work with marquee customers like TCS, HCL and Wipro, among others, well into 2013-14, a sizeable proportion of revenues continuing to be derived from customers engaged with the Company for the last few years. Relationships continue to be central to our customer strategy, our biggest insurance against business slowdowns reflected in our ability to sell more of the same products to existing customers, cross-sell products and generate attractive customer referrals. The power of our relationships was reflected in a sizeable ₹85 crore order book as on 30 June 2013.

### **We are sitting at the cusp of a huge industry upturn**

At Geodesic, we are convinced that India is at the cusp of an unprecedented

technology opportunity for some good reasons:

- The concept of Electronic Systems Design and Manufacturing promises to be the next big technology wave after IT outsourcing, which promises to generate large annuity contracts, growing India's domestic electronics consumption from USD 125 billion in 2014 to USD 400 billion in 2020.
- The country's projected growth in broadband infrastructure will accelerate broadband internet connections from an estimated 15 million, riding the implementation of 4G, Internet as well as mobile broadband investments.
- The country is investing in MGNREGA, PDS and law enforcement options that leverage technologies riding Geodesic's solutions. The company is attractively placed as its products are language-agnostic, its rich India experience serves as an excellent preparation for subsequent entry into similar large developing markets, and the Company leverages Indian product development costs with global encashment opportunities.

### **We are working hard to turn the Company around**

At Geodesic, we are seriously engaged in returning the company to erstwhile health. We are convinced that merely returning the company to break-even will not be enough; we need to return

the Company to excellent profitability as expressed in growing year-on-year revenues, high margin products, surplus cash on our books and attractive dividend payout. This is not merely a wish list; we are presently engaged in various course-correcting initiatives to reduce costs and accelerate returns across the foreseeable future. A number of these initiatives have been explained in this report.

### **Unleashing organisational value**

At Geodesic, we hold ourselves accountable to our stakeholders. However, we are optimistic that as a result of our various counter-measures, we should be able to increase revenues that transform our deficit into a sustainable surplus across the foreseeable future.

Sincerely,

**Pankaj Kumar**  
Chairman





# management discussion and analysis

WE HAVE SEGREGATED OUR PRODUCT BASKET INTO CORE AND NON-CORE AREAS STREAMLINED WITH OUR CORPORATE PRIORITIES FOR THE NEXT FEW YEARS.

## Basket size

**For any business, success is derived from the ability to nurture a manageable product basket; too large a product basket results in an inequitable resource allocation while too small a product basket results in slow growth.**

### Challenges

At Geodesic, we created too large a product basket that was temporarily incompatible with our managerial bandwidth. These are the challenges that emerged during the course of our existence: the company was unable to allocate adequate resources – managerial, financial or intellectual – to sustain the growth of these products. Some of the products, even as they addressed attractive opportunities, were unrelated to most others and the core objective of the company. The widening of the product basket also translated into a larger team size translating into higher overheads even as most of these products were only at the nascent end of their life cycle.

### Counter-strategy

At Geodesic, we have embarked on an effective counter-strategy to correct the skew between the size of our product basket and our existing managerial bandwidth, reflected in the following initiatives:

- We have segregated our product basket into core and non-core areas streamlined with our corporate priorities for the next few years. In line with this enunciated direction, the company has selected to exit from the entertainment space marked by optional consumer spending and will grow its presence in communication cum collaborative technology niche marked by sustainable annuity revenues.
- In line with our decision to defocus on non-core product areas, we will progressively rationalise our basket from

15 products to around eight through sale or phase-out. This is expected to translate into one-time sale revenues on the one hand and sustainable overheads reduction on the other, strengthening our overall viability.

- The company has selected to exit products that consume a disproportionate allocation of resources – financial, infrastructural and managerial – without corresponding returns

### Result

The projected decline in non-core product spending is expected to translate into a stronger focus on select products that will progressively strengthen their revenues. Besides, a planned reduction in product-related overheads is expected to strengthen financial viability.



## Product selection

**For any business, success is derived from the ability to select the right products that address unmet needs of customers, occupy spaces with high entry barriers and hold out prospects for sustained year-on-year growth.**

### Challenges

At Geodesic, we invested in a number of varied products which required a combination of hardware and software capabilities. The company is engaged in diverse (and hence risky) applications across multiple platforms. Besides, the company backed these products by making investments that were disproportionate to the respective potential within these products.

### Counter-strategy

At Geodesic, we have strengthened our prospects through a product selection process that reconciles a number of attractive realities:

- The company has selected to work in only those spaces where needs critically exist. The company will increase its attention on the selection of products that offer pioneering features and conveniences.
- The company will increasingly select to create technologically-disruptive products and services that represent a significant advantage (in terms of features, convenience and costs) over existing alternatives.
- The company's products and services will be increasingly woven around a singular premise – the ability to enhance customer value in a significant way whether through ongoing cost reduction or negligible capex required to accommodate the company's products.
- The company has selected to be present only in those spaces where its product offerings would be among the first three in the global market place, distinguishing it from the me-too product clutter and reinforcing its positioning as technology leader. As an extension, such a strategy will enable the company to create markets rather than fight for market share.
- The company has selected to work with only those products with attractive annuity or lumpy revenue implications.
- These products would represent global potential that could over time generate economies of scale, knowledge and brand. Besides, these products would hold out attractive year-on-year prospects, strengthening the overall return on their investments.
- The company will increasingly roll out products and services within the communication and collaboration technology synergic with each other, making it possible to bundle these products together into an integrated offering.
- The company will use a higher proportion of proprietary technology tools that shrink the time-to-market on the one hand and strengthen the company's brand within that global technology niche on the other.
- The company will increasingly outsource specialised non-core competencies (marketing and branding), enabling it to strengthen its core technology focus.

### Result

At Geodesic, the benefits of this enunciated strategy will become increasingly visible from 2014-15 onwards, reflecting in revenue growth, increased average revenue per product and sustained product and technology investments that accelerate our virtuous cycle of growth and profitability.



## Activity focus

**For any business, success is derived from the ability to identify what one is most competent at, graduating that focus into a centre of excellence and outsourcing all non-core capabilities to specialised service providers.**

### Challenges

At Geodesic, most of our problems were derived from a focus to engage in every activity across the managerial eco system – whether it was product identification, product launch, product branding or product marketing. So even as the company's core competence lay clearly in its ability to identify critical unmet customer needs and plugging them with relevant products in the shortest time delivered at the lowest cost, it selected to spread its resources (managerial and financial) across other areas as well. Over time, this resulted in resource allocation incompatible with the needs of specific product segments, resulting in sub-optimal returns.

### Counter-strategy

At Geodesic, we recognise that a rapidly evolving technology company like ours

needs robust systemic discipline on the one hand coupled with strategic clarity on the other to extend product potential into sustainable growth.

The company has embarked on the following course-correction initiatives:

- The company has rationalised its active product basket from 15 to eight, thereby increasing managerial attention on each
- The company recognises that each of its products enjoys considerable potential across an extended period; in line with this potential, the company has created an SBU-like structure for each of its products with corresponding manning, targets and accountability
- This restructuring will enable each product to be treated as a profit centre, making it possible for each business line to drive its own growth and the company

playing the role of a supervising holding company

- The company has selected to progressively outsource non-core responsibilities (marketing and branding) to specialised service providers in Indianan international geographies

### Result

The company has a reasonable foundation to build on. The company's decision to outsource non-core competencies has helped rationalise its people strengthen from a peak of 700 to 200. Besides, increased attention on the core business is expected to increase the number of profitable products in the company's portfolio from two to eight. The company also expects to scale its order book from ₹60 cr at the close of 2012-13.

## Cash flow management

**For any business, success is derived from the disciplined management of financials leading to healthy and sustained cash flows that makes it possible to cover overheads, pay creditors, reward shareholders and leave a surplus for onward re-investment.**

### Challenges

At Geodesic, a number of our problems were derived from a combination of unforeseen investment reversals, decline in revenues arising out of the use of inappropriate technologies, skewed inventory, resource misallocation, high overheads, inadequate due diligence and inefficient treasury management.

### Counter-strategy

At Geodesic, we recognise that a fast-growing company like ours needs stringent financial discipline for our growth to be streamlined and sustainable.

The company has embarked on the following discipline-enhancing initiatives:

- The company filed claims against two multi-national banks for claims aggregating ₹112 cr arising out of cheating related to derivative transactions.
- The company expects to unlock financial resources following the sale of non-core products and manpower reduction.
- The company expects to focus singularly on products generating annuity revenues as opposed to products generating no or lumpy revenues.
- The company expects to conserve a large part of its projected cash flow on account of having already expensed much of the required capital expenditure in the last few years.
- The company expects to moderate its overheads through a product-led SBU-like organisational structure that enhances fiscal accountability.
- The company expects to outsource the best professional competencies rather than recruit them full time.

### Result

The company expects to make claims on commercial banks, has filed a criminal case for fraud in the Economic Offences Wing against an international bank, expects its restructured product basket to achieve breakeven point at low capacity utilisation and exploit a significant operating leverage to grow revenues without increasing capital expenditure.



## Our enduring strengths

**At Geodesic, we believe that a number of our competencies will soon return the company to erstwhile health in a sustainable way.**

**Innovation:** At Geodesic, 60 per cent of the revenues earned by the company in 2012-13 were derived out of products created within the company and launched in the preceding three years, emphasising a culture of continuous innovation.

**Product focus:** Geodesic is a product-focused company where 100 per cent of the company's revenues are derived from products (or outsourced systems).

**Focus:** Geodesic is a front-end technology company that touches the lives of people, providing scalable opportunities.

**Lifecycle management:** Geodesic addresses the complete lifecycle of products – product conception, launch, commercialisation and retaliations.

**Mind-to-market:** Geodesic has demonstrated a capability in being able to launch products across a mind-to-market cycle that is considerably shorter than equivalent international benchmarks.

**Pioneering:** Geodesic enjoys global respect for working in cutting-edge technology areas. The products pioneered by the company in a challenging global marketplace comprised the following: BBleep, Roundtable, GeoAmida and Mundu IM.

**Captive use:** Geodesic has demonstrated timely and cost-competitive development of products through a growing use of proprietary technology tools.

**Expensed:** Over the last few years,

Geodesic invested extensively in infrastructure, systems and processes. Much of the company's capital expenditure needs have already been expensed. As a result, prospective business growth is likely to be independent of fresh capital expenditure.

**Competence:** Nearly 70 per cent of Geodesic's employees are technology professionals. The company has applied for 11 cutting-edge global technology patents. Until a few years ago, the company was a reputed A-minus recruiter across the IIT campuses of the country.

**Global character:** Geodesic is positioned as a global technology company that has selected to be located out of India. Nearly 80 per cent of the company's revenues were derived from foreign exchange earnings in 2012-13.

**Customisation:** Geodesic's cutting-edge products are woven around a range of legacy products belonging to customers, which entail negligible capital expenditure by these customers to upgrade to cutting-edge capability.

**Locational advantage:** Geodesic selected to manufacture technology hardware products in a fiscally-efficient location. The company has a unit in SEEPZ resulting in tax holidays till 2017.

**Maturity:** Geodesic has demonstrated a high product development maturity for a company like itself which is in the early life cycle development stage.

**Technology:** Geodesic possesses a

deep understanding in the scalability of networks, earning a rare global respect in this technology niche.

**Segments:** Geodesic addresses the growing technology spends coming out of large downstream spaces like telecom, BFSI, large enterprises and system integrators.

**Customers:** Geodesic continues to work with large and visible customers like TCS, HCL, Wipro and America Movil. The company delivered products to internationally-reputed customers. The company's customer list is marked by repeat customer engagement with annuity contracts.

**Payout track record:** Geodesic demonstrated its commitment to reward shareholders through an aggregated dividend payment of ₹50.74 cr across eight years as against an FII inflow of ₹96 cr.

**Credibility:** Geodesic's transfer pricing commitment was treated as a case study by the Indian income tax authorities.

**Integrated:** Geodesic possesses rounded capabilities addressing last mile delivery requirements across diverse product areas (voice, text, video and processing).

**Suite:** Geodesic possesses a comprehensive suite of communication and collaborative tools across the enterprise and retail (mobile) applications, which is a rare phenomenon in a world where such competencies are rarely available jointly.

## Geodesic in our everyday lives – Our product portfolio

### Communication and collaboration space

#### BBEEP

BBEEP is a secure cross-platform messenger, which uses your existing data connection to exchange messages and voice calls with your contacts for free. BBEEP has features like Privacy Control that let you choose who you can interact with; its Message Encryption ensures data confidentiality.

BBEEP uses industry standard encryption algorithms to secure all communication between you and your contacts. This ensures that the message sent by you can only be read by the recipient and no one else. BBEEP gives you the ability to choose which friends you want to add to your list. BBEEP also sends you a request whenever a contact wants to add you to their list. You can choose to either approve or ignore the request.

#### RoundTable

RoundTable, the latest addition to our list of innovative products in the communication and collaboration platform, is aimed to make Web conferencing hassle-free. It enables users in diverse locations to collaborate, communicate and exchange information without having to download any client.

Using RoundTable, customers can meet people one-on-one or virtually present information to hundreds of participants. Customers can schedule meetings in advance or start an instant online meeting and invite people to join by email, text message or an IM. The product is easy to integrate into every aspect of one's business. One can share any type of content and let meeting

participants take control over the desktop for a truly interactive, hands-on meeting experience. One can show documents, applications and desktop to remote attendees in real time.

RoundTable saves costs, boosts employee productivity, reduces sales cycles, enhances revenue and helps in conducting inexpensive training and seminars. Additionally, RoundTable enables team members to communicate and collaborate more naturally anywhere, anytime and across multiple platforms.

RoundTable seamlessly integrates a private/ public instant messaging service and a comprehensive SMS solution to reach out to team members, participants and customers/ vendors across the globe keeping in line with our comprehensive unified communication and collaboration suite.

RoundTable helps enterprises build more effective teams across corporate boundaries, companies and continents across the globe. RoundTable's high quality audio/ video conferencing encourages individuals and enterprises to use online meetings more frequently, resulting in enhanced productivity and a quicker return on investment.

Companies of all sizes have opened up their borders and are moving toward the vision of becoming connected organisations. Employees, customers, partners and suppliers are all important constituents of an organisation's extended enterprise. Serving the communication needs of a connected organisation means virtually anytime, just about anywhere access to people and information coupled with the need to communicate faster and more

collaboratively over a variety of devices or desktop applications.

#### Mundu IM

Mundu IM is a real-time comprehensive messaging solution that provides multi-lingual, text and multimedia messaging across seven major IM services. Mundu IM allows the assurance to stay connected with your family, friends and colleagues round-the-clock.

Mundu IM values privacy and does not store usernames or passwords on its servers. Mundu IM has a unique design for each mobile phone platform. Mundu IM is a robust product that takes care of all messaging needs. In the rare eventuality of an issue, its support team is geared to resolve queries in 24 hours.

#### Mundu SMS

An easy-to-use mobile and desktop messaging service, Mundu SMS is the ideal cost-effective way to send local and international messages. It transmits messages using the Internet, and delivers them as SMS messages to the customer's recipients. Mundu SMS provides significant cost savings compared to regular mobile phone plans, more so when you are on roaming.

With simple yet powerful features that allow integration with desktop applications to use lists, Mundu SMS is an indispensable communication choice for the customer's business and personal communication needs.

#### Spokn

There is a growing need to reduce prohibitive international roaming telephony – for those making calls into the roaming number and also for those making calls from the roaming number.



The complexity of the technology on the one hand and the need for convenience ease at the customer end represented challenges.

Geodesic's product addressed these challenges. This form of internet telephony (full blown) facilitates audio and video streaming at the cost of a local call. Besides, it enables a global traveler to become a local by providing a transparent local number in the country being visited. The system can be set up in 30 seconds, generates telco income against the incoming call, does not need internet connectivity, can be activated through an SMS and provides this service at a fraction of Skype cost.

Geodesic enjoys a throughput of 20,000 minutes per day and based on the growing trend expects to log 100,000 minutes per day in a quarter.

## Financial products and services space

### Wealth Console

Wealth Console is an enterprise-ready, client-server Portfolio Reporting and Analytics product integrated with a high-end communications backend. The solution offers engaging analytical views of an investor's portfolio using a sophisticated user interface. Interactive visualisation automatically categorises transactions and asset classes so clients can see the big picture, up close and personal.

Wealth Console is a single-point, online source for providing clients advice on how to grow their personal wealth. The enterprise can provide investment ideas, stock quotes, charts, business news, market research, and can be a learning centre for all financial information, with a special emphasis on investing.

### Wallet WAP

Wallet WAP is the key to 'Anytime-Anywhere' delivery of market and investment information. Wallet WAP is compatible with all mobile devices and enables brokers and financial institutions to reach their client base, irrespective of where they are.

Wallet WAP allows users to view portfolio, stock quotes, price charts, market news, screeners, financial statements and results on any mobile device. It integrates seamlessly with a financial institution's back-office to allow rich views of portfolio data. It is the fastest and the most direct channel to keep clients informed about the latest happenings in the markets.

### Spyder

Spyder is an advanced Client Relationship Alignment Management System for the complex needs of a financial institution which sells intellectual product(s) manifesting as opinion (backed by research), market insight, know-how and capability.

Spyder incorporates specific concepts that transform the system from being just a 'useful client database' to an essential tool that helps identify and coordinate revenue opportunities, reduce operational costs, and manage distributed resources.

## Content delivery platform

### Mundu Radio

Mundu Radio is an Internet radio solution that offers high quality digital audio music on mobile handsets and desktops. Mundu Radio gives the customer access to over 35,000 Internet radio stations and other content such as news, sports, finance, talk shows and much more on the mobile. The customer can manage

the playlist, personalise, and tune into the favorite genre whenever wanted.

### Mundu TV

Mundu TV is a Live-Internet TV service that offers subscribers the opportunity to view live television channels and archived content using wireless and broadband Internet on mobile phones and desktops. During the fiscal period 2012, Mundu TV was launched on Blackberry and Windows 7 phone platform.

## Electronic computing space

### GeoAmida - An innovation suite for reaching the unreachable

In the last two decades, globalisation brought a plethora of opportunities even as some people live under \$2 a day. A number of opportunities cannot be realised due to a lack of access to knowledge, capital, healthcare and even unique identification.

Geodesic, with GeoAmida, aims to provide enabling technologies to flatten this pyramid with the following objectives:

- Bring access to banking within everyone's reach
- Bring medical services at the doorstep of even the remotest hamlet
- Provide rightful social benefits to eligible people without leakage
- Many more such services

In short, we develop innovative technology to help governments, banks and enterprises to deliver quality service to the right person at their doorstep profitably.

Technologies to implement these steps must meet the following key requirements:

- Uniquely verify the identity of

individuals

- Perform secure online transactions
- Function reliably in the remotest corners of the country
- Flexibly handle multiple language

needs, educational and literacy levels of the end users

GeoAmida, with its innovative technology, reaches out to transform their lives. GeoAmida is the world's first handheld,

Linux-based, biometric, smart card-integrated, multi-application platform that enables governments, financial institutions, enterprises and NGOs, to reach their remotest customers.

**A comprehensive solution**

- Powerful Linux computer
- Extended battery life
- Bio-metric authentication
- Multiple language support
- Text-to-speech engine
- Contact and contactless smart cards
- Secure online transactions

- Multiple connectivity options
- Proven SDK environment
- Ready-to-deploy application frameworks
- IDRBT and Aadhaar Micro ATM compliant
- G:Life - on-field maintenance services with remote terminal management software

**Impacting tens of millions of lives**

- Financial inclusion with 20+ banks
- PDS in Chandigarh and Chhattisgarh
- NREGA in Andhra Pradesh and other states
- Micro finance





# directors' report

YOUR DIRECTORS HAVE THE PLEASURE OF PRESENTING THE 13TH ANNUAL REPORT (POST-DEMERGER) OF YOUR COMPANY DETAILING THE BUSINESS AND OPERATIONS TOGETHER WITH THE AUDITED RESULTS FOR THE FINANCIAL YEAR ENDED 30TH JUNE-2013.

## Financial performance

Key aspects of your Company's standalone financial performance for the financial year ended 2012-13 are tabulated below:

Particulars	Financial year ended	
	30-Jun-2013 (12 months)	31-Jun-2012 re-casted (15 months)
	Audited	Audited
Net sales/Income from operations	37,676.20	79,292.17
Other income	55,104.03	8,972.46
Total income	92,780.23	88,264.63
Total expenditure	1,55,129.94	73,408.74
Gross profit before interest, depreciation and taxes	(62,349.71)	14,855.89
Finance cost	8,289.10	6,644.46
Depreciation and amortisation	10,877.94	16,535.86
Profit before prior period items	(81,516.75)	(8,324.43)
Prior period items	(83.10)	(29.76)
Profit before tax	(81,433.65)	(8,294.67)
<b>Tax expense</b>		
Current tax	(18.47)	44.01
Deferred tax/ (Reversal)	(134.58)	(125.66)
Net profit after tax	(81,280.60)	(8,213.03)
<b>Appropriations:</b>		
Balance brought forward	1,33,094.48	1,13,022.86
Transfer to general reserve	20.39	2,536.96
<b>Dividend:</b>		
Final (equity)	-	2,304.89
Balance carried to Balance Sheet	(81,216.31)	(8,184.64)
Paid-up equity share capital	1,806.56	1,802.83
Reserves excluding revaluation reserves	39,205.13	1,33,094.48
Earnings per share (in ₹)	(90.01)	(9.08)
Diluted earnings per share (in ₹)	(89.87)	(9.07)
Net sales/Income from operations	37,676.20	79,292.17



## Review of operations:

FY2012-13 was way below the expectations of the Company. Due to the external technology environment and economic slowdown, the Company witnessed delay in receivables. The payment cycles of the Company's customers got stretched. The Company had to write-off approximately ₹73 crore towards bad and doubtful debts during the year. As a result, the Company witnessed working capital crunches and reduced its exposure to customer selection. It also started aligning with stronger partners to consolidate its business and ensure revenue growth. This resulted in a decline in sales and profits of the Company, resulting in working capital crunches. In a bid to foster growth, Geodesic had availed short-term and working capital loans from financial institutions. Geodesic has not been able to fulfill its obligations towards these loans on their due dates. The Company was also not able to fulfill its statutory dues.

During the year, the Company launched new products – RoundTable, BBeep and Mundu TV, which were made available on iPhone 5, iOS6 and Windows 8 platforms. Channels such as Colors, MTV, History Channel, TV18, CNN IBN and ETV were added to its suite. New versions of its entertainment products including Mundu Radio and TV were launched with social networking features on various platforms including the Nokia Asha series. New users were added across Mundu TV, Spokn and Mundu Radio. Spokn launched

a new version of the Windows Desktop dialer. It also launched collect call service that allowed Spokn the subscriber's contacts from anywhere in the world to make calls to Spokn subscribers without being charged for the calls. New version of GeoAmida including a 7" touch screen device was launched. This device can be used as tabletop/mobile point-of-sale terminal. During the year, GeoAmida added various customers to its basket for various sectors such as transportation, logistics and the poultry industry. GeoAmida devices, through CSI Infotech, were deployed for payment collection and gas distribution for Gujarat Gas Company Limited, one of India's largest private sector players in the gas T&D business. Several banks including Bank of India, Saptagiri Grameen Bank, Pallavan Grameen Bank and Wainganga Grameen Bank have signed contracts with Geodesic for implementing GeoAmida-based solutions. The client list of GeoAmida also includes Airtel, mpay4u (a UK-based company), Wipro, TCS, Fullerton and PSU banks. GeoAmida devices are also being used by Mumbai Municipality website's 'Pay and Park' project.

### Revision of accounts for the year ended 30th June 2012

The members of the Company approved the Directors' Report on the affairs of the Company for the year ended on 30th June 2012, the Balance Sheet as at 30th June 2012 and the Profit and Loss Account

for the year ended on 30th June 2012, at the Annual General Meeting held on 11th February 2013. The Company purchases basic modules, integrates it into its products and then sells the integrated workflow modules to customers. Major technical deficiencies and bugs were reported in the integrated modules sold by the Company and these technical issues resulted in operational failures at the client's end. The Company had various discussions with its debtors to salvage the situation and one of the options was to agree for a full sales return. To stand by its customers, the Company decided to go in for the aforementioned option. This resulted in heavy losses but allowed the Company to retain its credibility and be able to prosper again in the future. At that point of time, one option for the Company to minimise its losses was to negotiate with creditors to accept their module licenses back. The Company successfully persuaded creditors to do so. These entries pertained to FY 2011-12 and so the Company had to reopen the accounts for the year ended 30th June 2012 and revise them to give effect to the sales and purchase return entries. The revised Audited Annual Accounts would also be for the period of 15 months from April 2011 till June 2012. The revised accounts with the Auditor's Report and the Directors' Report thereon are enclosed. The Company seeks adoption of the Revised Annual Accounts for FY ended 30th June 2012 by the members.



## Dividend

In view of losses incurred by the Company during the previous fiscal, the Company will not be declaring dividend for FY 2012-13.

However, the Company is still committed to declare and pay dividend for FY 2011-12

on obtaining the requisite approvals from the banks/bondholders.

## Transfer to Investor Education and Protection Fund (IEPF)

According to Section 205C of the Companies Act, 1956, the outstanding

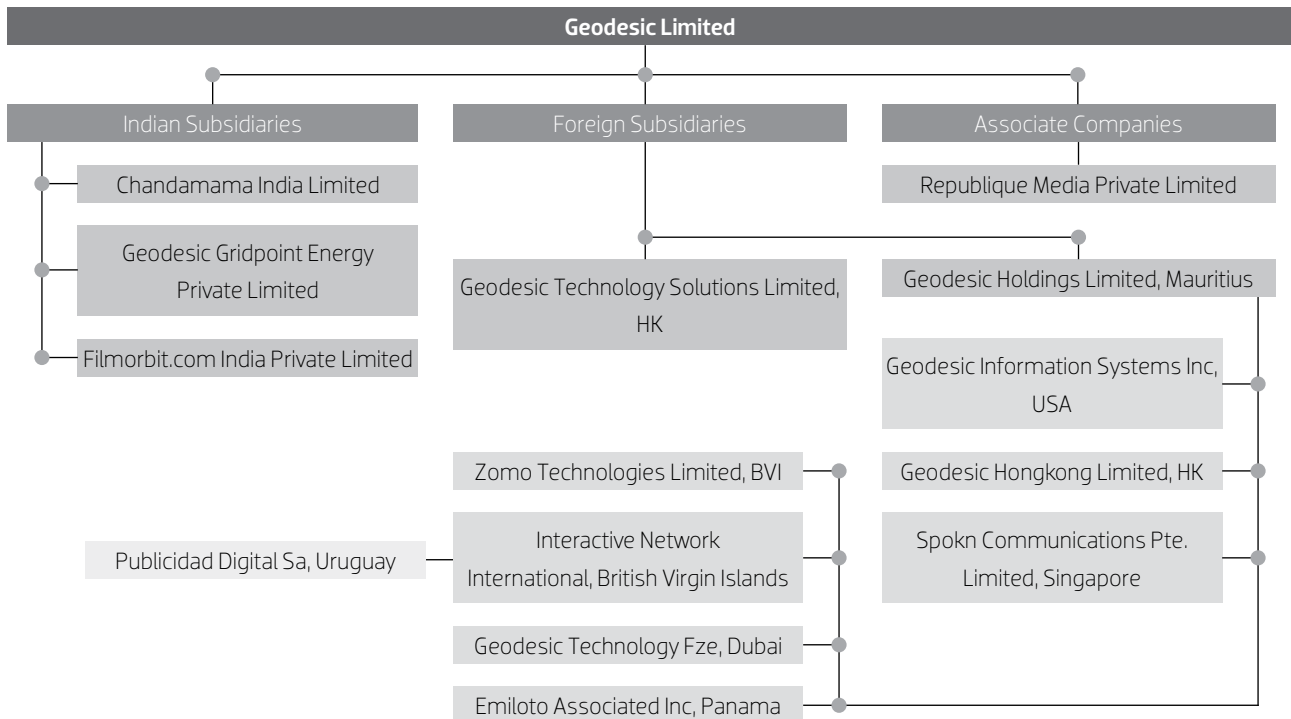
amount of the dividend paid to the shareholders should be retained in the unpaid dividend account of the Company for seven years. At the end of seven years, the balance amount should be transferred to the Investor Education and Protection Fund (IEPF) established and maintained by the Government of India.

Following unpaid and unclaimed dividends were duly transferred to the Investor Education and Protection Fund during the reporting period:

Unpaid and unclaimed dividend	Amount transferred to IEPF (in ₹)
Final dividend For FY 2004-05	5,927.00
Interim dividend For FY 2005-06	37,873.80

## The Geodesic world

Geodesic is a global corporation making its presence felt across the globe. Geodesic has three Indian subsidiaries, two foreign subsidiaries, eight foreign step-down subsidiaries and an Indian associate company. The corporate structure of the Company is explained below:



## Section 212

The Ministry of Corporate Affairs, Government of India, vide its General Circular No. 2/2011 dated 8th February, 2011 has granted general exemption to attach various documents in respect of subsidiary companies, as set out in Sub-section (8) of Section 212 of the Companies Act, 1956. Accordingly, the balance sheets, profit and loss accounts

and other documents of the subsidiary companies are not being attached with the Balance Sheet of the Company.

However, on request in writing, the Company will make available the annual accounts of the subsidiary companies and the related detailed information to any member of the Company and its

subsidiaries who may be interested in obtaining the same. The Consolidated Financial Statements presented by the Company include financial results of its subsidiary companies. A statement as required under the section disclosing the details of the subsidiaries is attached herewith.

## Company finance

### Equity share capital

The paid-up equity share capital of the Company is ₹ 1, 806.56 lac divided into 90,327,847 Equity Shares of ₹ 2 each as on 30th June 2012. During the year, the Company allotted 1,86,498 Equity Shares to the employees upon exercise of stock options.

## Buyback of Equity Shares

The Board of Directors of your Company, in its meeting held on 27th November, 2012 recommended buy back of up to 25% of the outstanding Equity Shares of the Company at a maximum buyback price of ₹ 75 per share. The same would require the approval of the Shareholders through Postal Ballot. The Company intends to proceed with the buyback process post fulfilling its financial dues.

## FCCB issue

The Company has issued US\$125 million worth of unsubordinated, unsecured foreign currency zero coupon convertible bonds due 2013 (the 'Bonds'). The bonds are listed on the official list of the Singapore Exchange Securities Trading Ltd (SGX-ST) (the Singapore Stock Exchange). Geodesic has repurchased US\$11.5 million face value of FCCBs, listed on the Singapore Stock Exchange, in accordance with the A.P. (DIR Series) Circular No. 39 dated 8th December, 2008 (the 'Circular') issued by the Reserve Bank of India. As on date of this report, Bonds with the nominal value of US\$113.5 million are outstanding.

## Legal battle

During the year, due to the Company's cash flow coupled with subsidiary restructuring and foreign exchange losses, it was not able to fulfill its financial obligations towards bank dues, redemption of FCCBs and dues towards creditors. As a result, various banks, creditors and the bondholders filed cases against the Company in the court of law. As on the date of this Annual Report, following cases have been filed against the Company:



Name of the party	Court
Standard Chartered Bank	Bombay High Court
Barclays Bank	Bombay High Court and Debt Recovery Tribunal
ICICI Bank	Bombay High Court and Debt Recovery Tribunal
HDFC Bank	Metropolitan Magistrate Court and Debt Recovery Tribunal
Citibank	High Court Bombay and London
AXIS Bank	Metropolitan Magistrate Court
Times Internet Limited	Bombay High Court
Simmtronics Semiconductors Ltd	Bombay High Court

The Bombay High Court has passed the order in case of Times Internet Limited. The bondholders, through the trustees of the bonds, Citibank N. A., London, has filed cases against the Company in Bombay High Court and London High Court. The London High Court has passed a summary judgment. The Bombay High Court has passed an order on 7th April, 2014. The Company is evaluating the order in consultation with its legal team and discussing on further steps to be taken in this regard. The Company is contesting the claims of the rest of the cases in consultation with legal experts.

## Employee stock options

The Geodesic employee stock options plan 2002 expired during the year. The Board of Directors, through circular resolution passed on 17-Oct-2012 allotted 1,86,498 Equity Shares to the employees upon exercise of options already granted to them.

## Geodesic employees stock options plan 2002

As on 30th June 2013, a total of 2,307,886 options are outstanding to be exercised under the ESOP plan.

Neither any employee has been granted options equal to or exceeding 1% of the

issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant, nor has any employee been granted options amounting to 5% or more of the total Options granted during the year.

Disclosure required under SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme), Guidelines, 1999 as to the status of options as on 30th June 2013:

a) As on 1st July 2012, options granted and not exercised (in force)	3,050,618 options convertible into ₹ 2 each (options granted but not exercised)
b) Options granted during the year	Nil
c) Pricing formula	Market price as per SEBI guidelines as on the date of the grant
d) Options vested:	Nil
e) Options exercised	1,86,498
f) Total number of Equity Shares arising as a result of exercise of options	1,86,498
g) Options lapsed	556,254
h) Variations of terms of options	Nil
i) Money realised by exercise of options	Nil
j) Total number of options in force as on 30th June 2013	2,307,886 options convertible into ₹2 each (options granted but not exercised)
k) Employee-wise details of options granted to :	
(1) Senior managerial personnel	Nil
(2) Any other employee who receives a grant in any one year of options amounting to 5% or more of option granted during that year	Nil

(3) Identified employees who were granted options, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of your Company at the time of grant	Nil
l) Diluted EPS pursuant to issue of shares on exercise of options calculated in accordance with Accounting Standard (AS) 20	(89.83)

Details of exercise price for stock options outstanding at the end of the year are:

Year end	Range of exercise price (₹)	Number of options outstanding	Weighted average remaining contractual life (in months)	Weighted average exercise price (₹)
30th June, 2013	₹ 26.81 – ₹ 210.05	23,07,886	61.74	146.75
30th June, 2012	₹ 26.81 – ₹ 210.05	30,50,618	69.45	140.17

## Listing of equity

Geodesic's equity scrip is listed on the NSE (National Stock Exchange of India Limited) and BSE (The Bombay Stock Exchange Limited, Mumbai) scrip code being GEODESIC in NSE and 503699 in BSE. The entire paid-up equity capital is listed on both the Stock Exchanges.

## Fixed deposits

Geodesic has not accepted any fixed deposits from the public during the year under review.

## Directors

During the year, three Non-Executive Directors – Mr. Nitin Potdar, Mrs. Radhika Pereira and Mr. Vinod Sethi resigned on 4th December 2012, 11th February 2013 and 16th May 2013, respectively, due to preoccupation. The Board of Directors of the Company places on record its sincere appreciation for the remarkable efforts and support provided by the Directors.

Currently, the Company has three Executive Directors viz., Mr. Pankaj

Kumar – Chairman, Mr. Kiran Kulkarni – Managing Director and Mr. Prashant Mulekar, Executive Director. The Directors of the Company are in the process of appointing Non-Executive and Independent Directors to ensure compliance with the provisions of the Companies Act, 2013, and subsequently the Listing Agreement.

Mr. Prashant Mulekar retires by rotation at the ensuing Annual General Meeting

and being eligible offers himself for reappointment in terms of the provisions of the Articles of Association of the Company. Resolution for his reappointment will be placed for approval at the ensuing Annual General Meeting. The brief resume/details relating to Mr. Prashant Mulekar is furnished in the Notes to the Notice of the ensuing Annual General Meeting.

## Human resource

We are committed towards making Geodesic a 'great place to work' through the pursuit of driving 'employee engagement' across multiple platforms, events and extensive employee communication initiatives involving not just the employees but also their families. This is aimed at increasing the happiness

quotient of our employees, enhance retention and boost the engagement score, thereby leading to qualitative and quantitative augmentation in terms of our products and services and thus creating satisfied customers.

Our continuous efforts have been mediated towards re-engineering our

organisation in terms of workflow and processes and enhancing automation, consequently enabling us to evolve into an efficient, productive and agile corporate entity.

The Company regards human resources as a priceless asset. The Company encourages a performance-driven



culture and enables the employees with focused training at regular intervals. Further, the training needs of the staff are periodically assessed and training programmes are conducted using internal resources.

We are relentlessly driving capability, leadership and culture building and acquiring, developing and retaining

quality talent. Our leadership development process is aligned with the core organisational values, which involves identifying high potential talent periodically and initiating necessary timely interventions to help them take on larger responsibilities and roles.

Our global employee base includes people from diverse educational, socio-

cultural, religious backgrounds and nationalities. Our emphasis this year and going forward has been on creating and nurturing value.

It is this dynamism that has enabled us to reach where we are. The real strength of Geodesic lies in its ability to innovate, add vigour and diversify.

## Geodesic culture

As Geodesicians, we take the initiative and go forward with a clear focus on a predetermined set of values. We believe in integrity, transparency, collaboration, speed and agility, customer focus, entrepreneurship and respect and dignity.

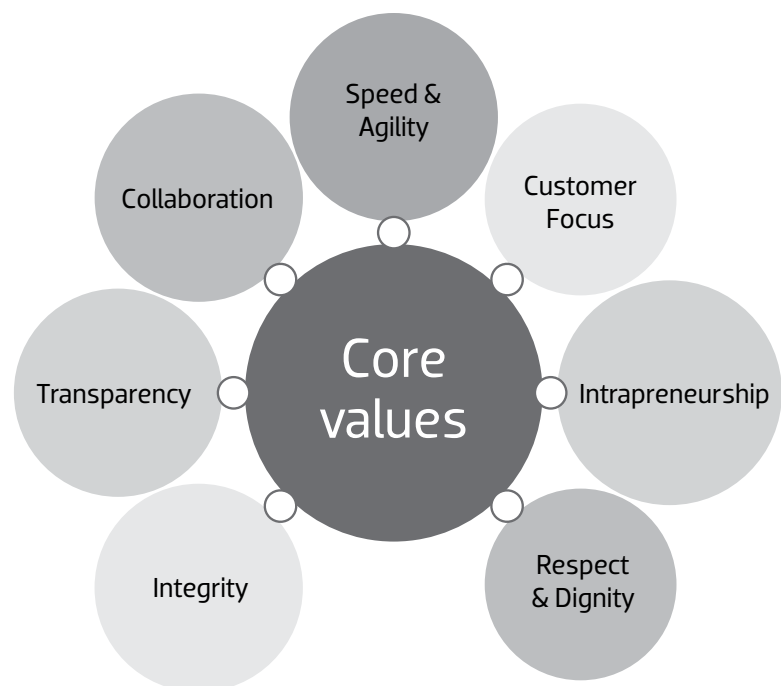
A perfect blend of raw talent and experienced professionals from diverse academic backgrounds: engineering, commerce, arts, mass communication, media and animation, make Geodesic a dynamic entity.

Our departmental activities supporting our objectives this year included:

- Review and development of both new and current human resource-related processes, policies and procedures
- Performance management initiatives through implementation of coding test and reading comprehension test to evaluate employee skill sets
- Recruitment and retention of resources
- Training drills for our sales team to make them well-versed with industry trends

• Our CSR activities included participation in the Standard Chartered Mumbai Marathon's Corporate Challenge to raise funds for charity where we supported Project Crayons. Our employees also visit old age homes and meet underprivileged children with a hope of bringing a smile in their lives.

Technology innovation and creativity have always been the foundation of our growth and success. Individual as well as corporate performance is strictly measured against the parameters of business strategy, market results, stakeholder value and thought leadership.



## Knowledge Management

Knowledge Management (KM) at Geodesic allows employees to tie together the collective experiences and knowledge towards better product delivery, individual and organisational

excellence through the event 'Geodesic Minds'.

Our culture resonates with our goals to create an open and transparent organisation in which knowledge is

created and shared in a supportive environment where creativity and innovation are valued. Geodesic Minds are encouraged to bring forward any idea for improvement or innovation.

## Particulars of employees

The Ministry of Corporate Affairs has vide notification dated 31st March 2011 enhanced the limits for the purpose of disclosure of particulars of employees in Directors report as requisite under

Section 217 (2A) read with Companies (Particulars of Employees) Rules, 1975, from the existing limit of ₹24 lac per year or ₹2 lac per month to ₹60 lac per year or ₹5 lac per month.

None of the employees of the Company were in receipt of remuneration during the financial year 2012-13 in excess of the limits prescribed.

## Corporate Governance

The Report on Corporate Governance and the Certificate from the Auditors of the Company as stipulated under Clause 49 of the Listing Agreement forms part of this Annual Report.

## Dematerialisation of shares

Dematerialisation is the process of converting physical shares (share certificates) into an electronic form. Shares once converted into dematerialised form are held in a Demat account. As per SEBI directive, the equity shares are to be traded in demat mode compulsorily by all investors w.e.f. 26th June, 2000.

The Company has entered into an agreement with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for the dematerialisation of its shares. The Company's shares are eligible for dematerialisation in both NSDL Depository System and CDSL Depository System.

The ISIN of the scrip is INE371D01029. As on 30th June 2013, 99.75% of the total equity capital of the Company was held in dematerialised form.



## Conservation of energy, technology absorption, foreign exchange earnings and outgo U/S 217(e) of the Companies Act, 1956.

### a) Conservation of energy

Being a software company, the Company's operations and administration require electrical energy for power supply to computer systems, in air conditioning, and lighting, which are not energy-intensive. During the current financial year, the Company has undertaken significant measures to reduce energy consumption by using energy-efficient machines and equipment. The Company also undertakes evaluation of latest

technology and invests in making its infrastructure more energy efficient. Form A is not applicable for the software industry.

### b) Technology absorption:

Not applicable

### c) Foreign exchange earnings and outgo

We have started operations in SEEPZ, Andheri (East), Mumbai from the end

of September, 2008, which is an SEZ (Special Economic Zone) unit that entitles your Company to enjoy 100% tax holiday for exports under Section 10A of the Income Tax Act, 1961, until September 2013 and 50% thereafter till March 2019. The export performance of your Company scaled well. The information on foreign exchange earnings and outgo is contained in Schedule to Accounts.

## Auditors

The Auditors M/s. Borkar & Muzumdar, Chartered Accountants (Registration No. 101569w) retire at the conclusion of the ensuing Annual General Meeting and have confirmed eligibility for their re-appointment. As per the provisions of the Companies Act, 2013, The Board recommends their reappointment as Statutory Auditors of the Company for a period of 5 years from the conclusion of this Annual General Meeting till the conclusion of 18th Annual General Meeting of the Company at a remuneration mutually agreed upon. The report of Auditors and notes forming part of the Accounts are attached along with the Annual Report. The Statutory Auditors have made the below qualifications in their Report.

The Statutory Auditors have made the below qualifications in their Report:

a) We are unable to verify the

correctness of the write off of ₹36,972.96 lac 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 ₹ 40,544.83 lac and payments to the various creditors of ₹ 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 3rd 2012. All these cheques have become stale the same have been subsequently reversed. Consequently the debtors and creditors are understated by ₹ 40,544.83 and ₹ 40,472.55 respectively and the bank is overstated by ₹ 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 ₹21,300.03 lac (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 ₹ 43,700.54 lac, reversed in respect of software licences returned to the suppliers, as stated in Note no. 1 to 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 among others. 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 ₹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 ₹ 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 ₹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 ₹972 crore 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 ₹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 ₹ 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.

i) 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 ₹3.62 lac & ₹207.80 lac 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 ₹46,069.50 lac & ₹67,713.18 lac 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 February 2013, as under:

- i) Net Profit higher by ₹1,752.45 lac
- ii) Other Income higher by ₹70.32 lac
- iii) Administrative and Operating Expenses lower by ₹1,682.13 lac

Due to occurrence of certain events post adoption of accounts in the AGM held on 11th February, 2013, the Company's subsidiary in Hong Kong 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 ₹17,332.70 lac. (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.

## Directors responsibility statement

Pursuant to Section 217(2AA) of the Companies Act, 1956, your Directors confirm that:

- In the preparation of the annual accounts, the applicable accounting standards have been followed and that there have been no material departures;
- They have, in selection of the accounting policies, consulted the

Statutory Auditors and have applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 30th June 2013 and of the profit of the Company for that year;

- They have taken proper and sufficient

care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- They have prepared the annual accounts on a 'going concern' basis.

## Acknowledgement

We wish to thank all shareholders and business partners, bankers, financial institutions, regulatory bodies and other business constituents for their continued support and valuable cooperation.

We wish to place on record their appreciation for the efforts and contributions of the Company's executives, officers, consultants and staff, for ensuring that the Company continues to grow and excel.

We also express their gratitude to investors for the faith that they continue to repose in the Company.

On behalf of the Board of Directors

Place: Mumbai  
Date: 17th April, 2014

**Pankaj Kumar**  
Chairman

**Kiran Kulkarni**  
Managing Director

Statement Pursuant to Section 212 of the Companies Act, 1956

Name of Subsidiary Company	Geodesic Technology Solutions Ltd	Geodesic (Hong Kong) Ltd	Geodesic Holdings Ltd	Chandamama India Ltd	FilmOrbit.com India Pvt. Ltd.	Geodesic Gridpoint Energy Pvt. Ltd.	Interactive Networks International Inc	Publicidad Digital S.A.	Geodesic Information Systems Inc	Emiloto Associated Inc	Zomo Technologies Ltd	Spoken Communications Pre.
Holding Company's interest	6000000 shares of HK\$ 1 each, fully paid up	27211 shares of HK\$ 1 each, fully paid up	174085000 shares of US\$ 1 each, fully paid up	14882878 shares of ₹10 each, fully paid up	492360 shares of ₹10 each, fully paid up	246000 shares of ₹10 each, fully paid up	103207 Ordinary shares of no par value	255727 shares of US\$ 1 each, fully paid up	100000 shares of US\$ 22.47 each, fully paid up	100 shares of \$100 each, fully paid up	1000 shares of US\$ 1 each, fully paid up	100,000 shares of \$5 each, fully paid up
Extent of Holding	100%	100%	100%	84.14%	97.56%	99.99%	100%	100%	100%	100%	100%	100%
Date from which they became subsidiary company	21st November, 2006	20th December, 2005	8th April, 2008	7th May, 2007	9th February, 2011	13th January, 2010	29th January, 2009	29th January, 2009	18th August, 2002	12th November, 2008	13th July, 2010	6th September, 2010
The 'financial year' of the subsidiary company ended on	30th June 2013	30th June 2013	30th June 2013	30th June 2013	30th June 2013	30th June 2013	30th June 2013	30th June 2013	30th June 2013	30th June 2013	30th June 2013	30th June 2013
Net aggregate amount of the subsidiary company's profits / (losses) dealt with in the holding company's accounts	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Net aggregate amount of the subsidiary company's profits / (losses) not dealt with in the holding company's accounts												
j) For the subsidiary's aforesaid financial year			(USD 143,976.00)				(USD 24,954.47)	USD 172,588.38	USD 44,459.00	USD 18,053.36	(USD 505,212.99)	(SGD 108,159)
Changes, if any, in the holding company's interest in the subsidiary between the end of the financial year of the holding company			(INR 8,595,367)	(INR 15,019,877.00)	(INR 6,057,079)	(INR 16,161,255)	(INR 1,489,782)	INR 10,303,526	INR 2,653,008	INR 1,077,786	(INR 30,161,216)	(INR 5,077,105)
Material changes, if any, between the end of the financial year of the subsidiary and that of the holding company	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

Statement Pursuant to Section 212 of the Companies Act, 1956

Subsidiary	Exchange rate as at 31st March 2012	Issued & Subscribed Share Capital	Reserves	Loans	Total Assets	Total Liabilities	Investments		Turnover	Provision for tax	Profit/(Loss) after tax	Proposed Dividend
							Long Term	Short Term				
Geodesic Technology Solutions Limited	1 HK\$ = ₹7.67	4,602.00	43,494.28	28,664.45	170,700.12	170,700.12	48,842.81	-	37,919.41	-	(82,597.47)	-
Geodesic (Hong Kong) Limited	1 HK\$ = ₹7.67	2.09	(286.86)	44.80	186.74	186.74	-	-	348.49	-	36.79	-
Geodesic Holdings Limited	1 US\$ = ₹59.7	103,928.75	(281.30)	5,704.34	109,377.05	109,377.05	27,836.64	-	20.67	-	(85.95)	-
Chandamama India Limited	INR	165.66	525.78	136.70	2,606.91	2,606.91	-	-	153.24	-	(150.20)	-
Filmorbit.com India Pvt. Ltd.	INR	49.24	(136.76)	149.27	108.46	108.46	0.50	-	-	-	(60.57)	-
Geodesic Gridpoint Energy Pvt. Ltd.	INR	607.82	(104.32)	177.64	681.13	681.13	-	-	17.00	-	(202.82)	-
Interactive Networks International Inc*	1 US\$ = ₹59.7	1005.945	(933.68)	-	2,127.43	2,127.43	-	-	59.16	-	(14.90)	-
Publicidad Digital S.A. **	1 UYU = ₹2.80	141.95	361.17	-	582.39	582.39	-	-	498.57	-	96.55	-
Geodesic Information Systems Inc. *	1 US\$ = ₹59.7	1,341.94	(923.03)	-	443.38	443.38	-	-	100.68	-	26.53	-
Emiloto Associated Inc. *	1 US\$ = ₹59.7	5.97	95.37	14,277.85	23,332.18	23,332.18	-	-	36.25	-	(10.78)	-
Zomo Technologies Ltd. ***	1 US\$ = ₹59.7	0.60	(529.43)	43,763.09	53,681.16	53,681.16	-	-	-	-	(301.61)	-
Spokn Communications Pvt. Ltd. ***	1 SGD = ₹46.95	46.95	(30.97)	-	106.17	106.17	-	-	119.70	-	(50.77)	-

Note (1): Section 212 (8) of the Companies Act, 1956 allows Companies to apply to Central Government to seek permission not to attach various documents in respect of subsidiary companies, as set out in sub-section (1) of Section 212 of the Companies Act, 1956. Your Company has availed of the same. The consolidated financial statements inclusive of the financial results of the subsidiary companies along with a statement as required under section 212 of the Companies Act 1956, in respect of the wholly owned subsidiaries of your Company is disclosed elsewhere in this report.

Note (2): We undertake to make available the audited annual accounts and related information of subsidiaries where applicable, upon request by any of our shareholders. The annual accounts will also be available for inspection during business hours at our registered office in Mumbai, India.

\* Geodesic Holdings Limited holds 100% shares in these subsidiaries

\*\* 100% wholly owned subsidiary of Interactive Networks International Inc.

Geodesic Technology FZE is closed / investments became NIL in GHIL books hence no accounts.

Statement Pursuant to Section 212 of the Companies Act, 1956

Name of Subsidiary Company	Geodesic Technology Solutions Ltd (Recasted)	Geodesic (Hong Kong) Ltd	Geodesic Holdings Ltd	Chandamama India Ltd	FilmOrbit.com India Pvt. Ltd.	Geodesic Gridpoint Energy Pvt. Ltd.	Interactive Networks International Inc	Publicidad Digital S.A.	Geodesic Technology FZE	Geodesic Information Systems Inc	Emiloto Associated Inc	Zomo Technologies Ltd	Spoken Communications Pre.
Holding Company's interest	60000000 shares of HK\$ 1 each, HK\$ 1 each,	27211 shares of HK\$ 1 each,	174045000 shares of US\$ 1	12522575 shares of ₹10 each,	365,000 shares of ₹10	2,45999 shares of ₹10	103207 Ordinary shares of no par value	253727 shares of US\$ 1 each	25 Shares of AED 1000 each,	100000 shares of US\$ 22.47 each,	100 shares of \$100 each,	1000 shares of US\$ 1 each,	100,000 shares of \$5 each,
	fully paid up	fully paid up	each, fully paid up	fully paid up	each fully paid up	each fully paid up	100%	fully paid up	fully paid up	each, fully paid up	fully paid up	fully paid up	fully paid up
Extent of Holding	100%	100%	100%	84.21%	87.95%	99.99%	100%	100%	100%	100%	100%	100%	100%
Date from which they became subsidiary company	21st November, 2006	20th December, 2005	8th April, 2008	7th May, 2007	9th February, 2011	13th January, 2010	29th January, 2009	29th January, 2009	16th November, 2009	18th August, 2002	12th November, 2008	13th July, 2010	6th September, 2010
The 'financial period' of the subsidiary company ended on	30th June, 2012	30th June, 2012	30th June, 2012	30th June, 2012	30th June, 2012	30th June, 2012	30th June, 2012	30th June, 2012	30th June, 2012	30th June, 2012	30th June, 2012	30th June, 2012	30th June, 2012
Net aggregate amount of the subsidiary company's profits / (losses) dealt with in the holding company's accounts	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Net aggregate amount of the subsidiary company's profits / (losses) not dealt with in the holding company's accounts	HKD 3,337,057.00	HK\$2,898,714	(USD 23,077.00)	(INR 15,988,650.00)	(INR 3,826,114)	(INR 9,970,939)	(USD 34,200.48)	USD 85,882.54	-	USD 37,293.58	US\$ 387,019.2	(USD 273,494)	(SGD 25,376)
Changes, if any, in the holding company's interest in the subsidiary between the end of the financial year of the subsidiary and that of the holding company	INR 23,926,699	INR 20,783,779	INR 1,299,466	(INR 15,988,650.00)	(INR 3,826,114)	(INR 9,970,939)	(INR 1,925,829)	INR 4,770,552	-	INR 2,100,001	INR 217,93,051.2	(INR 15,400,451)	(INR 1,115,541)
Material changes, if any, between the end of the financial year of the subsidiary and that of the holding company	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

For and on behalf of Board of Directors  
GEODESIC LIMITED

Kiran Kulkarni  
Managing Director

Pankaj Kumar  
Chairman

MUMBAI  
Date: 17th April, 2014

Statement Pursuant to Section 212 of the Companies Act, 1956

Subsidiary	Exchange rate as at 30th June 2012	Issued & Subscribed Share Capital	Reserves	Loans	Total Assets	Total Liabilities	Investments		Turnover	Provision for tax	Profit/(Loss) after tax	Proposed Dividend
							Long Term	Short Term				
								Total				(₹ in lac)
Geodesic Technology Solutions Limited (Recasted)	1 HK\$ = ₹7.17	4,302.00	36,484.46	39,323.44	178,525.27	178,525.27	45,589.16	-	81,991.70	-	239.27	-
Geodesic (Hong Kong) Limited	1 HK\$ = ₹7.17	195	(221.13)	456.22	265.58	265.58	-	-	613.76	-	207.84	-
Geodesic Holdings Limited	1 US\$ = ₹56.31	98,004.74	(181.31)	5,380.42	103,217.58	103,217.58	26,367.63	-	25.90	-	(12.99)	-
Chandamama India Limited	INR	1,487.04	(175.77)	137.00	2,166.80	2,166.80	-	-	414.91	-	(159.89)	-
Filmorbit.com India Pvt. Ltd.	INR	4150	(76.19)	150.02	135.04	135.04	0.50	0.50	0.02	-	(38.26)	-
Geodesic Gridpoint Energy Pvt. Ltd.	INR	24.60	(103.98)	160.07	816.51	816.51	-	-	1235.2	-	(99.71)	-
Interactive Networks International Inc*	1 US\$ = ₹56.31	948.82	(897.44)	-	2,029.23	2,029.23	-	-	181.98	-	(19.26)	-
Publicidad Digital S.A.**	1 UYU = ₹2.58	140.94	260.06	-	421.58	421.58	-	-	597.38	-	47.71	-
Geodesic Technology FZE*	1 AED = ₹15.14	3.79	(16.29)	-	44.42	44.42	-	-	-	-	-	-
Geodesic Information Systems Inc.*	1 US\$ = ₹56.31	1,265.74	(897.17)	-	411.13	411.13	-	-	714.73	-	21.00	-
Emiloto Associated Inc.*	1 US\$ = ₹56.31	5.63	8,540.99	13,509.33	22,057.58	22,057.58	-	-	69.73	-	21.79	-
Zomo Technologies Ltd.**	1 US\$ = ₹56.31	0.56	(214.88)	4,127.805	50,917.42	50,917.42	-	-	-	-	(154.00)	-
Spoken Communications Pre. Ltd.***	1 SGD = ₹43.96	43.96	3.75	-	154.35	154.35	-	-	182.55	-	(11.15)	-

Note (1): Section 212 (8) of the Companies Act, 1956 allows Companies to apply to Central Government to seek permission not to attach various documents in respect of subsidiary companies, as set out in sub-section (1) of Section 212 of the Companies Act, 1956. Your Company has availed of the same. The consolidated financial statements inclusive of the financial results of the subsidiary companies along with a statement as required under section 212 of the Companies Act 1956, in respect of the wholly owned subsidiaries of your Company is disclosed elsewhere in this report.

