



GEOMETRIC LTD

JULY 14, 2016

SECTOR SOFTWARE AND
IT SERVICES

RECOMMENDATION

Buy @ 215, Target 250

Report By: Vikash Kandoi – vikash@dynamiclevels.com





Specialist in Engineering services & Technologies

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Company's Overview and Stock Price

Geometric Ltd is a specialist in the domain of engineering services and Technologies. The Company is headquartered in Mumbai, India. Its portfolio includes Product Lifecycle Management (PLM) Global Engineering Services, Embedded Systems, and Digital Technology

Geometric technology solutions (GTS) business unit develops design and manufacturing productivity tools and technologies that includes DFMPRO, CAMWorks, GeomCaliper, eDrawings Publisher, Glovius, NestLib, Feature Recognition (FR), GeomDiff and 3DSearchIT.

Key business verticals of this company are Aerospace, Automotive, Heavy Engineering and High-Tech.

Geometric has a joint venture with Dassault Systèmes, 3D PLM Software Solutions Ltd., which was set up in 2002 with an equity participation of 58% and 42% respectively. Geometric and Dassault Systèmes have reached an agreement whereby Dassault Systèmes will acquire full ownership of 3DPLM software solutions Ltd.

EXCHANGE SYMBOL	GEOMETRIC
Current Price * (Rs.)	221.60
Face Value (Rs.)	2.00
52 Week High (Rs.)	236.45 (18-Apr-16)
52 Week Low (Rs.)	105.50 (29-Jun-15)
Life Time high (Rs.)	236.45 (18-Apr-16)
Life Time low (Rs.)	5.22 (10-Aug-01)
Average Daily Movt	7.14
Average Volume	198919
1 Month Return (%)	-0.36
P/E Ratio (x)	13.47
Book Value	62.53
Market Cap	1427.18 (Cr)
% of Promoter pledged	0.00

This is a 1 year weekly chart of Geometric showing support at 200 levels.





Product overview

1. DESIGN Solutions

Design Knowledge Capture and Reuse, Cost Reduction and

Productivity Improvement Solutions

Winning in today's dynamic marketplace requires more than just creating innovative product designs. To succeed, companies must also focus on efficient manufacturing within budget and schedule targets.

Design for Excellence, commonly referred to as DFX strategy, is beginning to show significant success in meeting product realization goals, enabling companies to capture downstream knowledge and ensure that designs not only meet functional requirements but also address attributes such as manufacturing, assembly, cost, quality and time-to-market early in the development lifecycle.

Partner with Geometric, a recognized leader in delivering superior design for excellence technology solutions to standardize and automate your design to manufacturing processes, improving your ability to meet target dates and costs while delivering products that meet customer requirements.

2. Manufacturing Solutions

Manufacturers continue to struggle with accelerated production cycles, tough competition and changing labor demographics. To keep up with these ever-changing business dynamics, manufacturers are adopting increasing amounts of automation and robotics. To make this transition easier, next-generation CNC programming solutions are available from Geometric to help machinists around the world program smarter and machine faster. Manufacturers are now empowered to maximize productivity and minimize costs through scrap reduction by leveraging our ready-to-deploy material optimization and process optimization technologies.

World-class manufacturers require cutting-edge technology solutions that enhance design productivity and optimize manufacturing operations. Partner with Geometric, a recognized leader in delivering superior technology solutions that enable you to meet those challenging production cycles and beat your competition.

3. Visualization Solutions

The changing engineering landscape necessitates a collaborative environment where cross-disciplinary teams from manufacturing, quality and service, as well as external suppliers and customers, can contribute effectively in the product design process. With use of multiple CAD platforms and proprietary formats in engineering, sharing design data cross-functionally with the extended enterprise is often expensive, inefficient and time-consuming.

