

**3D PLM SOFTWARE SOLUTIONS LTD.**

**THIRD ANNUAL REPORT AND ACCOUNTS  
FOR THE YEAR ENDED MARCH 31, 2004**



**Regd. Office :**

**Plant 14, Pirojshanagar, Vikhroli (E)**

**Mumbai - 400 079 Tel. : 5599 5100. • Fax : 55960891**

## Director's Report to the Members

The Directors have pleasure in presenting their report on the business and operations of the Company for the year ended March 31, 2004.

### 1. FINANCIAL RESULTS:

The Company's operating performance during the year ended March 31, 2004 as compared to the previous year, is summarised below:

|   | Current<br>Year<br>Rupees | Previous<br>Year<br>Rupees |
|---|---------------------------|----------------------------|
| Sales and Other Income  | 332,304,404               | 196,365,920                |
| Operating Profit / (Loss)<br>(Profit Before Interest, Depreciation and Tax) | 150,875,994               | 82,046,975                 |
| Interest  | -                         | 867,354                    |
| Gross Profit / (Loss) Before Depreciation                                   | 150,875,994               | 81,179,621                 |
| Depreciation  | 36,335,756                | 15,211,161                 |
| Profit / (Loss) Before Taxes  | 114,540,238               | 65,968,460                 |
| Provision for Taxes   | 2,460,022                 | 3,154,816                  |
| Profit / (Loss) After Taxes   | 112,080,216               | 62,813,644                 |
| Balance Brought Forward   | 38,932,101                | (1,835,343)                |
| Profit / (Loss) Available for Appropriation                                 | 151,012,317               | 60,978,301                 |
| Appropriations:   |                           |                            |
| Interim Dividend  | 59,156,000                | 15,046,200                 |
| Proposed Dividend   | 15,432,000                | -                          |
| Dividend Tax  | 9,556,588                 | -                          |
| Transfer to General Reserve   | 12,000,000                | 7,000,000                  |
| Balance Carried Forward   | 54,867,729                | 38,932,101                 |

### DIVIDEND:

The following interim dividends were declared and paid during the year:-

| Date of declaration | % to Paid<br>up capital | Rs. per<br>share | Total amount<br>of dividend | Dividend<br>Distribution Tax |
|---------------------|-------------------------|------------------|-----------------------------|------------------------------|
| June 23, 2003       | 100                     | 10               | 12,860,000                  | 1,647,688                    |
| September 22, 2003  | 120                     | 12               | 15,432,000                  | 1,977,225                    |
| December 18, 2003   | 120                     | 12               | 15,432,000                  | 1,977,225                    |
| March 08, 2004      | 120                     | 12               | 15,432,000                  | 1,977,225                    |
| Total               | 460                     | 46               | 59,156,000                  | 7,579,363                    |

The Board of Directors recommends a final dividend of 120% (Rs. 12/- per share) on the paid up capital of the Company. The final dividend will absorb Rs.15,432,000/- and dividend distribution tax thereon will be Rs.1,977,225/-

### BUSINESS PROSPECTS:

Your Company's main business is to accelerate introduction of Dassault Systemes (DS) brands in the marketplace.

There has been an increase in the activities associated with product development particularly in the areas of customer support, documentation and technical support. This is in addition to development and quality assurance activities.

Your Company is involved in major new projects for the Enovia and Catia brands leading to a growth in people and hardware resources. Your Company started a new area of activity involving core development for the Spatial brand. It continues to be deeply involved in development activities for the Solidworks brand. Services activity has also started in the areas of development around Catia, courseware development and Enovia data migration. A focus area is creating a product culture in the Company

that encourages building areas of expertise. Visits by key DS management personnel have further strengthened the relationship. Your Company is a strategic development partner in the DS Extended Enterprise.

#### 4. DIRECTORS:

Your Directors were appointed in the Annual General meeting held on April 22, 2002 for a term of three years. Two-third i.e. 4 of the Directors were appointed on principle of proportional representation. As per Article 54 of the Articles of Association of the Company no Director is liable to retire by rotation.

Mr. Berjis Desai ceased to be an Alternate Director of the Company w.e.f. January 9, 2004.