Note (2): We undertake to make available the audited annual accounts and related information of subsidiaries where applicable, upon request by any of our shareholders. The annual accounts will also be available for inspection during business hours at our registered office in Mumbai, India.

\* Geodesic Holdings Limited holds 100% shares in these subsidiaries

\*\* 100% wholly owned subsidiary of Interactive Networks International Inc.

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## Chief Executive Officer (CEO), Managing Director (COO) and Chief Financial Officer (CFO) certification

We, Pankaj Kumar, Executive Chairman, Kiran Kulkarni, Managing Director and Prashant Mulekar, Executive Director of Geodesic Limited to the best of our knowledge and belief, hereby certify that:

- (a) We have reviewed the Financial Statements and the Cash Flow Statement for the financial year ended 30th June, 2013 and that to the best of our knowledge and belief:
  - (i) These statements do not contain any materially untrue statement or omit any material factor contain statements that might be misleading;
  - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the Auditors and the Audit committee:
  - (i) Significant changes in internal control over financial reporting during the year;
  - (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the Financial Statements.

Place: Mumbai  
Date: 17th April, 2014

**Pankaj Kumar**  
**Chairman**

**Kiran Kulkarni**  
**Managing Director**

**Prashant Mulekar**  
**Executive Director**





# corporate governance report

## Company's philosophy on corporate governance

Corporate governance is about maintaining an appropriate balance of accountability between three key players: the corporation's owners, the directors whom the owners elect, and the managers whom the directors select. Accountability requires not only good transparency, but also an effective means to take action for poor performance or bad decisions.

Corporate governance is about a commitment to ethical business conduct. It is about how an organisation is managed. This includes its corporate and other structures, its culture, policies and the manner in which it deals with various stakeholders. Accordingly, timely and accurate disclosure of information regarding the financial situation, performance, ownership and governance

of the Company is an important part of corporate governance. This improves public understanding of the structure, activities and policies of the organisation. Consequently, the organisation is able to attract investors, and inspire the trust and confidence of the stakeholders.

## Board of directors

### Composition of board of directors

According to Clause 49 of the Listing Agreement, The Board of Directors ('Board') of the Company shall have an optimum combination of Executive and Independent and Non-Executive Directors with not less than fifty percent of the Board comprising Non-Executive Directors who have an in-depth knowledge of the relevant business. The Independent and Non-Executive Directors bring an external and wider perspective to the deliberations and the

decisions in addition to the expertise in their areas of specialisation.

- As on 30th June, 2013, the Company has three Executive Directors with an Executive Chairman. Mr. Nitin Potdar, Mrs. Radhika Pereira and Mr. Vinod Sethi resigned from the Directorships of the Company on 4th December 2012, 11th Feb-2013 and 16th May-2013 respectively resulting into reduction in the minimum requirement of Directors as per the Listing Agreement. The Management is in the process of appointment of the Non- Executive Directors to be in

conformity with Clause 49 of the Listing Agreement.

- None of the Directors on the Board of the Company are members of more than ten Committees or Chairman of more than five Committees across all the companies in which they are Directors. Necessary disclosures regarding Committee positions in other public companies as on 30th June, 2013 have been made by all the Directors of the Company.



- Attendance of Directors at the Board Meeting held during the financial year 2012-13 and the last Annual General Meeting along with their Directorship and Membership in other Companies and Committees as on 30th June, 2013 are as follows:

Name and designation	Category	Number of Board Meetings during 2012-2013		Whether attended last AGM held on 11th February 2012	Number of directorships in other public companies	Number of Committee positions held in other public companies	
		Held	Attended			Chairman	Member
Mr. Pankaj Kumar, Chairman	Promoter and Executive Director	17	15	Yes	-	1	-
Mr. Kiran Kulkarni, Managing Director	Promoter and Executive Director	17	16	Yes	1	-	3
Mr. Prashant Mulekar, Executive Director	Promoter and Executive Director	17	16	Yes	1	1	3
*Mr. Vinod Sethi, Director	Independent and Non-Executive Director	15	9	Yes	-	-	-
*Mr. Nitin Potdar, Director	Independent and Non-Executive Director	7	-	No	-	-	-
*Mrs. Radhika Pereira Director	Independent and Non-Executive Director	10	3	NA	-	-	-

\*Mr. Vinod Sethi, Mr. Nitin Potdar and Mrs. Radhika Pereira resigned from their Directorships w.e.f. 16th May 2013, 4th December 2012 and 11th February 2013 respectively.

- Directorships mentioned above do not include alternate directorships, directorships of private limited companies, Section 25 companies and of companies incorporated outside India.
- Chairmanships/Memberships of Board Committees include only Audit and Shareholder's/ Investor's Grievance Committees.

None of the Non-Executive Directors have any material pecuniary relationship or transactions with the Company.

## Board meetings

Seventeen Board Meetings were held during the year and the gap between two Meetings did not exceed four months. The Meetings are convened by giving appropriate advance notice after obtaining approval of the Chairman

of the Board/Committee. Detailed agenda, management reports and other explanatory statements are circulated in advance in the defined agenda format amongst the members for facilitating meaningful, informed and focused

decisions at the Meetings. The Meetings of the Board of Directors are normally held at the Company's registered office in Mumbai. The dates on which the said Meetings were held are as follows:

1st quarter	2nd quarter	3rd quarter	4th quarter
July 2012 to September 2012	October 2012 to December 2012	January 2013 to March 2013	April 2013 to June 2013
10-Jul-2012	12-Nov-2012	15-Jan-2013	4-Apr-2013
17-Jul-2012	27-Nov-2012	17-Jan-2013	10-May-2013
24-Jul-2012	3-Dec-2012	8-Feb-2013	27-May-2013
14-Aug-2012		14-Feb-2013	18-Jun-2013
		22-Feb-2013	
		19-Mar-2013	

During the year, the Board of Directors had passed circular resolutions on 17-Oct-2012 and 24-Dec-2012.

All departments in the Company schedule their work so as to enable the inclusion of their required items in the agenda for the Meeting and that relevant information can be communicated to the members of the Board/Committee.

### Recording minutes of proceedings at Board and Committee Meetings

The Company Secretary records the minutes of the proceedings of each Board and Committee Meeting. Draft

minutes are circulated to all the Members of the Board/Committee for their comments. The minutes are entered in the minutes book within 30 days from conclusion of the Meeting.

### Details of remuneration and sitting fees to Directors for the financial year from July 2012 till June 2013 are as under:

(₹ In Lacs)

Name of Director	Designation	*Salary and perquisites	Commission	Total
Mr. Pankaj Kumar	Chairman	18.00	nil	18.00
Mr. Kiran Kulkarni	Managing Director	18.00	nil	18.00
Mr. Prashant Mulekar	Executive Director	18.00	nil	18.00

\*Includes salary, house rent allowance, contribution to provident/gratuity/superannuation funds and approved perquisites for period July 2012 to June 2013. Directors have not been granted any stock options during the year.

Independent Directors are only paid Sitting Fees to the extent of ₹20,000 for each Board Meeting and ₹ 10,000 for each Committee Meeting and reimbursement of travelling and out of pocket expenses for attending the Board and Committee Meetings.

### Shareholding of non-executive directors

As on 30th June 2013, none of the Independent and Non-Executive Directors hold any shares in the Company.



## General body meetings

### (I) General meetings

Location and time of General Meetings held during past three years.

#### (a) Annual general meeting

Details	Date	Venue	Time	No. of special resolutions set out at the AGMs
2011-2012	11-Feb-2013	Sri Sri Radha Damodar Charitable Trust, Gaurang Hall, Ground Floor, Hare Krishna Land, Juhu, Mumbai – 400049	11.00 A.M.	1
2010-2011	30th Sept, 2011	Tunga International, Banquet 1, 6th floor, B/11 MIDC Central Road, Andheri (E), Mumbai – 400 093	4.00 P.M.	1
2009-2010	28th Sept, 2010		11.00 A.M.	2

#### (b) Extra Ordinary General Meeting

No Extraordinary General Meetings of the Members was held during the year.

## Disclosures

### Materially significant related party transactions

Details of materially significant related party transactions i.e. transactions of the Company of material nature with its promoters, the Directors or the Management, their subsidiaries or relatives, etc. are presented under Note of the Balance Sheet according to requirement of Accounting Standard 18. All details on the financial and commercial transactions, where Directors may have a potential interest, are provided to the Board. The interested Directors are neither eligible to participate in the discussion, nor do they vote on such matters.

### Details of non-compliance(s) by the Company, if any

#### Clause 49

Due to resignations of Non-Executive and Independent Directors of the

Company, the Composition of the Board of Directors is not as per the requirements of Clause 49 of the Listing Agreement. Consequently, the composition of the Audit Committee is also not as per the requirements.

#### Clause 41

During the year, there was a delay in submission of audited results for quarter ended 30th June 2013 and financial results for the year ended 30th June 2013. This was due to the Company's sales and purchase registers being taken in custody by regulatory authorities in India for inspection. However, these books were returned to the Company during the months of September and October 2013. Due to this non-compliance, the trading in the securities of the Company has been suspended by the NSE.

We have been compliant with all the requirements laid down by the regulatory

authorities since its inception. There has been no instance of non-compliance by the Company before June 2013. However, no penalty was imposed on the Company by the Stock Exchanges or SEBI or any statutory authority, on any matter related to the capital markets.

### Accounting treatment

In the preparation of financial statements, we have followed the accounting standards as prescribed under the Companies (Accounting Standard) Rules, 2006 as applicable. The accounting policies followed by us, to the extent relevant are set out elsewhere in this Annual Report.

### Risk management

We have established in place risk assessment and minimisation procedures, which are reviewed by the Board periodically. The Board of Directors,



in their Meetings regularly reviews the procedures and policies set for risk management. New risks are identified, assessed and controls are designed, put in place and enforced through the process to ensure that the risks in the business process are mitigated.

### **Code of conduct for directors and management personnel**

In compliance with the Clause 49 of the Listing Agreement, we have adopted a Code of Conduct. This Code is applicable to the Members of the Board and the Management Personnel of the Company and its subsidiaries. This Code of Conduct is available on Company's website [www.geodesic.com](http://www.geodesic.com).

All the members of the Board and senior officials of the Company have affirmed the compliance to the Code as on 30th June, 2013. A declaration to this effect signed by the Chairman, Managing Director and the CEO of the Company is provided later in this Annual Report.

### **Code of conduct for insider trading**

In accordance with SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended, the Company has established systems and procedures to restrict insider trading activity and has framed 'Geodesic Prohibition of Insider Trading Code'. The Code of Conduct of the Company is an important governance code to prevent any insider trading activity by dealing in shares of the Company. The Code restricts the Directors of the

Company and other specified employees to deal in the securities of the Company on the basis of any unpublished price sensitive information, available to them by virtue of their position in the Company.

The objective of this Code is to protect the interest of shareholders at large, to prevent misuse of any price sensitive information and to prevent any insider trading activity by dealing in shares of the Company by its Directors and employees. A copy of the Geodesic Prohibition of Insider Trading Code of the Company is made available to all the designated employees of the Company and the compliance of the same is ensured.

### **Reconciliation of share capital report from practicing company secretary**

A qualified practicing company secretary carried out the reconciliation of share capital audit to reconcile the total admitted equity capital with National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed equity capital. The report confirms that the total issued/paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.

### **Listing agreement compliances**

#### **Remuneration Committee**

Although it is not mandatory, the Board of Directors has constituted a

Remuneration Committee comprising three Independent Directors, the details of which have been provided earlier in this Report, under the committee chart.

#### **Executive Committee**

An Executive Committee of the Board of Directors was formed comprising of Executive Directors of the Company to take care of the day-to-day operations of the Company.

#### **Audit qualification**

During the year under review, the auditors have qualified their audit report which has been explained in the Directors' Report.

#### **Management discussion and analysis.**

A management discussion and analysis report forms a part of the Annual Report and includes discussion on various matters specified under Clause 49(IV) (F) of the Listing Agreement.

#### **Materially non-listed Indian subsidiary company**

As per the Clause 49(III) of the Listing Agreement, Company does not have any materially unlisted Indian subsidiary.

### **Policy for prevention, detection and investigation of frauds and protection of whistleblowers (the whistleblower policy)**

Geodesic promotes ethical behaviour in all its business activities and has put in place a mechanism of reporting illegal or unethical behaviour. Geodesic has a whistleblower policy wherein the employees are free to report violations of laws, rules, regulations or unethical

conduct to their immediate supervisor or such other person as may be notified by the management to the workgroups. None of the employees have been denied access to the Audit Committee. The effective implementation of the policy and complaints registered under the policy is ensured. The confidentiality of those reporting violations is maintained

and they are not subjected to any discriminatory practice.

### **CEO/CF0 certification**

In terms of requirement of Clause 49 (V) of the Listing Agreement, the Chairman (CEO), the Managing Director (COO) and the Executive Director (CFO) have made a certification to the Board of Directors in

the prescribed format for the year under review, which has been reviewed by the Audit Committee and taken on record by the Board. The same is attached with this Report.

### **Payment of listing fees**

Listing fees as applicable have been paid.

## Means of communication

The Board believes that effective communication of information is an essential component of corporate governance. The Company regularly interacts with shareholders through multiple channels of communication such as results announcement, annual report, media releases, Company's website and specific communications to Stock Exchanges, where the Company's shares are listed.

### **Meetings**

The Annual General Meeting and other general meetings allow the Company to circulate information regarding its working and encourage shareholders' active participation in the functioning.

### **Institutional shareholders**

At Geodesic, we maintain an ongoing dialogue with our major institutional shareholders by means of regular conference calls. Their feedback and views are then conveyed to the Directors. This enables the Board members to understand the shareholders' point of view and work accordingly.

### **Annual general meeting (AGM)**

During the AGM, shareholders meet the Directors and raise their queries and complaints. The AGM also provides them a chance to voice their opinions and ideas.

### **Annual report**

The Annual Report published in both print and in the electronic format, functions as the chief medium of communicating the Company's activities, operations, and its performance of the past financial year. The Annual Report gives the shareholders a clear picture of the financial activities and current status of the Company.

### **Corporate website**

Our corporate website ([www.geodesic.com](http://www.geodesic.com)) provides holistic information about the Company. The Investor Relations section is dedicated to inform the shareholders about the latest financial updates, news releases, financial announcements, reports and investment presentations. They can

access information, lodge investor related queries, complaints, or submit suggestions on [invrel@geodesic.com](mailto:invrel@geodesic.com).

### **Archives**

We archive press releases, announcements and financial data for a quick reference.

### **Results**

As per the requirements of the Listing Agreement, Quarterly and Annual Results are submitted to the stock exchanges within 15 minutes of the end of the Board Meeting in which they are adopted and are also published in English and Marathi newspapers viz. *Free Press Journal* and *Navshakti*. These results are also available on [www.geodesic.com](http://www.geodesic.com). If demanded, they are sent to the investors through fax/mail.

### **Shareholding pattern**

Information related to the shareholding pattern is posted on [www.geodesic.com](http://www.geodesic.com).



## General shareholder information

**Date and time:** 10th May, 2014, 10.00 am

**Venue:** AIPMA House, A-52, Street No. 1, M.I.D.C. Marol, Andheri (East), Mumbai – 400 093

### Financial calendar

Financial year	1st July to 30th June (Revised from 1st April to 31st March)	
Financial reporting for the year 2012–13 (Results for the quarter ended announced on)	30th September, 2012	12th November, 2012
	31st December, 2012	14th February, 2013
	31st March, 2013	10th May, 2013
	30th June, 2013	Standalone –14th February, 2014 Consolidated –17th April, 2014
Financial reporting for the year 2013–14 (Tentative and subject to change)	30th September, 2013	Standalone –14th February, 2014 Consolidated –17th April, 2014
	31st December, 2013	Standalone –14th February, 2014 Consolidated –17th April, 2014
	31st March, 2014	30th May, 2014
	Book closure (Both days inclusive)	5th May, 2014 to 10th May, 2014
National Stock Exchange of India Limited (NSE) Exchange Plaza, 5th Floor, Plot No. C/1, "G Block", Bandra Kurla Complex, Bandra (E), Mumbai – 400 051.	In EQ series	
Bombay Stock Exchange Limited (BSE) Phirozejeebhoy Towers, 25th Floor, Dalal Street, Mumbai 400 023.	In B Group and part of BSE 500 Index	
Singapore Exchange Limited (SGX)	US\$ 113.5 million* unsubordinated, unsecured foreign currency zero coupon convertible bonds due 2013 *As on 30th June 2013.	
Stock code	Symbol on NSE – GEODESIC	
	Scrip Code on BSE – 503699	
ISIN no.	INE371D01029 – Equity	
Capital structure as on 30th June 2013		
Authorised capital	Equity – ₹ 30,00,00,000	
	Preference – ₹ 5,00,00,000	
Paid-up capital	Equity – ₹ 180,655,694	
	Preference – nil	
Compliance officer	Mr. Prashant Mulekar	
	Executive Director	



• **Dividend**

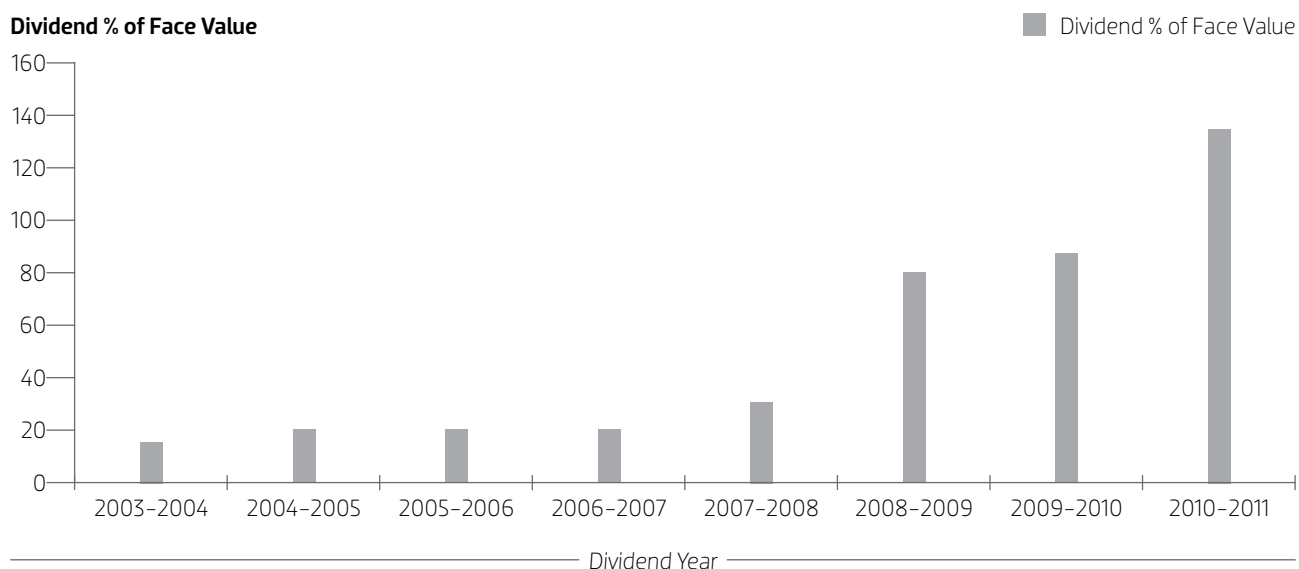
The Board of Directors has changed the dividend policy of the Company. Accordingly, the dividend would be declared on an annual basis with the approval of the shareholders in the Annual General Meetings of the Company.

**Dividend history**

Financial year	Type	Dividend		
		Per share	Face value	% on face value
2010-2011	Final	1.40	2	70.00 %
	Interim	1.35	2	67.50 %
2009-2010	Final	1.00	2	50.00 %
	Interim	0.75	2	37.50 %
2008-2009	Final	0.80	2	40.00 %
	Interim	0.80	2	40.00 %
2007-2008	Final	0.40	2	20.00 %
	Interim	0.20	2	10.00 %
2006-2007	Final	0.20	2	10.00 %
	Interim	0.20	2	10.00 %
2005-2006	Final	0.20	2	10.00 %
	Interim	0.20	2	10.00 %
2004-2005	Final	0.20	2	10.00 %
	Interim	1.00	10	10.00 %
2003-2004	Final	1.00	10	10.00 %
	Interim	0.50	10	5.00 %

Dividend for FY 2011-12 as recommended by the Board will be paid after the approval of shareholders at the ensuing AGM.

**Dividend % of Face Value**



Interim and final dividend are taken in to consideration while calculating dividend percentage.



- **Market price data**

Annual high–low price history

Fiscal year	BSE		NSE	
	High	Low	High	Low
2002 – 2003	199.05	68.90	-	-
2003 – 2004	487.50	68.90	-	-
2004 – 2005*	1330.00*	110.00*	1324.00*	110.2*
Till 25th February, 2005	1330.00	115.60	1324.00	114.50
Post 25th February, 2005	162.40	110.00	164.00	110.20
2005 – 2006	326.80	116.70	329.00	116.30
2006 – 2007	290.90	118.05	300.00	118.05
2007 – 2008#	414.00	134.00	415.00	135.00
Till 16th August, 2007	414.00	209.00	415.00	209.00
Post 16th August, 2007	284.10	134.00	288.00	135.00
2008 – 2009	212.00	38.50	215.40	38.35
2009 – 2010	158.65	64.00	158.80	64.05
2010–2011	142.75	67.25	142.75	67.00
2011 – 12 (15 months)	97.00	36.00	97.20	36.00
2012 – 13	59.50	5.10	59.40	5.10

\* Effect in price on the exchanges due to adjustment for bonus issue and split in the face value of shares. Figures post 25th February, 2005 are adjusted for the corporate action.

# Effect in price on the exchanges due to adjustment for bonus issue. Figures for the current year post 16th August, 2007 are ex bonus.

Note: Equity shares listed on NSE from 7th July 2004. Prices disclosed from 7th July 2004 onwards for the year ended 31st March, 2005.

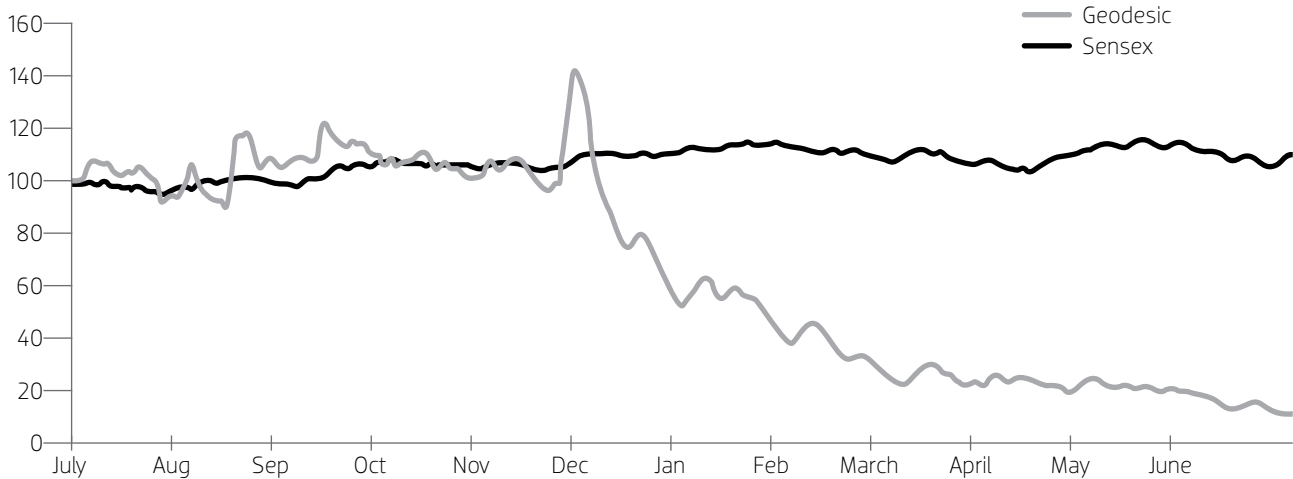
- **Monthly volumes and prices**

Monthly high–low prices and volumes of Company's shares during the year 2012–13 at Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE) are given below:

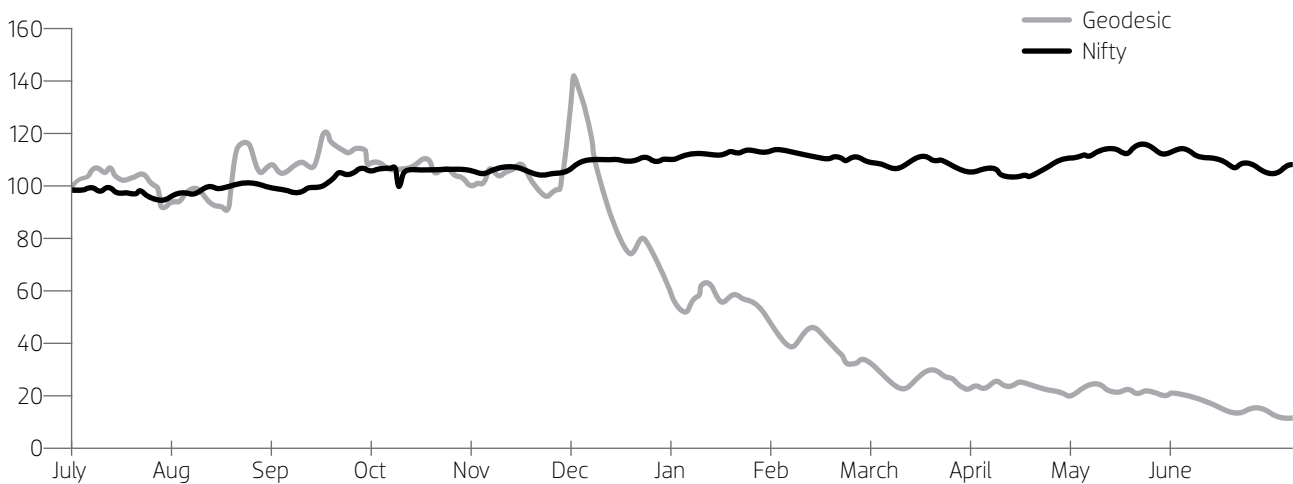
Date	BSE			NSE		
	High	Low	Volume	High	Low	Volume
Jul-12	43.50	33.75	16,93,469	41.22	39.38	48,45,217
Aug-12	50.55	35.00	35,85,855	42.01	39.33	90,37,172
Sep-12	49.50	40.65	27,82,567	45.20	43.01	66,13,342
Oct-12	44.70	39.00	15,61,441	42.54	41.03	37,73,687
Nov-12	59.50	37.05	62,85,348	44.30	41.25	1,65,39,783
Dec-12	53.85	22.10	1,21,64,633	34.09	32.54	2,65,75,921
Jan-13	25.90	15.55	95,01,274	22.33	21.18	1,72,92,418
Feb-13	19.60	11.10	53,02,348	15.53	14.66	1,33,87,412
Mar-13	13.37	9.06	35,17,992	10.96	10.56	76,63,156
Apr-13	11.55	8.32	21,06,059	10.09	9.62	51,93,521
May-13	11.08	8.40	17,66,110	9.53	9.05	46,46,918
Jun-13	8.47	5.10	19,08,252	6.85	6.55	35,43,479

Note: High and Low are in rupees. Volume is the total monthly volume of trade (in numbers).

### Bse price movement during the year



### Nse price movement during the year



## Investor awareness, safeguards and other information

### Investors awareness:

Being a shareholder in a listed Company, to ensuring disclosure of full, fair and adequate information has been the hallmark of our regulatory principle. In continuation of our efforts in that

direction, we thought it fit and timely to write to you making you aware of

- The rights that you have as a shareholder in a Company,
- The responsibilities that are cast on you,

- The risks that you have assumed,
- The procedures relating to trading and transfer of the securities; and
- The remedies for problems that you may encounter.



We hope that this section will give you appropriate guidance, though in brief, whenever you have a question in your mind. For detailed guidance, you may approach investor relations section or Compliance Officer of the Company.

#### **As a shareholder, your rights are**

- To receive the share certificates, on allotment or transfer as the case may be, in due time.
- To receive copies of the abridged Annual Report, the Balance Sheet and the P&L A/c and the Auditor's Report.
- To participate and vote in General Meetings either personally or through proxies.
- To receive Dividends in due time once approved in General Meetings.
- To receive corporate benefits like rights, bonus among others once approved.
- To apply to Company Law Board (CLB) to call or direct the Annual General Meeting.
- To inspect the minute books of the General Meetings and to receive copies thereof.
- To proceed against the Company by way of civil or criminal proceedings.
- To apply for the winding-up of the Company.
- To receive the residual proceeds

#### **As a group of shareholders, your rights are**

- To requisition an Extra – Ordinary General Meeting

- To demand a poll on any resolution.
- To apply to the Company Law Board to investigate the affairs of the Company.
- To apply to the Company Law Board for relief in cases of oppression and/or mismanagement.

#### **As a debenture-holder, you have the right**

- To receive interest/ redemption in due time.
- To receive a copy of the trust deed on request.
- To apply for winding up of the Company if the Company fails to pay its debt.
- To approach the debenture trustee with your grievance.

#### **As an investor, your responsibility is**

- To remain informed
- To be vigilant
- To exercise your rights on your own or as a group
- To participate and vote in General Meetings.

#### **Dealing of securities with registered intermediaries:**

In respect of dealings in securities, Members must ensure that they deal only with SEBI registered Intermediaries and must obtain a valid contract note/ confirmation memo from the broker/ sub-broker within 24 hours of execution of the trade(s) and it should be ensured that the contract note/confirmation memo contains details about order no., trade no., trade time, quantity, price and brokerage.

### **Investors safeguards:**

#### **Dematerialisation of shares and liquidity**

Shareholders are requested to convert their physical holding to demat/electronic form through any of the registered Depository Participants (DPs) to avoid the hassles involved in dealing in physical shares such as possibility of loss, mutilation, among others and also to ensure safe and speedy transaction in respect of the shares held.

#### **Update address and bank details**

To receive all communications/ corporate actions promptly, shareholders holding shares in dematerialised form are requested to please update their address/bank details and e-mail addresses with the respective DPs and in case of physical shares, the updated details have to be intimated to the Registrar & Share Transfer Agents.

#### **National Electronic Clearing Service (NECS) / Electronic Clearing Services (ECS) mandate for dividend**

NECS/ECS facility ensures timely remittance of dividend without possible loss/delay in postal transit. Shareholders/Members holding shares in electronic form may register their NECS/ECS details with the respective DPs and shareholders/members holding shares in physical form may register their NECS/ECS details with the Registrar and Share Transfer Agent, **M/s. Universal Capital Securities Pvt. Ltd.** 21, Shakil Niwas, Opp Satya Saibaba Temple, Mahakali Caves Road, Andheri (East), Mumbai – 400 093 to receive dividends, if declared, via the NECS/ECS mode.

### Timely encashment of dividend

In respect of Shareholders who have either not opted for NECS/ECS mandate or do not have such a facility with their banker, are requested to encash dividends promptly to avoid the inconvenience of writing to Company's Share Transfer Agents thereafter for revalidation of dividend warrants and failing their encashment for a period of seven years, they stand to lose the right to claim such dividend owing to transfer of unclaimed dividends beyond seven years to Investor Education and Protection Fund.

### Dividend transferred to IEPF

Under the Companies Act, 1956,

dividends which remain unclaimed for a period of seven years are required to be transferred to the Investor Education & Protection Fund (IEPF) administered by the Central Government.

During Financial Year 2012-2013 unclaimed and unpaid dividends for the years 2004-05 (Final) and 2005-06 (Interim) amounting to ₹5,927.00 and ₹37,933.80 respectively was remitted to IEPF. Shareholders are cautioned that once unclaimed dividend is transferred to IEPF, no claim shall lie against the said Fund or the Company for the amounts so transferred nor shall any payment be made in respect of such claim.

Members who have not yet encashed their dividend warrant(s) are requested to make their claims without any delay to the Company's Registrar and Transfer Agents.

### Unpaid / Unclaimed dividend

Section 205 of the Companies Act, 1956, mandates that Companies to transfer dividend that has been unclaimed for a period of seven years from the unpaid dividend account to the Investor Education and Protection Fund (IEPF). In accordance with the following schedule, the dividend for the years mentioned below, if unclaimed within a period of seven years, will be transferred to IEPF.

Financial Year	Unclaimed dividend amount as on 30.06.2012(₹)	Date of declaration	Dividend payment Date	Due date for transfer to IEPF
2006-2007 Interim	26,623.80	22.01.2007	17.02.2007	February 2014
2006-2007 Final	20,001.20	23.07.2007	13.08.2007	August 2014
2007-2008 Interim	96,960.60	29.01.2008	22.02.2008	February 2015
2007-2008 Final	37,340.00	14.08.2008	05.09.2008	September 2015
2008-2009 Interim	80,379.41	30.01.2009	25.02.2009	February 2016
2008-2009 Final	160,093.60	29.09.2009	20.10.2009	October 2016
2009-2010 Interim	170,873.25	29.01.2010	24.02.2010	February 2017
2009-2010 Final	166,727.00	28.09.2010	20.10.2010	October, 2017
2010-2011 Interim	399,150.75	11.02.2011	04.03.2011	March, 2018
2010-2011 Final	278,948.60	30.09.2011	21.10.2011	October, 2018

Pursuant to Rule 3 of the Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012 the Company has uploaded on its website details of investors who have not claimed their dividends. Shareholders can visit the website at this link <http://www.geodesic.com/investors/shareholdersinformation> under section 'statement of the shareholder's unclaimed and unpaid amounts' to check if they have any unclaimed dividend.



### Register nomination(s)

Members holding shares in physical form are requested to register the name of their nominee(s), who shall succeed the member as the beneficiary of their Shares and in order to avail this nomination facility, they may obtain/submit the prescribed Form 2B from/with the Registrars & Share Transfer Agents. Members holding shares in dematerialised form are requested to register their nominations directly with their respective DPs.

### Other information

#### Share transfer system

Entire share transfer activities under physical segment are being carried out by Companies Registrar & Transfer Agent Universal Capital Securities Private Limited. The shares sent for physical transfer are generally registered and

returned within a prescribed period from the date of receipt of request, if the documents are complete in all respects.

As per the requirements of Clause 47(c) of the Listing Agreement with the Stock Exchanges, certificate on half-yearly basis confirming due compliance of share transfer formalities by the Company from practicing company secretary have been submitted to the Stock Exchanges within stipulated time.

#### Register e-mail address

As you all may be aware, Ministry of Corporate Affairs has taken a 'Green Initiative in Corporate Governance' by issuing Circulars 17/2011 and 18/2011 dated 21st April, 2011 and 29th April, 2011, whereby Companies are permitted to send Notices/ Documents including Annual Report comprising Balance Sheet, Profit & Loss Account, Directors

Report, Auditors Report among others. (hereinafter 'documents') in electronic mode. Accordingly, Shareholders holding Shares in physical form are requested to register their e-mail addresses and changes therein from time to time, by directly sending the relevant e-mail address along with details such as name, address, folio no., no. of shares held to the Registrars and Share Transfer Agents, M/s. Universal Capital Securities Pvt. Ltd. In respect of shares held in electronic form, the e-mail address along with DP ID/Client ID and other Shareholder details as mentioned above should be registered by the Shareholders with their respective Depository Participants. Upon registration of the e-mail address, the Company proposes to send notices and documents, in electronic form, to such Shareholders.

### Distribution of shareholding as on 30th June, 2013

No. of equity shares held	No. of shareholders	% of shareholders	No. of shares	% of shareholding
Upto 5,000	28289	90.687	1,16,238,01	12.868
5,001 - 10,000	1369	4.389	50,56,762	5.598
10,001 - 20,000	714	2.289	52,98,220	5.866
20,001 - 30,000	257	0.824	32,11,892	3.556
30,001 - 40,000	139	0.446	24,73,799	2.739
40,001 - 50,000	79	0.253	18,344,99	2.031
50,001 - 1,00,000	168	0.539	60,803,96	6.731
1,00,001 and above	179	0.574	54,748,478	60.611
TOTAL	31,194	100.00	9,03,278,47	100.00

### Details of shares in physical and electronic mode as on 30th June, 2013

Particulars	No. of shares	Percentage of total shares
Physical segment	2,21,909	0.25 %
NSDL	7,28,47,565	80.65 %
CDSL	1,72,58,373	19.10 %
Grand total	9,03,27,847	100.00 %

## Shareholding pattern

Category	30th June, 2013	% of total equity	30th June, 2012	% of total equity
Promoters group	87,95,432	9.74	2,29,30,765	25.44
Mutual funds	1,931	0.00	96,870	0.11
FIs	2,33,21,603	25.82	2,81,59,841	31.24
Banks (includes insurance companies)	17,639	0.02	8,25,993	0.91
Private corporate bodies	78,71,246	8.71	76,98,682	8.54
Indian public	4,44,07,378	49.16	2,72,77,227	30.26
NRI/OCB's	30,77,680	3.41	18,33,587	2.03
Others	28,34,938	3.14	13,18,384	1.46
Total	9,03,27,847	100.00	9,01,41,349	100.00

### Outstanding securities

The Company has not issued any GDR/ ADR/ Warrants during the fiscal 2012-13.

Company, 1,86,498 equity shares were allotted to the employees upon exercise of options already granted to them.

currency zZero coupon convertible bonds due 2013 (the 'Bonds'). The Bonds are listed on the official list of the Singapore Exchange Securities Trading Ltd (the 'Singapore Stock Exchange'). As on date of this report bonds with the nominal value of US\$ 113.5 million are outstanding.

### ESOP

During the fiscal no new ESOP were granted to any employees of the

### FCCB

The Company had issued US\$125 million unsubordinated, unsecured foreign

## Development centre locations

Mumbai	Bangalore
B-3, Lunic Industries, Cross Road No. B, Opp. State Bank of India, MIDC, Andheri (East), Mumbai – 400 093 Tel : +91-22-28311849 +91-22-28306804 Fax : +91-22-28200832	Unit No. 51, SDF – II, SEEPZ – SEZ, Andheri (E), Mumbai – 400096, India Tel: +91-22-40315800
	58 HMT, Layout, 2nd floor Behind R T Nagar Police Station R T. Nagar, Bangalore-560032. TEL:-080-66551000

## Address for correspondence

### M/s. Universal Capital Securities Pvt. Ltd.

#### Unit: Geodesic Limited

21, Shakil Niwas, Opp. Satya Saibaba Temple, Mahakali Caves Road, Andheri (East), Mumbai – 93  
Tel: +91-22-28207203-05 / 28257641  
Fax:+91-22- 28207207  
Email: info@unisec.com

### Geodesic Limited

B-3, Lunic Industries, Cross Road No. B, Opp. State Bank of India, MIDC, Andheri (East), Mumbai – 400 093  
Tel:+91-22-28311849,  
+91-22-28306804  
Fax: +91-22-28200832  
Email: invrel@geodesic.com



## Auditors' certificate

### **To the members of Geodesic Limited**

We have examined the compliance of conditions of corporate governance by Geodesic Limited for the financial year ended on 30th June, 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

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 the compliance of the conditions of the 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, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement except as stated below

**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 in that respect.**

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 Borkar & Muzumdar  
Chartered Accountants**

**CA Rajesh Batham  
Partner  
Membership No: 035941  
FRN: 101569W  
Place: Mumbai  
Date: 17th April, 2014**



## Independent Auditor's Report

To  
The Members of  
Geodesic Ltd.

### 1. Report on the Financial Statements

We have audited the accompanying financial statements of Geodesic Limited ("the Company"), which comprises the Balance Sheet as at June 30, 2013, and the Statement of Profit and Loss, and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

### 2. Management's Responsibility for the Financial Statements

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

### 3. Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

### 4. Basis of Qualified Opinion

Management has been unable to provide us with proper supporting documentation for some material transactions selected for audit. We were unable to satisfy ourselves by alternative means concerning some of the items of Income/expenditures/assets/liabilities as reported by The Company in the Financial Statements. As a result of this, we were unable to determine whether any adjustments might have been found necessary in respect of the Income/expenditures/assets/liabilities making up the Statement. With respect to the above comment we would like to bring to your kind attention the following points:-

- i. We are unable to verify the correctness of the write off of ₹15,924.48 lac reversed in respect of software licences sold to the customer's as stated in Note no 33.
- ii. We are unable to verify the correctness of the write back of ₹43,700.54 lac, reversed in respect of software licences returned to the suppliers, as stated in Note no 33. Consequently the loss for the year has been understated to that extent.
- iii. During the year Company has not made the provision for Bad and Doubtful debts, as stated in Note No. 34, as per the policy against the amount shown as Trade Receivable amounting to ₹36,745.50 lac.
- iv. In the absence 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.
- v. During the year The Company has defaulted in repayment of Loans/dues to the financial institutions to the tune of ₹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. 35 of notes to accounts.
- vi. The Company has raised fund through FCCB during the year 2008, the same was due for repayment in the month of January,2013. Till date 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. The London branch of Citi Bank



is a trustee in the case where it has approached the court to recover its dues from the Company on behalf of bondholders. We are unable to ascertain financial impact thereof.

- vii. No provision has been made for depletion in the value of Company's investment to the extent of ₹6,161.32 lac in GTSL, due to losses incurred during the year as stated in note no.37.
- viii. 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 would invite penalties such as fine, suspension of trading and delisting from the stock exchange.

#### **5. Qualified Opinion**

Because of the significance of the matters described in the Basis for Qualified Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the Statement.

In our opinion and to the best of our information and according to the explanations given to us, subject to our comments in paragraph 4 above impact of which on the financial statements cannot be fully ascertained, 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:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at June 31, 2013;
  - b) in the case of the Profit and Loss Account, of the profit/ loss for the year ended on that date; and
  - c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.
6. Paucity of working capital on account of legal issues with financial institutions and winding up proceeding filed by a few of the FIs has created uncertainty of the continuity of operations. However, based on the counterclaims lodged by the Company on these FIs, based on the discussions with alternate lenders, and based on the orders for Company's products under finalisation, the management is confident of reviving fully and as such the financial statements have been made as a Going Concern.
7. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

#### **8. As required by section 227(3) of the Act, we report that:**

- a) we have been able to obtain all the information and explanations subject to our comments (qualifications) as mentioned above in Para 4 and 5, which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
- e) On the basis of written representations received from the directors as on June 30, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on June 30, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

**For Borkar & Muzumdar**  
**Chartered Accountants**

**CA Rajesh Batham**

Partner

Membership No: 035941

FRN: 101569W

Place: Mumbai

Date : 14th February, 2014

## Annexure to Auditors' Report (Annexure referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date)

### 1. FIXED ASSETS :

- a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) The fixed assets were physically verified by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of the fixed assets at reasonable intervals during the period under audit. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- c) In our opinion and according to the information and explanation given to us, the Company has disposed of part of fixed assets during the said period which in our opinion do not constitute a substantial part of the fixed assets of the Company and the going concern status is not affected.
- d) During the year Projects under development appearing as CWIP are at a standstill, due to the resources issues and other related problems. The viability of these projects after this has not been ascertained by the Company.

### 2. INVENTORIES :

The nature of Company's operations is mainly dealing in the software development, which does not require it to hold inventories. The Company also deals in Hardware products. The Company maintains stock of Raw Material, Work in Process and Finished Goods at Roorkee and Bangalore. During the period under audit, clause 4 (ii) of the Companies (Auditor's Report) Order, 2003 (the order) is applicable and has been given as a part of the Notes to Accounts.

- a) The management has informed us that they have physically verified the inventory during the period ending on 31st March 2013 and that no material discrepancies were noticed on such physical verification. In our opinion, considering the nature of business and size of the Company, the frequency of verification is reasonable and adequate in relation to the size of the Company and its nature of business.
- b) In our opinion and according to the information and explanation given to us, the Company has maintained proper records in tally software at Roorkee for its inventories and no material discrepancies were noticed on physical verification. The Company is under the process of developing new computer software (ERP) for recording and maintenance of inventory.

### 3. LOANS AND ADVANCES :

The Company is required to maintain the register under section 301 in respect of the loans, secured or unsecured, granted or taken by the Company to/from companies, firms or other parties covered under Section 301 of the Companies Act, 1956. The following transactions are covered under the said section the details of the same as are follows:-

- a) The Company has granted loan to the parties covered under Section 301 of the Companies Act, 1956. In respect of the said loan the maximum amount outstanding at any time during the period is ₹7,711.47 lac and the outstanding balance for the period ended is ₹7,539 lac.
- b) It was informed to us that the said loans are interest free loan, however as there are no specific terms and conditions for the said loans, we are not in a position to verify whether the terms and conditions of the said loans are prima facie prejudicial to the interest of the Company.
- c) The Company has taken loan during the said period from an Associate Company covered under Section 301 of the Companies Act, 1956. The maximum amount outstanding at any time during the period is ₹811.19 lac and the outstanding balance for the period ended is ₹811.19 lac.
- d) It was informed to us that the said loan taken by the Company is interest free loan, however as there are no specific terms and conditions for repayment of the loan, and therefore we are not in a position to verify whether the terms and conditions of the loan are prima facie prejudicial to the interest of the Company.

### 4. INTERNAL CONTROL :

In our opinion and according to the information and explanations given to us, there are adequate internal control systems which commensurate with the size of the Company in relation of Fixed assets of the Company. However, in respect of Sale of services the internal control system is inadequate in respect of retention and approval of hard copy of sale invoices, billing to and collections from customer, confirmation of balances from customers and the reconciliation and accounting of service tax and VAT needs to strengthened to make it adequate and commensurate with the size of the Company and nature of its business.



#### 5. TRANSACTIONS WITH RELATED PARTIES AS PER REGISTER OF CONTRACTS UNDER SECTION 301 OF THE COMPANIES ACT, 1956.

The register maintained under section 301 of the Companies Act, 1956 has not been provided for verification during the course of our audit. Therefore, we are unable to comment on the transactions entered in the same and whether the same are prejudicial to the interest of the Company.

#### 6. DEPOSITS FROM PUBLIC :

The Company has not accepted any deposits from the public under the provisions of section 58A and section 58AA and any other relevant provision of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public.

#### 7. INTERNAL AUDIT SYSTEM :

Internal audit was carried out by the External firm of Internal Auditors after the end of the financial year covering entire operations for the year. In our opinion the work coverage is commensurate with the size of the Company and the nature of its business. However during the year only two meetings of the audit committee of the Board were held and in no of which was the internal audit report was discussed.

#### 8. COST RECORDS :

To the best of our knowledge and as per the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 in respect of operations carried out by the Company.

#### 9. STATUTORY DUES :

According to the records of the Company made available to us, undisputed statutory dues including provident fund, Employees' State Insurance, Income-Tax, Sales-Tax, Wealth-Tax, and Service-Tax have not been regularly deposited with the appropriate authorities and there have been serious delays in large number of cases.

According to the information and explanations given to us, undisputed statutory dues payable in respect of Income-Tax, Sales-Tax, Service-Tax, Custom Duty, Excise Duty, Cess and other applicable statutory dues were in arrears as at 31st March, 2013 for a period of more than six months from the date they became payable are as follows.

Sr No	Name of Statute	Nature of Payment	Amount (in lac)	Due date of payment	Date of Payment
1	Profession Tax Act	Profession Tax	5.29	Year ended 30th June 2013	Not Paid
2	Employee Provident Fund Act	Provident Fund	46.70	15 Months ended 30th June 2012	Not Paid
			198.74	Year ended 30th June 2013	Not Paid
3	Employee State Insurance Corporation Act	ESIC	1.06	Year ended 30th June 2013	Not Paid
4	Income Tax Act	TDS	56.60	15 Months ended 30th June 2012	Not Paid
			253.88	Year ended 30th June 2013	Not Paid
5	Finance Act, 1994	Service Tax	5.14	15 Months ended 30th June 2012	Not Paid
			10.71	Year ended 30th June 2013	Not Paid
6	Maharashtra VAT Act	VAT	28.27	15 Months ended 30th June 2012	Not Paid
			16.80	Year ended 30th June 2013	Not Paid
7	Uttarakhand VAT Act	VAT	0.87	Year ended 30th June 2013	Not Paid
8	Central Sales Tax	CST	45.11	Year ended 30th June 2013	Not Paid

a) According to the information and explanations given to us and based on the records produced to us, there are no dues outstanding in respect of Income-Tax, Sales-Tax, Wealth-Tax, Service-Tax, Custom Duty, Excise Duty, Cess and other statutory dues as on 31st March, 2013 which have not been deposited on account of any dispute except the one stated below:-

Sr No	Name of Statute	Nature of Dispute	Amount (in lac)
1	Income Tax Act	Appeal To the CIT (A) for the Financial year 2008-09	4.72

b) There were no dues on account of cess under section 441A of the Companies Act, 1956 since the aforesaid section has not been made effective by Central Government of India.

#### 10. SICK INDUSTRY :

The Company has no accumulated losses at the end of the financial period ending on 30th June 2013 and it has incurred any cash losses during the said period covered by audit ₹2533.97 lac.

**11. DUES TO FINANCIAL INSTITUTIONS :**

Based on our audit procedures and according to the information and explanations given to us, during the period under audit the Company has defaulted in repayment of dues to financial institutions amounting to ₹7,000 lac in principal and also 1005.29 lac in interest which has not been made good by the Company till date. Subject to note in para 4(ii) of the audit report.

The Company has not obtained any borrowings by way of debentures.

**12. SECURED LOANS AND ADVANCES GRANTED :**

In our opinion and according to the explanation given to us and based on our examination of documents and records, no loans or advances have been granted on the basis of security by way of pledge of shares, debentures and other securities.

**13. CHIT FUND, NIDHI OR MUTUAL BENEFIT COMPANY :**

The Company is not a chit fund or a nidhi / mutual benefit fund/ society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditors Report) Order, 2003 are not applicable to the Company.

**14. INVESTMENT COMPANY :**

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 Companies (Auditors Report) Order, 2003 are not applicable to the Company.

**15. GUARANTEES GIVEN BY COMPANY :**

In our opinion and according to the information and explanations given to us, the Company has given guarantee for loans/against work order taken by 100% Subsidiaries Geodesic Technologies Solutions Ltd and Geodesic Gridpoint Energy Pvt Ltd respectively from banks or financial institutions. The amount of guarantees are of USD 35 million and ₹415 lac respectively. Both the above guarantees have been invoked by the respective Banks.

**16. TERM LOANS :**

In our opinion and according to the information and explanations given to us, the Term Loans have been applied for the purposes for which they were raised.

**17. SOURCES OF FUND AND ITS APPLICATION :**

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 nor have any long-term funds been used to finance short-term assets except as permanent working capital.

**18. PREFERENTIAL ISSUE :**

According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and Companies covered in the register maintained under section 301 of the Act.

**19. DEBENTURES :**

The Company has not issued any debentures. Therefore, the provisions of clause 4 (xix) of Companies (Auditors Report) Order, 2003 are not applicable to the Company.

**20. PUBLIC ISSUE :**

The Company has not raised any money through a public issue during the period ended on 31st March 2013. Therefore the provisions of clause 4 (xx) of the Companies (Auditors Report) Order, 2003 are not applicable to the Company.

**21. FRAUD :**

Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to 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 period covered by the audit.