Visualization solutions from Geometric provide you with a powerful way to simplify high fidelity 3D data and offer a rapid, seamless and affordable platform to consume 3D CAD data across the value chain, from design and engineering, to marketing and sales. Benefit from the latest high-fidelity visualization



technologies from Geometric that address visualization needs, anytime, anywhere.

Geometric focus on three Industries

- Automotive
- Industrial Heavy Equipment
- Aerospace and Defence

1. Automotive

The automotive industry is witnessing a remarkable transformation as it reinvents itself for both the next generation consumer and its next technology-driven journey. Automotive executives are increasingly faced with critical decisions that will define the winning strategies to simultaneously respond to traditional business improvement demands, compete with disruptive entrants and remain poised to take advantage of the next business growth opportunities. Success will be determined by the ability of organizations to accelerate innovation, intensify collaboration and identify cost improvements. The current legacy enterprise systems, business processes and internal expertise are incapable of enabling the necessary transformation.

Geometric combines both deep domain knowledge and technology expertise as it partners with automotive leaders, empowering them to respond to the changing business dynamics through:

- **Process Transformation** – New product development processes for integrating software and electronic content
- **Partner Collaboration** – Timely realization of partnerships to gain access to local markets, technology and resources
- **Next Generation PLM Strategies** – Digital thread roadmap for seamlessly connecting engineering, manufacturing, service and usage to deliver an optimized customer experience

- **Informed Product Cost Decisions** – Systematic cost control opportunities to offset regulation and feature driven content costs
- **Autonomous Capabilities** – Increasing demands for sophistication in processing of autonomous vehicle surroundings

2. Industrial Heavy Equipment and Machinery Industry

A sluggish economy and plummeting commodity prices have had a punishing effect on manufacturers of equipment for oil and gas, construction, mining and agriculture. Buyers of these products are being cautious with their capital investments, keeping older equipment in service longer, buying replacements only when absolutely necessary. And yet, the market is demanding that the same technological advancements seen in other industries, such as automotive, also be offered for heavy industrial equipment. Geographic information systems (GIS), GPS, and 3D models enable automated machinery operation and real-time kinematic (RTK) technology to achieve extremely accurate strip-till fertilizing and seeding. Utilization of 3D printing technologies facilitates expansion into aftermarket support. These are but a few of the technological demands being placed on Industrial Heavy Equipment and



Machinery manufacturers. This results in major challenges for equipment manufacturers to balance R&D investment with the realities of a stagnant or slowly growing market.

Solutions Provided by Geometric

PLM Value Realization

PLM (Product Life Cycle Management) is increasingly being seen as a strategic capability for maintaining competitive advantage. However, executives are under immense pressures to ensure the strategic intent of their PLM system, because enterprises have been unable to consistently maximize the business impact of the significant investments they have made in these systems. This inconsistency can be attributed to the value gaps that get introduced during the evolution of the Enterprise.

Geometric help its customer with

- Widening of the PLM Value Gap
- Don't Face these Challenges Alone!
- What ROI Should You Expect?

Engineering Services

In an environment of increasing product complexity and changing growth markets, the success of global manufacturers' cost effective innovation-led growth strategies will be defined by:

Their ability to **control product cost** leveraging productivity gains, as component costs are set to rise steeply in this decade.

Enabling **seamless interaction** of reliable embedded software with hardware components, the key to the success of smart products

Efficient calibration of manufacturing optimization strategies to enable a smooth transition from asset-led to information-driven, is crucial to harness the immense opportunities of advancements in manufacturing processes

To maintain their competitive advantage, organizations need to execute an integrated strategy that enables continuous cost improvement across the product realization value stream, while accelerating revenue growth through innovation. Geometric is uniquely positioned to help create innovative products while maintaining productivity targets. Leveraging combined strengths in mechanical engineering, manufacturing engineering, electronics and engineering IT, we bring together a blend of traditional and next generation services and solutions, enabling customers to achieve productivity targets, making us the preferred partner of leading global manufacturers.