#### 5. AUDITORS:

M/s. Deloitte Haskins & Sells, Auditors of the Company, retire at the forthcoming Annual General Meeting and being eligible offer themselves for reappointment.

#### 6. DISCLOSURE UNDER SECTION 217 (1) (e) OF THE COMPANIES ACT, 1956:

In terms of section 217 (1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, the Directors furnish herein below the required additional information:

- a) Conservation of Energy: The nature of the Company's operations entail a very low level of energy consumption.
- b) Research & Development (R&D): The Company is actively involved in the software development activities.
- c) Technology Absorption: The Company has not imported any technology during the year under review.
- d) Foreign Exchange Earnings and Outgo: The Company's foreign exchange earnings during the period under review amount to Rs. 315,981,355/- details of which have been given in the Notes forming part of the Accounts (Note No.10 of schedule "J").

#### 7. PARTICULARS OF EMPLOYEES:

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

#### 8. COMPLIANCE CERTIFICATE:

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

#### 9. DIRECTORS RESPONSIBILITY STATEMENT:

The Board of Directors of the Company confirms:

- i. that in preparation of the annual accounts, the applicable accounting standards have been followed and there has been no material departure;
- ii. that the selected accounting policies were applied consistently and the directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2004 and of the profit of the Company for the year ended on that date;
- iii. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. that the annual accounts have been prepared on a going concern basis.

#### 10. ACKNOWLEDGEMENTS:

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

On behalf of the Board of Directors

**MANU PARPIA**  
Managing  
Director

**MARTINE WALLIMANN**  
Director

Mumbai,  
April 16, 2004



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### **Annexure to the Directors' Report**

Information as per Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year ended 31st March, 2004

The information is in the following format:

Sr. No., Name, Designation, Qualification, Age in Years, Date of Joining, Experience in years, Gross remuneration in Rs. and Previous Employment.

#### **Employed for the whole year**

1. Mr. Nikunj Desai, Director-Projects, BE(Mech) M Tech (CS), 40, 1-Dec-02, 20, 2943495, Geometric Software Solutions Co. Ltd. Director-Projects.

#### **Employed for part of the year**

1. Mr. Prasad Joshi, Chief Operating Officer, BE(Mech) M Tech (Mech), 41, 15-Apr-02, 18, 384770, Geometric Software Solutions Co. Ltd.- Head of Engg (Projects)
2. Mr. B.R. Lanka, Chief Operating Officer, BE (Mech) M Tech(Prod),40, 2-May-03, 16, 2084015, Geometric Software Solutions Co. Ltd., Head of Engg. (Projects)
3. Mr. Venkat Seshagiri Rao Cheru, Software Engineer, B. Tech (Civil) M Tech (Cons. Tech. & Mgmt.), 28, 01-Dec-02, 3, 484478, Geometric Software Solutions Co. Ltd. Software Designer



**Secretarial Compliance Certificate**

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

3D PLM Software Solutions Ltd.

To,  
The Members,  
3D PLM Software Solutions Ltd,  
Plant 14, Pirojshanagar,  
Vikhroli (East), Mumbai 400 079.

I have examined the registers, records, books and papers of 3D PLM Software Solutions Ltd, as required to be maintained under the Companies Act, 1956 (the Act), and the Rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the Financial Year ended 31<sup>st</sup> March, 2004.