**For Borkar & Muzumdar**  
**Chartered Accountants**

**CA Rajesh Batham**

Partner

Membership No: 035941

FRN: 101569W

Place: Mumbai

Date: 14th February 2014



## Balance Sheet as at 30th June, 2013

(All amounts Rupees in lac unless otherwise stated)

	Note No	As at	
		June 30, 2013	June 30, 2012*
<b>I Equity and Liabilities</b>			
<b>Shareholders' funds</b>			
(a) Share Capital	3	1,806.56	1,802.83
(b) Reserves and Surplus	4	85,961.08	97,942.00
		<b>87,767.64</b>	<b>99,744.82</b>
<b>Non-current liabilities</b>			
(a) Long-term Borrowings	5	851.99	4.43
(b) Deferred Tax Liabilities (Net)	6	-	(9.61)
(c) Other Long Term Liabilities			
(d) Long-Term Provisions	7	37.88	2.39
		<b>889.87</b>	<b>(2.79)</b>
<b>Current liabilities</b>			
(a) Short-Term Borrowings	8	7,373.33	8,616.59
(b) Trade Payables	9	10,104.50	5,381.98
(c) Other Current Liabilities	10	104,993.74	84,715.17
(d) Short-Term Provisions	11	3,314.78	1,938.27
		<b>125,786.34</b>	<b>100,652.01</b>
<b>TOTAL</b>		<b>214,443.85</b>	<b>200,394.04</b>
<b>II ASSETS</b>			
<b>Non-current assets</b>			
(a) Fixed assets	12		
(i) Tangible assets		564.63	698.94
(ii) Intangible assets		1,764.29	3,427.16
(iii) Capital Work in Progress		1,448.05	999.92
		<b>3,776.98</b>	<b>5,126.03</b>
(b) Non-current investments	13	90,410.24	90,463.92
(c) Deferred tax assets (net)	14	144.33	
(d) Long-term loans and advances	15	76,068.99	11,252.32
(e) Other non-current assets	16	0.05	-
		<b>170,400.59</b>	<b>106,842.27</b>
<b>Current assets</b>			
(a) Current Investments	17	90.20	2.71
(b) Inventories	18	792.79	890.11
(c) Trade Receivables	19	42,680.19	30,816.15
(d) Cash and Bank Balance	20	75.73	426.62
(e) Short-term Loans and Advances	21	394.49	61,263.71
(f) Other Current Assets	22	9.86	152.44
		<b>44,043.26</b>	<b>93,551.74</b>
<b>TOTAL</b>		<b>214,443.85</b>	<b>200,394.02</b>
Summary of Significant Accounting Policies	2		
Contingent Liability	34		

The accompanying notes form an integral part of the Financial Statements

As per our report of even date

**For and on behalf of**  
**BORKAR & MUZUMDAR**  
Chartered Accountants  
FRN : 101569w

**For and on behalf of the Board of Directors**  
**Pankaj Kumar**  
Chairman

**Kiran Kulkarni**  
Managing Director

**Rajesh Batham**  
Partner  
Membership Number:035941  
Firm Regn No.  
Place : Mumbai  
Date : 14th February, 2014

**Statement of Profit & Loss** for the Period ended 30th June, 2013

(All amounts Rupees in lac unless otherwise stated)

	Note No	For the period ended	
		June 30, 2013	June 30, 2012*
<b>Revenue</b>			
I Revenue from Operations	23	17,276.91	59,164.82
II Other Income	24	54,966.27	8,926.92
<b>Total Revenue (I+II)</b>		<b>72,243.18</b>	<b>68,091.74</b>
<b>III Expenses</b>			
a. Cost of Materials Consumed	25	555.52	2,014.53
b. Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	26	(28.35)	(45.26)
c. Other Direct Expenses	27	17,483.56	36,817.68
d. Employee Benefits Expense	28	1,731.60	3,352.06
e. Finance Costs	29	6,523.72	5,650.75
f. Depreciation and Amortisation Expense	30	1,778.14	6,462.06
g. Other Expenses	31	48,730.83	15,710.68
<b>Total Expenses</b>		<b>76,775.03</b>	<b>69,962.49</b>
IV Profit or (Loss) before Prior Period items		<b>(4,531.85)</b>	<b>(1,870.75)</b>
V Prior Period Items	32	(84.53)	(27.98)
VI Profit before exceptional and extraordinary items and tax (V-VI)		<b>(4,447.32)</b>	<b>(1,842.77)</b>
VII Exceptional items	-	-	-
VIII Profit before extraordinary items and tax (VI - VII)		<b>(4,447.32)</b>	<b>(1,842.77)</b>
IX. Extraordinary Items		-	-
X Profit before tax (VIII- IX)		<b>(4,447.32)</b>	<b>(1,842.77)</b>
XI. Tax Expense			
a. Current tax		-	-
b. Deferred tax/ (Reversal)		(134.73)	(127.52)
XII Profit for the period		<b>(4,312.59)</b>	<b>(1,715.24)</b>
XIII Earnings per equity share:			
a. Basic		(4.78)	(1.90)
b. Diluted		(4.77)	(1.90)
Summary of Significant Accounting Policies	2		

The accompanying notes form an integral part of the Financial Statements

As per our report of even date

**For and on behalf of**  
**BORKAR & MUZUMDAR**  
Chartered Accountants

**For and on behalf of the Board of Directors**  
**Pankaj Kumar**  
Chairman

**Kiran Kulkarni**  
Managing Director

FRN : 101569w

**Rajesh Batham**  
Partner

Membership Number: 035941

Firm Regn No.

Place : Mumbai

Date : 14th February, 2014



## Cash Flow Statement for the Period ended 30th June, 2013

(All amounts Rupees in lac unless otherwise stated)

	For the period ended	
	2012-13	2011-12
<b>A. Cash flow From Operating Activities:</b>		
Net Profit before Tax and prior period adjustments	(4,531.85)	(1,870.75)
Adjustment for		
- Depreciation / Amortisation	1,778.14	6,462.06
- Prior Period Adjustments / Taxation	84.53	27.98
- Increase in stock of finished goods & Raw Material	126.02	(93.20)
- Miscellaneous Expenditure written off	152.41	356.50
- Loss / (Profit) on Forward Contracts	(1,757.02)	7,680.61
- Loss / (Profit) on sale of Fixed Assets (Net)	-	0.45
- (Profit) / Loss on sale of current investments (Net)	(1.46)	(90.04)
- Foreign Exchange (Gain) / Loss (Net)	(3,552.44)	(7,965.89)
- Dividend Income	(0.55)	(40.14)
- Interest Income	(67.32)	(825.70)
- Interest Expenses	6,523.72	5,650.75
- Bad Debts written off / Provision for bad debt	47,664.05	4,277.16
- Balances written off / Advances written off	6.37	2,162.51
<b>Operating Profit before Working Capital Changes</b>	<b>46,424.60</b>	<b>15,732.30</b>
Movements in working capital :		
Decrease / (Increase) in sundry debtors	(11,864.04)	4,614.92
Decrease / (Increase) in loans & advances	(60,455.22)	(1,982.33)
Decrease / (Increase) in other current assets	(345.48)	(40,676.13)
(Decrease) / Increase in provision for leave encashment and gratuity	13.84	1.48
Decrease / (Increase) in inventory	97.32	136.94
(Decrease) / Increase in current liabilities	26,363.76	8,530.98
<b>Cash Generated From Operations</b>	<b>234.77</b>	<b>(13,641.84)</b>
Direct Tax Paid (net of refunds)	43.55	(148.58)
<b>Net Cash from / (used in) Operating Activities</b>	<b>278.31</b>	<b>(13,790.42)</b>
<b>B. Cash flow From Investing Activities:</b>		
- Purchase of Fixed Assets	(13.85)	(598.67)
- Sale of Fixed Assets	21.33	-
- (Purchase) / Sale of Current Investment (Net)	(87.49)	268.61
- Share application money transferred to equity / (paid)	50.00	-
- Investment in Subsidiaries	22.32	(1,047.03)
- Investment - Others	2.43	(39.09)
- Intercorporate Deposits repaid to the Company	229.85	1,604.67
- Profit / (Loss) on sale of current investments (Net)	1.46	90.04
- Interest Received	9.44	57.76
- Dividend Received	0.55	40.14
- (Loss) / Profit on Forward Contracts	(321.85)	(847.75)
<b>Net Cash from / (used in) Investing Activities</b>	<b>(85.80)</b>	<b>(471.32)</b>



**Cash Flow Statement (Contd.)** for the Period ended 30th June, 2013  
(All amounts Rupees in lac unless otherwise stated)

	For the period ended	
	2012-13	2011-12
<b>C Cash flow From Financial Activites:</b>		
- Repayment of Long term Borrowings	(1.51)	(0.67)
- Dividend Paid	-	(1,261.98)
- Interest Paid	(693.35)	(1,092.40)
- Tax on Dividend paid	-	(209.60)
<b>Net Cash from / (used in) Financial Activities</b>	<b>(694.86)</b>	<b>(2,564.65)</b>
Net Increase /Decrease in Cash and Cash Equivalents (A+B+C)	(502.34)	(16,826.39)
Cash and Cash Equivalents at the beginning of the year	426.62	17,253.02
Cash and Cash Equivalents at the end of the year	<b>75.72</b>	<b>426.63</b>
Components of cash and cash equivalents as at:		
Cash and Cheques on hand	6.39	5.23
With Banks : in current account	35.17	164.83
in fixed deposit	34.16	256.57
	<b>75.72</b>	<b>426.63</b>

As per our report of even date

**For and on behalf of**  
**BORKAR & MUZUMDAR**  
Chartered Accountants

**For and on behalf of the Board of Directors**  
**Pankaj Kumar**  
Chairman

**Kiran Kulkarni**  
Managing Director

FRN : 101569w

**Rajesh Batham**  
Partner  
Membership Number: 035941  
Firm Regn No.  
Place : Mumbai  
Date : 14th February, 2014



## Notes Forming Part of the Standalone Financial Statements

### 1 NATURE OF OPERATIONS:

The Company is in the business of offering concrete solutions in Communication and Collaboration, financial products and services, providing content delivery platforms for mobile services and in electronic computing. The Company continuously upgrades existing products and develops new products to keep ahead of the curve.

### PRESENTATION OF FINANCIAL STATEMENTS

A revised schedule VI format is introduced and made mandatory for preparation of financial statements beginning from April 2011. The revised schedule VI has classified the Assets and Liabilities into Current and Non-current based on the Company's normal operating cycle and other criteria set out in the Schedule VI to the Companies Act, 1956. The Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities, based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

### 2 SIGNIFICANT ACCOUNTING POLICIES:

#### a. Accounting Conventions:

The financial statements are prepared under the historical cost convention, in accordance with Indian Generally Accepted Accounting Principles ("GAAP"), the accounting standards notified by the Companies (Accounting Standards) Rules, 2006 (as amended), as adopted consistently by the company. All income and expenditure having a material bearing on the financial statements are recognised on accrual basis.

The significant accounting policies followed by the Company are as discussed below which consistent with those are followed in the previous year.

#### b. Use of Estimates:

The preparation of the financial statements in conformity with GAAP requires that the management make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities as of the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates and difference between these actual results and estimates are recognised in the period in which these results are known / have materialised.

#### c. Revenue Recognition:

##### Licensing Income

Revenue from sale of user licenses for software applications is recognised only after the title in the user license is transferred on obtaining confirmation from the customer as per the terms of the agreement.

##### Software Sales

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and no significant uncertainty exists as to its ultimate realisation or collection. Software sale is accounted as and when the sale takes place.

##### Product Sales

The Company recognises the sale of hardware devices on shipment of the same to the customer.

##### Services

Annual Technical / Maintenance Services revenue is accrued over the period of the contract.

##### Provision for Bad Debts

The Company earlier followed a policy of making provision for bad and doubtful debts based on its review of sundry debtors outstanding as on the date of Balance Sheet. However from the current year the Company has revised a policy of making provision for bad and doubtful debts as on the date of Balance Sheet in respect of all debts for sales and services, which are outstanding for more than 2 years.

##### Interest

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

##### Dividend Income

Revenue is recognised when the right to receive the same is established upto the Balance Sheet Date.

## Notes Forming Part of the Standalone Financial Statements (Contd.)

### Other Income

Other Income is accounted on accrual basis as and when the right to receive arises.

### d. Inventories:

Closing stock of finished goods of GeoAmida is valued at cost or net realisable value, whichever is lower. Cost is determined using First-in-First-Out method. Work in progress is valued at cost. Stock in transit is valued at cost.

### e. Prior Period Items and Extraordinary and Exceptional Items:

Income or expenses that arise due to error of omission to record them in the period of incurrence are classified as prior period items. A separate disclosure along with the nature and amount is made in the financial statement. Income or expenses that arise from events or transactions that are clearly distinct from the ordinary activities of the Company are classified as extraordinary items. Specific disclosure of such events/transactions is made in the financial statements. Similarly, any external event beyond the control of the Company, significantly impacting income or expense, is also treated as extraordinary item and disclosed as such.

On certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Company, is such that its disclosure improves an understanding of the performance of the Company. Such income or expense is classified as an exceptional item and accordingly disclosed in the notes to accounts.

### f. Fixed Assets, Intangible Assets And Work In Progress:

#### Fixed Assets:

Fixed assets are stated at cost, less accumulated depreciation and impairment losses, if any, thereon. Cost comprises the purchase price and any cost attributable to bringing the asset to its intended location and in working condition for its intended use.

#### Intangible Asset:

The costs related to development of a new base software are capitalised along with related implementation costs and are classified under Intangible Assets as per AS-26. Its enduring useful life is reasonably estimated by the management.

#### Capital Work In Progress:

Costs incurred for acquiring of software rights and development of new software are recognised as internally generated software and transferred to Capital WIP till the product is launched.

Revenue expenditure incurred on further research for development / on up-gradation of the existing software is charged to Profit and Loss Account in the period in which it is incurred.

#### Leasehold improvements:

Leasehold improvements are written off from the date they are put to use over the remaining period of the primary lease.

### g. Depreciation:

Depreciation, on all assets except those specified in the table below, is provided for using the Written Down Value 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 are higher. Depreciation on additions and deletions is charged pro-rata from / till the period of their use.

Depreciation on Testing and Tooling Software and other Computer software is provided for at 40% on WDV based on the estimated useful life of the computer software, which rate is higher than that prescribed under the Companies Act, 1956.

Depreciation is charged so as to write-off the cost of the assets on the following basis:

Leasehold Improvements	Straight Line	Lease period
Goodwill	Straight Line	33.33%
Computers	Written down value	40%
Vehicles	Written down value	25.89%
Furniture & Fixtures	Written down value	18.10%
Office Equipment	Written down value	13.91%
Testing & Tooling Software	Written down value	40%
Other Software	Written down value	40%
Software with one year licence	Written down value	100%
Internally generated software	Straight Line	25%
Patent	Straight Line	10%



## Notes Forming Part of the Standalone Financial Statements (Contd.)

### h. Foreign Currency Transactions:

The Company is exposed to currency fluctuations on foreign currency transactions.

#### 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.

#### Conversion

Foreign currency monetary items are converted into reported currency on the balance sheet date using the closing rate.

#### Exchange Difference

The difference between the rate at which foreign currency transactions are accounted and the rate at which they are realised / settled is recognised in the Profit and Loss Account.

The Company uses foreign exchange forward and option contracts to hedge its exposure to movements in foreign exchange rates. The use of these foreign exchange forward and option contracts reduce the risk or cost to the Company and the Company does not use those for trading or speculation purposes.

Exchange differences on such contracts are recognised in the Profit and Loss Account in the period 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 period.

Effective from 1st January, 2011 the Company has adopted AS 30 and 32 Financial Instrument (Recognition and Measurement) Accounting Standards as prescribed by ICAI. The forward exchange contracts entered into, to hedge the foreign currency risk of a firm commitment or a highly probable transaction are marked to market at the end of the period and the gains and losses arising therein are included in the results of the operations and the same are reflected in the Hedge Reserve Account until the transaction is complete.

### i. Investments:

Investments that are readily realisable and intended to be held for not more than a period of 12 months are classified as Current Investment. All other investments are Long term Investments and are classified as Non-current investments. 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 recognise a decline other than temporary in the value of long term investments.

### j. Retirement Benefits:

#### Defined Contribution Plan:-

Company's contributions paid/payable to provident fund are recognised in the Profit and Loss account of the period when the contribution to the fund is due. The provident fund plan is operated by the regional Provident Fund Commissioner.

#### Defined Benefit Plan:-

The Company provides for gratuity, a defined benefit retirement plan (the "Gratuity Plan") covering eligible employees. In accordance with the Payment of Gratuities Act, 1972, The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation as of the Balance Sheet date, based upon which, the Company contributes all the ascertained liabilities to the LIC Gratuity Fund. Liabilities with regard to Leave Encashment are determined by actuarial valuation as of the Balance Sheet date, based upon which, the Company contributes to the LIC Leave Encashment Fund.

### k. Employee Stock Compensation Cost:

Measurement and disclosure of the employee share based payment plans is done in accordance with the Guidance Note on Accounting for Employee share based payments, issued by the Institute of Chartered Accountants of India. The Company measures compensation cost relating to employee stock options using the intrinsic value method. Compensation expense is amortised over the vesting period of the option on a straight line basis.

## Notes Forming Part of the Standalone Financial Statements (Contd.)

### **l. Borrowing Costs:**

The Company conservatively provides for interest on the FCCB at the notional interest rate as specified in the Term Sheet. The notional interest charge for the period is adjusted for exchange rate fluctuation by applying the closing exchange rate and the corresponding effect is given to the provision for interest on Bonds.

### **m. Segment Reporting:**

#### **Primary Business Segment**

The Company is primarily engaged in a single business segment of software product sale and related consultancy services, and accordingly, there is only one reportable segment.

#### **Geographical Segment**

Secondary segmental reporting is based on the geographical location of customers. The geographical segment has been disclosed on the revenues within India and revenues outside India.

### **n. Leases:**

#### **Finance Leases**

##### **i. Accounting**

Assets taken under a finance lease are accounted for as per the Guidance Note issued by the Institute of Chartered Accountants of India (ICAI).

##### **ii. Initial Recognition**

The assets under a finance lease are recognised in the books of account at the Cost of Acquisition.

##### **iii. Amortisation**

The cost of these assets is amortised over the lease period or estimated useful life of the asset, whichever is lower.

#### **Operating Leases**

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

### **o. Earnings Per Share:**

Basic Earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (the said net profit or loss has been arrived at after deducting preference dividend and attributable taxes) by the weighted number of equity shares outstanding during the period. The weighted number of equity shares outstanding during the period is adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split and reverse share split (consolidation of shares). 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.

### **p. Provision For Taxation:**

Income tax is accounted for in accordance with Accounting Standard 22 on Accounting for Taxes on Income. Taxes comprise both current and deferred tax.

Current tax is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the applicable tax rates and tax laws.

The tax effect of the timing differences that result between taxable income and accounting income and are capable of reversal in one or more subsequent periods are recorded as a deferred tax asset or deferred tax liability. They are measured using the substantively enacted tax rates and tax regulations. The carrying amount of deferred tax assets at each balance sheet date is reduced to the extent that it is no longer reasonably certain that sufficient future taxable income will be available against which the deferred tax asset can be realised.



## Notes Forming Part of the Standalone Financial Statements (Contd.)

Minimum Alternate Tax (MAT) paid in the period 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 that there is convincing evidence that the Company will pay normal income tax during that specified period i.e. the period for which MAT credit is allowed to be carried forward. In the period in which Company recognises MAT credit as an asset in accordance with the guidance note on accounting for credit available in respect of Minimum Alternate Tax under Income Tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement". The Company reviews the "MAT Credit Entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

Tax on distributed profits payable in accordance with the provisions of Section 115O of the Income-tax Act, 1961, is, in accordance with the Guidance Note on Accounting for Corporate Dividend Tax, regarded as a tax on distribution of profits and is not considered in determination of the profits for the period.

The Company has started operations in SEEPZ from end of September 2008, which is a SEZ and which is entitled to 100% tax holiday under Section 10AA of the Income Tax Act, 1961 until March 2019. As a result, deferred tax, arising out of timing differences originating and reversing during the tax holiday period, is recognised.

The Company started manufacture of GeoAmida in F.Y. 2009-10 at their unit in Roorkee in, Uttarakhand, which is located in a tax free zone eligible for tax holiday under section 80(I)C of the Indian Income tax Act, 1961 until March 2019. As a result, deferred tax, arising out of timing differences originating and reversing during the tax holiday period, is recognised in the books.

### q. Impairment Of Assets:

The Company assesses at each balance sheet date whether there is any indication that an asset including goodwill may have been impaired. In case of such indication, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs to is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Profit and Loss Account. If at the Balance Sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

In respect of development costs and goodwill the impairment loss is reversed only when it is caused by specific external events and their effects have been reversed by subsequent external events.

### r. Provisions And Contingent Liabilities:

#### Provisions

Provisions, where measurement requires a substantial degree of estimation, are recognised in the books, only in the event of a present obligation arising from past events, the settlement of which is expected to result in an outflow of resources, embodying economic benefits.

#### Contingent Liabilities

Contingent Liabilities, where existence will be confirmed either by the occurrence or the non-occurrence of one or more uncertain future events, are not recognised in the books of the Company, but are disclosed by way of a note to the Balance Sheet. Contingent Liabilities are periodically assessed by the management, and provision is made in the books where it becomes probable that an outflow of Future Economic Benefits will be required for an item previously dealt with, as a contingent liability, in the period in which there is a change in probability.

#### Contingent Assets

Contingent Assets are neither recognised in the books of accounts nor disclosed in any manner in the financial statements.

### s. Miscellaneous Expenditure:

Bond Issue Expenses are amortised equally over a period of five years.

## Notes Forming Part of the Standalone Financial Statements (Contd.)

### 3 SHARE CAPITAL

A The authorised, issued, subscribed and fully paid-up share capital comprises of equity shares of ₹2 each and redeemable preference shares having a par value of ₹10 each as follows:

Share Capital	As at 30 June 2013		As at 30 June 2012*	
	Number	₹ in lac	Number	₹ in lac
<b>(a) Authorised</b>				
(i) Equity Shares of ₹2 each	1,500.00	3,000.00	1,500.00	3,000.00
(ii) Preference Shares of ₹10 each	50.00	500.00	50.00	500.00
<b>Total</b>	<b>1,550.00</b>	<b>3,500.00</b>	<b>1,550.00</b>	<b>3,500.00</b>
<b>(b) Issued Subscribed &amp; Fully paid up</b>				
(i) Equity Shares of ₹2 each	903.28	1,806.56	901.41	1,802.83
(ii) Preference Shares of ₹10 each	-	-	-	-
<b>Total</b>	<b>903.28</b>	<b>1,806.56</b>	<b>901.41</b>	<b>1,802.83</b>

### B Reconciliation of number of shares

Particulars	As at 30 June 2013		As at 30 June 2012*	
	Number	₹ in lac	Number	₹ in lac
<b>Equity Shares</b>				
(i) Shares outstanding at the beginning of the year	901.41	1,802.83	901.41	1,802.83
(ii) Shares Issued during the year	1.86	3.73	-	-
(iii) Shares bought back during the year	-	-	-	-
(iv) Shares outstanding at the end of the year	903.28	1,806.56	901.41	1,802.83

### C Rights, preferences and restrictions attached to Equity Shares:

"The Company has only one class of equity shares having par value of ₹2 per share. Each holder of equity shares is entitled to one vote per share. The dividend if any proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders".

### D The details of Shares in the Company held by each shareholder holding more than 5% Shares specifying the number of shares is as follows

Name of Shareholder	As at 30 June 2013		As at 30 June 2012*	
	No. of Shares held (In lac)	% of Holding	No. of Shares held (In lac)	% of Holding
a. Pankaj Kumar	-	-	9,705,050.00	10.77%
b. Kiran Kulkarni	-	-	9,848,808.00	10.93%
c. Fidelity Puritan Trust-Fidelity Low-Priced Stock Fund	4,873,000.00	5.39%	4,873,000.00	5.41%
d. Genesis Indian Investment Company Limited General Sub Fund	5,839,934.00	6.47%	5,870,442.00	6.51%
<b>Total</b>	<b>10,712,934</b>	<b>11.86%</b>	<b>30,297,300</b>	<b>33.62%</b>



## Notes Forming Part of the Standalone Financial Statements (Contd.)

### E Shares allotted as fully paid up pursuant to contract(s) without payment being received in cash : (during 5 years immediately preceding June 30, 2013)

- i The company has issued 6,83,358 Equity Shares in last 5 years under Employees Stock Option Plan as consideration for services rendered by employees. The yearwise bifurcation is as follows

For the Financial Year	No of Shares issued
2007-2008	589,948
2008-2009	62,035
2009-2010	28,825
2010-2011	2,550
2011-2012	-
	<b>683,358</b>

### F Shares allotted as fully paid up by way of bonus shares (during 5 years preceding June 30, 2012)

"The Company allotted 3,03,89,788 equity shares as fully paid up bonus shares by utilisation of Securities premium reserve on September 03, 2007 pursuant to a shareholder's resolution passed by postal ballot on July 23, 2007."

## 4 RESERVES AND SURPLUS

Reserves and surplus consist of the following reserves:

Particulars	As at 30 June 2013	As at 30 June 2012*
	₹ in lac	₹ in lac
<b>a. Securities Premium Account</b>		
Opening Balance	14,479.71	14,479.71
Add: Securities premium credited on Share issue	46.27	
<b>Closing Balance</b>	<b>14,525.98</b>	<b>14,479.71</b>
<b>b. Hedge Reserve Account</b>		
Opening Balance	7,821.47	988.61
Add: Additions during the year	(7,714.60)	6,832.86
	106.88	7,821.47
<b>Closing Balance</b>	<b>106.88</b>	<b>7,821.47</b>
<b>c. General Reserve</b>		
Opening balance	10,320.94	8,016.54
(+) Transfer from Reserves	-	2,304.40
<b>Closing Balance</b>	<b>10,320.94</b>	<b>10,320.94</b>
<b>d. Surplus</b>		
Opening balance	65,319.88	71,644.41
Add: Net Profit/(Net Loss) For the current year	(4,312.59)	(1,715.24)
	61,007.29	69,929.17
<b>Less: Appropriations</b>		
(-) Transfer to Reserves	-	2,304.40
(-) Paid / Proposed Dividends Plus Tax thereon	-	2,304.89
<b>Closing Balance</b>	<b>61,007.29</b>	<b>65,319.88</b>
<b>Total</b>	<b>85,961.08</b>	<b>97,942.00</b>



**Notes Forming Part of the Standalone Financial Statements (Contd.)****5 LONG TERM BORROWINGS**

Particulars	As at 30 June 2013	As at 30 June 2012*
	₹ in lac	₹ in lac
<b>Secured</b>		
a Car Loan	3.06	4.43
<b>Unsecured</b>		
a Loan from Director	848.93	-
<b>Total</b>	<b>851.99</b>	<b>4.43</b>

**6 Deferred Tax Liabilities (Net)**

Major components of deferred tax balances consist of the following:

Particulars	As at 30 June 2013	As at 30 June 2012*
	₹ in lac	₹ in lac
<b>A Deferred Tax Liability</b>		
-Difference due to book and tax depreciation (post tax holiday)	-	75.68
	-	<b>75.68</b>
<b>B -Deferred Tax Assets</b>		
-Disallowances u/s 43 (B) of Income Tax Act	-	0.08
-Disallowances u/s 40 a of Income Tax Act	-	65.00
-Difference due to book and tax depreciation	-	20.21
	-	<b>85.29</b>
<b>Total</b>	-	<b>(9.61)</b>

**7 LONG TERM PROVISIONS**

Particulars	As at 30 June 2013	As at 30 June 2012*
	₹ in lac	₹ in lac
<b>A Provision for employee benefits</b>		
Gratuity ( Net of Funds)	24.03	0.20
Leave Encashment (Net of Funds)	13.86	2.19
<b>B Provision for Taxation ( Net of Advance Tax)</b>	-	-
<b>Total</b>	<b>37.88</b>	<b>2.39</b>

**8 SHORT TERM BORROWINGS**

Particulars	As at 30 June 2013	As at 30 June 2012*
	₹ in lac	₹ in lac
<b>1 Secured Loans</b>		
(a) Loans from Banks	-	7,000.00
(secured against hypothecation of stocks, book debts and machinery)		
<b>2 Unsecured Loans</b>		
Short Term Advances	233.30	1,336.65
Loans from Banks	1,358.33	
Loans from Other Body Corporates	222.00	
Temperory Overdrafts from Bank	5,559.70	279.94
<b>Total</b>	<b>7,373.33</b>	<b>8,616.59</b>



## Notes Forming Part of the Standalone Financial Statements (Contd.)

### 9 TRADE PAYABLES

Particulars	As at 30 June 2013	As at 30 June 2012*
	₹ in lac	₹ in lac
1 Sundry Creditors	10,104.50	5,381.98
<b>Total</b>	<b>10,104.50</b>	<b>5,381.98</b>

### 10 OTHER CURRENT LIABILITIES

Particulars	As at 30 June 2013	As at 30 June 2012*
	₹ in lac	₹ in lac
(a) Current maturities of Term Loan	1.37	1.51
(b) Current maturities of Zero Coupon Bonds (Refer Note 1 below)	92,960.46	82,701.85
(c) Dues to Financial Institutions (Refer Note 2 below)	8,005.30	-
(d) Income Received in Advance	22.49	39.23
(e) Statutory Liabilities	-	-
i) Service Tax Payable	15.85	28.99
ii) VAT Payable	89.19	49.59
iii) TDS Payable	310.48	68.56
(f) Unpaid Dividend	11.23	12.55
(g) Unclaimed Share Application Money	-	15.68
(h) Other Current Liabilities	2.89	-
(i) Advance From Debtors	1,837.06	1,356.34
(j) Advance For Software Development	77.84	82.49
(k) Leave Salary Payable	1.78	0.32
(l) Gratuity Payable	13.54	1.16
(m) Credit Card Dues Payable	39.80	15.46
(n) Creditors for expense	258.43	-
(o) Advance for Investment	16.78	-
(p) Other Advances	1,018.01	-
(q) Provision for Expenses	311.23	341.44
<b>Total</b>	<b>104,993.74</b>	<b>84,715.17</b>

- 1 The Foreign coupon Convertible Bonds amounting to ₹6,775,950,000 /- alongwith interest amounting to ₹2,520,096,219/- were due for redemption in January 2013, the same has still not been redeemed and the management is trying its best to redeem the same.
- 2 Dues to financial institutions represent default in service of loans amounting to ₹70 crores as principal and interest amounting to ₹10.05 crores, which has not been serviced till date.

### 11 SHORT TERM PROVISIONS

Particulars	As at 30 June 2013	As at 30 June 2012*
	₹ in lac	₹ in lac
<b>(a) Provision for employee benefits</b>		
(i) Salary & Reimbursements	961.76	221.08
(ii) Contribution to PF	243.54	49.07
(iii) EDIS Payable (PF)	1.41	0.28
(iv) Profession Tax	5.29	1.37
(v) ESIC	1.07	0.50
(vi) Gratuity	4.52	-
(vii) Leave Encashment	1.89	-
(viii) Labour Welfare Fund	0.01	0.12
<b>(b) Others</b>		
(i) Provision for Taxation ( Net of Advance Taxes)	-	(429.44)
(ii) Proposed Dividend plus tax thereon	2,095.29	2,095.29
<b>Total</b>	<b>3,314.78</b>	<b>1,938.27</b>

## Notes Forming Part of the Standalone Financial Statements (Contd.)

### 12 FIXED ASSETS

Fixed Assets	Gross Block		Accumulated Depreciation				Net Block	
	Balance as at 1 July 2012 ₹ in lac	Balance as at 30 June 2013 ₹ in lac	Balance as at 1 July 2012 ₹ in lac	Depreciation charge for the year ₹ in lac	Adjustment due to revaluations ₹ in lac	On disposals ₹ in lac	Balance as at 30 June 2013 ₹ in lac	Balance as at 30 June 2012* ₹ in lac
<b>a Tangible Assets</b>								
Land (Leasehold improvements)	659.89	467.00	508.79	40.33	-	202.19	146.94	351.11
Plant & Machinery	48.52	48.75	7.45	5.71	-	-	13.16	41.07
Computer	599.69	494.52	483.12	45.76	-	100.57	428.32	116.56
Furniture and Fixtures	146.13	144.42	104.58	7.49	-	1.38	110.69	41.55
Vehicles	77.84	40.03	65.69	2.96	-	35.02	33.63	12.14
Office equipment	227.29	195.47	90.79	18.02	-	15.99	92.82	136.51
<b>b Transfer to CWIP</b>	-	-	-	(7.10)	-	-	-	-
<b>Total</b>	<b>1,759.37</b>	<b>1,390.18</b>	<b>1,060.43</b>	<b>113.17</b>	<b>-</b>	<b>355.14</b>	<b>825.55</b>	<b>698.94</b>
<b>c Intangible Assets</b>								
Computer software	263.06	265.16	190.31	29.45	-	-	219.76	45.40
Copyrights, and patents and other intellectual property rights, services and operating rights	13.67	13.67	3.38	1.16	-	-	4.55	10.28
Testing & Tooling Software	6,932.96	6,932.96	6,144.50	315.39	-	-	6,459.88	788.47
Internally Generated Software	6,914.65	6,914.65	4,358.99	1,318.97	-	-	5,677.95	2,555.66
<b>Total</b>	<b>14,124.34</b>	<b>14,126.44</b>	<b>10,697.17</b>	<b>1,664.97</b>	<b>-</b>	<b>-</b>	<b>12,362.14</b>	<b>3,427.16</b>
<b>d Capital Work In Progress</b>								
Products Under Development	997.92	1,448.05	-	-	-	-	-	999.92
<b>Grand Total</b>	<b>16,881.63</b>	<b>16,964.67</b>	<b>11,757.60</b>	<b>1,778.14</b>	<b>-</b>	<b>355.14</b>	<b>13,187.70</b>	<b>5,126.03</b>
Previous Year Figures	21,594.10	16,881.63	8,817.21	3,775.98	-	-	11,757.60	-



## Notes Forming Part of the Standalone Financial Statements (Contd.)

### 13 NON CURRENT INVESTMENTS

Particulars	As at 30 June 2013	As at 30 June 2012*
	₹ in lac	₹ in lac
<b>Investment in:</b>		
<b>a Fully paid up Equity instruments ( Quoted)</b>		
997(PY 997) Shares of ₹10 each Indraprastha Gas Ltd	-	1.00
<b>b Fully paid up Equity instruments ( Unquoted)</b>		
ITM Digital Pvt Ltd	1.00	1.00
<b>c Subsidiaries</b>	90,409.24	90,386.92
<b>d Other Investments</b>	-	75.00
<b>Total</b>	<b>90,410.24</b>	<b>90,463.92</b>

### 13A

Particulars	As at 30 June 2013	As at 30 June 2012*
	₹ in lac	₹ in lac
Aggregate amount of quoted investments	-	-
(Market value of ₹2,38,682 (Previous Year ₹1,34,51,316))		
Aggregate amount of unquoted investments	0.90	0.90

### 14 DEFERRED TAX ASSET(Net)

Major components of deferred tax balances consist of the following:

Particulars	As at 30 June 2013	As at 30 June 2012*
	₹ in lac	₹ in lac
<b>A Deferred Tax Assets</b>		
-Disallowances u/s 43 (B) of Income Tax Act	0.67	-
-Disallowances u/s 40 a of Income Tax Act	237.51	-
	<b>238.18</b>	-
<b>B Deferred Tax Liability</b>		
-Difference due to book and tax depreciation (post tax holiday)	93.85	-
	<b>93.85</b>	-
<b>Total</b>	<b>144.33</b>	-

### 15 LONG TERM LOANS AND ADVANCES

Particulars	As at 30 June 2013	As at 30 June 2012*
	₹ in lac	₹ in lac
<b>A Capital Advances</b>		
Advance towards Patent & Trademark applications	31.00	27.16
Advance towards Property acquisition	-	550.00
Advance for ACMR Projects	50.96	12.09
Advance for MSEDCL Projects	-	10.19
Advance towards acquisition	106.46	112.62
	<b>188.42</b>	<b>712.06</b>

## Notes Forming Part of the Standalone Financial Statements (Contd.)

### 15 LONG TERM LOANS AND ADVANCES (Contd.)

Particulars	As at 30 June 2013	As at 30 June 2012*
	₹ in lac	₹ in lac
<b>B Security Deposits</b>		
Secured, considered good	-	-
Unsecured, considered good	106.40	137.13
	<b>106.40</b>	<b>137.13</b>
<b>C Loans and advances to related parties</b>		
Secured, considered good	-	-
Unsecured, considered good	72,966.46	7,810.31
	<b>72,966.46</b>	<b>7,810.31</b>
<b>D Others</b>		
Inter Corporate Deposits	2,362.97	2,592.82
Balance with Revenue Authorities	65.46	
Advance Tax (Net of Provision for Taxes)	379.28	
	<b>2,807.71</b>	<b>2,592.82</b>
<b>Total</b>	<b>76,068.99</b>	<b>11,252.32</b>

### 16 OTHER NON-CURRENT ASSETS

Particulars	As at 30 June 2013	As at 30 June 2012*
	₹ in lac	₹ in lac
<b>Unamortised Expenses :</b>		
a. Bond Issue Expenses	0.01	
b. Share Issue Expenses	0.04	
<b>Total</b>	<b>0.05</b>	<b>-</b>

### 17 CURRENT INVESTMENTS

Particulars	As at 30 June 2013	As at 30 June 2012*
	₹ in lac	₹ in lac
<b>Investment in:</b>		
<b>Mutual Funds ( Unquoted)</b>		
<b>A Income Funds:</b>		
JM Advantage Arbitrage Fund-Dividend Plan Nil (P.Y. 675887.927) units, Face Value ₹10	-	1.16
<b>Total</b>	<b>-</b>	<b>1.16</b>
<b>B Liquid Funds:</b>		
JM Liquidity Fund	35.18	
DWS Insta Cash Plus Fund	40.01	
Peerless Liquid Fund	15.01	
Axis Treasury Advantage - Inst DDR	-	1.55
<b>Total (A+B)</b>	<b>90.20</b>	<b>2.71</b>



## Notes Forming Part of the Standalone Financial Statements (Contd.)

### 18 INVENTORIES

Particulars	As at 30 June 2013	As at 30 June 2012*
	₹ in lac	₹ in lac
a Raw Materials and components	579.81	728.60
b Work-in-process	89.24	19.55
c Finished goods	29.19	70.54
d Stores & Spares	65.84	71.41
e Goods in Transit	28.71	-
<b>Total</b>	<b>792.79</b>	<b>890.11</b>

### 19 TRADE RECEIVABLES

Particulars	As at 30 June 2013	As at 30 June 2012*
	₹ in lac	₹ in lac
<b>A</b> Trade receivables outstanding for a period less than six months from the date they are due for payment		
Secured, considered good	-	-
Unsecured considered good	7,831.45	12,894.42
Less: Provision for doubtful debts	-	-
	7,831.45	12,894.42
<b>B</b> Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Secured, considered good	-	-
Unsecured, considered good	75,223.39	17,921.73
Unsecured, considered doubtful	-	-
Less: Provision for doubtful debts	40,374.65	-
	34,848.74	17,921.73
<b>Total</b>	<b>42,680.19</b>	<b>30,816.15</b>

### 20 CASH AND BANK BALANCES

Particulars	As at 30 June 2013	As at 30 June 2012*
	₹ in lac	₹ in lac
<b>A Cash on hand</b>	<b>6.39</b>	<b>5.23</b>
Cheques on hand	-	-
<b>B Bank Balances</b>		
a. Balances with Current Account	23.94	164.83
b. Dividend Bank Accounts	11.23	-
c. Earnest Money Deposit	11.79	256.29
d. Bank deposits with more than 12 months maturity	22.37	0.28
<b>Total</b>	<b>75.73</b>	<b>426.62</b>

## Notes Forming Part of the Standalone Financial Statements (Contd.)

### 21 SHORT TERM LOANS AND ADVANCES

Particulars	As at 30 June 2013	As at 30 June 2012*
	₹ in lac	₹ in lac
<b>A Loans and advances to related parties</b>		
Secured, considered good	-	-
Unsecured, considered good	0.16	61,072.18
Doubtful	-	-
	<b>0.16</b>	<b>61,072.18</b>
<b>B Prepaid Expenses</b>	7.72	51.63
<b>C Advance to Creditors</b>	375.42	118.38
<b>D Advance for Expenses</b>	2.50	(0.86)
<b>E Advance to Others</b>	5.00	-
<b>F Advance to Employees</b>	3.68	22.38
	394.33	191.53
<b>Total</b>	<b>394.49</b>	<b>61,263.71</b>

### 22 OTHER CURRENT ASSETS

Particulars	As at 30 June 2013	As at 30 June 2012*
	₹ in lac	₹ in lac
<b>A Accrued interest on Deposits</b>	0.02	0.02
<b>B Gratuity Claims Receivable</b>	9.55	
<b>C Leave Salary Claims Pending- Receivable</b>	0.28	
<b>D Unamortised Expenses :</b>	-	-
(i) Bond Issue Expenses	-	152.42
<b>Total</b>	<b>9.86</b>	<b>152.44</b>

### 23 REVENUE FROM OPERATIONS

Particulars	For the period ended	For the period ended
	30 June 2013	30 June 2012*
	₹ in lac	₹ in lac
a. Sale of products	832.86	3,297.52
b. Sale of Software	15,791.01	54,817.20
c. Sale of services	652.80	1,018.80
d. Other operating revenues	0.24	31.30
<b>Total</b>	<b>17,276.91</b>	<b>59,164.82</b>



## Notes Forming Part of the Standalone Financial Statements (Contd.)

### 24 OTHER INCOME

Particulars	For the period ended	For the period ended
	30 June 2013	30 June 2012*
	₹ in lac	₹ in lac
a. Interest Income	67.32	825.70
b. Dividend Income	0.55	40.14
c. Net Gain on sale of investments	1.46	90.04
d. Net Gain on Exchange Fluctuation	3,552.44	7,965.89
e. Profit on Forward Contracts	1,757.02	-
f. Profit on Sale of Fixed Assets	7.29	-
g. Balances written back	49,561.31	-
h. Other non-operating income (net of expenses directly attributable to such income)	18.88	5.15
<b>Total</b>	<b>54,966.27</b>	<b>8,926.92</b>

### EXPENSES

#### 25 Cost of Materials Consumed

Particulars	For the period ended	For the period ended
	30 June 2013	30 June 2012*
	₹ in lac	₹ in lac
Opening Inventory	800.02	752.08
Add: Purchases ( Net)	401.15	2,062.46
Less: Inventory at the end of the year	645.65	800.02
<b>Cost of raw materials consumed during the year</b>	<b>555.52</b>	<b>2,014.53</b>

#### 26 Changes in inventory of Finished Goods & Work in Progress

Particulars	For the period ended	For the period ended
	30 June 2013	30 June 2012*
	₹ in lac	₹ in lac
<b>Changes in inventory of Finished Goods</b>		
<b>A Stock at the beginning of the year</b>	70.54	9.97
<b>Total A</b>	70.54	9.97
<b>B Stock at the end of the year</b>	29.19	70.54
<b>Total B</b>	29.19	70.54
<b>Increase/Decrease in Stocks (A-B) I</b>	<b>41.35</b>	<b>(60.57)</b>
<b>Changes in inventory of Work in Progress</b>		
<b>A Stock at the beginning of the year</b>		
Amida WIP	-	14.21
Sub Assembly	19.55	20.64
<b>Total A</b>	<b>19.55</b>	<b>34.85</b>
<b>B Stock at the end of the year</b>		
Amida WIP	-	-
Sub Assembly	89.24	19.55
<b>Total B</b>	<b>89.24</b>	<b>19.55</b>
<b>Increase/Decrease in Stocks (A-B) II</b>	<b>(69.69)</b>	<b>15.30</b>
<b>TOTAL (I + II)</b>	<b>(28.35)</b>	<b>(45.26)</b>



## Notes Forming Part of the Standalone Financial Statements (Contd.)

### 27 Other Direct Expenses

Particulars	For the period ended	For the period ended
	30 June 2013	30 June 2012*
	₹ in lac	₹ in lac
a. Software Development Expenses	17,050.69	35,750.27
b. Server Hosting Charges	75.25	137.52
c. Professional Charges Towards Operations	50.03	87.63
d. Electricity Charges	72.15	129.60
e. Communication & Telephone Expenses	109.91	187.19
f. Call Minutes/SMS purchased	51.06	127.92
g. Professional Charges-Govt of Maharashtra	11.44	-
h. Job Work Expenses	24.78	123.97
i. Other Direct Expenses	38.25	273.58
<b>Total</b>	<b>17,483.56</b>	<b>36,817.68</b>

### 28 Employee Benefits Expense

Particulars	For the period ended	For the period ended
	30 June 2013	30 June 2012*
	₹ in lac	₹ in lac
Salaries, Wages & Bonus	1,548.92	3,039.06
Contributions to -		
(i) Provident fund	85.21	156.09
(ii) ESIC	3.93	4.84
(iii) Leave Encashment	20.60	21.90
(iv) Labour Welfare	0.06	0.26
Gratuity fund contributions	29.43	38.47
Staff welfare expenses	43.44	91.43
<b>Total</b>	<b>1,731.60</b>	<b>3,352.06</b>

### 29 Finance costs

Particulars	For the period ended	For the period ended
	30 June 2013	30 June 2012*
	₹ in lac	₹ in lac
Interest and other finance expense	6,523.72	5,650.75
<b>Total</b>	<b>6,523.72</b>	<b>5,650.75</b>

### 30 Depreciation and Amortisation Expense

Particulars	For the period ended	For the period ended
	30 June 2013	30 June 2012*
	₹ in lac	₹ in lac
a. Depreciation on Tangible assets	113.17	193.64
b. Amortisation on Intangible assets	1,664.97	3,582.34
c. Intangibles w/off	-	2,686.08
<b>Total</b>	<b>1,778.14</b>	<b>6,462.06</b>



## Notes Forming Part of the Standalone Financial Statements (Contd.)

### 31 Other expenses

Particulars	For the period ended	For the period ended
	30 June 2013	30 June 2012*
	₹ in lac	₹ in lac
Loss on Forward Contracts	-	7,680.61
Loss on Sale of Fixed Assets	-	0.45
Profession Tax	0.03	0.05
Payment to Statutory Auditors	20.22	25.28
Travelling & Conveyance	63.21	154.13
Rent & Hire charges	202.96	304.36
Membership & Subscription	2.72	5.48
Connectivity Charges	2.16	2.90
Donation	3.50	3.50
Tender Expenses	0.15	(1.99)
Insurance charges	36.40	45.54
Director's sitting Fees	3.18	4.40
Advertisement, Publicity & Sales Promotion	31.29	130.43
Legal, Professional & Consultancy charges	142.22	143.78
Custodial Charges	3.04	2.60
Bank Charges	271.28	155.49
Processing charges	-	30.34
Rates & Taxes	2.03	5.83
Conference Expenses	-	3.85
Discount	1.02	0.68
Postage, Fax & Courier	7.61	12.79
Water Charges	3.84	5.68
Newspaper, Books & Periodicals	0.28	1.52
Miscellaneous Expenses	40.21	15.01
Printing & Stationery	13.35	30.13
Bond Issue Expenses w/off	152.41	348.63
Merger Expenses w/off	-	1.74
Share Issue Expenses w/off	-	6.13
Bad Debts	7,289.40	4,277.16
Sundry Balances w/off	6.37	2,162.51
Fines & Penalties	-	0.16
Security Charges	2.98	2.40
Freight & Insurance	0.29	0.41
Provision for Bad Debts	40,374.65	-
	<b>48,676.80</b>	<b>15,561.99</b>

**Notes Forming Part of the Standalone Financial Statements (Contd.)****31A**

Particulars	For the period ended	For the period ended
	30 June 2013	30 June 2012*
	₹ in lac	₹ in lac
<b>Repairs &amp; Maintenance</b>		
Repairs - Air Conditioner	4.31	6.66
Repairs - Computer	2.02	8.91
Repairs - Computer Software	0.18	0.77
Repairs - Office Equipment	13.18	19.39
Repairs - Premises	30.65	104.25
Repairs - Vehicles	0.66	2.53
Repairs - Others	3.02	6.18
<b>Total</b>	<b>54.04</b>	<b>148.69</b>
<b>Total Other Expenses</b>	<b>48,730.83</b>	<b>15,710.68</b>

**31B**

Particulars	For the period ended	For the period ended
	30 June 2013	30 June 2012*
	₹ in lac	₹ in lac
<b>Payments to the auditor as</b>		
a. Audit Fee	17.50	21.49
b. Tax Audit Fee	2.72	3.79
c. for other services	-	-
d. for reimbursement of expenses	-	-
<b>Total</b>	<b>20.22</b>	<b>25.28</b>

**32 Prior Period Expenses**

Particulars	For the period ended	For the period ended
	30 June 2013	30 June 2012*
	₹ in lac	₹ in lac
<b>Prior Period expenses includes following:</b>		
(a) Connectivity Charges	0.29	-
(b) Repairs & Maintenance	0.18	0.02
(c) Purchase	2.24	-
(d) Advertisement Expenses	3.09	-
(e) Professional Fees	1.77	0.19
(f) Central Sales Tax	-	0.30
(g) Courier Charges	-	(0.27)
(h) Annual Maintenance Contract Fees	-	(0.04)
(i) Staff welfare	0.44	-
(j) Content Purchase	1.33	-
(k) Book and periodicals	0.20	-
(l) Other Miscellaneous (Receipts) / Expenses	(94.07)	(28.17)
<b>Total</b>	<b>(84.53)</b>	<b>(27.98)</b>



## Notes Forming Part of the Standalone Financial Statements (Contd.)

### 33 Sales Returns and Purchase Returns:-

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 continued its efforts to solve the problems and to provide improved services to the customers. In the meanwhile the Company restored the earlier version of the product temporarily so that the business loss to the customers was minimised. There was constant verbal and written communications with the customers, with Company offering the customers solutions and revised versions of the product. However, 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 been booked as Sales Returns in the respective years in which the sales had taken place. An appropriate part thereof was reversed in the recasted accounts for the financial Year ended 30th June, 2012 and the balance impact of the said sales returns on the financials for July 2012 to June 2013 is of ₹15,924.48 lac. This has resulted in reducing the profit of the Company to the extent of ₹15,924.48 lac.

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 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 payable to them.

Considering this, against aggregate write off of sundry debtors for the said product of ₹45,340.87 lac (both the financials years ended 30th June 2012 and 30th June 2013) the Company has written back creditors for the supply of the software used in manufacture of the aforesaid product, amounting to ₹43,700.54 lac in the financial year ended 30th June 2013.

### 34 Provision for Bad and Doubtful Debts:-

During the current year in accordance with the revised policy, the Company has made a provision of bad and doubtful debts of ₹40,374.64. However, no provision has been made for the amount of ₹36,745.50 lac, shown as Trade Receivable which is due over 2 years from 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.

### 35 Interest on overdue debtors

The company had a policy of charging interest on its overdue debtors. However, on account of economic slowdown alongwith subsequent reversals of sales, the company has decided to write back the interest income amounting to ₹233.83 lac thereby reducing the profit to that extent.

36 The financial charges include amounts aggregating to ₹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 ₹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 these Banks also.

37 On-going Product Development WIP amounting to ₹1,447.95 lac represents amounts incurred on development of new products which either are in the process of development or are awaiting their launch, as per the past practice. The same consists of four such products which are almost ready for launch. Management reviews on the balance sheet date the costs incurred on various project to consider recoverability of the amounts spent over the estimated life of the product. On 30th June, 2012 an amount of ₹300 lac was written off based on such review. Paucity of funds and manpower has resulted in slow progress in finishing of the respective product during the year. The management, however, believes that all the above products are going to have tremendous potential value in the coming years. Hence, the costs incurred on these products have been carried forward and will be capitalised in the year of their launch.

38 During the year the Company's foreign subsidiaries GTSL and GHL have incurred losses. This has resulted in depletion in Company's investment in the said subsidiaries. However considering the potential in the business 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.

39 The Company has investments in its wholly owned subsidiary, Chandamama India Limited to the tune of ₹2,306.58 lac. The net worth

## Notes Forming Part of the Standalone Financial Statements (Contd.)

of this subsidiary is negative / less than 25% of investment in that subsidiary as on 30th June, 2013. The Company has not made any provision against diminution in value of investment in shares of the aforesaid subsidiary. The management is confident of fetching the value of investment based on the assets owned by the Company – both physical and non-physical. The Company is in the process of producing two animation film series, enhancing its subscription base and selling content on new media which will ultimately generate profits in the coming year.

### 40 Segment Reporting:

The primary reporting of the Company has been disclosed on the basis of business segment. The Company has only one business segment which is software product sale and related consultancy services. Accordingly, the amounts appearing in these financial statements relate to this primary segment. Further the Company sells and provides services mainly outside India and also within India. Thus disclosures under secondary segment reporting are as follows:

#### Revenue by Geographical Segment

₹ in lac

Region	For the period ended 30th June 2013	For the period ended 30th June 2012
India	2,112.76	5,183.17
Outside India	15,142.85	53,981.65

#### Segment Assets

₹ in lac

Region	For the period ended 30th June 2013	For the period ended 30th June 2012
India (Assets excluding Export Customers)	1,32,141.89	1,70,251.62
Outside India (Export Customers)	82,301.96	30,152.38

The Company's operating facilities are located in India. The total cost incurred during the period to acquire fixed assets within India is disclosed in note 13 forming part of financial statements. Segment revenue is based on geographical locations of customers and segment asset is based on geographical location of assets.

### 41 Contingent Liability (not provided for) exist in respect of:

₹ in lac

Sr. No.	Particulars	For the period ended 30 June 2013	For the period ended 30 June 2012*
a)	Outstanding bank guarantees	21.71	96.06
b)	Letter of Credit given by bank on behalf of the Company	-	1,731.74
c)	Times Internet disputed payment towards minimum guarantee fees	Details given below	223.15
d)	<b>Income tax Demand in respect of an earlier year(s) under dispute</b>		
1.	Appeal pending with CIT Appeals VIII for AY 2009-10	4.73	-
<b>Total</b>		<b>26.44</b>	<b>2,050.95</b>

#### Following is the list of various court cases filed against the company.

Name	Case No.	Type of Case	Claim Amount	Type of Liability	Status
Barclays Bank PLC	CP/161/2013 & CA/208/2013	HC-Winding up Application	₹17,13,65,482.60	Derivatives	Pending for order on 12.2.2014
HDFC Bank	M.A No.36 & 37 of 2013	DRT- Recovery of its outstanding dues	₹6,77,34,240.91	Loans & Derivatives	Pending for hearing
ICICI Bank	O.A.No.163 of 2013	DRT-Recovery of its outstanding dues	₹ 70,68,74, 637.56 + Intt	Loans & Derivatives	Pending for hearing



## Notes Forming Part of the Standalone Financial Statements (Contd.)

### 41 Contingent Liability (not provided for) exist in respect of: (Contd.)

Following is the list of various court cases filed against the company.

Name	Case No.	Type of Case	Claim Amount	Type of Liability	Status
Times Internet Ltd.	CP/178/2013	HC-Winding up Application	₹2,72,56,564+ Intt ₹2,23,15,387	Business Transaction	Pending for hearing
Axis Bank	987/SS/2013	MMC-Complaint under sec. 138	₹25,45,00,000 + Intt	Dishonored Cheque	Cross is going on
HDFC Bank	1640/SS/2013	MMC-Complaint under sec. 138	₹6,55,27,890.70	Dishonored Cheque	Pending for recording plea
Standard Chartered Bank	DRT OA	HC-Winding up Application	₹16,02,94,458	Derivatives	Pending we are process to file counter claim
Citibank n.a. london branch	CA/645/2013 & CPL/471/2013	HC-Winding up Application	₹8,270,185,000	FCCB	Reply and hearing
HDFC Bank Ltd	CP/514/2013	HC-Winding up Application	₹6,55,27,890.70	Loans & Derivatives	Pending
Simtronics Semiconductors Ltd	CP/895/2013	HC-Winding up Application		Business Transaction	We have not received copy of the petition

### 42 Computation of Net Profits in accordance with Section 198 of the Companies Act, 1956:

₹ in lac

Particulars	For the period ended	For the period ended
	30 June 2013	30 June 2012*
(Loss) before tax	(4,447)	(1,842.77)
Add: Profit/ Loss on cancellation / delivered foreign contracts	(1,757.02)	7,680.61
Add: Infructuous project expenses written off	Nil	1,656.83
Add: Directors' Sitting Fees	3.18	4.40
Add: Loss on sale of fixed assets as per Profit and Loss Account	(7.29)	0.45
	<b>(6208.13)</b>	<b>7,499.52</b>

### 43 Managerial Remuneration

₹ in lac

Particulars	For the period ended	For the period ended
	30 June 2013	30 June 2012*
Salaries	-	67.15
Contribution to Provident Fund and other Funds	-	0.35
Directors sitting Fees	3.18	4.40
<b>Total</b>	<b>3.18</b>	<b>71.90</b>

## Notes Forming Part of the Standalone Financial Statements (Contd.)

### 44 Share Capital:

Employees have exercised 186,498 (P.Y. Nil) stock options during the year ended 30th June, 2013 which has resulted in an increase in Equity Share Capital of ₹3.73 lac (P.Y. Nil).