Systems Engineering

Integrated Systems Engineering

Requirements driven multi-disciplinary model based engineering has emerged as the most effective strategy for designing and managing complex systems over their life cycles. It requires synchronization of the development cycles across engineering disciplines and sharing of relevant data at the beginning of the development process to enable convergence between the individual disciplines. Integrated Systems Engineering calls for seamless interaction of mechanical, electronics and software domains. When successfully done, companies can optimize the behavioral and functional attributes of their products. Effective organization-wide adoption of a Systems Engineering paradigm requires changes within the organization, and also involves forging new partnerships and rethinking supplier integration strategies. Companies need to think holistically about the implementation as it will impact people (skills, organization structure and commitment), processes, technology, and deployment. PLM platforms need to accommodate Systems Engineering from a requirements driven model based design perspective, providing bidirectional traceability and associativity so that everyone along the value stream has a good understanding of the risks of the decisions they make and the impact those decisions have against the requirements of the product. Implementation of a Systems Engineering strategy can be a daunting task as it requires new best practices and methods, tools and organizational support.

Proven automotive concepts, like the AUTOSAR software architecture for electronic control units, controller area network (CAN) and automotive Ethernet, are now being placed into tractors, harvesters, mining equipment and construction machines at an accelerating rate. Leveraging its automotive experience, Geometric supports manufacturers of off-highway vehicles in developing and testing new system architectures, advanced mechatronic functionality and superior operator-machine interfaces, up to autonomous and connected equipment. Partner with Geometric to create and sustain your competitive advantage.



Industry Outlook

Introduction

India is the world's largest sourcing destination for the information technology (IT) industry, accounting for approximately 67 per cent of the US\$ 124-130 billion market. The industry employs about 10 million workforces. More importantly, the industry has led the economic transformation of the country and altered the perception of India in the global economy. India's cost competitiveness in providing IT services, which is approximately 3-4 times cheaper than the US, continues to be the mainstay of its Unique Selling Proposition (USP) in the global sourcing market. However, India is also gaining prominence in terms of intellectual capital with several global IT firms setting up their innovation centres in India.

The IT industry has also created significant demand in the Indian education sector, especially for engineering and computer science. The Indian IT and ITeS industry is divided into four major segments – IT services, Business Process Management (BPM), software products and engineering services, and hardware.

The IT-BPM sector which is currently valued at US\$ 143 billion is expected to grow at a Compound Annual Growth Rate (CAGR) of 8.3 per cent year-on-year to US\$ 143 billion for 2015-16. The sector is expected to contribute 9.5 per cent of India's Gross Domestic Product (GDP) and more than 45 per cent in total services export in 2015-16.

Market Size

The Indian IT sector is expected to grow at a rate of 12-14 per cent for FY2016 in constant currency terms. The sector is also expected to triple its current annual revenue to reach US\$ 350 billion by FY 2025, as per National Association of Software and Services Companies (NASSCOM).

India, the fourth largest base for new businesses in the world and home to over 3,100 tech start-ups, is set to increase its base to 11,500 tech start-ups by 2020, as per a report by NASSCOM and Zinnov Management Consulting Pvt. Ltd.

India's internet economy is expected to touch Rs 10 trillion (US\$ 146.72 billion) by 2018, accounting for 5 per cent of the country's GDP, according to a report by the Boston Consulting Group (BCG) and Internet and Mobile Association of India (IAMAI). India's internet user base reached over 350 million by June 2015, the third largest in the world, while the number of social media users grew to 143 million by April 2015 and smartphones grew to 160 million.

Public cloud services revenue in India is expected to reach US\$ 838 million in 2015, growing by 33 per cent year-on-year (y-o-y), as per a report by Gartner Inc. In yet another Gartner report, the public cloud market alone in the country was estimated to treble to US\$ 1.9 billion by 2018 from US\$ 638 million in 2014. Increased penetration of internet (including in rural areas) and rapid emergence of e-commerce are the main drivers for continued growth of data centre co-location and hosting market in India.