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

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made thereunder and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made thereunder.
3. The Company, being a Public Limited Company, has the minimum prescribed Paid Up Share Capital.
4. The Board of Directors duly met eight (8) times on 14<sup>th</sup> April, 2003, 23<sup>rd</sup> June, 2003, 15<sup>th</sup> July, 2003, 22<sup>nd</sup> September, 2003, 14<sup>th</sup> October, 2003, 18<sup>th</sup> December, 2003, 9<sup>th</sup> January, 2004 and 8<sup>th</sup> March, 2004 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed, including the Circular Resolutions passed, in the Minutes Book maintained for the purpose.
5. The Company has not closed its Register of Members and/or Debenture holders during the Financial Year.
6. The Annual General Meeting for the Financial Year ended 31<sup>st</sup> March, 2003 was held on 14<sup>th</sup> April, 2003, after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
7. No Extra Ordinary General Meeting was held during the Financial Year.
8. The Company has not advanced any loans to its directors or persons or firms or companies referred to in Section 295 of the Act.
9. The Company has not entered into any contracts falling within the purview of Section 297 of the Act.
10. The Company has made the necessary entries in the Register maintained under Section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, the company has not obtained any approvals from the Board of Directors, members or the Central Government, as the case may be.
12. The company has not issued any duplicate share certificates during the financial year.
13. (i) There were no allotment of shares of the company during the year under review, and thus the company was not required to deliver any share certificates to the allottees. The company has delivered all the certificates of shares on the lodgment thereof for transfer/transmission.  
(ii) The company did not declare any Final Dividend during the Financial Year ended 31<sup>st</sup> March, 2004. However, it declared Interim Dividend during the Financial Year ended 31<sup>st</sup> March, 2004, on 23<sup>rd</sup> June, 2003, 22<sup>nd</sup> September, 2003, 18<sup>th</sup> December, 2003 and 8<sup>th</sup> March, 2004 the amounts of which were deposited in separate Bank Accounts within five days from the respective dates of declaration of such Interim Dividend.  
(iii) The company did not declare any Final Dividend during the Financial Year ended 31<sup>st</sup> March, 2004. However, it declared Interim Dividend during the Financial Year ended 31<sup>st</sup> March, 2004, on 23<sup>rd</sup> June, 2003, 22<sup>nd</sup> September, 2003, 18<sup>th</sup> December, 2003 and 8<sup>th</sup> March, 2004, in respect of which the dividend warrants have been posted to all the members within a period of thirty days from the date of declaration. As on the date of this report there were no amounts outstanding under the head 'Unpaid/Unclaimed Dividend'.  
(iv) The company has duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted, and there was no appointment of directors, additional directors, alternate directors and



- directors to fill casual vacancies during the financial year. Mr. Berjis Desai, the alternate director, vacated his office, in that capacity, with effect from 9<sup>th</sup> January, 2004 on the return of Ms. Martine Wallimann, the original director.
15. The appointment of Managing Director has been duly made in compliance with the provisions of Section 269 read with Schedule XIII of the Act. The company was not required to obtain the approval of the Central Government to the appointment of Managing Director. The company has not appointed any Whole-time Director or Manager.
  16. The Company has not appointed any Sole Selling Agents during the financial year.
  17. There was no such activity for which the company was required to obtain any approval of the Central Government, Company Law Board, Regional Director, Registrar of Companies and/or such authorities prescribed under the various provisions of the Act.
  18. The directors have disclosed their interest in other firms/ companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
  19. The Company has not issued any shares, debentures or other securities during the Financial Year.
  20. The Company has not bought back any shares during the Financial Year.
  21. The Company has not issued any Preference Shares or Debentures and hence there was no redemption of Preference Shares or Debentures during the financial year.
  22. There were no transactions necessitating the company to keep in abeyance the rights to dividend, Rights Shares and Bonus Shares pending registration of transfer of shares.
  23. The Company has not invited/accepted any deposits including any unsecured loans falling within the purview of Section 58A of the Act, during the financial year.
  24. The Company has not made any borrowings during the Financial Year ended 31<sup>st</sup> March, 2004.
  25. The Company has not made any loans or advances or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose.
  26. The Company has not altered the provisions of the Memorandum with respect to the situation of the Registered Office of the Company from one State to another during the year under scrutiny.
  27. The Company has not altered the provisions of the Memorandum with respect to the Objects of the Company during the year under scrutiny.
  28. The Company has not altered the provisions of the Memorandum with respect to the name of the Company during the year under scrutiny.
  29. The Company has not altered the provisions of the Memorandum with respect to the Share Capital of the Company during the year under scrutiny.
  30. The Company has not altered its Articles of Association during the Financial Year.
  31. There was no prosecution initiated against or Show Cause Notices received by the Company for offences under the Act.
  32. The Company has not received any money as security from its employees during the financial year.
  33. The company has deposited both the employees' and the employers' contributions to Provident Fund with the prescribed authorities pursuant to Section 418 of the Act.

Name of Company Secretary : Atul Jayant Gandhi  
 Certificate of Practice No. : 2095

Place: Mumbai.  
 Date : 5<sup>th</sup> April, 2004