### 45 Foreign Currency Convertible Bonds (FCCB):

In January 2008, the Company raised ₹49,962.50 lac equivalent to US\$ 125 million on the issue of Zero Coupon Convertible Bonds, due on 18th January, 2013 to overseas investors vide RBI approval no. FED.CO.EBCD/3013/03.02.766/2077-08 dated 5th December, 2007. As per the approval the funds could be utilised only for overseas acquisitions and investments in joint ventures / wholly owned subsidiaries and for any other use as may be permitted under applicable laws or regulations from time to time.

Till date the Company has not been able to discharge this liability. The foreign currency convertible bond (FCCB) holders have filed a winding up petition against the Company for defaulting on the dues. The London branch of Citi Bank is a trustee in this case where it has approached the Court in London to recover its dues from the Company on behalf of Bond Holders.

In the meanwhile the Company has made provision for interest on the said bonds at 9% amounting to ₹2,890.11/- lac, in accordance with the agreement with Bond Holders from the date of maturity till the Balance Sheet date.

### 46 Related Party Disclosures:

#### a. List of Related Parties

Related Parties with whom transactions have taken place during the year:

#### Key Managerial Personnel (KMP):

Mr.Pankaj Kumar  
Mr.KiranKulkarni  
Mr.PrashantMulekar

#### Enterprise over which Key Management Personnel exercise significant influence:

None

#### Subsidiary Companies:

(A) Direct Holding	(B) Indirect Holding
Chandamama India Limited (CIL)	-
Filmorbit.Com India Private Limited (FIPL)	-
Geodesic Gridpoint Energy Private Limited (GGEPL)	-
Geodesic Technology Solutions Ltd, Hong Kong (GTSL)	-
Geodesic Holdings Limited (GHL)	(i) Geodesic Information Systems Inc. (GIS)
	(ii) Interactive Networks International (INI)
	(iii) Publicidad Digital S.A. (PD)
	(iv) Emiloto Associated Inc. (EAI)
	(v) Geodesic (Hong Kong) Ltd (GHKL)
	(vi) Geodesic Technology FZE (GT FZE)
	(vii) Zomo Technologies Ltd (ZTL)
	(viii) Spokn Communications Pte Ltd (SCPL)





## Notes Forming Part of the Standalone Financial Statements (Contd.)

### 46 Related Party Disclosures: (Contd.)

#### (ii) Transactions with related parties:

₹ in lac

Nature of Transaction	Indirect Holding					
	INI	PD	GHLK	EAI	ZTL	SCPL
	Current (Prev) Period/Year	Current (Prev) Period/Year	Current (Prev) Period/Year	Current (Prev) Period/Year	Current (Prev) Period/Year	Current (Prev) Period/Year
Share Application Money paid by the Company as on 30th June 2013	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
Trade Advances/ Loan balances given by Company as on 30th June 2013			12.12			
			(12.12)			
Interest Accrued	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
Product and Service Income/ Expenses(-)	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(55.99)
Outstanding balance as on June-30, 2013 (-) Cr	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
Managerial Remuneration						
- Pankaj Kumar	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
- KiranKulkarni	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
- PrashantMulekar	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)

### 47 Earnings per Share:

₹ in lac

Particulars	For the period ended	For the period ended
	30 June 2013	30 June 2012*
(a) Profit for the year after tax	(4,447)	(1842.77)
Add: Exceptional Income	-	-
Net Profit after tax for Equity Shareholders	(4,447)	(1,842.77)
Weighted Average number of equity shares outstanding	9,02,72,664	9,01,41,349
<b>Basic Earnings per share (₹)</b>	(4.78)	(1.90)
(b) Weighted Average No. of Equity Shares outstanding	9,04,11,628	9,01,41,349
Add: Effect of dilutive issue of stock options and warrants	1,38,963	1,38,963
Considered for diluted EPS	9,04,11,628	9,02,80,312
<b>Diluted Earnings Per Share (₹)</b>	(4.77)	(1.90)
<b>Face Value per Share (₹)</b>	2.00	2.00



## Notes Forming Part of the Standalone Financial Statements (Contd.)

### 48 Employees Stock Option Plan 2002:

The Company has share based payment scheme to its employees.

During the year ended June 30, 2013 the following schemes were in operation:

Particulars	Grant 1	Grant 2	Grant 3	Grant 4	Grant 5	Grant 6	Grant 7	Grant 8	Grant 9	Grant 10
Date of Grant/Board Approval	28-08-02	5-01-04	10-02-05	31-03-06	28-07-06	23-11-06	9-04-07	24-09-07	05-05-08	28-04-09
No of Options Granted	46,000	500,000	600,000	650,000	300,000	100,000	900,000	300,000	700,000	500,000
Method of Settlement	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity
Vesting Period	1 year	1 year	1 year	1 year	1 year	1 year	1 year	1 year	1 year	1 year
Exercise Period	10 years	10 years	10 years	10 years	10 years	10 years	10 years	10 years	10 years	10 years

All the above grants are covered under the approval of the shareholders vide their Annual General Meeting held on August 28, 2002

Particulars	For the period ended 30th June 2013		For the period ended 30th June 2012	
	No. of Shares	Weighted Average Exercise Price (₹)	No. of Shares	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the period	3,050,618	140.17	3,437,118	140.63
Options granted	Nil	Nil	Nil	Nil
Exercised during the period / year	186,498	26.81	Nil	Nil
No of Options Lapsed	556,254	149.67	386,500	144.52
Outstanding at the end of the period / year	2,307,866	146.75	3,050,618	140.17
Exercisable at the end of the Period / year	2,307,866		3,050,618	
Weighted average remaining contractual life (in months)	61.74		69.45	
Weighted average fair value of the options granted	168.94		158.68	

Details of exercise price for stock Options outstanding at the end of the year are:

Period/Year End	Range of Exercise Price (₹)	No. of options outstanding	Weighted average remaining contractual life (in months)	Weighted Average
30th June 13	₹26.81 – ₹210.05	2,307,866	61.74	144.52
30th June 12	₹26.81 – ₹210.05	3,050,618	69.45	144.52

### 49 Subsidiary Companies / Acquisition of Companies:

During the year the Company invested ₹22.32 lac (P.Y. ₹348.82 lac) towards 40,000 (P.Y. 7,80,000) shares of US\$ 1 each in Geodesic Holdings Limited, Mauritius.

The Share Application as at the end of the period 30th June 2013 for Geodesic Technology Solutions Limited, Hong Kong (GTSL) is ₹2,450.55 lac.

During the period the Company has granted a loan of ₹72.28 lac to GTSL, Hong Kong. The closing balance of loan ₹7,856.98 lac (P.Y. ₹7,388.21 lac) net of foreign exchange rate fluctuation, is shown under "Long Term Loans and Advances" in Note 15 forming part of the financial statements.

During the year, the Company was allotted 586,660 convertible preference shares of ₹10 each in Chandamama India Limited for an amount of ₹352 lac (P.Y. ₹ Nil). During the period the Company advanced ₹94.48 lac to Chandamama India Limited which is shown under "Long Term Loans and Advances" in Note 15 forming part of financial statements. Also, the Company has in the current year received advance from Chandamama India Limited amounting to ₹372.35 Lac as advance for purchase of tablets which is shown under other current liabilities.

## Notes Forming Part of the Standalone Financial Statements (Contd.)

During the year Company has advanced ₹13.58 lac (P.Y. 83.37 lac) to Filmorbit.Com India Private Limited which is shown under "Long Term Loans and Advances" in Note 15 forming part of financial statements.

During the period the Company invested additional funds at par in the following Indian subsidiaries and associates:

- ITM Digital Private Limited (IDPL) was incorporated as a subsidiary in FY 2009-10, but thereafter Zee Entertainment Limited invested 60% in the Company, after which it ceased to be a subsidiary of the Company. The investment of ₹40 lac made in the company has been purchased by Zee Entertainment Limited in the month of May 2011. The investment as at end of period is ₹99,990 (P.Y. ₹99,990).
- Geodesic Gridpoint Energy Private Limited (GGEPL) with an investment of ₹583.22 lac (P.Y. ₹ Nil). During the period the Company advanced ₹16.85 lac (P.Y. ₹143.58 lac) to Geodesic Gridpoint Energy Private Limited which is shown under "Long Term Loans and Advances" in Note 15 forming part of financial statements.

### 50 Retirement Benefits:

The following table sets out the status of the Gratuity Plan as required under AS 15.

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

₹ in lac

Particulars	For the period ended 30 June 2013	For the period ended 30 June 2012*
<b>1 Employment and Retirement Benefits</b>		
<b>(a) Post employment Benefits</b>		
Defined contribution plans		
Company's contribution to Provident Fund	81.62	178.24
<b>(b) Defined benefit scheme</b>		
Obligation at period beginning	123.88	119.49
Service Cost	12.98	36.19
Interest Cost	10.54	12.71
Actuarial (gain) / loss	12.95	2.83
Benefits Paid	(102.68)	(47.33)
Amendment in benefit plans	-	-
Obligation at period end	57.66	123.88
Defined benefit obligation liability as at the balance sheet date is wholly funded by the Company		
<b>Change in plan assets</b>		
Plan assets at period beginning, at fair value	123.75	90.84
Expected return on plan assets	6.96	13.25
Actuarial gain / (loss)	0.00	0.00
Contributions	1.09	66.92
Benefits Paid	(102.68)	(47.33)
Plan assets at period end, at fair value	29.12	123.68
Reconciliation of present value of the obligation and the fair value of the plan assets		
Fair value of plan assets at the end of the period	29.12	123.68
Present value of the defined benefit obligations at the end of the period	57.66	123.88
(Asset) / Liability recognised in the balance sheet	28.54	0.20
Assumptions		
Interest Rate	8.00%	8.75%
Estimated rate of return on plan assets	0%	9.25%



## Notes Forming Part of the Standalone Financial Statements (Contd.)

### 50 Retirement Benefits: (Contd.)

₹ in lac

Particulars	For the period ended 30 June 2013	For the period ended 30 June 2012*
<b>(c) Gratuity cost for the period /year</b>		
Service Cost	12.98	36.19
Interest Cost	10.54	12.71
Expected return on plan assets	6.96	(13.25)
Actuarial (gain) / loss	0	2.83
Amortisations (Reduction in benefit)	-	-
Net gratuity cost	30.47	38.47
Interest Rate	8.00	8.75%
Estimated rate of return on plan assets	0%	9.25%
<b>(d) Defined benefit scheme</b>		
<b>Leave Encashment</b>		
Obligation at period beginning	47.07	47.68
Service Cost	2.05	11.69
Interest Cost	3.75	4.98
Actuarial (gain) / loss	17.26	8.87
Benefits Paid	(47.23)	(26.15)
Amendment in benefit plans	-	-
Obligation at period end	22.90	47.07
Defined benefit obligation liability as at the balance sheet date is wholly funded by the Company		
Change in plan assets		
Plan assets at period beginning, at fair value	44.84	58.07
Expected return on plan assets	2.50	5.55
Actuarial gain / (loss)	0.00	0.00
Contributions	7.04	7.42
Benefits Paid	(47.23)	(26.15)
Plan assets at period end, at fair value	7.15	44.88
Reconciliation of present value of the obligation and the fair value of the plan assets		
Fair value of plan assets at the end of the period	7.15	44.88
Present value of the defined benefit obligations at the end of the period	22.90	47.07
(Asset) / Liability recognised in the balance sheet	15.75	2.18
Assumptions		
Interest Rate	8.00%	8.75%
Estimated rate of return on plan assets	0%	9.25%
<b>(e) Leave Encashment Cost for the period</b>		
Service Cost	2.05	11.69
Interest Cost	3.75	4.98
Expected return on plan assets	2.50	(5.55)
Actuarial (gain) / loss	0	8.87
Amortisations (Reduction in benefit)	-	-
Net leave encashment cost	8.30	20.00
Interest Rate	8.00%	8.75%
Estimated rate of return on plan assets	0%	9.25%

## Notes Forming Part of the Standalone Financial Statements (Contd.)

### 51 Earnings in Foreign Currency:

₹ in lac

Description	For the period ended	For the period ended
	30 June 2013	30 June 2012*
Product and Service Income	15,142.85	53,981.65

### 52 Expenditure in Foreign Currency:

₹ in lac

Description	For the period ended	For the period ended
	30 June 2013	30 June 2012*
Travelling Expenses	0.66	4.02
Import of Hardware/Software (capitalised)	6.00	91.97
Import of Hardware/Software	170.48	1,299.09
Professional Fees	26.46	6.11
Others	1.60	137.74
<b>Total</b>	<b>205.03</b>	<b>1,538.92</b>

### 53 Un-hedged Foreign Currency Exposures:

The foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

Amount receivable as at June 30, 2013 in foreign currency on account of the following:

Particulars	For the year ended 30th June 2013		For the period ended 30th June 2012*	
	₹ in lac	Value in foreign Currency	₹ In Lac	Value in foreign Currency
Product and Service Income	82,301.96	USD 13,78,59,225	30,152.38	USD 11,01,52,717
Less: Hedged Debtors *	447.75	USD 750,000	30,152.38	USD 8,74,00,000
Un-Hedged Debtors	Nil	Nil	Nil	Nil
Investment in Foreign Companies				
Geodesic Tech Solutions Ltd	3,710.77	HKD 60,000,000	3,710.77	HKD 60,000,000
Geodesic Holdings Ltd	81,297.04	USD 176,277,000	81,274.69	USD 174,045,000

\* The Company has adopted AS 30 and 32 as prescribed by the ICAI from the current period, hence bifurcation of hedged and un-hedged receivables have been given in the current period.

### 54 Disclosure for operating leases:

#### a. Non-cancellable lease:

The Company's significant leasing agreements are in respect of operating leases for official premises and guest house. These leasing arrangements are non-cancellable for a period of three years and are usually renewable by mutual consent on mutually agreeable terms.

The aggregate lease rentals are charged as Rent under "Other Expenses" Note 31 which forms part of the financial statement.

₹ in lac

Particulars	For the period ended	For the period ended
	30 June 2013	30 June 2012*
Not later than one period/year	20.62	38.73
Later than one period/year but not later than 5 years	82.47	132.73
Later than 5 years but not later than 15 years	101.37	96.35



## Notes Forming Part of the Standalone Financial Statements (Contd.)

### 54 Disclosure for operating leases: (Contd.)

#### b. Cancellable lease:

The other leasing agreements for the premises are considered as cancellable leasing agreements.

The aggregate lease rentals are charged as Rent under "Other Expenses" Note 31 which forms part of the financial statement.

₹ in lac

Particulars	For the period ended	For the period ended
	30 June 2013	30 June 2012*
Not later than one period/year	42.17	103.22
Later than one period/year but not later than 5 years	55.38	64.38
Later than 5 years but not later than 15 years	20.58	-

55 Based on the information available with the Company, none of the vendors fall under the definition of micro, small and medium scale enterprises. This information is not verifiable by the auditors.

56 Figures of the previous year have been regrouped/ rearranged wherever necessary to correspond with the figures of the current period on account of revised schedule VI format. Amounts and other disclosures for the preceding year are included as an integral part of the current period financial statements and are to be read in relation to the amounts and other disclosures relating to the current period.

For and on behalf of  
**BORKAR & MUZUMDAR**  
Chartered Accountants

For and on behalf of the Board of Directors  
**Pankaj Kumar**  
Chairman

For and on behalf of the Board of Directors  
**Kiran Kulkarni**  
Managing Director

**Rajesh Batham**  
Partner  
Membership Number:035941  
FRN : 101569w  
Place : Mumbai  
Date : 14th February, 2014

\* The figures of June 2012 are recasted/ revised figures.

## Auditor's Report

To  
The Members of  
**Geodesic Ltd.**

1. We have audited the accompanying consolidated financial statements of GEODESIC LIMITED ("the Company") and its subsidiaries ("the Group"), which comprises of Consolidated Balance Sheet as at 30th June 2013, the Consolidated Statement of Profit and Loss Account and the Consolidated Cash Flow Statement for the year then ended, a summary of significant accounting policies and other explanatory information.

### 2. Management's Responsibility for Consolidated Financial statements

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

Our responsibility is to express an opinion on these financial statements based on our audit.

### 3. Auditor's Responsibility

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

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

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

4. We did not audit Financial Statements of Company's subsidiaries in Mauritius and Hong Kong which reflect aggregate assets of ₹2,20,692.19 lac as at 30th June 2013 and aggregate revenue of ₹20,239.09 lac for the year then ended. Financial Statements of the Mauritian and Hong Kong subsidiaries have been reviewed by other Auditors whose review reports have been furnished to us and the amounts included in respect of the said subsidiaries are based solely on the reports and statements attached thereto, of those Auditors.

5. We report that the Consolidated Financial Statements have been prepared by the management in accordance with the requirements of the Accounting Standards (AS) 21, Consolidated Financial Statements prescribed by the Central Government under section 211 (3C) of the Companies Act, 1956 and other recognised accounting practices and policies.



## 1. Basis of Qualified Opinion

Management has been unable to provide us with proper supporting documentation for some material transactions selected for audit. We were unable to satisfy ourselves by alternative means concerning some of the items of Income/expenditures/assets/liabilities as reported by The Company in the Financial Statements. As a result of this, we were unable to determine whether any adjustments might have been found necessary in respect of the Income/expenditures/assets/liabilities making up the Statement. With respect to the above comment we would like to bring to your kind attention the following points:-

- i. We are unable to verify the correctness of the write off of USD 38,812,000 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.
- ii. We are unable to verify the correctness of the write back of ₹43,700.54 lac, reversed in respect of software licences returned to the suppliers, as stated in Note no. 1 to the consolidated financial statements of the Company for the year. Consequently the loss for the year has been understated to that extent.
- iii. 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 USD 38,812,000. The loss for the year has consequently been understated to that extent.
- iv. 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.
- v. During the year The Company has defaulted in repayment of Loans/dues to the financial institutions to the tune of ₹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 that 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.
- vi. The Company raised fund through FCCB during the year 2008 and the same was due for repayment in the month of January, 2013. Till date the Company has not discharged 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 ₹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.
- vii. No provision has been made for depletion in the value of Company's investment to the extent of ₹6,161.32 lac in 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.
- viii. 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.
- ix. 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 GTSL and GHL, amounting to ₹3.62 lac. & ₹207.80 lac respectively nor are we able to verify whether these are free of any encumbrances.
- x. An amount of ₹17,332.70 lac. (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."

## 6. Qualified Opinion:

Because of the significance of the matters described in the Basis of Qualified Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.



## 7. Opinion

Subject to our comments in paragraph 5 and 6 above impact of which on the financial statements cannot be fully ascertained, based on our audit and on consideration of the separate audit reports/reviews on the financial statements of the aforesaid subsidiaries and other financial information of the components, 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:

- i. in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 30th June 2013;
- ii. in the case of the Consolidated Profit and Loss, of the Loss of the Group for the year ended on that date; and
- iii. in the case of Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

### **For Borkar & Muzumdar Chartered Accountants**

#### **CA Rajesh Batham**

Partner

Membership No: 035941

FRN: 101569W

Place: Mumbai

Date: 17th April, 2014



## Consolidated Balance Sheet as at 30th June, 2013

(All amounts Rupees in lac unless otherwise stated)

	Note No	As at	
		June 30, 2013	June 30, 2012*
<b>I Equity and Liabilities</b>			
<b>Shareholders' funds</b>			
(a) Share Capital	3	1,806.56	1,802.83
(b) Reserves and Surplus	4	44,990.94	133,094.48
		<b>46,797.50</b>	<b>134,897.31</b>
Minority Interest		1,787.41	1,281.53
<b>Non-current liabilities</b>			
(a) Long-term Borrowings	5	868.09	124.53
(b) Deferred Tax Liabilities (Net)	6	0.29	(9.69)
(c) Other Long Term Liabilities	6A	58.23	39.49
(d) Long-Term Provisions	7	43.09	12.10
		<b>969.70</b>	<b>166.43</b>
<b>Current liabilities</b>			
(a) Short-Term Borrowings	8	28,110.38	26,998.49
(b) Trade Payables	9	16,046.40	5,971.01
(c) Other Current Liabilities	10	104,672.42	87,593.64
(d) Short-Term Provisions	11	3,403.66	2,703.42
		<b>152,232.86</b>	<b>123,266.56</b>
<b>TOTAL</b>		<b>201,787.47</b>	<b>259,611.83</b>
<b>II ASSETS</b>			
<b>Goodwill on consolidation</b>		1,281.79	1,198.20
<b>Non-current assets</b>			
(a) Fixed assets	12		
(i) Tangible assets		18,780.68	27,336.95
(ii) Intangible assets		4180.79	6,527.08
(iii) Capital Work in Progress		1,540.96	1,092.82
		<b>24,502.43</b>	<b>34,956.86</b>
(b) Non-current investments	13	49,103.13	350.28
(c) Deferred tax assets (net)	14	144.34	-
(d) Long-term loans and advances	15	3,430.79	3,588.92
(e) Other non-current assets	16	0.05	-
		<b>52,678.31</b>	<b>3,939.20</b>
<b>Current assets</b>			
(a) Current Investments	17	54,103.33	2.71
(b) Inventories	18	11,322.04	22,975.20
(c) Trade Receivables	19	39,306.96	53,459.14
(d) Cash and Bank Balance	20	290.82	114,220.64
(e) Short-term Loans and Advances	21	18,291.93	28,707.44
(f) Other Current Assets	22	9.86	152.44
		<b>123,324.94</b>	<b>219,517.57</b>
<b>TOTAL</b>		<b>201,787.47</b>	<b>259,611.83</b>
Summary of Significant Accounting Policies	2		
Contingent Liability	34		

The accompanying notes form an integral part of the Financial Statements

As per our report of even date

**For and on behalf of**  
**BORKAR & MUZUMDAR**  
Chartered Accountants  
FRN : 101569w

**For and on behalf of the Board of Directors**  
**Pankaj Kumar**  
Chairman

**Kiran Kulkarni**  
Managing Director

**Rajesh Batham**  
Partner  
Membership Number:035941  
Firm Regn No.  
Place : Mumbai  
Date : 17th April, 2014

**Consolidated Statement of Profit & Loss** for the Period ended 30th June, 2013  
(All amounts Rupees in lac unless otherwise stated)

	Note No	For the period ended	
		June 30, 2013	June 30, 2012*
<b>Revenue</b>			
I Revenue from Operations	23	37,668.23	79,292.17
II Other Income	24	55,047.63	8967.80
<b>Total Revenue (I+II)</b>		<b>92,715.87</b>	<b>88,259.97</b>
<b>III Expenses</b>			
a. Cost of Materials Consumed	25	12,062.63	2,662.10
b. Changes in inventories of finished goods work-in-progress and Stock-in-Trade	26	(28.26)	(180.86)
c. Other Direct Expenses	27	17,617.15	37,109.50
d. Employee Benefits Expense	28	2,196.07	4,328.34
e. Finance Costs	29	8,289.10	6,644.46
f. Depreciation and Amortisation Expense	30	10,877.94	16,535.86
g. Other Expenses	31	123,178.99	29,485.00
<b>Total Expenses</b>		<b>174,193.62</b>	<b>96,584.40</b>
IV Profit or (Loss) before Prior Period items		<b>(81,477.76)</b>	<b>(8,324.43)</b>
V Prior Period Items	32	(83.10)	(29.76)
VI Profit before exceptional and extraordinary items and tax (V-VI)		<b>(81,394.66)</b>	<b>(8,294.67)</b>
VII Exceptional items	-	-	-
VIII Profit before extraordinary items and tax (VI - VII)		<b>(81,394.66)</b>	<b>(8,294.67)</b>
IX. Extraordinary Items		-	-
X Profit before tax (VIII- IX)		<b>(81,394.66)</b>	<b>(8,294.67)</b>
XI. Tax Expense			
a. Current tax		(18.47)	44.01
b. Deferred tax/ (Reversal)		(134.58)	(129.39)
		<b>(153.06)</b>	<b>(85.38)</b>
XII Profit / (Loss) for the period before Minority Interest & share of profit of Associate		(81,241.61)	(8,209.30)
XIII Minority Interest		(25.29)	(24.66)
XIV Profit for the period		(81,216.31)	(8,184.64)
XV Earnings per equity share:			
a. Basic		(89.97)	(9.08)
b. Diluted		(89.83)	(9.07)
Summary of Significant Accounting Policies	2		

The accompanying notes form an integral part of the Financial Statements

As per our report of even date

**For and on behalf of**  
**BORKAR & MUZUMDAR**  
Chartered Accountants

**For and on behalf of the Board of Directors**  
**Pankaj Kumar**  
Chairman

**Kiran Kulkarni**  
Managing Director

FRN : 101569w

**Rajesh Batham**  
Partner  
Membership Number:035941  
Firm Regn No.  
Place : Mumbai  
Date : 17th April, 2014



## Consolidated Cash Flow Statement for the Period ended 30th June, 2013 (All amounts Rupees in lac unless otherwise stated)

	For the period ended	
	2012-13	2011-12
<b>A. Cash flow From Operating Activities:</b>		
<b>Net Profit before Tax and prior period adjustments</b>	(81,477.76)	(8,324.43)
<b>Adjustment for</b>		
- Depreciation / Amortisation	10,877.94	16,535.86
- Prior Period Adjustments / Taxation	83.10	29.76
- Increase in stock of finished goods & Raw Material	11,549.91	(20,905.14)
- Miscellaneous Expenditure written off	152.41	357.58
- Loss / (Profit) on Forward Contracts	1,757.02	7,680.61
- Loss / (Profit) on sale of Fixed Assets (Net)	11.39	0.45
- (Profit) / Loss on sale of current investments (Net)	(1.46)	(90.04)
- Foreign Exchange (Gain) / Loss (Net)	(11,162.68)	(7,910.99)
- Dividend Income	(0.55)	(40.14)
- Interest Income	(131.77)	(909.72)
- Interest Expenses	8,289.10	6,644.46
- Bad Debts written off / Provision for bad debt	119,159.74	9,203.54
- Balances written off / Advances written off / written back	(49,439.11)	2,163.66
- Investments written off / Diminution in value of investments	70.41	-
<b>Operating Profit before Working Capital Changes</b>	<b>9,737.68</b>	<b>4,435.44</b>
<b>Movements in working capital :</b>		
Decrease / (Increase) in sundry debtors	14,152.18	(11,728.65)
Decrease / (Increase) in loans & advances	11,018.38	(23,607.36)
Decrease / (Increase) in other current assets	143.52	422.55
(Decrease) / Increase in provision for leave encashment and gratuity	30.99	1.48
Decrease / (Increase) in inventory	11,653.15	(21,861.25)
(Decrease) / Increase in current liabilities	(56,867.23)	90,538.00
<b>Cash Generated From Operations</b>	<b>(10,131.31)</b>	<b>38,200.21</b>
Direct Tax Paid (net of refunds)	25.08	(192.59)
<b>Net Cash from / (used in) Operating Activities</b>	<b>(10,106.24)</b>	<b>38,007.61</b>
<b>B. Cash flow From Investing Activities:</b>		
- Purchase of Fixed Assets	(62.11)	(25,304.33)
- Sale of Fixed Assets	27.98	6.65
- (Purchase) / Sale of Current Investment (Net)	(102,853.46)	268.61
- (Purchase) / Sale of Current Investment (Net)	-	88.74
- Share application money transferred to equity / (paid)	50.00	-
- Effect of cross currency exchange rates on consolidation	(648.91)	(23,966.26)
- Intercorporate Deposits redeemed / (given)	-	1,604.67
- Investment in Subsidiaries	22.32	-
- Profit / (Loss) on sale of current investments (Net)	1.46	(0.42)
- Interest Received	131.77	57.75
- Dividend Received	0.55	40.14
- (Loss) / Profit on Forward Contracts	(321.85)	(847.75)
<b>Net Cash from / (used in) Investing Activities</b>	<b>(103,652.24)</b>	<b>(48,052.20)</b>

**Consolidated Cash Flow Statement (Contd.)** for the Period ended 30th June, 2013  
(All amounts Rupees in lac unless otherwise stated)

	For the period ended	
	2012-13	2011-12
<b>C Cash flow From Financial Activities:</b>		
- Proceeds from long term borrowings	743.56	-
- Repayment of Long term Borrowings	-	(0.67)
- Dividend Paid	-	(1,261.98)
- Interest Paid	(914.90)	(2,525.90)
- Tax on Dividend paid	-	(209.60)
<b>Net Cash from / (used in) Financial Activities</b>	<b>(171.34)</b>	<b>(3,998.15)</b>
Net Increase /Decrease in Cash and Cash Equivalents (A+B+C)	(113,929.82)	(14,042.74)
Cash and Cash Equivalents at the beginning of the year	114,220.64	128,262.95
Cash and Cash Equivalents at the end of the year	<b>290.82</b>	<b>114,220.21</b>
Components of cash and cash equivalents as at:		
Cash and Cheques on hand	6.46	5.53
With Banks : in current account	250.20	1,018.54
in fixed deposit	34.16	113,196.57
	<b>290.82</b>	<b>114,220.64</b>

As per our report of even date

**For and on behalf of**  
**BORKAR & MUZUMDAR**  
Chartered Accountants

**For and on behalf of the Board of Directors**  
**Pankaj Kumar**  
Chairman

**Kiran Kulkarni**  
Managing Director

FRN : 101569w

**Rajesh Batham**  
Partner  
Membership Number:035941  
Firm Regn No.  
Place : Mumbai  
Date : 17th April, 2014



## Notes Forming Part of Consolidated Financial Statements

### 1 NATURE OF OPERATIONS:

The Company is in the business of offering concrete solutions in Communication and Collaboration, financial products and services, providing content delivery platforms for mobile services and in electronic computing. The Company continuously upgrades existing products and develops new products to keep ahead of the curve.

### PRESENTATION OF FINANCIAL STATEMENTS

A revised schedule VI format is introduced and made mandatory for preparation of financial statements beginning from April 2011. The revised schedule VI has classified the Assets and liabilities into Current and Noncurrent based on the Company's normal operating cycle and other criteria set out in the Schedule VI to the Companies Act, 1956. The Company has ascertained its operating cycle as 12 months for the purpose of current – noncurrent classification of assets and liabilities, based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

### 2 STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES

#### a. Principles of Consolidation:

The consolidated financial statements are related to Geodesic Limited (the Company) and its subsidiary companies. The Company and its subsidiaries constitute the group. The consolidated financial statements have been prepared on the following basis:

- i. The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together book value of like items of assets, liabilities, income and expenses, after fully eliminating intra group balances and intra group transactions as per Accounting Standard 21 "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India ("AS 21"). Unrealised profits, if any, resulting from intra group transactions including in carrying amount of assets are eliminated in full. Unrealised losses, if any resulting from intra group transactions that are deducted in arriving at the carrying amount of assets are also eliminated unless cost cannot be recovered.
- ii. The consolidated financial statements have been prepared using uniform policies for like transactions and other events in similar circumstances and are presented to the extent possible in the same manner as the company's financial statements.
- iii. The excess of cost of investments of the Company in subsidiaries over its share of equity in the subsidiary, is recognised as goodwill and the excess of share in equity of the subsidiary over the cost of investment to the Company is recognised as capital reserve.
- iv. Minority interest in the net assets of the subsidiaries consists of the amount of share in equity attributable to the minority shareholders at the date on which investments are made by the Company in the subsidiary Companies and further movements in their share in the equity subsequent to the date of investments.
- v. The group uses the Indian Rupee (₹) as its reporting currency. The financial statements of the foreign subsidiaries have been translated into Indian Rupees at the average exchange rate for the said period for profit and loss items and at the closing rate as at the period ended for assets and liabilities. The exchange difference arising on translation of financial statements of foreign subsidiaries into Indian Rupees is disclosed as Foreign Currency Translation Reserve under Reserves and Surplus.

#### b. Accounting Conventions:

##### i. Basis of Preparation of Financial Statements:

Financial Statements of the Company are prepared under the historical cost convention as per Generally Accepted Accounting Principles in the respective Countries where the Company or respective subsidiary operates and on-going concern basis, with revenues recognised and expenses accounted for on their accrual. 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.

##### ii. Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires the Management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosures of contingent liabilities as of the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Difference between actual results and estimates are recognised in the period in which the results are known/ have materialised.

#### c. Revenue Recognition:

- i. The revenue recognition policy in case of the parent Company and other subsidiaries dealing in software is as follows:

## Notes Forming Part of Consolidated Financial Statements (Contd.)

### Licensing Income

Revenue from sale of user licenses for software applications is recognised only after the title in the user license is transferred on obtaining confirmation from the customer as per the terms of the agreement.

### Software Sales

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and no significant uncertainty exists as to its ultimate realisation or collection.

### Product Sales

The Company recognises the sale of hardware devices on shipment and acceptance of the same to the customer.

### Services

Annual Technical / Maintenance Services revenue is accrued over the period of the contract.

### Provision for Bad Debts

The Company earlier followed a policy of making provision for bad and doubtful debts based on its review of sundry debtors outstanding as on the date of Balance Sheet. However from the current year the Company has revised a policy of making provision for bad and doubtful debts as on the date of Balance Sheet in respect of all debts for sales and services, which are outstanding for more than 2 years.

### Interest

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

### Dividend Income

Revenue is recognised when the right to receive the same is established as at the Balance Sheet Date.

### Other Income

Other Income is accounted on accrual basis as and when the right to receive arises.

## ii. The revenue recognition policy of Chandamama India Limited, the Indiansubsiary, engaged in the business of publication is as follows:

### Sale of Products

Sales are recognised on transfer of significant risks and rewards in connection with the ownership at the time of dispatch of goods, sales are recorded net of trade discounts and rebates.

The actual returns of unsold copies are reduced from the sales.

Subscription sales are recognised on proportionate basis over the period of subscription.

Revenue from syndication is recognised when the work is performed.

Advertisement sales are recognised in the month in which publication is printed. Revenues are accounted net of commission/ discounts to the advertising agencies.

### Other Income

#### Interest

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

#### Dividend Income

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

#### Government Grant

The Government grant related to promotion of Sanskrit is recognised in the statement of profit & loss account as other income when the grant becomes receivable. Other government grants are recognised initially as deferred income at the fair value when there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant, and then recognised in profit or loss as other Income on a systematic basis over the useful life of the asset.

Grants that compensate the expenses incurred are recognised in profit or loss as other income on a systematic basis in the periods in which the expenses are recognised.

#### Other items of Income

Other Income is accounted on accrual basis as and when the right to receive the same arises.



## Notes Forming Part of Consolidated Financial Statements (Contd.)

iii. **The revenue recognition policy of Filmorbit.Com India Private Limited, the Indian subsidiary, engaged in the business of publication is as follows:**

**Sale of Services**

The Company recognises the sale of content from its website as and when it is downloaded on payment through e-commerce.

**Other Income**

**Interest**

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

iv. **The revenue recognition policy of Geodesic Gridpoint Energy Pvt. Ltd., the Indian subsidiary, engaged in the business of Infrastructure is as follows:**

**Sale of Goods**

Revenue from sale of goods is recognised in profit and loss when the significant risks and rewards in respect of ownership of goods has been transferred to the buyer as per the terms of the respective sales order, and the income can be measured reliably and is expected to be received. Sales are recognised on transfer of significant risks and rewards in connection with the ownership at the time of dispatch of goods, sales are recorded net of trade discounts and rebates.

**Construction Contract**

Contract revenue and contract cost associated with the construction of road are recognised as revenue and expenses respectively by reference to the stage of completion of the projects at the balance sheet date. The stage of completion of project is determined by the proportion that contract cost incurred for work performed up to the balance sheet date bears to the estimated total contract costs. If total cost is estimated to exceed total contract revenue, the company provides for foreseeable loss.

d. **Fixed Assets, Intangible Assets and Work In Progress:**

i. **Fixed Assets**

Fixed assets are stated at cost, less accumulated depreciation and impairment losses, if any, thereon. Cost comprises the purchase price and any cost attributable to bringing the asset to its intended location and in working condition for its intended use.

ii. **Intangible Assets**

The costs related to development of a new base software are capitalised along with related implementation costs and are classified under Intangible Assets as per AS-26. Its enduring useful life is reasonably estimated by the management.

iii. **Capital Work In Progress**

Revenue expenditure incurred on further research for development / on up-gradation of the existing software is charged to Profit and Loss Account in the period in which it is incurred. Costs incurred for acquiring of software rights and development of new software are recognised as internally generated software and transferred to Capital WIP till the product is launched.

iv. **Leasehold improvements:**

Leasehold improvements are written off from the date they are put to use over the remaining period of the primary lease.

e. **Depreciation:**

Depreciation on other fixed assets in the case of the Company is provided for as per written down value method and in case of the Indian Subsidiary as per Written down value and Straight Line Method at the rates specified in Schedule XIV to the Companies Act, 1956. In case of the subsidiaries of the Company at Hong Kong and Mauritius, the depreciation is provided at the Straight Linemethod in order to amortise the cost of each asset over its estimated useful life.

Depreciation and capital work-in-progress is charged so as to write-off the cost of the assets on the following basis:

**Geodesic Limited (standalone)**

Leasehold Improvements	Straight Line	Lease period
Goodwill	Straight Line	33.33%
Computers	Written down value	40%
Vehicles	Written down value	25.89%
Furniture & Fixtures	Written down value	18.10%
Office Equipment	Written down value	13.91%



**Notes Forming Part of Consolidated Financial Statements (Contd.)**

Testing & Tooling Software	Written down value	40%
Other Software	Written down value	40%
Software with one year licence	Written down value	100%
Internally generated software	Straight Line	25%
Patent	Straight Line	10%

**Chandamama India Limited**

Leasehold Improvements	Straight Line	Lease period
Computers	Straight Line	16.21%
Vehicles	Straight Line	7% to 9.50%
Furniture & Fixtures	Straight Line	6.33%
Office Equipment	Straight Line	4.75%

**Filmorbit.Com India Pvt. Ltd.**

Computer-Hardware	Written down value	40%
Web Portal	Straight Line	25%

**Geodesic Gridpoint Energy Pvt. Ltd.**

Computer-Hardware	Written down value	40%
Office Equipment	Written down value	13.91%
Other Software	Written down value	40%
Vehicle	Written down value	25.89%

**Geodesic Technology Solutions Limited**

Computers	Straight Line	25%
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**Geodesic Holdings Limited**

Computer Equipment	Straight Line	20%
Furniture & Equipment	Straight Line	30%
Office Equipment	Straight Line	10%
Goodwill	Straight Line	33.33%

**f. Inventory:**

Inventories of Chandamama India Ltd. (Indian subsidiary) are valued at cost or market value whichever is lower. Cost considered for valuation of inventories is Weighted Average Cost. The stock of paper, books and magazines is as certified by the Management.

**Work in Process:**

Company is in process of preparing animation film for which Company has incurred an expense of ₹184,92,485 during the FY 2011-2012, The said expenses have not been considered as expenses and the same have been treated as Stock WIP (Multimedia).

Closing stock of finished goods of GeoAmida is valued at cost or net realisable value, whichever is lower. Cost is determined using First-in-First-Out method. Work in progress is valued at cost. Stock in transit is valued at cost.

**g. Impairment of Assets:**

The Company assesses at each balance sheet date whether there is any indication that an asset including goodwill may be impaired. In case of such indication, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs to is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Profit and Loss Account. If at the Balance Sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

In respect of development costs and goodwill the impairment loss will be reversed only when it is caused by specific external events and their effects have been reversed by such subsequent external events.



## Notes Forming Part of Consolidated Financial Statements (Contd.)

### h. Investments:

Investments that are intended to be held for a period of not more than a year at the time of purchase are classified as a Current Investment. All other investments are classified as Long Term Investments. 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 the provision for diminution in value is made to recognise a decline other than temporary in the value of long term investments.

### i. Leases:

Finance lease payments are apportioned between the finance lease charges and the reduction of the outstanding lease liability. The finance lease charges are recognised in the Profit and Loss Account.

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

### j. Foreign Currency Transactions:

The Company is exposed to currency fluctuations on foreign currency transactions.

#### 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.

#### Conversion

Foreign currency monetary items are converted into reported currency on the balance sheet date using the closing rate.

#### Exchange Difference

The difference between the rate at which foreign currency transactions are accounted and the rate at which they are realised / settled, is recognised in the Profit and Loss Account.

The Company uses foreign exchange forward and option contracts to hedge its exposure to movements in foreign exchange rates. The use of these foreign exchange forward and option contracts reduce the risk or cost to the Company and the Company does not use those for trading or speculation purposes.

Exchange differences on such contracts are recognised in the Profit and Loss Account in the period 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 period.

Effective from 1st January, 2011 the Company has adopted AS 30 and 32 Financial Instrument (Recognition and Measurement) Accounting Standards as prescribed by ICAI. The forward exchange contracts entered into, to hedge the foreign currency risk of a firm commitment or a highly probable transaction are marked to market at the end of the period and the gains and losses arising therein are included in the results of the operations and the same are reflected in the Hedge Reserve Account until the transaction is complete.

### k. Retirement Benefits:

The Company provides for gratuity, a defined benefit retirement plan (the "Gratuity Plan") covering eligible employees. In accordance with the Payment of Gratuities Act, 1972, the Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation as of the Balance Sheet date, based upon which, the Company contributes all the ascertained liabilities to the LIC Gratuity Fund. Liabilities with regard to Leave Encashment are determined by actuarial valuation as of the Balance Sheet date, based upon which, the Company contributes to the LIC Leave Encashment Fund.

### l. Income Taxes:

Income tax comprises of current tax provision and the net change in the deferred tax. Current tax provision is made in accordance with the Income Tax Act, 1961.

Minimum Alternative Tax (MAT) paid in accordance to the tax laws, which gives rise to the future economic benefits in the form of adjustment of future income tax liabilities, is considered as an asset if there is convincing evidence that the Company will pay normal

## Notes Forming Part of Consolidated Financial Statements (Contd.)

income tax after the tax holiday period. The tax effect of temporary differences between the book profit and taxable profit are reflected through Deferred Tax Asset / Deferred Tax Liability.

The Company has started operations in SEEPZ from end of September 2008, which is a SEZ and which is entitled to 100% tax holiday under Section 10AA of the Income Tax Act, 1961 until March 2019. As a result, deferred tax, arising out of timing differences originating and reversing during the tax holiday period, is recognised.

The Company started manufacture of GeoAmida in F.Y. 2009-10 at their unit in Roorkee in, Uttaranchal, which is located in a tax free zone eligible for tax holiday under section 80(l)C of the Indian Income tax Act, 1961 until March 2019. As a result, deferred tax, arising out of timing differences originating and reversing during the tax holiday period, is recognised in the books.

In case of foreign subsidiaries, tax provision has been made in accordance with the tax laws prevailing in those countries.

### m. 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 dividend and attributable taxes) by the weighted number of equity shares outstanding during the period. The weighted number of equity shares outstanding during the period are adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split and reverse share split (consolidation of shares). 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.

### n. Miscellaneous Expenditure:

Preliminary Expenses are amortised equally over a period of ten years. Share / Bond Issue Expenses and Deferred Revenue Expenses are amortised equally over a period of five years.

### o. Segment Reporting:

#### Primary Business Segment

The Company is primarily engaged in a single business segment of software product sale and related consultancy services, and accordingly, there is only one reportable segment.

#### Geographical Segment

Secondary segmental reporting is based on the geographical location of customers. The geographical segment has been disclosed on the revenues within India and revenues outside India.

### p. Employee Stock Compensation Cost:

Measurement and disclosure of the employee share based payment plans is done in accordance with the Guidance Note on Accounting for Employee share based payments, issued by the Institute of Chartered Accountants of India. The Company measures compensation cost relating to employee stock options using the intrinsic value method. Compensation expense is amortised over the vesting period of the option on a straight line basis.

### q. Borrowing Costs:

AS 16 requires the Company to provide for borrowing costs which may include exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs. The Company conservatively provides for interest on the FCCB at the notional interest rate as specified in the Term Sheet. The notional interest charge for the period is adjusted for exchange rate fluctuation by applying the closing exchange rate and the corresponding effect is given to the provision for interest on Bonds.

### r. Provision and Contingent Liabilities:

Provision is recognised when the Company has a present obligation as a result of past events and 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 management 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 management estimates.



## Notes Forming Part of the Consolidated Financial Statements

### 3 SHARE CAPITAL

A The authorised, issued, subscribed and fully paid-up share capital comprises of equity shares of ₹2 each and redeemable preference shares having a par value of ₹10 each as follows:

Share Capital	As at 30 June 2013		As at 30 June 2012*	
	Number	₹ in lac	Number	₹ in lac
<b>(a) Authorised</b>				
(i) Equity Shares of ₹2 each	1,500.00	3,000.00	1,500.00	3,000.00
(ii) Preference Shares of ₹10 each	50.00	500.00	50.00	500.00
<b>Total</b>	<b>1,550.00</b>	<b>3,500.00</b>	<b>1,550.00</b>	<b>3,500.00</b>
<b>(b) Issued Subscribed &amp; Fully paid up</b>				
(i) Equity Shares of ₹2 each	903.28	1,806.56	901.41	1,802.83
(ii) Preference Shares of ₹10 each	-	-	-	-
<b>Total</b>	<b>903.28</b>	<b>1,806.56</b>	<b>901.41</b>	<b>1,802.83</b>

### B Reconciliation of number of shares

Particulars	As at 30 June 2013		As at 30 June 2012*	
	Number	₹ in lac	Number	₹ in lac
<b>Equity Shares</b>				
(i) Shares outstanding at the beginning of the year	901.41	1,802.83	901.41	1,802.83
(ii) Shares Issued during the year	1.86	3.73	-	-
(iii) Shares bought back during the year	-	-	-	-
(iv) Shares outstanding at the end of the year	903.28	1,806.56	901.41	1,802.83

### C Rights, preferences and restrictions attached to Equity Shares:

The Company has only one class of equity shares having par value of ₹2 per share. Each holder of equity shares is entitled to one vote per share. The dividend if any proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

### D The details of Shares in the Company held by each shareholder holding more than 5% Shares specifying the number of shares is as follows

Name of Shareholder	As at 30 June 2013		As at 30 June 2012*	
	No. of Shares held (In lac)	% of Holding	No. of Shares held (In lac)	% of Holding
a. Pankaj Kumar			9,705,050.00	10.77%
b. Kiran Kulkarni			9,848,808.00	10.93%
c. Fidelity Puritan Trust-Fidelity Low-Priced Stock Fund	4,873,000.00	5.39%	4,873,000.00	5.41%
d. Genesis Indian Investment Company Limited General Sub Fund	5,839,934.00	6.47%	5,870,442.00	6.51%
<b>Total</b>	<b>10,712,934</b>	<b>11.86%</b>	<b>30,297,300</b>	<b>33.62%</b>

## Notes Forming Part of the Consolidated Financial Statements (Contd.)

### E Shares allotted as fully paid up pursuant to contract(s) without payment being received in cash : (during 5 years immediately preceding June 30, 2013)

- i The company has issued 6,83,358 Equity Shares in last 5 years under Employees Stock Option Plan as consideration for services rendered by employees. The yearwise bifurcation is as follows

For the Financial Year	No of Shares issued
2007-2008	589,948
2008-2009	62,035
2009-2010	28,825
2010-2011	2,550
2011-2012	-
	<b>683,358</b>

### F Shares allotted as fully paid up by way of bonus shares (during 5 years preceding June 30, 2012)

The Company allotted 3,03,89,788 equity shares as fully paid up bonus shares by utilisation of Securities premium reserve on September 03, 2007 pursuant to a shareholder's resolution passed by postal ballot on July 23, 2007.