Investments

Indian IT's core competencies and strengths have attracted significant investments from major countries. The computer software and hardware sector in India attracted cumulative Foreign Direct Investment (FDI) inflows worth US\$ 20.42 billion between April 2000 and December 2015, according to data released by the Department of Industrial Policy and Promotion (DIPP).

Indian start-ups are expected to receive funding worth US\$ 5 billion by the end of 2015, a 125 per cent increase in a year, according to a report by IT Industry association NASSCOM.

The Private Equity (PE) deals increased the number of Mergers and Acquisitions (M&A) especially in the e-commerce space in 2014. The IT space, including e-commerce, witnessed 240 deals worth US\$ 3.8 billion in 2014, as per data from Dealogic.

India also saw a ten-fold increase in the venture funding that went into internet companies in 2014 as compared to 2013. More than 800 internet start-ups got funding in 2014 as compared to 200 in 2012, said Rajan Anandan, Managing Director, Google India Pvt. Ltd and Chairman, IAMA.

About 554 start-ups received funding this year compared to 342 during last year. Seed and venture capital funds made investments worth US\$ 3.4 billion this year, three times the investment made last year. VC funding to the IT & ITes sector amounted to 55 per cent of total VC funding made this year.

Most large technology companies looking to expand have so far focused primarily on bigger enterprises, but a report from market research firm Zinnov highlighted that the small and medium businesses will present a lucrative opportunity worth US\$ 11.6 billion in 2015, which is expected to grow to US\$ 25.8 billion in 2020. Moreover, India has nearly 51 million such businesses of which 12 million have a high degree of technology influence and are looking to adopt newer IT products, as per the report.



Government Initiatives

Some of the major initiatives taken by the government to promote IT and ITeS sector in India are as follows:

- Mr Ravi Shakar Prasad, Minister of Communication and Information Technology, announced plan to increase the number of common service centres or e-Seva centres to 250,000 from 150,000 currently to enable village level entrepreneurs to interact with national experts for guidance, besides serving as a e-services distribution point.
- The Railway Ministry plans to give a digital push to the India Railways by introducing bar-coded tickets, Global Positioning System (GPS) based information systems inside coaches, integration of all facilities dealing with ticketing issues, Wi-Fi facilities at the stations, super-fast long-route train service for unreserved passengers among other developments, which will help to increase the passenger traffic.
- The e-Tourist Visa (e-TV) scheme has been extended to 37 more countries thereby taking the total count of countries under the scheme to 150 countries.
- Department of Electronics & Information Technology and M/s Canbank Venture Capital Fund Ltd plan to launch an Electronics Development Fund (EDF), which will be a 'Fund of Funds' to invest in 'Daughter Funds' which would provide risk capital to companies developing new technologies in the area of electronics, nano-electronics and Information Technology (IT).
- The Human Resource Development (HRD) Ministry has entered into a partnership with private companies, including Tata Motors Ltd, Tata Consultancy Services Ltd and real-estate firm Hubtown Ltd, to open three Indian Institutes of Information Technology (IIITs), through public-private partnership (PPP), at Nagpur, Ranchi and Pune.
- Government of India is planning to develop five incubation centres for 'Internet of Things' (IoT) start-ups, as a part of Prime Minister Mr. Narendra Modi's Digital India and Startup India campaign, with at least two centres to be set up in rural areas to develop solutions for smart agriculture.
- According to research firm Gartner Inc, the Indian government is expected to increase its spending on information technology (IT) products and services by 5.2 per cent to US\$ 6.88 billion in FY 2015-16.
- The Government of India has launched the Digital India program to provide several government services to the people using IT and to integrate the government

departments and the people of India. The adoption of key technologies across sectors spurred by the 'Digital India Initiative' could help boost India's Gross Domestic Product (GDP) by US\$ 550 billion to US\$ 1 trillion by 2025, as per research firm McKinsey.

- India and the US have agreed to jointly explore opportunities for collaboration on implementing India's ambitious Rs 1.13 trillion (US\$ 16.58 billion) 'Digital India Initiative'. The two sides also agreed to hold the US-India Information and Communication Technology (ICT) Working Group in India later this year.
- The Government of Telangana has begun construction of a technology incubator in Hyderabad-dubbed T-Hub-to reposition the city as a technology destination. The state government is initially investing Rs 35 crore (US\$ 5.14 million) to set up a 60,000 sq ft space, labelled the largest start-up incubator in the county, at the campus of International Institute of Information Technology-Hyderabad (IIIT-H). Once completed, the project is proposed to be the world's biggest start-up incubator housing 1,000 start-ups.

Company Financials

Statement showing quarterly percentage growth in Profit & Loss QoQ and YoY						
In Cr	Mar'16	Dec'15	Mar'15	% Growth	% Growth	Mar'16
	Quarterly	Quarterly	Quarterly	For Mar'16 & Dec'16	For Mar'16 & Mar'15	Annual
Net Sales/Income from operations	310.99	313.26	267.90	-0.72%	16.93%	1226.87
Other Operating Income	1.71	1.59	--			6.59
Total Income From Operations	312.70	314.85	267.90	-0.68%	17.53%	1233.46
Employees Cost	205.19	202.49	196.49	1.33%	3.05%	826.42
Depreciation	8.12	8.05	4.27			31.73
Other Expenses	54.68	56.65	60.70			230.57
Total Expenditure	267.99	267.19	261.46	0.30%	2.19%	1088.72
Operating Profit	44.71	47.66	6.44	-6.19%	640.06%	144.74
Other Income	14.45	7.51	7.38			49.09
P/L Before Int., Excpt. Items & Tax	59.16	55.17	13.82	7.23%	299.20%	193.83
Interest	1.13	1.11	0.93	1.80%	19.35%	4.13
P/L Before Tax	58.03	54.06	12.89	7.34%	319.39%	189.7
Tax	16.84	18.60	4.40			59.15
PAT	41.19	35.46	8.49	16.16%	317.67%	130.55
Minority Interest	-6.93	-6.50	-5.20			-25.20
Net Profit/(Loss) For the Period	34.26	28.96	3.29	18.30%	780.24%	105.35
Equity Share Capital	13.01	12.97	12.89			13.01
EPS (Rs.) [After Extraordinary items]	5.27	4.48	0.51	17.63%	778.43%	16.28

- Company's revenue has jumped by 16.93% YoY, however QoQ result was marginally down by 0.72%.
- Company's operating profit jumped by 640.60% YoY and negative of 6.19% QoQ.
- Company has very less debt go does not incur huge interest outgo.
- Net profit has jumped by 317.67% YoY and 16.16% QoQ.
- Operating profit margin during the year was 11.79%.
- Net profit margin during the year was 8.58%.