## 4 RESERVES AND SURPLUS

Reserves and surplus consist of the following reserves:

Particulars	As at 30 June 2013	As at 30 June 2012*
	₹ in lac	₹ in lac
<b>a. Securities Premium Account</b>		
Opening Balance	14,479.71	14,479.71
Add: Securities premium credited on Share issue	46.27	-
<b>Closing Balance</b>	<b>14,525.98</b>	<b>14,479.71</b>
<b>b. Hedge Reserve Account</b>		
Opening Balance	7,821.47	988.61
Add: Additions during the year	(7,714.60)	6,832.86
<b>Closing Balance</b>	<b>106.88</b>	<b>7,821.47</b>
<b>c. General Reserve</b>		
Opening balance	10,320.94	8,016.54
(+) Transfer from Reserves	-	2,304.40
<b>Closing Balance</b>	<b>10,320.94</b>	<b>10,320.94</b>
<b>d. Foreign currency translation reserve</b>		
Opening balance	20,515.36	(3,450.91)
Add: For the year	648.90	23,966.26
	21,164.27	20,515.36



## Notes Forming Part of the Consolidated Financial Statements (Contd.)

### 4 RESERVES AND SURPLUS (Contd.)

Reserves and surplus consist of the following reserves:

Particulars	As at 30 June 2013	As at 30 June 2012*
	₹ in lac	₹ in lac
<b>e. Capital Reserve</b>		
Opening balance	-	1.49
(+) Additions during the year	-	-
	-	1.49
(-) Adjusted against goodwill	-	1.49
		-
<b>f. Fair Value Reserves</b>		
Opening balance	40.51	21.83
(+) For the year	(40.51)	(62.34)
<b>Closing balance</b>	<b>-</b>	<b>(40.51)</b>
<b>g. Legal And Volunteer Reserve</b>		
Opening balance	125.61	119.53
For the year	-	6.08
	<b>125.61</b>	<b>125.61</b>
Pre - acquisition profit	1,137.07	1,025.00
<b>h. Surplus</b>		
Opening balance	78,846.91	91,873.39
Add: Net Profit/(Net Loss) For the current year	(81,216.31)	(8,184.64)
	<b>(2,369.41)</b>	<b>83,688.76</b>
<b>Less: Appropriations</b>		
(-) Transfer to Reserves	20.39	2,536.96
(-) Paid / Proposed Dividends Plus Tax thereon	-	2,304.89
<b>Closing Balance</b>	<b>(2,389.80)</b>	<b>78,846.91</b>
<b>Total</b>	<b>44,990.94</b>	<b>133,094.48</b>

### 5 LONG TERM BORROWINGS

Particulars	As at 30 June 2013	As at 30 June 2012*
	₹ in lac	₹ in lac
<b>Secured</b>		
a Car Loan	4.45	7.20
Term Loan - HDFC Bank (against corporate guarantee of holding company, Geodesic Ltd)	-	8.33
<b>Unsecured</b>		
a Loan from Director	863.64	97.50
Loan from Group Companies	-	11.50
<b>Total</b>	<b>868.09</b>	<b>124.53</b>

## Notes Forming Part of the Consolidated Financial Statements (Contd.)

### 6 Deferred Tax Liabilities (Net)

Major components of deferred tax balances consist of the following:

Particulars	As at 30 June 2013	As at 30 June 2012*
	₹ in lac	₹ in lac
<b>A Deferred Tax Liability</b>		
-Difference due to book and tax depreciation (post tax holiday)	0.08	75.54
-Difference due to book and tax depreciation	0.21	1.21
	<b>0.29</b>	<b>76.75</b>
<b>B -Deferred Tax Assets</b>		
-Disallowances u/s 43 (B) of Income Tax Act	-	0.07
-Disallowances u/s 40 a of Income Tax Act	-	65.73
-Difference due to book and tax depreciation	-	20.43
-Preliminary expenses	-	0.21
	-	<b>86.44</b>
<b>Total</b>	<b>0.29</b>	<b>(9.69)</b>

### 6A OTHER LONG TERM LIABILITIES

Particulars	As at 30 June 2013	As at 30 June 2012*
	₹ in lac	₹ in lac
<b>A</b> Trade Deposits from Agents	20.10	22.64
<b>B</b> Income received in advance - Subscription sales	38.13	16.84
<b>Total</b>	<b>58.23</b>	<b>39.49</b>

### 7 LONG TERM PROVISIONS

Particulars	As at 30 June 2013	As at 30 June 2012*
	₹ in lac	₹ in lac
<b>A</b> Provision for employee benefits		
Gratuity ( Net of Funds)	27.14	6.05
Leave Encashment (Net of Funds)	15.95	6.05
<b>B</b> Provision for Taxation ( Net of Advance Tax)	-	-
<b>Total</b>	<b>43.09</b>	<b>12.10</b>

### 8 SHORT TERM BORROWINGS

Particulars	As at 30 June 2013	As at 30 June 2012*
	₹ in lac	₹ in lac
<b>1 Secured Loans</b>		
(a) Loans from Banks (secured against hypothecation of stocks, book debts and machinery)	-	7,000.00
Overdraft Loan - HDFC Bank Limited	49.70	43.67
<b>2 Unsecured Loans</b>		
Short Term Advances	-	19,473.72
Loans from Banks	22,190.05	-
Loans from Other Body Corporates	309.00	-
Advance from Directors / Others	-	159.80
Temperory Overdrafts from Bank	5,561.62	321.30
<b>Total</b>	<b>28,110.38</b>	<b>26,998.49</b>



## Notes Forming Part of the Consolidated Financial Statements (Contd.)

### 9 TRADE PAYABLES

Particulars	As at 30 June 2013	As at 30 June 2012*
	₹ in lac	₹ in lac
1 Sundry Creditors	16,046.40	5,971.01
<b>Total</b>	<b>16,046.40</b>	<b>5,971.01</b>

### 10 OTHER CURRENT LIABILITIES

Particulars	As at 30 June 2013	As at 30 June 2012*
	₹ in lac	₹ in lac
(a) Current maturities of Term Loan	11.08	44.41
(b) Current maturities of Zero Coupon Bonds	92,960.46	82,701.85
(c) Income Received in Advance	24.70	48.98
(d) Statutory Liabilities		
i) Service Tax Payable	15.85	28.99
ii) VAT Payable	89.19	49.59
iii) TDS Payable	330.24	73.70
(e) Unpaid Dividend	11.23	12.55
(f) Unclaimed Share Application Money	-	15.68
(g) Other Current Liabilities	3.25	2,821.39
(h) Advance From Debtors	183.51	1,356.34
(i) Advance For Software Development	77.84	82.49
(j) Leave Salary Payable	4.45	0.32
(k) Gratuity Payable	15.64	1.16
(l) Credit Card Dues Payable	39.80	15.46
(m) Creditors for expense	258.43	-
(n) Advance for Investment	16.78	-
(o) Other Advances	1,034.42	-
(p) Provision for Expenses	1,590.23	341.63
(q) Dues to financial Institution	8,005.30	-
<b>Total</b>	<b>104,672.42</b>	<b>87,594.54</b>

### 11 SHORT TERM PROVISIONS

Particulars	As at 30 June 2013	As at 30 June 2012*
	₹ in lac	₹ in lac
<b>(a) Provision for employee benefits</b>		
(i) Salary & Reimbursements	1,042.33	234.59
(ii) Contribution to PF	250.35	50.76
(iii) EDIS Payable (PF)	1.44	0.28
(iv) Profession Tax	6.32	1.94
(v) ESIC	1.44	0.76
(vi) Gratuity	4.56	-
(vii) Leave Encashment	1.92	-
(viii) Labour Welfare Fund	0.01	0.13
<b>(b) Others</b>		
(i) Provision for Taxation ( Net of Advance Taxes)	-	(430.15)
(ii) Proposed Dividend plus tax thereon	2,095.29	2,095.29
(iii) Provision for Expenses	-	749.81
<b>Total</b>	<b>3,403.66</b>	<b>2,703.42</b>



## Notes Forming Part of the Consolidated Financial Statements (Contd.)

### 12 FIXED ASSETS

Fixed Assets	Gross Block				Accumulated Depreciation				Net Block		
	Balance as at 1 July 2012	Additions/ (Disposals)	Capitalised During the year out of WIP	Revaluations/ (Impairments)	Balance as at 30 June 2013	Depreciation charge for the year	Adjustment due to revaluations	On disposals	Balance as at 30 June 2013	Balance as at 30 June 2012	
	₹ in lac	₹ in lac	₹ in lac	₹ in lac	₹ in lac	₹ in lac	₹ in lac	₹ in lac	₹ in lac	₹ in lac	
<b>a Tangible Assets</b>											
Land (Leasehold Improvements)	659.89	(192.90)	-	-	467.00	308.79	40.33	-	146.94	320.06	351.11
Plant & Machinery	48.52	0.22	-	-	48.75	7.45	5.71	-	131.16	35.59	41.07
Computer	36,461.42	(105.16)	-	-	36,356.25	9,746.55	8,448.49	-	100.57	1,826,179	26,714.87
Furniture and Fixtures	151.90	(4.61)	-	-	147.29	108.68	7.77	-	2.89	113.56	33.73
Vehicles	86.14	(37.80)	-	-	48.34	69.40	4.15	-	35.02	38.53	9.81
Office equipment	301.55	(59.39)	-	-	242.16	131.94	22.34	-	31.84	122.45	169.60
<b>b Transfer to CWIP</b>	-	-	-	-	-	-	(710)	-	-	-	-
<b>Total</b>	<b>37,709.42</b>	<b>(399.65)</b>	<b>-</b>	<b>-</b>	<b>37,309.77</b>	<b>10,372.81</b>	<b>8,521.69</b>	<b>-</b>	<b>372.51</b>	<b>18,529.10</b>	<b>18,780.68</b>
<b>c Intangible Assets</b>											
Goodwill	14,312.02	-	-	-	14,312.02	13,178.51	635.00	-	-	13,813.51	498.51
Computer software	1,051.06	50.13	-	-	1,101.19	657.80	84.93	-	-	742.73	358.46
Copyrights, and patents and other intellectual property rights, services and operating rights	1,622.99	-	-	-	1,622.99	7.36	1.58	-	-	8.94	1,614.05
Testing & Tooling Software	6,932.96	-	-	-	6,932.96	6,144.50	315.39	-	-	6,459.88	473.08
Internally Generated Software	6,977.31	(62.67)	-	-	6,914.65	4,381.09	1,319.01	-	22.15	5,677.95	1,236.69
Leasehold Improvement	9.84	-	-	-	9.84	950	0.34	-	-	9.84	-
<b>Total</b>	<b>30,906.19</b>	<b>(12.54)</b>	<b>-</b>	<b>-</b>	<b>30,883.81</b>	<b>24,378.77</b>	<b>2,356.24</b>	<b>-</b>	<b>22.15</b>	<b>26,703.02</b>	<b>4,180.79</b>
<b>d Capital Work in Progress</b>											
Products Under Development	1,090.82	450.13	-	-	1,540.96	-	-	-	-	-	1,540.96
<b>Grand Total</b>	<b>69,706.44</b>	<b>37.95</b>	<b>-</b>	<b>-</b>	<b>69,734.54</b>	<b>34,751.58</b>	<b>10,877.94</b>	<b>-</b>	<b>394.65</b>	<b>45,232.12</b>	<b>24,502.43</b>
<b>Previous Year Figures</b>	<b>21,594.10</b>	<b>(4,703.46)</b>	<b>-</b>	<b>0.70</b>	<b>8,817.21</b>	<b>3,775.98</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>34,751.58</b>	<b>34,956.52</b>



## Notes Forming Part of the Consolidated Financial Statements (Contd.)

### 13 NON CURRENT INVESTMENTS

Particulars	As at 30 June 2013	As at 30 June 2012*
	₹ in lac	₹ in lac
<b>Investment in:</b>		
<b>a Fully paid up Equity instruments ( Quoted)</b>		
997(PY 997) Shares of ₹10 each Indraprastha Gas Ltd	-	1.00
<b>b Fully paid up Equity instruments ( Unquoted)</b>		
ITM Digital Pvt Ltd	1.00	1.00
<b>c Associate - Republique Media Pvt Ltd</b>		0.50
<b>d Other Investments</b>	49,102.13	347.78
<b>Total</b>	<b>49,103.13</b>	<b>350.28</b>

### 13A

Particulars	As at 30 June 2013	As at 30 June 2012*
	₹ in lac	₹ in lac
Aggregate amount of quoted investments	-	-
Aggregate amount of unquoted investments	90,410.24	348.78

### 14 DEFERRED TAX ASSET(Net)

Major components of deferred tax balances consist of the following:

Particulars	As at 30 June 2013	As at 30 June 2012*
	₹ in lac	₹ in lac
<b>A Deferred Tax Assets</b>		
-Disallowances u/s 43 (B) of Income Tax Act	0.86	-
-Disallowances u/s 40 a of Income Tax Act	238.06	-
-Preliminary expenses	0.21	-
-Difference due to book and tax depreciation	0.28	-
	<b>239.41</b>	-
<b>B Deferred Tax Liability</b>		
-Difference due to book and tax depreciation (post tax holiday)	95.07	-
	<b>95.07</b>	-
<b>Total</b>	<b>144.34</b>	-

### 15 LONG TERM LOANS AND ADVANCES

Particulars	As at 30 June 2013	As at 30 June 2012*
	₹ in lac	₹ in lac
<b>A Capital Advances</b>		
Advance towards Patent & Trademark applications	31.00	27.16
Advance towards Property acquisition	-	550.00
Advance for ACMR Projects	50.96	12.09
Advance for MSSEDCL Projects	-	10.19
Advance towards acquisition	106.46	112.62
	<b>188.42</b>	<b>712.06</b>

## Notes Forming Part of the Consolidated Financial Statements (Contd.)

### 15 LONG TERM LOANS AND ADVANCES (Contd.)

Particulars	As at 30 June 2013	As at 30 June 2012*
	₹ in lac	₹ in lac
<b>B Security Deposits</b>		
Secured, considered good	-	-
Unsecured, considered good	113.54	145.27
	<b>113.54</b>	<b>145.27</b>
<b>C Loans and advances to related parties</b>		
Secured, considered good	-	-
Unsecured, considered good	18.38	138.77
	<b>18.38</b>	<b>138.77</b>
<b>D Others</b>		
Inter Corporate Deposits	2,665.70	2,592.82
Balance with Revenue Authorities	65.46	-
Advance Tax (Net of Provision for Taxes)	379.28	-
	<b>3,110.44</b>	<b>2,592.82</b>
<b>Total</b>	<b>3,430.79</b>	<b>3,588.92</b>

### 16 OTHER NON-CURRENT ASSETS

Particulars	As at 30 June 2013	As at 30 June 2012*
	₹ in lac	₹ in lac
<b>Unamortised Expenses :</b>		
a. Bond Issue Expenses	0.01	-
b. Share Issue Expenses	0.04	-
<b>Total</b>	<b>0.05</b>	<b>-</b>

### 17 CURRENT INVESTMENTS

Particulars	As at 30 June 2013	As at 30 June 2012*
	₹ in lac	₹ in lac
<b>Investment in:</b>		
<b>Mutual Funds ( Unquoted)</b>		
<b>A Income Funds:</b>		
JM Advantage Arbitrage Fund-Dividend Plan Nil (P.Y. 675887.927) units, Face Value ₹10	-	1.16
<b>Total</b>	<b>-</b>	<b>1.16</b>
<b>B Liquid Funds:</b>		
JM Liquidity Fund	35.18	-
DWS Insta Cash Plus Fund	40.01	-
Peerless Liquid Fund	15.01	-
Axis Treasury Advantage - Inst DDR	-	1.55
Unquoted equity investment - Republique Media Pvt Ltd	0.50	-
Investment in hedge funds	54,012.62	-
<b>Total</b>	<b>54,103.33</b>	<b>2.71</b>



## Notes Forming Part of the Consolidated Financial Statements (Contd.)

### 18 INVENTORIES

Particulars	As at 30 June 2013	As at 30 June 2012*
	₹ in lac	₹ in lac
a Raw Materials and components	10,893.59	22,466.21
b Work-in-process	274.17	337.63
c Finished goods	43.61	91.48
d Stores & Spares	65.84	71.41
e Stock of Scrap Book & Magazines	16.13	8.46
f Goods in Transit	28.71	-
<b>Total</b>	<b>11,322.04</b>	<b>22,975.20</b>

### 19 TRADE RECEIVABLES

Particulars	As at 30 June 2013	As at 30 June 2012*
	₹ in lac	₹ in lac
<b>A</b> Trade receivables outstanding for a period less than six months from the date they are due for payment		
Secured, considered good	-	-
Unsecured considered good	14,384.20	25,834.14
Less: Provision for doubtful debts	-	-
	14,384.20	25,834.14
<b>B</b> Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Secured, considered good	-	-
Unsecured, considered good	148,786.42	33,207.00
Unsecured, considered doubtful	18.08	-
Less: Provision for doubtful debts	123,881.74	5,582.00
	24,922.76	27,625.00
<b>Total</b>	<b>39,306.96</b>	<b>53,459.14</b>

### 20 CASH AND BANK BALANCES

Particulars	As at 30 June 2013	As at 30 June 2012*
	₹ in lac	₹ in lac
<b>A Cash on hand</b>	<b>6.45</b>	<b>5.53</b>
Cheques on hand	0.01	-
<b>B Bank Balances</b>		
a. Balances with Current Account	238.97	1,018.54
b. Dividend Bank Accounts	11.23	-
c. Earnest Money Deposit	11.79	-
d. Demand Deposits (less than 12 months maturity)	-	256.33
e. Bank deposits with more than 12 months maturity	22.37	112,940.24
<b>Total</b>	<b>290.82</b>	<b>114,220.64</b>

**Notes Forming Part of the Consolidated Financial Statements (Contd.)****21 SHORT TERM LOANS AND ADVANCES**

Particulars	As at 30 June 2013	As at 30 June 2012*
	₹ in lac	₹ in lac
<b>A Loans and advances to related parties</b>		
Secured, considered good	-	-
Unsecured, considered good	0.16	1.14
Doubtful	-	-
	0.16	1.14
<b>B Prepaid Expenses</b>	8.80	53.72
<b>C Advance to Creditors</b>	927.77	28,339.99
<b>D Advance for Expenses</b>	2.50	-
<b>E Staff Loans</b>	17,343.26	285.75
<b>F Advance to Others</b>	5.00	0.26
<b>G Advance to Employees</b>	4.44	26.59
	18,291.77	28,706.30
<b>Total</b>	<b>18,291.93</b>	<b>28,707.44</b>

**22 OTHER CURRENT ASSETS**

Particulars	As at 30 June 2013	As at 30 June 2012*
	₹ in lac	₹ in lac
<b>A Accrued interest on Deposits</b>	0.02	0.02
<b>B Gratuity Claims Receivable</b>	9.55	-
<b>C Leave Salary Claims Pending- Receivable</b>	0.28	-
<b>D Unamortised Expenses :</b>	-	-
(i) Bond Issue Expenses	-	152.42
<b>Total</b>	<b>9.86</b>	<b>152.44</b>

**23 REVENUE FROM OPERATIONS**

Particulars	For the period ended	For the period ended
	30 June 2013	30 June 2012*
	₹ in lac	₹ in lac
a. Sale of products	20,754.23	23,370.10
b. Sale of Software	15,791.01	54,817.20
c. Sale of services	652.80	1,137.87
d. Other operating revenues	540.69	146.96
e. Less : Trade Discount	70.50	179.97
<b>Total</b>	<b>37,668.23</b>	<b>79,292.17</b>



## Notes Forming Part of the Consolidated Financial Statements (Contd.)

### 24 OTHER INCOME

Particulars	For the period ended	For the period ended
	30 June 2013	30 June 2012*
	₹ in lac	₹ in lac
a. Interest Income	131.77	909.72
b. Dividend Income	0.55	40.14
c. Net Gain on sale of investments	1.46	90.04
d. Net Gain on Exchange Fluctuation	3,448.08	7,906.33
e. Profit on Forward Contracts	1,757.02	-
f. Profit on Sale of Fixed Assets	7.29	-
g. Balances written back	49,570.36	12.57
h. Other non-operating income (net of expenses directly attributable to such income)	113.14	5.15
Grant received	0.96	3.84
i. Sale of scrap	17.00	-
<b>Total</b>	<b>55,047.63</b>	<b>8,967.80</b>

### EXPENSES

#### 25 Cost of Materials Consumed

Particulars	For the period ended	For the period ended
	30 June 2013	30 June 2012*
	₹ in lac	₹ in lac
Opening Inventory	22,537.65	759.07
Add: Purchases ( Net)	484.47	21,868.23
Less: Inventory at the end of the year	10,959.48	19,965.21
<b>Cost of raw materials consumed during the year</b>	<b>12,062.63</b>	<b>2,662.10</b>

#### 26 Changes in inventory of Finished Goods & Work in Progress

Particulars	For the period ended	For the period ended
	30 June 2013	30 June 2012*
	₹ in lac	₹ in lac
<b>Changes in inventory of Finished Goods</b>		
<b>A Stock at the beginning of the year</b>		
Stock of Amida	70.54	9.97
Stock of Books	20.92	42.50
Stock of Scrap Books & magazines	8.46	-
<b>Total A</b>	<b>99.92</b>	<b>52.47</b>
<b>B Stock at the end of the year</b>		
Stock of Amida	29.19	70.54
Stock of Books	14.37	-
Stock of Scrap Books & magazines	16.13	29.38
<b>Total B</b>	<b>59.69</b>	<b>99.92</b>
<b>Increase/Decrease in Stocks (A-B) I</b>	<b>40.23</b>	<b>(47.45)</b>

## Notes Forming Part of the Consolidated Financial Statements (Contd.)

### 26 Changes in inventory of Finished Goods & Work in Progress (Contd.)

Particulars	For the period ended	For the period ended
	30 June 2013	30 June 2012*
	₹ in lac	₹ in lac
<b>Changes in inventory of Work in Progress</b>		
<b>A Stock at the beginning of the year</b>		
Amida WIP	-	14.21
Sub Assembly	19.55	20.64
Animation Work in Progress	186.13	37.41
<b>Total A</b>	<b>205.68</b>	<b>72.26</b>
<b>B Stock at the end of the year</b>		
Amida WIP	-	-
Sub Assembly	89.24	19.55
Animation Work in Progress	184.92	186.13
<b>Total B</b>	<b>274.17</b>	<b>205.68</b>
<b>Increase/Decrease in Stocks (A-B) II</b>	<b>(68.49)</b>	<b>(133.42)</b>
<b>TOTAL (I + II)</b>	<b>(28.26)</b>	<b>(180.86)</b>

### 27 Other Direct Expenses

Particulars	For the period ended	For the period ended
	30 June 2013	30 June 2012*
	₹ in lac	₹ in lac
a. Software Development Expenses	17,050.69	35,750.27
b. Server Hosting Charges	80.40	202.91
c. Professional Charges Towards Operations	50.03	87.63
d. Electricity Charges	73.38	132.55
e. Communication & Telephone Expenses	113.52	193.92
f. Call Minutes/SMS purchased	51.06	127.92
g. Professional Charges-Govt of Maharashtra	11.44	-
h. Job Work Expenses	24.78	123.97
i. Printing Expenses	102.25	113.96
j. Editorial & Design expenses	17.81	34.33
k. Agency Commission	2.95	4.61
l. Typing charges	-	0.08
m. Web expenses	0.08	0.90
n. Labour charges	-	32.72
o. Wages & Salaries	-	1.67
p. Hire Charges	-	18.65
q. Freight Inward	-	9.70
r. Other Direct Expenses	38.76	273.71
<b>Total</b>	<b>17,617.15</b>	<b>37,109.50</b>



## Notes Forming Part of the Consolidated Financial Statements (Contd.)

### 28 Employee Benefits Expense

Particulars	For the period ended	For the period ended
	30 June 2013	30 June 2012*
	₹ in lac	₹ in lac
Salaries, Wages & Bonus	2,000.56	3,995.61
Contributions to –		
(i) Provident fund	93.89	165.23
(ii) ESIC	4.18	5.72
(iii) Leave Encashment	21.75	23.20
(iv) Labour Welfare	0.06	0.26
Gratuity fund contributions	29.08	40.29
Staff welfare expenses	46.55	98.04
<b>Total</b>	<b>2,196.07</b>	<b>4,328.34</b>

### 29 Finance costs

Particulars	For the period ended	For the period ended
	30 June 2013	30 June 2012*
	₹ in lac	₹ in lac
Interest and other finance expense	8,289.10	6,644.46
<b>Total</b>	<b>8,289.10</b>	<b>6,644.46</b>

### 30 Depreciation and Amortisation Expense

Particulars	For the period ended	For the period ended
	30 June 2013	30 June 2012*
	₹ in lac	₹ in lac
a. Depreciation on Tangible assets	8,522.04	3,694.79
b. Amortisation on Intangible assets	2,355.90	10,154.99
c. Intangibles w/off	-	2,686.08
<b>Total</b>	<b>10,877.94</b>	<b>16,535.86</b>

### 31 Other expenses

Particulars	For the period ended	For the period ended
	30 June 2013	30 June 2012*
	₹ in lac	₹ in lac
Loss on Forward Contracts	-	7,680.61
Loss on Diminution in Value of Investment	70.41	-
Loss on Sale of Fixed Assets	11.39	0.45
Profession Tax	0.03	0.05
Payment to Statutory Auditors	52.55	47.38
Travelling & Conveyance	74.82	217.94
Rent & Hire charges	233.27	339.47
Membership & Subscription	2.72	5.48
Connectivity Charges	2.16	2.90
Capital WIP Development Expenses Written Off	-	42.92



## Notes Forming Part of the Consolidated Financial Statements (Contd.)

### 31 Other expenses (Contd.)

Particulars	For the period ended	For the period ended
	30 June 2013	30 June 2012*
	₹ in lac	₹ in lac
Donation	3.50	3.50
Tender Expenses	0.16	(1.99)
Insurance charges	36.59	45.90
Director's sitting Fees	55.22	90.59
Advertisement, Publicity & Sales Promotion	2,130.82	7,030.04
Legal, Professional & Consultancy charges	426.76	1,292.79
Custodial Charges	3.04	2.60
Bank Charges	291.34	313.52
Processing charges	-	30.34
Rates & Taxes	3.56	7.98
Conference Expenses	-	3.85
Discount	1.02	0.68
Postage, Fax & Courier	16.17	27.16
Water Charges	3.84	5.68
Newspaper, Books & Periodicals	0.28	1.52
Miscellaneous Expenses	223.58	329.88
Printing & Stationery	17.53	39.92
Bond Issue Expenses w/off	152.41	348.63
Merger Expenses w/off	-	1.74
Share Issue Expenses w/off	-	7.21
Bad Debts	7,313.48	4,281.13
Sundry Balances w/off	131.26	2,163.66
Fines & Penalties	-	0.28
Security Charges	2.98	2.40
Freight & Insurance	16.14	34.66
Provision for Bad Debts	111,846.25	4,922.40
<b>Total</b>	<b>123,123.28</b>	<b>29,323.24</b>

### 31A

Particulars	For the period ended	For the period ended
	30 June 2013	30 June 2012*
	₹ in lac	₹ in lac
<b>Repairs &amp; Maintenance</b>		
Repairs - Air Conditioner	4.31	6.77
Repairs - Computer	2.02	9.57
Repairs - Computer Software	0.18	0.77
Repairs - Office Equipment	13.18	19.39
Repairs - Premises	30.65	113.65
Repairs - Vehicles	0.66	2.53
Repairs - Others	4.69	9.08
<b>Total</b>	<b>55.70</b>	<b>161.76</b>
<b>Total Other Expenses</b>	<b>123,178.99</b>	<b>29,485.00</b>



## Notes Forming Part of the Consolidated Financial Statements (Contd.)

### 31B

Particulars	For the period ended	For the period ended
	30 June 2013	30 June 2012*
	₹ in lac	₹ in lac
<b>Payments to the auditor as</b>		
a. Audit Fee	26.78	42.08
b. Tax Audit Fee	4.13	5.18
c. for other services	0.22	0.11
d. for reimbursement of expenses	-	-
<b>Total</b>	<b>31.14</b>	<b>47.38</b>

### 32 Prior Period Expenses

Particulars	For the period ended	For the period ended
	30 June 2013	30 June 2012*
	₹ in lac	₹ in lac
<b>Prior Period expenses includes following:</b>		
(a) Connectivity Charges	0.29	-
(b) Repairs & Maintenance	0.18	0.02
(c) Purchase	2.24	-
(d) Advertisement Expenses	3.09	-
(e) Professional Fees	2.90	0.50
(f) Central Sales Tax	-	0.30
(g) Courier Charges	-	(0.27)
(h) Annual Maintenance Contract Fees	-	(0.04)
(i) Staff welfare	0.44	-
(j) Content Purchase	1.33	-
(k) Book and periodicals	0.20	-
(l) Travelling Expenses	-	2.16
(m) Pre - Operative Expenses written / back	-	(4.31)
(n) Audit fees	0.32	-
(o) Other Miscellaneous (Receipts) / Expenses	(94.08)	(28.10)
<b>Total</b>	<b>(83.10)</b>	<b>(29.76)</b>

### 33 Sales Returns and Purchase Returns

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 continued its efforts to solve the problems and to provide improved services to the customers. In the meanwhile the Company restored the earlier version of the product temporarily so that the business loss to the customers was minimised. There was constant verbal and written communications with the customers, with Company offering the customers solutions and revised versions of the product. However, 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 been booked as Sales Returns in the respective years in which the sales had taken place. An appropriate part thereof was reversed in the restated accounts for the financial Year ended 30th June, 2012 and the balance impact of the said sales returns in the financials for July 2012 to June 2013. The impact of the said reversals has reduced the sales by ₹15,924.48 lac, (USD 2,91,09,000) for the year ended June 2013. As these sales were to Geodesic Technology Solutions Limited, the same amount

## Notes Forming Part of the Consolidated Financial Statements (Contd.)

was reversed from the purchases of Geodesic Technology Solutions Limited. Sales amounting to USD 3,88,12,000 were reversed in Geodesic Technology Solutions Limited.

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 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 payable to them.

Considering this, against aggregate write off of sundry debtors for the said product of ₹45,340.87 Lac (both the financials years ended 30th June 2012 and 30th June 2013) the Company has written back creditors for the supply of the software used in manufacture of the aforesaid product, amounting to ₹43,700.54 lac in the financial year ended 30th June 2013.

### 34 Provision for Bad and Doubtful Debts

During the current year in accordance with the revised policy, the Company has made a provision of bad and doubtful debts of ₹40,374.65 lac in Geodesic Limited and ₹71,471.61 lac in Geodesic Technology Solutions Limited. However, no provision has been made for the amount of ₹36,745.50 lac, shown as Trade Receivable which is due over 2 years from 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.

### 35 Interest on overdue debtors

The company had a policy of charging interest on its overdue debtors. However, on account of economic slowdown along-with subsequent reversals of sales, the company has decided to write back the interest income amounting to ₹981.49 lac in Geodesic Limited. As this interest was charged to Geodesic Technology Solutions Limited, the interest expense has reduced by the said amount in the latter company. On account of the reason mentioned above, Geodesic Technology Solutions Limited has decided to write back the interest income amounting to USD 1,127,290 thereby reducing the profit to that extent. Even though this has been reversed during the year we are disclosing the same as these have been reflected in the quarterly results.

36 The financial charges include amounts aggregating to ₹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 ₹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 filing a counter claim against these Banks also.

37 On-going Product Development WIP in the Parent Company amounting to ₹1,447.95 lac represents amounts incurred on development of new products which either are in the process of development or are awaiting their launch, as per the past practice. The same consists of four such products which are almost ready for launch. Management reviews on the balance sheet date the costs incurred on various project to consider recoverability of the amounts spent over the estimated life of the product. On 30th June, 2012 an amount of ₹300 lac was written off based on such review. Paucity of funds and manpower has resulted in slow progress in finishing of the respective product during the year. The management, however, believes that all the above products are going to have tremendous potential value in the coming years. Hence, the costs incurred on these products have been carried forward and will be capitalised in the year of their launch.

38 During the year the Company's foreign subsidiaries GTSL and GHL have incurred losses. This has resulted in depletion in Company's investment in the said subsidiaries. However considering the potential in the business 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.

The Company has investments in its wholly owned subsidiary, Chandamama India Limited to the tune of ₹2,306.58 lac. The net worth of this subsidiary is negative / less than 25% of investment in that subsidiary as on 30th June, 2013. The Company has not made any provision against diminution in value of investment in shares of the aforesaid subsidiary. The management is confident of fetching the value of investment based on the assets owned by the Company – both physical and non-physical. The Company is in the process of producing two animation film series, enhancing its subscription base and selling content on new media which will ultimately generate profits in the coming year.



## Notes Forming Part of the Consolidated Financial Statements (Contd.)

### 39 Particulars of subsidiaries:

The following subsidiary companies have been consolidated in the consolidated financial statements by applying AS- 21:

Name of the subsidiaries (held directly)	Country of Incorporation	Percentage of voting power as at	
		For the year ended 30th June 2013	For the period ended 30th June 2012
Geodesic Gridpoint Energy Private Limited	India	100.00	100.00
Filmorbit.Com India Private Limited	India	97.56	87.95
Geodesic Technology Solutions Ltd.	Hong Kong	100.00	100.00
Geodesic Holdings Limited	Mauritius	100.00	100.00
Chandamama India Limited	India	84.14	84.21
<b>(held indirectly)</b>			
Geodesic Information Systems Inc.	USA	100.00	100.00
Geodesic (Hong Kong) Ltd	Hong Kong	100.00	100.00
Geodesic Technology FZE	UAE	100.00	100.00
Interactive Networks International Inc	BVI	100.00	100.00
Publicidad Digital S.A.	Uruguay	100.00	100.00
Emiloto Associated Inc	Panama	100.00	100.00
Zomo Technologies Limited	BVI	100.00	100.00
Spokn Communications Pte. Ltd.	Singapore	100.00	100.00

### 40 Goodwill on Consolidation:

Goodwill on consolidation comprises of the following:

₹ in lac

Name of the Subsidiary	For the period ended 30 June 2013	For the period ended 30 June 2012*
Chandamama India Limited	1,257.06	1,173.47
Filmorbit.Com India Private Limited	24.73	24.73
<b>TOTAL</b>	<b>1,281.79</b>	<b>1,198.20</b>

### 41 Segment Reporting:

The primary reporting of the Company has been disclosed on the basis of business segment. The Company has only one business segment which is software product sale and related consultancy services. Accordingly, the amounts appearing in these financial statements relate to this primary segment. Further the Company sells and provides services mainly outside India and also within India. Thus disclosures under secondary segment reporting are as follows:

#### Revenue by Geographical Segment

₹ in lac

Region	For the period ended 30th June 2013	For the period ended 30th June 2012
India	2,265.00	5,761.77
Outside India	35,403.23	73,530.40

#### Segment Assets

₹ in lac

Region	For the period ended 30th June 2013	For the period ended 30th June 2012
India (Assets excluding Export Customers)	1,13,705.87	2,29,459.45
Outside India (Export Customers)	82,301.96	30,152.38

The Company's operating facilities are located in India. The total cost incurred during the period ending 30th June, 2013 to acquire fixed assets within India is disclosed at Schedule 12. Segment revenue is based on geographical locations of customers and segment asset is based on geographical location of assets.

## Notes Forming Part of the Consolidated Financial Statements (Contd.)

### 42 Contingent Liability (not provided for):

₹ in lac

Sr. No.	Particulars	For the period ended 30 June 2013	For the period ended 30 June 2012*
a)	Outstanding bank guarantees	21.71	96.06
b)	Letter of Credit given by bank on behalf of the Company	-	1,731.74
c)	Times Internet disputed payment towards minimum guarantee fees	Details given below	223.15
d)	<b>Income tax Demand in respect of an earlier year(s) under dispute</b>		
1.	Appeal pending with CIT Appeals VIII for AY 2009-10	4.73	-
<b>Total</b>		<b>26.44</b>	<b>2,050.95</b>

Following is the list of various court cases filed against the company.

Name	Case No.	Type of Case	Claim Amount	Type of Liability	Status
Barclays Bank PLC	CP/161/2013 & CA/208/2013	HC-Winding up Application	₹17,13,65,482.60	Derivatives	Pending for order on 12.2.2014
HDFC Bank	M.A No.36 & 37 of 2013	DRT- Recovery of its outstanding dues	₹6,77,34,240.91	Loans & Derivatives	Pending for hearing
ICICI Bank	O.A.No.163 of 2013	DRT-Recovery of its outstanding dues	₹70,68,74,637.56 + Intt	Loans & Derivatives	Pending for hearing
Times Internet Ltd.	CP/178/2013	HC-Winding up Application	₹2,72,56,564+ Intt ₹2,23,15,387	Business Transaction	Pending for hearing
Axis Bank	987/SS/2013	MMC-Complaint under sec. 138	₹25,45,00,000 + Intt	Dishonored Cheque	Cross is going on
HDFC Bank	1640/SS/2013	MMC-Complaint under sec. 138	₹6,55,27,890.70	Dishonored Cheque	Pending for recording plea
Standard Chartered Bank	DRT OA	HC-Winding up Application	₹16,02,94,458	Derivatives	Pending we are process to file counter claim
Citibank n.a. london branch	CA/645/2013 & CPL/471/2013	HC-Winding up Application	₹8,270,185,000	FCCB	High Court Order received.
HDFC Bank Ltd	CP/514/2013	HC-Winding up Application	₹6,55,27,890.70	Loans & Derivatives	Pending
Simmtronics Semiconductors Ltd	CP/895/2013	HC-Winding up Application		Business Transaction	We have not received copy of the petition

### 43 Share Capital:

Employees have exercised 186,498 (P.Y. Nil) stock options during the year ended 30th June, 2013 which has resulted in an increase in Equity Share Capital of ₹3.73 lac (P.Y. Nil).

### 44 Foreign Currency Convertible Bonds (FCCB):

In January 2008, the Company raised ₹49,962.50 lac equivalent to US\$ 125 million on the issue of Zero Coupon Convertible Bonds, due on 18th January, 2013 to overseas investors vide RBI approval no. FED.CO.EBCD/3013/03.02.766/2077-08 dated 5th December, 2007. As per the approval the funds could be utilised only for overseas acquisitions and investments in joint ventures / wholly owned subsidiaries and for any other use as may be permitted under applicable laws or regulations from time to time.

*Till date the Company has not been able to discharge this liability. The foreign currency convertible bond (FCCB) holders have filed a winding up petition against the Company for defaulting on the dues. The London branch of Citi Bank is a trustee in this case where it has approached the Court in London to recover its dues from the Company on behalf of Bond Holders.*

*In the meanwhile the Company has made provision for interest on the said bonds at 9% amounting to ₹2,890.11/- lac, in accordance with the agreement with Bond Holders from the date of maturity till the Balance Sheet date.*

*Bombay High Court has in a decision given on 7th April, 2014 asked the Company to deposit the amount of ₹972 crores before 28th April, 2014 in a Citibank branch at London or Singapore.*



## Notes Forming Part of the Consolidated Financial Statements (Contd.)

### 45 Related Party Disclosures:

#### i. List of Related Parties

Related Parties with whom transactions have taken place during the period:

#### Key Managerial Personnel (KMP):

Mr.Pankaj Kumar  
Mr.KiranKulkarni  
Mr.Prashant Mulekar  
Mr. Tim Bruce.

#### Enterprise over which Key Management Personnel exercise significant influence:

None

#### (ii) Transactions with related parties:

₹ in lac

Nature of Transaction	Key Management Personnel	
	For the year ended 30th June 2013	For the period ended 30th June 2012*
<b>Managerial Remuneration</b>		
-Pankaj Kumar	Nil	22.50
-Kiran Kulkarni	Nil	22.50
-Prashant Mulekar	Nil	22.50
-Tim Bruce	95.87	86.50
<b>Shares Issued</b>		
-Pankaj Kumar	200.10	547.66
-Kiran Kulkarni	166.80	532.66
-Prashant Mulekar	226.25	40.32
-Salim Govani	65.00	-

### 46 Retirement Benefits:

The following table sets out the status of the Gratuity Plan as required under AS 15.

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

₹ in lac

Particulars	For the period ended 30 June 2013	For the period ended 30 June 2012*
<b>1 Employment and Retirement Benefits</b>		
<b>(a) Post employment Benefits</b>		
Defined contribution plans		
Company's contribution to Provident Fund	81.82	184.27
<b>(b) Defined benefit scheme</b>		
Obligation at period beginning	129.73	123.52
Service Cost	13.83	38.22
Interest Cost	11.03	13.17
Actuarial (gain) / loss	11.02	2.16
Benefits Paid	(104.79)	(48.00)
Amendment in benefit plans	-	-
Obligation at period end	60.82	129.06
Defined benefit obligation liability as at the balance sheet date is wholly funded by the Company		
<b>Change in plan assets</b>		
Plan assets at period beginning, at fair value	123.75	90.84

## Notes Forming Part of the Consolidated Financial Statements (Contd.)

### 46 Retirement Benefits: (Contd.)

₹ in lac

Particulars	For the period ended 30 June 2013	For the period ended 30 June 2012*
Expected return on plan assets	6.96	13.25
Actuarial gain / (loss)	-	0.00
Contributions	1.09	66.92
Benefits Paid	(102.68)	(47.33)
Plan assets at period end, at fair value	29.12	123.68
<b>Reconciliation of present value of the obligation and the fair value of the plan assets</b>		
Fair value of plan assets at the end of the period	29.12	123.68
Present value of the defined benefit obligations at the end of the period	60.82	123.88
(Asset) / Liability recognised in the balance sheet	31.70	0.20
Assumptions		
Interest Rate	8.00%	8.75%
Estimated rate of return on plan assets	0.00%	9.25%
<b>(c) Gratuity cost for the period</b>		
Service Cost	13.83	38.22
Interest Cost	11.03	13.17
Expected return on plan assets	6.96	(13.25)
Actuarial (gain) / loss	-	2.16
Amortizations (Reduction in benefit)	-	-
Net gratuity cost	31.82	40.28
Interest Rate	8.00%	8.75%
Estimated rate of return on plan assets	0.00%	9.25%
Salary Growth	-	-
<b>(d) Defined benefit scheme</b>		
<b>Leave Encashment</b>		
Obligation at period beginning	51.01	50.47
Service Cost	2.35	11.94
Interest Cost	4.08	5.06
Actuarial (gain) / loss	17.77	8.95
Benefits Paid	(50.20)	(26.30)
Amendment in benefit plans	-	-
Obligation at period end	25.02	50.12
Defined benefit obligation liability as at the balance sheet date is wholly funded by the Company		
Change in plan assets		
Plan assets at period beginning, at fair value	44.84	58.07
Expected return on plan assets	2.50	5.55
Actuarial gain / (loss)	0.00	0.00
Contributions	7.04	7.42
Benefits Paid	(47.23)	(26.15)
Plan assets at period end, at fair value	7.15	44.88
Reconciliation of present value of the obligation and the fair value of the plan assets		
Fair value of plan assets at the end of the period	7.15	44.88
Present value of the defined benefit obligations at the end of the period	25.02	47.07
(Asset) / Liability recognised in the balance sheet	17.87	2.18
Assumptions		



## Notes Forming Part of the Consolidated Financial Statements (Contd.)

### 46 Retirement Benefits: (Contd.)

₹ in lac

Particulars	For the period ended	
	30 June 2013	30 June 2012*
Interest Rate	8.00%	8.75%
Estimated rate of return on plan assets	0.00%	9.25%
<b>(c) Leave Encashment Cost for the period</b>		
Service Cost	2.35	10.71
Interest Cost	4.08	5.29
Expected return on plan assets	(2.50)	(5.55)
Actuarial (gain) / loss	-	11.09
Amortisations (Reduction in benefit)	-	-
Net leave encashment cost	8.94	21.54
Interest Rate	8.00%	8.75%
Estimated rate of return on plan assets	0.00%	9.25%
Salary Growth		

### 47 Earnings in Foreign Currency:

₹ in lac

Description	For the period ended	
	30 June 2013	30 June 2012*
Product and Service Income	35,403.23	73,530.40

### 48 Expenditure in Foreign Currency:

₹ in lac

Description	For the period ended	
	30 June 2013	30 June 2012*
Travelling Expenses	0.66	4.02
Import of Hardware/Software (capitalised)	6.00	91.97
Import of Hardware/Software	170.48	1,299.09
Professional Fees	26.46	6.11
Others	1.60	137.74
<b>Total</b>	<b>205.03</b>	<b>1,538.92</b>

### 49 Un-hedged Foreign Currency Exposures:

The period ended foreign currency exposures have not been hedged by a derivative instrument or otherwise are given below:

Amount receivable as at June 30, 2013 in foreign currency on account of the following:

Particulars	For the year ended 30th June 2013		For the period ended 30th June 2012*	
	₹ in lac	Value in foreign Currency	₹ In Lac	Value in foreign Currency
Product and Service Income	82,301.96	USD 13,78,59,225	30,152.38	USD 11,01,52,717
Less: Hedged Debtors *	447.75	USD 750,000	30,152.38	USD 8,74,00,000
Un-Hedged Debtors	Nil	Nil	Nil	Nil
Investment in Foreign Companies				
Geodesic Tech Solutions Ltd	3,710.77	HKD 60,000,000	3,710.77	HKD 60,000,000
Geodesic Holdings Ltd	81,297.04	USD 176,277,000	81,274.69	USD 174,045,000



## Notes Forming Part of the Consolidated Financial Statements (Contd.)

### 50 Disclosure for operating leases:

#### a. Non-cancellable lease:

The Company's significant leasing agreements are in respect of operating leases for official premises and guest house. These leasing arrangements are non-cancellable for a period of three years and are usually renewable by mutual consent on mutually agreeable terms.

The aggregate lease rentals are charged as Rent under "Other Expenses" Note 31 which forms part of the financial statements.

₹ in lac

Particulars	For the period ended	For the period ended
	30 June 2013	30 June 2012*
Not later than one period/year	20.62	38.73
Later than one period/year but not later than 5 years	82.47	132.73
Later than 5 years but not later than 15 years	101.37	96.35

#### b. Cancellable lease:

The other leasing agreements for the premises are considered as cancellable leasing agreements. The aggregate lease rentals are charged as Rent under "Other Expenses" Note 31 which forms part of the financial statement.

₹ in lac

Particulars	For the period ended	For the period ended
	30 June 2013	30 June 2012*
Not later than one period/year	42.17	103.22
Later than one period/year but not later than 5 years	55.38	64.38
Later than 5 years but not later than 15 years	20.58	-

### 51 Dues to Small Scale Undertakings:

Based on the information available with the Company, none of the vendors fall under the definition of micro, small and medium scale enterprises. This information is not verifiable by the auditors.

52 Figures of the previous year have been regrouped/ rearranged wherever necessary to correspond with the figures of the current period. Amounts and other disclosures for the preceding period are included as an integral part of the current period financial statements and are to be read in relation to the amounts and other disclosures relating to the year ending as on 30th June, 2013.

For and on behalf of  
**BORKAR & MUZUMDAR**  
Chartered Accountants

For and on behalf of the Board of Directors  
**Pankaj Kumar**  
Chairman

**Kiran Kulkarni**  
Managing Director

**Rajesh Batham**  
Partner  
Membership Number:035941  
FRN : 101569w  
Place : Mumbai  
Date : 17th April, 2014

\* The figures of June 2012 are recasted/revised figures.



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# Revised Audited Financials 2011-12

## Independent Auditor's Report

To  
The Members of  
**Geodesic Ltd.**

### 1. Report on the Financial Statements

We have audited the accompanying recasted financial statements of Geodesic Limited ("the Company"), which comprise the Balance Sheet as at June 30, 2012, and the Statement of Profit and Loss, and Cash Flow Statement for the period then ended and a summary of significant accounting policies and other explanatory information.

### 2. Management's Responsibility for the Financial Statements

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

### 3. Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

### 4. Basis of Qualified Opinion

Management has been unable to provide us with proper supporting documentation for some material transactions selected for audit of recasted financial statements. We are unable to satisfy ourselves by alternative means concerning some of the items of Income/expenditures/assets/liabilities as reported by the Company in the recasted Financial Statements. As a result of this, we are unable to determine whether any adjustments might have been necessary in respect of the Income/expenditures/assets/liabilities making up the Statements. With respect to the above comment we would like to bring to your kind attention the following points:-

- i. We are unable to verify the correctness of the write off of ₹27,776.06 lac in respect of software licences sold to the customers, as stated in Note no 34.
- ii. In the absence confirmations from any of the third parties (including Company's foreign subsidiary) of amounts due from/to the Company, including debtors, creditors, trade advances, other liabilities etc. we are unable state correctness thereof.
- iii. The Company has shown receipts from the debtors (GeodeiscTechnologySolutions Limited, wholly owned subsidiary) of ₹40544.83 lac and payments to the various creditors of ₹40472.55 lac. It was informed to us by the management that the cheques were not processed and therefore were not realised till December 3rd 2012. All these cheques have become stale the same have been subsequently reversed. Consequently the debtors and creditors are understated by ₹40544.83 and ₹40472.55 respectively and the bank is overstated by ₹16.72 lac. These debtors and creditors have been reversed till June 2013.
- iv. The Company has raised fund through FCCB during the year 2008, the same was due for repayment in the month of January, 2013. Till date of the recasted 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. The London branch of Citi Bank is a trustee in the case where it has approached the court to recover its dues from the Company on behalf of bondholders. We are unable to ascertain financial impact thereof.
- v. During the year ended June 2013 all the independent directors have resigned from the post of directorship. As on the date of signing of recasted 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 would invite penalties such as fine, suspension of trading and delisting from the stock exchange.



## 5. Qualified Opinion

Because of the significance of the matters described in the Basis of Qualified Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the Statement.

In our opinion and to the best of our information and according to the explanations given to us, subject to our comments in paragraph 4 above impact of which on the financial statements cannot be fully ascertained, 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:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at June 30, 2012;
  - b) in the case of the Profit and Loss Account, of the loss for the year ended on that date; and
  - c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.
6. Paucity of working capital on account of legal issues with financial institutions and winding up proceeding filed by a few of the FIs has created uncertainty of the continuity of operations. However, based on the counterclaims lodged by the Company on these FIs, based on the discussions with alternate lenders, and based on the orders for Company's products under finalisation, the management is confident of reviving fully and as such the financial statements have been made as a Going Concern
7. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

## 8. As required by section 227(3) of the Act, we report that:

- a) we have been able to obtain all the information and explanations subject to our comments (disclaimer and qualifications) as mentioned above in Para 4 and 5, which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
- e) On the basis of written representations received from the directors as on June 30, 2012, and taken on record by the Board of Directors, none of the directors is disqualified as on June 30, 2012, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- f) a) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

**For Borkar & Muzumdar**  
**Chartered Accountants**

**CA Rajesh Batham**

Partner

Membership No: 035941

FRN: 101569W

Place: Mumbai

Date : 14th February, 2014

## Annexure to Auditors' Report

### (Annexure referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date)

#### 1. FIXED ASSETS :

- a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) The fixed assets were physically verified by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of the fixed assets at reasonable intervals during the period under audit. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- c) In our opinion and according to the information and explanation given to us, the Company has disposed of part of fixed assets during the said period which in our opinion do not constitute a substantial part of the fixed assets of the Company and the going concern status is not affected.

#### 2. INVENTORIES :

The nature of Company's operations is mainly dealing in the software development, which does not require it to hold inventories. The Company also deals in Hardware products. The Company maintains stock of Raw Material, Work in Process and Finished Goods at Roorkee and Bangalore. During the period under audit, clause 4 (ii) of the Companies (Auditor's Report) Order, 2003 (the order) is applicable and has been given as a part of the Notes to Accounts.

- a) The management has informed us that they have physically verified the inventory during the period ending on June 30, 2012 and that no material discrepancies were noticed on such physical verification. In our opinion, considering the nature of business and size of the Company, the frequency of verification is reasonable and adequate in relation to the size of the Company and its nature of business.
- b) In our opinion and according to the information and explanation given to us, the Company has maintained proper records in tally software at Roorkee for its inventories and no material discrepancies were noticed on physical verification. The Company is under the process of developing new computer software (ERP) for recording and maintenance of inventory.

#### 3. LOANS AND ADVANCES :

In respect of the loans, secured or unsecured, granted or taken by the Company to/from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956:

- a) The Company has granted loan to its subsidiary covered in the Register maintained under Section 301 of the Companies Act, 1956. In respect of the said loan the maximum amount outstanding at any time during the period is ₹1,38,65,243/- and the outstanding balance for the period ended is ₹1,26,65,243/-.
- b) The said loan is interest free loan, however as there are no specific terms and conditions for the said loans, we are not in a position to verify whether the terms and conditions of the said loans are prima facie prejudicial to the interest of the Company.
- c) The Company has taken loan during the said period from an Associate Company covered in the Register maintained under Section 301 of the Companies Act, 1956. The maximum amount outstanding at any time during the period is ₹8,15,098/- and the outstanding balance for the period ended is ₹8,15,098/-.
- d) The said loan taken by the Company is interest free loan, however as there are no specific terms and conditions for repayment of the loan, and therefore we are not in a position to verify whether the terms and conditions of the loan are prima facie prejudicial to the interest of the Company.

#### 4. INTERNAL CONTROL :

In our opinion and according to the information and explanations given to us, there are adequate internal control systems which commensurate with the size of the Company in relation of Fixed assets of the Company. However, in respect of Sale of services the internal control system is inadequate in respect of retention and approval of hard copy of sale invoices, billing to and collections from customer, confirmation of balances from customers and the reconciliation and accounting of service tax and VAT needs to be strengthened to make it adequate and commensurate with the size of the Company and nature of its business.

#### 5. TRANSACTIONS WITH RELATED PARTIES AS PER REGISTER OF CONTRACTS UNDER SECTION 301 OF THE COMPANIES ACT, 1956.

The register maintained under section 301 of the Companies Act, 1956 has not been provided for verification during the course of our audit. Therefore, we are unable to comment on the transactions entered in the same and whether the same are prejudicial to the interest of the Company.



## 6. DEPOSITS FROM PUBLIC :

The Company has not accepted any deposits from the public under the provisions of section 58A and section 58AA and any other relevant provision of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public.

## 7. INTERNAL AUDIT SYSTEM :

In our opinion, the internal audit function carried out by a firm of Chartered Accountants appointed by the Management is in commensuration with the size of the Company and the nature of its business.

## 8. COST RECORDS :

To the best of our knowledge and as per the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 in respect of operations carried out by the Company.

## 9. STATUTORY DUES :

- According to the records of the Company made available to us, undisputed statutory dues including provident fund, Employees' State Insurance, Income-Tax, Sales-Tax, Wealth-Tax, and Service-Tax have not been regularly deposited with the appropriate authorities and there have been serious delays in large number of cases.
- According to the information and explanations given to us, undisputed statutory dues payable in respect of Income-Tax, Sales-Tax, Service-Tax, Custom Duty, Excise Duty, Cess and other applicable statutory dues were in arrears as at 30th June, 2012 for a period of more than six months from the date they became payable are as follows.

Sr No	Name of Statute	Nature of Payment	Amount (in lac)	Due date of payment	Date of Payment
1	Profession Tax Act	Profession Tax	5.29	Year ended 30th June 2012	Not Paid
2	Employee Provident Fund Act	Provident Fund	46.70	15 Months ended 30th June 2012	Not Paid
3	Employee State Insurance Corporation Act	ESIC	1.06	Year ended 30th June 2012	Not Paid
4	Income Tax Act	TDS	56.60	15 Months ended 30th June 2012	Not Paid
5	Finance Act, 1994	Service Tax	5.14	15 Months ended 30th June 2012	Not Paid
6	Maharashtra VAT Act	VAT	28.27	15 Months ended 30th June 2012	Not Paid

- According to the information and explanations given to us and based on the records produced to us, there are no dues outstanding in respect of Income-Tax, Sales-Tax, Wealth-Tax, Service-Tax, Custom Duty, Excise Duty, Cess and other statutory dues as on 30th June 2012 which have not been deposited on account of any dispute except the one stated below:-.

Sr No	Name of Statute	Nature of Dispute	Amount (in lac)
1	Income Tax Act	Appeal To the CIT (A) for the Financial year 2008-09	4.72

- There were no dues on account of cess under section 441A of the Companies Act, 1956 since the aforesaid section has not been made effective by Central Government of India.

## 10. SICK INDUSTRY :

The Company has no accumulated losses at the end of the financial period ending on 30th June 2012 and it has not incurred any cash losses during the said period covered by audit and in the immediately preceding financial year.

## 11. DUES TO FINANCIAL INSTITUTIONS :

Based on our audit procedures and according to the information and explanations given to us, the Company has defaulted in repayment of dues to financial institutions nevertheless; it has made good the default by repaying the dues along with the penalty.

The Company has not obtained any borrowings by way of debentures.

## 12. SECURED LOANS AND ADVANCES GRANTED :

In our opinion and according to the explanation given to us and based on our examination of documents and records, no loans or advances have been granted on the basis of security by way of pledge of shares, debentures and other securities.

**13. CHIT FUND, NIDHI OR MUTUAL BENEFIT COMPANY :**

The Company is not a chit fund or a nidhi / mutual benefit fund/ society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditors Report) Order, 2003 are not applicable to the Company.

**14. INVESTMENT COMPANY :**

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 Companies (Auditors Report) Order, 2003 are not applicable to the Company.

**15. GUARANTEES GIVEN BY COMPANY :**

In our opinion and according to the information and explanations given to us, the Company has given guarantee against the work order taken by its 100% Subsidiary Geodesic Gridpoint Energy Pvt Ltd.

The amount of guarantee is of ₹415lac . The said guarantee has been invoked by the Bank against which the Company has filed a suit.

**16. TERM LOANS :**

In our opinion and according to the information and explanations given to us, the Term Loans have been applied for the purposes for which they were raised.

**17. SOURCES OF FUND AND ITS APPLICATION :**

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 nor have any long-term funds been used to finance short-term assets except as permanent working capital.

**18. PREFERENTIAL ISSUE :**

According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and Companies covered in the register maintained under section 301 of the Act.

**19. DEBENTURES :**

The Company has not issued any debentures. Therefore, the provisions of clause 4 (xix) of Companies (Auditors Report) Order, 2003 are not applicable to the Company.

**20. PUBLIC ISSUE :**

The Company has not raised any money through a public issue during the period ended on 30th June 2012. Therefore the provisions of clause 4 (xx) of the Companies (Auditors Report) Order, 2003 are not applicable to the Company.

**21. FRAUD :**

Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to 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 period covered by the audit.