Balance sheet

In Cr	15-Mar	14-Mar	13-Mar	12-Mar
	Annual	Annual	Annual	Annual
EQUITIES AND LIABILITIES				
SHAREHOLDERS FUNDS				
Equity Share Capital	12.89	12.70	12.61	12.53
Total Share Capital	12.89	12.70	12.61	12.53
Reserves and Surplus	367.59	304.56	235.17	194.88
Total Reserves and Surplus	367.59	304.56	235.17	194.88
Total Share holders' Funds	380.47	317.25	247.78	207.42
Equity Share Application Money	0.07	0.09	0.03	0.04
NON-CURRENT LIABILITIES				
Deferred Tax Liabilities [Net]	0.00	0.00	0.00	0.00
Other Long Term Liabilities	0.00	0.00	0.00	22.18
Total Non-Current Liabilities	0.00	0.00	0.00	22.18
CURRENT LIABILITIES				
Short Term Borrowings	18.71	5.99	0.00	0.00
Trade Payables	3.80	5.15	1.55	4.13
Other Current Liabilities	38.92	39.13	30.99	54.56
Short Term Provisions	42.11	26.65	44.54	15.02
Total Current Liabilities	103.54	76.92	77.09	73.71
Total Capital And Liabilities	484.08	394.26	324.90	303.35
ASSETS				
NON-CURRENT ASSETS				
Tangible Assets	42.03	6.55	10.72	8.54
Intangible Assets	9.34	11.08	11.96	10.44
Capital Work-In-Progress	0.02	19.08	0.79	0.04
Fixed Assets	51.39	36.71	23.47	19.02
Non-Current Investments	80.96	80.96	80.96	62.66
Deferred Tax Assets [Net]	5.72	2.32	1.76	2.94
Long Term Loans And Advances	102.24	105.08	108.74	63.49
Other Non-Current Assets	0.48	0.38	0.30	0.30
Total Non-Current Assets	240.79	225.44	215.23	148.41
CURRENT ASSETS				
Current Investments	59.01	24.28	24.94	46.55
Trade Receivables	123.87	88.46	52.88	46.93
Cash And Cash Equivalents	3.69	6.17	3.39	35.27
Short Term Loans And Advances	15.49	16.87	11.85	16.26
Other Current Assets	41.24	33.04	16.62	9.94
Total Current Assets	243.29	168.82	109.67	154.94
Total Assets	484.08	394.26	324.90	303.35

Cash Flow

In Cr	15-Mar	14-Mar	13-Mar	12-Mar	11-Mar
	Annual	Annual	Annual	Annual	Annual
Net Profit/Loss Before Extraordinary Items And Tax	87.32	69.44	43.78	27.42	23.31
Net CashFlow From Operating Activities	14.12	-18.41	17.93	91.69	-15.89
Net Cash Used In Investing Activities	-21.02	24.06	-40.51	-46.86	24.77
Net Cash Used From Financing Activities	4.23	-2.86	-9.34	-11.84	-10.92
Foreign Exchange Gains / Losses	-0.01	0.08	0.00	0.00	0.00
Adjustments on Amalgamation / Merger / Demerger / Others	0.00	0.00	0.00	0.00	0.00
Net Inc/Dec In Cash And Cash Equivalents	-2.68	2.86	-31.91	32.99	-2.03
Cash And Cash Equivalents Begin of Year	5.71	2.92	34.84	1.84	3.88
Cash And Cash Equivalents End Of Year	3.02	5.79	2.92	34.84	1.84

Key Financial Ratios of Geometric			
In Cr	15-Mar	14-Mar	13-Mar
Per Share Ratios			
Basic EPS (Rs.)	11.62	8.88	5.48
Diluted EPS (Rs.)	11.40	8.72	5.40
Cash EPS (Rs.)	13.41	10.86	7.42
Book Value [Include Revaluation Reserve]/Share (Rs.)	59.05	49.98	39.31
Dividend / Share(Rs.)	2.50	2.00	1.70
Net Profit/Share (Rs.)	11.54	8.85	5.46
Profitability Ratios			
PBDIT Margin (%)	26.26	22.04	16.01
PBT Margin (%)	22.88	18.54	12.60
Net Profit Margin (%)	19.49	15.00	9.77
Return on Assets (%)	15.36	14.24	10.59
Total Debt/Equity (X)	0.05	0.02	0.00
Asset Turnover Ratio (%)	78.80	94.97	108.41
Liquidity Ratios			
Current Ratio (X)	2.35	2.19	1.42
Quick Ratio (X)	2.35	2.19	1.42
Dividend Payout Ratio (NP) (%)	21.65	22.59	31.13
Valuation Ratios			
Enterprise Value (Cr.)	1090.97	738.06	626.34
EV/Net Operating Revenue (X)	2.86	1.97	1.78
EV/EBITDA (X)	10.89	8.94	11.10
Retention Ratios (%)	78.34	77.40	68.86
Price/Net Operating Revenue	2.82	1.97	1.79
Earnings Yield	0.07	0.08	0.05