**For Borkar & Muzumdar  
Chartered Accountants**

**CA Rajesh Batham**

Partner

Membership No: 035941

FRN: 101569W

Place: Mumbai

Date: 14th February 2014



## Recasted Balance Sheet as at 30th June, 2012

(All amounts Rupees in lac unless otherwise stated)

	Note No	As at	
		June 30, 2012	March 31, 2011
<b>I Equity and Liabilities</b>			
<b>Shareholders' funds</b>			
(a) Share Capital	3	1,802.83	1,802.83
(b) Reserves and Surplus	4	97,942.00	95,129.27
(c) Share Application Money Pending Allotment			
		<b>99,744.82</b>	<b>96,932.10</b>
<b>Non-current liabilities</b>			
(a) Long-term Borrowings	5	4.43	61,405.51
(b) Deferred Tax Liabilities (Net)	6	-	117.92
(c) Other Long Term Liabilities		-	-
(d) Long-Term Provisions	7	2.39	15.69
		<b>6.82</b>	<b>61,539.12</b>
<b>Current liabilities</b>			
(a) Short-Term Borrowings	8	8,616.59	-
(b) Trade Payables	9	5,381.98	28,165.38
(c) Other Current Liabilities	10	84,715.17	275.35
(d) Short-Term Provisions	11	1,938.27	1,313.21
		<b>100,652.01</b>	<b>29,753.94</b>
<b>TOTAL</b>		<b>200,403.65</b>	<b>188,225.16</b>
<b>II ASSETS</b>			
<b>Non-current assets</b>			
(a) Fixed assets	12		
(i) Tangible assets		698.98	787.53
(ii) Intangible assets		3,427.16	9,653.05
(iii) Capital Work in Progress		999.92	876.71
(iv) Intangibles under Development		-	1,459.59
		<b>5,126.05</b>	<b>12,776.88</b>
(b) Non-current investments	13	90,463.92	89,512.68
(c) Deferred tax assets (net)	6	9.60	-
(d) Long-term loans and advances	14	11,252.32	11,136.72
(e) Other non-current assets	15	-	224.70
		<b>106,851.91</b>	<b>113,650.98</b>
<b>Current assets</b>			
(a) Current Investments	16	2.71	271.32
(b) Inventories	17	890.11	1,027.05
(c) Trade Receivables	18	30,816.15	35,431.07
(d) Cash and Bank Balance	19	426.62	17,328.00
(e) Short-term Loans and Advances	20	61,263.71	20,229.23
(f) Other Current Assets	21	152.44	286.50
		<b>93,551.74</b>	<b>74,573.18</b>
<b>TOTAL</b>		<b>200,403.65</b>	<b>188,225.16</b>
Contingent Liability	34	0	
Summary of Significant Accounting Policies	2		

The accompanying notes form an integral part of the Financial Statements

As per our report of even date

**For and on behalf of**  
**BORKAR & MUZUMDAR**  
Chartered Accountants

**For and on behalf of the Board of Directors**  
**Pankaj Kumar**  
Chairman

**Kiran Kulkarni**  
Managing Director

**Rajesh Batham**  
Partner  
Membership Number:035941  
FRN: 101569W  
Place : Mumbai  
Date : 14th February, 2014



**Recasted Statement of Profit & Loss** for the Period ended 30th June, 2012  
(All amounts Rupees in lac unless otherwise stated)

	Note No	For the period ended	
		June 30, 2012	March 31, 2011
<b>Revenue</b>			
I Revenue from Operations	22	59,164.82	67,142.75
II Other Income	23	8,926.92	712.94
<b>Total Revenue (I+II)</b>		<b>68,091.74</b>	<b>67,855.69</b>
<b>III Expenses</b>			
a. Cost of Materials Consumed	24	2,014.53	664.47
b. Changes in inventories of finished goods work-in-progress and Stock-in-Trade	25	(45.26)	337.95
c. Other Direct Expenses	26	36,817.68	31,090.29
d. Employee Benefits Expense	27	3,352.06	2,457.39
e. Finance Costs	28	5,650.75	3,714.99
f. Depreciation and Amortisation Expense	29	6,462.06	2,265.33
g. Other Expenses	30	15,710.68	3,566.81
<b>Total Expenses</b>		<b>69,962.49</b>	<b>44,097.23</b>
IV Profit or (Loss) before Prior Period items		<b>(1,870.75)</b>	<b>23,758.45</b>
V Prior Period Items	31	(27.98)	(6.73)
VI Profit before exceptional and extraordinary items and tax (IV-V)		<b>(1,842.77)</b>	<b>23,765.19</b>
VII Exceptional items	-	-	-
VIII Profit before extraordinary items and tax (VI - VII)		<b>(1,842.77)</b>	<b>23,765.19</b>
IX. Extraordinary Items		-	-
X Profit before tax (VIII- IX)		<b>(1,842.77)</b>	<b>23,765.19</b>
XI. Tax Expense			
a. Current tax		-	15.00
b. Deferred tax/ (Reversal)		(127.52)	287.50
		(127.52)	302.50
XII Profit for the period		<b>(1,715.24)</b>	<b>23,462.69</b>
XIII Earnings per equity share:			
a. Basic		(1.90)	25.77
b. Diluted		(1.90)	25.67
Summary of Significant Accounting Policies	2		

The accompanying notes form an integral part of the Financial Statements

As per our report of even date

**For and on behalf of**  
**BORKAR & MUZUMDAR**  
Chartered Accountants

**For and on behalf of the Board of Directors**  
**Pankaj Kumar**  
Chairman

**Kiran Kulkarni**  
Managing Director

**Rajesh Batham**  
Partner  
Membership Number:035941  
FRN: 101569W  
Place : Mumbai  
Date : 14th February, 2014



## Recasted Cash Flow Statement for the Period ended 30th June, 2012

(All amounts Rupees in lac unless otherwise stated)

	For the period ended	
	2011-12	2010-11
<b>A. Cash flow From Operating Activities:</b>		
Net Profit before Tax and prior period adjustments	(1,870.75)	23,758.45
<b>Adjustment for</b>		
- Depreciation / Amortisation	6,462.06	2,265.33
- Prior Period Adjustments / Taxation	27.98	6.73
- Increase in stock of finished goods & Raw Material	(93.20)	(18.13)
- Miscellaneous Expenditure written off	356.50	284.67
- Loss / (Profit) on Forward Contracts	7,680.61	1,448.52
- Loss / (Profit) on sale of Fixed Assets (Net)	0.45	-
- (Profit) / Loss on sale of current investments (Net)	(90.04)	0.42
- (Profit) from PMS Investments	-	(67.82)
- Foreign Exchange (Gain) / Loss (Net)	(7,965.89)	570.85
- Dividend Income	(40.14)	(45.71)
- Interest Income	(825.70)	(597.63)
- Interest and Finance charges	5,650.75	3,714.99
- Bad Debts written off	4,277.16	0.17
- Balances written off / Advances written off	2,162.51	269.59
- Investments written off / Diminution in value of investments	-	216.14
<b>Operating Profit before Working Capital Changes</b>	<b>15,732.31</b>	<b>31,806.56</b>
<b>Movements in working capital :</b>		
Decrease / (Increase) in sundry debtors	4,614.92	73.66
Decrease / (Increase) in loans & advances	(1,982.33)	916.42
Decrease / (Increase) in other current assets	(40,676.13)	-
(Decrease) / Increase in provision for leave encashment and gratuity	1.48	20.66
Decrease / (Increase) in inventory	136.94	(643.32)
(Decrease) / Increase in current liabilities	8,530.98	23,580.03
<b>Cash Generated From Operations</b>	<b>(13,641.83)</b>	<b>55,754.02</b>
Direct Tax Paid (net of refunds)	(148.58)	(384.71)
<b>Net Cash from / (used in) Operating Activities</b>	<b>(13,790.41)</b>	<b>55,369.31</b>
<b>B. Cash flow From Investing Activities:</b>		
- Purchase of Fixed Assets net of sales	(598.67)	(3,555.92)
- (Purchase) / Sale of Current Investment (Net)	268.61	266.36
- Share application money transferred to equity / (paid)	-	342.60
- Investment in Subsidiaries	(1,047.03)	(35,962.98)
- Investment - Others	(39.09)	-
- Loan to Subsidiaries	-	(20,026.38)
- Intercompany Deposits repaid to the Company	1,604.67	4,761.74
- Profit / (Loss) on sale of current investments (Net)	90.04	(0.42)
- Profit on Sale / maturity of Investments	-	67.82
- Interest Received	57.76	37.99
- Dividend Received	40.14	45.71
- (Loss) / Profit on Forward Contracts	(847.75)	(1,448.52)
<b>Net Cash from / (used in) Investing Activities</b>	<b>(471.32)</b>	<b>(55,472.00)</b>

**Recasted Cash Flow Statement (Contd.)** for the Period ended 30th June, 2012  
(All amounts Rupees in lac unless otherwise stated)

	For the period ended	
	2011-12	2010-11
<b>C Cash flow From Financial Activities:</b>		
- (Buy Back) / Proceeds from issue of share capital	-	(2,077.86)
- Share Issue Expenses	-	(0.01)
- (Decrease) / Increase in FCCB liability	-	2,707.63
- Repayment of Long term Borrowings	(0.67)	(6.19)
- Dividend Paid	(1,261.98)	(2,120.49)
- Interest and Finance charges paid	(1,092.40)	(257.05)
- Tax on Dividend paid	(209.60)	(151.01)
<b>Net Cash from / (used in) Financial Activities</b>	<b>(2,564.65)</b>	<b>(1,904.99)</b>
Net Increase /Decrease in Cash and Cash Equivalents (A+B+C)	(16,826.39)	(2,007.68)
Cash and Cash Equivalents at the beginning of the year	17,253.00	19,260.68
Cash and Cash Equivalents at the end of the year	<b>426.62</b>	<b>17,253.00</b>
Components of cash and cash equivalents as at:		
Cash and Cheques on hand	5.23	2.67
With Banks : in current account	164.83	8,334.10
in fixed deposit	256.57	8,916.23
	<b>426.62</b>	<b>17,253.00</b>

As per our report of even date

**For and on behalf of**  
**BORKAR & MUZUMDAR**  
Chartered Accountants

**For and on behalf of the Board of Directors**  
**Pankaj Kumar**  
Chairman

**Kiran Kulkarni**  
Managing Director

**Rajesh Batham**  
Partner  
Membership Number:035941  
FRN: 101569W  
Place : Mumbai  
Date : 14th February, 2014



## Notes Forming Part of the Recasted Standalone Financial Statements

The Company has recasted its Financial statements for the period April 2011 to June 2012. Therefore the Company has disclosed the notes based on the said recasted financials and on the basis of the events after Balance sheet date till recasted financials.

### 1. NATURE OF OPERATIONS:

The Company is in the business of offering concrete solutions in Communication and Collaboration, financial products and services, providing content delivery platforms for mobile services and in electronic computing. The Company continuously upgrades existing products and develops new products to keep ahead of the curve.

### PRESENTATION OF FINANCIAL STATEMENTS

A revised schedule VI format is introduced and made mandatory for preparation of financial statements beginning from April 2011. The revised schedule VI has classified the Assets and liabilities into Current and Noncurrent based on the Company's normal operating cycle and other criteria set out in the Schedule VI to the Companies Act, 1956. The Company has ascertained its operating cycle as 12 months for the purpose of current and noncurrent classification of assets and liabilities, based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

The Board of Directors have considered and passed resolution by circulation on 30th March, 2012 under section 210 (4) of the Companies Act 1956 extending the current financial year by 3 months from March 31st to June 30th. Therefore the Balance sheet and Profit & loss Account of the Company have stated the position for fifteen months from April 01, 2011 to June 30, 2012.

### 2. SIGNIFICANT ACCOUNTING POLICIES:

#### a. Accounting Conventions:

The financial statements are prepared under the historical cost convention, in accordance with Indian Generally Accepted Accounting Principles ("GAAP"), the accounting standards notified by the Companies (Accounting Standards) Rules, 2006 (as amended), as adopted consistently by the company. All income and expenditure having a material bearing on the financial statements are recognised on accrual basis.

The significant accounting policies followed by the Company are as discussed below which consistent with those are followed in the previous year.

#### b. Use of Estimates:

The preparation of the financial statements in conformity with GAAP requires that the management make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities as of the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates and difference between these actual results and estimates are recognised in the period in which these results are known / have materialised.

#### c. Revenue Recognition:

##### Licensing Income

Revenue from sale of user licenses for software applications is recognised only after the title in the user license is transferred on obtaining confirmation from the customer as per the terms of the agreement.

##### Software Sales

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and no significant uncertainty exists as to its ultimate realisation or collection. Software sale is accounted as and when the sale takes place.

##### Product Sales

The Company recognises the sale of hardware devices on shipment of the same to the customer.

##### Services

Annual Technical / Maintenance Services revenue is accrued over the period of the contract.

##### Interest

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

##### Dividend Income

Revenue is recognised when the right to receive the same is established upto the Balance Sheet Date.

## Notes Forming Part of the Recasted Standalone Financial Statements (Contd.)

### Other Income

Other Income is accounted on accrual basis as and when the right to receive arises.

### d. Inventories:

Closing stock of finished goods of GeoAmida is valued at cost or net realisable value, whichever is lower. Cost is determined using First-in-First-Out method. Work in progress is valued at cost. Stock in transit is valued at cost.

### e. Prior Period Items and Extraordinary and Exceptional Items:

Income or expenses that arise due to error of omission to record them in the period of incurrence are classified as prior period items. A separate disclosure along with the nature and amount is made in the financial statement. Income or expenses that arise from events or transactions that are clearly distinct from the ordinary activities of the Company are classified as extraordinary items. Specific disclosure of such events/transactions is made in the financial statements. Similarly, any external event beyond the control of the Company, significantly impacting income or expense, is also treated as extraordinary item and disclosed as such.

On certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Company, is such that its disclosure improves an understanding of the performance of the Company. Such income or expense is classified as an exceptional item and accordingly disclosed in the notes to accounts.

### f. Fixed Assets, Intangible Assets And Work In Progress:

#### Fixed Assets:

Fixed assets are stated at cost, less accumulated depreciation and impairment losses, if any, thereon. Cost comprises the purchase price and any cost attributable to bringing the asset to its intended location and in working condition for its intended use.

#### Intangible Asset:

The costs related to development of a new base software are capitalised along with related implementation costs and are classified under Intangible Assets as per AS-26. Its enduring useful life is reasonably estimated by the management.

#### Capital Work In Progress:

Costs incurred for acquiring of software rights and development of new software are recognised as internally generated software and transferred to Capital WIP till the product is launched.

Revenue expenditure incurred on further research for development / on up-gradation of the existing software is charged to Profit and Loss Account in the period in which it is incurred.

#### Leasehold improvements:

Leasehold improvements are written off from the date they are put to use over the remaining period of the primary lease.

### g. Depreciation:

Depreciation, on all assets except those specified in the table below, is provided for using the Written Down Value 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 are higher. Depreciation on additions and deletions is charged pro-rata from / till the period of their use.

Depreciation on Testing and Tooling Software and other Computer software is provided for at 40% on WDV based on the estimated useful life of the computer software, which rate is higher than that prescribed under the Companies Act, 1956.

Depreciation is charged so as to write-off the cost of the assets on the following basis:

Leasehold Improvements	Straight Line	Lease period
Goodwill	Straight Line	33.33%
Computers	Written down value	40%
Vehicles	Written down value	25.89%
Furniture & Fixtures	Written down value	18.10%
Office Equipment	Written down value	13.91%
Testing & Tooling Software	Written down value	40%
Other Software	Written down value	40%
Software with one year licence	Written down value	100%
Internally generated software	Straight Line	25%
Patent	Straight Line	10%



## Notes Forming Part of the Recasted Standalone Financial Statements (Contd.)

### h. Foreign Currency Transactions:

The Company is exposed to currency fluctuations on foreign currency transactions.

#### 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.

#### Conversion

Foreign currency monetary items are converted into reported currency on the balance sheet date using the closing rate.

#### Exchange Difference

The difference between the rate at which foreign currency transactions are accounted and the rate at which they are realised / settled is recognised in the Profit and Loss Account.

The Company uses foreign exchange forward and option contracts to hedge its exposure to movements in foreign exchange rates. The use of these foreign exchange forward and option contracts reduce the risk or cost to the Company and the Company does not use those for trading or speculation purposes.

Exchange differences on such contracts are recognised in the Profit and Loss Account in the period 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 period.

Effective from 1st January, 2011 the Company has adopted AS 30 and 32 Financial Instrument (Recognition and Measurement) Accounting Standards as prescribed by ICAI. The forward exchange contracts entered into, to hedge the foreign currency risk of a firm commitment or a highly probable transaction are marked to market at the end of the period and the gains and losses arising therein are included in the results of the operations and the same are reflected in the Hedge Reserve Account until the transaction is complete.

### i. Investments:

Investments that are readily realisable and intended to be held for not more than a period are classified as Current Investment. All other investments are Long term Investments and are classified as Non-current investments. 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 recognise a decline other than temporary in the value of long term investments.

### j. Retirement Benefits:

#### Defined Contribution Plan:-

Company's contributions paid/payable to provident fund are recognised in the Profit and Loss account of the period when the contribution to the fund is due. The provident fund plan is operated by the regional Provident Fund Commissioner.

#### Defined Benefit Plan:-

The Company provides for gratuity, a defined benefit retirement plan (the "Gratuity Plan") covering eligible employees. In accordance with the Payment of Gratuities Act, 1972, The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation as of the Balance Sheet date, based upon which, the Company contributes all the ascertained liabilities to the LIC Gratuity Fund. Liabilities with regard to Leave Encashment are determined by actuarial valuation as of the Balance Sheet date, based upon which, the Company contributes to the LIC Leave Encashment Fund.

### k. Employee Stock Compensation Cost:

Measurement and disclosure of the employee share based payment plans is done in accordance with the Guidance Note on Accounting for Employee share based payments, issued by the Institute of Chartered Accountants of India. The Company measures compensation cost relating to employee stock options using the intrinsic value method. Compensation expense is amortised over the vesting period of the option on a straight line basis.

### l. Borrowing Costs:

The Company conservatively provides for interest on the FCCB at the notional interest rate as specified in the Term Sheet. The notional

## Notes Forming Part of the Recasted Standalone Financial Statements (Contd.)

interest charge for the period is adjusted for exchange rate fluctuation by applying the closing exchange rate and the corresponding effect is given to the provision for interest on Bonds.

### m. Segment Reporting:

#### Primary Business Segment

The Company is primarily engaged in a single business segment of software product sale and related consultancy services, and accordingly, there is only one reportable segment.

#### Geographical Segment

Secondary segmental reporting is based on the geographical location of customers. The geographical segment has been disclosed on the revenues within India and revenues outside India.

### n. Leases:

#### Finance Leases

##### i. Accounting

Assets taken under a finance lease are accounted for as per the Guidance Note issued by the Institute of Chartered Accountants of India (ICAI).

##### ii. Initial Recognition

The assets under a finance lease are recognised in the books of account at the Cost of Acquisition.

##### iii. Amortisation

The cost of these assets is amortised over the lease period or estimated useful life of the asset, whichever is lower.

#### Operating Leases

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

### o. Earnings Per Share:

Basic Earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (the said net profit or loss has been arrived at after deducting preference dividend and attributable taxes) by the weighted number of equity shares outstanding during the period. The weighted number of equity shares outstanding during the period is adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split and reverse share split (consolidation of shares). 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.

### p. Provision For Taxation:

Income tax is accounted for in accordance with Accounting Standard 22 on Accounting for Taxes on Income. Taxes comprise both current and deferred tax.

Current tax is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the applicable tax rates and tax laws.

The tax effect of the timing differences that result between taxable income and accounting income and are capable of reversal in one or more subsequent periods are recorded as a deferred tax asset or deferred tax liability. They are measured using the substantively enacted tax rates and tax regulations. The carrying amount of deferred tax assets at each balance sheet date is reduced to the extent that it is no longer reasonably certain that sufficient future taxable income will be available against which the deferred tax asset can be realised.

Minimum Alternate Tax (MAT) paid in the period 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 that there is convincing evidence that the Company will pay normal income tax during that specified period i.e. the period for which MAT credit is allowed to be carried forward. In the period in which Company recognises MAT credit as an asset in accordance with the guidance note on accounting for credit available in respect of Minimum Alternate Tax under Income Tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and



## Notes Forming Part of the Recasted Standalone Financial Statements (Contd.)

shown as "MAT Credit Entitlement". The Company reviews the "MAT Credit Entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

Tax on distributed profits payable in accordance with the provisions of Section 115O of the Income-tax Act, 1961, is, in accordance with the Guidance Note on Accounting for Corporate Dividend Tax, regarded as a tax on distribution of profits and is not considered in determination of the profits for the period.

The Company has started operations in SEEPZ from end of September 2008, which is a SEZ and which is entitled to 100% tax holiday under Section 10AA of the Income Tax Act, 1961 until March 2019. As a result, deferred tax, arising out of timing differences originating and reversing during the tax holiday period, is recognised.

The Company started manufacture of Geo-Amida in F.Y. 2009-10 at their unit in Roorkee in, Uttaranchal, which is located in a tax free zone eligible for tax holiday under section 80(I)C of the Indian Income tax Act, 1961 until March 2019. As a result, deferred tax, arising out of timing differences originating and reversing during the tax holiday period, is recognised in the books.

### q. Impairment Of Assets:

The Company assesses at each balance sheet date whether there is any indication that an asset including goodwill may have been impaired. In case of such indication, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs to is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Profit and Loss Account. If at the Balance Sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

In respect of development costs and goodwill the impairment loss is reversed only when it is caused by specific external events and their effects have been reversed by subsequent external events.

### r. Provisions And Contingent Liabilities:

#### Provisions

Provisions, where measurement requires a substantial degree of estimation, are recognised in the books, only in the event of a present obligation arising from past events, the settlement of which is expected to result in an outflow of resources, embodying economic benefits.

#### Contingent Liabilities

Contingent Liabilities, where existence will be confirmed either by the occurrence or the non-occurrence of one or more uncertain future events, are not recognised in the books of the Company, but are disclosed by way of a note to the Balance Sheet. Contingent Liabilities are periodically assessed by the management, and provision is made in the books where it becomes probable that an outflow of Future Economic Benefits will be required for an item previously dealt with, as a contingent liability, in the period in which there is a change in probability.

#### Contingent Assets

Contingent Assets are neither recognised in the books of accounts nor disclosed in any manner in the financial statements.

### s. Miscellaneous Expenditure:

Bond Issue Expenses are amortised equally over a period of five years.



## Notes Forming Part of the Recasted Standalone Financial Statements (Contd.)

### 3 SHARE CAPITAL

A The authorised, issued, subscribed and fully paid-up share capital comprises of equity shares of ₹2 each and redeemable preference shares having a par value of ₹10 each as follows:

Share Capital	As at 30 June 2012		As at 31 March 2011	
	Number	₹ in lac	Number	₹ in lac
<b>(a) Authorised</b>				
(i) Equity Shares of ₹2 each	1,500.00	3,000.00	1,500.00	3,000.00
(ii) Preference Shares of ₹10 each	50.00	500.00	50.00	500.00
<b>Total</b>	<b>1,550.00</b>	<b>3,500.00</b>	<b>1,550.00</b>	<b>3,500.00</b>
<b>(b) Issued Subscribed &amp; Fully paid up</b>				
(i) Equity Shares of ₹2 each	901.41	1,802.83	901.41	1,802.83
(ii) Preference Shares of ₹10 each	-	-	-	-
<b>Total</b>	<b>901.41</b>	<b>1,802.83</b>	<b>901.41</b>	<b>1,802.83</b>

### B Reconciliation of number of shares

Particulars	As at 30 June 2012		As at 31 March 2011	
	Number	₹ in lac	Number	₹ in lac
<b>Equity Shares</b>				
(i) Shares outstanding at the beginning of the year	901.41	1,802.83	922.44	1,844.88
(ii) Shares Issued during the year	-	-	0.03	0.05
(iii) Shares bought back during the year	-	-	21.05	42.10
(iv) Shares outstanding at the end of the year	901.41	1,802.83	901.41	1,802.83

### C Rights, preferences and restrictions attached to Equity Shares:

"The Company has only one class of equity shares having par value of ₹2 per share. Each holder of equity shares is entitled to one vote per share. The dividend if any proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders"

D The details of Shares in the Company held by each shareholder holding more than 5% Shares specifying the number of shares is as follows

Name of Shareholder	As at 30 June 2012		As at 31 March 2011	
	No. of Shares held (In lac)	% of Holding	No. of Shares held (In lac)	% of Holding
a. Pankaj Kumar	97.05	10.77%	82.22	9.12%
b. Kiran Kulkarni	98.49	10.93%	91.64	10.17%
<b>Total</b>	<b>196</b>	<b>21.69%</b>	<b>174</b>	<b>19.29%</b>



## Notes Forming Part of the Recasted Standalone Financial Statements (Contd.)

### E Shares allotted as fully paid up pursuant to contract(s) without payment being received in cash : (during 5 years immediately preceding June 30, 2012)

- i The Company has issued 9,58,465 Equity Shares in last 5 years under Employees Stock Options Plan as consideration for services rendered by employees. The yearwise bifurcation is as follows:

For the Financial Year	No of Shares issued
2006-07	275,107.00
2007-08	589,948.00
2008-09	62,035.00
2009-10	28,825.00
2010-11	2,550.00
<b>Total</b>	<b>958,465.00</b>

### F Shares allotted as fully paid up by way of bonus shares (during 5 years preceding June 30, 2012)

"The Company allotted 3,03,89,788 equity shares as fully paid up bonus shares by utilisation of Securities premium reserve on September 03, 2007 pursuant to a shareholder's resolution passed by postal ballot on July 23, 2007."

## 4 RESERVES AND SURPLUS

Reserves and surplus consist of the following reserves:

Particulars	As at 30 June 2012	As at 31 March 2011
	₹ in lac	₹ in lac
<b>a. Securities Premium Account</b>		
Opening Balance	14,479.71	16,515.52
Add : Securities premium credited on Share issue	-	2.13
Less : Premium Utilised for various reasons		
For the purpose of Buy-Back	-	2,037.93
For Issuing Bonus Shares	-	-
<b>Closing Balance</b>	<b>14,479.71</b>	<b>14,479.71</b>
<b>b. Hedge Reserve Account</b>		
Opening Balance	988.61	-
Add: Additions during the year	6,832.86	988.61
	7,821.47	988.61
Less: Written back in current year	-	-
<b>Closing Balance</b>	<b>7,821.47</b>	<b>988.61</b>
<b>c. General Reserve</b>		
Opening balance	8,016.54	5,670.26
(+) Transfer from Reserves	2,304.40	2,346.28
<b>Closing Balance</b>	<b>10,320.94</b>	<b>8,016.54</b>
<b>d. Surplus</b>		
Opening balance	71,644.41	53,005.44
Add: Net Profit/(Net Loss) For the current year	(1,715.24)	23,462.69
	<b>69,929.17</b>	<b>76,468.13</b>
<b>Less: Appropriations</b>		
(-) Transfer to Reserves	2,304.40	2,346.28
(-) Paid / Proposed Dividends Plus Tax thereon	2,304.89	1,260.53
(-) Interim Dividends	-	1,216.91
<b>Closing Balance</b>	<b>65,319.88</b>	<b>71,644.41</b>
<b>Total</b>	<b>97,942.00</b>	<b>95,129.27</b>

The Board of Directors at its meeting held on 3rd December, 2012 has recommended a final dividend of ₹2 per equity share.

**Notes Forming Part of the Recasted Standalone Financial Statements (Contd.)****5 LONG TERM BORROWINGS**

Particulars	As at 30 June 2012	As at 31 March 2011
	₹ in lac	₹ in lac
<b>Secured</b>		
a Kotak Mahindra Prime Limited (Secured against hypothecation of cars)	4.43	6.29
<b>Unsecured</b>		
a Zero Coupon Convertible Bonds [including interest accrued but not due]	-	61,399.22
<b>Total</b>	<b>4.43</b>	<b>61,405.51</b>

**6 Deferred Tax Liabilities (Net)**

Major components of deferred tax balances consist of the following:

Particulars	As at 30 June 2012	As at 31 March 2011
	₹ in lac	₹ in lac
<b>A Deferred Tax Liability</b>		
-Difference due to book and tax depreciation (post tax holiday)	75.54	75.72
-Difference due to book and tax depreciation	-	42.42
-Disallowances u/s 43 (B) of Income Tax Act	0.14	-
	<b>75.68</b>	<b>118.14</b>
<b>B -Deferred Tax Assets</b>		
-Disallowances u/s 43 (B) of Income Tax Act	0.07	0.22
-Disallowances u/s 40 a of Income Tax Act	65.00	-
-Difference due to book and tax depreciation	20.21	-
	<b>85.28</b>	<b>0.22</b>
<b>Total</b>	<b>(9.60)</b>	<b>117.92</b>

**7 LONG TERM PROVISIONS**

Particulars	As at 30 June 2012	As at 31 March 2011
	₹ in lac	₹ in lac
<b>A Provision for employee benefits</b>		
Gratuity (Net of Funds)	0.20	26.08
Leave Encashment (Net of Funds)	2.19	(10.39)
<b>B Provision for Taxation (Net of Advance Tax)</b>		
	-	-
<b>Total</b>	<b>2.39</b>	<b>15.69</b>

**8 SHORT TERM BORROWINGS**

Particulars	As at 30 June 2012	As at 31 March 2011
	₹ in lac	₹ in lac
<b>1 Secured Loans</b>		
(a) Term Loan- Axis Bank Limited (secured against hypothecation of stocks, book debts and machinery)	1,500.00	-
(b) Term Loan - ICICI Bank Limited (secured against hypothecation of stocks, book debts and machinery)	5,500.00	-
<b>2 Unsecured Loans</b>		
Short Term Advances	1,336.65	-
Temperory Overdrafts from Bank	279.94	-
<b>Total</b>	<b>8,616.59</b>	<b>-</b>



## Notes Forming Part of the Recasted Standalone Financial Statements (Contd.)

### 9 TRADE PAYABLES

Particulars	As at 30 June 2012	As at 31 March 2011
	₹ in lac	₹ in lac
1 Sundry Creditors	5,381.98	28,165.38
<b>Total</b>	<b>5,381.98</b>	<b>28,165.38</b>

### 10 OTHER CURRENT LIABILITIES

Particulars	As at 30 June 2012	As at 31 March 2011
	₹ in lac	₹ in lac
(a) Current maturities of Term Loan	1.51	1.31
(b) Current maturities of Zero Coupon Bonds	82,701.85	-
(c) Income Received in Advance	39.23	45.26
(d) Statutory Liabilities	-	-
i) Service Tax Payable	28.99	27.29
ii) VAT Payable	49.59	23.20
iii) TDS Payable	68.56	40.94
(e) Unpaid Dividend	12.55	12.30
(f) Unclaimed Share Application Money	15.68	15.68
(g) Other Current Liabilities	0.00	2.88
(h) Advance From Debtors	1,356.34	11.93
(i) Advance For Software Development	82.49	-
(j) Leave Salary Payable	0.32	-
(k) Gratuity Payable	1.16	-
(l) Credit Card Dues Payable	15.46	-
(m) Provision for Expenses	341.44	94.57
<b>Total</b>	<b>84,715.17</b>	<b>275.35</b>

### 11 OTHER CURRENT LIABILITIES

Particulars	As at 30 June 2012	As at 31 March 2011
	₹ in lac	₹ in lac
<b>(a) Provision for employee benefits</b>		
(i) Salary & Reimbursements	221.08	22.04
(ii) Contribution to PF	49.07	25.21
(iii) EDIS Payable (PF)	0.28	0.14
(iv) Profession Tax	1.37	0.88
(v) ESIC	0.50	0.40
(vi) Gratuity	-	2.57
(vii) Maharashtra Labour Welfare Fund	0.12	-
<b>(b) Others</b>		
(i) Provision for Taxation ( Net of Advance Taxes)	(429.44)	-
(ii) Proposed Dividend plus tax thereon	2,095.29	1,261.98
<b>Total</b>	<b>1,938.27</b>	<b>1,313.21</b>

## Notes Forming Part of the Recasted Standalone Financial Statements (Contd.)

### 12 FIXED ASSETS

Fixed Assets	Gross Block			Accumulated Depreciation			Net Block					
	Balance as at 1 April 2011	Additions/ (Disposals)	Capitalised During the year out of WIP	Revaluations/ (Impairments)	Balance as at 30 June 2012	Balance as at 1 April 2011	Depreciation charge for the year	Adjustment due to revaluations	On disposals	Balance as at 30 June 2012	Balance as at 31 March 2011	
	₹ in lac	₹ in lac		₹ in lac	₹ in lac	₹ in lac	₹ in lac	₹ in lac	₹ in lac	₹ in lac	₹ in lac	
<b>a Tangible Assets</b>												
Land (Leasehold Improvements)	660.74	(0.85)	-	-	659.89	228.30	80.97	-	0.48	308.79	351.11	432.44
Plant & Machinery	20.59	27.93	-	-	48.52	2.63	4.82	-	-	7.45	41.07	17.96
Computer	553.90	52.80	-	-	606.70	409.71	80.53	-	0.11	490.13	116.56	144.18
Furniture and Fixtures	141.81	4.32	-	-	146.13	93.38	11.20	-	-	104.58	41.55	48.45
Vehicles	77.84	-	-	-	77.84	60.32	5.37	-	-	65.69	12.14	17.52
Office equipment	192.39	34.91	-	-	227.29	65.40	25.43	-	0.04	90.79	136.51	126.99
<b>b Transfer to CWIP</b>	-	-	-	-	-	-	(14.70)	-	-	-	-	-
<b>Total</b>	<b>1,647.26</b>	<b>119.11</b>	<b>-</b>	<b>-</b>	<b>1,766.38</b>	<b>859.73</b>	<b>193.64</b>	<b>-</b>	<b>0.64</b>	<b>1,067.43</b>	<b>698.94</b>	<b>787.53</b>
<b>c Intangible Assets</b>												
Goodwill	-	-	-	-	-	-	-	-	-	-	-	-
Computer software	220.53	42.54	-	-	263.06	147.92	42.39	-	-	190.31	72.75	72.61
Copyrights, and patents and other intellectual property rights, services and operating rights	13.67	-	-	-	13.67	1.45	1.93	-	-	3.38	10.28	12.22
Testing & Tooling Software	6,932.96	-	-	-	6,932.96	5,473.29	671.21	-	-	6,144.50	788.47	1,459.68
Internally Generated Software	10,443.38	(3,528.73)	-	-	6,914.65	2,334.83	2,866.80	-	-	4,358.99	2,555.66	8,108.55
<b>Total</b>	<b>17,610.53</b>	<b>(3,486.20)</b>	<b>-</b>	<b>-</b>	<b>14,124.34</b>	<b>7,957.48</b>	<b>3,582.34</b>	<b>-</b>	<b>842.65</b>	<b>10,697.17</b>	<b>3,427.16</b>	<b>9,653.05</b>
<b>d Capital Work in Progress</b>												
Products Under Development	0.01	0.00	-	-	0.01	-	-	-	-	-	0.01	876.71
Leasehold Improvements	-	2.00	-	-	2.00	-	-	-	-	-	2.00	-
<b>Total</b>	<b>0.01</b>	<b>2.00</b>	<b>-</b>	<b>-</b>	<b>2.01</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2.01</b>	<b>876.71</b>
<b>e Intangible assets under Development</b>												
Softwares Under Development	1,459.59	(1,459.59)	-	-	-	-	-	-	-	-	-	1,459.59
<b>Grand Total</b>	<b>20,717.40</b>	<b>(4,824.67)</b>	<b>-</b>	<b>-</b>	<b>15,892.72</b>	<b>8,817.21</b>	<b>3,775.98</b>	<b>-</b>	<b>843.28</b>	<b>11,764.61</b>	<b>4,128.12</b>	<b>12,776.88</b>
<b>Previous Year Figures</b>	<b>20,467.04</b>	<b>1,127.05</b>	<b>-</b>	<b>-</b>	<b>20,717.40</b>	<b>6,557.13</b>	<b>2,280.09</b>	<b>-</b>	<b>-</b>	<b>8,817.21</b>	<b>0.13</b>	<b>-</b>



## Notes Forming Part of the Recasted Standalone Financial Statements (Contd.)

### 13 NON CURRENT INVESTMENTS

Particulars	As at 30 June 2012	As at 31 March 2011
	₹ in lac	₹ in lac
<b>Investment in:</b>		
<b>a Fully paid up Equity instruments ( Quoted)</b>		
997(PY 997) Shares of ₹10 each Indraprastha Gas Ltd	1.00	1.00
Nil (PY 244238) Shares of ₹10 each Subex Systems Ltd	-	130.79
<b>b Fully paid up Equity instruments ( Unquoted)</b>		
ITM Digital Pvt Ltd	1.00	41.00
<b>c Subsidiaries</b>	90,386.92	89,339.89
<b>d Other Investments</b>	75.00	-
<b>Total</b>	<b>90,463.92</b>	<b>89,512.68</b>

### 13A

Particulars	As at 30 June 2012	As at 31 March 2011
	₹ in lac	₹ in lac
Aggregate amount of quoted investments (Market value of ₹2,38,682 (Previous Year ₹1,34,51,316))	1.00	134.51
Aggregate amount of unquoted investments	90,462.92	0.89

### 14 LONG TERM LOANS AND ADVANCES

Particulars	As at 30 June 2012	As at 31 March 2011
	₹ in lac	₹ in lac
<b>A Capital Advances</b>		
Advance towards Patent & Trademark applications	27.16	20.36
Advance towards Property acquisition	550.00	550.00
Advance for ACMR Projects	12.09	-
Advance for MSEDCL Projects	10.19	-
Advance towards acquisition	112.62	-
	<b>712.06</b>	<b>570.36</b>
<b>B Security Deposits</b>		
Secured, considered good	-	-
Unsecured, considered good	137.13	149.76
	<b>137.13</b>	<b>149.76</b>
<b>C Loans and advances to related parties</b>		
Secured, considered good	-	-
Unsecured, considered good	7,810.31	5,957.05
	<b>7,810.31</b>	<b>5,957.05</b>
<b>D Others</b>		
Inter Corporate Deposits	2,592.82	4,197.49
Advance Tax (Net of Provision for Taxes)	-	262.06
	<b>2,592.82</b>	<b>4,459.55</b>
<b>Total</b>	<b>11,252.32</b>	<b>11,136.72</b>

## Notes Forming Part of the Recasted Standalone Financial Statements (Contd.)

### 15 OTHER NON-CURRENT ASSETS

Particulars	As at 30 June 2012	As at 31 March 2011
	₹ in lac	₹ in lac
<b>Unamortised Expenses :</b>		
a. Bond Issue Expenses	-	221.99
b. Share Issue Expenses	-	2.13
c. Merger Expenses	-	0.58
<b>Total</b>	<b>-</b>	<b>224.70</b>

### 16 CURRENT INVESTMENTS

Particulars	As at 30 June 2012	As at 31 March 2011
	₹ in lac	₹ in lac
<b>Investment in:</b>		
<b>Mutual Funds ( Unquoted)</b>		
<b>A Growth Funds :</b>		
DSP Merrill Lynch Equity Fund – Regular Growth Nil (P.Y. 3,15,548.58) units, face value ₹10	-	24.19
Reliance Growth Fund – Growth Option Nil (P.Y. 2,669.172) units, Face Value ₹100	-	5.53
Reliance Natural Resources Fund – Growth Plan – Growth Option Nil (P.Y. 977,995.110) Units, Face value ₹10	-	60.15
LICMF Savings Plus Fund – Growth Plan Nil (P.Y. 174,167.479) Units, Face value ₹10	-	25.00
BMF Gold Bees NFO Nil (P.Y. 1,041.72) units, Face value ₹1000	-	9.88
<b>Total</b>	<b>-</b>	<b>124.74</b>
<b>B Income Funds:</b>		
HDFC Equity Fund – Dividend Option Nil (P.Y.39934.156 ) Units, Face value ₹10	-	10.14
JM Advantage Arbitrage Fund–Dividend Plan Nil (P.Y. 675887.927) units, Face Value ₹10	1.16	67.80
Sundaram BNP Paribas Entertainment Opportunity – Div Nil (P.Y. 252,593.132) units, face value ₹10	-	26.32
TATA Equity Management Fund Nil (P.Y. 5,00,000) units, Face Value ₹10	-	35.22
UTI Master Index Fund Nil (P.Y. 23,655.146) units, Face Value ₹10	-	7.09
<b>Total</b>	<b>1.16</b>	<b>146.58</b>
<b>C Liquid Funds:</b>		
Axis Treasury Advantage – Inst DDR Nil (P.Y.39934.156 ) Units, Face value ₹10	1.55	-
<b>Total</b>	<b>1.55</b>	<b>-</b>
<b>Total</b>	<b>2.71</b>	<b>271.32</b>



## Notes Forming Part of the Recasted Standalone Financial Statements (Contd.)

### 17 INVENTORIES

Particulars	As at 30 June 2012	As at 31 March 2011
	₹ in lac	₹ in lac
a Raw Materials and components	728.60	731.52
b Work-in-process	19.55	34.85
c Finished goods	70.54	18.62
d Stores & Spares	71.41	11.92
e Goods in Transit	-	230.14
<b>Total</b>	<b>890.11</b>	<b>1,027.05</b>

### 18 TRADE RECEIVABLES

Particulars	As at 30 June 2012	As at 31 March 2011
	₹ in lac	₹ in lac
<b>A</b> Trade receivables outstanding for a period less than six months from the date they are due for payment		
Secured, considered good	-	-
Unsecured, considered good	12,894.42	29,824.20
Less: Provision for doubtful debts	-	-
	12,894.42	29,824.20
<b>B</b> Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Secured, considered good	-	-
Unsecured, considered good	17,921.73	5,606.87
Unsecured, considered doubtful	-	-
Less: Provision for doubtful debts	-	-
	17,921.73	5,606.87
<b>Total</b>	<b>30,816.15</b>	<b>35,431.07</b>

### 19 CASH AND BANK BALANCES

Particulars	As at 30 June 2012	As at 31 March 2011
	₹ in lac	₹ in lac
<b>A Cash on hand</b>	<b>5.23</b>	<b>2.67</b>
Cheques on hand	-	75.00
<b>B Bank Balances</b>	<b>-</b>	<b>-</b>
Balances with Current Account	164.83	8,334.10
Demand deposits (less than 12 months maturity)	256.29	8,916.23
Bank deposits with more than 12 months maturity	0.28	-
<b>Total</b>	<b>426.62</b>	<b>17,328.00</b>



## Notes Forming Part of the Recasted Standalone Financial Statements (Contd.)

### 20 SHORT TERM LOANS AND ADVANCES

Particulars	As at 30 June 2012	As at 31 March 2011
	₹ in lac	₹ in lac
<b>A Loans and advances to related parties</b>		
Secured, considered good	-	-
Unsecured, considered good	61,072.18	20,092.50
Doubtful	-	-
	61,072.18	20,092.50
<b>B Prepaid Expenses</b>	51.63	29.05
<b>C Advance to Creditors</b>	118.38	94.89
<b>D Advance for Expenses</b>	(0.86)	-
<b>E Advance to Employees</b>	22.38	12.78
	191.53	136.73
<b>Total</b>	<b>61,263.71</b>	<b>20,229.23</b>

### 21 OTHER CURRENT ASSETS

Particulars	As at 30 June 2012	As at 31 March 2011
	₹ in lac	₹ in lac
<b>A Accrued interest on Deposits</b>	0.02	3.29
<b>B Interest on Overdue Debtors</b>	-	-
<b>C Unamortised Expenses :</b>	-	-
(i) Bond Issue Expenses	152.42	279.05
(ii) Share Issue Expenses	-	4.00
(iii) Merger Expenses	-	1.16
Inter- Branch A/c(Geo-Bang)	-	-
Inter- Branch A/c(Geo-Roorkee)	-	-
Inter- Branch A/c(Bangalore-Roorkee)	-	-
<b>Total</b>	<b>152.44</b>	<b>287.50</b>

### 22 REVENUE FROM OPERATIONS

Particulars	For the period ended	For the period ended
	30 June 2012	31 March 2011
	₹ in lac	₹ in lac
a. Sale of products	3,297.52	1,408.28
b. Sale of Software	54,817.20	65,222.57
c. Sale of services	1,018.80	509.06
d. Other operating revenues	31.30	2.84
<b>Total</b>	<b>59,164.82</b>	<b>67,142.75</b>



## Notes Forming Part of the Recasted Standalone Financial Statements (Contd.)

### 23 OTHER INCOME

Particulars	For the period ended	For the period ended
	30 June 2012	31 March 2011
	₹ in lac	₹ in lac
a. Interest Income	825.70	599.10
b. Dividend Income	40.14	45.71
c. Net Gain on sale of investments	90.04	67.40
d. Net Gain on Exchange Fluctuation	7,965.89	-
e. Other non-operating income (net of expenses directly attributable to such income)	5.15	0.73
<b>Total</b>	<b>8,926.92</b>	<b>712.94</b>

### EXPENSES

#### 24 Cost of Materials Consumed

Particulars	For the period ended	For the period ended
	30 June 2012	31 March 2011
	₹ in lac	₹ in lac
Opening Inventory	752.08	0.96
Add: Purchases (Net)	2,062.46	1,415.60
Less: Inventory at the end of the year	800.02	752.08
<b>Cost of raw materials consumed during the year</b>	<b>2,014.53</b>	<b>664.47</b>

#### 25 Changes in inventory of Finished Goods & Work in Progress

Particulars	For the period ended	For the period ended
	30 June 2012	31 March 2011
	₹ in lac	₹ in lac
<b>Changes in inventory of Finished Goods</b>		
<b>A Stock at the beginning of the year</b>	9.97	21.05
<b>Total A</b>	9.97	21.05
<b>B Stock at the end of the year</b>	70.54	9.97
<b>Total B</b>	70.54	9.97
<b>Increase/Decrease in Stocks (A-B) I</b>	<b>(60.57)</b>	<b>11.08</b>
<b>Changes in inventory of Work in Progress</b>		
<b>A Stock at the beginning of the year</b>		
Amida WIP	14.21	361.40
Sub Assembly	20.64	0.32
<b>Total A</b>	<b>34.85</b>	<b>361.72</b>
<b>B Stock at the end of the year</b>		
Amida WIP	-	14.21
Sub Assembly	19.55	20.64
<b>Total B</b>	<b>19.55</b>	<b>34.85</b>
<b>Increase/Decrease in Stocks (A-B) II</b>	<b>15.30</b>	<b>326.87</b>
<b>TOTAL (I + II)</b>	<b>(45.26)</b>	<b>337.95</b>

## Notes Forming Part of the Recasted Standalone Financial Statements (Contd.)

### 26 Other Direct Expenses

Particulars	For the period ended	For the period ended
	30 June 2012	31 March 2011
	₹ in lac	₹ in lac
a. Software Development Expenses	35,750.27	30,615.42
b. Server Hosting Charges	137.52	82.12
c. Professional Charges Towards Operations	87.63	79.80
d. Electricity Charges	129.60	95.27
e. Communication & Telephone Expenses	187.19	91.58
f. Call Minutes/SMS purchased	127.92	60.06
g. Job Work Expenses	123.97	50.54
h. Other Direct Expenses	273.58	15.49
<b>Total</b>	<b>36,817.68</b>	<b>31,090.29</b>

### 27 Employee Benefits Expense

Particulars	For the period ended	For the period ended
	30 June 2012	31 March 2011
	₹ in lac	₹ in lac
Salaries, Wages & Bonus	3,039.06	2,202.42
Contributions to -	-	-
(i) Provident fund	156.09	130.00
(ii) ESIC	4.84	2.34
(iii) Leave Encashment	21.90	-
(iv) Labour Welfare	0.26	0.18
Gratuity fund contributions	38.47	45.74
Staff welfare expenses	91.43	76.70
<b>Total</b>	<b>3,352.06</b>	<b>2,457.39</b>

### 28 Finance costs

Particulars	For the period ended	For the period ended
	30 June 2012	31 March 2011
	₹ in lac	₹ in lac
Interest and other finance expense	5,650.75	3,714.99
<b>Total</b>	<b>5,650.75</b>	<b>3,714.99</b>

### 29 Depreciation and Amortisation Expense

Particulars	For the period ended	For the period ended
	30 June 2012	31 March 2011
	₹ in lac	₹ in lac
a. Depreciation on Tangible assets	193.64	1,185.59
b. Amortisation on Intangible assets	3,582.34	1,079.73
c. Intangibles w/off	2,686.08	-
<b>Total</b>	<b>6,462.06</b>	<b>2,265.33</b>



## Notes Forming Part of the Recasted Standalone Financial Statements (Contd.)

### 30 Other expenses

Particulars	For the period ended	For the period ended
	30 June 2012	31 March 2011
	₹ in lac	₹ in lac
Loss on Forward Contracts	7,680.61	1,448.52
Loss on Exchange fluctuation	-	570.85
Loss on Diminution in Value of Investment	-	216.14
Loss on Sale of Fixed Assets	0.45	-
Profession Tax	0.05	0.03
Payment to Statutory Auditors	25.28	16.55
Travelling & Conveyance	154.13	121.69
Rent & Hire charges	304.36	146.40
Membership & Subscription	5.48	3.32
Conectivity Charges	2.90	2.56
Donation	3.50	3.00
Tender Expenses	(1.99)	5.31
Insurance charges	45.54	26.99
Director's sitting Fees	4.40	2.50
Advertisement, Publicity & Sales Promotion	130.43	168.45
Legal, Professional & Consultancy charges	143.78	69.18
Custodial Charges	2.60	-
Bank Charges	155.49	37.21
Processing charges	30.34	-
PMS Charges	-	0.55
Rates & Taxes	5.83	0.50
Conference Expenses	3.85	0.78
Discount	0.68	-
Postage, Fax & Courier	12.79	11.08
Packing Charges	-	0.98
Water Charges	5.68	2.77
Newspaper, Books & Periodicals	1.52	1.78
Miscellaneous Expenses	15.01	18.44
Printing & Stationery	30.13	21.17
Bond Issue Expenses w/off	348.63	279.05
Merger Expenses w/off	1.74	1.16
Share Issue Expenses w/off	6.13	4.46
Bad Debts	4,277.16	0.17
Sundry Balances w/off	2,162.51	269.65
Fines & Penalties	0.16	0.70
Security Charges	2.40	1.73
Freight & Insurance	0.41	0.97
	<b>15,561.99</b>	<b>3,454.63</b>

**Notes Forming Part of the Recasted Standalone Financial Statements (Contd.)****30A**

Particulars	For the period ended	For the period ended
	30 June 2012	31 March 2011
	₹ in lac	₹ in lac
<b>Repairs &amp; Maintenance</b>		
Repairs - Air Conditioner	6.66	4.44
Repairs - Computer	8.91	7.10
Repairs - Computer Software	0.77	1.44
Repairs - Office Equipment	19.39	16.05
Repairs - Premises	104.25	76.63
Repairs - Vehicles	2.53	1.93
Repairs - Others	6.18	4.59
<b>Total</b>	<b>148.69</b>	<b>112.18</b>
<b>Total Other Expenses</b>	<b>15,710.68</b>	<b>3,566.81</b>

**30B**

Particulars	For the period ended	For the period ended
	30 June 2012	31 March 2011
	₹ in lac	₹ in lac
<b>Payments to the auditor as</b>		
a. Audit Fee	21.49	13.24
b. Tax Audit Fee	3.79	3.31
c. for other services	-	-
d. for reimbursement of expenses	-	-
<b>Total</b>	<b>25.28</b>	<b>16.55</b>

**31 Prior Period Expenses**

Particulars	For the period ended	For the period ended
	30 June 2012	31 March 2011
	₹ in lac	₹ in lac
<b>Prior Period expenses includes following:</b>		
(a) Director sitting fees	-	0.70
(b) Repairs & Maintenance	0.02	1.10
(c) Lease Rent	-	0.34
(d) Advertisement Expenses	-	0.04
(e) Professional Fees	0.19	1.83
(f) Investor Education & Protection Fund	-	0.01
(g) Central Sales Tax	0.30	-
(h) Courier Charges	(0.27)	-
(i) Annual Maintenance Contract Fees	(0.04)	-
(j) TDS	-	0.80
(k) Proposed Equity Dividend	-	(13.20)
(l) Interest on CST	-	0.49
(m) Other Miscellaneous (Receipts) / Expenses	(28.17)	1.16
<b>Total</b>	<b>(27.98)</b>	<b>(6.73)</b>



## Notes Forming Part of the Recasted Standalone Financial Statements (Contd.)

32. The Company has investments in its wholly owned subsidiary, Chandamama India Limited to the tune of ₹1,954.59 lac. The net worth of this subsidiary is negative / less than 25% of investment in that subsidiary as on 31st March, 2011. The Company has not made any provision against diminution in value of investment in shares of the aforesaid subsidiary. The management is confident of fetching the value of investment based on the assets owned by the Company – both physical and non-physical. The Company is in the process of producing two animation film series, enhancing its subscription base and selling content on new media which will ultimately generate profits in the coming year.

33. In April 2011, the Company developed a new version of a product with additional features to keep up with the latest changes in technology. However, the revised version developed certain problems with all the end-customers. The Company continued its efforts to solve the problems and to provide improved services to the customers. In the meanwhile the Company restored the earlier version of the product temporarily so that the business loss to the customers was minimised. 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 of that product made to customers from April 2011 to avoid legal action from the customers. Since the impact of the reversals was substantial and it would be appropriate to take the impact of the reversals in the year in which the sales were accounted for, to show a correct picture of the accounts of the Company. Hence, the Company has recasted the balance sheet for the year ended 30th June 2012. The impact of the said reversals has reduced the sales by ₹27,776.06 lac, profit on exchange fluctuation by ₹3,864.38 lac and thereby the profit by ₹31,821.29 lac. Correspondingly, the Management is in the process of negotiations with suppliers of software supplied by the vendors to be used in the aforesaid product. However pending discussions no effect is given for the claim made by the Company to the vendors as an abundant caution.

### 34. Interest on overdue debtors

On the basis of clause in the agreement with the debtors the Company had charged interest on its overdue debtors. However, on account of reversals of sales, the company has decided to write back the interest income on the said sales amounting to ₹233.83 lac thereby reducing the profit to that extent.

### 35. Stock

Subsequent to finalisation of published accounts it was noticed that stock transfers effected from Roorkee unit to Bangalore unit instead of eliminating the sales accounted by Roorkee unit against the purchases accounted by Bangalore unit, even the stock amounting to ₹52.62 lac (at cost) which actually existed at Bangalore unit was also eliminated. Consequently in the recasted accounts the effect for the said stock so eliminated is given which has resulted in profits being higher by ₹52.62 lac.

### 36. Segment Reporting:

The primary reporting of the Company has been disclosed on the basis of business segment. The Company has only one business segment which is software product sale and related consultancy services. Accordingly, the amounts appearing in these financial statements relate to this primary segment. Further the Company sells and provides services mainly outside India and also within India. Thus disclosures under secondary segment reporting are as follows:

#### Revenue by Geographical Segment

₹ in lac		
Region	For the period ended 30th June 2012	For the period ended 30th June 2011
India	5,183.17	2,201.41
Outside India	53,981.65	64,941.34

#### Segment Assets

₹ in lac		
Region	For the period ended 30th June 2012	For the period ended 30th June 2011
India (Assets excluding Export Customers)	1,70,251.62	1,56,767.05
Outside India (Export Customers)	30,152.38	34,791.19

The Company's operating facilities are located in India. The total cost incurred during the period to acquire fixed assets within India is disclosed in note 13 forming part of financial statements. Segment revenue is based on geographical locations of customers and segment asset is based on geographical location of assets.

## Notes Forming Part of the Recasted Standalone Financial Statements (Contd.)

### 37. Miscellaneous Expenditure written off:

During the period ended 30th June 2012, the policy for writing off of miscellaneous expenditure over a period of ten years have been changed to bring it in line with The Accounting Standard 26 (AS-26) on "Accounting for Intangible Assets". The AS-26 requires miscellaneous expenditure to be written off during the same period of incurrence, if no intangible asset or any other asset is acquired or created. As a result of this change in Accounting Policy miscellaneous expenditure of ₹7.88 lac is charged to profit and loss account resulting in reduction in profits to that extent.