Peer Comparison

Peer Comparison on Market Liquidity and Volume

SL	INSTRUMENT	Price	Avg. Volume	Market Cap (Rs. in Cr)
1	ECLERX	1450.00	21965	5923
2	PERSISTENT	669.55	70304	5329
3	TATA ELXSI	1689.85	212837	5308
4	ZENSAR	1005.10	27489	4515
5	FSL	47.90	3966387	3320
6	NIIT TECH	503.00	188648	3085
7	KPIT	142.25	1779994	2862
8	TAKE SOLUTIONS	172.20	575681	2121
9	SONATA SOFTWARE	172.35	223991	1840
10	GEOMETRIC	219.15	143615	1432
11	SQS INDIA BFSI	992.05	11804	1058
12	SASKEN	350.95	64438	631

Company has god average volume and market capitalization this give liquidity to the share price of stock.

Peer Comparison on Investment and Valuations

SL	INSTRUMENT	Price	% Pledged	% FII Holding	P/E Ratio (X)
1	ECLERX	1450.00	0.00	27.16	16.18
2	PERSISTENT	669.55	0.00	22.56	17.92
3	TATA ELXSI	1689.85	0.00	13.43	51.98
4	ZENSAR	1005.10	0.00	3.03	14.55
5	FSL	47.90	0.00	8.96	12.54
6	NIIT TECH	503.00	0.00	31.80	15.88
7	KPIT	142.25	15.96	22.39	10.16
8	TAKE SOLUTIONS	172.20	0.00	4.30	17.80
9	SONATA SOFTWARE	172.35	1.15	13.39	11.64
10	GEOMETRIC	219.15	0.00	2.91	13.58
11	SQS INDIA BFSI	992.05	0.00	1.27	28.78
12	SASKEN	350.95	0.00	18.10	3.05

Geometric has very low PE ratio compare to its Peers which shows that company is still undervalued.



Peer Comparison on leverage Position

SL	INSTRUMENT	Price	% Pledged	Debt Equity Ratio (X)	Int. Coverage Ratio (X)
1	ECLERX	1450.00	0.00	0.00	12857.93
2	PERSISTENT	669.55	0.00	0.00	5350.38
3	TATA ELXSI	1689.85	0.00	0.00	72264.96
4	ZENSAR	1005.10	0.00	0.1	45.48
5	FSL	47.90	0.00	0.24	7.9
6	NIIT TECH	503.00	0.00	0.00	62.3
7	KPIT	142.25	15.96	0.34	13.84
8	TAKE SOLUTIONS	172.20	0.00	0.3	12.43
9	SONATA SOFTWARE	172.35	1.15	0.06	67.99
10	GEOMETRIC	219.15	0.00	0.14	44.93
11	SQS INDIA BFSI	992.05	0.00	0.00	221.62
12	SASKEN	350.95	0.00	0.00	390.65

Peer Comparison as per Quarterly Profitability

SL	INSTRUMENT	Price	PAT MAR' 16	PAT DEC' 15	PAT JUN' 15
1	ECLERX	1450.00	108.28	88.66	73.39
2	PERSISTENT	669.55	80.81	77.49	67.22
3	TATA ELXSI	1689.85	41.09	39.9	35.72
4	ZENSAR	1005.10	70.67	72.51	76.27
5	FSL	47.90	79.63	67.22	56.57
6	NIIT TECH	503.00	31.48	49.07	72.27
7	KPIT	142.25	88.5	73.49	44.41
8	TAKE SOLUTIONS	172.20	31.48	25.3	41.9
9	SONATA SOFTWARE	172.35	40.83	40.23	38.2
10	GEOMETRIC	219.15	41.19	35.46	24.92
11	SQS INDIA BFSI	992.05	10.6	7.4	8.7
12	SASKEN	350.95	174.63	11.25	9.85