### 38 Contingent Liability (not provided for) exist in respect of:

₹ in lac

Sr. No.	Particulars	For the period ended 30 June 2012	For the period ended 31 March 2011
a)	Outstanding bank guarantees	96.06	32.62
b)	Letter of Credit given by bank on behalf of the Company	1,731.74	759.49
c)	Times Internet disputed payment towards minimum guarantee fees	223.15	-
d)	<b>Income tax Demand in respect of an earlier year(s) under dispute</b>		
1.	Appeal pending with CIT Appeals VIII for AY 2005-06	-	6.93
	<b>Total</b>	<b>2,050.95</b>	<b>799.04</b>

### 39 Computation of Net Profits in accordance with Section 198 of the Companies Act, 1956:

₹ in lac

Particulars	For the period ended 30 June 2012	For the period ended 31 March 2011
Profit before tax	(1,842.77)	23,758.45
Add: Loss on cancellation / delivered foreign contracts	7,680.61	1,448.52
Add: unfruitful project expenses written off	1,656.83	6,334.67
Add: Directors' Sitting Fees	4.40	2.50
Add: Loss on sale of fixed assets as per Profit and Loss Account	0.45	-
	<b>7,499.52</b>	<b>31,544.14</b>

### 40 Managerial Remuneration

₹ in lac

Particulars	For the period ended 30 June 2012	For the period ended 31 March 2011
Salaries	67.15	53.72
Contribution to Provident Fund and other Funds	0.35	0.28
Directors sitting Fees	4.40	2.50
<b>Total</b>	<b>71.90</b>	<b>56.50</b>



## Notes Forming Part of the Recasted Standalone Financial Statements (Contd.)

### 41. Share Capital:

Employees have exercised Nil (P.Y. 2,550) stock options during the period ended 30th June, 2012 which has not resulted in an increase in Equity Share Capital (P.Y. ₹0.05 lac).

### 42. Foreign Currency Convertible Bonds (FCCB):

In January 2008, the Company raised ₹49,962.50 lac equivalent to US\$ 125 million on the issue of Zero Coupon Convertible Bonds, due on 18th January, 2013 to overseas investors vide RBI approval no. FED.CO.EBCD/3013/03.02.766/2077-08 dated 5th December, 2007. As per the approval the funds can be utilised only for overseas acquisitions and investments in joint ventures / wholly owned subsidiaries and for any other use as may be permitted under applicable laws or regulations from time to time.

The Bonds constitute the Company's direct, unconditional, unsubordinated and unsecured obligations and will at all times rank paripassu and without any priority amongst themselves. The Company's payment obligations under the Bonds shall, save for such exceptions as may be provided by mandatory provisions of applicable law, at all times rank at least equally with all of its other present and future direct, unconditional, unsubordinated and unsecured obligations.

The conversion price of the Bonds, subject to certain conditions, will initially be ₹302.27 per share with a fixed rate of exchange on conversion of ₹39.13 = US\$ 1.00.

The Bonds are listed on the official list of the Singapore Exchange Securities Trading Ltd (SGX-ST) (the "Singapore Stock Exchange"). During the year ending March 2010, the Company has repurchased FCCB of the face value of US\$ 8.50 Million, listed on the Singapore Stock Exchange, in accordance with the A.P. (DIR Series) Circular No. 39 dated 8th December, 2008 (the "Circular") issued by the Reserve Bank of India. As on 30th June, 2012 Bonds with the nominal value of US\$ 113.50 million are outstanding. The Company may repurchase more of these bonds depending upon the market conditions.

The Bonds carry an yield of 6.60% per annum based on the same, interest of ₹4761.40 lac (P.Y. ₹3,389.27 lac) has been provided in the accounts (refer Note 28 forming part of the financial statements ).

### 43. Related Party Disclosures:

#### a. List of Related Parties

Related Parties with whom transactions have taken place during the year:

#### Key Managerial Personnel (KMP):

Mr.Pankaj Kumar  
Mr.KiranKulkarni  
Mr.PrashantMulekar

#### Enterprise over which Key Management Personnel exercise significant influence:

None

#### Subsidiary Companies:

(A) Direct Holding	(B) Indirect Holding
Chandamama India Limited (CIL)	-
Filmorbit.Com India Private Limited (FIPL)	-
Geodesic Gridpoint Energy Private Limited (GGEPL)	-
Geodesic Technology Solutions Ltd, Hong Kong (GTSL)	-
Geodesic Holdings Limited (GHL)	(i) Geodesic Information Systems Inc. (GIS)
	(ii) Interactive Networks International (INI)
	(iii) Publicidad Digital S.A. (PD)
	(iv) Emiloto Associated Inc. (EAI)
	(v) Geodesic (Hong Kong) Ltd (GHKL)
	(vi) Geodesic Technology FZE (GT FZE)
	(vii) Zomo Technologies Ltd (ZTL)
	(viii)Spokn Communications Pte Ltd (SCPL)







## Notes Forming Part of the Recasted Standalone Financial Statements (Contd.)

### 43. Related Party Disclosures: (Contd.)

#### (ii) Transactions with related parties:

₹ in lac

Nature of Transaction	Indirect Holding						
	INI	PD	GHLK	EAI	ZTL	SCPL	GT FZE
	Current (Prev) Period/Year	Current (Prev) Period/ Year	Current (Prev) Period/ Year	Current (Prev) Period/ Year	Current (Prev) Period/ Year	Current (Prev) Period/ Year	Current (Prev) Period/ Year
Trade Advances/ Loan balances given by Company as on 30th June 2012			12.12 (368.61)				
Interest Accrued	- (-)	- (-)	- (14.92)	- (-)	- (-)	- (-)	- (-)
Product and Service Income/ Expenses(-)	- (-)	- (-)	- (-)	- (-)	- (-)	55.99 (54.78)	- (-)
Outstanding balance as on June-30, 2012 (-) Cr	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
Managerial Remuneration							
- Pankaj Kumar	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
- KiranKulkarni	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
- PrashantMulekar	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)

### 44 Earnings per Share:

₹ in lac

Particulars	For the period ended	For the period ended
	30 June 2012	31 March 2011
(a) Profit for the year after tax	(1,842.77)	23,462.69
Add: Exceptional Income	-	-
Net Profit after tax for Equity Shareholders	<b>(1,842.77)</b>	<b>23,462.69</b>
Weighted Average number of equity shares outstanding	9,01,41,349	9,10,50,900
<b>Basic Earnings per share (₹)</b>	(2.04)	25.77
(b) Weighted Average No. of Equity Shares outstanding	9,01,41,349	9,10,50,900
Add: Effect of dilutive issue of stock options and warrants	1,38,963	3,64,552
Considered for diluted EPS	9,02,80,312	9,14,15,452
<b>Diluted Earnings Per Share (₹)</b>	(2.04)	25.67
<b>Face Value per Share (₹)</b>	2.00	2.00

## Notes Forming Part of the Recasted Standalone Financial Statements (Contd.)

### 45. Employees Stock Option Plan 2002:

The Company has share based payment scheme to its employees.

During the year ended June 30, 2012 the following schemes were in operation:

Particulars	Grant 1	Grant 2	Grant 3	Grant 4	Grant 5	Grant 6	Grant 7	Grant 8	Grant 9	Grant 10
Date of Grant/Board Approval	28-08-02	5-01-04	10-02-05	31-03-06	28-07-06	23-11-06	9-04-07	24-09-07	05-05-08	28-04-09
No of Options Granted	46,000	500,000	600,000	650,000	300,000	100,000	900,000	300,000	700,000	500,000
Method of Settlement	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity
Vesting Period	1 year	1 year	1 year	1 year	1 year	1 year	1 year	1 year	1 year	1 year
Exercise Period	10 years	10 years	10 years	10 years	10 years	10 years	10 years	10 years	10 years	10 years

All the above grants are covered under the approval of the shareholders vide their Annual General Meeting held on August 28, 2002

Particulars	For the period ended 30th June 2012		For the period ended 31st March 2011	
	No. of Shares	Weighted Average Exercise Price (₹)	No. of Shares	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the period	3,437,118	140.63	3,632,715	140.97
Options granted	Nil	Nil	Nil	Nil
Exercised during the period / year	Nil	Nil	2,550	85.40
No of Options Lapsed	386,500	144.52	193,047	147.05
Outstanding at the end of the period / year	3,050,618	140.17	3,437,118	140.63
Exercisable at the end of the Period / year	3,050,618		3,437,118	
Weighted average remaining contractual life (in months)	69.45		79.62	
Weighted average fair value of the options granted	158.68		157.24	

Details of exercise price for stock Options outstanding at the end of the year are:

Period/Year End	Range of Exercise Price (₹)	No. of options outstanding	Weighted average remaining contractual life (in months)	Weighted Average
30 June 12	₹26.81 – ₹210.05	3,050,618	69.45	144.52
31 Mar 11	₹26.81 – ₹210.05	3,437,118	79.62	140.63

### 46. Subsidiary Companies / Acquisition of Companies:

During the period the Company invested ₹348.82 lac (P.Y. ₹35,332.47 lac) towards 7,80,000 (P.Y. 77,999,900) shares of US\$ 1 each in Geodesic Holdings Limited, Mauritius.

Geodesic Hongkong Ltd. (a 100% step down subsidiary) has paid the loan amount entirely during the period ended as on 30th June 2012. A sum of ₹ Nil (P.Y. ₹14.92 lac) has been accrued towards interest receivable from Geodesic (Hong Kong) Ltd., for the period ended as on 30th June 2012.

The Share Application as at the end of the period 30th June 2012 for Geodesic Technology Solutions Limited, Hong kong (GTSL) is ₹2,450.55 lac. During the period the Company has granted a loan of ₹413.69 lac to GTSL, Hongkong. The closing balance of loan ₹7,388.21 lac (P.Y. ₹5,492.41 lac) net of foreign exchange rate fluctuation, is shown under "Long Term Loans and Advances" in Note 15 forming part of the financial statements.

During the period, the Company has applied for an additional 12,50,000 (P.Y. 22,70,000) equity shares of ₹10 each in Chandamama India Limited on a preferential basis for an amount of ₹125 lac (P.Y. ₹227 lac). This money is lying in Share Application pending allotment which is shown under "Non Current Investments" in Note 14 forming part of financial statements.

During the period the Company advanced ₹88.18 lac to Chandamama India Limited which is shown under "Long Term Loans and Advances" in Note 15 forming part of financial statements.

During the period Company has advanced ₹83.37 lac (P.Y. 55.15 lac) to Filmorbit.Com India Private Limited which is shown under "Long



## Notes Forming Part of the Recasted Standalone Financial Statements (Contd.)

Term Loans and Advances" in Note 15 forming part of financial statements.

During the period the Company invested additional funds at par in the following Indian subsidiaries and associates:

- a) ITM Digital Private Limited (IDPL) was incorporated as a subsidiary in FY 2009-10, but thereafter Zee Entertainment Limited invested 60% in the Company, after which it ceased to be a subsidiary of the Company. The investment of ₹40 lac made in the company has been purchased by Zee Entertainment Limited in the month of May 2011. The investment as at end of period is ₹99,990 (P.Y. ₹99,990).
- b) Geodesic Gridpoint Energy Private Limited (GGEPL) with an investment of ₹ Nil (P.Y. ₹24,59,990). During the period the Company advanced ₹143.58 lac (P.Y. ₹1.23 lac) to Geodesic Gridpoint Energy Private Limited which is shown under "Long Term Loans and Advances" in Note 15 forming part of financial statements.
- c) The Company has invested ₹ Nil (P.Y. ₹31,50,000) in Filmorbit.Com India Private Limited (FIPL).

The Company is having pending share application allotment to the tune of ₹15.68 lac as at the period ended on 30th June 2012. As per the provisions of section 72(2)(2A) of Companies Act 1956, the Company is required to maintain a separate bank account for the same and also needs to provide interest on the same.

### 47 Retirement Benefits:

The following table sets out the status of the Gratuity Plan as required under AS 15.

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

₹ in lac

Particulars	For the period ended 30 June 2012	For the period ended 31 March 2011
<b>1 Employment and Retirement Benefits</b>		
<b>(a) Post employment Benefits</b>		
Defined contribution plans		
Company's contribution to Provident Fund	178.24	142.89
<b>(b) Defined benefit scheme</b>		
Obligation at period beginning	119.49	80.52
Service Cost	36.19	27.92
Interest Cost	12.71	6.44
Actuarial (gain) / loss	2.83	18.55
Benefits Paid	(47.33)	(13.95)
Amendment in benefit plans	-	-
Obligation at period end	123.88	119.49
Defined benefit obligation liability as at the balance sheet date is wholly funded by the Company		
<b>Change in plan assets</b>		
Plan assets at period beginning, at fair value	90.84	79.06
Expected return on plan assets	13.25	7.18
Actuarial gain / (loss)	0.00	0.00
Contributions	66.92	18.55
Benefits Paid	(47.33)	(13.95)
Plan assets at period end, at fair value	123.68	90.84
Reconciliation of present value of the obligation and the fair value of the plan assets		
Fair value of plan assets at the end of the period	123.68	90.84
Present value of the defined benefit obligations at the end of the period	123.88	119.49
(Asset) / Liability recognised in the balance sheet	0.20	28.65
<b>Assumptions</b>		
Interest Rate	8.75%	8.25%
Estimated rate of return on plan assets	9.25%	9.15%

## Notes Forming Part of the Recasted Standalone Financial Statements (Contd.)

### 47 Retirement Benefits: (Contd.)

The following table sets out the status of the Gratuity Plan as required under AS 15.

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

₹ in lac

Particulars	For the period ended	For the period ended
	30 June 2012	31 March 2011
<b>(c) Gratuity cost for the period / year</b>		
Service Cost	36.19	27.92
Interest Cost	12.71	6.44
Expected return on plan assets	(13.25)	(7.18)
Actuarial (gain) / loss	2.83	18.55
Amortisations (Reduction in benefit)	-	-
Net gratuity cost	38.47	45.74
Interest Rate	8.75%	8.25%
Estimated rate of return on plan assets	9.25%	9.15%
<b>(d) Defined benefit scheme</b>		
Leave Encashment		
Obligation at period beginning	47.68	46.32
Service Cost	11.69	6.27
Interest Cost	4.98	3.71
Actuarial (gain) / loss	8.87	5.07
Benefits Paid	(26.15)	(13.70)
Amendment in benefit plans	-	-
Obligation at period end	47.07	47.68
Defined benefit obligation liability as at the balance sheet date is wholly funded by the Company		
Change in plan assets		
Plan assets at period beginning, at fair value	58.07	50.18
Expected return on plan assets	5.55	4.35
Actuarial gain / (loss)	0.00	0.00
Contributions	7.42	17.23
Benefits Paid	(26.15)	(13.70)
Plan assets at period end, at fair value	44.88	58.07
Reconciliation of present value of the obligation and the fair value of the plan assets		
Fair value of plan assets at the end of the period	44.88	58.07
Present value of the defined benefit obligations at the end of the period	47.07	47.68
(Asset) / Liability recognised in the balance sheet	2.18	(10.39)
Assumptions		
Interest Rate	8.75%	8.25%
Estimated rate of return on plan assets	9.25%	9.15%
<b>(e) Leave Encashment Cost for the period</b>		
Service Cost	11.69	6.27
Interest Cost	4.98	3.71
Expected return on plan assets	(5.55)	(4.35)
Actuarial (gain) / loss	8.87	5.07
Amortisations (Reduction in benefit)	-	-
Net leave encashment cost	20.00	10.70
Interest Rate	8.75%	8.25%
Estimated rate of return on plan assets	9.25%	9.15%



## Notes Forming Part of the Recasted Standalone Financial Statements (Contd.)

### 48 Earnings in Foreign Currency:

₹ in lac

Description	For the period ended	For the period ended
	30 June 2012	31 March 2011
Product and Service Income	53,981.65	67,669.71

### 49 Expenditure in Foreign Currency:

₹ in lac

Description	For the period ended	For the period ended
	30 June 2012	31 March 2011
Travelling Expenses	4.02	3.01
Import of Hardware/Software (capitalised)	91.97	91.77
Import of Hardware/Software	1,299.09	700.22
Professional Fees	6.11	0.59
Others	137.74	86.09
<b>Total</b>	<b>1,538.92</b>	<b>881.68</b>

### 50. Un-hedged Foreign Currency Exposures:

The foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

Amount receivable as at June 30, 2012 in foreign currency on account of the following:

Particulars	For the year ended 30th June 2012		For the period ended 31st March 2011	
	₹ in lac	Value in foreign Currency	₹ In lac	Value in foreign Currency
Total debtors - Product and Service Income	30,152.38	USD 5,35,48,065	34,791.19	USD 7,79,19,807
Less: Hedged Debtors *	0	USD 5,35,48,065	21,543.65	USD 48,250,056
Un-Hedged Debtors	**30152.38	Nil	13,247.54	29,669,751
Investment in Foreign Companies				
Geodesic Tech Solutions Ltd	3,710.77	HKD 60,000,000	3,710.77	HKD 60,000,000
Geodesic Holdings Ltd	81,274.69	USD 174,045,000	80,925.87	USD 173,265,100

\* The Company has adopted AS 30 and 32 as prescribed by the ICAI from the current period, hence bifurcation of hedged and un-hedged receivables have been given in the current period.

\*\*Consequent upon reversal of debtors as stated in Note no 34, the hedged debtors ceased to exist and hence the effect thereof appears in these recasted notes to accounts by reducing the amount of hedged debtors to Nil.

### 51 Disclosure for operating leases:

#### a. Non-cancellable lease:

The Company's significant leasing agreements are in respect of operating leases for official premises and guest house. These leasing arrangements are non-cancellable for a period of three years and are usually renewable by mutual consent on mutually agreeable terms.

The aggregate lease rentals are charged as Rent under "Other Expenses" Note 31 which forms part of the financial statement.

₹ in lac

Particulars	For the period ended	For the period ended
	30 June 2012	31 March 2011
Not later than one period/year	38.73	212.23
Later than one period/year but not later than 5 years	132.73	962.14
Later than 5 years but not later than 15 years	96.35	896.14

## Notes Forming Part of the Recasted Standalone Financial Statements (Contd.)

### 51 Disclosure for operating leases: (Contd.)

#### b. Cancellable lease:

The other leasing agreements for the premises are considered as cancellable leasing agreements.

The aggregate lease rentals are charged as Rent under "Other Expenses" Note 31 which forms part of the financial statement.

₹ in lac

Particulars	For the period ended 30 June 2012	For the period ended 31 March 2011
Not later than one period/year	101.08	103.22
Later than one period/year but not later than 5 years	243.52	64.38
Later than 5 years but not later than 15 years	-	-

52. Based on the information available with the Company, none of the vendors fall under the definition of micro, small and medium scale enterprises. This information is not verifiable by the auditors.
53. Figures of the previous year have been regrouped/ rearranged wherever necessary to correspond with the figures of the current period on account of revised schedule VI format. Amounts and other disclosures for the preceding year are included as an integral part of the current period financial statements and are to be read in relation to the amounts and other disclosures relating to the current period.

**For and on behalf of**  
**BORKAR & MUZUMDAR**  
Chartered Accountants

**For and on behalf of the Board of Directors**  
**Pankaj Kumar**  
Chairman

**Kiran Kulkarni**  
Managing Director

**Rajesh Batham**  
Partner  
Membership Number:035941  
FRN: 101569W  
Place : Mumbai  
Date : 14th February, 2014



# Auditor's Report

To  
The Members of  
**Geodesic Ltd.**

## Report on the Financial Statements

We have audited the accompanying restated consolidated financial statements of **GEODESIC LIMITED ("the Company") and its subsidiaries** ("the Group"), which comprises of Restated Consolidated Balance Sheet as at 30th June 2012, the Restated Consolidated Statement of Profit and Loss Account and the Restated Consolidated Cash Flow Statement for the period then ended, a summary of significant accounting policies and other explanatory information.

## Management's Responsibility for Consolidated Financial statements:-

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

Our responsibility is to express an opinion on these financial statements based on our audit.

## Auditor's Responsibility

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

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

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

The Board of Directors have considered and passed resolution by circulation on 30th March, 2012 under section 210 (4) of the Companies Act 1956 extending the current financial year by 3 months from 31st March to 30th June. Therefore the Balance sheet, and the Statement of Profit & loss Account and Cash flow Statement of the Company have stated the position for fifteen months from 1st April, 2011 to 30th June, 2012.

We did not audit Financial Statements of Company's subsidiaries in Mauritius (GHL) and Hong Kong (GTSL) which reflect aggregate assets of ₹2,33,308.99 lac as at 30th June 2012 and aggregate revenue of ₹19,604.19 lac for the period then ended. Financial Statements of the Mauritian and Hong Kong subsidiaries have been audited/reviewed by other Auditors whose reports have been furnished to us and the amounts included in respect of the said subsidiaries are based solely on the statements given with these reports of those Auditors.

We report that the Consolidated Financial Statements have been prepared by the management in accordance with the requirements of the Accounting Standards (AS) 21, Consolidated Financial Statements prescribed by the Central Government under section 211 (3C) of the Companies Act, 1956 and other recognised accounting practices and policies.

## Basis of Qualified Opinion

Management has been unable to provide us with proper supporting documentation for some material transactions selected for audit of restated financial statements. We are unable to satisfy ourselves by alternative means concerning some of the items of Income/expenditures/assets/liabilities as reported by the Company in the restated Financial Statements. As a result of this, we are unable to determine whether any adjustments might have been necessary in respect of the Income/expenditures/assets/liabilities making up the Statements. With respect to the above comment we would like to bring to your kind attention the following points:-

We are unable to verify the correctness of the write off of ₹36,972.96 lac 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.



In the absence confirmations from any of the third parties the amounts due from/to the Company, including debtors, creditors, trade advances, other liabilities etc. we are unable state correctness thereof.

The Company has shown receipts from the debtors (Geodesic Technology Solutions Limited, wholly owned subsidiary) of ₹40,544.83 lac and payments to the various creditors of ₹40,472.55 lac. It is informed to us by the management that these cheques were not processed and therefore were not realised/presented till December 3rd 2012. All these cheques have become stale and the same have been subsequently reversed. Consequently the debtors and creditors are understated by ₹40,544.83 lac and ₹40,472.55 lac respectively and the bank balance is overstated by ₹16.72 lac. These debtors and creditors have since been reversed in the financial year ended 30th June 2013.

The Company raised fund through FCCB during the year 2008 and the same was due for repayment in the month of January, 2013. Till date the Company has not discharged 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 ₹972 crores before 28th April, 2014 in a Citibank branch at London or Singapore.

During the year ended June 2013 all the independent directors have resigned from the post of directorship. As on the date of signing of restated 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.

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 GTSL and GHL amounting to ₹46,069.50 lac & ₹67,713.18 lac respectively nor are we able to verify whether these are free of any encumbrances as such we are unable to ascertain the recoverability thereof.

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:

Net Profit higher by ₹1,752.45 lac

Other Income higher by ₹70.32 lac

Administrative and Operating Expenses lower by ₹1,682.13 lac

#### **Qualified Opinion:**

Because of the significance of the matters described in the Basis of Qualified Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

#### **Opinion**

Subject to our comments in paragraph 6 and 7 above impact of which on the financial statements cannot be fully ascertained, based on our audit and on consideration of the separate audit reviews on the individual financial statements of the subsidiaries and the aforesaid subsidiaries and other financial information of the components, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached Restated Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:

in the case of the Restated Consolidated Balance Sheet, of the state of affairs of the Group as at 30th June 2012;

in the case of the Restated Consolidated Statement of Profit and Loss, of the Loss of the Group for the period ended on that date; and

in the case of Restated Consolidated Cash Flow Statement, of the cash flows of the Group for the period ended on that date.

#### **For Borkar & Muzumdar Chartered Accountants**

#### **CA Rajesh Batham**

Partner

Membership No: 035941

FRN: 101569W

Place: Mumbai

Date : 17th April, 2014



## Recasted Consolidated Balance Sheet as at 30th June, 2012

(All amounts Rupees in lac unless otherwise stated)

	Note No	As at	
		June 30, 2012	March 31, 2011
<b>I Equity and Liabilities</b>			
<b>Shareholders' funds</b>			
(a) Share Capital	3	1,802.83	1,802.83
(b) Reserves and Surplus	4	133,094.48	113,022.86
		<b>134,897.31</b>	<b>114,825.69</b>
<b>Minority Interest</b>			
		1,281.53	61.13
<b>Non-current liabilities</b>			
(a) Long-term Borrowings	5	124.53	61,500.30
(b) Deferred Tax Liabilities (Net)	6	(9.69)	119.84
(c) Other Long Term Liabilities	7	39.49	28.09
(d) Long-Term Provisions	8	12.10	22.52
		<b>1,447.96</b>	<b>61,670.75</b>
<b>Current liabilities</b>			
(a) Short-Term Borrowings	9	26,998.49	15.52
(b) Trade Payables	10	5,971.01	28,853.44
(c) Other Current Liabilities	11	87,593.64	2,645.51
(d) Short-Term Provisions	12	2,703.42	1,318.75
		<b>123,266.56</b>	<b>32,833.22</b>
<b>TOTAL</b>		<b>259,611.83</b>	<b>209,390.80</b>
<b>II ASSETS</b>			
Goodwill on Consolidation		1,198.20	1,198.20
<b>Non-current assets</b>			
(a) Fixed assets	13		
(i) Tangible assets		27,336.95	6,301.21
(ii) Intangible assets		6,527.08	18,370.49
(iii) Capital Work in Progress		1,092.82	904.60
(iv) Intangibles under Development		-	1,459.59
		<b>34,956.86</b>	<b>27,035.88</b>
(b) Non-current investments	14	350.28	439.02
(c) Deferred tax assets (net)		-	-
(d) Long-term loans and advances	15	3,588.92	5,408.79
(e) Other non-current assets	16	-	224.70
		<b>40,094.26</b>	<b>34,306.60</b>
<b>Current assets</b>			
(a) Current Investments	17	2.71	271.32
(b) Inventories	18	22,975.20	1,113.95
(c) Trade Receivables	19	53,459.14	41,730.49
(d) Cash and Bank Balance	20	114,220.64	128,337.96
(e) Short-term Loans and Advances	21	28,707.44	3,280.21
(f) Other Current Assets	22	152.44	350.28
		<b>219,517.57</b>	<b>175,084.20</b>
<b>TOTAL</b>		<b>259,611.83</b>	<b>209,390.80</b>
Summary of Significant Accounting Policies	2	-	-
Contingent Liability	35	0	0

The accompanying notes form an integral part of the Financial Statements

As per our report of even date

**For and on behalf of**  
**BORKAR & MUZUMDAR**  
Chartered Accountants

**For and on behalf of the Board of Directors**  
**Pankaj Kumar**  
Chairman

**Kiran Kulkarni**  
Managing Director

**Rajesh Batham**

Partner

Membership Number:035941

FRN: 101569W

Place : Mumbai

Date : 17th April, 2014

## Recasted Consolidated Statement of Profit & Loss for the Period ended 30th June, 2012 (All amounts Rupees in lac unless otherwise stated)

	Note No	For the period ended	
		June 30, 2012	March 31, 2011
<b>Revenue</b>			
I Revenue from Operations	23	79,292.17	87,314.89
II Other Income	24	8,972.46	2,066.37
<b>Total Revenue (I+II)</b>		<b>88,264.63</b>	<b>89,381.26</b>
<b>III Expenses</b>			
a. Cost of Materials Consumed	25	2,662.10	780.31
b. Changes in inventories of finished goods work-in-progress and Stock-in-Trade	26	(180.86)	273.81
c. Other Direct Expenses	27	37,100.18	31,469.07
d. Employee Benefits Expense	28	4,328.34	3,216.61
e. Finance Costs	29	6,644.46	4,727.88
f. Depreciation and Amortisation Expense	30	16,535.86	9,978.70
g. Other Expenses	31	29,498.98	9,530.27
<b>Total Expenses</b>		<b>96,589.06</b>	<b>59,976.64</b>
IV Profit or (Loss) before Prior Period items		<b>(8,324.43)</b>	<b>29,404.61</b>
V Prior Period Items	32	(29.76)	(4.48)
VI Profit before exceptional and extraordinary items and tax (IV-V)		<b>(8,294.67)</b>	<b>29,409.10</b>
VII Exceptional items	-	-	-
VIII Profit before extraordinary items and tax (VI - VII)		<b>(8,294.67)</b>	<b>29,409.10</b>
IX. Extraordinary Items		-	-
X Profit before tax (VIII- IX)		<b>(8,294.67)</b>	<b>(29,409.10)</b>
XI. Tax Expense			
a. Current tax		44.01	26.70
b. Deferred tax/ (Reversal)		(129.39)	289.27
		<b>(85.38)</b>	<b>315.97</b>
XII Profit (Loss) for the period before Minority Interest & Share of Profit of Associate (X - XI)		<b>(8,209.30)</b>	<b>29,093.13</b>
XIII Minority Interest		<b>(24.66)</b>	<b>(7.29)</b>
XIV Share of Profits of Associates			
XV Profit for the year		<b>(8,184.64)</b>	<b>29,100.42</b>
XVI Earnings per equity share:			
a. Basic		(9.08)	31.96
b. Diluted		(9.07)	31.83
Summary of Significant Accounting Policies	2		

The accompanying notes form an integral part of the Financial Statements

As per our report of even date

**For and on behalf of**  
**BORKAR & MUZUMDAR**  
Chartered Accountants

**For and on behalf of the Board of Directors**  
**Pankaj Kumar**  
Chairman

**Kiran Kulkarni**  
Managing Director

**Rajesh Batham**  
Partner  
Membership Number:035941  
FRN: 101569W  
Place : Mumbai  
Date : 17th April, 2014



## Recasted Consolidated Cash Flow Statement for the Period ended 30th June, 2012 (All amounts Rupees in lac unless otherwise stated)

	For the period ended	
	2011-12	2010-11
<b>A. Cash flow From Operating Activites:</b>		
Net Profit before Tax and prior period adjustments	(8,324.43)	27,676.11
<b>Adjustment for</b>		
- Depreciation / Amortisation	16,535.86	9,978.70
- Prior Period Adjustments / Taxation	29.76	4.48
- (Increase) / Decrease in stock of finished goods & Raw Material	(20,905.14)	(44.43)
- Miscellaneous Expenditure written off	357.58	289.28
- Loss / (Profit) on Forward Contracts	7,680.61	1,448.52
- Loss / (Profit) on sale of Fixed Assets (Net)	0.45	4.92
- (Profit) / Loss on sale of current investments (Net)	(90.04)	662.99
- Loss / (Profit) from PMS Investments	-	(67.82)
- Foreign Exchange (Gain) / Loss (Net)	(7,910.99)	541.14
- Dividend Income	(40.14)	(48.59)
- Interest Income	(909.72)	(1,777.95)
- Interest Expenses	6,644.46	3,724.01
- Bad Debts written off / Provision for Bad Debts	9,203.54	45.25
- Balances written off / Advances written off (net)	2,163.66	289.58
- Investments written off / Diminution in value of investments	-	216.14
<b>Operating Profit before Working Capital Changes</b>	<b>4,435.44</b>	<b>42,942.33</b>
<b>Movements in working capital :</b>		
Decrease / (Increase) in sundry debtors	(11,728.65)	(20,739.57)
Decrease / (Increase) in loans & advances	(23,607.36)	13,438.38
Decrease / (Increase) in other current assets	422.55	-
(Decrease) / Increase in provision for leave encashment and gratuity	1.48	17.95
Decrease / (Increase) in inventory	(21,861.25)	(701.94)
(Decrease) / Increase in current liabilities	90,538.01	19,561.56
<b>Cash Generated From Operation</b>	<b>38,200.21</b>	<b>54,518.71</b>
Direct Tax Paid (net of refunds)	(192.59)	(388.21)
<b>Net Cash from / (used in) Operating Activities</b>	<b>38,007.62</b>	<b>54,130.50</b>
<b>B Cash flow From Investing Activites:</b>		
- Purchase of Fixed Assets	(25,304.33)	(7,092.03)
- Sale of Fixed Assets	6.65	0.29
- (Purchase) / Sale of Current Investment (Net)	268.61	21,272.20
- (Purchase) / Sale of Non-Current Investment (Net)	88.74	-
- Share application money transferred to equity / (paid)	-	8.19
- Effect of cross currency exchange rates on consolidation	(23,966.26)	1,034.44
- Intercorporate Deposits redeemed / (given)	1,604.67	4,761.75
- Profit on Sale / maturity of Investments	-	(662.99)
- Interest Received	57.75	1,180.32
- Dividend Received	40.14	48.59
- (Loss) / Profit on Forward Contracts	(847.75)	(1,448.52)
<b>Net Cash from / (used in) Investing Activities</b>	<b>(48,051.78)</b>	<b>19,102.24</b>

## Recasted Consolidated Cash Flow Statement (Contd.) for the Period ended 30th June, 2012

(All amounts Rupees in lac unless otherwise stated)

	For the period ended	
	2011-12	2010-11
<b>C Cash flow From Financial Activities:</b>		
- Proceeds from issue of share capital	-	(2,077.86)
- Share Issue Expenses	-	(0.01)
- (Decrease) / Increase in Unsecured Loans	-	2,718.13
- Receipt of Share Application money	-	-
- Repayment of Long term Borrowings	(0.67)	62.82
- Dividend Paid	(1,261.98)	(2,120.49)
- Interest Paid	(2,525.90)	(334.74)
- Tax on Dividend paid	(209.60)	(151.01)
<b>Net Cash from / (used in) Financial Activities</b>	<b>(3,998.15)</b>	<b>(1,903.16)</b>
Net Increase /Decrease in Cash and Cash Equivalents (A+B+C)	<b>(14,042.31)</b>	<b>71,329.57</b>
Cash and Cash Equivalents at the beginning of the year	<b>128,262.95</b>	<b>56,933.38</b>
Cash and Cash Equivalents at the end of the year	<b>114,220.64</b>	<b>128,262.95</b>
Components of cash and cash equivalents as at:		
Cash and Cheques on hand	5.53	3.24
With Banks : in current account	1,018.54	29,605.45
in fixed deposit	113,196.57	98,654.26
	<b>114,220.64</b>	<b>128,262.95</b>

As per our report of even date

**For and on behalf of**  
**BORKAR & MUZUMDAR**  
Chartered Accountants

**For and on behalf of the Board of Directors**  
**Pankaj Kumar**  
Chairman

**Kiran Kulkarni**  
Managing Director

**Rajesh Batham**  
Partner  
Membership Number:035941  
FRN: 101569W  
Place : Mumbai  
Date : 17th April, 2014



## Notes Forming Part of the Recasted Consolidated Financial Statements

### 1. NATURE OF OPERATIONS:

The Company is in the business of offering concrete solutions in Communication and Collaboration, financial products and services, providing content delivery platforms for mobile services and in electronic computing. The Company continuously upgrades existing products and develops new products to keep ahead of the curve.

### PRESENTATION OF FINANCIAL STATEMENTS

A revised schedule VI format is introduced and made mandatory for preparation of financial statements beginning from April 2011. The revised schedule VI has classified the Assets and liabilities into Current and Noncurrent based on the Company's normal operating cycle and other criteria set out in the Schedule VI to the Companies Act, 1956. The Company has ascertained its operating cycle as 12 months for the purpose of current – noncurrent classification of assets and liabilities, based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

The Board of Directors have considered and passed resolution by circulation on 30th March, 2012 under section 210 (4) of the Companies Act 1956 extending the current financial year by 3 months from March 31st to June 30th. Therefore the Balance sheet and Profit & loss Account have been prepared for a period of fifteen months from April 01, 2011 to June 30, 2012.

### 2. STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES

#### a. Principles of Consolidation:

The consolidated financial statements are related to Geodesic Limited (the Company) and its subsidiary companies. The Company and its subsidiaries constitute the group. The consolidated financial statements have been prepared on the following basis:

- i. The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together book value of like items of assets, liabilities, income and expenses, after fully eliminating intra group balances and intra group transactions as per Accounting Standard 21 "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India ("AS 21"). Unrealised profits, if any, resulting from intra group transactions including in carrying amount of assets are eliminated in full. Unrealised losses, if any resulting from intra group transactions that are deducted in arriving at the carrying amount of assets are also eliminated unless cost cannot be recovered.
- ii. The consolidated financial statements have been prepared using uniform policies for like transactions and other events in similar circumstances and are presented to the extent possible in the same manner as the company's financial statements.
- iii. The excess of cost of investments of the Company in subsidiaries over its share of equity in the subsidiary, is recognised as goodwill and the excess of share in equity of the subsidiary over the cost of investment to the Company is recognised as capital reserve.
- iv. Minority interest in the net assets of the subsidiaries consists of the amount of share in equity attributable to the minority shareholders at the date on which investments are made by the Company in the subsidiary Companies and further movements in their share in the equity subsequent to the date of investments.
- v. The group uses the Indian Rupee (₹) as its reporting currency. The financial statements of the foreign subsidiaries have been translated into Indian Rupees at the average exchange rate for the said period for profit and loss items and at the closing rate as at the period ended for assets and liabilities. The exchange difference arising on translation of financial statements of foreign subsidiaries into Indian Rupees is disclosed as Foreign Currency Translation Reserve under Reserves and Surplus.

#### b. Accounting Conventions:

##### i. Basis of Preparation of Financial Statements:

Financial Statements of the Company are prepared under the historical cost convention as per Generally Accepted Accounting Principles in the respective Countries where the Company or respective subsidiary operates and on going concern basis, with revenues recognised and expenses accounted for on their accrual. 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.

##### ii. Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires the Management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosures of contingent liabilities

## Notes Forming Part of Recasted Consolidated Financial Statements (Contd.)

as of the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Difference between actual results and estimates are recognised in the period in which the results are known/ have materialised.

### c. Revenue Recognition:

#### i. The revenue recognition policy in case of the parent Company and other subsidiaries dealing in software is as follows:

##### Licensing Income

Revenue from sale of user licenses for software applications is recognised only after the title in the user license is transferred on obtaining confirmation from the customer as per the terms of the agreement.

##### Software Sales

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and no significant uncertainty exists as to its ultimate realisation or collection.

##### Product Sales

The Company recognises the sale of hardware devices on shipment and acceptance of the same to the customer.

##### Services

Annual Technical / Maintenance Services revenue is accrued over the period of the contract.

##### Interest

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

##### Dividend Income

Revenue is recognised when the right to receive the same is established as at the Balance Sheet Date.

##### Other Income

Other Income is accounted on accrual basis as and when the right to receive arises.

#### ii. The revenue recognition policy of Chandamama India Limited, the Indian subsidiary, engaged in the business of publication is as follows:

##### Sale of Products

Sales are recognised on transfer of significant risks and rewards in connection with the ownership at the time of dispatch of goods, sales are recorded net of trade discounts and rebates.

The actual returns of unsold copies are reduced from the sales.

Subscription sales are recognised on proportionate basis over the period of subscription.

Revenue from syndication is recognised when the work is performed.

Advertisement sales are recognised in the month in which publication is printed. Revenues are accounted net of commission/ discounts to the advertising agencies.

##### Other Income

##### Interest

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

##### Dividend Income

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

##### Government Grant

The Government grant related to promotion of Sanskrit is recognised in the statement of profit & loss account as other income when the grant becomes receivable. Other government grants are recognised initially as deferred income at the fair value when there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant, and then recognised in profit or loss as other Income on a systematic basis over the useful life of the asset.

Grants that compensate the expenses incurred are recognised in profit or loss as other income on a systematic basis in the periods in which the expenses are recognised.

##### Other items of Income

Other Income is accounted on accrual basis as and when the right to receive the same arises.



## Notes Forming Part of Recasted Consolidated Financial Statements (Contd.)

iii. **The revenue recognition policy of Filmorbit.Com India Private Limited, the Indian subsidiary, engaged in the business of publication is as follows:**

**Sale of Services**

The Company recognises the sale of content from its website as and when it is downloaded on payment through e-commerce.

**Other Income**

**Interest**

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

iv. **The revenue recognition policy of Geodesic Gridpoint Energy Pvt. Ltd., the Indian subsidiary, engaged in the business of Infrastructure is as follows:**

**Sale of Goods**

Revenue from sale of goods is recognised in profit and loss when the significant risks and rewards in respect of ownership of goods has been transferred to the buyer as per the terms of the respective sales order, and the income can be measured reliably and is expected to be received. Sales are recognised on transfer of significant risks and rewards in connection with the ownership at the time of dispatch of goods, sales are recorded net of trade discounts and rebates.

**Construction Contract**

Contract revenue and contract cost associated with the construction of road are recognised as revenue and expenses respectively by reference to the stage of completion of the projects at the balance sheet date. The stage of completion of project is determined by the proportion that contract cost incurred for work performed up to the balance sheet date bears to the estimated total contract costs. If total cost is estimated to exceed total contract revenue, the company provides for foreseeable loss.

d. **Fixed Assets, Intangible Assets and Work In Progress:**

i. **Fixed Assets**

Fixed assets are stated at cost, less accumulated depreciation and impairment losses, if any, thereon. Cost comprises the purchase price and any cost attributable to bringing the asset to its intended location and in working condition for its intended use.

ii. **Intangible Assets**

The costs related to development of a new base software are capitalised along with related implementation costs and are classified under Intangible Assets as per AS-26. Its enduring useful life is reasonably estimated by the management.

iii. **Capital Work In Progress**

Revenue expenditure incurred on further research for development / on up-gradation of the existing software is charged to Profit and Loss Account in the period in which it is incurred. Costs incurred for acquiring of software rights and development of new software are recognised as internally generated software and transferred to Capital WIP till the product is launched.

iv. **Leasehold improvements:**

Leasehold improvements are written off from the date they are put to use over the remaining period of the primary lease.

e. **Depreciation:**

Depreciation on other fixed assets in the case of the Company is provided for as per written down value method and in case of the Indian Subsidiary as per Written down value and Straight Line Method at the rates specified in Schedule XIV to the Companies Act, 1956. In case of the subsidiaries of the Company at HongKong and Mauritius, the depreciation is provided at the Straight Line method in order to amortise the cost of each asset over its estimated useful life.

Depreciation and capital work-in-progress is charged so as to write-off the cost of the assets on the following basis:

**Geodesic Limited (standalone)**

Leasehold Improvements	Straight Line	Lease period
Goodwill	Straight Line	33.33%
Computers	Written down value	40%
Vehicles	Written down value	25.89%
Furniture & Fixtures	Written down value	18.10%



**Notes Forming Part of Recasted Consolidated Financial Statements (Contd.)**

Office Equipment	Written down value	13.91%
Testing & Tooling Software	Written down value	40%
Other Software	Written down value	40%
Software with one year licence	Written down value	100%
Internally generated software	Straight Line	25%
Patents	Straight Line	10%

**Chandamama India Limited**

Leasehold Improvements	Straight Line	Lease period
Computers	Straight Line	16.21%
Vehicles	Straight Line	7% to 9.50%
Furniture & Fixtures	Straight Line	6.33%
Office Equipment	Straight Line	4.75%

**Filmorbit.Com India Pvt. Ltd.**

Computer-Hardware	Written down value	40%
Web Portal	Straight Line	25%

**Geodesic Gridpoint Energy Pvt. Ltd.**

Computer-Hardware	Written down value	40%
Office Equipment	Written down value	13.91%
Other Software	Written down value	40%
Vehicle	Written down value	25.89%

**Geodesic Technology Solutions Limited**

Computers	Straight Line	25%
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**Geodesic Holdings Limited**

Computer Equipment	Straight Line	20%
Furniture & Equipment	Straight Line	30%
Office Equipment	Straight Line	10%
Goodwill	Straight Line	33.33%

**f. Inventory:**

Inventories of Chandamama India Ltd. (Indian subsidiary) are valued at cost or market value whichever is lower. Cost considered for valuation of inventories is Weighted Average Cost. The stock of paper, books and magazines is as certified by the Management.

**Work in Process:**

Company is in process of preparing animation film for which Company has incurred an expense of ₹ 184,92,485 during the FY 2011-2012, The said expenses have not been considered as current period expenses and the same have been treated as Stock WIP (Multimedia).

Closing stock of finished goods of GeoAmida is valued at cost or net realisable value, whichever is lower. Cost is determined using First-in-First-Out method. Work in progress is valued at cost. Stock in transit is valued at cost.

**g. Impairment of Assets:**

The Company assesses at each balance sheet date whether there is any indication that an asset including goodwill may be impaired. In case of such indication, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs to is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Profit and Loss Account. If at the Balance Sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost. In respect of development costs and goodwill the impairment loss will be reversed only when it is caused by specific external events



## Notes Forming Part of Recasted Consolidated Financial Statements (Contd.)

and their effects have been reversed by such subsequent external events.

### **h. Investments:**

Investments that are intended to be held for a period of not more than a year at the time of purchase are classified as a Current Investment. All other investments are classified as Long Term Investments. 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 the provision for diminution in value is made to recognise a decline other than temporary in the value of long term investments.

### **i. Leases:**

Finance lease payments are apportioned between the finance lease charges and the reduction of the outstanding lease liability. The finance lease charges are recognised in the Profit and Loss Account.

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

### **j. Foreign Currency Transactions:**

The Company is exposed to currency fluctuations on foreign currency transactions.

#### **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.

#### **Conversion**

Foreign currency monetary items are converted into reported currency on the balance sheet date using the closing rate.

#### **Exchange Difference**

The difference between the rate at which foreign currency transactions are accounted and the rate at which they are realised / settled, is recognised in the Profit and Loss Account.

The Company uses foreign exchange forward and option contracts to hedge its exposure to movements in foreign exchange rates. The use of these foreign exchange forward and option contracts reduce the risk or cost to the Company and the Company does not use those for trading or speculation purposes.

Exchange differences on such contracts are recognised in the Profit and Loss Account in the period 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 period.

Effective from 1st January, 2011 the Company has adopted AS 30 and 32 Financial Instrument (Recognition and Measurement) Accounting Standards as prescribed by ICAI. The forward exchange contracts entered into, to hedge the foreign currency risk of a firm commitment or a highly probable transaction are marked to market at the end of the period and the gains and losses arising therein are included in the results of the operations and the same are reflected in the Hedge Reserve Account until the transaction is complete.

### **k. Retirement Benefits:**

The Company provides for gratuity, a defined benefit retirement plan (the "Gratuity Plan") covering eligible employees. In accordance with the Payment of Gratuities Act, 1972, the Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation as of the Balance Sheet date, based upon which, the Company contributes all the ascertained liabilities to the LIC Gratuity Fund. Liabilities with regard to Leave Encashment are determined by actuarial valuation as of the Balance Sheet date, based upon which, the Company contributes to the LIC Leave Encashment Fund.

### **l. Income Taxes:**

Income tax comprises of current tax provision and the net change in the deferred tax. Current tax provision is made in accordance with the Income Tax Act, 1961.

Minimum Alternative Tax (MAT) paid in accordance to the tax laws, which gives rise to the future economic benefits in the form of

## Notes Forming Part of Recasted Consolidated Financial Statements (Contd.)

adjustment of future income tax liabilities, is considered as an asset if there is convincing evidence that the Company will pay normal income tax after the tax holiday period. The tax effect of temporary differences between the book profit and taxable profit are reflected through Deferred Tax Asset / Deferred Tax Liability.

The Company has started operations in SEEPZ from end of September 2008, which is a SEZ and which is entitled to 100% tax holiday under Section 10AA of the Income Tax Act, 1961 until March 2019. As a result, deferred tax, arising out of timing differences originating and reversing during the tax holiday period, is recognised.

The Company started manufacture of GeoAmida in F.Y. 2009-10 at their unit in Roorkee in, Uttaranchal, which is located in a tax free zone eligible for tax holiday under section 80(l)C of the Indian Income tax Act, 1961 until March 2019. As a result, deferred tax, arising out of timing differences originating and reversing during the tax holiday period, is recognised in the books.

In case of foreign subsidiaries, tax provision has been made in accordance with the tax laws prevailing in those countries.

### m. 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 dividend and attributable taxes) by the weighted number of equity shares outstanding during the period. The weighted number of equity shares outstanding during the period are adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split and reverse share split (consolidation of shares). 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.

### n. Miscellaneous Expenditure:

Preliminary Expenses are amortised equally over a period of ten years. Share / Bond Issue Expenses and Deferred Revenue Expenses are amortised equally over a period of five years.

### o. Segment Reporting:

Primary Business Segment

The Company is primarily engaged in a single business segment of software product sale and related consultancy services, and accordingly, there is only one reportable segment.

Geographical Segment

Secondary segmental reporting is based on the geographical location of customers. The geographical segment has been disclosed on the revenues within India and revenues outside India.

### p. Employee Stock Compensation Cost:

Measurement and disclosure of the employee share based payment plans is done in accordance with the Guidance Note on Accounting for Employee share based payments, issued by the Institute of Chartered Accountants of India. The Company measures compensation cost relating to employee stock options using the intrinsic value method. Compensation expense is amortised over the vesting period of the option on a straight line basis.

### q. Borrowing Costs:

AS 16 requires the Company to provide for borrowing costs which may include exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs. The Company conservatively provides for interest on the FCCB at the notional interest rate as specified in the Term Sheet. The notional interest charge for the period is adjusted for exchange rate fluctuation by applying the closing exchange rate and the corresponding effect is given to the provision for interest on Bonds.

### r. Provision and Contingent Liabilities:

Provision is recognised when the Company has a present obligation as a result of past events and 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 management 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 management estimates.