Peer Comparison on Performance

SL	INSTRUMENT	1W	1M	3M	6M	1Y
1	TRIGYN	-8.91	-5.44	65	28.63	196.88
2	GEOMETRIC	-1.04	-1.77	-4.79	31.48	94.25
3	SASKEN	4.35	11.21	6.22	-3.04	59.7
4	KPIT	-7.15	-23.68	-1.86	-4.42	54.81
5	ZENSAR	-5.75	6.66	4.33	-0.53	49.12
6	SQS INDIA BFSI	1.27	-9.11	6.98	-9.05	48.49
7	FSL	0.61	7.78	38.79	30.16	45.99
8	TANLA	-2.02	8.32	-9.55	-11.85	45.8
9	TATA ELXSI	-1.76	-4.91	-12.18	-11.79	39.92
10	TAKE SOLUTIONS	-6.55	1.02	28.95	12.32	35.56
11	SONATA SOFTWARE	2.4	15.59	13.75	2.64	27.27
12	NIIT TECH	-4.84	-9.16	1.98	-7.75	20.41

Shareholding Pattern & Management

Shareholding Pattern	Mar'16	Dec'15	Sep'15	Jun'15	Mar'15
Promoter and Promoter Group (%)	37.7	37.81	38.03	38.11	38.25
Indian	37.7	37.81	38.03	38.11	38.25
Foreign	NIL	NIL	NIL	NIL	NIL
Institutions (%)	8.34	6.4	3.41	4.89	6.06
FII	8.12	2.91	3.08	4.7	5.82
DII	0.22	3.48	0.33	0.19	0.24
Non Institutions (%)	53.95	55.79	58.56	57	55.69
Bodies Corporate	4.38	NIL	5.72	5.28	5.81
Others	49.57	55.79	52.84	51.72	49.88
Custodians	NIL	NIL	NIL	NIL	NIL
Total no. of shares (cr.)	6.46	6.48	6.47	6.45	6.44

FII has made huge investment in Geometric from last quarter

COMPANY PROFILE OF GEOMETRIC, NSE, INDIA	
Date of Incorporation	25-Mar-94
Date of Listing	29-Mar-00
Management	
Name	Designation
Jamshyd N Godrej	Chairman
Kyamas A Palla	Director
Richard Riff	Director
Ajay Mehra	Independent Director
Marc Dulude	Independent Director
Milind S Sarwate	Independent Director
Anita Ramachandran	Independent Director
Manu M Parpia	Managing Director & CEO
Registered Office Address	
Plant 11, 3rd floor, Pirojshanagar, Vikhroli West), 400709, Mumbai, Maharashtra, India	
Website	http://www.geometricglobal.com



Investment Rationale

- FII has increased its stake in the company.
- The stock has surged 94% in 1 Year.
- Company's revenue has jumped by 16.93% YoY, however QoQ result was marginally down by 0.72%.
- Company's operating profit jumped by 640.60% YoY and negative of 6.19% QoQ.
- Company has very less debt go does not incur huge interest outgo.
- Net profit has jumped by 317.67% YoY and 16.16% QoQ.
- Operating profit margin during the year was 11.79%.
- Net profit margin during the year was 8.58%.
- Geometric has very low PE ratio compare to its Peers which shows that company is still undervalued.
- Attrition for the year is at 12.3% as against 14.1% in FY 15
- Launched NestingWorks™ 2016, 3D nesting software for automatically nesting layouts of SOLIDWORKS® parts and assemblies for production
- Enhanced CAMWorks® 2016 with 'machine to the mean' capabilities and support for SolidWorks MBD
- Entered a software development deal with a leading PLM ISV
- Won a PLM project with a leading Automotive player in North America
- Awarded a PLM services project with a leading European Automotive OEM
- Signed a software services engagement with a leading orthodontics equipment manufacturer

We recommend BUY in Geometric @215 with the target of 250.



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