## Notes Forming Part of Recasted Consolidated Financial Statements (Contd.)

### 3 SHARE CAPITAL

The authorised, issued, subscribed and fully paid-up share capital comprises of equity shares of ₹2 each and redeemable preference shares having a par value of ₹10 each as follows:

Share Capital	As at 30 June 2012		As at 31 March 2011	
	Number	₹ in lac	Number	₹ in lac
<b>(a) Authorised</b>				
(i) Equity Shares of ₹2 each	1,500.00	3,000.00	1,500.00	3,000.00
(ii) Preference Shares of ₹10 each	50.00	500.00	50.00	500.00
<b>Total</b>	<b>1,550.00</b>	<b>3,500.00</b>	<b>1,550.00</b>	<b>3,500.00</b>
<b>(b) Issued Subscribed &amp; Fully paid up</b>				
(i) Equity Shares of ₹2 each	901.41	1,802.83	901.41	1,802.83
(ii) Preference Shares of ₹10 each	-	-	-	-
<b>Total</b>	<b>901.41</b>	<b>1,802.83</b>	<b>901.41</b>	<b>1,802.83</b>

### 4 RESERVES AND SURPLUS

Reserves and surplus consist of the following reserves:

Particulars	As at 30 June 2012	As at 31 March 2011
	₹ in lac	₹ in lac
<b>a. Securities Premium Account</b>		
Opening Balance	14,479.71	16,515.52
Add : Securities premium credited on Share issue	-	2.13
Less : Premium Utilised for various reasons	-	-
For the purpose of Buy-Back	-	2,037.93
For Issuing Bonus Shares	-	-
<b>Closing Balance</b>	<b>14,479.71</b>	<b>14,479.71</b>
<b>b. Hedge Reserve Account</b>		
Opening Balance	988.61	-
Add: Additions during the year	6,832.86	988.61
	7,821.47	988.61
Less: Written back in current year	-	-
<b>Closing Balance</b>	<b>7,821.47</b>	<b>988.61</b>
<b>c. General Reserve</b>		
Opening balance	8,016.54	5,670.26
(+) Transfer from Reserves	2,304.40	2,346.28
<b>Closing Balance</b>	<b>10,320.94</b>	<b>8,016.54</b>
<b>d. Foreign Currency Translation Reserve</b>		
Opening balance	(3,450.91)	-
For the year	23,966.26	(3,450.91)
<b>Closing Balance</b>	<b>20,515.36</b>	<b>(3,450.91)</b>
<b>e. Capital Reserve</b>		
Opening balance	1.49	0.01
(+) Additions during the year	-	1.48
	1.49	1.49
(-) Adjusted against goodwill	1.49	1.49
<b>Closing Balance</b>	<b>-</b>	<b>-</b>
<b>f. Fair Value Reserves</b>		
Opening balance	21.83	21.83
For the year	(62.34)	-
<b>Closing Balance</b>	<b>(40.51)</b>	<b>21.83</b>

**Notes Forming Part of Recasted Consolidated Financial Statements (Contd.)****4 RESERVES AND SURPLUS (Contd.)**

Reserves and surplus consist of the following reserves:

Particulars	As at 30 June 2012	As at 31 March 2011
	₹ in lac	₹ in lac
<b>g. Legal And Volunteer Reserve</b>		
Opening balance	119.53	119.53
For the year	6.08	-
<b>Closing Balance</b>	<b>125.61</b>	<b>119.53</b>
Pre - acquisition profit	1,025.00	974.16
<b>h. Surplus</b>		
Opening balance	91,873.39	67,603.98
(+) Net Profit/(Net Loss) For the current year	(8,184.64)	29,093.13
Less : Appropriations		
(-) Transfer to Reserves	2,536.96	2,346.28
(-) Paid / Proposed Dividends Plus Tax thereon	2,304.89	1,260.53
(-) Interim Dividends	-	1,216.91
Pre - acquisition profit		
<b>Closing Balance</b>	<b>78,846.91</b>	<b>91,873.39</b>
<b>Total</b>	<b>133,094.48</b>	<b>113,022.86</b>

**5 LONG TERM BORROWINGS**

Particulars	As at 30 June 2012	As at 31 March 2011
	₹ in lac	₹ in lac
<b>Secured</b>		
a Kotak Mahindra Prime Limited (Secured against hypothecation of cars)	7.20	10.59
b Term Loan - HDFC Bank (against corporate guarantee of holding company, Geodesic Ltd)	8.33	80.00
c Loan from Geodesic Ltd		
<b>Unsecured</b>		
a Zero Coupon Convertible Bonds [including interest accrued but not due]	-	61,399.22
b Loan from Group Companies	11.50	10.50
c Loan from Directors	97.50	-
<b>Total</b>	<b>124.53</b>	<b>61,500.30</b>

**6 Deferred Tax Liabilities (Net)**

Major components of deferred tax balances consist of the following:

Particulars	As at 30 June 2012	As at 31 March 2011
	₹ in lac	₹ in lac
<b>A Deferred Tax Liability</b>		
-Difference due to book and tax depreciation (post tax holiday)	75.54	75.72
-Difference due to book and tax depreciation	1.21	44.41
-Disallowances u/s 43 (B) of Income Tax Act		
	76.75	120.13
<b>B Deferred Tax Assets</b>		
-Disallowances u/s 43 (B) of Income Tax Act	0.07	0.22
-Difference due to book and tax depreciation	20.43	0.07
-Disallowances u/s 40 a of Income Tax Act	65.73	
-Preliminary expenses	0.21	
	86.44	0.28
<b>Total</b>	<b>(9.69)</b>	<b>119.84</b>



## Notes Forming Part of Recasted Consolidated Financial Statements (Contd.)

### 7 OTHER LONG TERM LIABILITIES

Particulars	As at 30 June 2012	As at 31 March 2011
	₹ in lac	₹ in lac
A Trade Deposits from Agents	22.64	19.85
B Income received in advance - Subscription sales	16.84	8.24
<b>Total</b>	<b>39.49</b>	<b>28.09</b>

### 8 LONG TERM PROVISIONS

Particulars	As at 30 June 2012	As at 31 March 2011
	₹ in lac	₹ in lac
A Provision for employee benefits	-	-
Gratuity (Net of Funds)	6.05	30.11
Leave Encashment (Net of Funds)	6.05	(7.60)
<b>Total</b>	<b>12.10</b>	<b>22.52</b>

### 9 SHORT TERM BORROWINGS

Particulars	As at 30 June 2012	As at 31 March 2011
	₹ in lac	₹ in lac
1 Secured	-	-
(a) Term Loan- Axis Bank Limited	1,500.00	-
(secured against hypothecation of stocks, book debts and machinery)	-	-
(b) Term Loan - ICICI Bank Limited	5,500.00	-
(secured against hypothecation of stocks, book debts and machinery)	-	-
(c) Overdraft Loan - HDFC Bank Limited	43.67	3.63
(Secured against hypothecation of stocks,book debts and machinery)	-	-
2 Unsecured	-	-
(i) Short term loan	19,473.72	-
(ii) Temporary Overdrafts from Bank	321.30	-
(iii) Advance from Directors / Others	159.80	11.89
<b>Total</b>	<b>26,998.49</b>	<b>15.52</b>

### 10 TRADE PAYABLES

Particulars	As at 30 June 2012	As at 31 March 2011
	₹ in lac	₹ in lac
1 Sundry Creditors	5,971.01	28,853.44
<b>Total</b>	<b>5,971.01</b>	<b>28,853.44</b>

## Notes Forming Part of Recasted Consolidated Financial Statements (Contd.)

### 11 OTHER CURRENT LIABILITIES

Particulars	As at 30 June 2012	As at 31 March 2011
	₹ in lac	₹ in lac
(a) Current maturities of Term Loan	44.41	5.73
(b) Current maturities of Zero Coupon Bonds	82,701.85	
(c) Income Received in Advance	48.98	58.04
(d) Statutory Liabilities	-	-
(i) Service Tax Payable	28.99	27.29
(ii) VAT Payable	49.59	23.20
(iii) TDS Payable	73.70	44.70
(e) Unpaid Dividend	12.55	12.30
(f) Unclaimed Share Application Money	15.68	15.68
(g) Other Current Liabilities	2,821.39	2,304.43
(i) Advance From Debtors	1,356.34	11.93
(j) Advance For Software Development	82.49	-
(k) Leave Salary Payable	0.32	-
(l) Gratuity Payable	1.16	-
(m) Credit Card Dues Payable	15.46	-
(n) Provision for Expenses	341.63	142.22
<b>Total</b>	<b>87,594.54</b>	<b>2,645.51</b>

### 12 SHORT TERM PROVISIONS

Particulars	As at 30 June 2012	As at 31 March 2011
	₹ in lac	₹ in lac
<b>a Provision for employee benefits</b>		
(i) Salary & Reimbursements	234.59	22.31
(ii) Contribution to PF	50.76	30.07
(iii) EDIS Payable (PF)	0.28	0.15
(iv) Profession Tax	1.94	1.18
(v) ESIC	0.76	0.49
(vi) Gratuity	-	2.57
(vii) Maharashtra Labour Welfare Fund	0.13	0.00
<b>b Others</b>		
(i) Provision for Taxation ( Net of Advance Taxes)	(430.15)	-
(ii) Proposed Dividend plus tax thereon	2,095.29	1,261.98
(iii) Provision for Expenses	749.81	-
<b>Total</b>	<b>2,703.42</b>	<b>1,318.75</b>

# Notes Forming Part of Recasted Consolidated Financial Statements (Contd.)



## 13 FIXED ASSETS

Fixed Assets	Gross Block				Accumulated Depreciation				Net Block			
	Balance as at 1st April 2011	Additions/ (Disposals)	Capitalised/ During the year out of WIP	Revaluations/ (Impairments)	Balance as at 30th June 2012	Balance as at 1st April 2011	Depreciation charge for the year	Adjustment due to revaluations	On disposals	Balance as at 30th June 2012	Balance as at 31st March 2011	
	₹ in lac	₹ in lac	₹ in lac	₹ in lac	₹ in lac	₹ in lac	₹ in lac	₹ in lac	₹ in lac	₹ in lac	₹ in lac	
<b>a Tangible Assets</b>												
Land (Leasehold Improvements)	670.58	(0.85)	-	-	669.74	233.70	85.07	-	0.48	318.29	351.45	436.88
Plant & Machinery	20.59	27.93	-	-	48.52	2.63	4.82	-	-	7.45	41.07	17.96
Computer	11,792.88	24,675.54	-	-	36,468.42	6,187.44	3,566.22	-	0.11	9,753.55	26,714.87	5,605.44
Furniture and Fixtures	147.58	4.32	-	-	151.90	96.59	12.09	-	-	108.68	43.22	50.99
Vehicles	86.14	-	-	-	86.14	61.99	7.41	-	-	69.40	16.74	24.15
Office equipment	265.90	37.65	-	-	301.55	98.11	33.88	-	0.04	131.94	169.60	165.79
<b>b Transfer to CWIP</b>												
<b>Total</b>	<b>12,981.67</b>	<b>24,744.59</b>	<b>-</b>	<b>-</b>	<b>37,726.27</b>	<b>6,680.46</b>	<b>3,694.79</b>	<b>-</b>	<b>0.64</b>	<b>10,389.31</b>	<b>27,336.95</b>	<b>6,301.21</b>
<b>c Intangible Assets</b>												
Goodwill	14,516.33	(204.31)	-	-	14,312.02	7,682.79	6,369.95	(874.23)	-	13,178.51	1,133.51	6,833.53
Computer software	723.32	327.74	-	-	1,051.06	433.20	224.60	-	-	657.80	393.26	290.12
Copyrights, and patents and other intellectual property rights, services and operating rights	1,622.99	-	-	-	1,622.99	4.52	2.84	-	-	7.36	1,615.63	1,618.47
Testing & Tooling Software	6,932.96	-	-	-	6,932.96	5,473.29	671.21	-	-	6,144.50	788.47	1,459.68
Internally Generated Software	10,506.05	(3,528.73)	-	-	6,977.31	2,337.36	2,886.38	-	842.65	4,381.09	2,596.22	8,168.69
<b>Total</b>	<b>34,301.65</b>	<b>(3,405.30)</b>	<b>-</b>	<b>-</b>	<b>30,896.35</b>	<b>15,931.16</b>	<b>10,154.99</b>	<b>(874.23)</b>	<b>842.65</b>	<b>24,369.27</b>	<b>6,527.08</b>	<b>18,370.49</b>
<b>d Capital Work in Progress</b>												
Products under Development	904.60	136.24	-	-	1,040.84	-	42.92	-	-	42.92	997.92	904.60
Leasehold Improvements	-	2.00	-	-	2.00	-	-	-	-	-	2.00	-
Web Portal	-	92.91	-	-	92.91	-	-	-	-	-	92.91	-
	904.60	231.15	-	-	1,155.74	-	42.92	-	-	42.92	1,092.82	904.60
<b>e Intangible assets under Development</b>												
Video	1,149.77	(1,149.77)	-	-	-	-	-	-	-	-	-	1,149.77
Voip	309.83	(309.83)	-	-	-	-	-	-	-	-	-	309.83
Softwares Under Development	1,459.59	(1,459.59)	-	-	-	-	-	-	-	-	-	1,459.59
<b>Grand Total</b>	<b>49,647.51</b>	<b>20,110.85</b>	<b>-</b>	<b>-</b>	<b>69,758.36</b>	<b>22,611.62</b>	<b>13,892.70</b>	<b>(874.23)</b>	<b>843.28</b>	<b>34,801.50</b>	<b>34,956.86</b>	<b>27,035.88</b>
<b>f Previous Year Figures</b>	<b>37,405.96</b>	<b>12,241.55</b>	<b>-</b>	<b>-</b>	<b>49,647.51</b>	<b>12,620.98</b>	<b>9,993.46</b>	<b>-</b>	<b>2.81</b>	<b>2.58</b>	<b>3.08</b>	<b>-</b>



## Notes Forming Part of Recasted Consolidated Financial Statements (Contd.)

### 14 NON CURRENT INVESTMENTS

Particulars	As at 30 June 2012	As at 31 March 2011
	₹ in lac	₹ in lac
<b>Investment in:</b>		
a Fully paid up Equity instruments ( Quoted)		
997(PY 997) Shares of ₹10 each Indraprastha Gas Ltd	1.00	1.00
Nil (PY 244238) Shares of ₹10 each Subex Systems Ltd	-	130.79
b Fully paid up Equity instruments ( Unquoted)	-	-
ITM Digital Pvt Ltd	1.00	41.00
c Associate- Republique Media Pvt Ltd	0.50	0.50
d Other Investments	347.78	265.73
<b>Total</b>	<b>350.28</b>	<b>439.02</b>
e Less : Provision for diminution in the value of Investments	-	-
<b>Total</b>	<b>350.28</b>	<b>439.02</b>

### 14 A

Particulars	As at 30 June 2012	As at 31 March 2011
	₹ in lac	₹ in lac
a Aggregate amount of quoted investments (Market value of ₹2.38 lac (Previous Year ₹134.51 lac)	1.00	41.00
b Aggregate amount of unquoted investments	348.28	41.00

### 15 LONG TERM LOAN AND ADVANCES

Particulars	As at 30 June 2012	As at 31 March 2011
	₹ in lac	₹ in lac
<b>a Capital Advances</b>		
Advance towards Patent & Trademark applications	27.16	20.36
Advance towards Property acquisition	550.00	550.00
Advance for ACMR Projects	12.09	-
Advance for MSEDCL Projects	10.19	-
Advance towards Acquisition	112.62	-
	<b>712.06</b>	<b>570.36</b>
<b>b Security Deposits</b>		
Secured, considered good	-	-
Unsecured, considered good	145.27	157.22
	<b>145.27</b>	<b>157.22</b>
<b>c Loans and advances to related parties</b>		
Secured, considered good	-	-
Unsecured, considered good	138.77	1.17
	<b>138.77</b>	<b>1.17</b>
<b>d Others</b>		
Inter Corporate Deposits	2,592.82	4,197.49
Advance Tax (Net of Provision for Tax)	-	262.53
Other Advances	-	220.02
	<b>2,592.82</b>	<b>4,680.05</b>
<b>Total</b>	<b>3,588.92</b>	<b>5,408.79</b>



## Notes Forming Part of Recasted Consolidated Financial Statements (Contd.)

### 16 OTHER NON-CURRENT ASSETS

Particulars	As at 30 June 2012	As at 31 March 2011
	₹ in lac	₹ in lac
<b>Unamortised Expenses :</b>		
a Bond Issue Expenses	-	221.99
b Share Issue Expenses	-	2.13
c Merger Expenses	-	0.58
<b>Total</b>	-	<b>224.70</b>

### 17 CURRENT INVESTMENTS

Particulars	As at 30 June 2012	As at 31 March 2011
	₹ in lac	₹ in lac
<b>Mutual Funds ( Unquoted)</b>		
<b>(A) Growth Funds :</b>		
DSP Merrill Lynch Equity Fund - Regular Growth Nil (P.Y. 3,15,548.58) units, face value ₹10	-	24.19
Reliance Growth Fund - Growth Option Nil (P.Y. 2,669.172) units, Face Value ₹100	-	5.53
Reliance Natural Resources Fund - Growth Plan - Growth Option Nil (P.Y. 977,995.110) Units, Face value ₹10	-	60.15
LICMF Savings Plus Fund - Growth Plan Nil (P.Y. 174,167.479) Units, Face value ₹10	-	25.00
BMF Gold Bees NFO Nil (P.Y. 1,041.72) units, Face value ₹1000	-	9.88
<b>Total</b>	-	<b>124.74</b>
<b>(B) Income Funds:</b>		
HDFC Equity Fund - Dividend Option Nil (P.Y.39934.156 ) Units, Face value ₹10	-	10.14
JM Advantage Arbitrage Fund-Dividend Plan Nil (P.Y. 675887.927) units, Face Value ₹10	1.16	67.80
Sundaram BNP Paribas Entertainment Opportunity - Div Nil (P.Y. 252,593.132) units, face value ₹10	-	26.32
TATA Equity Management Fund Nil (P.Y. 5,00,000) units, Face Value ₹10	-	35.22
UTI Master Index Fund Nil (P.Y. 23,655.146) units, Face Value ₹10	-	7.09
Axis Treasury Advantage - Inst DDR	1.55	-
<b>Total</b>	<b>2.71</b>	<b>146.58</b>
<b>Total</b>	<b>2.71</b>	<b>271.32</b>

### 18 INVENTORIES

Particulars	As at 30 June 2012	As at 31 March 2011
	₹ in lac	₹ in lac
a Raw Materials and components	22,466.21	736.90
b Work-in-process	337.63	72.26
c Finished goods	91.48	62.72
d Stores & Spares	71.41	11.92
e Stock of Scrap Book & Magazines	8.46	-
f Goods in Transit	-	230.14
<b>Total</b>	<b>22,975.20</b>	<b>1,113.95</b>

## Notes Forming Part of Recasted Consolidated Financial Statements (Contd.)

### 19 TRADE RECEIVABLES

Particulars	As at 30 June 2012	As at 31 March 2011
	₹ in lac	₹ in lac
<b>a Trade receivables outstanding for a period less than six months from the date they are due for payment</b>		
Secured, considered good	-	-
Unsecured, considered good	25,834.14	38,592.19
Unsecured, considered doubtful	-	-
	<b>25,834.14</b>	<b>38,592.19</b>
Less: Provision for doubtful debts	-	-
	<b>25,834.14</b>	<b>38,592.19</b>
<b>b Trade receivables outstanding for a period exceeding six months from the date they are due for payment</b>		
Secured, considered good	-	-
Unsecured, considered good	33,207.00	3,138.30
Unsecured, considered doubtful	-	12.83
	<b>33,207.00</b>	<b>3,151.13</b>
Less: Provision for doubtful debts	5,582.00	12.83
	<b>27,625.00</b>	<b>3,138.30</b>
<b>Total</b>	<b>53,459.14</b>	<b>41,730.49</b>

### 20 CASH AND BANK BALANCES

Particulars	As at 30 June 2012	As at 31 March 2011
	₹ in lac	₹ in lac
a Cash on hand	5.53	3.24
b Cheques on hand	-	75.00
c Bank Balances in Current accounts	1,018.54	29,605.46
Demand deposits (less than 12 months maturity)	256.33	-
Bank deposits with (more than 12 months maturity)	112,940.24	98,654.26
<b>Total</b>	<b>114,220.64</b>	<b>128,337.96</b>

### 21 SHORT TERM LOANS AND ADVANCES

Particulars	As at 30 June 2012	As at 31 March 2011
	₹ in lac	₹ in lac
a Loans and advances to related parties		
Secured, considered good	-	-
Unsecured, considered good	1.14	-
	<b>1.14</b>	<b>-</b>
b Prepaid Expenses	53.72	30.74
c Advance to Creditors	28,339.99	3,185.92
d Advance to Employees	26.59	11.08
e Staff Loans	285.75	17.28
f Other Advances	0.26	35.18
	<b>28,706.30</b>	<b>3,280.21</b>
<b>Total</b>	<b>28,707.44</b>	<b>3,280.21</b>



## Notes Forming Part of Recasted Consolidated Financial Statements (Contd.)

### 22 OTHER CURRENT ASSETS

Particulars	As at 30 June 2012	As at 31 March 2011
	₹ in lac	₹ in lac
a Accrued interest on Deposits	0.02	51.83
b Unamortised Expenses :		
Bond Issue Expenses	152.42	279.05
Preliminary Expenses	-	13.14
Share Issue Expenses	-	5.11
Merger Expenses	-	1.16
<b>Total</b>	<b>152.44</b>	<b>350.28</b>

### 23 REVENUE FROM OPERATIONS

Particulars	For the year ended 30th June 2012	For the year ended 31st March 2011
	₹ in lac	₹ in lac
a Sale of Products	23,370.10	20,738.42
b Sale of Software	54,817.20	65,222.57
c Sale of Services	1,137.87	1,460.07
d Other operating revenues	146.96	4.93
e Less: Trade Discount	179.97	111.11
<b>Total</b>	<b>79,292.17</b>	<b>87,314.89</b>

### 24 OTHER INCOME

Particulars	For the year ended 30th June 2012	For the year ended 31st March 2011
	₹ in lac	₹ in lac
Interest Income	909.72	1,779.08
Dividend Income	40.14	48.59
Net gain/loss on sale of investments	90.04	141.44
Net Gain on Exchange Fluctuation	7,910.99	81.87
Other non-operating income (net of expenses directly attributable to such income)	5.15	10.86
Royalty Income	-	0.52
Grant Received	3.84	1.76
Sundry Balances written Back	12.57	2.27
<b>Total</b>	<b>8,972.46</b>	<b>2,066.37</b>

## EXPENSES

### 25 Cost of Materials Consumed

Particulars	For the year ended 30th June 2012	For the year ended 31st March 2011
	₹ in lac	₹ in lac
a Opening Inventory	759.07	13.47
b Add: Purchases ( Net)	21,868.23	1,525.90
c Less: Inventory at the end of the year	19,965.21	759.07
	-	-
<b>Cost of raw materials consumed during the year</b>	<b>2,662.10</b>	<b>780.31</b>

**Notes Forming Part of Recasted Consolidated Financial Statements (Contd.)****26 Changes in Inventory of Finished Goods & Work in Progress**

Particulars	For the year ended	For the year ended
	30th June 2012	31st March 2011
	₹ in lac	₹ in lac
<b>Changes in inventory of Finished Goods</b>		
<b>A Stock at the beginning of the year</b>	-	-
Stock of Amida,	9.97	21.05
Stock of Books	42.50	15.76
Stock of Scrap Books & magazines	-	-
<b>Total A</b>	<b>52.47</b>	<b>36.82</b>
<b>B Stock at the end of the year</b>		
Stock of Amida,	70.54	9.97
Stock of Books	-	-
Stock of Scrap Books & magazines	29.38	42.50
	-	-
<b>Total B</b>	<b>99.92</b>	<b>52.47</b>
Increase/Decrease in Stocks (A-B) [ I ]	(47.45)	(15.65)
<b>Changes in inventory of Work in Progress</b>		
<b>A Stock at the beginning of the year</b>		
Amida WIP	14.21	361.40
Sub Assembly	20.64	0.32
Animation Work in Progress	37.41	-
<b>Total A</b>	<b>72.26</b>	<b>361.72</b>
<b>B Stock at the end of the year</b>		
Amida WIP	-	14.21
Sub Assembly	19.55	20.64
Animation Work in Progress	186.13	37.41
<b>Total B</b>	<b>205.68</b>	<b>72.26</b>
Increase/Decrease in Stocks (A-B) [ II ]	(133.42)	289.46
<b>TOTAL (I + II)</b>	<b>(180.86)</b>	<b>273.81</b>

**27 Other Direct Expenses**

Particulars	For the year ended	For the year ended
	30th June 2012	31st March 2011
	₹ in lac	₹ in lac
Software Development Expenses	35,750.27	30,769.90
Server Hosting Charges	202.91	125.30
Professional charges towards operations	87.63	79.80
Electricity Charges	129.66	95.28
Communication & Telephone Expenses	187.48	91.63
Call Minutes / SMS purchased	127.92	60.06
Job Work Expenses	123.97	50.54
Printing Expenses	113.96	143.52
Editorial & Design Expenses	34.33	26.15



## Notes Forming Part of Recasted Consolidated Financial Statements (Contd.)

### 27 Other Direct Expenses (Contd.)

Particulars	For the year ended	For the year ended
	30th June 2012	31st March 2011
	₹ in lac	₹ in lac
Agency Commission	4.61	9.17
Typing Charges	0.08	1.15
Web Expenses	0.90	1.10
Labour Charges	32.72	-
Wages & Salaries	1.67	-
Hire Charges	18.65	-
Freight Inward	9.70	-
Other Direct Expenses	273.71	15.49
<b>TOTAL</b>	<b>37,100.18</b>	<b>31,469.07</b>

### 28 Employee Benefits Expense

Particulars	For the year ended	For the year ended
	30th June 2012	31st March 2011
	₹ in lac	₹ in lac
Salaries, Wages & Bonus	3,995.61	2,949.05
Contributions to -	-	-
(i) Provident fund	165.23	135.92
(ii) ESIC	5.72	3.30
(iii) Leave Encashment	23.20	(1.22)
(iv) Labour Welfare Fund	0.26	0.18
Gratuity fund contributions	40.29	46.74
Staff welfare expenses	98.04	82.64
<b>TOTAL</b>	<b>4,328.34</b>	<b>3,216.61</b>

### 29 Finance Costs

Particulars	For the year ended	For the year ended
	30th June 2012	31st March 2011
	₹ in lac	₹ in lac
Interest and other finance expense	6,644.46	4,727.88
<b>TOTAL</b>	<b>6,644.46</b>	<b>4,727.88</b>

### 30 Depreciation and Amortisation Expense

Particulars	For the year ended	For the year ended
	30th June 2012	31st March 2011
	₹ in lac	₹ in lac
a Depreciation on Tangible assets	3,694.79	4,082.19
b Amortisation on Intangible assets	10,154.99	5,896.51
c Intangibles w/off	2,686.08	-
<b>TOTAL</b>	<b>16,535.86</b>	<b>9,978.70</b>

**Notes Forming Part of Recasted Consolidated Financial Statements (Contd.)****31 OTHER EXPENSES**

Particulars	For the year ended	For the year ended
	30th June 2012	31st March 2011
	₹ in lac	₹ in lac
Loss on Forward Contracts	7,680.61	1,448.52
Loss on Exchange fluctuation	4.66	576.61
Loss on Diminution in Value of Investment	-	(520.47)
Loss on Sale of Investments	-	736.60
Loss on Sale of Fixed Assets	0.45	4.92
Profession Tax	0.05	0.03
Payment to Statutory Auditors	47.38	38.44
Travelling & Conveyance	217.94	187.03
Rent & Hire charges	339.47	175.12
Membership & Subscription	5.48	3.32
Conectivity Charges	2.90	2.56
Capital WIP Development Expenses Written Off	42.92	-
Donation	3.50	3.00
Tender Expenses	(1.99)	5.31
Insurance charges	45.90	26.99
Director's sitting Fees / Directors' remuneration	90.59	4.49
Advertisement, Publicity & Sales Promotion	7,030.04	5,305.20
Legal, Professional & Consultancy charges	1,292.79	208.33
Custodial charges	2.60	-
Bank Charges	313.52	37.96
Processing charges	30.34	-
PMS Charges	-	0.55
Rates & Taxes	7.98	0.50
Conference Expenses	3.85	0.78
Discount	0.68	-
Postage, Fax & Courier	27.16	19.95
Packing Charges	-	0.98
Water Charges	5.68	2.77
Newspaper, Books & Periodicals	1.52	1.78
Miscellaneous Expenses	329.88	425.78
Printing & Stationery	39.92	33.28
Bond Issue Expenses w/off	348.63	279.05
Merger Expenses w/off	1.74	1.16
Share Issue Expenses w/off	7.21	9.08
Provision for Bad & Doubtful Debts	4,922.40	-
Bad Debts	4,281.13	45.25
Sundry Balances w/off	2,163.66	291.89
Fines & Penalties	0.28	0.74
Security Charges	2.40	1.73
Freight & Insurance	34.66	23.74
Electricity Expenses	2.89	2.49
Internet Charges	3.47	3.97
Telephone Expenses	2.96	2.96
<b>TOTAL</b>	<b>29,337.23</b>	<b>9,392.38</b>



## Notes Forming Part of Recasted Consolidated Financial Statements (Contd.)

### 31 A

Particulars	For the year ended	For the year ended
	30th June 2012	31st March 2011
	₹ in lac	₹ in lac
<b>Repairs &amp; Maintenance</b>		
Repairs – Air Conditioner	6.77	4.44
Repairs – Computer	9.57	8.18
Repairs – Computer Software	0.77	1.44
Repairs – Office Equipment	19.39	16.19
Repairs – Premises	113.65	79.95
Repairs – Vehicles	2.53	1.97
Repairs- Others	9.08	25.71
<b>Total</b>	<b>161.76</b>	<b>137.88</b>
<b>Total Other Expenses</b>	<b>29,498.98</b>	<b>9,530.27</b>

### 31 B

Particulars	For the year ended	For the year ended
	30th June 2012	31st March 2011
	₹ in lac	₹ in lac
<b>Payments to the auditor as</b>		
Audit Fee	42.08	34.58
Tax Audit Fee	5.18	3.86
for other services	0.11	-
for reimbursement of expenses	-	-
<b>Total</b>	<b>47.38</b>	<b>38.44</b>

### 32 PRIOR PERIOD EXPENSES

Particulars	For the year ended	For the year ended
	30th June 2012	31st March 2011
	₹ in lac	₹ in lac
<b>Prior Period expenses includes following:</b>		
Director sitting fees	-	0.70
Repairs & Maintenance	0.02	1.10
Lease Rent	-	0.34
Advertisement Expenses	-	0.04
Professional Fees	0.50	2.45
Investor Education & Protection Fund	-	0.01
Tax Deducted at Source	0.04	0.80
Proposed Equity Dividend	-	(13.20)
Interest on CST	-	0.49
Travelling Expenses	2.16	-
Pre-Operative Expenses written/back	(4.31)	-
Other Expenses	0.03	2.79
Central Sales Tax	0.30	-
Courier Charges	(0.27)	-
Annual Maintenance Contracts	(0.04)	-
Other Miscellaneous Receipts	(28.17)	-
<b>TOTAL</b>	<b>(29.76)</b>	<b>(4.48)</b>



## Notes Forming Part of Recasted Consolidated Financial Statements (Contd.)

### 1. Sales Returns and Purchase Returns:-

In April 2011, the Company developed a new version of a product with additional features to keep up with the latest changes in technology. However, the revised version developed certain problems with all the end-customers. The Company continued its efforts to solve the problems and to provide improved services to the customers. In the meanwhile the Company restored the earlier version of the product temporarily so that the business loss to the customers was minimised. 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 of that product made to customers from April 2011 to avoid legal action from the customers. Since the impact of the reversals was substantial and it would be appropriate to take the impact of the reversals in the year in which the sales were accounted for, to show a correct picture of the accounts of the Company. Hence, the Company has recasted the balance sheet for the year ended 30th June 2012. The impact of the said reversals has reduced the sales by ₹27,776.06 lac, (USD 5,61,90,750). As these sales were to Geodesic Technology Solutions Limited, the same amount was reversed from the purchases of Geodesic Technology Solutions Limited. Sales amounting to USD 7,50,10,750 were reversed in Geodesic Technology Solutions Limited. This has resulted in a reduction in revenue to the extent of USD 7,50,10,750 (₹36,972.96 lac). The profit on exchange fluctuation has decreased by ₹3,864.39 lac and thereby the profit by ₹34,191.58 lac. Correspondingly, the Management is in the process of negotiations with suppliers of software supplied by the vendors to be used in the aforesaid product. However pending discussions no effect is given for the claim made by the Company to the vendors as an abundant caution.

### 2. Stock

Subsequent to finalisation of published accounts it was noticed that stock transfers effected from Roorkee unit to Bnagalore unit instead of eliminating the sales accounted by Roorkee unit against the purchases accounted by Bangalore unit, even the stock amounting to ₹52.62 lac (at cost) which actually existed at Bangalore unit was also eliminated. Consequently in the restated accounts the effect for the said stock so eliminated is given which has resulted in profits being higher by ₹52.62 lac.

### 3. Interest on overdue debtors

The company had a policy of charging interest on its overdue debtors. However, on account of economic slowdown along with subsequent reversals of sales, the company has decided to write back the interest income charged on overdue debtors in the parent company and Geodesic Technology Solutions Limited. The interest income has reduced to the extent of ₹1,169.93 lac.

### 4. Particulars of subsidiaries:

The following subsidiary companies have been consolidated in the consolidated financial statements by applying AS- 21:

Name of the subsidiaries (held directly)	Country of Incorporation	Percentage of voting power as at :	
		For the year ended 30th June 2012	For the year ended 31st March 2011
Geodesic Gridpoint Energy Private Limited	India	100.00	100.00
Filmorbit.Com India Private Limited	India	87.95	87.95
Geodesic Technology Solutions Ltd.	Hong Kong	100.00	100.00
Geodesic Holdings Limited	Mauritius	100.00	100.00
Chandamama India Limited	India	84.21	96.92
(held indirectly)			
Geodesic Information Systems Inc.	USA	100.00	100.00
Geodesic (Hong Kong) Ltd	Hong Kong	100.00	100.00
Geodesic Technology FZE	UAE	100.00	100.00
Interactive Networks International Inc	BVI	100.00	100.00
Publicidad Digital S.A.	Uruguay	100.00	100.00
Emiloto Associated Inc	Panama	100.00	100.00
Zomo Technologies Limited	BVI	100.00	100.00
Spkn Communications Pte. Ltd.	Singapore	100.00	100.00



## Notes Forming Part of Recasted Consolidated Financial Statements (Contd.)

### 5 Goodwill on Consolidation:

Goodwill on consolidation comprises of the following:

Particulars	For the year ended	For the year ended
	30th June 2012	31st March 2011
	₹ in lac	₹ in lac
Chandamama India Limited	1,173.47	1,173.47
Filmorbit.Com India Private Limited	24.73	24.73
<b>Total</b>	<b>1,198.20</b>	<b>1,198.20</b>

### 6 Segment Reporting:

The primary reporting of the Company has been disclosed on the basis of business segment. The Company has only one business segment which is software product sale and related consultancy services. Accordingly, the amounts appearing in these financial statements relate to this primary segment. Further the Company sells and provides services mainly outside India and also within India. Thus disclosures under secondary segment reporting are as follows:

#### Revenue by Geographical Segment

Region	For the year ended	For the year ended
	30th June 2012	31st March 2011
	₹ in lac	₹ in lac
India	5,761.77	2,518.26
Outside India	53,981.65	84,785.69

#### Revenue by Geographical Segment

Region	For the year ended	For the year ended
	30th June 2012	31st March 2011
	₹ in lac	₹ in lac
India (Assets excluding Export Customers)	2,29,459.45	1,71,002.16
Outside India (Export Customers)	30,152.38	41,730.49

The Company's operating facilities are located in India. The total cost incurred during the period ending 30th June, 2012 to acquire fixed assets within India is disclosed at Schedule 13. Segment revenue is based on geographical locations of customers and segment asset is based on geographical location of assets.

### 7. Miscellaneous Expenditure written off:

During the period ended 30th June 2012, the policy for writing off of miscellaneous expenditure over a period of ten years have been changed to bring it in line with Accounting Standard 26 on "Accounting for Intangible Assets". The AS-26 requires miscellaneous expenditure to be written off during the same period of incurrence if no intangible asset is acquired or created. As a result of this change in Accounting policy miscellaneous expenditure of ₹7.88 lac is charged to Profit and Loss Account resulting in reduction of profits to this extent.

### 8 Contingent Liability (not provided for):

Sr. No.	Particulars	₹ in lac	
		For the period ended	For the year ended
		30 June 2012	31st March 2011
1.	Outstanding bank guarantees	96.06	32.62
2.	Letter of Credit given by bank on behalf of the Company	1,731.74	759.49
3.	Times Internet disputed payment towards minimum guarantee fees	223.15	-
4.	Income tax demand in respect of an earlier year under dispute:		
5.	Appeal pending with CIT Appeals VIII for AY 2005-06	-	6.93
	<b>Total</b>	<b>2,050.95</b>	<b>799.04</b>

## Notes Forming Part of Recasted Consolidated Financial Statements (Contd.)

Following is the list of various court cases filed against the company as on the date of the restated balance sheet.

Name	Case No.	Type of Case	Claim Amount	Type of Liability	Status
Barclays Bank PLC	CP/161/2013 & CA/208/2013	HC-Winding up Application	₹17,13,65,482.60	Derivatives	Pending for order on 12.2.2014
HDFC Bank	M.A No.36 & 37 of 2013	DRT- Recovery of its outstanding dues	₹6,77,34,240.91	Loans & Derivatives	Pending for hearing
ICICI Bank	O.A.No.163 of 2013	DRT-Recovery of its outstanding dues	₹70,68,74, 637.56 + Intt	Loans & Derivatives	Pending for hearing
Times Internet Ltd.	CP/178/2013	HC-Winding up Application	₹2,72,56,564+ Intt ₹2,23,15,387	Business Transaction	Pending for hearing
Axis Bank	987/SS/2013	MMC-Complaint under sec. 138	₹25,45,00,000 + Intt	Dishonored Cheque	Cross is going on
HDFC Bank	1640/SS/2013	MMC-Complaint under sec. 138	₹6,55,27,890.70	Dishonored Cheque	Pending for recording plea
Standard Chartered Bank	DRT OA	HC-Winding up Application	₹16,02,94,458	Derivatives	Pending we are process to file counter claim
Citibank n.a. london branch	CA/645/2013 & CPL/471/2013	HC-Winding up Application	₹8,270,185,000	FCCB	High Court Order received
HDFC Bank Ltd	CP/514/2013	HC-Winding up Application	₹6,55,27,890.70	Loans & Derivatives	Pending
Simmtronics Semiconductors Ltd	CP/895/2013	HC-Winding up Application		Business Transaction	We have not received copy of the petition

### 9. Share Capital:

Employees have exercised Nil (P.Y. 2,550) stock options during the period ended 30th June, 2012 which has not resulted in an increase in Equity Share Capital (P.Y. ₹0.05 lac).

### 10. Foreign Currency Convertible Bonds (FCCB):

In January 2008, the Company raised ₹49,962.50 lac equivalent to US\$ 125 million on the issue of Zero Coupon Convertible Bonds, due on 18th January, 2013 to overseas investors vide RBI approval no. FED.CO.EBCD/3013/03.02.766/2077-08 dated 5th December, 2007. As per the approval the funds can be utilised only for overseas acquisitions and investments in joint ventures / wholly owned subsidiaries and for any other use as may be permitted under applicable laws or regulations from time to time.

The Bonds constitute the Company's direct, unconditional, unsubordinated and unsecured obligations and will at all times rank parri passu and without any priority amongst themselves. The Company's payment obligations under the Bonds shall, save for such exceptions as may be provided by mandatory provisions of applicable law, at all times rank at least equally with all of its other present and future direct, unconditional, unsubordinated and unsecured obligations.

The conversion price of the Bonds, subject to certain conditions, will initially be ₹302.27 per share with a fixed rate of exchange on conversion of ₹39.13 = US\$ 1.00.

The Bonds are listed on the official list of the Singapore Exchange Securities Trading Ltd (SGX-ST) (the "Singapore Stock Exchange"). During the year ending March 2010, the Company has repurchased FCCB of the face value of US\$ 8.50 Million, listed on the Singapore Stock Exchange, in accordance with the A.P. (DIR Series) Circular No. 39 dated 8th December, 2008 (the "Circular") issued by the Reserve Bank of India. As on 30th June, 2012 Bonds with the nominal value of US\$ 113.50 million are outstanding. The Company may repurchase more of these bonds depending upon the market conditions.



## Notes Forming Part of Recasted Consolidated Financial Statements (Contd.)

The Bonds carry an yield of 6.60% per annum based on the same, interest of ₹4761.40 lac (P.Y. ₹3,389.27 lac) has been provided in the accounts (refer Note 29 forming part of the financial statements ).

Till date the Company has not been able to discharge this liability. The foreign currency convertible bond (FCCB) holders have filed a winding up petition against the Company for defaulting on the dues. The London branch of Citi Bank is a trustee in this case where it has approached the Court in London to recover its dues from the Company on behalf of Bond Holders.

In the meanwhile the Company has made provision for interest on the said bonds at 9% amounting to ₹2,890.11/- lac, in accordance with the agreement with Bond Holders from the date of maturity till the Balance Sheet date.

Bombay High Court has in a decision given on 7th April, 2014 asked the Company to deposit the amount of ₹972 crores before 28th April, 2014 in a Citibank branch at London or Singapore.

### 11. Related Party Disclosures:

#### (i) List of Related Parties

Related Parties with whom transactions have taken place during the period:

- a. Key Managerial Personnel:  
Mr. Pankaj Kumar, Mr.Kiran Kulkarni,Mr. Prashant Mulekar and Mr. Tim Bruce.
- b. Enterprise over which Key Management Personnel exercise significant influence:  
None

#### (ii) Transactions with related parties:

Nature of Transaction	Key Management Personnel	
	For the period ended 30th June 2012	For the year ended 31st March 2011
	₹ in lac	₹ in lac
Managerial Remuneration		
-Pankaj Kumar	22.50	18.00
-Kiran Kulkarni	22.50	18.00
-Prashant Mulekar	22.50	18.00
-Tim Bruce	86.50	81.22
Shares Issued		
-Pankaj Kumar	547.66	Nil
-Kiran Kulkarni	532.66	Nil
-Prashant Mulekar	40.32	Nil

### 12. Retirement Benefits:

The following table sets out the status of the Gratuity Plan as required under AS 15. Reconciliation of opening and closing balances of the present value of the defined benefit obligation:

Particulars	For the year ended 30th June 2012	For the year ended 31st March 2011
	₹ in lac	₹ in lac
<b>1 Employment and Retirement Benefits</b>		
<b>(a) Post employment Benefits</b>		
Defined contribution plans		
Company's contribution to Provident Fund	184.27	149.77
<b>(b) Defined benefit scheme</b>		
Obligation at period beginning	123.52	84.84
Service Cost	38.22	29.65
Interest Cost	13.17	6.87

## Notes Forming Part of Recasted Consolidated Financial Statements (Contd.)

### 12. Retirement Benefits: (Contd.)

Particulars	For the year ended	For the year ended
	30th June 2012	31st March 2011
	₹ in lac	₹ in lac
Actuarial (gain) / loss	2.16	17.38
Benefits Paid	(48.00)	(15.24)
Amendment in benefit plans	-	-
Obligation at period end	129.06	123.51
Defined benefit obligation liability as at the balance sheet date is wholly funded by the Company		
<b>Change in plan assets</b>		
Plan assets at period beginning, at fair value	90.84	79.06
Expected return on plan assets	13.25	7.18
Actuarial gain / (loss)	0.00	0.00
Contributions	66.92	18.55
Benefits Paid	(47.33)	(13.95)
Plan assets at period end, at fair value	123.68	90.84
<b>Reconciliation of present value of the obligation and the fair value of the plan assets</b>		
Fair value of plan assets at the end of the period	123.68	90.84
Present value of the defined benefit obligations at the end of the period	123.88	119.49
(Asset) / Liability recognised in the balance sheet		
Assumptions	0.20	28.65
Interest Rate	8.75%	8.25%
Estimated rate of return on plan assets	9.25%	9.15%
<b>(c) Gratuity cost for the period</b>		
Service Cost	38.22	29.65
Interest Cost	13.17	6.87
Expected return on plan assets	(13.25)	(7.18)
Actuarial (gain) / loss	2.16	17.38
Amortizations (Reduction in benefit)	-	-
Net gratuity cost	40.28	46.73
Interest Rate	8.75%	8.25%
Estimated rate of return on plan assets	9.25%	9.15%
Salary Growth	-	-
<b>(d) Defined benefit scheme</b>		
<b>Leave Encashment</b>		
Obligation at period beginning	50.47	46.32
Service Cost	11.94	6.27
Interest Cost	5.06	3.71
Actuarial (gain) / loss	8.95	5.07
Benefits Paid	(26.30)	(13.70)
Amendment in benefit plans	-	-
Obligation at period end	50.12	47.68
Defined benefit obligation liability as at the balance sheet date is wholly funded by the Company		
Change in plan assets		
Plan assets at period beginning, at fair value	58.07	50.18
Expected return on plan assets	5.55	4.35



## Notes Forming Part of Recasted Consolidated Financial Statements (Contd.)

### 46 Retirement Benefits: (Contd.)

₹ in lac

Particulars	For the year ended	For the year ended
	30th June 2012	31st March 2011
	₹ in lac	₹ in lac
Actuarial gain / (loss)	0.00	0.00
Contributions	7.42	17.23
Benefits Paid	(26.15)	(13.70)
Plan assets at period end, at fair value	44.88	58.07
Reconciliation of present value of the obligation and the fair value of the plan assets		
Fair value of plan assets at the end of the period	44.88	58.07
Present value of the defined benefit obligations at the end of the period	47.07	47.68
(Asset) / Liability recognised in the balance sheet	2.18	(10.39)
Assumptions		
Interest Rate	8.75%	8.25%
Estimated rate of return on plan assets	9.25%	9.15%
(e) Leave Encashment Cost for the period		
Service Cost	10.71	6.27
Interest Cost	5.29	3.71
Expected return on plan assets	(5.55)	(4.35)
Actuarial (gain) / loss	11.09	5.07
Amortisations (Reduction in benefit)	-	-
Net leave encashment cost	21.54	10.70
Interest Rate	8.75%	8.25%
Estimated rate of return on plan assets	9.25%	9.15%
Salary Growth		

### 13. Earnings in Foreign Currency:

The following table sets out the status of the Gratuity Plan as required under AS 15. Reconciliation of opening and closing balances of the present value of the defined benefit obligation:

Particulars	For the year ended	For the year ended
	30th June 2012	31st March 2011
	₹ in lac	₹ in lac
Product and service income	53,981.65	67,669.71

### 14. Expenditure in Foreign Currency:

The following table sets out the status of the Gratuity Plan as required under AS 15. Reconciliation of opening and closing balances of the present value of the defined benefit obligation:

Particulars	For the year ended	For the year ended
	30th June 2012	31st March 2011
	₹ in lac	₹ in lac
Travelling Expenses	4.02	3.01
Import of Hardware / Software(Capitalised)	91.97	91.77
Import of Hardware / Software	1,299.09	700.22
Professional Fees	6.11	0.59
Others	138.51	86.09
<b>Total</b>	<b>1,540.43</b>	<b>881.68</b>

## Notes Forming Part of Recasted Consolidated Financial Statements (Contd.)

### 15. Un-hedged Foreign Currency Exposure:

The period ended foreign currency exposures have not been hedged by a derivative instrument or otherwise are given below:

#### Amount receivable as at June 30, 2012 in foreign currency on account of the following:

Particulars	For the year ended 30th June 2012		For the year ended 31st March 2011	
	₹ in lac	Value in foreign currency	₹ in lac	Value in foreign currency
Product and Service Income	30,152.38	USD 5,35,48,065	34,791.19	USD 7,79,19,807
Less: Hedged Debtors *	30,152.38	USD 5,35,48,065	21,543.65	USD 4,82,50,056
Un-Hedged Debtors	Nil	Nil	13,247.54	2,96,69,751
Investment in Foreign Companies				
Geodesic Tech Solutions Ltd	3,710.77	HKD 6,00,00,000	3,710.77	HKD 6,00,00,000
Geodesic Holdings Ltd	81,274.69	USD 17,40,45,000	80,925.87	USD 17,32,65,100

### 16. Disclosure for operating leases:

#### a) Non-cancellable lease:

The Company's significant leasing agreements are in respect of operating leases for official premises and guest house. These leasing arrangements are non-cancellable for a period of three years and are usually renewable by mutual consent on mutually agreeable terms.

The aggregate lease rentals are charged as Rent under "Other Expenses" Note 31 which forms part of the financial statements.

Particulars	For the year ended	For the year ended
	30th June 2012	31st March 2011
	₹ in lac	₹ in lac
Not later than one period/year	38.73	212.23
Later than one period/year but not later than 5 years	132.73	962.14
Later than 5 years but not later than 15 years	96.35	896.14

#### b) Cancellable lease:

The other leasing agreements for the premises are considered as cancellable leasing agreements. The aggregate lease rentals are charged as Rent under "Other Expenses" Note 31 which forms part of the financial statement.

Particulars	For the year ended	For the year ended
	30th June 2012	31st March 2011
	₹ in lac	₹ in lac
Not later than one period/year	101.08	175.22
Later than one period/year but not later than 5 years	243.52	64.38
Later than 5 years but not later than 15 years	-	-

### 17. Dues to Small Scale Undertakings:

Based on the information available with the Company, none of the vendors fall under the definition of micro, small and medium scale enterprises. This information is not verifiable by the auditors.

18. Figures of the previous year have been regrouped/ rearranged wherever necessary to correspond with the figures of the current period. Amounts and other disclosures for the preceding period are included as an integral part of the current period financial statements and are to be read in relation to the amounts and other disclosures relating to the period ending as on 30th June, 2012.

For and on behalf of  
**BORKAR & MUZUMDAR**  
Chartered Accountants

For and on behalf of the Board of Directors  
**Pankaj Kumar**  
Chairman

**Kiran Kulkarni**  
Managing Director

**Rajesh Batham**

Partner

Membership Number: 035941 | FRN: 101569W |

Place : Mumbai | Date : 17th April, 2014







“Coming together is a beginning;  
keeping together is progress;  
working together is success.”

Henry Ford

# Notice

Notice is hereby given that the 13th Annual General Meeting (post demerger) of the Members of GEODESIC LIMITED will be held on Saturday, 10th May, 2014 at 10.00 am at AIPMA House, A-52, Street No. 1, M.I.D.C. Marol, Andheri (East), Mumbai - 400 093 to transact the following business:

## Ordinary Business

### Item no. 1 – Adoption of Accounts

To receive, consider and adopt the Audited Balance Sheet as at 30-Jun-2013 and the Profit and Loss Account for the financial year ended 30-Jun-2013 and the Reports of the Directors and Auditors thereon, along with relevant enclosures.

### Item no. 2 – Re-appointment of Mr. Prashant Mulekar

To appoint a Director in place of Mr. Prashant Mulekar, who retires from

office by rotation and being eligible, offers himself for re-appointment.

### Item no. 3 – Appointment of Statutory Auditors

To appoint Auditors to hold office for a term of 5 years from the conclusion of this Annual General Meeting until the conclusion of the 18th Annual General Meeting (post demerger) pursuant to section 139 of the Companies Act, 2013 and to fix their remuneration and to pass the following resolution thereof:

"RESOLVED THAT the Company's Auditors, M/s. Borkar & Muzumdar, Chartered Accountants, Mumbai (Regn no. 101569W), who retire, but being eligible, offer themselves for re-appointment, be and are hereby re-appointed as Auditors of the Company for the period of 5 years to hold office from the conclusion of this

Meeting until the conclusion of the 18th Annual General Meeting (post demerger) pursuant to section 139 of the Companies Act, 2013 at a remuneration fixed by the Board of Directors of the Company."

## Special Business:

Item No. 4 – To consider and adopt the Revised Audited Balance Sheet as at 30-Jun-2012 and Revised Profit and Loss Account for the year ended 30-Jun-2012 together with the Revised Auditors Report thereon.

By order of the Board of Directors

Place: Mumbai

Date: 17th April, 2014

**Pankaj Kumar**

Chairman

## Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND, ON A POLL, VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.  
  
THE INSTRUMENT OF PROXIES IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of Item No. 4 of the Notice as set out above is annexed hereto.
3. Members attending the Meeting should bring duly-filled Attendance Slips sent herewith and the corporate members are requested to also send a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting. Members who hold shares in electronic form are requested to bring their Client ID and DP ID or Folio numbers for easy identification and attendance at the meeting. Members are further requested to quote their Folio/Client ID & DP ID nos. in all correspondences.
4. The Register of Members and Share Transfer Book of the Company will remain closed from 5th May, 2014 to 10th May, 2014 (both days inclusive) for the purpose of Annual General Meeting and payment of dividend.
5. In case of Joint holders attending the Meeting, only such joint holder who is higher in order of names will be entitled to vote.
6. Members willing to claim dividends, which remain unclaimed, are requested to correspond with Khyati Mehta, Acting Company Secretary, at the Company's Registered Office or to the RTA. Company has uploaded on its website names of members who have not claimed dividend for previous years. Members are requested to note that dividends not encashed or claimed within 7 years from the

date of transfer to the Company's Unpaid Dividend Account, will, as per Section 205A of the Companies Act, 1956, be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 124 of the Companies Act, 2013 and no claim shall lie against the Company and the said fund.

7. Information about Mr. Prashant Mulekar, Executive Director who is proposed to be reappointed:

Mr. Prashant Mulekar, who is 47 years of age, joined the Board on 10-April-2001. He is a mechanical engineer from VJTIS and did his master in Business Management from IIM Lucknow. He then went on to work with TELCO and SIDBI (the principal Financial Institution for the promotion, financing and development of small scale sector industry). He also consulted with various companies like Aftak Infosys Ltd., Hindustan Platinum Ltd. etc. and was also involved in restructuring companies to turnaround and making them viable again. His colleagues say that although a reticent person, he is extremely witty and has an amazingly in-depth knowledge of his field. His contribution towards the growth of the Company is phenomenal and serves as a strong back-bone to Geodesic. Mr. Prashant Mulekar is holding 13,09,203 equity shares of the Company.

He is a Director of the following companies:

Chandamama India Limited

Geodesic Holdings Limited, Mauritius

Geodesic Technology Solutions Limited, Hongkong

Geodesic Information Systems Inc.

He is the Chairman of Audit Committee of Chandamama India Limited.

8. Members are requested to intimate the following information to the below mentioned authorities accordingly:

**i. Electronic Clearing Service (ECS):**

a. Members holding shares in dematerialised mode are requested to instruct their respective Depository Participants regarding the Bank Accounts in which they wish to receive the dividend and the same bank details as furnished by the respective Depositories to the Company will be used for the purpose of distribution of dividend through ECS as directed by the Stock Exchange. The Company/Registrar and Share Transfer Agents will not act on any direct request from members holding shares in dematerialised form for change/deletion of such Bank details.

b. Members holding shares in physical form desirous of availing the facility of Electronic Credit of Dividend (ECS), may advise the Company with their ECS

mandates in the prescribed form, which can be downloaded from the Company's website or can be obtained from the Registrar and Transfer Agents, M/s. Universal Capital Securities Private Limited.

- c. Non-Resident Indian shareholders are requested to inform the Company or its Share Transfer Agent or the concerned Depository Participant, as the case may be, immediately about the particulars of the NRE Account with a Bank in India, if not furnished earlier.

**ii. Change of Address:**

a. Members are requested to notify immediately any change of address to their respective Depository Participants in case they hold shares in dematerialised form

b. Members are requested to notify immediately any change of address to the Registrar and Share Transfer Agents of the Company if the shares are held in physical form.

c. Non-Resident Indian Shareholders are requested to inform the Company or its Share Transfer Agent or the concerned Depository Participant, as the case may be, immediately about the change in the Residential Status on return to India for permanent settlement.

**iii. Consolidation of holdings:**

Members holding shares in more than one folio in identical order of names are requested to write to Company's Registrar and Share Transfer Agents enclosing their Share Certificates to enable them to consolidate the holdings in one folio to facilitate better service.

9. Members desiring any information as regards the accounts, are requested to write to the Company Secretary at least 7 days prior to the date of

the Meeting so that the information required may be made readily available at the Meeting.

10. The Members are requested to update their Email Ids with their DPs/ Brokers in order to get the Annual Reports and other correspondences from the Company via Email in accordance with the Green Initiative taken by the Ministry of Corporate Affairs in Corporate Governance.
11. Members are requested to send all

communications relating to shares to the Company's Registrar & Share Transfer Agents at the following address:

**M/s Universal Capital Securities Private Limited**

21 Shakil Niwas, Opp Satya Saibaba Temple, Mahakali Caves Road, Andheri (E), Mumbai – 400 093  
Phone: +91-22-28221966  
Fax: 28211996  
Email: info@unisec.in

## Annexure to Notice

### Explanatory Statements as required under Section 102 of the Companies Act, 2013.

**Item No. 4**

The members of the Company approved the Balance Sheet as at 30-Jun-2012 and the Profit and Loss Account for the year ended on 30-Jun-2012, at the Annual General Meeting held on 11-Feb-2013. The Company purchases basic modules, integrates it into our product and then sells the Integrated Workflow Modules to the customers. Major technical deficiencies and bugs were reported in the Integrated Modules sold by the Company and these technical issues resulted in operational failures at the client end. The Company had various discussions with its debtors to salvage the situation and one of the options was to agree for a full sales return. To stand by its customers, the Company decided to go in for complete

sales returns. This would result into heavy losses but would enable the Company to retain its credibility and would be able to prospect with the same Company again in the future. At that point of time, one option for the Company to minimise its losses was to negotiate with the creditors of the Company to accept their module licenses back. The Company successfully persuaded creditors to accept their module licenses back. These entries pertained to the FY 2011-12 and so the Company had to reopen the accounts for the year ended 30-Jun-2012 and revise them to give effect to the sales and purchase return entries. The revised Audited Annual Accounts would also be for the period of 15 months from April 2011 till June 2012. The revised accounts with

the Auditors Report thereon are enclosed. Approval of Members is therefore required as per the notice.

None of the directors, managers, key managerial personnel of the Company is in any way concerned or interested in this Resolution.

The Board recommends the Resolution for approval by the Members.

By order of the Board of Directors

Place: Mumbai  
Date: 17th April, 2014

**Pankaj Kumar**  
Chairman

# Attendance Slip

**GEODESIC**

**Geodesic Limited**

**Registered Office:** B-3 Lunic Industries, Opp. State Bank of India, Cross Road B, MIDC, Andheri (E), Mumbai – 93

DP. ID*	
Client ID*	

Folio No.	
No. of shares	

I/ We hereby record my/our presence at the 13th ANNUAL GENERAL MEETING (post demerger) of the Company held on Saturday, 10th May, 2014 at 10.00 am at AIPMA House, A-52, Street No. 1, M.I.D.C. Marol, Andheri (East), Mumbai – 400 093.

Full Name of the Shareholder in Block Letters: \_\_\_\_\_

Name of proxy (if any) in block letters: \_\_\_\_\_

\_\_\_\_\_  
Signature of the Attending Member/ Proxy

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE HALL.



# Proxy form

**GEODESIC**

**Geodesic Limited**

**Registered Office:** B-3 Lunic Industries, Opp. State Bank of India, Cross Road B, MIDC, Andheri (E), Mumbai – 93

DP. ID*	
Client ID*	

Folio No.	
No. of shares	

I/ We \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ being member/members of GEODESIC LIMITED hereby appoint(s) \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ or failing him/her \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ as my/our proxy to vote for me/ us on my/ our behalf at the 13th ANNUAL GENERAL MEETING (post demerger) of the Company to be held on Saturday, 10th May, 2014 at 10.00 am at AIPMA House, A-52, Street No. 1, M.I.D.C. Marol, Andheri (East), Mumbai – 400 093.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2014

Signature \_\_\_\_\_

Affix  
Re.1  
Revenue  
Stamp

**Note:** In order to be effective the Proxy form duly completed must be deposited at the Registered Office of the Company not less than 48 hours before the time of holding the meeting.

\* Applicable for shares held in dematerialised form.



**GEODESIC**

**Geodesic Limited**

B-3, Lunic Industries, Cross Road No. B,  
Opp. State Bank of India, MIDC, Andheri (East), Mumbai 400 093

Tel: +91-22-28311849, +91-22-28306804

Fax: +91-22-28200832 | Email: [invrel@geodesic.com](mailto:invrel@geodesic.com)